



Managing free trade under the WTO in an era of rising national tensions

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Introduction

No international organization better presents the issues of free trade and economic globalization than the World Trade Organization (WTO). The WTO exists to help states ensure a level playing field in international trade, to maximize and equalize the advantages of export-led growth for all, to help ensure that businesses and consumers around the world all enjoy the same advantages of free and unhindered access to world markets.

As an engine of world growth, the WTO is the institutional face of economic globalization and world unity. But in an era of rising of nationalism and international suspicion, it has become an equally prominent symbol of the problems of foreign trade. Many question whether the WTO can lead the pursuit of global free trade anymore. Some argue it is losing power and even relevance. As the WTO goes, so goes the hopes for free trade that brought it into existence.



WTO headquarters, Geneva

For the General Assembly's 2nd Committee at ODUMUNC, the problems of free trade and the WTO have enormous implications. For the 193 UN Member States, free trade may be an essential opportunity or a dangerous luxury. Some will want to reduce the WTO's power and prominence, to make it more subservient to sovereign governments. Others want to elevate its ability to act independently overcome narrow self-interest to serve global priorities.

Is world trade a blessing or a curse? A source of wealth or impoverishment? With trillions of trade at stake, there is much at stake.

What is the WTO?

Since its establishment on 1 January 1995, the WTO's role in the global economic market has been marked by geopolitical intrigue and operational readjustment. The Marrakesh Agreement that created the Geneva-based international organization sought to safeguard the economic policies set by the General Agreement on Tariffs and Trade (GATT), the WTO's precursor, established in 1947 to foster robust economic development in an ever-changing globalized world system.

The GATT only brought together Member States to negotiate as equals, a vital task maintained under the WTO. But the new organization also has independent decision-making authority. It can rule on trade disputes between the Member States, declaring for one side or the other in disputes, judging on the basis of international trade law.



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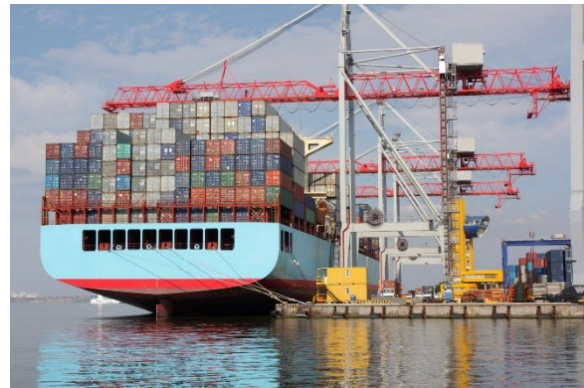
The WTO is a 164-member intergovernmental institution on international trade. It works in conjunction with the UN system to regulate and promote free trade by reducing and/or eliminating trade barriers (such as tariffs, quotas, and subsidies). It provides the international system with a chief apparatus overseeing trade agreements, offers a forum for countries and multinational organizations to prepare trade negotiations, and helps them facilitate trade dispute settlements.

Why the growing suspicion?

In some ways the WTO has been able to make good on its global obligations to facilitate comparatively fair international trade to help advance needed economic development initiatives in global South countries.

Among its greatest successes are WTO-endorsed regional trade agreements (RTAs) and free trade agreements (FTAs). These are hard to negotiate, since all participating governments have to make concessions to each other. But the consensus is the process is very worthwhile, greatly expanding trade opportunities, making regions more meaningful, improving regional

cooperation, and serving a variety of economic and political goals.



World trade in Norfolk, Virginia:
Norfolk International Terminal

Such WTO-branded agreements are milestones in regional relations. The greatest achievements include the Bali Package of 2013,¹ and the Agreement on Fisheries Subsidies of 2023.² These trade accords were approved (with the Bali Package receiving full support from all the WTO members) and have had promising effects to improve the living standards of the world's poor by cutting tariffs and other detrimental barriers towards living costs in trade relations among its member countries.

¹ “Aims to expedite the movement, release, and clearance of goods, including goods in transit. Other gains are more information, more transparency, and less bureaucracy; increased participation of small and medium-sized enterprises (SMEs) in global trade, making transit of goods easier and faster for landlocked countries, and attracting more foreign investment opportunities” (WTO. 2012. 1). https://www.wto.org/english/news_e/trad_fa_agree_e.htm.

