

# IS THE WTO DEAD? AN ASSESSMENT OF THE CRISIS, CONTINUITY AND TRANSFORMATION OF THE MULTILATERAL TRADING SYSTEM\*

The most accurate answer to the question “is the WTO dead?” is not that the organization has come to an end, but rather that its functional and political weight in comparison with its founding period has assumed a more complex and contested character.

*In cherished memory of Prof. Dr. İlber Ortaylı...*

**Aykut Aydeniz**

*Commercial Counsellor at Permanent Mission of Türkiye to the World Trade Organization (WTO) in Geneva, Switzerland*

## **Introduction**

When the World Trade Organization (WTO) was established in 1995, it was regarded not merely as a technical international organization aimed at reducing tariffs, but also as one of the principal institutional pillars of the post–Cold War liberal international order.

With its coverage of trade in goods, services, intellectual property rights, and dispute settlement, the WTO has long stood at the center of the multilateral trading system. Today, however, one of the questions increasingly raised in international trade circles is this: Is the WTO truly still alive, or has it become an institution that has lost a substantial part of its functional weight?

\* The views expressed in this article are solely those of the author and do not necessarily reflect the official stance of the institution with which the author is affiliated.

Since my article appears in this edition of the esteemed *Eurasian World* journal, it would be most appropriate to indicate that 19 countries in Eurasia, as it is defined by Center for Eurasian Studies (AVİM), are among the 166 members of the WTO. Therefore, these countries being the members of the WTO are related to the work, achievements and the current problems of the WTO as described in the following pages including the question above.

Although this question may appear exaggerated, it is not without foundation. One of the WTO's most distinctive features, the Dispute Settlement Mechanism (DSM), has been seriously weakened; its negotiating function has produced only limited results for many years, Regional Trade Agreements (RTAs) and plurilateral initiatives have gained prominence, and great-power rivalry has increasingly geopoliticized the global trading system. In addition, significant differences of opinion have emerged among members regarding development, level playing field, state intervention, and the direction of reform. These developments challenge not only the WTO's technical capacity, but also its ability to generate political consensus.

That said, declaring the WTO "dead" would be a hasty and overly simplistic judgment. The organization remains the most comprehensive institutional framework of the multilateral trading system; its core agreements remain in force, its membership structure endures, and it continues to perform essential functions such as monitoring trade policies, collecting notifications, and preserving the rules as a common point of reference. The real issue, therefore, is not whether the WTO exists, but to what extent its functional centrality in global trade governance has been transformed.

The main argument of this article is that the WTO continues to exist institutionally, yet its once uncontested role as the guiding and binding center of the system has become far more debatable today. Accordingly, the current process should be understood not as a simple institutional "death," but rather as the evolution of the multilateral trading system into a more fragmented, more flexible, more selective, and more intensely politicized structure.

Against this background, this analytical article first addresses the importance of the WTO, then examines the developments that have led many observers to believe

**The real issue, therefore, is not whether the WTO exists, but to what extent its functional centrality in global trade governance has been transformed.**

that the WTO is dead, subsequently discusses in brief the debates on WTO reform and the factors indicating that the WTO is still "alive", and finally considers how the WTO's current problems might be remedied.

### **The Institutional Logic of the WTO: MFN, Multilateralism, and a Common Rule-Based Framework**

To understand why the WTO matters, it is first necessary to recall the fundamental logic upon which it was built. At the center of this logic lies the principle of non-discrimination. Its best-known expression is the Most-Favoured-Nation (MFN) principle. In brief, and subject to general and specific exceptions, MFN requires a WTO member to extend to all other members any advantage it grants to one trading partner. In other words, the basic assumption of the global trading system is founded not on "privileges for selected partners," but on as equal a treatment as possible among all members.

The historical significance of the MFN principle is considerable. It has shifted trade relations among countries and groups of countries away from bilateral bargaining and arbitrary privilege toward a more predictable and generalizable framework. Stability in the global trading system derives not only from low tariffs, but also from the fact that the rules apply to everyone. For this reason, MFN is regarded as one of the principles forming the normative backbone of the WTO. In recent years, however, the proliferation of RTAs, the spread of preferential trading blocs, and the increase in selective economic alignments based on strategic partnerships have all limited the practical impact of this principle and have led to its gradual erosion.

