International Relations · GS - II

What are the key areas of reform if the WTO has to survive in the present context of 'Trade War', especially keeping in mind the interest of India?

EXAM YEAR	PAPER	SUBJECT
2018	GS - II	International Relations

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Multilateral trading system; trade protectionism; dispute settlement; special and differential treatment; agricultural subsidies; digital trade; policy space; export competitiveness

Model Answer

Introduction

The World Trade Organization (WTO) provides rules for international trade, but trade wars, unilateral tariffs and disagreements over development priorities have challenged its credibility. Reform is essential to preserve a predictable and equitable multilateral trading system.

Key Areas of Reform

1. **Restore dispute settlement:** Re-establish an effective, timely and credible dispute-resolution mechanism to discourage unilateral trade retaliation.
2. **Reform agricultural rules:** Address trade-distorting subsidies in developed economies while protecting the food-security needs of developing countries.
3. **Preserve special and differential treatment:** Ensure developing countries receive meaningful flexibility based on their development needs and capacities.
4. **Improve transparency:** Require timely notification of subsidies, trade restrictions and other relevant measures by members.

5. **Address digital trade:** Develop balanced rules for e-commerce and digital services while preserving legitimate policy space for developing countries.
6. **Reduce unilateral protectionism:** Strengthen consultations and multilateral procedures to resolve tariff disputes.
7. **Promote inclusive negotiations:** Improve the participation of developing countries and least developed countries in decision-making.

India’s Interests

India should defend food security and farmers’ livelihoods, improve market access for labour-intensive exports, strengthen services trade and pursue reforms through coalitions with developing countries. Domestic competitiveness, infrastructure and export diversification must complement WTO engagement.

Conclusion

WTO reform should balance open trade with development, fairness and policy flexibility. A credible dispute system and inclusive negotiations are essential for India and the wider global economy.

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