

World Trade Organisation and Its Role in Supporting SDGs

Eero Palmujoki

University Lecturer

Faculty of Management and Business

Tampere University

Tampere, Finland

Synonyms

Trade and development, trade and environment, trade and health

Definition

The World Trade Organization (WTO) is a member-based and government-driven international organization that both establishes global trade rules during multilateral trade negotiations and monitors compliance. The WTO aims to trade liberalization through a rule-based system. The rule-based system suggests that trade liberalization takes place within the basic principles of international society: national sovereignty, international justice, and markets. The basic principles are turned to trade principles and then to the trade rules. The trade rules are materialized in different WTO agreements on trade in goods, services, and intellectual property rights. The strength of the WTO is based on its dispute settlement mechanism (DSM), which provides retaliation for WTO members against other WTO member countries that have broken WTO rules (WTO 2019).

Introduction

International trade is an important element in the United Nations' Sustainable Development Goals (SDGs). The role of trade had already been emphasized in the UN's Millennium Development Goals (MDGs), which were established following the UN Millennium Summit in 2000. The MDGs already strove to connect the sustainability goals to the rule-based system of international trade. The MDG's first goal, to eradicate extreme poverty and hunger, and the eighth goal, to develop a global partnership for development, put the focus on the trade possibilities of the least developed countries and touched the domains of the WTO. The goals' targets included developing "an open, rule-based, predictable, non-discriminatory trading and financial system," and allowing preferential treatment to exports from least developed countries, both of which clearly belong to the tasks under the WTO. The target of providing access to essential drugs augured the debate on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and public health in the WTO (End Poverty). In the SDGs, the WTO and trade are even more emphasized. Of its 17 goals the WTO or WTO agreements are mentioned in five goals (goals 2, 3, 10, 14, and 17) and the aspect of trade has an important role in in two more goals (8 and 9). They include issues of poverty, health, economic growth, and environmental conservation in national and interstate levels (Sustainable Development Goals, 2018).

Although the WTO is an independent organization, it has liaisons with UN agencies to coordinate the SDGs. However, in the WTO's practices, both in trade negotiations and in solving trade-related disputes, the organization's role in promoting UN SDGs is anything but unambiguous. This is because the member states' trade interests may sometimes conflict with the SDGs. As an intergovernmental trade organization, all trade-related issues should be examined according to the interests of the member states and the norms of

international society. State interests and the norms of international society define the WTO's role in trade issues and trade-related issues, including the sustainability issues.

Based on this, the chapter examines what the possibilities and the limits of the WTO to support the SDGs are. The concerns of the WTO's role in attaining SDGs reflect several aspects of the organization, such as development, environment and health related aspects of trade. To understand the role of the WTO towards sustainability goals, the chapter sheds light on the following issues concerning the trade organization: the development of global trade regulation system; the evolution of trading principles and their execution in trade agreement, including the dispute settlement system; the structure of the WTO; and the political framework that dominates the organization and determine its development.

From the GATT System to the WTO

In 2016, the WTO's 164 members accounted for 98.2 percent of world trade. The organization was established in 1994 and has operated since 1995. Its predecessor is the General Agreement on Trade and Tariffs (GATT), which was a legal multilateral agreement signed in 1947 aiming to promote international trade by reducing and eliminating trade barriers. The original GATT treaty was followed by several multilateral trade negotiation rounds from 1949-1994. The WTO was established as a result of the final GATT negotiation round: the Uruguay Round. The trade agreements created during different trade negotiations' rounds between 1949 and 1995, together with the trade dispute settlement mechanism, were adopted to the WTO system. Firstly, the task of the WTO is to observe that the GATT agreements and the subsequent multilateral trade agreements are followed, and secondly, to arrange and govern multilateral trade negotiations.

The difference between the WTO and GATT is that the WTO has a more institutional structure, including membership, permanent commitments, a permanent secretariat, and a fast and effective dispute settlement system. In fact, the original plan of the GATT after the Second World War was to create a permanent International Trade Organization (ITO) as a specialized UN agency. However, as it became clear that some national legislatures opposed its ratification, particularly the US Congress, the draft ITO charter was practically buried, and the GATT became the provisional arrangement for nearly half a century (Barton et al. 2008, 29-47; Conti 2011, 25-28).

