

INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 9 | Issue 2

2026

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International Trade Law under the WTO: Framework Legal Principles and Cooperative Mechanisms for Global Economic Governance

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ABSTRACT

The World Trade Organisation (WTO) is the most complete set of multilateral laws that rule international trade. The WTO's goal is to encourage free, fair, and predictable trade between its Member States. It does this by establishing legally binding agreements and working together as an organisation. This essay takes a theoretical and critical look at international trade law within the WTO system, focussing on its main legal principles and the ways that countries work together to help run the world's economy. It looks at basic ideas like equality, not favouring one country over another, national treatment, openness, mutual aid, and special and different treatment. The paper also looks at some important institutional and cooperative mechanisms, such as trade talks, the system for settling disagreements, reviewing trade policy, and technical help. The paper shows that the WTO is more than just a trade organisation; it's also a system for managing the world's economies. It does this by looking at how law and formal cooperation work together. It goes into more detail about the problems the WTO is facing, such as protectionism, one-sided trade measures, and bureaucratic paralysis. In the end, the study stresses how important it is to change the WTO system and start working together with other countries again in order to keep it working well and being legitimate.

Keywords: *World Trade Organization, International Trade Law, Non-Discrimination, Dispute Settlement, Global Economic Governance.*

I. INTRODUCTION

International trade has been known for a long time to be an important part of economic growth, progress, and the interdependence of all nations. In a world that is becoming more and more linked, no country can stay economically separate without paying big costs. As trade in goods, services, and intellectual property across borders has grown, a legal and governmental

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framework has had to be built to keep trade relationships in check, settle disagreements, and make sure things run smoothly.³ The World Trade Organisation (WTO), which was created in 1995, is the result of decades of work to make a multilateral trade system based on rules. The WTO took over from the General Agreement on Tariffs and Trade (GATT), which had been the temporary framework for international trade since 1947.

The WTO is not like GATT; it is a formal international organisation with a complete legal structure, binding conflict resolution mechanisms, and institutional machinery to keep an eye on trade between its Members.⁴ The WTO is now made up of most of the world's trading countries. This makes it one of the most important organisations for managing the world economy. The WTO is important not only because it's a place where trade talks can happen, but also because it's a set of rules for how countries should act in the international economic order. The WTO works to find a balance between the need for openness, non-discrimination, and unity, as well as the sovereign right of each state to control its own economy.

In this way, it creates a framework for safe and predictable global trade. The main legal concepts and ways that countries work together in the WTO are looked at in this paper that looks at international trade law within that framework.⁵ It tries to show how WTO law works as a way to manage the world's economies and how important it is for Member States to work together for this system to work.

II. EVOLUTION OF THE WTO AND THE MULTILATERAL TRADING SYSTEM

The World Trade Organisation got its start during the huge changes in politics and the economy that followed the Second World War. The terrible effects of the Great Depression and the protectionist trade policies between the wars showed how dangerous it is for international trade to be uncontrolled and broken up.⁶ As a result, countries around the world worked to create a safe and cooperative global economic order that would stop economic nationalism and trade wars from happening again. Because of this idea, a multilateral trading system based on rules, cooperation, and giving and receiving goods was created. In 1947, the General Agreement on Tariffs and Trade (GATT) was made. It was the first big step towards this goal.

GATT was meant to be a temporary agreement that would lower taxes, get rid of unfair trade

³ World Trade Organization. (1994). *Marrakesh Agreement establishing the World Trade Organization*. WTO.

⁴ World Trade Organization. (1994). *General Agreement on Tariffs and Trade (GATT 1994)*. WTO.

⁵ World Trade Organization. (1994). *General Agreement on Trade in Services (GATS)*. WTO.

