

Present and Future of the World Trade Organization

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Abstract

The WTO has played a key role in globalization and the development of free trade; its results are interesting for those countries and transnational companies that lead the value chains; free trade agreements and the broad participation of countries; but above all, having regulated international trade is among the most important. However, there is growing discontent, even in its main promoter (the United States), not to mention in countries for whom the poor results obtained are questioned by the majority of their inhabitants, due to the precariousness of employment, the reduction of purchasing power and the unemployment generated. The differences and controversies between the United States and China create uncertainty about the role of the WTO, slow down investments and hasten a comprehensive restructuring of the system. In key aspects such as dispute settlement and free trade agreements, their processes and procedures.

Keywords: World Trade Organization, Projection, Economic Restructuring.

INTRODUCTION

World trade in figures has experienced unprecedented growth, stability and progress. However, the results have not been given to everyone in an equitable, fair and supportive manner; what the main foundations of the WTO were.

For Asia, Europe and North America the results are highly satisfactory, but for Africa and Latin America the results have not been very favorable. Nor for the inhabitants of the countries of the large trade blocs; It seems that the benefits have only reached a corporate elite that accumulates much more economic power every day.

The growing tension between the major economic powers has made several analysts and the community of countries reflect on a possible escalation of trade conflicts that could put the survival of the World Trade Organization (WTO) at risk.

In this environment, a pragmatic analysis is urgently needed to achieve a restructuring of the WTO in the face of a new world scenario with great challenges for international trade and especially for the multilateral system, which has been harshly questioned in recent years by the population of most countries, due to the poor results of its orthodox recipes implemented.

The economy cannot be separated from international trade as an activity that promotes the development and well-being of nations. However, the great economic powers have imposed their own dynamics on international relations in the commercial field.

This distribution of roles between countries is also a disadvantage, because raw materials have the upper hand, compared to services, manufactured products or countries that export technologies and other products that have significant added value.

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The greatest challenge for the WTO is the negotiations to reach unanimous decisions, which are extremely complex and extensive for all countries, traditional mechanisms that make the processes to reach consensus increasingly difficult and too slow.

Despite the current trade tensions, the WTO forecasts that trade could grow annually between 1.8 and 2 percentage points more until 2030, thanks to the reduction in trade costs, which is equivalent to a cumulative growth of 31 to 34 percentage points in 15 years. (WTO, 2019, p. 3).

Under the circumstances and conditions, the share of developing countries in world trade could increase from 46 per cent in 2015 to 57 per cent in 2030.

Technological conditions and the globalization of information have changed the structures of organizations worldwide; and the way in which world trade is developed in practice; however, multilateral organizations have not evolved as quickly as electronic commerce evolves every day, to cite one example.

Bureaucratic and undemocratic structures are destined to fail in a future where speed of response and the ability to adapt to new scenarios of world trade are absolutely indispensable.

OBJETIVES

General objective

Carry out the diagnosis, analysis and define what would be the future prospects of the WTO as a multilateral organization that promotes International Trade.

Specific objectives

- ✓ To prepare a diagnosis of the WTO in the face of the Globalization of International Trade.
- ✓ Prepare a summary of the benefits and advantages of having the WTO for the settlement of disputes and disputes.
- ✓ Develop a critical analysis of the future of the WTO.

METHODOLOGY

Hypotheses and variables

Hypothesis

"The WTO will improve multilateral trade agreements and international trade in general and the economic prospects of countries and inhabitants of a globalized world"

Table 1. Hypotheses and Variables

	VARIABLE	TYPOLOGY	
		V.I.	V.D.
Regional agreements and preferential trade arrangements promote the development of trade.	Plan for improvements to regional agreements and preferential trade agreements.	X	
	Permanent search for new options for treaties and new regions.		X
Dynamic and harmonious international trade between nations improves the quality of life of peoples.	Incentives and updating of management model, mechanisms and tools.	X	
	New ideas and options for the settlement of disputes and disputes in international trade		X
Economic development in the least developed countries is increasing	Increased trade for developing economies and countries.	X	
	Increase in the income of countries and their inhabitants.		X

RESULTS

Present of the World Trade Organization

WTO and regional agreements and preferential trade arrangements

The number of regional trade agreements (RTAs) has been growing and their scope has expanded; there is a notable increase in large plurilateral agreements; as well as preferential trade arrangements (PRTAs), which also include schemes adopted under the Generalized System of Preferences (under which developed countries apply preferential tariffs to imports from developing countries).

Table 2. Regional Trade Agreements; By type of WTO statutory provision

By WTO legal provision:	Adhesion	New RTAs	Grand total
Art. XXIV GATT (ALC)	3	239	242
Art. XXIV GATT (UA)	10	11	21
Enabling Clause	5	53	58
GATS, Article V	7	153	160
Grand total	25	456	481

Source: World Trade Organization

Prepared by: Jorge Romero

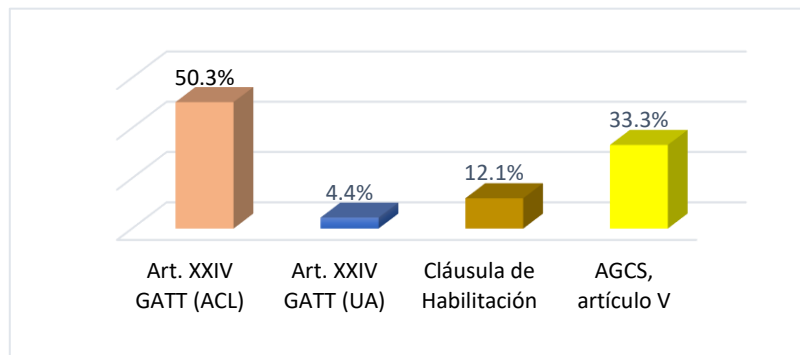


Figure 1. Regional Trade Agreements; by WTO legal provision

Source: World Trade Organization

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In original language: Spanish

The number of Regional Trade Agreements represents one of the pillars of the *raison d'être* of the World Trade Organization; Its results are conclusive when it comes to carrying out a quantitative evaluation with a grand total of 481.