² “First ever multilateral trade agreement with environmental sustainability at its core. It contains

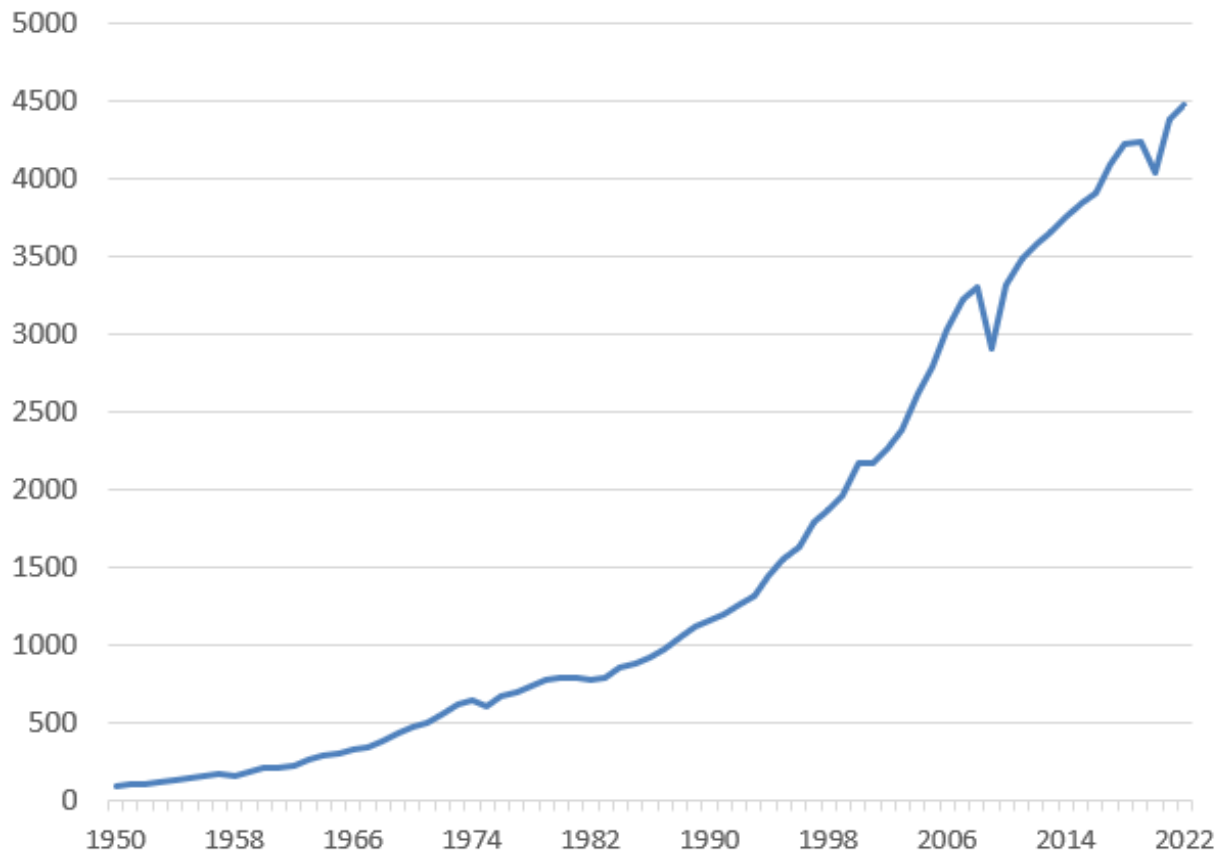
prohibitions on granting and maintaining fisheries subsidies to vessels or operators engaged in illegal, unreported, and unregulated (IUU) fishing or fishing related activities in support of IUU fishing; fishing or fishing related activities regarding stocks that are overfished; and fishing or fishing related activities on the unregulated high seas” (Office of the United States Trade Representative, 2022). <https://ustr.gov/about-us/policy-offices/press-office/fact-sheets/2022/august/fact-sheet-wto-ag>.



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Evolution of world trade, 1950-2022
Volume index, 1950=100



Graph: How it is supposed to work, more for everybody. World trade since 1950 under the GATT and WTO.

Despite these apparent improvements on international trade, the WTO has also been a prime subject of international criticism. Many of the WTO's less-stable economies have accused the organization of favoring the trade agendas of its more developed members. Thus, the WTO is at the heart of the North-South divide seen in the International Political Economy discipline. By being pressed to industrialize their domestic markets sooner than their premature economic sectors can withstand skilled labor shortages created by this trade liberalization strategy, developing countries are unable to meet their

anticipated economic growth targets, thus placed at the mercy of having to compete with other countries of more advanced industrial output.