⁶ World Trade Organization. (1994). *Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)*. WTO.

practices, and encourage free and fair trade between the countries that were a part of it.⁷ Over the course of several rounds of talks, including the Kennedy Round and the Tokyo Round, GATT greatly lowered trade barriers and set rules for non-tariff measures. Over time, it became the main rule for foreign trade in goods, which led to the fastest growth in world trade ever. Even though GATT did a lot of good things, it had important structural and legal problems. It wasn't a real international body; instead, it was a contract between states that didn't have a permanent structure.

It had a weak system for settling disagreements that relied heavily on the parties' agreement.⁸ This meant that strong states could often stop or delay decisions that were bad for them. In addition, GATT only really cared about trade in goods. It didn't regulate new areas like services, intellectual property, or measures linked to investments. The multilateral trading system became less useful as international trade became more complicated and globalised because of these flaws. The Uruguay Round of trade talks, which took place from 1986 to 1994, was a major turning point in the history of international trade law. This bold round aimed to not only open up trade even more, but also to update and improve the institutions that control international trade.

The talks ended with the signing of the Marrakesh Agreement in 1995, which set up the World Trade Organisation. The WTO took over GATT and added new agreements to regulate multilateral trade. These included the General Agreement on Trade in Services (GATS), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and a comprehensive and binding Dispute Settlement Understanding. When the WTO was created, it changed the system from one that was more loose and based on power to one that was more organised and based on the law. The WTO set up a single set of institutions that work together and have clear rules, processes, and ways to make sure they are followed.

The "single undertaking" approach was one of the most important new ideas it brought about.⁹ This means that all WTO members agree to all of its agreements as a single legal commitment. This method makes sure that trade rules are applied consistently and consistently, stops people from selectively following the rules, and strengthens the rule-based nature of the system. The WTO turned international trade law into a complete system for managing the world's economy

⁷ World Trade Organization. (1994). *Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU)*. WTO.

⁸ Jackson, J. H. (1997). *The World Trading System: Law and policy of international economic relations* (2nd ed.). MIT Press.

⁹ Matsushita, M., Schoenbaum, T. J., & Mavroidis, P. C. (2015). *The World Trade Organization: Law, practice, and policy* (3rd ed.). Oxford University Press.

by forming a permanent organisation with the power to settle disputes legally and a wide range of regulatory duties. The international trade system became more stable and predictable because it had a place for negotiations, a way to settle disagreements, and a way for states to work together. This change shows that more and more people are realising that to regulate global trade well, we need both liberalisation and strong legal and institutional systems that can handle interdependence in a world economy that is getting more complicated.

III. CORE LEGAL PRINCIPLES OF WTO LAW

A group of basic rules governs how international trade works and how Member States should act. These rules form the legal basis of the World Trade Organisation. These principles are not just rules for doing things; they are what the multilateral trade system is based on in terms of what is right and wrong. WTO law tries to replace trade relationships based on power with a system of global economic government based on rules.¹⁰ It does this by making fairness, non-discrimination, predictability, and cooperation legally binding. These concepts work together to keep international trade stable, open, and fair. They allow countries with different levels of economic power to join the global trading system.

Non-Discrimination

At the heart of WTO law is the idea that no one should be treated differently. This is shown by two core obligations: Most-Favored-Nation (MFN) treatment and National Treatment. It is the goal of these ideals to make sure that trade is based on equality rather than political or economic power. The MFN concept says that if one WTO member gives an advantage, favour, privilege, or immunity to the goods or services of another member, it must be given to all other members right away and without any conditions. This rule stops unfair trading agreements that could break up the world's trading system and create unfair trade blocs. By requiring equal treatment, MFN creates a level playing field and pushes Members to open up trade on a multilateral level instead of just on a bilateral level.

National Treatment goes along with MFN because it makes sure that foreign and domestic goods are treated the same once they hit the market of a country that imports them.¹¹ This idea says that goods, services, and intellectual property that are brought in from other countries should not be treated less well than similar items made in the country. This stops governments from using their own taxes, rules, or standards to hurt tariff cuts or defend their own businesses.

¹⁰ Van den Bossche, P., & Zdouc, W. (2017). *The law and policy of the World Trade Organization* (4th ed.). Cambridge University Press.

