

# The Role of the World Trade Organization in Shaping International Relations and Trade Diplomacy

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## Abstract

This article embarks on an extensive literature review to dissect the pivotal role of the World Trade Organization (WTO) in sculpting international relations and trade diplomacy. Recognizing the WTO as a cornerstone in global economic governance, the paper elucidates how this institution influences foreign policy strategies and fosters economic cooperation among nations. Through a meticulous analysis of scholarly articles, official WTO documents, and historical trade agreements, the study highlights the evolution of WTO's influence in steering international trade norms and resolving disputes. It underscores the dynamic interaction between WTO policies and national interests, mapping out how these interactions have shaped economic alliances and rivalries. The review further delves into the critical discourse surrounding WTO's efficacy and the challenges it faces in the modern geopolitical landscape, including emerging trade wars and protectionist trends. By weaving together different strands of academic thought, the paper aims to present a nuanced understanding of WTO's multifaceted impact on global trade dynamics and international diplomacy. The findings of this review are intended to inform policymakers, academicians, and trade practitioners about the intricate interplay of trade, diplomacy, and international relations within the ambit of the WTO.

**Keywords:** *World Trade Organization, International Relations, Trade Diplomacy, Global Economic Governance, Trade Dispute Resolution.*



## A. INTRODUCTION

The World Trade Organization stands as a pivotal force in global economic governance since its establishment in 1995, actively shaping international trade with a commitment to transparency and equity" (WTO, 2020). As the successor to the General Agreement on Tariffs and Trade (GATT), the WTO has pioneered norms of open and fair trade, playing a pivotal role in not only facilitating international commerce but also in resolving disputes that arise from trade conflicts (Hoekman, 2005; Davis & Bermeo, 2019).

The importance of the WTO in today's economic climate is evident in its response to contemporary challenges like globalization and protectionist pressures, which have profound implications for global trade dynamics (Evenett, 2007). The organization's influence extends beyond mere trade facilitation, as it actively shapes the foreign policy strategies of its 164 member states, fostering a unique blend of economic cooperation and competitive diplomacy (Bown & Keynes, 2020).

Studies have shown how WTO policies interact dynamically with national interests, highlighting its role in molding economic alliances and, at times, exacerbating rivalries (Chase, 2003; Goldstein, 2017). The evolution of WTO's influence in steering international trade norms is not only a reflection of changes in global economic patterns but also an indicator of shifting geopolitical powers (Limão, 2016; Narlikar, 2010). Furthermore, WTO's dispute resolution mechanism has been a subject of extensive academic research, demonstrating its effectiveness and limitations in managing international trade disagreements (Bown, 2009).

The intricate relationship between WTO rulings and domestic trade policies showcases the complex interplay between international agreements and national sovereignty (Copeland, 2012; Mansfield & Reinhardt, 2008). Recent scholarship has also delved into the critical discourse surrounding WTO's efficacy in the modern geopolitical landscape, especially considering emerging trade wars and the rise of protectionism (Manger, 2009). This discourse reflects growing concerns about the adaptability of WTO in an increasingly multipolar world economy (Baldwin, 2016). Despite its critical role, the WTO faces ongoing challenges in updating its policies and practices to remain relevant in the rapidly evolving global trade environment (Davis, 2015). The organization's future trajectory is subject to debate, with some scholars suggesting the need for comprehensive reform to enhance its effectiveness in today's world (Mattoo & Subramanian, 2009). As the WTO continues to navigate through these challenges, its impact on international trade policy and diplomatic relations remains a topic of paramount importance for policymakers, academicians, and trade practitioners alike (Jones, 2018).

In the arena of global economic governance, the World Trade Organization (WTO) plays a paramount role in shaping international relations and trade diplomacy, transcending its original framework of merely facilitating international commerce. Established to create and enforce trading rules, the WTO now grapples with the complexities of globalization and the recent surge in protectionist policies, highlighting its indispensable role in moderating global trade dynamics (Evenett, 2007). The organization's efficacy in dealing with trade wars and negotiating trade agreements amidst diverse national interests underlines its centrality in the global economic system (Baldwin, 2016). The WTO's influence in resolving trade disputes, as evidenced by its handling of high-profile cases, reinforces its position as a critical player in maintaining international economic order (Bown, 2009). This multifaceted role of the WTO, as both a facilitator and arbitrator, impacts not only global trade patterns but also diplomatic relations among nations (Goldstein, 2017).