According to the legal provision of the WTO, the Regional Trade Agreements have the following results by legal provision of the WTO: Art. XXIV GATT (LAC) are 242, which represents 50%; secondly, this GATS, Article V in a number of 160, which represents 33%; it is followed in third place by Enabling Clause a number of 58, which corresponds to 12% and finally by Art. XXIV GATT (UA) in an amount of 21, which corresponds to 5%.

By Type of Agreement:	Enabling Clause	GATS Art. V	GATS, Article V	Grand total
Customs union	7		11	18
Customs Union – Accession	2		10	12
Economic integration agreement		153		153
Economic Integration Agreement – Accession		7		7
Free Trade Agreement	17		239	256
Free Trade Agreement - Accession	1		3	4
Partial Scope Agreement	29			29
Partial Scope Agreement - Accession	2			2
Grand total	58	160	263	481

Table 3. Trade Agreements by Agreement Type

Source: World Trade Organization

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By type of agreement, the Regional Trade Agreements are classified a little more broadly and reflect the results with more quality by the denomination used, which is more understandable for all types of reading public: free trade agreements, which have a number of 256, represent 53.2% and are the ones that make the majority and are in first place; Economic integration agreements are a total of 153 and represent 31.8%. Based on these two types of agreements, agreements for world trade have been developed, since together they represent 85%. The remaining agreements are options that are on the table but have not had the relevance of the first two.

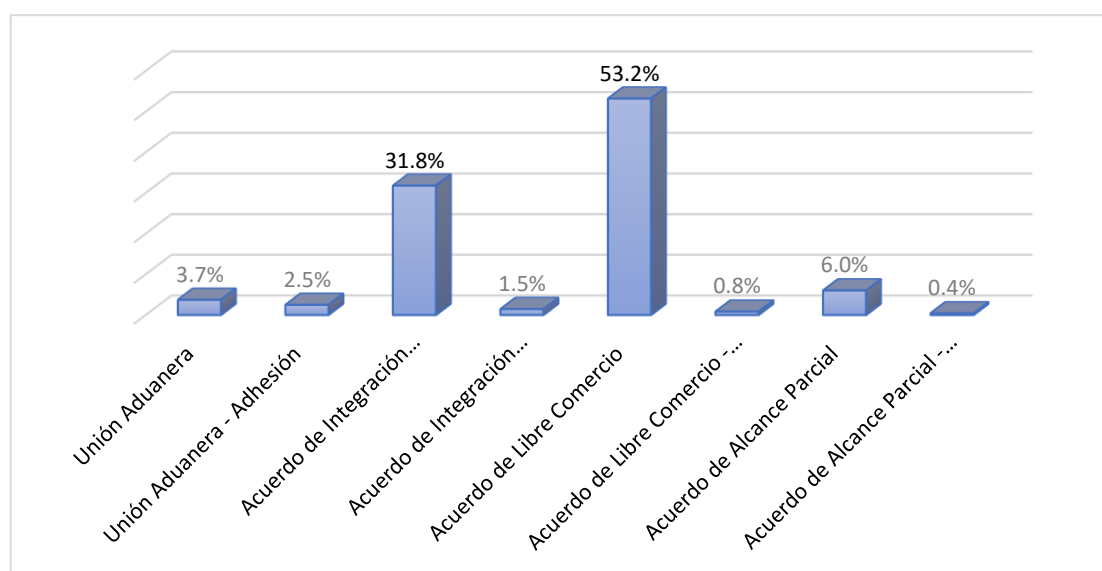


Figure 2. Regional Trade Agreements; by WTO legal provision

Settlement of disputes and disputes

The principle that requires states to settle their disputes by peaceful means has been accepted by the international community as a whole, so it can be said that it has become a norm of *jus cogens* and therefore imperative and obligatory compliance. (Monroy Marco, 2002, p. 549)

The dispute settlement procedure is the cornerstone of the multilateral trading system and a unique contribution of the WTO to the stability of the global economy. Without a means of dispute settlement, the rules-based system would be less effective, since the rules could not be enforced. (World Trade Organization, 2018, p. 1). By using this mechanism, WTO members can avoid international legal attention from focusing on the protectionist practices of their trading partners.

As one of the most important functions of the WTO, we find that, through its institutions and mechanisms of understanding on dispute settlement, it is one of the most important achievements of the multilateral trading system to date. "To date there is a certain degree of confidence in the institutionality of this process; as well as in the capacity of the dispute settlement body, to bind the parties in conflict" (Mangas Diez de Velasco, 2003, p. 438)

According to the WTO, it has one of the most active international dispute settlement mechanisms in the world: since 1995, 593 disputes have been brought before the WTO, and more than 350 rulings have been published. Results that have allowed governments and the private sector to develop their trade relations with a high level of confidence in the World Trade Organization system.

The set of rules applied by the system provides certainty and predictability, and has served to ensure compliance and preserve rights and obligations, within the framework of trade agreements and to clarify the provisions in force in such agreements in accordance with the customary rules of interpretation of public international law. The recommendations and rulings of the WTO DSB do not imply the increase or reduction of the rights and obligations established in the agreements, but merely the verification of compliance as they were initially conceived.