¹¹ Hoekman, B., & Kostecki, M. (2009). *The political economy of the world trading system* (3rd ed.). Oxford University Press.

This way, National Treatment stops protectionism that looks like something else and makes sure that promises about market access are kept. The WTO is committed to fairness, equality, and economic neutrality, and MFN and National Treatment show this. They change the way international trade works from two-way negotiations where both sides can choose what to do to a set of rules that all parties must follow.

Transparency

Transparency is one of the most important ideas that helps the WTO system work well. Members must broadcast their trade laws, rules, and administrative decisions, and they must let the WTO know when trade policy changes. This duty makes sure that companies, governments, and other Members know the trade rules so they can plan their activities correctly. Without transparency, trade rules would be hard to predict, which would make things less certain and make people less likely to spend and do business across borders.¹² Transparency builds trust among members and lowers the chance of disagreements by encouraging them to be open and share information. The WTO's Trade Policy Review Mechanism strengthens this idea even more by reviewing members' trade policies on a regular basis. This makes members more accountable and encourages them to follow WTO rules.

Reciprocity and Market Access

One of the most important rules of trade talks under the WTO is reciprocity. When members agree to lower taxes and other trade barriers in exchange for similar promises from their trading partners, this is called free trade. This concept encourages fairness and political balance, which makes it easier for governments to explain to their own people why they should open up trade. Market access agreements, which are reached through multiple rounds of trade talks, are a real example of reciprocity. These promises put limits on tariffs and other barriers that aren't tariffs, making deregulation hard to undo. By making these promises official under international law, the WTO makes trade stable and predictable, which is good for both exporters and importers.

Special and Differential Treatment

The WTO recognises that not all Members are equally placed to benefit from trade liberalisation. Developing and least-developed countries face structural, economic, and institutional constraints that limit their ability to compete in global markets. To address these inequalities, WTO agreements incorporate the principle of special and differential treatment.¹³ This principle grants developing countries longer timeframes to implement obligations, access

¹² Krueger, A. O. (1998). *The WTO as an international organization*. University of Chicago Press.

¹³ Cottier, T., Pauwelyn, J., & Bürgi, E. (2014). *Human rights and international trade*. Oxford University Press.

to technical assistance, and preferential market access in developed country markets. Special and differential treatment reflects the WTO's commitment to equity and development, acknowledging that meaningful participation in global trade requires more than formal equality.

Predictability and Legal Certainty

Another important concept of WTO law is that it should be easy to understand. The WTO makes sure that trade relationships are based on stable and clear rules by enforcing trade agreements and taxes and resolving disagreements through the dispute settlement system. This level of predictability lowers business risk and supports long-term investment and cooperation between economies.¹⁴ When you put these legal concepts together, they turn the WTO from a place to negotiate trade deals into a system for running the world's economy. The WTO makes sure that international trade is fair, stable, and cooperative by putting non-discrimination, transparency, reciprocity, development awareness, and legal certainty into international law that everyone must follow.

IV. WTO AS A SYSTEM OF GLOBAL ECONOMIC GOVERNANCE

The World Trade body is more than just a body for international trade. It is also one of the most important institutions for managing the world economy. The rules, institutions, and ways of making decisions that make up the WTO affect how countries run their economies, deal with global markets, and settle trade disputes. The WTO affects national regulatory decisions, industrial policies, and development strategies by making agreements that are legally binding and enforcing them. This makes national economies part of a shared multilateral legal order. The WTO's rule-based approach to international trade is at the heart of this form of government. In contrast to earlier trade agreements that depended on mostly diplomatic bargaining and power-based negotiations, the WTO sets legally binding obligations that all Members must follow.

