

World Resources Institute

The World Resources Institute (WRI) is an independent scientific and public-policy research institution located in Washington, DC. It was founded in 1982 to bring greater attention to global environmental problems such as natural resource destruction, environmental pollution, and ecosystem degradation. Its mission is to foster environmental protection and **sustainability** through the generation and promotion of scientific knowledge and policy studies that can catalyze public and private action. WRI has grown significantly, and by 2000 it had a staff of over 125 professionals from 20 nations, all connected to an impressive network of scientists, policy specialists, and collaborators in over 50 nations. It is a co-producer of the biennial *World Resources: A Guide to the Global Environment*, a treasure trove of environmental data. It also publishes a diverse collection of studies and reports on global environmental issues, with summaries available at its website <http://www.wri.org>.

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World Trade Organization

The World Trade Organization (WTO) is an international agency comprising 139 member governments. The WTO was established by the Uruguay Round trade negotiations in 1994 and came into operation in 1995. The purpose of the WTO is to oversee national trade policies and to reduce barriers to commerce among countries. The underlying premise is that by liberalizing trade, governments can promote economic **development**. This premise has drawn increasing challenge during the 1990s from environmentalists who contend that in the absence of appropriate ecological policies, more trade will degrade the environment and can curtail rather than enhance prospects for sustainable economic growth.

As world trade has expanded, the international trade regime has acquired more influence. In 1999, world exports were about \$5.5 trillion. The WTO influences governments by its far-reaching rules and by the norms of open markets that it espouses.

Another important influence is the 'accession' process in which applicant governments must buy their way in by making 'concessions' to existing members. For example, **China** made numerous concessions to the USA and the **European Union** in 2000 in an effort to gain membership. Many countries yearn to join the WTO because they want a role in shaping WTO policy and because they perceive that WTO membership can increase inward foreign investment.

The creation of the WTO in 1994 capped almost 80 years of frustrated efforts to establish world trade governance. The first initiative for a World Trade Tribunal came during the Paris Peace Conference following the First World War. In 1927, the League of Nations sponsored a treaty to abolish import prohibitions, but it fell one nation short of ratification. During the drafting of this treaty, the governments recognized that some import restrictions did not need to be abolished and provided an exception for trade measures used to protect animals and plants from disease or extinction. In 1947, 23 countries negotiated the General Agreement on Tariffs and Trade (GATT) to establish rules against certain discriminatory and protectionist government trade policies. The GATT was intended to be auxiliary to the establishment of an International Trade Organization in 1948, but the treaty establishing this agency received insufficient ratifications. During the negotiations for this treaty (1946–8), the governments recognized the link between trade and **nature**, and provided that trade rules would permit intergovernmental agreements relating solely to the conservation of **fisheries**, birds, or wild animals. Over the following decades, the GATT spawned several 'rounds' of trade negotiations and tightened world trade rules. In 1994, GATT member governments agreed to establish the WTO which would incorporate the GATT and add several new agreements that vastly expand the scope of world trade governance.

The Uruguay trade round (1986–94) coincided with the so-called 'trade and environment' debate. The environment was not on the agenda for the round, but by the late 1980s, environmental non-governmental organizations (NGOs) recognized the importance of trade-environment linkages and

began to push the GATT to consider the environmental implications of trade. The grassroots concerns about the GATT were heightened by a GATT arbitral panel decision in 1991 in the Tuna-Dolphin dispute. In that case, the panel ruled that the US tuna import ban was a violation of trade rules. The USA was banning tuna from countries (like **Mexico**) whose fishing vessels were killing many dolphins as they dropped nets on tuna. The panel ruled that the GATT did not permit the USA to safeguard foreign dolphins, but this decision provoked such an uproar that it was never adopted by the GATT.

The governments did not add environment to the Uruguay Round agenda, but did set up a Committee on Trade and Environment in the WTO. This Committee has accomplished little since 1995. One problem is that it is composed largely of national trade officials with little understanding or empathy for the environment. The Committee has refused regular participation by the **United Nations Environment Programme** (UNEP), or by NGOs.

The infamous WTO Seattle Ministerial held in December 1999 may be the most serious setback for the trading system in 50 years. Environmental concerns were only one small cause of the failure of the governments in Seattle to agree to launch a new trade round. But many of the protestors on the streets were complaining about the impact of WTO rules and international trade on the environment, and those concerns (whatever their validity) have diminished public support for the WTO in many countries.