For many skeptics, the WTO is a vehicle of neocolonialism, and a rise of protectionist policies is in order to prevent the global South from succumbing to the economic fancies of the developed world. Its image as a tormentor of the developing world and bulwark of some of neoliberalism's failures to shrink the global wealth inequality gap resulted in many emergent challenges coming to light for the WTO.



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One of the challenges central to this argument is how Western sanctions on Russia (after the Ukraine Invasion) have augmented the global distrust in the WTO, whereby national tensions have risen throughout the world, due to the economic crises this policy has created. Nevertheless, this notion that the WTO uses its organizational muscle to overstep its commitments to promote international trade is also quite dubious.

Due to the WTO's structural makeup, many countries have been able to override their recommendations and adjudications when they do not seem to be a good fit. Although this assertion demonstrates that the WTO may not be the overassertive presence it is perceived to be, this key point nevertheless puts the WTO in the precarious position of not being an effective conduit for international trade cooperation it is deemed to be. One can argue that the U.S, China, and other major powers have executed their own agendas that oftentimes strain the capacity of the WTO to function as it should. It is important to check for these rising tensions to see how they can be mitigated, and how the WTO can move forward and be depicted more positively as an agent of economic growth and cooperation.

How it works and what it does

Making free trade happen is not easy. Although Member States of the WTO benefit from free trade, from low tariffs that help their exports sell around the world, and competitive prices that help their businesses and consumers. But all Member States also face enormous domestic

political pressure to protect industries and market sectors, to insulate them from foreign competition, not to keep prices low, but to help them keep prices high. The WTO exists, in other words, to help states stick to their principles, sometimes in spite of themselves.



Staying true to its charter, the WTO oversees for 98 percent of world trade and GDP.³ Moreover, according to world economic data from 1990 to 2015, compiled by economic anthropologists, Jason Hickel and his co-collaborators (2022) the North appropriated, “12 billion tons of raw materials, 822 million hectares of embodied land, 21 exajoules of embodied energy, and 188 million person-years of embodied labor, worth \$10.8 trillion in Northern prices— enough to end extreme poverty 70 times over.”⁴

This is telling of the global capital outflow, which seems to be unequally disbursed from North-to-North cooperation, rather than North-to-South or South-South outflows, while the WTO has implemented very little to change this unequal trend. However, as mentioned by a WTO webinar held on 23 June 2023, great

³ WTO. (2022). The WTO. 1. https://www.wto.org/english/thewto_e/thewto_e.htm#:~:text=the%20wto,The%20WTO,rules%20of%20trade%20between%20nations.

⁴ Hickel, J., et al. (2022). Imperialist appropriation in the world economy: Drain from the global South through unequal exchange, 1990-2015. 1.

<https://www.sciencedirect.com/science/article/pii/S095937802200005X>.

progress has been made in securing capital inflows for global South-based trade. Research maintains, “South-South trade and triangular cooperation holds tremendous promise for sustainable development.



No easy days: the WTO Director-General. His job is to say no to his own Member States, always demanding national exceptions.

The WTO-supported *African Continental Free Trade Area* (AfCFTA) is a shining example of this potential as a 52.3 per cent rise in the trade of its 54 African member-states is expected to occur by 2040. As highlighted by the UN Economic Commission for Africa, the increase of intra-African trade is between 15 to 25 per cent higher compared to the situation without the (AfCFTA)’s existence.⁵ Nevertheless, for its critics, this improvement is unsustainable, as the WTO indeed represents undemocratic principles favoring wealthier members outstripping the capacity of global South countries to advance their own policies that tackle extreme poverty, underdeveloped infrastructure, and other endemic issues in the global South region.

⁵ WTO (2023). WTO webinar looks at how South-South, multi-party cooperation supports developing economies.
https://www.wto.org/english/news_e/news23_e/devel_23june23_e.htm.

From an opposing viewpoint, the WTO framework is conducive to boosting mutually cooperative international trade partnerships, based on the five principles it champions. The five principles of the trading system are as follows: trade without discrimination, freer trade through steady negotiation, predictability through binding and transparency, promotion of fair competition, and encouraging development and economic reform.⁶

Following its legally binding non-discrimination principle, the WTO advocates for the presence of *most-favored-nation* (MFN) status, which implies that countries cannot generally discriminate between their trading partners. Nor do they grant them special favors, (like lowering the customs duty rate of some of its products). If such a move is initiated by countries, they must extend the same treatment to all other WTO members.