The organization's ability to adapt its policies to the evolving global trade environment, despite facing criticism for its operational methodologies, reflects the dynamic nature of international trade law (Davis, 2015; Manger, 2009). Moreover, the WTO's dispute settlement mechanism serves as a testament to its commitment to maintaining fairness in global trade practices, offering a platform for member states to resolve their differences amicably (Hoekman, 2005). The organization's strategy in handling the challenges posed by emerging economies, and its role in assisting these

nations in integrating into the global trade system, exemplifies its adaptive and inclusive approach (Limão, 2016; Narlikar, 2010). In light of the increasing interconnectedness of global economies, the WTO's efforts in promoting economic cooperation and mitigating trade conflicts are more crucial than ever (Jones, 2018; Chase, 2003). As the WTO continues to evolve, its ability to navigate the complexities of international relations and trade diplomacy will be pivotal in shaping the future of global economic governance and international trade policies (Mattoo & Subramanian, 2009). The continual assessment of its relevance and effectiveness in the current geopolitical climate, therefore, remains a topic of significant interest to policymakers, academicians, and trade practitioners alike (Copeland, 2012; Mansfield & Reinhardt, 2008).

The evolving role of the World Trade Organization in global economic governance reflects its adaptive response to the complexities of contemporary trade and geopolitical challenges. The WTO's journey from a facilitator of trade agreements to an arbitrator in global disputes marks a significant shift in its operational paradigm (Bown, 2009). In the context of a rapidly globalizing economy, the WTO's strategies for managing trade relations and its effectiveness in dispute resolution have been subjects of intense scholarly debate (Hoekman, 2005; Bown & Keynes, 2020). The organization's capacity to maintain trade norms and mediate conflicts amid changing political dynamics has made it a subject of academic and practical interest (Goldstein, 2017). As it confronts the dual challenges of emerging trade wars and the rise of protectionism, the WTO's role in navigating these issues is more pertinent than ever (Evenett, 2007; Manger, 2009). Its actions not only influence global trade practices but also have far-reaching implications for international relations and diplomatic strategies of nations (Davis & Bermeo, 2019).

The adaptability of WTO's policies and their relevance in the 21st-century global trade environment have been scrutinized, reflecting on the organization's ability to evolve with the changing economic landscape (Baldwin, 2016). Furthermore, the role of the WTO in fostering economic cooperation and addressing disputes among major trading powers like China and the USA has been a focal point in assessing its impact on global trade dynamics (Chase, 2003; Limão, 2016). This aspect of the WTO's function highlights its importance not only in resolving trade issues but also in shaping the nature of economic alliances and rivalries (Narlikar, 2010; Mattoo & Subramanian, 2009). The debate on the efficacy of the WTO in the modern geopolitical landscape, including issues like trade wars and protectionist trends, underscores the need for continuous reassessment of its strategies and methodologies (Jones, 2018). As the WTO moves forward, its ability to balance the interests of diverse member states and navigate the intricacies of international trade law will be critical in determining its future trajectory and influence in global economic governance (Copeland, 2012; Mansfield & Reinhardt, 2008).

The World Trade Organization's role in shaping trade policy and international relations extends to a profound influence on the geopolitical landscape. As a forum for negotiating global trade agreements, the WTO not only facilitates the mechanics

of international trade but also becomes a battleground where national interests and global economic policies converge (Limão, 2016). This unique position has allowed the WTO to act as a critical mediator in disputes that reflect broader geopolitical tensions, exemplifying its role in the maintenance of economic stability and global order (Bown & Keynes, 2020). Studies have shown that WTO's influence in dispute resolution can significantly impact the economic and diplomatic relationships between countries, altering the dynamics of international alliances and rivalries (Mansfield & Reinhardt, 2008).

Moreover, the WTO's involvement in high-profile cases, such as those involving major economies like the USA and China, demonstrates its capability in handling complex international economic conflicts (Chase, 2003). The organization's impact is further amplified by its ability to set and enforce trade norms, which have far-reaching implications for both developed and developing countries, shaping their trade policies and strategies in the global marketplace (Goldstein, 2017). The adaptation of WTO policies in response to the evolving needs of its member states, amidst challenges such as digitalization and environmental concerns, highlights the organization's responsiveness to the changing face of global commerce (Baldwin, 2016; Copeland, 2012). Furthermore, the ongoing debate regarding the effectiveness and fairness of WTO's practices in a multipolar world order underscores the significance of its role in contemporary international trade negotiations (Davis, 2015; Mattoo & Subramanian, 2009). As the global economy continues to transform, the WTO's ability to navigate the complexities of international trade, diplomacy, and law will be crucial in determining its future relevance and efficacy in global economic governance (Jones, 2018; Narlikar, 2010).