According to Article 3.3 of the DSU, most WTO member countries recognize that the prompt settlement of disputes arising out of the agreements "is essential for the effective functioning of the WTO and for the maintenance of an appropriate balance between the rights and obligations of Members".

Any difficulty or delay in the settlement of disputes or a late resolution would increase dissatisfaction in one of the parties or of all parties as a whole; If the processes are delayed, the litigants increase the level of conflict and the commercial channels see how the natural flow of goods and services established by the agreements is hindered.

The procedure of a dispute brought before the WTO is developed through three main stages:

- Consultations between the parties,
- The solution of the difference and
- The application of conflict resolutions.

There are two ways to resolve the dispute in the WTO system:

- The parties can find a solution agreed upon among themselves and this occurs in the process of consultations;
- The jurisdictional route, where an impartial third party intervenes to resolve the dispute through panels, an appellate body or arbitrators. In addition, good offices, conciliation and mediation can be used at any point in the process.

This system encourages member states to resolve their differences by holding consultations, especially for those developing countries that have avoided the power relations that prevailed in the past. If

satisfactory results are not obtained, they can initiate a multi-stage procedure that includes the possibility of a ruling by an ad hoc panel of experts and the right to appeal against such a ruling on legal grounds.

Future of the World Trade Organization

International trade has a future.

The predictable and rules-based trading system contributed significantly to trade and economic growth in many parts of the world, as measured by the number of product-country combinations, especially in Europe and East Asia. There is increasing geographical and product diversity in the trade in parts and components. (Pinelopi Koujianou Goldberg, 2019, pp. 1- 3)

Unfortunately, some countries in Africa and Latin America were left out, and there is growing evidence that the gains generated by globalization were not shared equitably, even among those living in countries that benefited from trade over the past three decades.

According to WTO data in its 2019 report: by the end of January 2019, 141 WTO members had ratified the Trade Facilitation Agreement; There are currently 22 countries in the process of accession. The volume of world merchandise trade grew by 3.0% in 2018, compared to 4.6% in 2017; WTO members raised 38 new disputes, more than twice as many as in 2017; 11 appeal proceedings were initiated, compared to eight in 2017.

In 2018, the WTO conducted the Trade Policy Review of 18 members; nine Appellate Body reports were circulated; and 28 dispute settlement reports and decisions.

With evidence that slowing global trade growth is not dictated by technology, policies can play a critical role in shaping their future. However, in a context of uncertainty and rejection of globalization, trade liberalization seems to be declining. As an indication, the number of new regional trade agreements in 2018 fell to its lowest level since the early 1990s. (Pinelopi Koujianou Goldberg, 2019, p. 2)

To successfully face the challenges of the future of the WTO, it is necessary to work decisively on new cooperation schemes, new forms of multilateral trade and to be much more creative with respect to the negotiation processes for regional trade agreements, as well as the design of more dynamic and modern regulations appropriate to a trading system that evolves much faster than a bureaucratic multilateral organization.

Internally, a restructuring of its current organizational structure, its management model and its different directing, executive and operational bodies is inevitable. Under the identification of the new requirements of international trade, the processes and procedures within the World Trade Organization must be redesigned, in such a way that they respond to the challenges and conditions of world trade whose characteristics change with the speed of technological innovation.

The current multilateral trading system can be revitalized under the same process that led to its initial construction, as long as the intellectual and philosophical currents of these times are committed to developing the necessary changes and adjustments to the rules and processes in which international trade is currently carried out. It is not possible for world trade to be oriented only to guarantee the progress of large transnational corporations and macroeconomic indicators.

Looking ahead, the kind of cooperation needed to boost growth in trade, especially services, seems more likely to materialize if economies in stages and with similar development objectives are involved in different types of trade treaties and agreements; that is, agreements must be made between equals and when this is not possible, the conditions must be as equitable as possible to provide the same possibilities of benefits to all participating countries.

International trade is not destined for a permanent slowdown; but it is at a complex juncture. Its future will depend crucially on the policies that are developed in these and the coming years. (Pinelopi Koujianou Goldberg, 2019, p. 4).

China and the future of the WTO

Openness has been key to China's economic growth for the past 40 years and has given a boost to the development of its people and benefited the rest of the world by becoming an important stabilizer and

engine of the world economy. All this faithfully fulfilling its commitments assumed for its accession to the WTO.

At the annual conference of the Boao Forum for Asia held in April 2018, China announced its plans to increase imports. As a result, China's average MFN rate will be reduced to 13.8 per cent for motor vehicles and 6 per cent for auto parts. China proposes to reduce the MFN tariff rates applied to 1,449 consumer goods, so that their average will go from 15.7% to 6.9%, which represents an average reduction of 55.9%. (World Trade Organization, 2018, p. 12)

China is the world's second destination for investment, only surpassed by the United States. Investors are very clear that in China production costs are much lower, because the cost per worker is eight times lower than in the United States of America. But it also makes significant investments in other countries with the aim of diversifying its market share.

Between 1978 and 2018, China's Gross Domestic Product (GDP) went from US\$150,000 million to US\$12,240,000 million (according to UN figures); over a period of four decades, it became one of the main per capita consumers of electrical energy on the planet (4,000 kW/h). An equally striking fact refers to the fact that between 1978 and 2018, China lifted 740 million people out of poverty (according to the Information Office of the State Council and the National Bureau of Statistics of China).

China has shown interest in strengthening cooperation and communication with other countries on several continents in search of trading partners to ensure its economic growth and especially participation in the world market. But it has also shown some interest in responding jointly to the global challenges posed by the globalization process and in creating a system of global economic governance based on equality, equity and cooperation.