MFN is offset by *preferential trade agreements* (PTAs), which are unilaterally set agreements where developed countries establish preferential tariffs on imports from certain developing countries, tend to saturate the global trade market with well-established trade partnerships, but block others from materializing. This complicates the WTO’s image as a positive driver of sustainable and equitable trade development. The second and third principles deal with *reciprocity* and enforceable commitments. Obtaining reductions in foreign import barriers through *reciprocal concessions* allows member countries to create quid pro quo trade relations that undercut restrictions on their domestic markets, so they are able to finance their own domestic interests.

⁶ Hoekman, B. (2002). 42-44.
<https://documents1.worldbank.org/curated/en/805981468763835259/pdf/297990018213149971x.pdf>.



Sometimes they agree. Not always.

This principle is coupled by the adoption of “ceiling bindings”, meaning “members cannot raise tariffs above bound levels without negotiating compensation with the principal suppliers of the products concerned. Once tariff commitments are bound, it is important that there be no resort to other, nontariff measures that effectively nullify or impair the value of tariff concessions.”⁷

The issue with these principles is that reciprocity still goes unchecked, as the WTO’s ‘MFN rule’ has been accused of allowing reductions on other tariffs to raise the cost of renegeing on commitments that might not be economically suitable for some members to continue. The last two principles demonstrate a need for greater transparency and safety valves in international trade markets.

By supporting transparency, the WTO can ensure that member compliance is achievable. Many working groups, councils, and multilateral parties (within the WTO organ) meet on regular intervals to make sure concerns on all sides are being voiced and resolved. This democratic display of information sharing helps dissuade

conflict escalations between feuding parties/members from fueling breakdowns in international trade.⁸ Further, the presence of safety valves, when governments of member states are permitted to restrict trade under specific circumstances can also contribute to diffusing trade disputes.

The WTO supports three types of provisions when this action is acceptable: 1) articles allowing for the use of trade measures to attain nondemocratic objectives; 2) articles aimed for ensuring ‘fair competition’, and 3) provisions permitting intervention in trade for economic reasons.”⁹ Despite these mechanisms put in place to actualize trade dispute settlements in a peaceful manner, the WTO is still subject to international criticism for its role in perpetuating global trade inequality.

An imperfect organizational design

Another critique that complicates the WTO from exercising its primary functions is seen in its organizational structure. The rules-based international trade organization does handle its operations via consensus-building practices, yet only 25 members are negotiating future memberships.

In addition, the WTO works by consensus. Decisions are not traditionally done by majority-votes, but all agreements must be ratified by all its members’ parliaments before they become international law.¹⁰ In other words, any member State can stop everything. This sounds extreme but remember; the Member States are sovereign and do not yield sovereign power easily. But through its power to judge and rule on trade

⁷ Hoekman, B. (2002). 43.

⁸ Hoekman, B. (2002). 44.

⁹ Hoekman, B. (2002). 44.

¹⁰ WTO. (2021). WTO In Brief. 10.

https://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr_e.htm.

disputes, the WTO exerts power over its members, even if the members did not initially support or popularize these agendas in their home country.

The Ministerial Conference headed by the Director-General, with representatives from the member countries, make the WTO's top-decisions. Very little independent power is given to the Director-General. It is the Director-General who supervises and advises the organization's administrative sectors like the Secretariat, which can offer technical support, legal assistance in the dispute settlement process, and advice to governments wanting to obtain membership entry.

However, there is no legal means to do so under WTO procedural policy for Member States to be expelled, suspended, or granted withdrawal.¹¹ There is an exception in the WTO rules where members can be expelled, but this requires voting hurdles and consensus, making such action virtually impossible. Some members like Russia have used their position in the WTO General Council to block consensus on votes started by the US and EU, refusing to adopt the meeting's agenda.

Hence, the WTO as the world's largest intergovernmental trade organization is not the omnipotent and unbudging catalyst of international trade it is sometimes conceived to be. There are times when its agenda is susceptible to sovereign members holding them hostage, another critique of the institution.



The real power: the WTO General Council of the Member States

Established Trade Laws

In order to better comprehend how the WTO functions as an integral ally to boost international trade equitably (or falling short of this goal), it is imperative to review its comprehensive trade laws. To join the WTO, the ascension process for member countries is for their governments to bring its economic and trade policies in line with WTO rules.¹² This may seem as austere for some developing world (governments), but they can still negotiate its terms of entry with the WTO membership. Some countries might prefer to sign interim agreements, which are transitional in nature and promote free trade and regional trade zones. However, RTAs are viewed as important exceptions to the WTO's non-discrimination rule, since they are believed to increase the durability of creating customs unions or free trade areas. To further clarify, this trend does not demonstrate that national tensions do not jeopardize trade cooperation between members. The WTO and UN system (as its reliable partner) is quite narrow in their scope to maintain peaceful international trade co-

¹¹ Ungphakorn, P. (2022). Can a WTO member be expelled? No. But...<https://tradebetablog.wordpress.com/2022/03/23/wto-member-expelled-no/>.