Accordingly, the question "is the WTO dead?" is not simply about whether the organization continues to function institutionally. It is also about the extent to which an MFN-based, universal, and anti-discriminatory conception of multilateral trade has been eroded. If the

**Marrakesh Agreement establishing the WTO was signed on 15 April 1994 by 123 countries, WTO membership has today reached 166. Accordingly, this development is widely regarded as one of the major reasons behind the current slowdown in the WTO's negotiating capacity.**

multilateral trading system is increasingly based on club-type arrangements, security-oriented partnerships, and preferential blocs, then it would not be inaccurate to say that (regardless of the WTO's continued legal existence) its founding spirit is under pressure.

### **Decision-Making Procedure: The WTO's Strength or the Source of Its Gridlock?**

A second critical issue for understanding the WTO's current difficulties is its method of decision-making. Unlike other international economic organizations such as the World Bank Group and the International Monetary Fund, decision-making practice in the WTO is essentially based on the principle of consensus. This method provides formal equality to both developed and developing members and enhances the legitimacy of decisions adopted. Especially from the perspective of developing countries, consensus is seen as a safeguard against the imposition of rules by dominant actors through majority power.

At the same time, however, this method can become a mechanism that makes decision-making more difficult in an organization where the number of members has increased and differences in interests have deepened. As is well known, while the Marrakesh Agreement Establishing the WTO was signed on 15 April 1994 by 123 countries<sup>1</sup>, WTO membership has today reached 166. Accordingly, this development is widely regarded as one of the major reasons behind the current slowdown in the WTO's negotiating capacity. Thus, while the consensus principle strengthens the organization's democratic appearance, it also limits its ability to undertake reform.

Yet it is not sufficient here to speak merely of

institutional sluggishness. One of the main reasons why consensus has become more difficult among members is that the costs and benefits of reform are not perceived equally by all. Developing countries and least-developed countries in particular are concerned that they (under the banner of reform) may be required to assume new obligations without obtaining tangible gains in return, and may even lose some of the flexibility they have enjoyed since 1995. For this reason, the lack of consensus is often seen not merely as a technical deadlock, but also as the product of a deeper problem of trust and balance.

### **The Development Dimension, Developing Countries, and Special and Differential Treatment (SDT)**

Another issue of central importance in WTO debates is the question of development. The WTO is not merely a trade system that provides market access; it is also an international organization seeking to manage the differences among developed, developing, and least-developed countries. In this context, the provisions on Special and Differential Treatment (SDT) grant developing countries and least-developed countries longer implementation periods, more flexible obligations, and various forms of facilitation.

At the same time, SDT is also regarded as one of the WTO's most controversial areas. Serious disagreements persist over how the status of "developing country" should be defined, which members should benefit from which flexibilities and to what extent, and how long such privileges should continue. Some developed members question whether certain countries with growing economic capacity should continue to enjoy the traditional privileges of developing-country status. By contrast, many developing countries argue that development gaps remain structural in nature and that imposing the same level of obligations on all members would be neither fair nor feasible.

This debate constitutes one of the central elements of the WTO's crisis of legitimacy. For multilateralism is not merely a matter of applying the same rules to every member; it is also a question of being able to manage differing levels of development fairly. If the reform process generates among developing and least-developed members the perception that it amounts to a "rollback of existing gains," then it becomes inevitable that these

members will be reluctant to produce consensus. Thus, the SDT issue should be seen not simply as a technical debate over flexibility, but as one of the decisive elements of the political and social legitimacy of WTO reform.

### **The “Level Playing Field” Debate: Fair Competition or the Neglect of Asymmetries?**

Another concept that has come to the forefront in recent WTO reform debates is the ‘level playing field’, which broadly refers to equal conditions of competition. This approach is based on the idea that trade and investment relations among members should not be distorted by state intervention, trade-distorting subsidies, state-owned enterprises, forced technology transfer, or non-transparent industrial policies. Particularly from the perspective of developed economies, the discourse of the level playing field emphasizes that the rules of the international trading system concern not only tariffs, but also competition conditions in a broader sense.