However, since China joined the WTO in 2001, its efforts to improve its socialist market economy system, align its policies further with multilateral trade rules, meet its commitments to open trade in goods and services, and strengthen the protection of intellectual property rights (IPRs); they are questioned by the West with evidence in the precariousness of work and the well-being of its inhabitants, in a socialist state; without taking into account other questionable competitive aspects in a pure market economy.

A WTO without the United States

U.S. President Donald Trump has repeatedly expressed resistance to the WTO's system and structure and his administration's representatives and negotiators have eroded the body's authority, blocking appointments to the appeals panel in some recent episodes. The main promoters of multilateralism today are not satisfied with the actions of the system: their rules and regulations do not seem to be favorable to them.

The United States was accustomed to resolving its trade conflicts by imposing its power, by requiring its trading partners who threatened certain sectors sensitive to its economy to curb its exports or simply informing them that they would face the consequences. One of those remembered episodes, for example, is the trade crisis that occurred with Japan, which agreed to assume "voluntary restrictions on exports" to reduce sales of Toyota, Honda and Nissan cars that caused discontent in Detroit.

The United States has had to take its complaints to the WTO's dispute settlement system since 1995, like any other WTO member country. But those were other times, other scenarios where China's impressive take-off and development as a member of the WTO was not counted; this, added to the current conditions and circumstances of the disputes with China, have ended up making the US authorities uncomfortable, who find it very difficult to influence or impose their power over WTO decisions, as they were accustomed to in the past.

Faced with an unforeseen scenario and a multilateral organization that with its current structure, regulations and processes; that displeases, to say the least, the United States and the interests of the large global value chains; the strategies advanced by the world hegemonic power will end up influencing the eventual reform of the WTO on which everyone seems to agree. However, it remains to be seen where

the balance will tip this time; whether for the majority of WTO members, (assuming that they are united) or end up responding as always to the interests and power of the world's great powers.

Without any room for error, the US strategy promoted by the Trump government is not a coincidence and in any scenario it could give three results, some more hypothetical than others:

- A reform of the WTO, including the issues and requirements that are convenient for the United States.
- Return to the pre-WTO reality, with fewer disciplinary rules on trade, which has always been favorable to the United States.
- And a third possible, though unlikely, scenario is a WTO without the United States.

In this third possible non-consensual scenario, in which the United States leaves the WTO; it would have important consequences for the multilateralism promoted by themselves; however, the World Trade Organization would survive, albeit with difficulty. Today, the United States accounts for only about 13 percent of world trade, down from 25 percent in the 1980s.

For the United States, the moment that international trade is experiencing represents more uncertainty than certainties, due to the space lost, the controversies over fair competition that have arisen with respect to China and the lost ground in its participation in world trade. A growing deficit in its trade balance and the impossibility of manufacturing products in its territory to generate employment due to its high costs, increase doubts and uncertainties about an already very complex situation.

But a World Trade Organization without the United States is highly unlikely and even less convenient for the United States and the rest of the world. The path of a comprehensive reform of the multilateral trading system with the participation of all members with voice and vote; and all other things being equal, it would seem to be the path paved so far.

In the middle of this dispute are consumers around the world, who in the end will be the ones who lose this trade war between the two economic superpowers that are fighting for a single leader. Where when reviewing the international trade figures of the last two decades; we can say who has the best results and possibilities, so the situation is not easy for the WTO system and all other members.

Challenges and prospects

Institutional challenges of the WTO

2018 marked the return of import tariffs. As of October, the United States had already imposed tariffs on some 12,000 products, which together account for 12.6% of its total imports; Its main trading partners, in turn, retaliated, imposing tariffs on 2,087 products, which in percentage terms represent 6.2% of US exports. (Goldberg P, 2019, p. 1)

Recent U.S. trade policy seems to be motivated by two key priorities for its development: the protection of jobs within the U.S. in sectors that compete with imports that increase a deficit in the trade balance; measures until recently repudiated and attacked by the authorities and negotiators of the United States; and addressing frustrations related to the current trading system that the WTO has failed to resolve; that is, the insistent questioning of the WTO system.

It is this second motivation that makes the current outbreak of protectionism different compared to other recent episodes in the past; a situation that was seen coming from the current campaign of the president of the United States with his nationalist discourse that in commercial terms clearly referred to accentuated protectionism, as a trade policy.

The constant evolution of international trade affects the economies of countries in a very sensitive component such as employment; the protection of employment through protection measures based on trade policies to shield certain sectors that are affected by imports of products, in areas in which they cannot be competitive. These measures have always been taken by countries and the new protectionist currents will see these measures increase in the coming years.

One cannot fail to consider the parallels with the 1980s, when the global trading system was challenged by rising tensions between the US and Japan. Instead of collapsing, the trading system emerged stronger from those disputes than before, setting the stage for the hyper-globalization of the past three decades.

Present and Future of the World Trade Organization

However, the current crisis dimension is unprecedented as the foundations of multilateralism are questioned in its structure and essence.

The medium- and long-term effects of today's trade disputes remain to be seen. Simulations based on general equilibrium computational models predict that the current tariff increases will have a small impact on the US and a slightly larger impact on China. And, in the event of a "full-scale" trade war that means imposing 25% tariffs on all imports coming into the U.S. and vice versa — the effects would be slightly greater, but by no means catastrophic.

As an example of what has been indicated in the previous paragraphs, we present the evolution of manufactured exports in Table No. 4, in which we compare the two economies in trade dispute.