¹² University of Melbourne. (2023). World Trade Organization (WTO): International Trade Law. <https://unimelb.libguides.com/c.php?g=929605&p=6716617>.



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existence. This view is further supported by the many resolutions driven by WTO and UN support, where Non-Aligned Movement (NAM) members have coalesced together on numerous occasions to push aside WTO trade resolutions they feel impairs economic development in the global South. Some of these resolutions are listed and summarized (here below).

United Nations Resolutions

General Assembly Resolution [77/151](#):
International trade and development, adopted by the General Assembly on 14 December 2022 concerns itself with helping to adopt a

comprehensive, far-reaching and people-centered set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of the Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions – economic, social and environmental – in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business.¹³

The resolution introduced noteworthy agreements that ultimately passed, like the Agreement on Fisheries Subsidies. However, most of the agenda at this meeting was blocked by the NAM countries abstaining to vote in line

of further discussions of the agenda with member countries that voted in favor of this resolution. Being that most *least developed countries* (LDCs) have taken exception when it comes to reaching SDG targets under the oversight of international economic organizations.

The continuation of this resolution in the *A/77/441/Add.1 DR* was adopted on 14 December 2022 without a vote, (by consensus). During the 77th session of the UN General Assembly, some UN Member States that are not in the WTO, like Algeria, Belarus, Sudan, and Turkmenistan, and others in the Non-Aligned Movement (NAM) favored to retain operative paragraph 24 in the resolution which urges,

The international community to adopt urgent and effective measures to eliminate the use of unilateral economic, financial or trade measures that are not authorized by relevant organs of the United Nations, and that are inconsistent with the principles of international law or the Charter of the United Nations or that contravene the basic principles of the multilateral trading system and that affect, in, but not exclusively, developing countries.¹⁴

Although the members supporting the continuation of this paragraph outnumbered the ones that did not 123 to 50, with 1 abstention (Türkiye), developed world countries like the US. and EU nations refused to support this resolution. It favored more global South autonomy in handling persisting international trade issues. The resolution was viewed as yet another example of national tensions muddling international trade cooperation. That this resolution passed by a simple majority shows

¹³ United Nations General Assembly. (2022). 77/151: International trade and development. 1. <https://www.un.org/en/ga/77/resolutions.shtml>.

¹⁴ United Nations General Assembly. (2022). A/77/441/Add.1 DR: Macroeconomic policy questions: international trade and development. 8.

<https://www.un.org/en/ga/second/77/documentslist.shtml>.



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that the UN and WTO do abide by democratic rules that can lead to advancing global development.

The same principle applies to *Resolution A/77/PV.53, under item 16(a)*, which stressed international trade and development.¹⁵ It showed that developing countries can band together to augment their concerns on an international stage, but even so the developed world can still find ways to not comply, based on their own ideas on what strengthens international trade in difficult economic times. Therefore, the North-South divide is very engrained in UN and WTO built trade relations among member states.

Global issues and WTO oversight

Two current geopolitical issues spring to mind that perpetuate the rise of national tensions, as they relate to WTO trade agreements (backed by the UN system). Most COVID-19 vaccines, for example, were allocated to the developing world by a handful of developed countries manufacturing vaccines. According to 2021 WTO figures, low-income countries have only received less than 1 percent of administered vaccines.¹⁶

Global vaccine deployment often blocks expanding supply chain access to these life-saving resources and the WTO and the world economic system has been accused of stalling negotiations that may allow low-and-middle income countries to expand their local manufacturing capacity to help rid the damaging

effects of the pandemic from the developing world. WTO Director-General, Okonjo-Iweala, however, is optimistic that the WTO has made substantial breakthroughs to mitigate this tense issue. The EU, US, India, and South Africa (WTO members) brokered a trade deal to essentially solve the inequitable distribution of vaccines throughout the world. This trade agreement of expanding access to intellectual property, according to Director-General, Ngozi Okonjo-Iweala must be “broadened to include all WTO members in the internal domestic consultations for this proposal.”¹⁷

If done properly, the WTO foresees a surge of investment, which can “generate some \$9 trillion in additional global output by 2025.”¹⁸ This goal would be mutually exclusive as the emerging markets and developing world economies will receive about 60 per cent of the gains, the remaining 40 percent will go to the developed world, while also improving the health and general welfare of an immeasurable number of people around the world. Alas, not all issues faced by the WTO and its partners have clear-cut solutions for compromise.

