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WTO at 30: A Reckoning or Just Another Review?

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As the World Trade Organization (WTO) marks its 30th anniversary, Director-General (DG) Ngozi Okonjo-lweala has called for a reflection process to assess the organisation's achievements and chart its future. For developing countries, this reflection presents a significant opportunity. A well-managed process could begin to address the structural imbalances embedded in WTO rules that constrain policy space, limit technology access, and restrict development pathways. Conversely, a poorly handled approach risks reducing it to a narrow review that fails to account for the broader economic realities shaping trade and the persistent development needs of the Global South. This paper argues that the DG's reflection process must be firmly member-driven, with clear governance principles, and rooted in a comprehensive development audit to assess how WTO rules have impacted developing countries over the past three decades. The paper contends that a meaningful reflection requires more than procedural introspection; it requires a serious conversation about the future of global trade governance and its relevance to development, ensuring that the WTO's evolution genuinely responds to the priorities of its majority membership.

À l'occasion du 30e anniversaire de l'Organisation mondiale du commerce (OMC), la directrice générale Mme. Ngozi Okonjo-lweala a appelé à un processus de réflexion pour évaluer les réalisations de l'organisation et tracer son avenir. Pour les pays en développement, cette réflexion représente une opportunité importante. Un processus bien géré pourrait commencer à s'attaquer aux déséquilibres structurels inhérents aux règles de l'OMC qui limitent la marge de manœuvre politique, restreignent l'accès à la technologie et restreignent les voies de développement. À l'inverse, une approche mal gérée risque de se réduire à un examen étroit qui ne tient pas compte des réalités économiques plus larges qui façonnent le commerce et des besoins persistants en matière de développement des pays du Sud. Ce document soutient que le processus de réflexion de la direction générale doit être fermement axé sur les membres, avec des principes de gouvernance clairs, et s'appuyer sur un audit complet du développement pour évaluer l'impact des règles de l'OMC sur les pays en développement au cours des trois dernières décennies. Le document affirme qu'une réflexion significative nécessite plus qu'une introspection procédurale ; elle nécessite une conversation sérieuse sur l'avenir de la gouvernance du commerce mondial et sa pertinence pour le développement, en veillant à ce que l'évolution de l'OMC réponde véritablement aux priorités de la majorité de ses membres.

Mientras la Organización Mundial del Comercio (OMC) celebra su 30º aniversario, la Directora General (DG), Ngozi Okonjo-Iweala, ha instado un proceso de reflexión para evaluar los logros de la organización y definir su futuro. Para los países en desarrollo, esta reflexión representa una gran oportunidad. Un proceso bien gestionado podría empezar a abordar los desequilibrios estructurales arraigados en las normas de la OMC que limitan el margen de maniobra de las políticas, restringen el acceso a la tecnología y condicionan las trayectorias de desarrollo. Por el contrario, un enfoque mal gestionado corre el riesgo de reducir la reflexión a una revisión limitada que no tenga en cuenta las realidades económicas más amplias que configuran el comercio y las persistentes necesidades de desarrollo del Sur Global. Este documento sostiene que el proceso de reflexión de la DG debe estar firmemente impulsado por los miembros, con unos principios de gobernanza claros y basado en una auditoría exhaustiva del desarrollo para evaluar cómo han afectado las normas de la OMC a los países en desarrollo en las últimas tres décadas. Asimismo, argumenta que una reflexión significativa requiere algo más que una introspección procedimental; requiere una conversación seria sobre el futuro de la gobernanza del comercio mundial y su pertinencia para el desarrollo, garantizando que la evolución de la OMC responda genuinamente a las prioridades de la mayoría de sus miembros.



1. Introduction: 30 years later - Celebration or reckoning?

As the World Trade Organization (WTO) turned 30 in 2024, its members face a critical question: can the organisation evolve to support the development priorities of its majority membership, or will it remain bound by rules shaped by an outdated global economic order? Director-General (DG) Ngozi Okonjo-lweala's call for a reflection process offers an opportunity to address this question—but only if the process directly engages with longstanding development challenges and responds to the changing realities towards a multipolar global economy.

This paper explores how the reflection process can yield meaningful outcomes for developing countries by tackling both new and existing imbalances in the trading system. Without a comprehensive approach, the process risks generating recommendations that fail to reflect these development realities.