DECLARING ECONOMY	2012	2013	2014	2015	2016	2017	2018
CHINA	1.924.928	2.077.150	2.201.686	2.143.718	1.965.697	2.116.384	2.318.153
UNITED STATES	1.101.848	1.124.856	1.164.369	1.126.862	1.089.650	1.127.029	1.176.498

Table 4. Trade Agreements by Agreement Type

Source: World Trade Organization

Prepared by: Jorge Romero

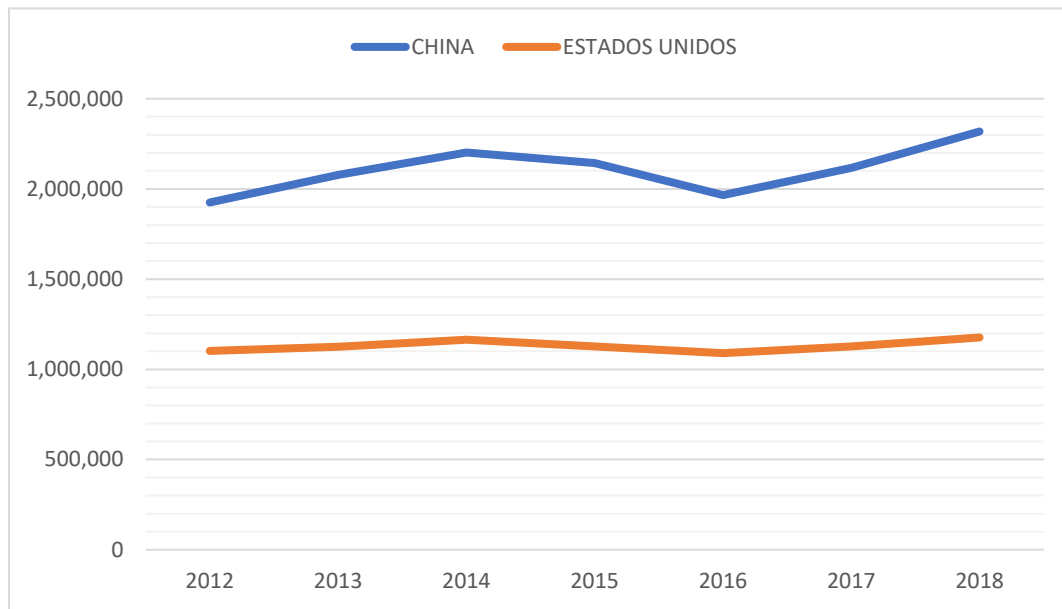


Figure 3. Regional Trade Agreements; by WTO legal provision

Source: World Trade Organization

Prepared by: Jorge Romero

In original language: Spanish

In this as in other items, the differences in favor of China are important; and of course they affect the economy of the United States; and since the trends are maintained for a certain time, the situation will not be able to change in the short term. This has set off alarm bells in the WTO system and one of its biggest sponsors.

The greatest danger is that changes in today's trade policies and strategies will continue to create uncertainty and, therefore, reduce confidence in the system and investment in countries, a situation that is absolutely contrary to the postulates of the WTO. For large economies such as those of the US and

China, they can be taken as setbacks; Smaller emerging economies see their projections for development and economic growth postponed.

The most important challenges lie around the Dispute Settlement Body (DSB), which has challenges to resolve at a time when vital points in its functioning are being questioned.

Reforming the WTO structure

From the current situation of trade tension, it is most likely that the multilateral trading system, if the imminent changes occur, will eventually be strengthened and become more effective. Such a new system could include a reformed WTO in its structure, rules and regulations, broad trade liberalization in services and e-commerce, new and better agreements limiting subsidies and protecting intellectual property, and deeper cross-border regulatory coordination that defines universal rules in the customs systems of all countries.

The graph below is the one that represents very clearly the current structure of the WTO; an organizational structure that centralizes all its actions in the General Council; whose meetings are set up as bodies to focus on knowledge of the varied and complex issues.