The second geopolitical issue where the WTO and its partners struggle is Russia’s invasion in Ukraine. The Russian ban on Ukrainian grain exports caused serious concern among developing countries, where secure grain imports are vital. The shortages raised fear of devastating effects in countries no longer able to receive much-needed important. Ukraine filed a WTO complaint over Russia’s grain bans.¹⁹

¹⁵ United Nations General Assembly. (2022). 53rd plenary meeting: Official Records. 5. <https://www.un.org/en/ga/77/resolutions.shtml>.

¹⁶ Georgieva, K., et al. (2021). A new commitment for vaccine equity and defeating the pandemic. https://www.wto.org/english/news_e/roadmap_igo_01jun21_e.htm.

¹⁷ WTO. (2022). Director-General, Okonjo-Iweala hails breakthrough on TRIPS COVID-19 solution.

https://www.wto.org/english/news_e/news22_e/dgno_16mar22_e.htm.

¹⁸ Georgieva, K., et al. (2021). A new commitment for vaccine equity and defeating the pandemic.

¹⁹ Patil, A. (2023). Ukraine to File W.T.O. Complaint Over Grain Bans. The New York Times. <https://www.nytimes.com/2023/09/18/world/europe/ukraine-wto-complaint-grain-bans.html>.



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Conflicts between the global North-South remain.

Conflicts within the WTO

Russia versus Western Sanctions: In terms of the Western sanctions imposed on Russia for their disregard of global peace with its war of aggression against Ukraine, the world's trade recovery capacity is without a shadow of a doubt at its most fragile. Due to this bleak projection, the WTO has reassessed its options, regarding the Russia-Ukraine conflict, and its global impact on stable trade negotiations. WTO economists believe that trade must be boosted (with the reduction of preferential trade agreements and other protectionist measures). Director-General, Okonjo-Iweala maintains,

the impact of sanctions on Russia, including the blocking of Russian banks from the SWIFT settlement system; and reduced aggregate demand in the rest of the world due to falling business/consumer confidence and rising uncertainty.²⁰

These actions have caused a greater imbalance in North-South relations, and whether or not the WTO and multinational international trade organizations are the best facilitator for achieving more progressive global economic prosperity.

China and India: The rising dominance of China (now the world's largest economy) and the new importance of India (now the world's most populous country) creates great tensions within the WTO, making it harder for the organization to work effectively to strengthen free trade. Both China and India are active in the

WTO, but use it to not to protect free trade so much as to protect their own export interests, keeping foreign markets open to their products, while shutting down measures that would expose their own domestic markets to foreign imports.

China and India can be cited as true economic success stories. These Asian economic giants liberalized gradually, while also implementing safeguards for localized trade, and the result has lifted millions out of abject poverty. They have also maintained their solidarity with the developing world in the WTO and other international fora, especially in situations that call upon them to act as adversaries to developed world policies that can obstruct economic progress in the developing world. Yet, criticisms remain that counterweigh this impressive economic growth.

The wealth gap between the rich and the poor continues to present socioeconomic and political issues in China and India. This inequality continues to widen and grow even when economic development has become very high.²¹ Nevertheless, it cannot be understated that trade liberalization has had beneficial outcomes for these countries and other global South members integrated into the global economic order.

The NAM coalition on environmental diplomacy: For the 120 Member States of the UN's largest voting bloc, the WTO is highly controversial. Many NAM countries avoid turning to the WTO, for fear of being compelled to open their own markets to terms of trade that harm their long-term interests. For the NAM, the WTO can be a free trade battleground, a place to challenge US and EU trade priorities and environmental concerns that the NAM thinks

²⁰ WTO. (2022). Russia-Ukraine conflict puts fragile global trade recovery at risk. https://www.wto.org/english/news_e/pres22_e/pr902_e.htm.

²¹ Joseph, S.L. (2011). Blame it on the WTO? A Human Rights Critique. 164-167. <https://www.econstor.eu/bitstream/10419/118676/1/454396.pdf>.



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will impair economic growth in developing world countries.

