

To what extent does the World Trade Organization still serve the interests of developing economies?

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Introduction

Trade talks between its members take place on the WTO's platform. The Uruguay Round (1986-1994), which resulted in the establishment of the WTO itself, was the most well-known of these. Negotiations regarding fair trade and issues in development are continuing under several "Rounds," comprising of the Doha Development Agenda, for developing nations. WTO supervises a total of 60 international trade agreements few of them are GATT, GATS (General Agreement on Trade in Services), and TRIPS (Trade-Related Aspects of Intellectual Property Rights). Everything starting from products, services, and intellectual property are taken care of under these agreements.

In trade, controversies are bound to happen. A legal architecture for sorting out disputes among member nations is given by Dispute Settlement Body (DSB) of the WTO. It curbs trade wars and economic imbalance by keeping in check that rules and regulations are adhered to and offering legal justice. The WTO ensures openness and alignment to regulations of trade through its Trade Policy Review Mechanism (TPRM) by orderly tracking and checking trade policies of the member nations. In the pursuit of enabling developing and least-developed countries (LDCs) to effectively participate in global trade, the WTO offers technical support, skill training, and capacity-building programs.

Encouraging liberalization by reducing tariffs, subsidies, and other such barriers to trade is one of the central role of WTO. This leads to, opened markets and nations can now concentrate on industries they have a competitive advantage in. For example, India's IT industry has advanced exponentially as a outcome of lesser obstacles to international trade for services made feasible by agreements of WTO.

Export subsidies and dumping (selling goods below market value) are some of the trade practices that are prohibited by the WTO as they are unfair. The administration ensures all its member

nations of fair competition through strategies such as anti-dumping and countervailing. Bound tariffs, or maximum levels of tariff that are not possible to raise arbitrarily, are a obligation of the member nations. Because of the reliability this obligation gives, long-term planning and foreign market investments are promoted.

The WTO plays a crucial in integrating developing nations into the global economy.

Rules under Special and Differential Treatment (SDT) allow backward economies to have less rigidity and more adjustable deadlines. For example, LDCs like Bangladesh when given longer timeframes help them to have gradual transition in order to meet WTO accords. The WTO examines for policies of trade that promote social inclusivity, preservation of the environment, and development that is sustainable. Though not an environmental organization, it comes together with institutions like UNEP to ensure trade helps to fulfill global sustainability goals. The importance of reporting whether the WTO still serves the interests of developing countries lies in its central part played in changing the world trade order. The WTO was laid with the foundations of equality in opportunity, openness and fairness working as the chief organization governing all these. However, the benefits of liberalization in trade have often been dissimilar, where developed nations are continuously enjoying unreasonably from high market share, subsidies and enhanced strength of bargaining and negotiations. This has lead to more widening of the north-south divide and raised concerns about the global trading system's inclusivity.

Additionally, due to the COVID-19 pandemic revealed infrastructural inequalities, as developing nations experienced hindrances in trade, uneven access to medical supplies and extended recovery. Now, in context of this ever changing post-pandemic phase which is characterized by digital disruption, increasing protectionism, and needs reformation making it critical to reexamine whether WTO's mechanisms and policies actually aid the developmental goals of the global south or basically sustain prevailing imbalances in global trade.

Historical Background of WTO

After the General Agreements in Tariffs and Trade (GATT) operated successfully for around 50 years, the World Trade Organization (WTO) came into being in 1995. Once more, GATT was the result of prior trade negotiation experiments. In fact, the American effort to obtain reciprocal tariff reductions from 29 nations through bilateral channels prior to World War II is what gave rise to GATT.

After World War II, the idea of a multilateral organization began to take shape, particularly with the help of the United States and Great Britain. This idea served as the foundation for the temporary establishment of GATT in 1947. The initial plan was to establish the World Bank and IMF, the two Bretton Woods organizations, as well as a third organization to manage the

commerce aspect of global economic cooperation. Negotiations to establish an International Trade Organization (ITO) as a specialized agency of the United Nations involved more than 50 nations.

Rules on employment, commodities agreements, restrictive business practices, foreign investment, and services were all included in the draft ITO Charter, which went beyond world trade disciplines. Twenty-three of the fifty members made the decision in 1946 to negotiate lowering and binding customs tariffs even before the tasks were finished. Through talks, these 23 countries approved a set of tariff concessions and trade regulations that became known as the General Agreements on Tariffs and Trade. While the ITO Charter was still being discussed, it came into effect in January 1948. The 23 became the original members of GATT. India was a signatory as well.

Even though the ITO Charter was ultimately agreed upon at a UN Conference on Trade and Employment in 1948, ITO was essentially dead because of opposition from several national legislatures, particularly the U.S. Congress, which refused to ratify it out of concern that ITO would interfere with American sovereignty. Thus, GATT persisted until January 1995, when the Uruguay Round Final Act, agreed in Marrakech on April 15, 1994, created the World Trade Organization.

It has developed into a super sovereign international organization with adjudicating power over member states that sets norms for international investment, commerce, intellectual property rights, and economic and social agendas. All sovereign national nations' governments are required to abide by WTO rules and directives. India is also a WTO signatory.

Non-discrimination is one of the WTO's fundamental tenets. This principle mandates that member nations treat one another fairly when it comes to trade-related issues. Especially, the WTO makes it necessary for the member countries to give each other the status of most-favored-nation (MFN). This means that huge tariffs or other hindrances to trade cannot be leveraged by member nations to disfavour one another. Let's say, if a country lowers its tariffs on a particular product for one of its members, it should do the same for all the other member nations. National Treatment signifies the moment foreign products, services, and citizens enter the market, they should not be differently to domestic ones. Suppose, as and when imported items is available in the Indian market, they have to be treated under the same rules and taxes as domestically manufactured commodities.

Another notable tenet of WTO is transparency. World Trade Organization makes it mandatory to be transparent in trade policies and processes. As an outcome, member nations are needed to provide information regarding their actions in trading and keep the WTO updated of any

modifications made in their trade policy. Moreover, the WTO makes it mandatory for members to inform other members well in advance of any alterations in their trade policy that might have an effect on other members.

Encouraging development is exactly connected to the theory of special and differential treatment. This idea takes into account that the requirements and capabilities of developing and developed countries differ. With the aim of facilitating their incorporation into the world economic system, the WTO provides developing countries distinct and different advantages.

Lengthy time deadlines for turning trade agreements into reality or more flexible trade rules are two instances of this.