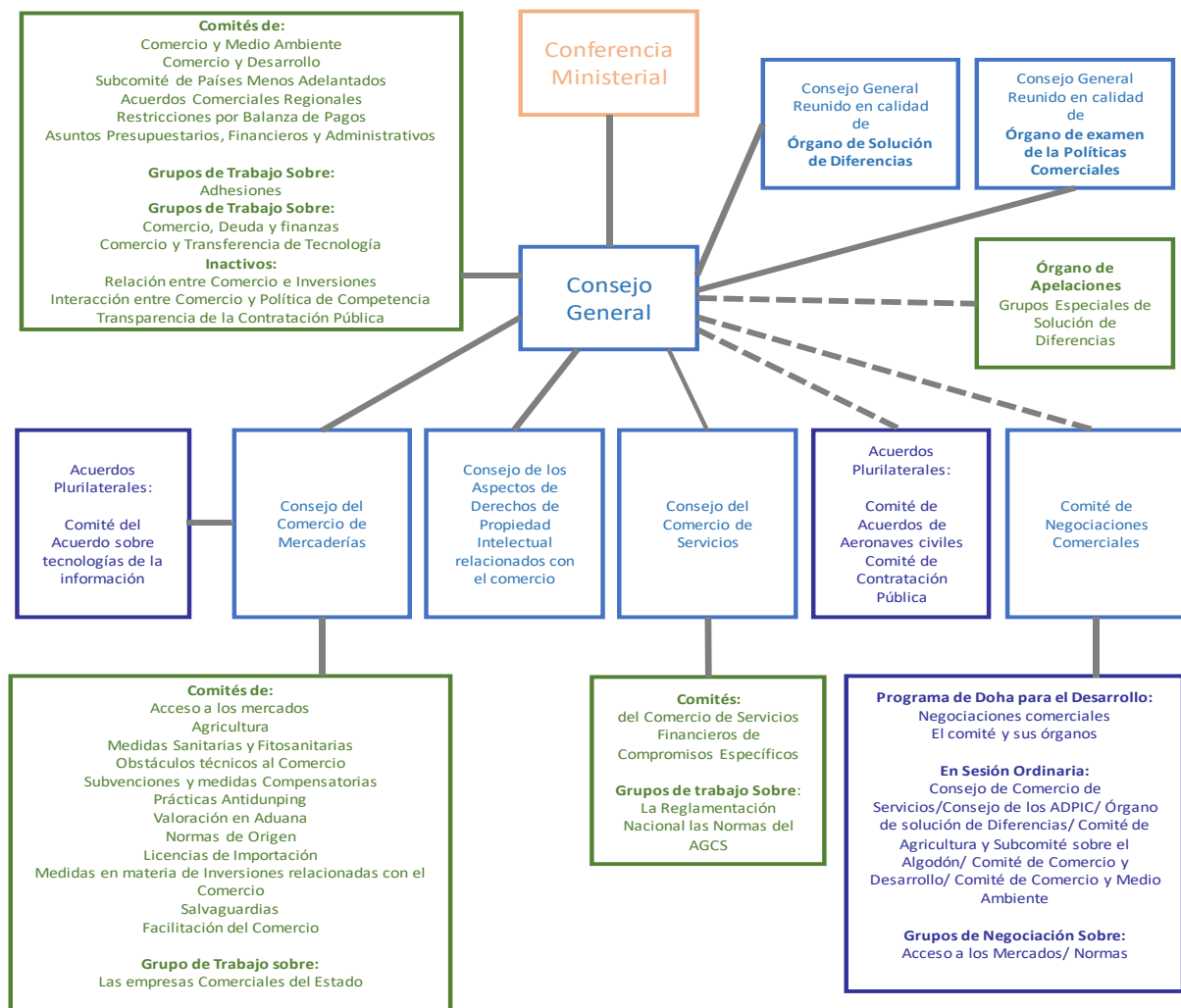


Figure 4. Structure of the WTO
Source: World Trade Organization
Prepared by: Jorge Romero.
 In original language: Spanish

The current structure of the WTO is complex and its processes are entirely extensive; The issues and sensitive elements with which they work deserve it, in addition to the requirements that increase with the exercise of the regulations that must be applied so that international trade can flow as quickly as possible. In this context, WTO members have begun preliminary work on restructuring the WTO, to reform and modernize trade through the negotiation of new consensual trade rules that respond to the challenges of trade in terms of current technological challenges and their rapid evolution.

Progress on a new, modern, agile and timely multilateral architecture will have concrete economic effects, which can contribute to improving the lives of people around the world. In 2017, the Trade Facilitation Agreement (TFA) entered into force. It is estimated that, if fully implemented, this agreement will increase global trade by \$1 trillion each year, thanks to the streamlining, standardization and simplification of border procedures around the world. (World Trade Organization, 2017, pp. 1-4)

The TRIPS amendment also entered into force in 2017, helping to improve access to medicines. These measures entered into force because ratifications were received from more than two-thirds of WTO members; this is important in itself and shows that members are committed to the system and honour the commitments made.

The challenges and opportunities for improving international trade require a constant effort from all its members, with the commitment to promote the strengthening of the multilateral trading system, and the experiences and knowledge built by each of the WTO members have a solid basis to be able to develop it. At the Eleventh Ministerial Conference in Buenos Aires in December 2017, members committed to:

- By the end of 2019, an agreement on fisheries subsidies that meets Sustainable Development Goal 14.6. They also committed to improving the reporting of existing fisheries subsidy programmes.
- Ministerial decisions, such as the extension for another two years of the practice of not imposing customs duties on electronic transmissions, and committed to continue negotiating in all areas.
- New initiatives to advance WTO talks on e-commerce, investment facilitation and micro, small and medium-sized enterprises. (WTO 2017).

According to the WTO, WTO members will need to agree on the way forward on non-infringement complaints at the Council meeting on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Knowing that they have already delved into the relationship between intellectual property and innovation, and intellectual property and the public interest.

The impact of product rules of origin on the use of tariff preferences by least-developed countries (LDCs) was discussed at the meeting of the Committee on Rules of Origin on 17 and 18 October 2019. They also discussed the impact of direct-shipment requirements on LDCs' use of tariff preferences and whether these requirements are the cause of low utilization rates. And the use of tariff preferences in China, as well as a joint proposal to improve the transparency of non-preferential rules of origin. (World Trade Organization, 2019, p. 1)

Representatives of 13 WTO member countries "excluding China and the United States" met in Ottawa (Canada) to discuss proposals for reforms to the organization; participated in the WTO Informal Trade Ministers' Meeting, in addition to Canada, Australia, Brazil, Chile, Japan, Kenya, Mexico, Norway, New Zealand, Singapore and Switzerland. The European Union (EU). In order to group similar positions and, ideally, agree on specific proposals. (Puente, 2018, p. 1).

As reflected in the event's schedule, the summit's discussions were structured around three main themes: improving the efficiency and effectiveness of the WTO's supervisory function, protecting and strengthening the dispute settlement system, and modernizing trade rules for the twenty-first century. (Puente, 2018, p. 2)

The aspect that makes WTO reform urgent is the functioning of the WTO's Appellate Body. The system has already been in existence for 23 years. The reforms are necessary to the point that the G-20 also reached a consensus to promote a reform of the WTO; that avoids "trade wars" for a "fair exchange".