## **B. METHOD**

This study adopts a comprehensive literature review methodology, meticulously analyzing scholarly articles, official documents of the World Trade Organization (WTO), and historical trade agreements to explore the WTO's role in international relations and trade diplomacy. The research is grounded in a qualitative approach, aiming to provide an in-depth understanding of the multifaceted impact of the WTO on global trade dynamics. Initial data collection involved an extensive search of academic databases, including JSTOR, PubMed, and Google Scholar, to identify relevant literature that spans several decades, reflecting the evolution of the WTO's influence. The selection criteria for sources included relevance to WTO's impact on trade policies, dispute resolution, and international diplomacy, with a particular focus on articles published in peer-reviewed journals. In addition to academic literature, this study extensively reviewed official WTO documents, providing a direct insight into the organization's policies, agreements, and dispute settlement mechanisms. Historical trade agreements were also examined to understand the practical implications of WTO policies and their evolution over time. The review process involved synthesizing information from diverse sources to identify patterns and trends in how the WTO shapes trade norms and foreign policy strategies. Thematic

analysis was employed to categorize the findings into distinct themes, such as the WTO's role in economic cooperation, dispute resolution, and the intersection of trade with national interests. The study also critically examined the challenges faced by the WTO in the modern geopolitical landscape, including emerging trade wars and protectionist trends. This was achieved by analyzing recent cases and discussions in the literature, highlighting how the WTO navigates these complexities. The interplay between academic thought and real-world instances provided a balanced perspective on the effectiveness and limitations of the WTO.

The analysis was further enriched by considering diverse viewpoints from policymakers, academicians, and trade practitioners, ensuring a holistic understanding of the WTO's impact. The study's findings were then meticulously collated to present a nuanced understanding of the WTO's role in shaping international trade dynamics and diplomacy. Attention was paid to both the successes and shortcomings of the WTO, providing an unbiased assessment of its influence.

The study's methodology emphasizes a rigorous and systematic approach to literature review, ensuring the reliability and validity of the findings. By integrating various sources and perspectives, the research offers a comprehensive overview of the WTO's multifaceted role in the global arena. The approach taken in this study is reflective of a commitment to scholarly rigor and aims to contribute significantly to the existing body of knowledge on the WTO. This methodological framework ensures that the study's conclusions are well-founded and contribute meaningfully to the discourse on international trade and relations. Overall, the methodology adopted in this study provides a robust platform for understanding the complex dynamics at play in the realm of global trade and the pivotal role of the WTO.

## **C. RESULTS AND DISCUSSION**

### **1. WTO's Influence on Global Trade Norms**

The comprehensive review of the World Trade Organization's (WTO) role in international trade norms reveals its significant influence in shaping global trade practices. This influence is evident in the way WTO has set and standardized rules that govern international commerce, creating a more predictable and transparent trading environment. The organization's principles of open trade and fair competition have become integral to the global trade framework, demonstrating its authority in setting international trade norms. The WTO's guidelines have not only facilitated smoother trade relations among nations but also provided a foundation for economic policies within member states. The WTO's influence extends beyond the enforcement of trade agreements; it also plays a pivotal role in guiding countries in developing and implementing trade policies that align with global standards. The organization's commitment to reducing trade barriers and its efforts to promote free trade have significantly contributed to the liberalization of international commerce. The study finds that WTO's norms have been instrumental in harmonizing trade laws across different countries, providing a level playing field for both developed and developing nations. The WTO's role in dispute resolution further underscores its impact on trade

norms, as its decisions in settling trade disagreements often set precedents for future trade policies. Additionally, the WTO's effectiveness in managing trade disputes has enhanced international cooperation, reducing the likelihood of trade conflicts.

The organization's efforts in promoting transparency and mutual understanding in trade policies have fostered trust among member nations. The findings indicate that the WTO's influence in standardizing trade practices has led to more efficient cross-border trade, benefiting economies worldwide. Furthermore, the study highlights the WTO's role in integrating emerging economies into the global trading system, aiding in their economic development. The organization's initiatives in capacity building and technical assistance for developing countries have facilitated their compliance with international trade norms. Overall, the WTO's contribution to shaping and reinforcing global trade norms has had a profound impact on international commerce, making it an indispensable entity in the realm of global trade.

## **2. WTO in Resolving Trade Disputes**

The World Trade Organization's (WTO) dispute resolution mechanism has been identified as a key factor in managing and resolving international trade conflicts, thereby maintaining global economic stability. The research findings emphasize the effectiveness of this mechanism in settling trade disputes, a function that has become increasingly vital in the context of a globalized economy. The WTO's ability to arbitrate disputes objectively and enforce compliance has reinforced its position as an indispensable institution in the international trade system. This mechanism not only resolves specific disputes but also helps prevent the escalation of trade tensions into larger geopolitical conflicts. The study shows that the WTO's rulings in disputes have set important precedents in international trade law, guiding future trade relations and policies among nations. The organization's role in facilitating dialogue and negotiation between conflicting parties has been critical in achieving mutually agreeable solutions. The effectiveness of the WTO in dispute resolution is further demonstrated by its track record in handling complex cases involving multiple countries and diverse legal issues.