The WTO contains several agreements and provisions with potential implications for the environment (WTO, 1999). The GATT bans taxes that discriminate between countries, including, for example, **eco-taxes**, unless they meet narrowly interpreted exceptions. The Services Agreement promotes greater market access for services – including, for example, **eco-tourism** – and also establishes disciplines for transparency in regulations. The Agriculture Agreement imposes limits on domestic support, but provides an exemption for payments under environmental programmes. The Agreement on Subsidies and Countervailing Duties prohibits export subsidies and allows

counter-action against domestic subsidies, but the Agreement also declares certain subsidies to be non-actionable including certain assistance to adapt to new environmental requirements. The Agreement on Technical Barriers to Trade promotes the use of international standards and requires that non-international standards use the least-trade-restrictive approach. The Sanitary and Phytosanitary Agreement also promotes the use of international standards and requires that non-international standards be based on a **risk assessment**, have a scientific basis, and meet other stringent tests. The Agreement on Trade-Related Intellectual Property Rights requires that governments have a 20-year patenting system that covers products and processes in all fields of **technology**.

The WTO also establishes a dispute settlement system, which is more sophisticated than those contained in multilateral environmental treaties. By virtue of being members of the WTO, governments agree to allow other governments to lodge complaints against them which will be investigated by an independent panel. The arbitral decision, which may be appealed to the WTO Appellate Body, becomes binding in the sense that governments have an international obligation to comply. When a defendant government flouts that obligation, a winning plaintiff government may seek authority to impose trade sanctions. Today, the WTO dispute process is the most active State-to-State international adjudication.

Trade and environment will continue to be a WTO issue for the foreseeable future. International trade will often affect the environment, particularly in resource sectors such as fisheries and forests (see **fisheries; forest management**). Environmental laws and regulations will often affect trade, particularly in areas like **hazardous and toxic waste management, recycling**, and the protection of **endangered species**. The management of **global warming** also has many linkages to trade policy (e.g., emissions trading).

As a result of the new attention to trade and environment, several governments have agreed to do environmental impact assessments of new trade negotiations and agreements. The WTO itself has taken no part in these assessments, but the WTO

Secretariat did publish an overall study of trade and the environment in 1999, just before the Seattle meeting. The study points out the ways in which trade can both improve and degrade the environment. The overall conclusion from the study is that if proper environmental policies are in place, greater trade can be supportive of environmental protection. In that sense, there is a link between the WTO Secretariat's view and **free market environmentalism**.

Although the WTO approach to trade policy is multilateral, GATT rules permit regional trade agreements such as the North American Free Trade Agreement (**NAFTA**). Because pollution from Mexico affected the USA, the environment became an issue in the NAFTA negotiations, and the governments agreed to establish a North American Commission on Environmental Cooperation. The Commission established an impressive track record in its first five years, and many NGOs believe that it is a good model for how environmental concerns can be incorporated into proposed regional trade agreements such as the Free Trade Area of the Americas.

It is clear that environmental politics have influenced the trading system. The most important achievement has been to promote WTO transparency. When the NGOs first began looking at the trading system, the GATT was a closed, secretive organization. Environmental pressure was an important factor in opening up the GATT and the WTO. But the WTO still has a long way to go, particularly in providing participatory opportunities for **civil society**.

The establishment of the WTO has also had a significant influence on international environmental politics. Successive directors-general at the GATT/WTO have noted the uncoordinated nature of the environment regime and have argued that **global environmental governance** needs improvement. The gap between the sophisticated dispute settlement on trade and the rudimentary dispute settlement on environment has suggested to many commentators that the environment regime needs to reorganize to look more like the WTO. In late 1999, the WTO and United Nations Environment Programme signed a co-operative agreement. Little co-operation had developed by mid-2000,

but many analysts have endorsed joint efforts by the two organizations to conduct capacity building in developing countries.

References

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Further reading

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World Wide Fund for Nature

The World Wide Fund for Nature (or World Wildlife Fund as it is also known) is a non-profit non-governmental organization whose purpose is to conserve **biodiversity** on the earth. Founded in 1961, the Fund adopted the endangered giant panda as its logo to educate the public about threats to **endangered species** everywhere. The Wildlife Fund has millions of individual contributing members and over 13,000 projects in 157 countries. It works co-operatively with governments on all continents to save endangered species from extinction by setting aside nature preserves and parks where they can survive and reproduce. Although its founders were European and North American conservationists, they early recognized the need to train conservation workers in Asia, Africa and Latin America to maintain the parks and preserves. In 1985 the Fund started the Wildlands and Human Needs programme to create sustainable economies among the people who live near the world's most endangered habitats, recognizing that protected areas cannot survive indefinitely outside a sustainable social and economic system (see **sustainability**). It affiliated with the Conservation Foundation in 1985 and became