

# Transition Approach toward Entering WTO

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## Abstract

According to the World Trade Organization be established on January 1<sup>st</sup>, 1995, international trade goes toward the goal of market-oriented trading system clearly. Economies which enter the WTO, will face the shock of transforming themselves according to the agreements. The agricultural sector will face more challenge especially because it was generally protected by government before entering WTO ,and had more difficulties in transition. than other industries. Therefore, the agricultural sector would need more time to adjust while entering WTO.

This thesis follows Dewatripont and Roland (1992) and applies the model to the reform in the agriculture under WTO. The model discusses the issue of adjustment ,and especially whether labors productivity increases or decreases in the agricultural sector after WTO. The contribution of this thesis is to apply the transition economics approach to discuss the government's regulation and the policy of market access steps including "Full market access" and "Gradual market access". We identify the condition on which "Gradual market access" will be better than "Full market access" ,and the necessary complementary policies the government should implement.

Keywords : transition approach, market access step, full market access, gradual market access