Theoretical Framework

Comparative Advantage

According to the economic theory of comparative advantage, nations, companies, and manufacturers that create goods and services at a lower opportunity cost have an advantage over others. This theory's primary goal is to provide the best feasible combination of products in order to maximize benefits. The ability of a business, nation, or individual to generate the best of all and let go of the weak is known as comparative advantage theory in economics. As a result, the participants can concentrate on increasing efficiency. Furthermore, the foundation of international trade is the idea of comparative advantage. However, the first step in achieving a lower opportunity cost is choosing the appropriate techniques and resources.

In March and the first few weeks of October 1816, renowned British political economist David Ricardo came upon the idea of comparative advantage. The 1817 book "On the Principles of Political Economy and Taxation" included the study. However, James Mill, David Ricardo, and Robert Torrens share equal credit for the idea. According to Ricardo's theory of comparative advantage, each nation should only produce the finest products and services. Additionally, manufacturers ought to cease producing things of lower quality and efficiency.

According to this viewpoint, integrating emerging nations into the global economy depends on the WTO's regulations, which include non-discrimination, market access, and predictable trade regimes. Thus, the liberal framework presents the WTO as an impartial and mutually beneficial forum that promotes development by engaging in international trade.

Dependency Theory

In reaction to conventional ideas of economic development, dependency theory first appeared in the middle of the 20th century. It casts doubt on the idea that developing nations can achieve the

same level of development as industrialized ones. Rather, it contends that the structure of the world economy favors affluent, industrialized nations at the expense of poorer, developing ones.

Dependency Theory essentially asserts that the economic difficulties experienced by emerging countries (referred to as the "periphery") are closely related to the economic development of established nations (sometimes referred to as the "core"). A cycle of underdevelopment results from this uneven connection, which keeps the peripheral reliant on the core.

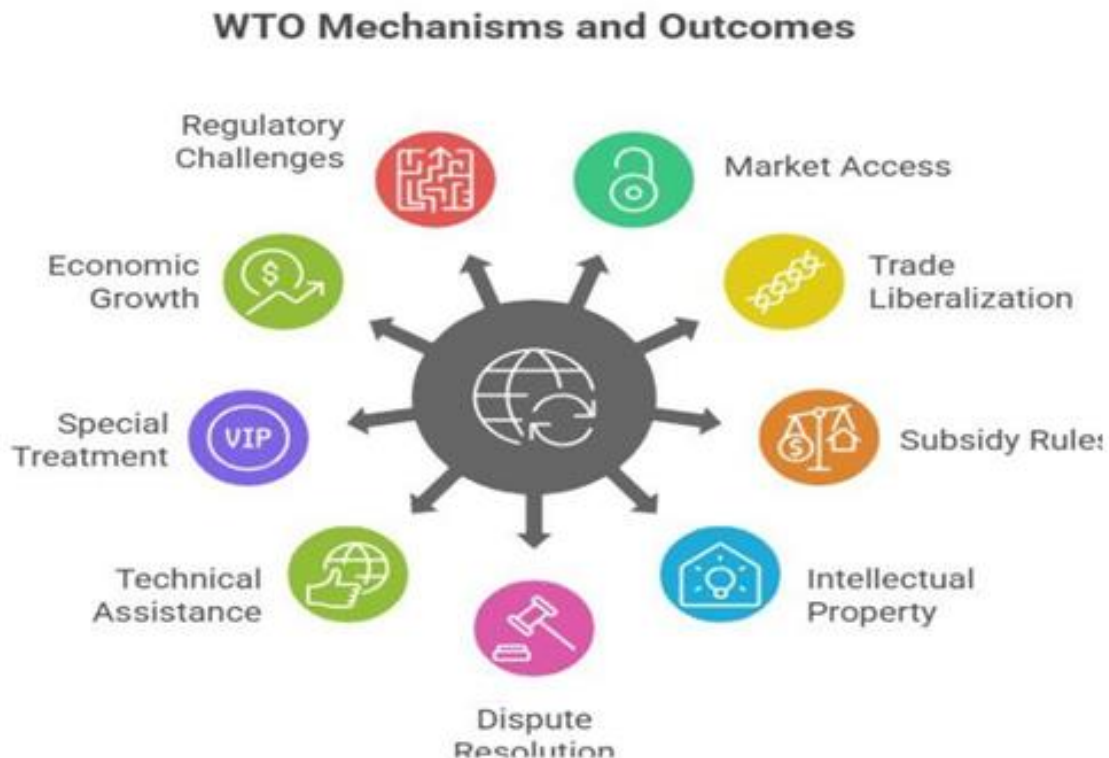
According to this concept, the WTO is an organization that both reflects and upholds the economic domination of industrialized countries rather than just acting as an impartial adjudicator of trade regulations. For example, agricultural subsidies and intellectual property regulations (TRIPS) are frequently mentioned as mechanisms that restrict the policy space of poor nations and maintain uneven trade.

Prebisch-Singer Hypothesis

The fact that the terms of trade have consistently shifted against developing nations is supported by empirical data. Raul Prebisch showed that the terms of trade had a secular tendency to shift against primary products and in favor of manufactured and capital goods based on export data for the United Kingdom between 1870 and 1940. This idea has been firmly reinforced by H.W. Singer. The essence of Prebisch-Singer theory is that the periphery or LDC's had to export substantial amounts of their basic exports in order to import manufactured goods from the industrially advanced countries. One of the main obstacles to the LDCs' expansion has been the decline in terms of trade.

According to Prebisch and Singer, there has been technological advancement in developed nations, but the LDCs have not benefited from it. Furthermore, the industrialized nations continue to enjoy exclusive control over the manufacture of industrial goods. They could influence manufactured goods prices to their advantage and against the LDCs' interests. With the exception of OPEC's achievement in driving up the price of crude oil since the middle of the 1970s, the prices of minerals, forest products, and agriculture and plantation goods have decreased globally. As a result, the terms of trade have continued to be unfavorable to emerging nations.

WTO's Mechanisms and Policies Affecting Developing Economies



Market Access

Impact on Local Industries

Market access provisions are one of the most important ways that WTO agreements impact developing nations. Under a number of agreements, including the General Agreement on Tariffs and Trade (GATT). And its replacement, the General Agreement on Trade in Services (GATS), mandate that developing nations lower tariffs and allow foreign products and services to enter their markets. This liberalization aims to create a more. Competitive environment by permitting foreign goods to be sold in domestic markets. This increased competition can be both beneficial and detrimental to local businesses.