In addition to its institutional structure, the trade coverage of the WTO is larger than the GATT: While the GATT dealt only with the trade of goods (excluding agricultural and textile products), the WTO deals with goods (including agriculture and textile), services (General Agreement in Trade on Services (GATS) and intellectual property rights (Agreement on Trade-Related Aspects of Intellectual Property Rights, TRIPS). In the GATT period, the contracting parties mainly included developed industrial countries and their third world allies. Socialist countries were neither part of the system nor a considerable part of developing countries. In 1947-73, less than 50 governments took part in negotiation rounds, but the number doubled in the Tokyo Round from 1973-79 (Srinivasan 1998). In the WTO, all the main traders are members, including China and Russia as well as most developing countries. During the GATT Uruguay Round (1986-94), the role of developing countries in trade negotiations strengthened. The number of developing countries in the WTO increased considerably – there were 128 GATT/WTO signatories in 1994, whereas the number of member countries in 2018 is 164.

Central and basic trade principles remained the same in the multilateral trade system once the GATT was converted into the WTO. Although trade liberalization was already the basic goal of the GATT, reciprocity between traders was the point of departure for any agreement in trade negotiations. In a multilateral context, this means that the agreements followed the most favored nation principle (MFN), which assumes that all the allowances and reliefs of trade should concern all the countries in a trade system. First of all, MFN refers to non-discrimination, suggesting that all countries receive equal treatment in trade. Reciprocity and MFN did not mean, as such, trade liberalization, but in the context of liberalization, they supported it. As the

GATT did not focus only on tariff reductions but also other measures to remove trade barriers, such as national regulation and artificial standards, transparency became an important principle in trade agreements. In the context of trade in goods, national treatment (NT) aimed to attain the same goal of preventing the use of national regulation to protect national production. The principle of NT presumed that foreign goods, after tariffs have been paid, receive the same treatment in national markets as domestic goods (Barton et al. 2008, 38-55).

The GATT system was developed in the post-war situation, which was characterized by the two-bloc structure and the emergence of new developing countries. The GATT negotiations reflected, first of all, the interest of western industrialized countries. The agricultural sector and textile industry were, in particular, protected in those countries and, therefore, excluded from negotiations. Similarly, in the post-Second World War situation, most developed countries followed Keynesian economic policies, which provide governments with authority and strong regulation in many economic sectors. In this context, trade liberalization in all economic sectors was not in their interests. This concerned agricultural and many service sectors, as the former was heavily subsidized and the latter was provided or regulated by public authority in many developed countries. Therefore, the majority of developing countries, including many pro-western third world countries, did not take part in, or were passive participants of the GATT negotiation rounds (Srinivasan 1999, 4-7).

The situation changed when developed countries, particularly the United States, aspired to include the new sectors of services and intellectual property rights into multilateral trade agreements. In the background, there were changes in both the production structures as well as in international relations, owing to the erosion of the socialist bloc and the changes in economic policies in former socialist countries. On the other hand, to make trade treaties effective and strengthen the US power in negotiations, developing countries had to be incorporated into the negotiations. The new situation gave an advantage to the developing countries, particularly to the emerging developing countries, to include agriculture and textile products in the negotiations. With the partially different interests of the developed countries and the developing countries, the new multilateral trade organization was created during the GATT Uruguay Round negotiations, from 1986-94 (Ricupero 1998; Srinivasan 1999).

The WTO Trade Principles

The creation of the WTO brought along new trading principles, which are relevant for the SDGs. The new organization followed the GATT trading principles of reciprocity, MFN, transparency, and NT. Although the basic GATT principles remained, the protection of intellectual property rights was accompanied by the new principle of private property rights concerning multilateral trade arrangements. The significance of TRIPS is that it covers patent protection globally as well as aims to protect copyrights and trademarks among WTO members. Nevertheless, in the issue of trade in services, national treatment – the requirement that foreign service providers should be treated as domestic actors – challenged traditional interpretations of state sovereignty to control certain sectors, such as health, banking, insurance, and communication (Barton et al. 2008, 127-139). This, together with the protection of property rights, created and strengthened market principles in multilateral trade. The establishment of TRIPS and GATS (General Agreement in Trade on Services) were strongly criticized for preventing developing countries to develop their production sectors and social sector systems. In TRIPS, for instance, the companies in developing countries are not able to compete with international companies in research and development. In GATS, the service agreement defines social sector policies in enforcing the WTO member state to privatize the key domains of public sectors such as health and education (Wade 2003).

