

New Paradigm of International Cooperation

Current situation in world development differs a lot from the pattern we all got accustomed to in the previous centuries. There are several main factors that contribute to the crucial change of our world. The most important factors are population growth, environment degradation, the increase in the number of sovereign states in the world, formation of the multipolar economy and global threats development. These new features of our global development clearly indicate that world economy is facing development paradigm shift. This shift is a great challenge for everybody because it will be necessary to answer a lot of different questions of twenty first century. And one of those questions will be about the future development of multilateral international cooperation.

The basic multilateral economic institutions, such as the International Monetary Fund and the General Agreement on Trade and Tariffs, were established after the Second World War to stabilize different spheres of international economic relations. Nowadays they continue to play a key role in forming the rules of international cooperation. But the world is changing and this makes it necessary for these institutions also to change and develop to meet the modern requirements.

The WTO did a lot to improve predictability and stability of international trade, to make rules of trade more clear and transparent. Due to GATT activity trade barriers were significantly reduced, foreign markets became more open, and all these measures resulted in boosting international trade. But in many ways this was a story of the 20th century. The latest round of negotiations among the WTO members – the Doha Round – is far from success. The negotiations were supposed to be concluded not later than 1 January 2005. But now, ten years later, the work is still in progress. The main reason of this long work is that it is very difficult for participating parties to overcome existing contradictions. It is evident that not all the WTO basic ideas meet the requirements of many members nowadays. So we have the question: what directions should the WTO develop in the XXI century

to promote the welfare of the people in the world? The answer to this question is important for every country. BRICS countries are not an exception.

We can see that BRICS countries worked out the practice of coordinating their positions in international organizations. Some common approaches to the WTO activity could be put forward as well.

My point is that it is high time to think over once more the idea of fair trade and fair competition. Fair competition could exist among equally developed economies. It is very difficult to speak about fair competition between an economy with well-established production structures and an economy that is just starting development. This is a real problem. Many emerging economies worked out their own ambitious strategies of economic development. But very often it is practically impossible to create competitive national production without serious government support of different nature. In many cases such support could be treated by the WTO rules as violation of fair competition. At the same time no one has the right to deprive a country of the right to development. Developing countries should have a chance for creation and development of their technological capacities.

In order to meet the requirement of current situation BRICS countries could launch a discussion about the legitimacy of the support of national producers in the situation if the country officially launches national programs of this or that sector development. The opportunity to help and protect the development of national production activities within limited period of time will not destroy multilateral trade system, but it will be a fair case – fair case for development for everybody. It could be a real contribution of BRICS countries to the development of New Paradigm in International Cooperation.