EU and US climate and biodiversity investment planning, for example, have been seen suspiciously by many NAM leaders. For instance, at the *2022 United Nations Climate Change Conference (COP27)* in Sharm El Sheikh, Egypt, the USDA critiqued the European Farm to Fork strategy (which promoted food system sustainability) for its dire economic impact in Europe and the rest of the world.²² Further, the energy crisis created by Putin's War in Ukraine and the U.S.' adoption of the *Inflation Reduction Act (IRA)* (under the Biden administration) puts the likelihood of a trade conflict with the EU at greater risk.²³

EU and US trade policies have enriched their economies via the extraction of resources from the developing world. In order to quell this unbalanced economic relationship to ensure a prevailing universal model of agriculture through carbon-optimization and *water resources and biodiversity (WATERSHED)*, the NAM countries have used this North-North disconnect to fix miscommunications in North-South relations.

At CoP27, Asian and African NAM countries, such as India and Senegal, demanded that developed countries fulfill promises of financial support to the global South, helping them cope with catastrophic climate change and other ecological inequalities. They also seek to make sure that zero-carbon economic planning does not perpetuate global inequality. This led to the estimate that "the need for financing is roughly at 2,000 billion (two trillion) US dollars per year, of which at least one trillion US dollars should come from public and private financing

from Northern countries."²⁴ Critics regard such numbers as unhelpful exaggerations.

NAM countries have bolstered advocacy of resolutions in their favor through environmental trade deals with China, like the *New Silk Road* initiative, prompting more Sino-African cooperation, for example. This initiative is centered on "ecologically friendly" trade, indicating productive investment in Africa, which is something that the WTO and its partner groups ought to reproduce more of, rather than focusing mostly on infrastructure financing in Africa.

United States-WTO relations during the Trump years: The US, under the Donald Trump presidency (2017-21), transformed its policy. Instead of supporting free trade and liberalization, as it has historically, the Trump administration switched the US to strong opposition to the WTO, and did everything possible to paralyze the organization. It challenged the WTO and UN like a rogue state in terms of international trade.

The Trump administration launched a bevy of attacks on the free trade system, in order to undermine the appellate body, the WTO's mechanism for enforcing its rules. Beginning in 2017, President Trump began blocking new appointments to the appellate body as the terms of its judges expired. This paralyzed the organization, leaving it unable to hear cases. This allowed countries that were ruled against in trade dispute settlements to bypass WTO decisions.²⁵ As President Trump showed, countries can outmaneuver the WTO. The WTO and its supporter in the UN system are not always able to handle rogue behavior coming

²² Treyer, S. (2023). Environmental Diplomacy: Tipping Points Between Europe and Newly Non-Aligned Countries. 74. <https://www.cairn-int.info/revue-green-2023-1-page-73.htm>.

²³ Treyer, S. (2023). 78.

²⁴ Treyer, S. (2023). 79.

²⁵ Horton, B., and Dr. K. Hopewell. (2021). Lessons from Trump's assault on the World Trade Organization. Chatham House. <https://www.chathamhouse.org/2021/08/lessons-trumps-assault-world-trade-organization>.



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from its members. This weakness only augments distrust from other members.

Some possible proposals for action

In order to help propel international trade cooperation to reduce the rise of national tensions, there are many proposals the UN General Assembly 2nd Committee might consider. The following list are major proposals, popular with different groups of Member States, but all controversial in different ways. The list is far from complete. As the representatives of sovereign UN Member States, delegates at ODUMUNC are free to develop their own proposals, subject only to the guidance of their home governments.

Proposal 1: Global Living Wage System: It would be quite beneficial for the future of international trade to establish a global living wage system. This new wage system is to be implemented among all the WTO's 164 members (and future ascending entrants). Remunerations will be based on a country-by-country methodology with consideration of a country's standard-of-living/quality-of-life index. It is to be regulated by the WTO, UN, and a national overseeing agency in each member state. These multilateral groups will decide, every 5 years, if the global living wage threshold ought to be increased/decreased based on global inflation rates at the time of deliberations.

In Favor of: India, South Africa, Fiji, El Salvador, and Mexico.

Against: China, Bangladesh, U.S., Canada, Australia, EU, and Vietnam.

Pros: It can enhance a country/region and world's ability to make sure that its citizens can afford decent access to food/water/shelter/education/transport/clothing/and other basic needs.

Cons: It can stifle industriousness in labor and may be difficult to implement in authoritarian states with limited wealth surpluses.

Result: This plan can help lesser developed countries become more self-reliant in the global international trade arena, while expanding their welfare infrastructures. It will also benefit the trade/welfare systems in global North countries by helping its domestic labor markets become more equitable and transparent.

Proposal 2: Easier Access for Non-Aligned Institutions to Collaborate with the Global International System: The second item up for debate is that it would behoove the WTO and its international partner organizations (like the UN) to let developing countries build their own industrial capacities by forming their own trade blocs within WTO-UN channels to tackle unfair subsidies on agricultural exports. These blocs can implement structural adjustments in the organizations to help regulate international trade, so it is more equitable. Allow the BRICS-Bank, ALBA, and other non-aligned regional/global coalitions the maneuverability to integrate themselves with WTO-UN sponsored institutions.

