

diversion to which the RTA would otherwise give rise—which would tend to be particularly significant in the context of developing countries which still maintain high tariffs if for no other reason than to raise taxes.

Secondly, as noted above, insofar as agricultural market access is key to integrating developing countries into the global economy, there is little chance of this happening through regional pacts alone. This is underscored by the fact that the US is highly unlikely to move on agriculture in the FTAA, where it is critical to many Latin American countries, given the fact that Europe and Japan are not involved. In other words, the multilateral process holds a very important key to progress at the regional level in this key area.

Thirdly, the major efforts of putting “trade into development” through technical assistance are also predominantly being carried out at the multilateral level. If nations spend all their powder on regional pacts, the trade-offs in various areas that are required to elicit the commitment of resources needed to mobilize sufficient technical assistance to make these efforts successful will be lacking at the multilateral level.

Systemic Issues: dispute settlement and forum shopping

To date, perhaps the most encouraging aspect of the global trading system has been the evolution of the dispute settlement system embedded in the WTO. While some are troubled by questions about national sovereignty as the dispute settlement panels and the Appellate Body delve into matters that appear to be “inside the border”, the fact that the WTO’s Dispute Settlement Body is functioning as a quasi global economic Supreme Court, and equally importantly, that member economies are abiding by its rulings (or accepting the sanctions that it authorizes for failure to live up to commitments) represents an important step forward from the “rule of the jungle” in international commerce.

But the system is far from perfect: it is slow, expensive and its remedies trade-reducing; it needs and deserves considerable