This approach has a certain internal coherence. Indeed, a system in which trade is formally free but

competitive conditions are seriously distorted produces only the appearance of openness, while failing to establish a genuinely fair economic framework. For this reason, the demand for a level playing field has found strong resonance, particularly in debates concerning state capitalism, extensive industrial subsidies, and non-market practices.

However, this concept is received more cautiously by developing countries, because the demand for ‘level playing field’ can sometimes be articulated in ways that ignore actual inequalities. If historical, structural, and developmental asymmetries persist, imposing the same standard of competition on every member may create only the appearance of equality while in fact deepening inequalities. In other words, some reform demands presented by developed members under the banner of a ‘level playing field’ may be perceived by developing members as initiatives that narrow policy space and restrict development tools.

For this reason, the ‘level playing field’ debate within the WTO extends far beyond a simple technical issue of competition. At its core, it reflects a clash between



two different conceptions of justice: one advocating the application of the same rules to everyone, and the other defending differentiated obligations that take unequal starting conditions into account. One of the greatest obstacles to progress in the reform process lies precisely in the inability to establish a reasonable balance between these two approaches.

### **The Strongest Factor Suggesting that the WTO Is “Dead”: The Weakening of the DSM**

Another fundamental feature distinguishing the WTO from other international economic institutions was that it went beyond being merely a body that declares rules but also possessed an institutionalized dispute settlement body capable of examining violations of those rules through a legal process. This system functioned as an important mechanism, particularly for medium-sized and small countries, in limiting the role of power politics.

Yet it is precisely here that the WTO’s crisis of legitimacy and effectiveness has become most visible. As of December 2019, the Appellate Body ceased to function, thereby weakening the center of the two-tier dispute settlement system. This increased the possibility that panel reports could be left in limbo through what has been termed ‘appealing into the void,’ and the binding character of the system was undermined. Although the rules remain in force, a serious gap has emerged with respect to the final and reliable enforcement of those rules.

For many observers, therefore, the most concrete indicator of the WTO’s crisis of functionality lies precisely here. At the same time, however, the system has not disappeared entirely. The fact that some members have developed temporary mechanisms both reveals the

**Another fundamental feature distinguishing the WTO from other international economic institutions was that it went beyond being merely a body that declares rules but also possessed an institutionalized dispute settlement body capable of examining violations of those rules through a legal process.**

institutional fragility of the WTO and indicates that the system is not intended to be abandoned altogether. Accordingly, the crisis in the dispute settlement system does not show that the WTO has ceased to exist; rather, it demonstrates that one of the principal features distinguishing it from other institutions has undergone serious erosion.

### **Reform Debates: Institutional Repair or the Search for a New Balance?**

Reform now clearly lies at the center of debates over the future of the WTO. Yet it would be incomplete to see reform merely as a technical update or an attempt at institutional repair. Today, reform debates are also understood as a search for a new balance. For the core problem among members lies not only in the fact that the system functions poorly, but also in their disagreement over whose interests it should serve, under what obligations, and in exchange for what benefits.

In broad terms, reform demands may be grouped under several headings. These include restoring the DSM to functionality, increasing negotiating capacity, strengthening notification and transparency, reconsidering the future of SDT provisions, and establishing more productive mechanisms on new-generation trade issues. At the same time, however, a central question remains: do all members mean the same thing when they call for WTO reform?

A significant number of developed members demand stricter disciplines, greater transparency, stronger rules, and narrower spaces for flexibility. In contrast, developing and least-developed members argue that reform should not simply increase obligations, but should also generate gains. For these members, the central issue is not reform per se, but rather the advancement of reform without regard to balance. If the reform process continues to be perceived as eroding the rights recognized in 1995 and the flexibilities associated with development, it is hardly surprising that consensus remains out of reach.

For this reason, advancing reform requires not only technical proposals but also concrete and balanced offers capable of building trust among members. In a context where reform means discipline for one side and loss for the other, it seems impossible to achieve sustainable agreement. Hence, the success of reform depends less on



normatively producing ‘stronger rules’ than on politically establishing ‘a more acceptable balance.’ Whether such a balance can in fact be achieved remains an open question.