On one side, it can result in enhanced effectiveness and innovation as domestic firms goal is to fight parallelly with international giants. On the contrary, however, it may put local companies

that are not yet globally competitive in jeopardy of their survival. For instance, local producers or farmers in developing countries may not be able to cope up with competition from highly productive or manufacturers getting subsidies from advanced nations.

Opportunities for Export Growth

Agreements of market access can offer emerging countries the opportunity to enhance their exports. These economies can magnify their trade volumes and create foreign exchange by attaining access to more huge and diverse markets. For example, countries in Asia and Africa have gained from differential trade agreements allowed by the WTO in which they are able to export certain goods, like agricultural commodities or textiles, to advanced countries with lesser or no tariffs.

Sectoral Impact

Market access has different impact on different sectors. Agricultural industries of many developing countries find it difficult to stick to the market share due to cut-throat competition from low priced agricultural products from developed countries. On the contrary, sectors such as clothing and textiles have frequently faced noteworthy enhancements in exports due to beneficial access in advanced markets.

Trade Liberalization

Reducing Tariffs and Trade Barriers

According to WTO agreements, trade liberalization encompasses reducing tariffs and doing away with non-tariff barriers like requirement for import licensing and import quotas. This process aims to develop to free trade through reduction of costs of inter-country trade and encouraging global competition.

Economic Integration

Liberalization in trade can aid developing countries to become more involved into the world economy. As enterprises seek to leverage on new market avenues, this integration often results in an advancement in foreign investment. However, as economies accommodate to the different competitive atmosphere, the procedure also mandates notable modifications in domestic businesses and might cause disruptions temporarily.

Challenges of Adjustment

Developing economies might find it difficult to cope up with liberalization of trade. Highly protected industries by tariff may struggle to compete in a more global market, which might lead

to losing of jobs and disruptions in the economy. Thus, the speed and course of liberalization may be important as excessive liberalization could surpass domestic businesses capability to fit in.

Subsidy Rules

Limiting Domestic Support

Regulations of WTO on subsidies, particularly those present in the Subsidies and Countervailing Measures Agreement (SCM Agreement), which place quotas on the kinds and measure of subsidies that are allowed in domestic businesses. The goal of these regulations is to eradicate trade practices that are unfair in nature like dumping and subsidies that dampen competition.

Impact on Agriculture

Agricultural sectors in developing nations for helping farmers and ensuring the stability of the market often rely on subsidies given by the government. These nations capability to provide this type of assistance is prevented by the WTOs regulations on subsidy which in turn can have an impact on stability of income and production of agricultural goods. For example, the WTOs strict controls might create difficulty for emerging countries to keep on offering subsidies on agriculture which is affecting on rural livelihoods and food security.

Special Provisions

WTO through special provisions, which includes permitting certain types of subsidies for least-developed countries (LDCs) and for certain goals like poverty, it does give developing nations some relaxation. Nevertheless, nations that depend highly on support that is subsidy-based keep on facing obstacles due to the few hindrances.

Intellectual Property

TRIPS Agreement

Trade-Related Aspects of Intellectual Property Rights (TRIPS) is such an agreement which includes international standards for the enforcement of intellectual property, such as patents, trademarks, and copyrights. TRIPS compliance can be especially difficult for developing nations because of the high expenses of implementing and upholding intellectual property rights.

Access to Medicines and Technology

TRIPS's effect on drug access is one of its most controversial features. Sub-Saharan Africa and other developing nations with high disease burdens have voiced concerns that TRIPS-enforced patent protections may raise the cost of necessary medications. Although the TRIPS Agreement

contains provisions for compulsory licensing, which permits governments to circumvent patents in situations of public health emergencies, it can be difficult and controversial to navigate these provisions.

Innovation and Knowledge Transfer

Powerful protection of intellectual property has the capability to enhance creativity and bring in foreign funding for research, development and technology. But, the benefits of this are often distributed partially, with multinational companies and highly developed nations are benefiting the most, while developing nations may face hindrances in achieving access to and utilizing cutting-edge technologies and procedures.

Dispute Resolution

Formal Mechanism for Disputes

Countries can question practices of trade they think are unfair or which violates agreements of WTO by leveraging the formal mechanism for dispute resolution offered by the WTO. This mechanism is called Dispute Settlement Understanding (DSU) which is established to settle disputes in trade via a step by step process that consists of panels, appellate reviews, and consultations.

Access and Resources

The procedure for resolution of disputes provides developing countries a avenue to bring their complaints in the forefront and receive compensation for unfair practices in trade committed by more advanced countries. It can be heavy in resource to access and leverage this mechanism, though, as it needs financial and legal expertise which might be limited in nations.

Impact on Trade Relations

When utilizing the process of dispute resolution it can effectively maintain a level playing field also ensuring that the trade rights of emerging nations are kept in mind. But, the complicacies of the procedures and the chances of prolonged conflicts can many a times destroy diplomatic ties and have an effect on dynamics of trade.

Technical Assistance

Capacity-Building Programs

The WTO through its support in technology and initiatives in capacity-building allows developing countries to manage their responsibilities and increase infrastructure related to trade.

These initiatives are created to enhance the capacity of the developing economies to execute agreements of WTO and participate in global trade.

Enhancing Trade Capabilities

Some instances of assistance in technology is government official training, aid for legal reforms, and the trade-related institutionalization. These programs support emerging countries in effectively tackling their policies in trade and tracking the complications of world trade agreements by strengthening the capabilities of the institutions and providing the needed expertise or skill.

Challenges in Implementation

The efficiency of technical aid can vary inspite of all these efforts. Developing countries might have problems leveraging from the assistance offered, which consists of scarce follow-up or the need for support that is even more specialized. Assistance that considers certain national goals and scenarios.

Special and Differential Treatment

Flexibility for Developing Countries

Provisions in special and differential treatment (SDT) under agreements of WTO offer emerging countries higher range within which they can fulfill their commitments. SDT provisions take into consideration the unique problems that developing countries bear and give them more time to fulfill certain conditions.

Gradual Integration

SDT provisions by offering developing economies the opportunity to change their economic policies at a considerable rate, can help them in actively participating and cooperating into the international trading process. Suppose, developing countries are provided with extended periods for transition and relaxing them from certain commitments so as to complement their economic development.

Effectiveness and Limitations

Notwithstanding, the amount of support SDT provisions offer, the complicity of the commitments and the differences in the level of commitment maintained by developed countries may hinder their efficiency. The effectiveness lies in how SDT measures meets the needs of developing nations through more personalized support that considers the diverse interests of the countries.

Economic Growth and Development

Integration into the Global Economy

Being a member of WTO can help the developing countries to promote not only their economic growth but also economic development by incorporating developing nations into the global trading system. International investments, advancements in technology, and new market avenues into global markets can drive economic growth.