2. The DG's proposal: : A fresh look at the WTO's future

Marking the WTO's 30th anniversary and the 80th anniversary of the General Agreement on Tariffs and Trade (GATT), the WTO DG has proposed a moment of reflection and reform. In her <u>remarks</u> to members at the General Council on February 18-19, 2025, she suggested that those milestones could culminate in a high-level event in early April in Geneva, bringing together ambassadors, trade experts, and fresh voices to discuss the organisation's role and future. The event would feature two panels: one comprising respected experts and elders with deep knowledge of the multilateral trading system (MTS), and another involving youth representatives to provide new perspectives on how the WTO is perceived.

The DG emphasized that this reflection must focus on what works, what does not, and how to reform the system. While she commended members for their ongoing efforts in "reform by doing," she argued that it is time to elevate the level, breadth, and depth of reforms. The goal, she said, is to take a thorough look at the organisation and ensure it is fit for the challenges of 21st-century global trade.

To carry out this in-depth review, the DG proposed the establishment of an independent panel of eminent persons. This panel would be chaired by a respected political leader and include experts on both technical trade issues and the political economy of trade. Members would have the opportunity to nominate individuals to the panel to ensure balance and ownership, but the group would operate independently. The panel's work would be supported by staff seconded from the WTO Secretariat and could collaborate with the Group of Twenty (G20)'s ongoing focus on WTO reform, while ensuring that ownership of the process remains firmly with WTO members.

The panel's recommendations or an interim report would be submitted to trade ministers for deliberation, potentially at the Fourteenth Ministerial Conference (MC14) or later, depending on the pace of its work. The DG stressed that this would not be a long, drawn-out exercise but an efficient and independent process aimed at delivering timely and actionable insights. She also noted that similar reviews had been undertaken by her predecessors—Sutherland, Supachai, and Dunkel—though primarily at a technical level. This new reflection, she argued, would build on those efforts while offering fresh and independent perspectives to benefit the entire membership.

Importantly, the DG assured members that this reflection would not disrupt ongoing negotiations or other initiatives. Instead, it would complement existing efforts by providing a broader, more holistic view of the WTO's role and future. The DG further emphasised that this initiative responds to the expressed views of the membership, as articulated during a recent WTO development retreat.

3. The WTO's legal design and structural imbalances

3.1 The WTO's historical foundations and institutional bias

The anniversaries of the GATT and the WTO offer more than just an occasion for institutional self-congratulation. They present an essential moment to assess the MTS's foundational imbalances, which continue to constrain the development trajectories of countries in the Global South.

The <u>origins</u> of the MTS, dating back to the <u>post-war</u> <u>negotiations</u> that led to the creation of the GATT in 1947, were neither inclusive nor <u>development oriented</u>. Industrial powers, led by the United States, set the agenda with the clear objective of opening markets for their manufactured exports and consolidating their dominant role in global industrial production. Development was conspicuously absent—not as an oversight, but by design.

Most developing countries were excluded from these foundational negotiations. Many remained under colonial rule, while others lacked the economic or diplomatic weight to shape the agenda. The resulting rulebook codified a trading order that mirrored the production structures, trade flows, and regulatory preferences of industrialised economies. The legal architecture, the negotiating culture, and the institutional reflexes of the GATT, and later the WTO, were set in motion without accounting for the structural conditions or development imperatives of the Global South.

The late arrival of newly decolonised states into the system after the 1960s injected development concerns into the agenda but these were layered onto, rather than embedded within, the legal core of the MTS. The institutional culture remained transaction-oriented, privileging mercantilist bargaining over structural transformation. The fundamental logic of WTO law remained clear: discipline state intervention, prioritise market access, and curtail the policy flexibility needed for development-oriented national policies, notably for industrialisation. These biases hardened into the DNA of the WTO's core agreements, shaping everything from agriculture to intellectual property to industrial policy.

The result is a legal order where developed countries preserved maximum policy space in some areas and established a framework compatible with their level of development, while developing countries were disciplined under rules that constrained their space to implement development policies. This reflects what historian Ha-Joon Chang famously described as 'kicking away the ladder'—where advanced economies, having used interventionist policies to industrialise, now impose restrictive trade rules that deny developing countries access to the same tools. This asymmetry is not historical residue but a living institutional reality, shaping the policy space available to developing countries today.

