

Revitalizing Multilateral Governance at the World Trade Organization

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Challenge

The trading system is in crisis. Urgent action is needed to revitalize its central organ, the World Trade Organization (WTO). Such action must come from its Members and be based on renewed multilateral dialogue on the use and effects of trade-distorting policies in both developed and developing nations. Dialogue is also needed to resolve conflicts regarding the operation of the WTO dispute settlement mechanism and to assess the functioning of the organization.

The fundamental consensus norm has been abused to resist multilateral discussion of new policy areas and concerns regarding the functioning of the organization. Members should reflect on whether WTO bodies provide them with the information they need to assess implementation of existing agreements and identify gaps where the rules need to be updated. Without discussing how the WTO operates, Members will not be able to create a framework for issues such as the governance of digital trade or how to enhance trade's contribution to societal goals.

All WTO members benefit from the rules-based trading system. Participating in mega-regional trade agreements offers a complementary vehicle for cooperation to countries willing to deepen integration of markets, but this is not a viable alternative for many developing countries and risks fragmenting the rules that apply to global value chains. Nor will such agreements discipline key trade-distorting instruments such as subsidies.

Safeguarding the WTO is particularly important for smaller countries. Only the multilateral trading system offers them the opportunity to influence the development of new trade rules.

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Proposal

Existing Initiatives & Analysis