Potential Benefits

Enhanced investment and trade can drive up growth in GDP, create employment, and raise standard of living. Developing economies can reap high benefits from WTO membership if they utilize fruitfully. They also gain financial autonomy, such as improved outcomes in export and trouble-free access to global supply chains.

Uneven Distribution of Benefits

One drawback which exists is that though being a WTO member, benefits might be spreaded unequally. During the period when few countries may be struggling to cope up with systemic problems and fruitfully reap the benefits from the opportunities provided, others nations may more and more from highly advanced infrastructure, better technological access, and robust institutions.

Empirical Evidence

Trade Impact Evidence: The Scenario Without the WTO

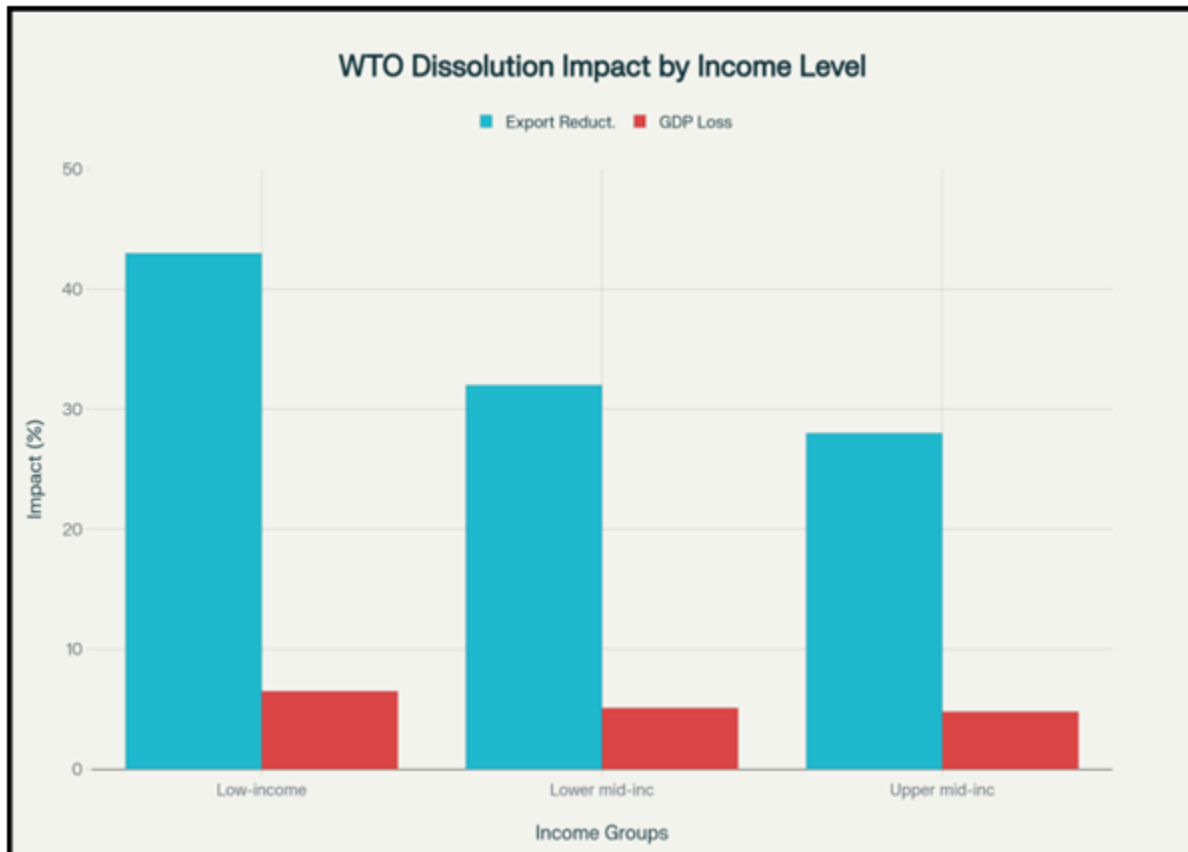
Along with the International Chamber of Commerce, Oxford Economics carried out a end to end modeling study that reveals the importance or value addition of WTO to developing economies. Their analysis shows that if under certain circumstances WTO would dissolve, exports which are non-fuel in nature from developing economies would decrease by one-third approximately in comparison to actual situation under which the organization stays active.

Significant variation by income level is hidden by this aggregate figure. By 2030, exports from low-income countries are expected to drop by about 43%, while those from middle-income countries are expected to drop by about 32%.

The modeling strategy used in this investigation was based on Yotov et al.s empirical gravity model evidence. The gold standard in structural gravity econometrics is (2019). Their analysis, which covered bilateral trade flows between 1986 and 2016 across almost all nations, showed that once methodological improvements accounting for asymmetric liberalization patterns were

included, trade flows were significantly increased by both WTO membership and the GATT prior to it.

Figure: Estimated Impact of WTO Dissolution on Developing Countries by Income Level (2030)