### Is the WTO Really Dead?

Despite all the problems outlined above, it would not be appropriate to answer this question with a straightforward ‘yes.’ The vitality of an international organization is measured not only by whether it produces crises, but also by whether its members continue to use it as a framework for negotiation, objection, defense, reform, and review. From this perspective, it is difficult to maintain that the WTO has reached an institutional end.

First and foremost, the WTO remains the most comprehensive institutional framework governing global trade. In other words, it is the only international organization that establishes rules on international trade and provides a forum for resolving disputes concerning those rules. Moreover, the WTO has 166 members, which represent approximately 98% of world trade.<sup>2</sup> In

addition to the General Council, the Dispute Settlement Body, and the Trade Policy Review Body, the Council for Trade in Goods, the Council for Trade in Services, the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS), and numerous specialized committees, working groups, and dedicated bodies continue to operate on a regular basis. The persistence of such dense institutional activity constitutes one of the clearest indicators that the WTO is not a structure that has become entirely idle.

Second, the WTO’s day-to-day institutional activity remains remarkably intense. Its various committees are not merely bodies that meet as a matter of form; members continuously raise questions on these platforms, bring forward trade concerns, examine notifications, and monitor one another’s practices. For example, in its 2024 transparency report reviewed in 2025, the Sanitary and Phytosanitary Measures (SPS) Committee recorded that SPS notifications from developing economies had reached record levels, that approximately 75% of all notifications came from those economies, and that least-developed countries accounted for 24% of total SPS notifications.<sup>3</sup> Similarly, 125 notifications were submitted

**Accordingly, rather than characterizing the WTO as a “dead” institution, it is more accurate to view it as an institutional space whose functioning has been seriously strained, yet which members have still not abandoned.**

to the TRIPS in 2024, 116 of which concerned new or updated domestic legal regulations under TRIPS.<sup>4</sup> At the meeting of the Committee on Import Licensing held on 10 October 2025, members reviewed 45 notifications submitted since the previous meeting in May 2025.<sup>5</sup> Taken together, these developments demonstrate that the WTO is not an organization that exists only on paper while remaining inactive in practice; rather, technical, legal, and political interaction continues in an intensive manner.

Third, even where members adopt a critical stance toward the WTO, they do not distance themselves from it; on the contrary, they seek to reform it. This point deserves emphasis. If confidence in an organization had been completely lost, members would not have continued to devote energy to producing documents, designing processes, and investing in institutional debates within it. On the contrary, reform discussions intensified noticeably, especially in the run-up to the WTO’s 14th Ministerial Conference (MC14). The recent papers available on the WTO Documents Online clearly show that members continue to treat this issue as one of central importance.

In this context, it is evident that papers on reform have been submitted respectively by the United States (15 December 2025)<sup>6</sup>, the European Union (21 January 2026)<sup>7</sup>, Paraguay (3 February 2026)<sup>8</sup>, China (18 February 2026)<sup>9</sup>, The Gambia on behalf of the LDC Group (27 February 2026)<sup>10</sup>, the African Group (5 March 2026)<sup>11</sup>, and the United Kingdom (6 March 2026)<sup>12</sup>. It may therefore be said that members from different levels of development, different geoeconomic positions, and different reform priorities continue to produce written positions on how the WTO should change. This alone indicates that the WTO is not an abandoned institution, but one that remains intensely contested. Even the principal actors directing serious criticism at one another still view WTO reform as an important arena of struggle.

Fourth, the WTO continues to function not only as an institution that manages crises, but also as one that produces information and transparency. The WTO’s 2025 Report notes that, throughout 2024 and early 2025, members both monitored implementation and sought to generate new output through numerous councils and committees.<sup>13</sup> Likewise, the fact that decisions were taken at the Thirteenth Ministerial Conference on investment facilitation, the e-commerce moratorium, development issues, and matters relating to graduated Least-Developed Countries (LDC) demonstrates that the WTO has not ground to a complete halt. In other words, although the organization has problematic areas, not all of its functions have collapsed to the same extent.