However, the strong role of developing countries in the Uruguay Round negotiations and the entry of developing countries at a large scale to multilateral trade negotiations brought about new principles. The

new principles originated from the decolonization process, during which the newly independent developing countries urged a new international economic order to replace their role as the producers of raw material (Srinivasan 1999). The new principles emerged in the United Nation's Conference of Trade and Development (UNCTAD), where developing countries formed a Group 77; this called for – not reciprocity – but non-reciprocity between developing and developed countries, and – not MFN – but preferential treatment for developing countries in order to develop their production structures (Mitchell and Voon 2009). These principles were part of a broader principle of international society: international justice, which was strengthened during the de-colonialization process and is now secured to the new trade organization.

These changes led to qualitative changes in the world trading system once the GATT was converted into the WTO. The old GATT trading principles of reciprocity, MFN, transparency, and NT were now supplemented with principles of non-reciprocity and preferential treatment. With the GATS agreement and TRIPS, in particular, market principles were also adopted to establish the rules of the WTO. From the point of view of SDG's, non-reciprocity and preferential treatment have balanced the market-principles and brought along abatements, which make possible national actions towards SDGs, particularly in health and social sectors. One example of this is that, based on non-reciprocity and preferential treatment, the Doha Declaration on the TRIPS and Public Health (2001) and following Amendment of the TRIPS Agreement (2005) renders the developing countries to buy cheap generic drugs in the case of national importance (Palmujoki 2018).

GATT/WTO Agreements

The GATT/WTO trade principles are materialized as trade rules in the WTO agreements. An umbrella agreement is the Agreement Establishing the World Trade Organization (1994), which defines tasks, structure, and decision making in the WTO. Then there are, as the result of the GATT Uruguay Round, WTO agreements on main trade areas covering goods (GATT), services (GATS), and intellectual property (TRIPS). In addition, there is a separate agreement on dispute settlement and an agreement on member governments' trade policy reviews (WTO 1994).

The agreements on goods and services include extra agreements and annexes with the special sectors and detailed lists of commitments made by individual member countries, allowing specific foreign products or service providers access to domestic markets. In the following table, the structure of basic agreements is presented (WTO 2018a).

TABLE 1

The extra agreements, annexes, and the list of commitments have a two-fold importance: First, in GATT, for example, they make it possible to subsidize agricultural production and set combinations of tariffs and quotas for the imports of agricultural products. However, different kinds of exclusions made by individual member countries have made it difficult to proceed further in trade liberalization in agriculture and services. Second, in GATS, the exclusions make it possible for public authority to govern and regulate different sectors, such as education, social services, health, and communication; this has been important for many countries, including several developed countries, as many EU member states have a strong role in education, culture and health and social sectors (Price et al. 1999; Robertson 2002; Kiss 2009).

Although the coverage of trade expanded to trade of services and intellectual property rights once the GATT system was converted into the WTO, it still lacked the possibility of regulating the trade of investments. The importance of investments has increased due to changed supply/production chains, as a new international division of labor has spread the stages of production globally. Owing to this, countries have become more dependent on international trade, and companies are looking for international regulation to secure their investments. Nevertheless, the WTO has not managed to take investments to the trade negotiations agenda (Jones 2015).

Dispute Settlement Mechanism

The significant reform of the WTO vis-à-vis GATT was the strengthening of the dispute settlement mechanism (DSM). Although the GATT system included the DSM, the institutionalization and legalization of the WTO DSM considerably reinforced the binding nature of the WTO rules. This development has been illustrated as a turn from diplomatic norms to WTO legalistic architecture, and it is expected that developing countries have gained from this more rule-based system. In a more detailed analysis, however, the new DSM has supported mostly emerging countries, such as Brazil, China, and India, which have capacities for legal action in the DSM, whereas the least developed countries have not benefited from the new legalized DSM (Abbott 2007).