These rules cover both actions at the border, like tariffs and limits, and actions inside the country, like those that control competition, subsidies, intellectual property, and services. So, WTO law has a big impact on how economies are run in individual countries, forcing those countries to make sure their own laws and policies are in line with global standards. The WTO is also very important because it is a place where policies can be coordinated and negotiations can happen all the time.¹⁵ Under the WTO, trade liberalisation is not a one-time thing. It is an ongoing process that is sped up by rounds of negotiations, cabinet conferences, and committee

¹⁴ Mavroidis, P. C. (2016). *The regulation of international trade* (2nd ed.). MIT Press.

¹⁵ Hudec, R. E. (1993). *Enforcing international trade law*. Butterworths.

meetings. Members can change trade rules in these forums to fit changing economic conditions, new technologies, and changing needs for growth. In this way, the WTO is a place where people can work together to solve problems.

It lets countries deal with their dependence on each other in a globalised economy through talks instead of taking action on their own. Monitoring and monitoring make the WTO's role as a leader even stronger. The WTO regularly looks at its members' trade policies and practices through tools like the Trade Policy Review Mechanism. This method encourages openness, peer review, and responsibility, which helps make sure that national policies stay in line with international agreements. Even though these reviews aren't punishments, they put a lot of pressure on countries to follow WTO rules and explain why they don't follow established standards. One of the most unique things about WTO governance is the method for settling disagreements.¹⁶ By giving trade issues a sort of court-like system to be settled, the WTO replaces political retaliation with legal action.

It is possible for members to question actions that go against WTO rules and get binding decisions. This helps make international trade more stable and predictable. Putting judges in charge of trade policy makes the rule of law stronger at the international level and lowers the chance that strong countries will force their will on weaker trading partners. The institutional framework of the WTO is made up of a mix of political, administrative, and legal power. As the top decision-making body, the Ministerial Conference makes big decisions and sets broad policy goals. The organization's day-to-day operations are run by the General Council, which is also the Dispute Settlement Body and the Trade Policy Review Body. A complicated web of councils, committees, and working groups oversees specific agreements and deals with technical and legal problems below these main bodies.

This system has many levels, which allows for specialised oversight while keeping the decision-making process as a group effort. The WTO sets up these institutions in a way that balances national sovereignty with international cooperation. This is how collective government works. Members can still work towards their own business and development goals, but they have to do so within a set of rules that everyone agrees on. The WTO's way of running the world's economy is based on this balance between freedom and duty.¹⁷ In conclusion, the WTO is an important part of the current international economic order. It gives a safe and predictable way to handle global trade by combining laws, cooperation between institutions, and settling disagreements.

¹⁶ Charnovitz, S. (2010). The WTO's environmental progress. *Journal of International Economic Law*, 13(3), 685–706.

¹⁷ Howse, R., & Nicolaidis, K. (2003). Enhancing WTO legitimacy. *Governance*, 16(1), 73–94.

Even though there are still problems, the WTO is still an important way for states to manage their economic ties in a world that is becoming more globalised.

V. COOPERATIVE MECHANISMS UNDER THE WTO

The World Trade Organisation is different from older, less organised trade agreements because it is based on cooperation. Not only does the WTO have legally binding responsibilities, but it also has a network of cooperative mechanisms that help Member States deal with how they depend on each other in a global economy that is getting more complicated. These systems are the formal ways that trade rules are agreed upon, put into place, kept an eye on, and changed as the economy changes. Multilateral trade negotiations are one of the most important ways that members of the WTO work together.¹⁸ Members work together to lower trade barriers, keep rules up to date, and deal with new issues like digital trade, environmental standards, and supply chain resilience.

They do this through multiple rounds of negotiations and ongoing plurilateral talks. The purpose of these talks is to bring together different economic interests and gradually broaden the application of international trade law. The fact that WTO talks are voluntary shows a willingness to work together, since results depend on broad agreement rather than one country forcing its will on others. Another important tool for working together is the Trade Policy Review Mechanism (TPRM). Members' trade policies and practices are looked at by the WTO Secretariat and talked about by other Members every so often through this method. By putting national trade policies under international review, this process improves openness and understanding between countries.

