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From the issues raised the highlighted areas to work with are primarily to substantiate the claims made by Non-Governmental Organizations and Transnational Corporations regarding the detrimental side effects to Ruralia's economy should Ruralia establish membership with the WTO/GATT. From the criteria given it is not known what economic policies are at risk from WTO membership and to what extent the WTO is a risk to a developing country such as Ruralia. Is it to be said that it is specifically Ruralia that is at risk as a developing country or that all developing countries are at risk?, if this is the case then why have other claims not been brought to light regarding other developing countries? When further details regarding economic policies are brought forward it can be assessed as to their significant in being affected by policies the WTO/GATT regime underpin. Economic Development is a key issue as evident in Principle 4 of the Rio Declaration which provides that environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.

The need to integrate environmental protection and economic development was regarded by the International Court of Justice (ICJ) as one of the decisive elements of the Gabcikovo-Nagymaros Case in which the International Court referred for the first time to this need to reconcile economic development with protection of the environment which is aptly expressed in the concept of sustainable development. 1The International Court of Justice is the principal judicial organ of the United Nations. Its seat is at the Peace Palace in The Hague (Netherlands). It began work in 1946, when it replaced the Permanent Court of International Justice which had functioned in the Peace Palace since 1922.

It operates under a Statute largely similar to that of its predecessor, which is an integral part of the Charter of the United Nations. 2 The Court has a dual role: to settle in accordance with international law the legal disputes submitted to it by States, and to give advisory opinions on legal questions referred to it by duly authorized international organs and agencies. As at this time Ruralia is not a member of the WTO it would have to express formally any issues they have with the ICJ in relation to claims made by certain NGO's implicating the WTO. The resolution of this kind of matters would be different should they arise when states involved are WTO members, this is processed through the Dispute Settlement Body at the WTO. These proceedings however will only take place should substantial evidence be received regarding the claims as well as specific information as to what the claims actually are in nature.

Non-Governmental Organisations are a critical aspect of contemporary concepts of international governance³. Their aims and objectives are diverse and entwined, some NGO's are professional bodies where as others such as Friends of the Earth International and Greenpeace International⁴ are campaigning organizations advocating particular courses of action they and many others believe global societies should adopt. Many NGO's are purely national; others regional yet others are fully international. Most of the major international environmental NGO's are based in northern hemisphere developed states, but national NGO's are also beginning to play an important part in some developing countries. As identified NGO's are seen to benefit developing countries such as Ruralia, however at this time the Prime Minister of Ruralia believes to of received claims from then directly concerning the

WTO regime is detrimental to the states economies policy. The usefulness of NGO's depend on their seriousness of purpose, funding, depth of research, skills in political advocacy, means of exercising pressure and narrowness of focus and they have increasingly networked their activities by meeting to co-ordinate their policies and actions.

5Each member state has a responsibility to adhere to International Law and so they are able to make a claim to the ICJ or International Arbitral Tribunals for the claims made by NGO's. Alternatively states may use diplomatic means to press claims and negotiate settlements. It is important to note that we are not concerned with the conduct of individuals but with states themselves and in particular with their obligations of due diligence. The state is in this sense a guarantor of private conduct, but its responsibility is direct, not vicarious. As a member of the WTO, the GATT Dispute Settlement Mechanism's original intention was for GATT to be placed in the institutional settlement procedure that contemplated effective use of arbitration (not always mandatory, however) and even appeal to the World Court in some circumstances. 6 The WTO has the responsibility for implementing and enforcing international rules regulating (as agreements) trade between nations.

This includes the GATT, General Agreement on Tariffs and Trade which ultimately is to help trade flow freely as possible, to achieve further liberalization gradually through negotiation and to set up an impartial means of settling disputes. 7The Dispute Settlement Process is governed by the Understanding on Rules and Procedures Governing the Settlement of Disputes agreement which is applied to all WTO/GATT policies. The Dispute

Settlement Understanding (from the Dispute Settlement Body) is designed to encourage member states to resolve disputes through conciliation with each other. The second member is required to enter into consultation within a period of 30 days of the matter arising, should the member not do so they requesting member can seek to establish a hearing at the WTO Dispute Settlement Panel. The Dispute Settlement Body is effectively the WTO General Council convened under its own Chairman and following its own rules of procedure. The panel is responsible for establishing panels, adopting their reports and those of the Appellate Body which monitor rulings and recommendations and authorise the suspension of concessions and other obligations in appropriate cases.

8The WTO oversees the implementation, administration and operations of the ' Multilateral Trade Agreements' which are legally binding upon its members. It has legal personality and has privileges and immunities similar to those of specialized agency of the United Nations. As a member of the WTO Ruralia would have to agree to the regulations of trade set by the GATT/WTO. These rules are compulsory that Ruralia adhere to them should they sustain membership. These rules in place are also potential benefits to developing countries such as Ruralia in action they can take depending on the action proposed from other countries.