A significant reform in the DSM was to establish a fixed timetable, according to which the dispute had to be dealt with in different national and WTO bodies in one year. An even more important reform was that the right of defendant parties to block the hearing of a case was avoided in the new DSM. In the WTO system, the Dispute Settlement Body (DSB) automatically starts the procedure when the complaint is presented.

When the dispute procedure starts, DSB establishes a panel that consists of three to five independent trade experts on an ad hoc basis. The panel prepares a report to the Appellate Body. Unlike the panels, the Appellate Body is a permanent WTO body. It consists of seven judges who are nominated for four-year terms. The Appellate Body members must broadly represent the membership of the WTO and not act as representatives of their own countries. Each judge can be reappointed once. During the preparation process, the interim report is sent to the parties. After that, the panel prepares the final report, which will come binding once the DSB has adopted it. According to the adopted report, the “losing” member has time to implement the suggestions of the report. If that member fails to change its trade policies or rulings, it has a possibility to provide compensation to the complainant(s), e.g., tariff reductions. In the case that there is no mutual understanding on satisfactory compensation, the complainant is allowed to propose countermeasures. The size of these countermeasures is determined according to the extent of the WTO rule violations.

This system has proved to be efficient. In the general view of research literature (Srinivasan 1998; Evans and Shaffer 2010), developing countries have benefited from the DSM’s institutionalized and legalized course of action. The quantitative analysis, however, shows that developing countries have increasingly also been defendants in the DSM (Busch and Reinhardt 2003). This is largely explained by the fact that the commitments of developing countries significantly increased when the GATT system was converted into the WTO (Abbott 2007).

In the new DSM, a powerful state can neither block the dispute settlement nor put such pressure on a weaker country to give up litigation, as was possible in the GATT system. In their individual or joint complaints, developing countries have effectively prevented tariffs that developed countries had established to protect their production. The decisions of the DSB are particularly favorable for developing countries when dealing with trade in goods. In the case of new issues – trade in services and TRIPS – the situation is reverse. The disputes on GATS have dealt with both banking and insurance and, in the case of TRIPS, pharmaceutical products, copyrights, and trademarks. In these cases, the developing countries have been the defendants, and, in most cases, they have been the losers. However, in the big picture of the WTO dispute cases, issues concerning trade in goods have constituted the main part of the disputes.

The WTO Organization and Coalitions

THE WTO ORGANIZATION STRUCTURE

The WTO's supreme organ is the Ministerial Conference, which meets every two years. It brings together the representatives of all the members. Between the conferences, the highest decision-making body in Geneva is the WTO General Council. The member representatives are ambassadors or the equivalent from all member states. The General Council also acts, under specific rules, as the DSB and Trade Policy Review Body, which reviews the varied national trade policies of each member country in accordance with its share of world trade. The General Council has established several subsidiary bodies, which take a closer look at trade areas on which they have been established, such as councils for different trade agreements (Trade in Goods, TRIPS, and GATS), or trade issues, such as Committees on Trade and Environment, Trade and Development, and Regional Trade Agreements.

Trade negotiations are organized by the General Council's subsidiary, the Trade Negotiations Committee, under which different negotiations groups are assembled. The current negotiations round is known as the Doha Negotiations Round, which started from the Fourth Ministerial Conference in Doha 2001. The negotiations are held according to following principles: *Single undertaking*, meaning that "nothing is agreed until everything is agreed." (WTO 2018b) *Participation* means that negotiations are open to every member and all the governments that are negotiating or are intending to negotiate membership are observers. *Transparency* suggests that negotiations should be transparent. *Special and differential treatment* addresses the interests of developing and least-developed countries. *Sustainable development* means that the developmental and environmental concerns are recognized in negotiations and the concerns are identified by the Trade and Development and Trade and Environment committees. (Ibid.)