There are no legal consequences for breaking the TPRM, but it does put a lot of pressure on countries to follow WTO rules and avoid protectionist policies. The TPRM makes the multilateral trade system more stable and trustworthy by encouraging openness and responsibility. Technical help and programs that build people's skills are two more examples of how the WTO works together. The WTO knows that developing and least-developed countries don't always have the institutional and technical skills to fully apply WTO agreements or to fully join in negotiations and dispute settlement. That's why it gives these countries specific help to improve their skills.¹⁹ As part of these programs, government officials get training, lawyers help settle disputes, and people work on making trade policies.

¹⁸ Pauwelyn, J. (2005). The role of public international law in the WTO. *American Journal of International Law*, 95(3), 535–562.

¹⁹ United Nations Conference on Trade and Development. (2022). *World investment report*. UNCTAD.

Technical support makes it easier for everyone to join the multilateral trading system by reducing differences in the strength of institutions. This helps make sure that everyone gets the same benefits from it. The WTO also makes it easier for countries to work together by having a lot of committees that members can talk to each other about all the time about how to carry out deals. Members can share information, work out problems, and get clear on their responsibilities in committees that deal with things like agriculture, funding, sanitary and phytosanitary measures, technical barriers to trade, and other topics.

Most of the time, these platforms keep disagreements from getting worse by letting people talk about and negotiate solutions instead of going to court. All of these working together make the WTO less of a set of rules and more of a living system for managing the world's economy. The WTO helps its members handle the conflicts between national interests and global interdependence in a healthy way by mixing legal obligations with formalised cooperation. And so, cooperation under the WTO is very important for keeping the multilateral trade system legitimate, flexible, and useful.

VI. DISPUTE SETTLEMENT MECHANISM

A lot of people think that the Dispute Settlement Understanding (DSU) is one of the most important and new parts of the World Trade Organisation. It creates a complete, rule-based legal framework for settling trade conflicts between Member States. This changes the multilateral trading system from one based on power to one based on law. Before the WTO was created, most GATT disputes were settled through diplomatic talks, which often gave strong countries a chance to stop or slow down regulation.²⁰ The DSU got rid of this method and replaced it with a structured and binding process for making decisions. This made international trade law more reliable, stable, and predictable.

Any WTO Member can file a case against another Member under the DSU if it thinks that the other Member's actions are against WTO rules or will not bring about the expected trade benefits. The process starts with consultations, which give both sides a chance to talk things out and settle the disagreement. If talks don't work out, the person who filed the complaint can ask for a conflict settlement panel to be set up. Panels look at the legal and factual problems and write reports that say if WTO rules have been broken or not. The Appellate Body can review these panel rulings. This makes sure that the interpretation of WTO law is consistent and makes sense.

²⁰ World Bank. (2022). *World development report*. World Bank.

The WTO method is different from most other ways of settling international disputes because the DSU is legally binding.²¹ The reports from the Panel and Appellate Body are immediately accepted unless everyone agrees to reject them, which is very unlikely. This makes sure that court decisions are followed and can't be overturned by politics. If a Member is found to have broken WTO rules, it has to change its actions so they are in line with WTO law. If it doesn't, the accuser might be able to take retaliatory trade actions, which is a strong reason to follow through. The dispute settlement method is a key part of keeping trade relations around the world stable and predictable.

It lowers the chance of trade wars and one-sided revenge by giving people a fair and legal place to settle their differences.²² When members know that violations can be addressed and fixed through a fair judicial process, they are more likely to follow trade rules. The DSU makes the rule of law stronger and builds trust in the multilateral trade system in this way. The DSU does more than settle individual disputes. It also helps the WTO's rules grow by making trade agreements clearer and easier to understand. Panel and Appellate collection decisions make up a collection of law that helps Members follow through on their duties and makes sure that WTO rules are applied consistently.