3.2 Agriculture, policy space for some, discipline for others

The Agreement on Agriculture (AoA) stands as a textbook case of legally codified imbalance. Developed countries secured enduring flexibility to protect and subsidise their agricultural sectors, while developing countries were left with narrower and more conditional tools for supporting rural livelihoods and food security. This asymmetry was cemented during the tariffication process, where developed countries bound their tariffs at high levels to protect sensitive sectors, while developing countries locked in low bound tariffs, sharply reducing their flexibility to manage food security or rural development. The inequity deepens in the Special Safeguard Provision (SSG) under Article 5 of the AoA. Only a select group of developed countries retained access to this mechanism, allowing them to swiftly raise tariffs in response to import surges, while most developing countries were excluded entirely.

The AoA also entrenched disparities in domestic support entitlements. Developed countries secured significant Aggregate Measurement of Support (AMS) entitlements—legal cover for trade-distorting subsidies, while developing countries received no AMS allocations, leaving them confined to limited de minimis thresholds (Article 6.4). Even within the so-called Green Box for non-trade-distorting support, the criteria were calibrated around the fiscal and institutional models of developed economies, allowing them to provide unconstrained subsidies. Transparency obligations further magnify this imbalance. Developed countries benefit from flexible interpretations of their notification requirements, while developing countries enhanced scrutiny and procedural hurdles when invoking flexibilities linked to food security or rural development.

3.3 Industrial divide and the legal shrinking of policy space

This structural imbalance is not confined to agriculture. It is equally pronounced in the rules governing industrial policy, where the Agreement on Trade-Related Investment Measures (TRIMs), Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and the Agreement on Subsidies and Countervailing Measures (ASCM) collectively narrowed down the industrial policy space that developed countries historically relied on.

- TRIMs (Article 2) prohibits local content requirements—a tool previously used by virtually all now-industrialised economies to nurture domestic industries and build backward linkages.
- ASCM (Articles 3 and 5) outlaws many forms of performance-based industrial subsidies, even though such tools were central to the industrial strategies of developed countries during their own development trajectories.
- TRIPS prioritises expansive intellectual property rights, even though developed countries <u>historically</u> benefitted from <u>open access</u> to and reverse engineering of foreign technologies.

This contradiction must be addressed: the policy tools that once <u>fuelled</u> industrialisation in the North are now denied to the South. The selective restriction of policy space exposes a broader hypocrisy: state intervention has been a defining <u>feature</u> of industrialisation across all major economies. From the United States and Europe to East Asia, <u>strategic state-led policies</u> including subsidies, investment incentives, and local content requirements were critical in building industrial competitiveness. Today, however, when African and other developing economies seek similar policy flexibility, they are met with ideological resistance and legal barriers.

The evidence of this legal straitjacket is stark. Despite successive rounds of liberalisation, the industrial divide persists: In 2022, developed economies <u>recorded</u> average manufacturing value-added (MVA) per capita of USD 5,366 (constant 2015 prices), compared to:

- Developing Asia and Oceania: 3.5 times lower
- Latin America and the Caribbean: nearly 5 times lower
- Africa: 25 times lower (USD 211)
- Least Developed Countries: 33 times lower (USD 163)

Attempts to correct <u>systemic imbalances</u> have been consistently obstructed. Even in negotiations, concerns have been raised about Africa's industrialisation ambitions, with some developed members expressing ideological reservations about state-led industrial strategies in the region. These reservations manifest in negotiating dynamics that limit the ability of developing countries to implement effective industrial policies, where they were pressured into binding commitments

that curtailed their development policy space, while developed countries retained wide latitude to protect their own strategic interests.

3.4 Development provisions that never delivered

Special and Differential Treatment (S&DT), often framed as the WTO's primary concession to development, has proven wholly insufficient. Most S&DT provisions are weak, <u>vague</u> or non-binding, of a 'best endeavour' type. Many offered temporary relief from obligations, not structural correction of policy asymmetries. Meanwhile, core agreements like the AoA, TRIMs, ASCM and TRIPS hardwire structural disadvantages into legally enforceable disciplines.