- *Favors:* Iran, Saudi Arabia, China, Venezuela, Bolivia, Nicaragua, Türkiye, South Africa, Brazil, Russia, South Africa, UAE, Cuba, and India.
- *Against:* U.S., Canada, Australia, EU, Japan, South Korea, United Kingdom, and Botswana.
- *Pros:* This will allow for greater North-South and South-South cooperation on topical global trade issues, because it expands the networks of international trade communication by opening the doors to other financiers.
- *Cons:* The WTO and UN will be challenged more broadly, which can



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leave the door open for non-aligned national interests to take precedence over regional and international bloc ones, like the expansion of more African member-states to take part in non-aligned initiatives being stifled by the other non-African members.

Result: More non-aligned representation in WTO-UN channels would give the international trade system another mechanism for dispute settlements, which can help settle key global disputes between NAM members, as well. Thus, making international trade a more peaceful enterprise.

Proposal 3: Cuba's Medical Internationalism having a more active role (with support of international trade financing) to tackle global health crises. Another proposal that can be introduced is to allow NAM countries, like Cuba (with a sophisticated COVID-19 manufacturing program) to become more integrated in the global vaccine distribution effort by allowing Cuba to allocate vaccines. The Cuban healthcare system ought to be able to collaborate with the vaccine manufacturers of Western healthcare systems, as well as their institutions like the WTO, Carter Center, and UNESCO (among others) undeterred.

- *Favors:* Cuba, China, Canada, Venezuela, CARICOM, South Africa, and a collection of ASEAN-AU countries.
- *Against:* US. and Israel
- *Pros:* The global South will have more of a say in resolving key health pandemics, with deeper integration between global North and South healthcare systems. It can lessen the burden of global North countries to administer humanitarian aid for health crises in the developing world.

- *Cons:* The legitimization of Cuba's healthcare system by the WTO, UN, and their partner agencies can bolster the Cuban Regime's capacity to continue forward with what the West and pro-democratic institutions feel is a poor human rights record.

Result: Global health pandemics can be handled more effectively, and Cuban healthcare professionals can obtain higher wages for their work under the constraints of the U.S. trade embargo. Potentially, this can serve as a small victory to lift the longstanding blockade sometime soon.

Proposal 4: BRICS Banking System to serve as a secondary source of international trade financing. This last proposal offered is for the WTO and UN to allow other financial institutions, like the newly suggested BRICS banking system to serve in the role of financier apart from the IMF or WB. This last plan of action can help bridge consensus between the developing countries wary of greater integration with the WTO and the developed countries that continue to push their agendas over mutual efforts for cooperation. Let the BRICS banking system be part of the solution with some oversight and bi-annual meetings with other involved parties.

- *Favors:* China, Brazil, India, South Africa, Saudi Arabia, Iran, Egypt, Argentina, UAE, Ethiopia, and Kenya.
- *Against:* US, EU, UK, Japan, South Korea, Vietnam, Belize, and Nauru
- *Pros:* The BRICS Banking System serving as a secondary source of international trade financing can help matters when the WTO is spread too thin or is engaged in dispute settlements with no resolutions in sight. It can also enhance the international standing for emergent middle powers like Kenya and Ethiopia.



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- *Cons:* China will be pushed into a position that strengthens its vision for global hegemony by using the BRICS Banking System to work against the other multinational members, which can have destructive effects on the WTO too.

Result: All in all, if passed, this proposal can help consolidate cooperation between *steadfast* WTO members and ones that tentatively support it but are critical of the WTO and its partner organizations.

A BRICS Banking System would give the global economic market a middle path to advance international trade in situations when it stalls under the WTO, WB, and WTO's direction. The UN system can help ensure that tensions amongst these organizations are tempered to normative levels. By relying on poorer countries

to finance trade, this would increase risk, which would push interest rates, especially borrowing rates up, making trade more costly. Critics say it would be self-defeating, unlikely to work and hard to sustain. Whether the financing is there to support such a system is less clear.

Conclusion

If the UN system helps usher in a new period of WTO-based international trade cooperation, then emergent challenges that build up over time due to the mutual disagreements and mistrust on international trade can dissipate. It is essential for pro-free trade organizations to sense the golden opportunity at hand by being more willing to make concessions and be more proactive to promote the exchange of equitable global trade from North to South.



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