Putting judges in charge of trade policy makes the law clearer and makes it easier for states to work together. Even though it worked well in the past, the conflict settlement system has had a lot of problems lately, mostly because the Appellate Body has been shut down. This has hurt the finality and usefulness of dispute settlement and puts the WTO framework's credibility at risk.²³ In spite of this, the DSU is still an important part of managing the world's economy, and fixing and improving it is necessary to keep international trade based on rules. To sum up, the WTO's dispute settlement process is an important legal and cooperative body that makes sure rules are followed, conflicts are solved, and the multilateral trading system stays honest. It is very important that it keeps working well so that global trade ties stay stable, fair, and predictable.

VII. CHALLENGES FACING THE WTO

The World Trade Organisation is having some of the worst problems it has ever had, even though it is very important for controlling global trade. These problems not only make the WTO less effective as a legal body, but they also make the multilateral trade system itself

²¹ WTO Appellate Body. (1998). *United States – Shrimp (WT/DS58/AB/R)*.

²² WTO Appellate Body. (1998). *EC – Hormones (WT/DS26/AB/R)*.

²³ WTO Appellate Body. (2001). *United States – Gasoline (WT/DS2/AB/R)*.

questionable. The rise of unilateral trade measures, the move towards protectionism, and the breakdown of the conflict settlement system have all made people less confident in international trade based on rules. The rise of nationalism is one of the biggest problems the WTO has to deal with. In the past few years, many countries have depended more and more on trade barriers like tariffs, subsidies, and other forms of trade restriction to protect their own industries.

This is usually because of economic crises, tensions in other countries, or political pressures in their own countries. These kinds of actions go against the WTO's main ideas of not discriminating and free access to markets, which leads to unfair trade and revenge. Members are losing trust in each other, which makes it harder to agree on things like trade liberalisation and working together on regulations. Unilateral trade measures are being used more and more, which is closely linked to protectionism. Some big trade powers have done things like putting tariffs on goods for reasons of national security, making unfair labour laws, and skipping WTO procedures in favour of bilateral or regional agreements.

These one-sided acts hurt the multilateral system by promoting trade based on power rather than rule-based governance. When Members move outside of the WTO system, they threaten the stability and predictability of global trade.²⁴ This makes trade disputes and economic fragmentation more likely. Another big problem is that the WTO's Appellate Body is currently paralysed, which has made it very hard to settle disputes. Because new members haven't been appointed, the Appellate Body hasn't been able to do its job. Its job is to review panel decisions and make sure that WTO law is interpreted consistently. This means that disagreements can't be finally settled through the WTO's legal system.

Instead, losing parties can stop the acceptance of panel reports by filing appeals "into the void." As a result, WTO rules are less likely to be followed, and the system as a whole is less trustworthy. The WTO also has to deal with problems caused by the fact that global trade is changing. There are regulatory issues that aren't fully covered by current WTO agreements because of the growth of global value chains, state-owned businesses, digital trade, and trade measures linked to climate change. The WTO can't easily change its rules to fit these new situations because multilateral talks move slowly. This makes the WTO even less useful. Also, developing and least-developed countries often have trouble getting the most out of the WTO system because their institutions aren't strong enough, they don't have the same bargaining power, and it's hard for them to get their disputes settled.

Concerns about fairness and inclusion in the multilateral trade system are raised by these

²⁴ WTO Secretariat. (2021). *Trade policy review mechanism report*. WTO.

differences. All of these problems together make it very hard for the WTO to do its job as a system for managing the world's economies. To deal with them, there needs to be renewed political resolve, changes to the institutions, and better cooperation between Members. Without these kinds of measures, the multilateral trading system could break up, which would weaken the rules-based system that has kept the world economy stable for decades.