THE COALITIONS

There are several coalitions in the WTO. First, the regional economic and trade arrangements bind the states to form regional blocs, such as the EU, ASEAN, NAFTA, MERCOSUR, etc. Second, countries with similar production and trade structures may have similar interests in the WTO: For instance, the broad division between developed and developing countries has dominated the Doha Negotiations Round. In the Doha Round, several regional groupings between developing countries have appeared, for example, the Least-Developed Country Group and the African Group. However, third, there have been other negotiation combinations, blocs, and crossover alliances, which cross the borders of developed and developing countries or have been established between regional blocs, such as the Cairns Group. The consistency of the last-mentioned groups varies, and many of them are issue based. The possibility to move across the coalitions suggests that WTO members are rather independent and can act according to their own interests (Narlikar 2003; Narlikar and Tussie 2004; Narlikar and Odell 2006).

The issue of members' equality is, however, rather different. Powerful traders are also influential in negotiations. The most influential traders form the group of Six or "the new Quad," which replaced the "Quad" or "Quadrilaterals," which was formed by three developed countries, Canada, Japan, and the US, together with the EU. The group of Six is formed by the EU, the US, Japan and Australia, together with two powerful developing country representatives, Brazil and India. The role of the Six is to break the deadlock in trade negotiations, which, however, usually calls for broader representation because WTO decisions are made by consensus. The size of the negotiation groups varies from the Quad to the "Green room meetings," which refer to the meetings of the 30-40 most important WTO members (Jones 2009).

The role of the coalitions changes when the question is about trade disputes. First, trade disputes do not depend on coalitions or groups. Trade disputes can be between coalition or group members, developed countries, or developing countries. Normally, one WTO member country takes action and another member country or countries with the same trade interests often takes part in the proceedings. However, in the dispute cases, any kind of group solidarity between member countries seems to be irrelevant (Barton et al. 2008, 55-57).

The WTO Doha Negotiations Round and Development

From the beginning of and during the Doha Round, the developing countries have been very active in bringing a trade-related development aspect to the negotiations, particularly those concerning trade of agricultural products and their subsidies in developed countries. In a more general background, the claims of developing countries were backed by the UN MDGs. The new negotiation round was called Doha Development Round or Doha Development Agenda to emphasize the priorities of the less developed countries in trade.

The background of the Doha negotiations round was an attempt from the developed countries to broaden and deepen the global trade rules from that were agreed upon at the end of the Uruguay Round. In the Singapore WTO Ministerial Conference in 1996, the developed countries put forward four issues: transparency in government procurement, trade facilitation, trade and investment, and trade and competition. Developing countries were not particularly enthusiastic about these “Singapore issues” and attempted to open the negotiations on the trade of agricultural products for compensation. After the unsuccessful WTO Seattle Ministerial Conference in 1999, the negotiation position of the developing countries improved when the US started the war on terror in September 2001 and needed alliances from developing countries, just two months before the Doha Ministerial Conference.

In Doha, the investment issue was dropped from the negotiations agenda. Instead, the role of agriculture was strengthened with special reference to the trade of agricultural products from the least developed countries. The declaration of the Doha Ministerial Conference provided the mandate for negotiations about both agricultural issues as well as Singapore issues, excluding investments. Although the Doha negotiations agenda is very comprehensive, including issues from trade and environment to e-commerce, the bottleneck of negotiations has been agriculture. Concerning deadlock issues, developed countries have been unable to give up the subsidies of agricultural products and liberate markets for cheap imports from developing countries (Anderson et al. 2006). When negotiations follow the principle of single undertaking, which means that nothing is agreed until everything is agreed and suggests that negotiations take place simultaneously and not sequentially, a new agreement is difficult to reach (Wolfe 2009). Only on minor issues, some of which appeared from outside the negotiations agenda, has some progress been made. They have been limited issues, such as the Trade Facilitation Agreement, which was reached in December 2013, and another limited effort was the elimination tariffs on environmental goods, such as solar panels and wind turbines. An important achievement with reference to the UN MDGs and the later UN SDG’s reached after the beginning of the Doha Round was the amendment to the TRIPS agreement on the availability on vital drugs (HIV/AIDS, cancer, malaria, etc.) in developing countries.