WTO perspectives

International trade has increased more than 37-fold since the GATT was created in 1947, far outpacing the growth in economic output. The WTO's binding rules now apply to 164 members, covering 98% of world trade. (AZEVEDO R, 2019, p. 3)

According to Azevêdo (2019), Director-General of the WTO, he states that open international markets have contributed to rapid growth and poverty reduction in developing countries. As recently as 1980, 40% of the population lived in conditions of extreme poverty. Today, those conditions affect fewer than 1 in 10 people, and the international community aims to end extreme poverty by 2030.

Escalating trade tensions and a slowdown in the global economy have led the WTO to revise downwards its trade growth forecasts for 2019 and 2020. The volume of world merchandise trade is currently expected to grow by just 1.2 per cent in 2019, considerably lower than the 2.6 per cent growth rate forecast in April. The increase forecast for 2020 is now 2.7%, up from 3.0%. Other provisions include:

- World merchandise trade volume is expected to grow by 2.6% in 2019, accompanied by GDP growth of 2.6%.
- Trade growth to 3.0% in 2020 and GDP growth to remain constant at 2.6%.
- Trade is projected to grow more than GDP in 2020 due to faster GDP growth in developing economies.
- Trade tensions remain the greatest risk to forecasts, but an easing could provide some scope for improvement.
- Weak import demand in Europe and Asia dampened global trade volume growth in 2018, due to the large share of world trade accounted for by these regions.
- The value of merchandise trade increased by 10% to US\$19.48 trillion in 2018, partly as a result of higher energy prices.
- The value of trade in commercial services increased by 8% to US\$5.80 trillion in 2018, driven by strong import growth in Asia. (World Trade Organization, 2019, pp. 1-5).

A WTO that is less bureaucratic, more flexible, faster, and better responsive to the particular needs of members is possible. The evolution of trade is a fact and the conditions for trading goods and services are transformed every day into a process of constant innovation; more than enough reasons for a renewed WTO to respond to the current challenges.

The debate in member countries should focus on three fundamental aspects: a new management model that allows for improved functioning; new and more expeditious rules and regulations that will strengthen its negotiating function and, perhaps most importantly, in the current situation, incorporate systems and mechanisms that will allow the current impasse in the dispute settlement system to be resolved. This does not mean that there are other elements that require substantial improvements in the WTO, but the core could drag the incorporation into the debate of other issues that are equally important for the future of the multilateral trading system.

Finally, and as a fundamental vital – transversal axis, it is necessary that members commit themselves on all fronts to advance in the necessary reforms and strengthen trade multilateralism.

CONCLUSIONS

The future of regional agreements and preferential trade agreements.

The problem is not the market, nor is it international trade; The problem is the interest in trading large profits in a single way. Therefore, reference should also be made to the scarce possibility of maneuver or, in other words, the restriction that constitutes a straitjacket to make sovereign decisions in most countries, which takes away autonomy from nations that must increasingly be subject to supranational

norms and institutions that limit their autonomy and their capacity for free decision. These are the blunt elements on which the critical political platforms of the WTO, which reject globalisation, are fixed.

The most recent case in which these restrictions are forcefully evident is the new treaty between Mexico, Canada and the United States. The agreement responds to the configuration of North American value chains and imposes new rules of origin for the automotive sector, especially by stipulating that a significant part of the regional content must come from a "high-wage" country (i.e., Canada or the United States).

An unprecedented provision included in the new one empowers any of its members to terminate the agreement if any other member enters into a trade agreement with a "non-market economy". Countries that would fall into this category are not listed, but the addressee of this provision is clearly China.

The future of the agreements will depend on the openness of their members to explore and find new and better options; that will not be possible if the strongest economies do not limit their excessive ambition.

The WTO with positive overall results for international trade.

There is no doubt that the performance indicators released by the WTO show a positive balance improving the performance of the economy through trade; This is more than enough reason to conclude that the multilateral trading system is positive.

In general, the role of the WTO, in addition to organizing and regulating international trade; it encouraged and facilitated several free trade agreements, was able to resolve differences and most of the resolutions have been agreed upon by a large part of its members. In macroeconomic terms of trade and international law, the preponderant role of the WTO is indisputable; The dynamism developed by international trade in the last three decades has been consolidated despite the questioning in certain political spheres.

Positive aspects include the initial efforts of WTO negotiators in the area of services to discuss market access issues related to environmental services, with a view to achieving the United Nations Sustainable Development Goals. Other fundamental issues such as fishing and others of vital importance for the planet due to their sensitivity and interests at stake are also beginning to be discussed.

Few benefits for the population

The WTO system has failed to reverse the longer-term trends that fuel discontent with globalization among large groups of the population, even in the advanced countries themselves. The macroeconomic policies adopted to deal with the crisis failed to return economies to dynamic growth and could not reverse stagnant wages and growing inequality. In other words, the benefits did not reach everyone, and even less so in a fair and equitable way.

Variations in interest rates, economic growth, employment, wages and inflation are key to wage stagnation, income polarization and the relative impoverishment of the middle classes in industrialized countries. This trend is even more pronounced in the United States, where half of the lowest-income households have seen their share of national income fall steadily since the 1980s, let alone Latin America. In Europe, although the trends are less extreme, half of the lowest-income households have slightly reduced their share of national income since the 1980s, compared to households in the richest 1%.