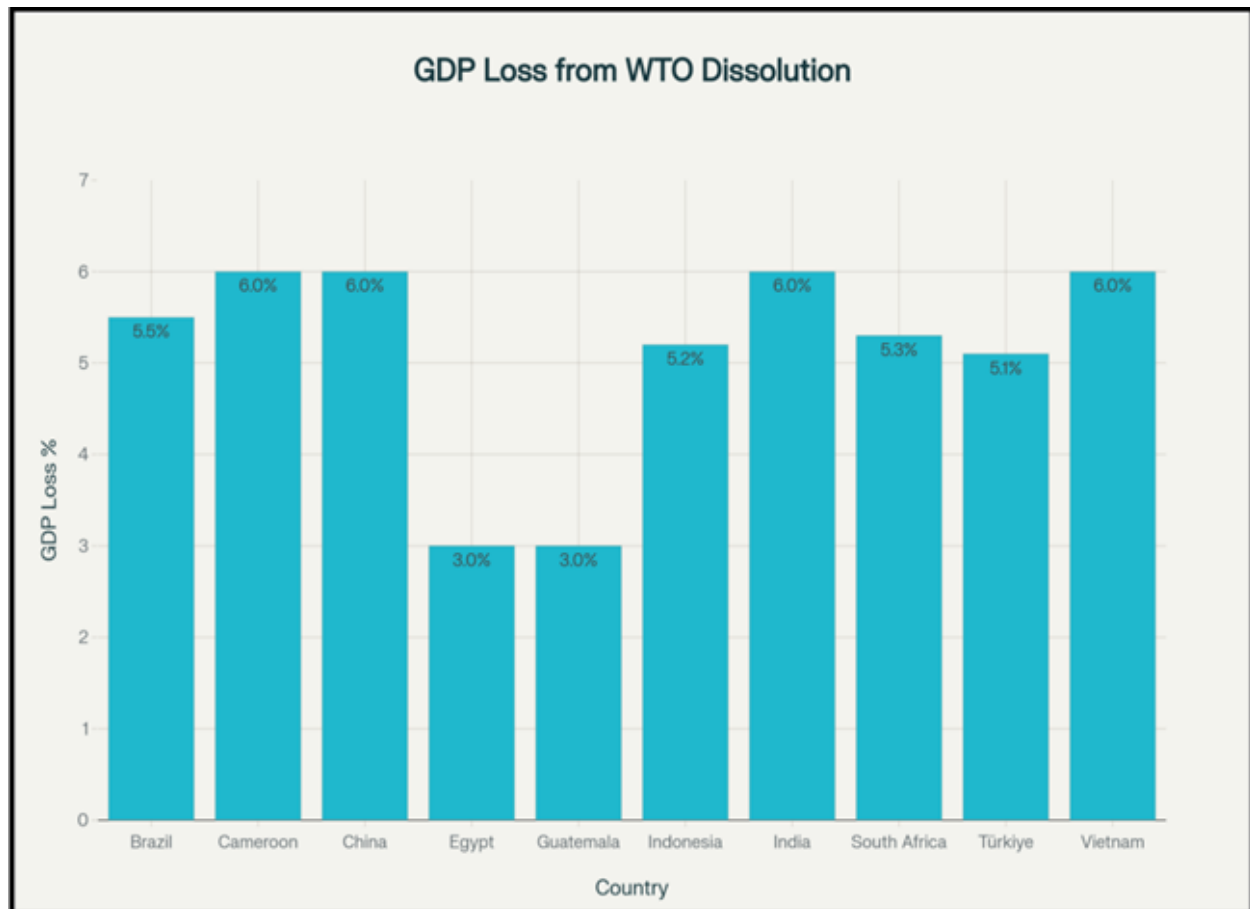
According to Subramanian and Wei's previous research, the WTO increased global imports by roughly 44%, or US\$3 trillion in 2000 alone, when the asymmetries between pre- and post-Uruguay Round accessions and the different effects on developed and developing nations were appropriately taken into account. It. The distribution of these trade benefits has been uneven, though.

The operation of Special and Differential (S&D) Treatment provisions, which allowed developing countries to undertake minimal liberalization obligations in exchange for preferential treatment, is reflected in Rose's seminal studies, which found no significant effect of WTO membership on trade patterns for developing members specifically when examining them separately from developed countries. Following the Uruguay Round (1994), when developing

nations agreed to more significant liberalization commitments, this imbalance decreased.

Compared to earlier or automatic accessions, subsequent rigorous accessions following the Uruguay Round demonstrated noticeably larger positive trade effects.

Figure: Long-Term GDP Impact of WTO Dissolution by Country (2030)



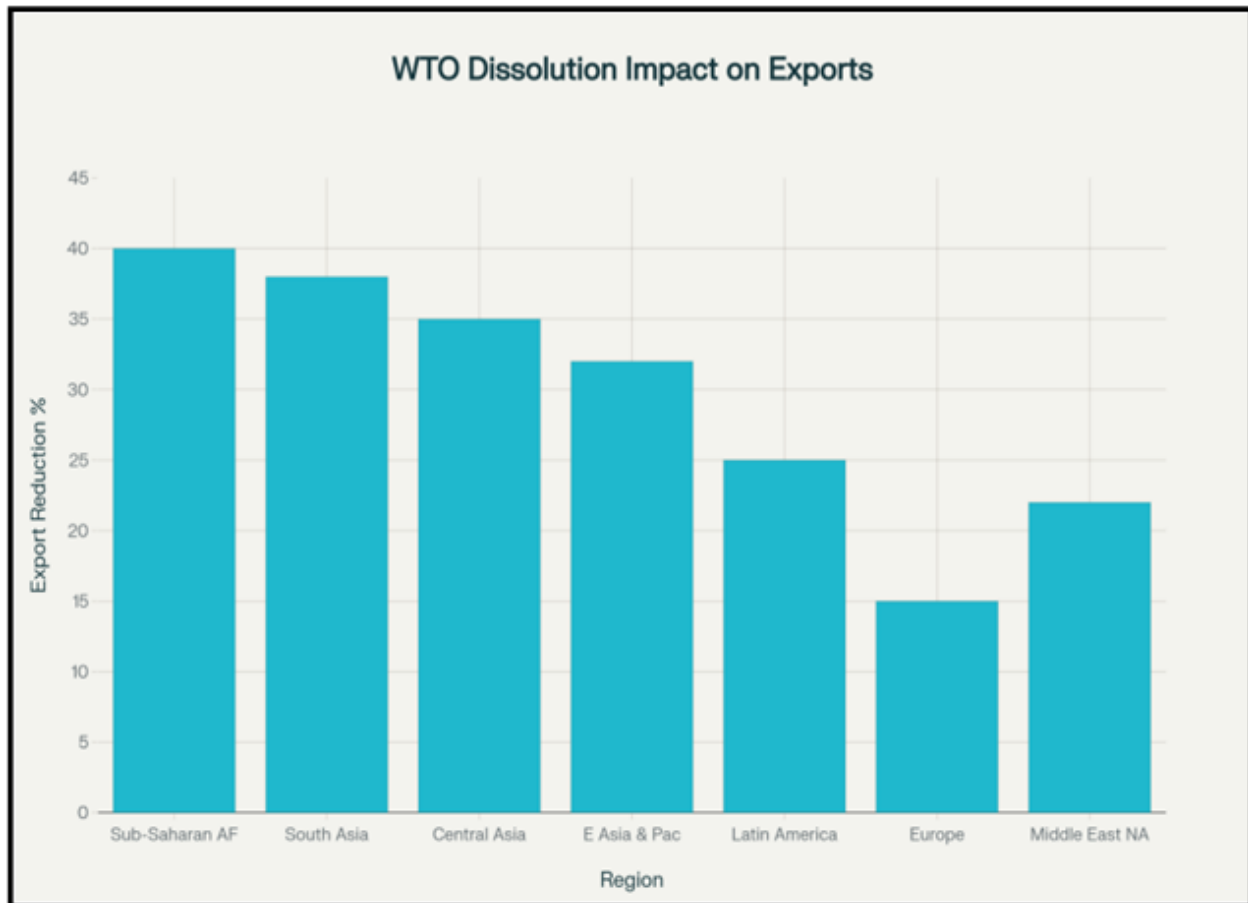
Regional Disparities in Trade Benefits

Significant disparities exist between developing countries based on the geographic distribution of WTO benefits. With estimated export reductions of 40% and 38%, respectively, Sub-Saharan Africa and South Asia are most vulnerable to a possible WTO dissolution. The high number of least developed countries (LDCs) in these areas that rely significantly on preferential market access and technical assistance from the WTO is reflected in this concentration.