The WTO and Sustainability

The WTO is a separate organization, not a UN organization, and it has no formal institutional links with the UN or its special agencies. However, the WTO Director General participates in the UN Chief Executive Board together with executive heads of various UN bodies, the World Bank, and the International Monetary Fund (IMF). Therefore, the WTO has been an active part in attaining SDGs in the fields that are in its domain. These goals can be supported by trade negotiations, which are presumed to concern sustainability viewpoints, and by the WTO’s ability to monitor its members’ compliance of trade rules (Sampson 2005b, 124-126). In many respects, particularly during the last negotiations round, the WTO has taken account of many sustainability issues reflecting environmental, social, and economic sustainability to an extent that the WTO has been characterized as “a World Trade and Sustainability Organization” (Sampson 2005a, 2). Together with the stronger role of developing countries, social sustainability issues have emerged into the WTO agenda, while the developed countries required the environmental and labor issues to be taken into the negotiations agenda, in order to prevent environmentally and socially unsustainable production practices in developing

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countries. Economic sustainability issues have been particularly emphasized in promoting the market access of developing countries.

There are, however, justified reasons to believe that the WTO's support of these goals is not as firm as one might be led to believe. The progress of the current negotiations round is very slow, and remarkable achievements for the market access of the products from the least developed countries have not been made. Similarly, neither the decisions of the GATT/WTO DSM on sustainability issues concerning social matters and environment nor the progress of including them in the WTO rules have always been favorable (Forman 2017; Kulovesi 2011).

In numerous WTO roles, the implications for non-trade issues, such as sustainability issues, varies: When trade rules are established, the member countries defend their particular trade interests and, thus, the non-trade issues have had minor roles or have been neglected in trade negotiations. As the keeper of trade rules, the WTO's role is more complicated. The legalized decisions of the DSM have suggested that trade rules do not necessary always walk over the non-trade interests of the member countries.

Nevertheless, there is a widespread view that the GATT/WTO DSM decisions prevent international and national environmental and social goals. The GATT/WTO DSM have prohibited various environmental and social motivated trade barriers that the member countries have established in their imports. Similarly, there is an opinion that suggests that the WTO decisions are "chilling" environmental conservation globally because the WTO decisions are "constitutional." Constitutional refers to the GATT/WTO DSM decisions favoring trade rules over non-trade issues. Chilling refers to the interpretation that the member countries foresee the DSM decisions, and that the governments are not willing to develop national environmental legislation or make international environmental agreements (Weber 2001; Eckersley 2004).

It is, however, obvious that the GATT/WTO rules have not been a barrier for intergovernmental or transnational environmental governance. The DSB interventions concerning the environment have dealt with national restrictions of imports justified by environmental concerns. Evidently, the exceptions and abatements of the GATT/WTO rules give enough scope to implement environmental conventions if the member countries are only willing to do this. For example, the emission trade included in the UNFCCC (United Nations Framework Convention for Climate Change) is possible through the WTO SCM agreement and the XX article of GATT, which allow governments to give subsidies to establish and maintain this emission trade system (Werksman 1999; Howse 2010).

The WTO DSB's decisions can change, which occurred during the WTO turtle-shrimp case in 1998-2001. The DSB ruled against the US in 1998 in the case of protecting sea turtles, stating that the US law was arbitrary, unilateralist, and protected the US shrimp industry more than sea turtles. Between 1998 and 2001, the US started negotiations with other shrimp harvesting countries on more turtle-friendly catching methods and made its own law fairer and more transparent. The WTO considered the equation of economic sanctions and environmental protection and, at its 2001 decision, decided that the point of the US measures were now more focused on the protection of the environment than on the protection of its domestic production and approved the US legislation. It has argued, therefore, that the trajectory of the WTO rulings concerning trade-related measures to protect environment has increasingly moved towards the consideration of environmental effectiveness of these trade-related measures. It is, therefore, problematic to argue that trade norms always transcend environmental norms in WTO dispute settlements (DeSombre and Barkin 2002).