Many sectors and residents suffered from the other side of globalization that resign themselves to the drop in wages and the necessary ones permanently, so the traditional models and instruments of economic policy have to be adjusted. Increasing competition from low-cost imports from China and other Asian countries, along with digitalization, robotization, and other types of technological progress, led to a situation in which lower-skilled workers in countries saw their wages stagnate and their job stability deteriorate.

Unemployment has increased, while many people outside the labor force are willing to work even harder and lower pay, while those who already work are willing to work longer hours; this added to an increasingly weak unionization; it has reduced the bargaining power of workers; Therefore, it is difficult to deny that job insecurity is installed in many of our countries, in addition to the low growth in productivity in recent years, to the detriment of the majority of the population.

Globalization or protectionism; The dilemma

You cannot enter free trade and free trade agreements without being prepared; most countries are not prepared to compete on an equal footing with less advanced countries; For developed countries, it should

also be clear that the profits they will obtain will not be sustainable, to the extent that their partners no longer have foreign currency to import their products and at some point the system of building new and broader free trade agreements will be affected.

The least advanced countries cannot be competitive in the short and medium term because of a series of ills that afflict them, to name a few of them; burdens such as corruption, which is found in absolutely all spheres of public power, make production processes very difficult and expensive; the extreme bureaucracy that is experienced in all processes is too heavy a burden for the productive sectors; the lack of connectivity and basic services prevent the full development of businesses; the education system completely disconnected from the productive sectors, which demand new and more competent professions and professionals. The task is then enormous to the point that peoples and countries prefer to say no to free trade and yes to protectionism.

The political volatility in which a good part of the least developed countries find themselves deserves a separate chapter; Discontent is growing in a population, which does not see the benefits of globalization and in some cases only the suffering it has caused in some sectors of the economy. All this influences the legal insecurity that does not allow investments to arrive to the extent that they constitute a source of stability and prosperity for the majority of the inhabitants. It is therefore vital to work so that the benefits of globalization reach the majority of the populations in all WTO member countries.

5.5 Urgent restructuring of the WTO

The United States invested so much time and effort in the construction of the WTO and is one of the main promoters of economic globalization; Much of the world's trade and foreign investment flows are channeled through regional and global value chains, led by U.S. multinational companies.

However, not even the United States seems to please the current structure designed, from the beginning, to protect its interests; its current structure, which includes the Ministerial Conference, the General Council in which all members are represented, numerous Councils and Committees, the Secretariat and the Director-General are an integral part of processes and procedures that do not meet the requirements of international trade. The current system lacks the capacities to achieve mega agreements, the characteristics it has acquired in terms of number of members, distribution of power, heterogeneity of trade patterns, regulations, regulations, etc., means that the format of large rounds of negotiation has little chance of success.

The recent increase in protectionist policies is the result of the growing uncertainty in the world economy and the obvious difficulties that the WTO system, the main driving force behind globalization, is unable to solve; The coming years will be crucial for the future of international trade; The future cannot be built with rules and mechanisms from the last century, a successful comprehensive reform is required for a world economic future of prosperity that is sufficiently stable and equitable, for the development of a fairer system, which maintains a considerable degree of flexibility on the policies that the international trading system would follow in the short and medium term.

New options for the dispute settlement system

The ability to foster predictability, investment and growth requires adapting to a rapidly changing world. For this reason, and as part of the restructuring process, WTO member countries should accelerate work to improve the dispute settlement system, all as part of the possible ways to modernize and optimize the WTO.

Dispute settlement activity continued to intensify in 2018, with the number of ongoing proceedings per month increasing by nearly 10 per cent compared to the previous year; one of the highest annual figures since the establishment of the Organization in 1995; These new disputes, raised by 22 members, related to a wide range of issues.

WTO members remain divided on the selection process for the appointment of replacements for four of the seven members of the Appellate Body. But the concerns go beyond the battered selection processes for Appellate Body members, and perhaps most important for its members is its "questionable functioning and prolonged delays in finding solutions."

Then the time has come to engage in a reasoned and systemic dialogue in which the value of an effective system is kept at the forefront and the consequences of its paralysis are reflected; to advance trade negotiations ahead of the Twelfth Ministerial Conference, to be held in June 2020 in Kazakhstan, which in turn will be the first Central Asian country to host a Ministerial Conference.

The dispute settlement system is faced with increasingly complex disputes, which at the same time requires reforming fundamental regulations and streamlining mechanisms on how dispute settlement procedures and dispute settlement reports and decisions, including panel reports, compliance reports, and Appellate Body reports, should be used.

5.7 China-United States Dispute Settlement

The member countries of the WTO do not have it easy; the differences between the United States and China are complex in areas that are crucial to trying to preserve American economic and technological dominance in particular, such as intellectual property and digital trade; and the future of world trade, as we have conceived it in recent decades, will depend on its outcome.

Trade tensions between the United States and China are set against the backdrop of the dispute for global economic and technological leadership; as well as the debate on the coexistence of different styles of development. Concern about non-market-oriented policies has been repeatedly expressed, in clear reference to China. In addition to disqualifying the WTO agreements negotiated in the early 1990s, prior to China's entry, arguing that they present insufficiencies to address issues such as the distortions generated by industrial subsidies, the regulation of state-owned enterprises and forced technology transfer practices.

The way in which the current controversy is resolved will determine, to a large extent, the space that the least developed countries will have to design and implement their trade, industrial and technological policies in the coming years. This space is key for Latin America to improve its insertion in international trade, which has not changed significantly in recent decades.

The other members of the WTO must play a fundamental and primary role in generating possible alternatives to address the volatility of trade relations between China and the United States; and above all in the work that they will have to carry out within the framework of the reform of the WTO that has taken its first steps.

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