Fifth, the WTO’s legal weight has not disappeared entirely. Despite the Appellate Body crisis, disputes continue, consultation requests are still filed, panels are still established, and members continue to formulate their disagreements in the language of the WTO. The fact that members still criticize one another across a wide range of issues by reference to WTO norms shows that those rules have not lost all their binding force. One may indeed say that if a normative framework had truly died, actors would cease both accusing one another of violating it and defending themselves within it. What we observe today is precisely the opposite; members continue both to accuse one another of breaching the rules and to present their own measures as being WTO-consistent.

Accordingly, rather than characterizing the WTO as a “dead” institution, it is more accurate to view it as an institutional space whose functioning has been seriously strained, yet which members have still not abandoned. In fact, the strongest evidence that the WTO is not dead lies not in the severity of the criticisms directed at it, but in the fact that those criticisms continue to be voiced from within the WTO, through WTO documents, in WTO committees, and under the heading of WTO reform. Had members truly lost all hope in this important international organization, they would not continue to devote such intensive diplomatic and technical effort to transforming it.

### **How Can the WTO’s Problems Be Addressed?**

It does not appear possible to remedy the WTO’s current problems through a single technical intervention. The crisis in question is multi-layered; in

one respect institutional, in another political, and in yet another normative. The solution must therefore also be multidimensional.

First, restoring the Dispute Settlement Mechanism to functionality is of great importance. However, this should not be conceived merely as reinstating the old structure exactly as it was. A more balanced model should be created; one that takes into account members' concerns regarding the duration of appeals, the limits of institutional authority, and the operation of the system.

Second, controlled flexibility should be developed in decision-making processes. Without abandoning the principle of consensus altogether, the paralysis produced by the search for consensus on every issue should be alleviated. At the same time, however, this flexibility must not evolve into an exclusionary structure that undermines institutional inclusiveness.

Third, the MFN principle remains one of the foundational elements of the multilateral trading system. Nevertheless, the extent to which claims that approximately 72 percent of global trade is still conducted on an MFN basis reflect reality should itself be debated. The proliferation of RTAs and the growth of preferential arrangements are steadily eroding the practical impact of this figure. WTO reform should therefore aim not only at making progress in new areas, but also at preserving the common rule-based foundation of the multilateral system.

Fourth, within the WTO framework, the two principal achievements of the multilateral system over the past thirty years have been the Trade Facilitation Agreement and the Agreement on Fisheries Subsidies. This indicates that it has become increasingly difficult for consensus-based multilateral negotiations to produce results. For this reason, plurilateral initiatives should be made more feasible within the framework of WTO legislation. Otherwise, the understanding of multilateralism that encompasses all members will lose even more ground, and the WTO's capacity to deliver outcomes on new issues will weaken further. At the same time, this process must be designed carefully so as not to undermine the organization's inclusiveness and shared legal foundation.

Fifth, the development dimension and the issue of SDT must be rebalanced. The fundamental need here is

to provide assurances that the gains held by developing and least-developed members will not be treated as a "cost of reform." WTO reform can advance only if these members are convinced that, in exchange for change, they will see not only greater obligations but also concrete benefits.

Sixth, debates on the 'level playing field' should be situated within a more balanced framework. The search for equal conditions of competition is legitimate; however, this principle must not be used in ways that disregard development gaps, the need for policy space, and structural asymmetries. Otherwise, the rhetoric of equality will be perceived in practice as a tool that deepens inequality.

Seventh, transparency, notification obligations, and monitoring mechanisms should be strengthened. These areas are important for rebuilding a minimum level of trust among members. Making state measures more visible, more predictable, and more comparable could strengthen the technical basis of reform.

Finally, if the WTO's problems are to be genuinely overcome, members must move away from a zero-sum understanding that sees reform as one side's gain and the other side's loss. For reform to be sustainable, a more credible balance must be established between obligations and gains, discipline and flexibility, and equality of competition and the needs of development. Put differently, the future of the WTO depends less on technical formulas than on the creation of concrete balances capable of generating trust.