As a result of their larger proportion of middle-income nations and comparatively strong inclination to trade with high-income nations through current agreements, developing economies

in Europe and the Middle East would, on the other hand, prove more resilient, with more moderate projected export contractions.

Figure: Regional Impact of WTO Dissolution on Developing Countries' Exports



Case Studies

Agricultural Trade

One significant barrier to the benefits of the WTO for developing nations is agriculture. Developing economies have been deeply disappointed by the Agreement on Agriculture (AoA) actual implementation, despite the agreement's promise to address trade distortions. According to the agreement, developed nations would lower agricultural tariffs by an average of 36% over a period of six years, while developing nations would lower tariffs by 24% over a period of ten years. The least developed nations were not required to make any reductions. Developed nations still contribute significantly to agriculture in spite of these pledges.

Agricultural exports from developing countries are particularly impacted by tariff escalation and peaks maintained by the United States, the European Union, and other developed countries. India's agricultural trade performance since WTO accession has been not satisfactory, according to a cross-country analysis of Brazil, India, and other significant developing country agricultural exporters. The AoA was supposed to boost export competitiveness, but after 1996, global prices for agricultural commodities significantly decreased. This result defies the initial hypothesis that liberalization would help India, which has a comparative advantage in agricultural production. It another instructive example is Brazil.

Brazil is a significant exporter of agricultural products, but its export profile is largely focused on politically sensitive goods like sugar, soy, and beef. Because agricultural markets are still among the most heavily protected industries in developed nations, where political considerations take precedence over liberalization commitments, this concentration has actually put Brazil at greater risk under the WTO system.

The Brazil-United States Cotton Dispute

The Brazil-United States cotton dispute (DS267) is arguably the most well-known developing country victory in WTO dispute resolution, but it also highlights the systems shortcomings in converting legal victories into advantages for development. This case was started by Brazil in 2002, claiming that the WTO's obligations under the Agreement on Agriculture and the Agreement on Subsidies and Countervailing Measures were broken by US cotton subsidies. It. The WTO dispute settlement panel found on September 8, 2004, that the United States had lost on a number of significant issues.

The US had falsely declared some programs to be non-trade-distorting when, in fact, they were. The WTO panel found two categories of violations: (1) prohibited export credit guarantee programs (GSM-102, GSM-103, and SCGP); and (2) actionable subsidies that negatively impacted Brazil (price-contingent marketing loans, market loss assistance payments, and counter-cyclical payments).

It Brazil may impose countermeasures up to about \$800 million a year, including the suspension of tariff concessions and obligations under the GATS and TRIPS agreements, according to the arbitrators. But in October 2014, after over ten years of unfinished implementation, the United States and Brazil came to an agreement whereby the US agreed to give the Brazil Cotton Institute a one-time payment of \$300 million in order to avoid concentrated retaliation. Although this was a diplomatic success, it also demonstrated how difficult it is for smaller trading nations to translate major victories into development outcomes.

Intellectual Property Rights: Asymmetric Costs

One example of how WTO regulations can cause asymmetric costs for developing nations is the TRIPS (Trade-Related Aspects of Intellectual Property Rights) Agreement. The agreement enforced high levels of patent protection that benefit pharmaceutical and technology companies in developed countries at the expense of generic medicine producers in developing economies, even as it created a rules-based framework that lessened trade disputes over intellectual property.

The welfare losses from TRIPS seem to be significant for less developed nations. The agreement sets minimum requirements for patent protection that are substantially stricter than those found in the majority of developing nations and historical development paths. Through mandatory licensing, more developed developing nations with domestic pharmaceutical industries in Brazil, India, South Africa, and Thailand, in particular have challenged the boundaries of TRIPS flexibility, but with varying degrees of success and ongoing pressure from governments in developed nations. One important empirical consequence is the cost of medications. Even after a patent expires, generic competition is delayed by data exclusivity clauses, which developed nations are increasingly demanding through bilateral trade agreements.

Research indicates that data exclusivity can cause generic availability to be delayed by years, resulting in originator medications being significantly more expensive than they would be in the event of generic competition. These price discriminations are highly problematic for emerging nations that is based on generics for public health care. The implementation of data exclusivity in Guatemala under the DR-CAFTA trade agreements had given rise to the total eradication of generic players from the market, with medications manufactured by the originators costs ten times when compared to generics.

Challenges and Criticisms

The Doha Development Round

The WTO has also faced a lot of backlashes, though achieving significant milestones. Among the top being its commitments to fulfill the developmental requirements of developing economies. Beginning from 2001, the Doha Development Round focused on priorities of trade for developing countries, which includes market access and agricultural subsidies.

However, because of disagreements between developed and developing countries, the Doha Round has failed to produce a comprehensive agreement. The WTO's incapacity to take into account the various economic interests of its members, especially between the global South and North, is frequently blamed for the Doha Rounds failure. The lack of noticeable progress on agricultural tariffs and subsidies in developed nations has been criticized by developing nations,

especially those in Asia and Africa, as it restricts their ability to compete in international markets. Some academics have come to the conclusion that the WTO cannot meet the needs of developing nations as a result of this impasse.

Cotton and Agricultural Subsidies

Last year, the Fair Trade Foundation disclosed how 5 million of the worlds poorest farming families have been driven out of business and into even greater poverty as a result of the \$47 billion in subsidies paid to rich-country producers over the previous ten years, creating obstacles for the 15 million cotton farmers in West Africa who are attempting to trade their way out of poverty. Beyond cotton, WTO members have not even been able to reach a consensus on how to cut back on the massive subsidies given to wealthy global farmers, whose overproduction continues to jeopardize the livelihoods of farmers in developing nations.

Trade Agreements and Special Treatment

Additionally, the WTO has failed to make clear the purposefully vague guidelines for signing trade agreements that let wealthy states manipulate the poorest nations. Due to the lack of clear regulations protecting them, African nations have been compelled to remove tariffs on up to 90% of their trade during negotiations with the EU. The special and differential treatment regulations for developing nations were intended to be reviewed in order to improve their accuracy, efficacy, and practicality. However, the 88 proposals that would close the legal gap have not been approved by the WTO.