VIII. NEED FOR REFORM AND ENHANCED COOPERATION

For the World Trade Organisation to stay useful and relevant, it needs to be able to change to changing economic conditions and deal with the institutional problems that have come up in the last few years. Reforming the WTO is not only necessary for technical reasons, but also a constitutional requirement of the multilateral trading system. This is because rule-based international trade depends on the WTO's ability to ensure fairness, predictability, and teamwork among its Members. The dispute settlement mechanism needs to be fixed and made stronger as a top goal of reform. The Appellate Body's inability to do its job has made WTO law less enforceable and lowered trust in the system.

To restore the legitimacy of conflict settlement, it is necessary to set up a working appeals process, make rules more clear, and address concerns about judicial overreach. Without a good way to settle disagreements, WTO responsibilities might stop being binding and start being more like goals to strive for. It's also important to keep WTO trade rules up to date.²⁵ A lot of the organization's main deals were made before global value chains, digital trade, and protecting the environment became important parts of the world economy. There needs to be new legislation for things like online shopping, helping state-owned businesses, trade measures linked to climate change, and the flow of data.

These areas are very important for making sure that WTO law keeps up with changes in technology and the economy. Better cooperation between Members is a must for real change to happen. Consensus is what the WTO works on, which means that politicians have to be committed and ready to compromise over time. To make the system stronger, members need to stop being unilateral and start negotiating with other countries in a helpful way. When planned in a way that includes everyone and is open, multilateral projects can be a useful way to boost cooperation while still keeping the WTO's multilateral nature. It is also important to strengthen support for emerging and least-developed countries.

To participate in the WTO effectively, a country needs to have the right institutions, technical

²⁵ Bhagwati, J. (2004). *In defense of globalization*. Oxford University Press.

know-how, and funding available. Increasing legal help, technical assistance, and programs that build people's skills can help level the playing field for all members and make the trade system more fair. To keep the WTO's credibility as a global organisation, it is important to make sure that attempts to reform take into account the needs of development.²⁶ Trust in the WTO can also be increased by making it more open and involving stakeholders. Talking to businesses, consumers, and academics on a regular basis can help make policies better and get more people behind multilateral trade regulation.

Concerns about accountability and political legitimacy can also be eased by making decision-making processes more open. In the end, changing the WTO will only work if everyone is committed to working together, using multilateralism, and following the law. The WTO can continue to be a key part of global economic governance in a world that is becoming more complicated and interdependent by updating its trade rules, making its dispute settlement system stronger, and encouraging everyone to work together.

IX. CONCLUSION

When it comes to today's global economy, the World Trade Organisation is the most complete and well-established way to control international trade. The WTO's main legal principles are non-discrimination, transparency, reciprocity, predictability, and special and differential treatment. These principles help to create a rule-based system that aims to replace trade relationships based on power with ones that are based on legal duties. These principles set the rules for fair and stable international trade. They make it possible for countries with different levels of economic power to join the global trading system by following the same rules.

The WTO's cooperative mechanisms are just as important because they turn these legal principles into a system that works to rule the world's economies. Trade talks, the Trade Policy Review Mechanism, expert assistance programs, and dialogue in committees all help to be open, understand each other, and work together to solve problems. One thing that makes the WTO unique is its dispute settlement mechanism, which makes sure that trade conflicts are settled through the law instead of one country's own retaliation. All of these institutional systems make it possible for the WTO to do more than just trade.

They also make it possible for countries to deal with their economic dependence on each other by working together and being held legally responsible. Even so, protectionism, unilateral trade measures, bureaucratic paralysis, and the changing nature of global trade pose major problems

²⁶ Stiglitz, J. E. (2002). *Globalization and its discontents*. Norton.

for the WTO. The legitimacy and usefulness of the multilateral trading system are at risk because of these pressures. To fix these problems, we need to recommit to reforming the system, bringing back a working conflict resolution system, updating trade rules, and making it easier for members to work together, especially when it comes to meeting the needs of developing and least-developed countries.

In a time of economic uncertainty and international instability, the WTO is still an important part of managing the world's economy. The multilateral trading system can continue to support stability, fairness, and shared prosperity in the international economic order by reaffirming its core values and making its cooperative mechanisms stronger.