The asymmetry is further compounded by evolving practices that ignore WTO rules while developing countries remain locked into rigid disciplines originally justified as necessary to protect global markets from 'distortions'.

Meanwhile, developed countries have significantly expanded their own policy space through large-scale subsidies and strategic industrial policies, particularly under national security and climate justifications. These policy shifts have reintroduced industrial strategies that were previously discouraged under WTO rules, highlighting the double standards in global trade governance. Additionally, developed countries have employed strategic investment screening and technology export controls to restrict the ability of foreign countries to advance industrialization in hightech sectors, further constraining the development opportunities of the Global South.

The <u>rigidity</u> of WTO intellectual property rules was evident during the COVID-19 crisis, when developed countries, under pressure from pharmaceutical giants, blocked the request for a TRIPS waiver for manufacturing medical products required to address the COVID-19 pandemic. This resistance, prioritising corporate interests over public health, underscored how WTO rules <u>continue to limit</u> technology access in developing countries, even in emergencies. More broadly, it exemplifies the systemic asymmetry where developing countries face binding constraints on industrial policy, while developed economies retain broad discretion to bypass WTO rules whenever it serves their strategic interests.

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3.5 Systemic consequences: Development at the margins

Taken together, this legal landscape amounts to a system that polices development policy rather than enabling it. The WTO does not merely regulate trade, it curates the permissible boundaries of industrial policy. As noted, this is a feature of the legal design itself, born from the <u>power asymmetries</u> in the Uruguay Round and reinforced by every attempt to 'modernise' the system since.

Any serious reflection on the future of the WTO must start by acknowledging this reality. Without a deliberate effort to reopen and rebalance these foundational agreements, the WTO's development mandate will remain hollow, and its credibility as a genuinely <u>inclusive</u> <u>multilateral system</u> will continue to erode.

The persistence of these structural barriers highlights why previous attempts at WTO reform, particularly under the Doha Development Agenda (DDA), remain unfinished business. Its core mandate to rebalance WTO rules in favour of development remains as urgent as ever. Many of the inequities identified during the Uruguay Round have only deepened, and the failure to resolve these issues has left developing countries at a continued disadvantage. Any meaningful reflection process must not treat Doha as a historical artefact but as an essential benchmark for evaluating whether WTO reforms genuinely serve development.

4. Systemic constraints on developing countries

Since the WTO's establishment in 1994, the global economic landscape has undergone profound shifts. Developing countries now account for approximately 45% of global GDP, up from 25% in 2000, and play a central role in global trade by powering value chains, technology flows, and green transitions. Their interdependence has also grown, with more than 40% of their goods exports now going to other developing economies—double the share in 2000.

However, this broader shift obscures critical disparities. Growth and influence remain unevenly distributed, while WTO constraints continue to hinder development, particularly in Africa. The continent's share of global trade has <u>declined</u> from approximately 5% in the post-independence era to less than 3% today, even as its

share of the world's population has risen to approximately 18%. Least Developed Countries (LDCs) face an even more <u>precarious situation</u>, collectively accounting for less than 1% of global trade.

In reality, WTO rules have yet to fully account for disparities in policy autonomy and development strategies. While some developing countries such as China, India, and Vietnam have successfully navigated some of these constraints, many others, particularly in Africa and Latin America, remain trapped in premature deindustrialization, commodity dependence, and restricted technology access that <u>limit</u> their full integration into global value chains.

4.1 Industrial policy asymmetries

has been central the to industrialisation of all major economies. The US, the European Union, and other advanced economies now openly embrace industrial policy, deploying subsidies, domestic content requirements, and strategic investment incentives under frameworks like the CHIPS and Science Act, the Inflation Reduction Act, and the EU's Green Industrial Plan. However, when African and other developing economies advocate for similar flexibility, they are met with ideological pushback, legal restrictions, and negotiating resistance. This reinforces a long-standing pattern in which policy tools essential for economic transformation are accessible to developed countries but restricted for developing economies under WTO disciplines.