Medicine and Fair Trade

Members have failed to resolve conflicts between government's obligations to safeguard public health and pharmaceutical companies intellectual property rights, which prevents the poorest people in developing nations from having access to reasonably priced medications. The Doha Development Round began ten years ago, but governments still havent made trade fair.

Campaigning organizations like Traidcraft and the Fairtrade Foundation, which are collaborating to end cotton subsidies, will continue to play a crucial role as long as small and impoverished nations lack a voice.

Legal Costs and Protectionist Economic Policies

The WTO has failed to fulfill its promise to increase access to its costly and complicated legal system. In 15 years of WTO dispute resolution, 400 cases have been filed. Only one least developed nation has ever submitted a claim, and no African nation has ever acted as a complainant.

Increasing the coherence of global economic policy-making was one of the five core functions of the WTO, which was decided upon at its founding in 1995. Despite the G20 leaders repeated declarations of their unwavering commitment to opposing all forms of protectionist measures, the WTO was unable to stop the rapid rise in the number of protectionist measures implemented by G20 nations in response to the global economic crisis over the past two years.

Natural Disaster and Decision Making

When given the chance to alleviate suffering, the WTO fails. In the event of a natural disaster, it will have taken the membership nearly two years to decide on and put into effect temporary trade concessions for Pakistan, where in 2010 severe flooding caused \$10 billion in damage and forced 20 million people to flee their homes. The International Centre for Trade and Sustainable Development claims that those actions would have increased Pakistans exports to the EU by at least £100 million this year.

The majority of WTO decisions are made by consensus, and reaching an agreement among 153 nations is almost impossible. However, this demonstrates yet another shortcoming of the WTO: its inability to sever the connection between market size and political clout, which would allow small and underdeveloped nations to participate in trade talks.

Appellate Body Crisis

The crisis within the Appellate Body (AB), which was set up to review disputes handled by the DSM, has been another significant weakness in the WTO. The United States consistently prevented the appointment of new judges to the AB, which led to a growing backlog of cases and the systems near collapse. The DSMs future sustainability and the WTOs capacity to successfully implement its decisions have been called into question by this crisis. Scholars claim that the WTOs dispute resolution process is at risk of losing credibility as well as efficiency in the absence of a functional Appellate Body.

Way Forward

Institutional and Procedural Reforms (No change to the Marrakesh Agreement required)

This category focuses on enhancing the WTOs internal operations through procedural changes that can be put into place without affecting the rights or responsibilities of members. These are practical issues, not legal ones. Issues include the following examples.

The process of reforming the working methods of WTO committees and bodies is still in progress. Ensuring open-ended participation and restricting the use of exclusive informal formats like small group negotiations and green rooms. Creating transparent and unambiguous guidelines

for facilitator-led procedures. Alternatively, until specific guidelines are developed, the established conduct and rules of procedure that apply to the General Council and its subsidiary bodies, especially with regard to the role of Chairs, may apply mutatis mutandis to Facilitator-led processes. Clarifying the international character of the WTO Secretariat responsibilities (Article VI of the Marrakesh Agreement), including its support functions to all Members in a neutral manner. As agreed upon, improving the notification and monitoring systems performance while taking developing nations constraints into consideration.

Legal basis is that under Article IX of the Marrakesh Agreement, the GC has the authority to implement these reforms. The treaty does not need to be amended. Next steps are these reforms could be put into effect right away. Before MC14, members can reach a consensus on procedural enhancements through GC rulings or guidelines.

Substantive Negotiating Issues with Existing Mandates

This group comprises matters that are already governed by established ministerial mandates but need further action or are still unresolved. To progress or finish, they need fresh political will rather than new directives.

Issues include, for instance, special safeguard mechanisms, public stockholding for food security, and other unresolved agricultural pillars, such as the removal of AMS entitlements. The remaining aspects of the negotiations for fishing subsidies. The waiver of services for LDCs is being implemented. Negotiations in accordance with Doha Declaration on S&DT, paragraph 44. The Doha Work Program has long-standing implementation problems.

Legal foundation includes Ministerial rulings serve as the foundation for these mandates (e.g. Doha, Hong Kong, Bali) and continue to be institutionally and legally enforceable unless formally replaced by consensus. A decision of that kind has not been made. The Doha Declarations paragraph 44 and later ministerial reaffirmations attest to their ongoing applicability. Next steps are developing nations should demand clarification on whether there is political will to move these issues forward or if some Members want to formally close them.

Until then, they stay on the agenda and cannot be replaced by more pressing issues.

Issues requiring formal amendment or procedural incorporation into the WTO Legal Framework (Marrakesh Agreement and/or other covered agreements)

Certain reform proposals can only be addressed through formal amendment procedures under Article X of the Marrakesh Agreement because they touch on the core institutional architecture of the WTO. Changes may also be procedural in other situations. Integration into the WTO legal

system, leading to the creation of new obligations or the effective modification of covered agreements.

For instance, any suggestion to change or reframe Article IX:1 consensus decision-making. S&DT provisions could be redesigned or significantly altered, depending on the type and extent of the change. In compliance with Article X:8 of the Marrakesh Agreement, the DSU is amended. New legally binding regulations or obligations that are currently included in the covered agreements are introduced.

Legal basis is the Marrakesh Agreements Article X formal treaty amendment. Requires threshold-based ratification and a qualified majority or consensus to be submitted. Next steps are that through cumulative informal practices or negotiated outcomes that circumvent Article X procedures, reform discussions must refrain from undermining fundamental principles or establishing new legal obligations. This category of proposals requires complete procedural discipline, formal notification, legal justification, and adoption in accordance with Article X procedures.

Plurilateral initiatives without a multilateral mandate

This category includes multilateral negotiations that are carried out outside of the single undertaking and that are started without a Ministerial Conference mandate. Issues include the following. The Joint Statement Initiative (JSI) on E-commerce and the E-commerce Agreement. Facilitation of Investment for Development. Legal basis is treating these as multilateral talks is not mandated by the minister. The Marrakesh Agreements legal channels must be used for their incorporation into WTO law. As agreed upon in Annex 4 (requiring consensus, Article X). Marrakesh Agreement, paragraph 9).