## Conclusion

In conclusion, the most accurate answer to the question "is the WTO dead?" is not that the organization has come to an end, but rather that its functional and political weight in comparison with its founding period

**The crisis in question is multi-layered; in one respect institutional, in another political, and in yet another normative. The solution must therefore also be multidimensional.**

has assumed a more complex and contested character. The MFN-based understanding of multilateralism is under pressure from preferential bloc formation and geopolitical alignments, the consensus-based decision-making procedure produces legitimacy while at the same time generating deadlock, debates over development and SDT strain the organization's representational and justice dimensions, and the discourse of the level playing field makes visible the tension between equal rules and unequal starting conditions. The erosion of the Dispute Settlement Mechanism has been the most visible institutional expression of this broader crisis.

That said, the real issue that will determine the WTO's future is not simply the recognition that reform is needed. The core question is on what balance that reform will rest. When the WTO was established in 1995, various rights and flexibility were granted to developing and least-developed countries. Today, a significant number of these members are concerned that they may lose their existing gains without obtaining any new ones in return. When the reform process is perceived as one

that increases obligations without producing benefits, these members become less willing to join consensus, and this in turn limits the progress of reform initiatives.

For this reason, overcoming the WTO's problems is not possible merely by demanding more discipline or stronger rules. What is truly needed is the development of concrete, balanced, and mutually acceptable proposals capable of rebuilding trust among members. Unless a credible balance is established between obligations and gains, equality of competition and the needs of development, and institutional effectiveness and representational justice, the discourse of reform will fail to generate political support.

Accordingly, the issue that should be debated today is not whether the WTO is dead, but rather on what kind of balance and trust framework members might render the WTO functional once again. From this perspective, the WTO is not a defunct institution, but one undergoing a process of transformation whose future depends on the quality of trust among its members.

## Endnotes

- 1 "Commemorating 30th anniversary of the Marrakesh Agreement", available at [https://www.wto.org/english/thewto\\_e/30y\\_e/30y\\_e.htm](https://www.wto.org/english/thewto_e/30y_e/30y_e.htm) (accessed on 09.03.2026).
- 2 "Who we are", available at [https://www.wto.org/english/thewto\\_e/whatis\\_e/who\\_we\\_are\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/who_we_are_e.htm) (accessed on 10.03.2026).
- 3 World Trade Organization. (2025, March). Members conclude Sixth Review of SPS Agreement, note record notifications. [https://www.wto.org/english/news\\_e/news25\\_e/sp\\_s\\_20mar25\\_e.htm](https://www.wto.org/english/news_e/news25_e/sp_s_20mar25_e.htm)
- 4 World Trade Organization (2025, March). Members continue TRIPS implementation review discussion, address IP notification obligations. [https://www.wto.org/english/news\\_e/news25\\_e/trip\\_21mar25\\_e.htm](https://www.wto.org/english/news_e/news25_e/trip_21mar25_e.htm)
- 5 World Trade Organization (2025, October). Improving transparency focus of discussions at import licensing committee meeting. [https://www.wto.org/english/news\\_e/news25\\_e/impl\\_10oct25\\_164\\_e.htm](https://www.wto.org/english/news_e/news25_e/impl_10oct25_164_e.htm)
- 6 World Trade Organization. (2025, December 15). On WTO reform (WT/GC/W/984).
- 7 World Trade Organization. (2026, January 21). EU submission on WTO reform (WT/GC/W/986).
- 8 World Trade Organization. (2026, February 3). WTO reform considerations (WT/GC/W/987).
- 9 World Trade Organization. (2026, February 18). China's position paper on WTO reform under the current circumstances (WT/GC/W/989).
- 10 World Trade Organization. (2026, February 27). LDC Group submission on WTO reform: Communication from the Gambia on behalf of the LDC Group (WT/GC/W/991).
- 11 World Trade Organization. (2026, March 5). WTO reform: Development-centred priorities for a balanced WTO: Communication from the African Group (WT/GC/W/992).
- 12 World Trade Organization. (2026, March 6). More relevant, more flexible, more accessible: Communication from the United Kingdom on WTO reform (WT/GC/W/993).
- 13 World Trade Organization (2025). Annual Report 2025. WTO, p. 7. [https://www.wto.org/english/res\\_e/booksp\\_e/anrep\\_e/ar25\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/anrep_e/ar25_e.pdf)