4.2 A system in crisis: dispute settlement paralysis

The paralysis of the WTO's dispute settlement system (DSS) represents one of the clearest signs of declining confidence in the organisation's ability to uphold its rules. With the Appellate Body inoperative since 2019, members have been left without a fully functioning enforcement mechanism—a critical loss, particularly for developing countries, who rely on predictable and enforceable rules to hold larger economies accountable.

The decline in formal disputes is striking. As Figure 1 shows, requests for consultations, the first step in WTO dispute settlement <u>fell</u> from 38 cases in 2018 to just 5 in 2020, followed by 9 in 2021, 8 in 2022, 6 in 2023, and 10 in 2024. This sharp drop reflects a growing sense among members that without reliable enforcement, pursuing cases offers little value, especially for smaller economies.

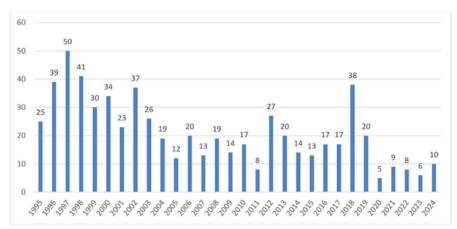


Figure 1: Requests for consultations (1995–2024) Source: <u>WTO</u>

Note: Every WTO dispute is formally initiated with a request for consultations, identified by a unique DS number, which tracks the dispute through each stage.

In response, some members have turned to regional mechanisms and ad hoc alternatives like the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), but these approaches lack the legal certainty and universality required to be functional to a multilateral system. For developing countries, the DSS was one of the few institutional safeguards against power asymmetries in global trade. Its effective breakdown underscores why dispute settlement must feature prominently in the DG's reflection process. Without restoring a credible, enforceable, and accessible system for all members, any broader discussion about the role and future of the WTO will lack the foundation of trust necessary for genuine progress.

5. The Global South's role in global trade today

While developing countries have gained influence in global trade, this has not translated into an equitable rule-making process in the WTO. In addition to being major trading partners, they have become key sources of global capital, remittances, and development assistance. Between 2019 and 2023, developing economies accounted for 40% of global remittances, up from 30% in the early 2000s, reflecting their growing economic influence.

However, WTO rules have failed to reflect these shifts. The global economy is no longer unipolar, yet the WTO's rulebook continues to operate under the assumption that a uniform set of trade rules suits all countries, regardless of their development levels. Developed countries have expanded their policy space through exceptions and state intervention, justified under national security, climate priorities, or industrial policy objectives, while developing countries remain bound by rigid disciplines that restrict their ability to foster industrial transformation.

For many developing countries, particularly in Africa and Latin America, industrialisation remains stifled by restrictive trade rules, absence of meaningful flexibilities, and limited access to the policy tools that historically enabled industrial transformation elsewhere. The assumption that trade liberalisation alone will drive economic transformation ignores the critical role of active industrial policies such as investment incentives, performance requirements, and access to technology that have historically underpinned successful development.

This disconnect between legal design and economic reality is a systemic flaw in the WTO's governance. Without confronting these embedded biases, the institution cannot credibly claim to promote inclusive growth.

The Global South is not seeking rhetorical reaffirmations of development as a priority; it demands substantive reforms. The reflection process triggered by the WTO's 30th anniversary must be judged against a single measure: will it <u>reimagine</u> the trading system to support development realities, or will it simply manage expectations without delivering real change?

6. Reclaiming the development agenda in WTO reform

6.1 Doha's unfinished business: A necessary element in the DG's reflection process

The DDA was <u>launched</u> in 2001 with a clear and explicit purpose: to rebalance WTO rules in favour of

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development. For many developing countries, it represented an opportunity to address the structural imbalances left unresolved by the Uruguay Round, particularly in areas such as agriculture, technology transfer, and the policy space needed to support industrialisation

More than twenty years later, its <u>core</u> concerns remain unresolved, even as developed countries have sought to shift focus away from them. This reality must inform the DG's proposed reflection process. Any honest assessment of the WTO's effectiveness, particularly in delivering on its development mandate, must engage with these outstanding issues, rather than sidestepping them in favour of newer agendas.

Agriculture exemplifies this ongoing imbalance. Despite the <u>Bali</u> and <u>Nairobi</u> outcomes, developed countries continue to benefit from wide flexibility to subsidise their agricultural sectors, while developing countries operate under far stricter disciplines when seeking to support food security, rural development, and smallholder livelihoods. Compounding this inequity is the fact that many of the WTO's agricultural rules remain frozen in the economic realities of the 1980s.