The issue of TRIPS and the pharmaceutical industry has been further debated in the context of development and sustainability, since the patent protection of TRIPS raised the prices of crucial drugs too high for the majority of the population in developing countries. In the end, the developing countries managed to change the rigorous interpretation of the TRIPS agreement, which was favorable for big pharmaceutical companies. From the beginning of the WTO to the year 2000, six dispute cases were raised related to the patent protection of new drugs; all the cases were resolved such that the developing countries agreed to change their patent practices in accordance with TRIPS (Palmujoki 2018). In retrospect, it has been argued that the WTO Appellate Body from 1995 to 2000 adopted an extraordinarily harsh position without mediating

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it with other legal norms (Reichman 2000; Abbott 2011). The discussion concerning TRIPS, pharmaceutical products, and public health intensified when the South African government changed its legislation in order to purchase affordable collateral drugs for HIV/AIDS treatment. The pharmaceutical manufacturers appealed to the US government. Similar cases appeared in the Brazilian AIDS program, when the US government filed a complaint to the WTO dispute panel. Owing to these cases, the African country group, together with emerging countries and with moderate support of the EU, managed to add paragraphs to the WTO Doha Declaration 2001 that supported actions to evade the TRIPS patenting requirements ('t Hoen 2003; Odell and Sell 2006). The declaration was supplemented by the General Council's decision on the implementation of the Doha Declaration on the TRIPS Agreement and Public Health (2003) and by the Protocol of Amending the TRIPS Agreement in December 2005. The Doha Declaration on the TRIPS Agreement and Public Health are recorded to the UN SDGs' Goal 3 on ensuring healthy lives. After the Doha Declaration and the Amendment, no condemnatory decision on TRIPS and pharmaceutical products has been made against developing countries (Palmujoki 2018).

Future of Multilateral Trade, Development and Sustainability

The WTO plays an important role in supporting the SDGs. First of all, its rule-based system offers to deal with SDGs in a systematic way. The WTO has succeeded well in regulating world trade in accordance with present trade agreements. The trade policies of its members are more foreseeable, and the members who have broken trade rules have, in most cases, changed their trade policies in accordance with the suggestions from the DSM. Although there is a threshold in the poor member countries to propose action against rich or powerful countries, the developing countries have, in general, benefited from the effective WTO DSM.

In its second task, regarding the arrangement of successful trade negotiations, the WTO has been less effective. This is not due to the organization itself, but rather on the member governments' inability to compromise on trade negotiations. Hence, the WTO decision-making principle of single undertaking, together with the broad negotiations agenda of the Doha Round, has caused censure. The broad negotiation agenda makes it very difficult to reach a consensus among 164 countries. From the point of trade liberalization, preferential treatment, which established multilateral trade after the establishment of the WTO, has been criticized as contradictory to the basic approaches of reciprocity and MFN principles.

The deadlock in the Doha Negotiations Round has created several regional, multilateral, and bilateral trade negotiations, which aim to attain similar, but more limited, trade goals than in the Doha trade agenda. Hence, limited refers to the number of issues and/or signatories, not tariff levels or new issues, such as trade and investment or trade and services. The developed countries have been active in this process. However, some emerging countries, such as Southeast Asian countries, support regional trade arrangements due to their strong dependence on international trade.

As such, new regional trade treaties do not contradict the WTO. The WTO has a strong constitutive role for new regional or bilateral agreements. However, emerging new trade practices, such as those concerning trade and investments, are being developed and established outside the WTO, and probably by only a few powerful traders. Second, the WTO DSM may lose its power if regional trade agreements have their own dispute settlement arrangements. How these developments will continue is still open. In every case, the situation has changed during the course of development in the WTO over two decades. Although the developed countries used to be the strongest supporters of the trade organization, their confidence in the WTO to manage the reform of trade rules has weakened, whereas the developing countries have increasingly resorted to the WTO's rule-based system to secure their trading interests.

The trend to weaken the WTO and to turn trade agreements to bilateral basis also weakens the possibilities to accomplish the UN SDGs. When the trade negotiations are held in bilateral basis, the opportunity to developing countries to influence to development goals decreases. Similarly, the link between

trade negotiations and the UN agencies disappear entirely, which further signifies the evaporation of the SDGs in international trade negotiations and governance.

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