Next steps are that in order to avoid undermining the single undertaking and weakening the integrity of the multilateral system, members should agree that new plurilateral negotiations should proceed with a prior multilateral mandate without preempting negotiations, which must be carried out within a transparent and inclusive framework on emerging issues that may be relevant to Members multilateral trade relations in accordance with Article III. Marrakesh Agreement No. 2.

New Issues for Dialogue only (No Mandate for Negotiation)

Emerging or politically significant issues that have not been required for negotiation but might be discussed in the General Council fall under this category. These conversations have to be exploratory and non-negotiating. An agenda that looks forward cannot be restricted to a small number of members priorities. It must also take into account the urgent issues facing developing

nations, such as food security, policy space for green industrialization, and fair treatment of trade measures related to climate change in accordance with development needs. Distinct obligations.

A new issue must be in line with the goals of the WTO as stated in Article III:2 and fall within the purview of the Councils duties as outlined in Article IV:2 of the Marrakesh Agreement in order for the General Council to consider it appropriately. Discussions outside this remit risk diluting the multilateral agenda and diverting attention from. Unresolved mandates for development. Legal basis is that there is no mandate for the negotiation of new regulations, but these discussions are allowed under GC functions. A fresh ministerial decision is necessary for binding results. Next steps are that members should decide to limit the scope of these talks to non-negotiating discussions. Discussions ought to be transparent, organized, and centered on development viewpoints. No conversion into legally binding rulemaking should take place without clear agreement.

Systemic disruptions and institutional integrity

This category deals with ongoing disruptions that jeopardize the WTOs legal underpinnings and efficient operation. These are not new or exploratory issues; rather, they are active behaviors that undermine fundamental institutional norms, challenge existing treaty commitments, and damage the credibility of the multilateral trading system including by a powerful Member. The problems included in this category are not potential reform subjects. They represent deliberate and continuous departures from agreed-upon treaty obligations, such as those under the Marrakesh Agreement, the GATT, and the DSU. These are not thematic or policy preference issues. Conformity.

They affect how fundamental legal provisions, like the requirement to settle disputes only within the WTO framework (DSU Article 23), the limited scope of national security exceptions (GATT Article XXI), and the requirement that decisions and amendments be adopted through established procedures (Articles IX and X of the Marrakesh Agreement), are implemented. As has been done in the Facilitators framing, integrating these concerns across other reform tracks runs the risk of hiding their legal nature and downplaying the institutional repercussions of non-compliance. A targeted and legally sound response based on Members current obligations rather than on new negotiations is made possible by treating them as a distinct category.

Additionally, it reaffirms the idea that institutional integrity is not just one problem but rather a prerequisite for reform. Issues include, for example. Concerns about unbridled unilateralism and the deterioration of legal predictability are raised by the expanded use of national security exceptions beyond the intended and strictly defined scope of Article XXI of the GATT. Implementation of unilateral trade policies (such as Section 301 tracking, competitive tariffs,

differential obligations) apart from the WTO framework, in breaching the WTO's compliance-based enforcement process.

The fact of consensus-based multilateralism is underestimated when foundational necessities are not considered and contrary to that only certain reforms are advanced. The moment developing countries are required to rebargain established rights while rest ignore basic commitments, this selective compliance to rules and regulations generates a gap in the credibility in the system of reform. The multiplication of bilateral agreements that are not hanf in hand with the MFN results in infrastructural fragmentation and legal unpredictability for members who are not participating.

Legal basis of these obstacles reveal that breaching or not obliging the binding legal obligations of the treaty. The following provisions in the legal front are relevant. Articles I, II, and XXIII of the GATT states that complying with tariff agreements, nondiscrimination, and solutions for abrogation. Article XXI of the GATT reveals restricting national security except in specific situations and which are to be evaluated in alignment with notable principles treaty analysis. Articles IX and X of the Marrakesh Agreements head decision-making and modification processes, limiting the unilateral adaptations of organizational rules and regulations. GATT Article XXIV: Controlling regional trade agreements to stop MFN principles from being undermined. The next step is to hold a high-level ministerial dialogue. Start a targeted political conversation about systemic integrity. In addition to examining institutional strategies to address these issues, this discussion should restate the fundamental tenets of the multilateral trading system.

Restoring and strengthening the WTO Dispute Settlement System

As required by the DSU, this category deals with the pressing need to restore a fully operational two-tier dispute settlement mechanism. The WTOs legal enforcement function has been disrupted, a patchwork of alternative mechanisms has been established, and members confidence in the systems predictability, impartiality, and universality has been undermined by the crisis caused by the protracted blockage of Appellate Body appointments. Next steps are to continue the talks and negotiations for DS Reform that were started on a different track.

Conclusion

According to the evidence, the WTO partially benefits developing economies. This is most clearly demonstrated by predictable market access, bound tariffs, transparency through the TPRM, and a rules-based dispute system that occasionally provides significant remedies (e.g. Brazil and U.S. Cotton).

These characteristics lower policy uncertainty, promote investment, and give smaller economies

access to legal resources that they would not otherwise have. Many low-income members have also benefited from Special and Differential Treatment (SDT) and technical assistance, though their participation has been uneven. However, the advantages are conditional and inconsistent.

Strict IP regulations under TRIPS, ongoing tariff peaks and escalation, and binding liberalization without comparable reform in rich-country agriculture limit policy space for late industrializers and complicate access to medications. Tensions between the need for green and industrial policies and nondiscrimination are exemplified by the India solar case. The systems credibility and development promise are further undermined by the stalled Doha Development Agenda and the Appellate Body's paralysis, and if plurilateral initiatives are not grounded in inclusive mandates, they run the risk of fragmenting the single endeavor.

Climate measures, digital divides, and supply-chain concentration are post-pandemic realities that exacerbate these pressures. Reform, not replacement, is a practical course of action. In the short term, members should: (i) reinstate a fully operational two-tier dispute settlement system; (ii) enhance notifications and transparency with capacity support aimed at LDCs; (iii) operationalize SDT with more precise, needs-based criteria and quantifiable results; and (iv) ensure balanced results in current mandates on fisheries and agriculture (including public stockholding and detrimental subsidies).

Priorities, especially the ones which are of medium timeline consist of betterment of the protections of TRIPS public health, embodying green industrial policies that are flexible to development, and ensuring that all plurilateral results are open, without any vagueness, and legally absorbed without underestimating MFN. Altogether, the WTO is still crucial but not enough. It does not always necessarily lead to development, nevertheless it does provide the required base for anticipation and fairness. The desire of the member nations to achieve highly overdue compliances, restore declaration, and review the rulebook considering inclusive, growth that is sustainable will at last show whether or not it is actually beneficial to the developing countries.

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