At the same time, some multilateral issues captured under Doha have been rebranded or pushed into informal or <u>plurilateral</u> settings, which often exclude the full membership and dilute their development focus. For instance, some technical outcomes like the <u>Trade Facilitation Agreement</u> (TFA) have made procedural improvements, but they have not tackled the core structural issues that Doha sought to address.

For the Global South, the development promise of Doha remains unfulfilled, not because of a lack of proposals, but because its most crucial development-oriented components were sidelined, while developed countries advanced their own priorities. If the DG's reflection process is to produce a credible pathway for the future of the organisation, it will need to grapple directly with this legacy. The reflection should not become, however, a purely historical debate nor to discuss whether Doha is formally 'alive' or 'dead'. Instead, it must assess whether the core development asymmetries Doha sought to correct still exist and how they can be meaningfully addressed in today's WTO reform efforts.

In this sense, the reflection process offers a practical opportunity to revisit unresolved development

questions in a forward-looking manner, linking them to contemporary challenges such as climate change, digital and technological divides, and green industrialisation. By doing so, the process can demonstrate that development is not a separate or outdated agenda but must remain central to any credible reform process.

6.2 Ensuring coherence: Plurilaterals vs. Multilateralism

The longstanding development challenges are further compounded by broader concerns about the future of the multilateral consensus principle, particularly considering the growing prominence of Joint Statement Initiatives (JSIs) and concepts such as 'responsible consensus'. These developments have triggered debate among members about the evolving nature of WTO decision-making and the appropriate balance between plurilateral flexibility and multilateral coherence.

Any meaningful reflection on the WTO's future must grapple with this evolving institutional reality not just as a procedural question, but as part of a broader conversation about the type of system the WTO is becoming. Proponents of plurilaterals argue that these initiatives offer a practical way to advance negotiations when full consensus proves elusive. However, their increasing use raises important questions about how to ensure that plurilateral approaches remain consistent with the WTO's multilateral foundations and the institutional principles agreed by all members.

Rather than focusing solely on whether plurilaterals should exist, the key challenge is to ensure that their evolution strengthens rather than fragments the system. This includes ensuring that the multilateral rulebook continues to reflect the interests and development needs of all members including through meaningful S&DT provisions where appropriate.

A related concern for many developing countries is the perception that new issues often advanced through plurilateral initiatives are being prioritised at the expense of unresolved development mandates. There is growing unease that political attention, technical resources, and negotiating bandwidth are increasingly being devoted to defining new rules, while longstanding development commitments remain unfulfilled. For many developing countries, this reinforces the sense that the development agenda they have championed for

decades remains unresolved, and that the future they seek within the WTO continues to depend on redressing these historical imbalances.

7. A reform agenda for Development: Deliverables to anchor the reflection process for MC14 and beyond

The WTO Development Retreat, which preceded the DG's announcement of the reflection process, underscored the need for a meaningful and substantive path to reform. This reflection comes at a time when the global trade landscape itself is undergoing profound shifts. With global economic power increasingly dispersed, the WTO must adapt to a world where South-South trade, regional integration, and new development alliances are reshaping the terms of global economic engagement. For developing countries, these shifts present both opportunities and risks—opportunities to deepen regional value chains and expand South-South cooperation but also risks of further marginalisation if the multilateral system remains unreformed and disconnected from development realities.

Against this backdrop, and given the systemic challenges outlined above, the DG's proposal should go beyond a retrospective review and instead focus on realigning the WTO's framework with today's global economy. Despite the evolving dynamics of global trade and the growing economic weight of developing countries, many remain heavily reliant on agriculture and commodity exports while WTO rules, as noted, continue to constrain their industrialisation and technological upgrading. This persistent imbalance underscores the need for systemic reforms to ensure a more equitable and development-oriented trading system.

The reflection process is an opportunity to advance longstanding development commitments, while ensuring that WTO rules and processes are better equipped to support inclusive industrialisation and economic transformation in developing countries. To achieve this, the process must focus on the fundamental development concerns that remain unresolved.

