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The WTO's role is more important than ever

Pushback against globalisation has made a neutral referee even more valuable

THE EDITORIAL BOARD

The next head of the World Trade Organization faces an uphill struggle. As candidates line up to replace Roberto Azevêdo, the multilateral trade body is confronting a fundamental difficulty: **the impulse towards liberalisation has faded across much of the world.** Concerns about globalisation, whether economic, environmental or security-based, have risen and countries are retreating from openness over trade.

Mutual mistrust between China and the US, as well as the EU and China, means that any further liberalising of trade is likely to be between regional blocs and coalitions of the willing rather than all members. Yet this context makes the WTO even more vital. In a time of heightened tensions the world needs rules to fall back on and a trusted referee to resolve disputes.

Plurilateral and bilateral agreements affect those not party to their negotiations and the WTO provides protection. Individual governments and trading blocs are exploring how to regulate international trade in services and data, including agreeing rules with each other. However a consensus on minimum standards and fair treatment is reached, even if agreements are not made in Geneva where the WTO is based, it should be incorporated into the organisation's rules.

With so many challenges facing the international trading system it would be a mistake not to use the tools and bodies there to help solve them: an international forum on trade was hard-won and would be difficult to recreate.

The coronavirus crisis demonstrates the value of common agreements on how to deal fairly with one another and prevent a race to the bottom: it also proves the benefits of coming to similar agreements on intellectual property.

The two leading candidates to head the organisation, Kenya's Amina Mohamed and Nigeria's Ngozi Okonjo-Iweala, have recognised there is merit to US criticisms over the

behaviour of the appellate body, the WTO's highest court — even if Washington's aggressive actions are unhelpful. In December, President Donald Trump's refusal to nominate any new judges to the seven-strong dispute resolution body hamstrung the court, freezing all future cases and removing the WTO's ability to enforce its treaties.

The move reflected longstanding US irritation at the body's rulings and a feeling that it had stepped beyond its mandate. Even if Mr Trump does not prevail in November's presidential election, the next US president is likely to retain some of Mr Trump's scepticism about multilateralism and global trade. The EU, too, has become more sympathetic to criticisms that the court is making international law rather than just enforcing the treaties. Given widening disagreements on trade policy between the WTO's member states, the dispute panel cannot legitimately take on rulemaking power on their behalf.

But a predictable international legal trading order is essential. Without some means of settling disagreements and clarifying ambiguities the treaties will be toothless: reform is the only way forward. The **troubles over the appellate body are just one example** of the difficulties facing an organisation that has simultaneously to be a forum for negotiation and an enforcer of the rules, so breeding disagreement.

A successful director-general will need to be a broker who can form a trusted relationship with the EU, US and Chinese governments rather than an expert in the technical details of trade. Ultimately, progress on further trade liberalisation will depend more on the appetite of the member states than on the WTO — but the head of the organisation will still have a vital role trying to bring those members together.