General of Most-Favoured-Nation Treatment Article I of GATT, is applied by each member to the imports and exports of all other countries. This states that Ruralia will have the same rights as a developing country as any other developing county in the WTO as well as highly established countries. This is advantageous to Ruralia as in all trade negotiations all countries will have

the same rights and responsibilities as any other which will avoid any bullying from more developed countries trying to take control and secure a better trade deals. Government Assistance to Economic Development Article XVIII, permits developing countries to alter or withdraw tariff concessions by agreement with parties affected and after efforts to provide compensatory concessions.

Developing countries are the primary concern in this agreement which will allow countries like Ruralia to establish trade deals to further develop their economy. The nature of this article from GATT should also be noted that it is likely to negate the potential claims that have risen regarding the Non-Governmental Organisations. Emergency Action on Imports of Particular Products Article XIX. The escape clause of the General Agreement authorizes the importing country to suspend, withdraw or modify tariff concessions if increased imports threaten serious injury to domestic producers. Ruralia can omit its obligations to the GATT if it is identified there is a significant rise in imports in their domestic market, in which these imports harm domestic producers of competitive products.

Ruralia is legally empowered to protect on a temporary basis its producers by enforcing restrictions on their domestic trade – their GATT obligations are therefore ceased thereof. Should this situation arise Ruralia would be required by agreement to compensate the exporting country by allowing trade concessions in other areas. GATT policy of Regional Integration promotes international trade through regional economic integration⁹. With WTO membership GATT encourages members to participate in free trade areas (groups of states that have reduced tariffs between themselves but

who maintain their own tariffs for all other states) and customs unions (state groups who eliminate tariffs between themselves and have established a common tariff for all remaining WTO states).

This would give great opportunity to Ruralia to integrate trade with other members which would not affect their most vital sector. FDI is a firm based in one country (the 'home country') owning 10 percent or more of the stock of a company located in a foreign country (the 'host country') — this amount of stock is generally enough to give the home country firm significant control rights over the host country firm. Most FDI is in wholly-owned or nearly wholly-owned subsidiaries. Other non-equity forms of FDI include: subcontracting, management contracts, franchising, and licensing and product sharing.

Foreign investment into the Ruralia's sugar cane industry is a legal and viable trade option. According to GATT agreements which protect domestic markets Ruralia can use protection through tariff increases, which is GATT second major principle and can be enforced to restrict trade to certain WTO members in order to protect the sugar cane industry and maintain levels of this domestic commodity. Sugar cane originated on the island of New Guinea in the South Pacific and was widely used in ancient India. The Arabs brought the plant to medieval Spain and the first Spanish explorers carried it to the New World. Its production also greatly influenced the modern history of many tropical Pacific islands, most particularly the Hawaiian Islands and Fiji.

In these islands, sugar came to dominate the economic and political landscape after the indigenous societies were invaded by Europeans and

Americans. The Europeans and Americans also promoted immigration from various Asian countries for workers to tend and harvest the crop. Sugar-industry policies eventually established the ethnic makeup of the island populations that now exist, profoundly affecting modern politics and society in the islands. Brazil is a major grower of sugar cane where it is used to produce sugar as well as to provide the alcohol used in making gasohol and biodiesel fuels.

About 107 countries grow the crop to produce 1, 324 million tonnes (more than 6 times the amount of sugar beet produced). The largest producers are Brazil, India, and China, accounting for more than 50% of world production.

10An agreement from the GATT that impinges the Protection Through Tariffs (PTT) is the Bound Tariff Rate. This is a measure which represents the highest rate that a WTO member state may set on any unit of sugar cane.

Although the PTT is to protect Ruralia in balancing its trade distribution and allow it to request for trade premiums when required, BTR is to avoid Ruralia from extorting trade members in demand excessive premiums where the WTO feels unfair to do so. Through cooperate with WTO, The International Monetary Fund (IMF) and the World Bank (WB) greater coherence in global economic policy is of the making. The World Bank (The International Bank for Reconstruction & Development) was established in conjunction with the International Monetary Fund and is the world's largest provider of development assistance to developing countries such as Ruralia by providing over 20 billion dollars in new loans every year. 11With the coherence from the IMF, WTO and World Bank, there is a significant level of opportunity for Ruralia to receive grants and secure funding for projects within Ruralia which

will assist to support the economic development of Ruralia and protect its commodity markets, namely sugar cane. A facility available to Ruralia as it is a developing country is it has the opportunity to take advantage of preshipment inspections. Preshipment Inspection is a process of checking the cargo of trading goods to prevent over or under-invoicing as well to avoid fraud related issues, so to prevent the loss of capital and customs duty evasion.

12 This preshipment inspection agreement allows Ruralia to take on WTO authority and responsibility as a developing countries to make use of but impose limits on its use. The agreement requires certain obligations to withstand. These take the form of ensuring that their laws and regulations relating to PSI conduct are applied nondiscriminatorily and transparently.

13 Legally Ruralia would be required to provide technical assistance to other member states you are conducting PSI trade with as too should any disputes arise regarding Preshipment Inspection between Ruralia and an importing country then any serious issues can be brought to the attention of an independent review board that appoints a panel of three trade experts who will be appointed to review and decide the matters outcome. This panel's decision will be binding to Ruralia and the PSI party.