7.1 Learning from past lessons

<u>The Sutherland Report</u> (2004) entitled *The Future of the WTO* serves as an important reminder of how reform

processes that sideline development priorities and focus on technical fixes risk reinforcing structural inequalities, rather than correcting them. It was <u>criticised</u> for its narrowly framed review, failing to challenge systemic inequalities, protect policy space, and incorporate diverse, independent voices particularly from developing countries. This failure weakened its credibility and risked cementing the status quo rather than catalysing meaningful reform. To ensure the 30th-anniversary reflection avoids these pitfalls, it will be important to strike a balanced approach—one that considers the perspectives of all members, including developing countries. Development concerns should not be sidelined in favour of a narrowly economic or mercantilist agenda. Instead, they should be embedded into the core of the reflection process to ensure that the WTO's future work responds to the needs of its full membership.

7.2 A targeted development audit: strengthening S&DT and addressing policy space asymmetries

At the heart of the reflection process should be a comprehensive development audit—a structured, evidence-based assessment of how existing WTO rules impact the policy space and development outcomes of developing and least developed countries. Without a clear and factual baseline on where development asymmetries lie, the reflection risks becoming a theoretical exercise divorced from the actual experience of members in using (or being constrained by) WTO rules to pursue their development objectives.

The WTO Development Retreat recognised that existing WTO rules including but not limited to S&DT, have largely failed to deliver on their developmental promise. To address this, WTO members outlined <u>proposals</u> towards a targeted and evidence-based reform agenda, with the development audit as a core tool to anchor this work. Members' key recommendations include:

- An audit of S&DT provisions to assess their effectiveness and ensure they respond to the real needs of developing countries.
- A systematic review of WTO agreements, including the ASCM and TRIMs, to correct longstanding asymmetries in industrial and agricultural policy space.

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- TFA-style audits of members' needs across WTO agreements to provide targeted support, ensuring that trade rules do not disadvantage those with limited institutional and financial capacities.
- Leveraging the Trade Policy Review (TPR) mechanism to diagnose trade constraints and improve technical assistance for developing economies.
- A reassessment of Aid for Trade and technical assistance programmes to ensure they support industrialisation, regional value chains, and green technology transfer, rather than just facilitating market access under existing imbalances.
- The Committee on Trade and Development (CTD) to compile a compendium of outstanding mandates and unresolved development issues, providing a structured path for reform.

The DG has encouraged members to avoid simply restating positions they have held in the past fifteen or twenty years, insisting instead that the reflection process should focus on finding new and constructive ways to address the WTO's challenges. While this constructive call for fresh thinking is noted, it will be important to ensure that long-standing development concerns, many of which remain unresolved, are not overlooked or set aside in the interest of focusing exclusively on new approaches. A credible reflection process must acknowledge that issues such as agricultural trade reform, food security, and policy space for industrial development remain active constraints on many members' development strategies. These should not be treated as historical baggage, but as part of the core work needed to make the WTO fit for purpose for all its members, particularly the most vulnerable.

7.3 Concrete steps to reclaim policy space

As elaborated on above, the proposed reflection process should not focus exclusively on so-called 'new' trade issues simply because they reflect the priorities of some members or are framed as essential for the 21st century economy. For a WTO reform to be credible and inclusive, it must also address longstanding structural challenges that continue to limit the ability of many developing countries to fully leverage trade for development. These policy tools are not just development instruments; they are essential for

countries seeking to navigate a more fragmented and multipolar trading system, where reliance on regional blocs and bilateral deals is growing, but where multilateral rules still set the overall policy ceiling.

This requires revisiting several fundamental policy areas, including:

- Agricultural and cotton subsidy rules, which continue to distort global trade and disproportionately favour wealthier economies, limiting the export competitiveness of developing countries.
- Industrial subsidy disciplines under the ASCM, which constrain the use of policy tools essential for nurturing infant industries and promoting technological upgrading.
- The policy space for local content measures, currently restricted under the TRIMs Agreement, despite their potential role in fostering domestic industrial capacity and building stronger linkages with global supply chains.
- Targeted amendments to the TRIPS Agreement, to ensure affordable and timely access to essential technologies, particularly those needed for green industrialisation and climate adaptation, enabling developing countries to participate fully and equitably in the global low-carbon transition.

Creating real policy flexibility, particularly in areas essential to industrial transformation, food security, and technology upgrading, is critical to ensuring that WTO rules support diverse development strategies, rather than assuming a single model of economic integration and development.

8. Recommendations on the DG's reflection process

For the DG's reflection process to produce credible and balanced outcomes in the context of the WTO's 30th anniversary, it must be structured around clear governance principles that guarantee full member ownership, institutional clarity, and meaningful attention to development priorities. Based on lessons from past reform exercises and the experiences of developing countries, several practical recommendations can guide the management of this process.

8.1 Ensure the reflection is fully member-driven

While the DG's proposal to convene an independent panel of eminent persons offers potential value, the mandate, scope, and methodology of this panel must be defined by WTO members themselves, through a General Council decision setting the agenda and work modalities. This should ensure that the process reflects the priorities of the full membership—including developing and least developed countries, rather than a select group of influential actors. In line with the DG's proposal, the Secretariat's role should be limited to providing technical and logistical support.

8.2 Establish institutional clarity and avoid overlapping mandates

The reflection process should be overseen directly by the General Council to ensure transparency and institutional balance. This is particularly important given the DG's parallel role as ex officio chair of the Trade Negotiations Committee, a position linked to the still unfinished DDA. Maintaining a distinction between these roles enhances transparency in the reflection process and reinforces that future reform discussions must remain fully member-driven. At the same time, it is recognised that it may be difficult for members themselves to conduct this reflection exercise without the benefit of independent external insights. If members agree that external expertise could enrich the process, the independent panel should play only an advisory role -providing objective, evidence-based inputs to assist members, rather than acting as a substitute for member-led deliberations.

8.3 Place structural imbalances at the heart of the reflection

To be meaningful, as argued above, the reflection must address longstanding structural biases embedded in WTO rules—including those in the AoA, TRIPS, TRIMs, and the ASCM. These agreements continue to constrain the policy space developing countries need to pursue industrialisation, food security, crisis response, and

technology access. Avoiding these difficult conversations would undermine the reflection's credibility. Instead, the process should actively invite proposals on how these rules could be <u>reformed</u> to better align with development realities.

8.4 Guarding against external capture

While the involvement of external experts can enrich the conversation, the process must resist being dominated by elite-driven agendas—particularly those emerging from the G7 or other powerful blocs. Anchoring the review within the WTO's institutional framework, under the vigilant oversight of the General Council, can help maintain neutrality and safeguard the priorities of members. At the same time, experts selected to address the issues from the perspective of developing countries must not be chosen solely based on nationality, but on their expertise and a demonstrated track record of advancing the interests of these countries through policymaking, diplomacy, or academic work. This is critical to ensuring that the expression of different views is substantive and credible, rather than just symbolic. Moreover, experts affiliated with institutions that have a history of bias and systemic inequities against developing countries should not be entrusted with shaping the WTO's future, without clear terms of reference agreed by the full membership, as this would risk perpetuating the very same imbalances that the reform process is meant to correct.

8.5 Clarify the process and expected outcomes

Finally, the reflection process should begin with a clear agreement on its purpose. Members should decide upfront whether the process is primarily a retrospective assessment, a technical review, or a structured pathway toward concrete reform deliverables at MC14 and beyond. A phased approach could help ensure focus—beginning with an independent, evidence-based assessment of systemic challenges, followed by a robust, member-led discussion to define concrete recommendations. This avoids drifting into open-ended dialogue and ensures the reflection process remains results oriented.

9. Conclusion: Anchoring reflection in today's global realities

As the WTO marks its 30th anniversary, the reflection process offers an important chance to rethink how the MTS can better support development in a rapidly changing world. This process must not become a detached conversation along the shores of Lake Geneva, disconnected from the real challenges developing and least developed countries face at home—such as commodity dependence, climate shocks, uneven technology access, and the ongoing disconnect between trade and development finance. The reflection should also recognise the growing weight of South-South trade and regional integration, as well as the broader shift to multipolarity, all of which influence how developing countries engage with global trade. For this reflection to be meaningful, however, it must go beyond diagnosing past failures and contribute to setting a concrete path for reform that has development at its centre.

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