The research also finds that the WTO's procedures for dispute settlement have contributed to greater predictability and transparency in international trade. The mechanism's capacity to handle a wide range of trade issues, from tariff barriers to intellectual property rights, highlights its comprehensive approach to trade conflicts. The WTO's success in resolving disputes has also enhanced trust among member states, encouraging them to adhere to international trade rules and norms. The findings suggest that the dispute resolution mechanism has played a significant role in sustaining the liberal trade order by upholding the principles of fair trade. Moreover, the mechanism's role in balancing the interests of developed and developing countries has been instrumental in ensuring equitable treatment in trade matters.

The study also notes that the dispute resolution mechanism has adapted over time, responding to the evolving needs and complexities of global trade. The ability

of the WTO to resolve disputes efficiently has been crucial in maintaining the flow of international trade and mitigating the impact of trade disputes on global economic stability. Overall, the WTO's dispute resolution mechanism stands as a cornerstone in the architecture of global trade governance, integral to the smooth functioning of the international trade system.

### **3. Dynamics Between WTO Policies and National Interests**

The research uncovers the intricate dynamics between World Trade Organization (WTO) policies and national interests, which play a pivotal role in shaping economic alliances and rivalries among member countries. The findings reveal that the interplay of WTO policies with the foreign policy strategies of individual nations often leads to complex economic relationships. These relationships are characterized by both cooperation and competition, reflecting the dual nature of international trade dynamics. The WTO's guidelines and rulings are found to influence national trade strategies, sometimes aligning with a country's own economic objectives, while at other times challenging them. This interaction has a significant impact on how countries form alliances and engage in trade negotiations, highlighting the nuanced influence of WTO policies on global trade relations.

The study shows that WTO's decisions can sometimes intensify economic rivalries, especially when member countries perceive these decisions as favoring certain nations over others. However, the organization's commitment to equitable and fair trade practices also serves to mitigate such tensions by providing a neutral platform for resolving trade disputes. The research further indicates that the WTO's role in standardizing trade practices across nations has implications for the balance of power in international trade. This standardization often necessitates adjustments in national trade policies, leading to a realignment of economic interests and partnerships.

The findings also point out that the interaction between WTO policies and national interests is dynamic and continuously evolving. As global economic conditions change, so do the strategies of countries in response to WTO policies, suggesting an ongoing negotiation between global norms and national priorities. Additionally, the research underscores the importance of the WTO in facilitating dialogue between nations, thereby contributing to the formulation of trade policies that take into account both global standards and national needs. In summary, the WTO's influence extends beyond the realm of trade regulation, affecting the very fabric of international economic relations and shaping the way nations navigate the complex world of trade diplomacy.

### **4. Challenges and Criticism Against the WTO**

The research identifies significant challenges and criticisms faced by the World Trade Organization (WTO), highlighting its struggle to remain effective and relevant in the contemporary geopolitical landscape. The findings underscore the increasing challenges of protectionism and trade wars, which pose substantial threats to the

WTO's mission of promoting global free trade. These challenges have prompted intense scrutiny of the WTO's ability to adapt to rapidly evolving economic and political conditions worldwide. Criticisms of the WTO often center around its perceived ineffectiveness in addressing the needs of all member states equitably, especially in balancing the interests of developed and developing countries.

The research also reveals concerns about the WTO's decision-making processes, which some argue lack transparency and inclusivity. These criticisms point to a growing dissatisfaction among some member states and stakeholders regarding the organization's ability to navigate the complexities of modern trade issues. The rise of unilateral trade measures and the increasing tendency of countries to bypass the WTO in favor of regional or bilateral agreements have further challenged the organization's role in global trade governance. Moreover, the findings indicate that the WTO faces difficulties in updating its rules and practices to address contemporary trade issues, such as digital trade and environmental concerns. The organization's slow pace in adapting to these new challenges has led to questions about its relevance and effectiveness in the 21st-century global economy.

In addition to these operational challenges, the research highlights the WTO's struggle in managing internal conflicts and differences among its diverse membership. The organization's consensus-based decision-making model is found to be both a strength and a weakness, allowing for broad agreement but often hindering swift action. Despite these challenges, the WTO remains a critical institution in the international trade system, with its ability to evolve and address these criticisms being crucial for its future effectiveness and legitimacy. The research thus sheds light on the need for the WTO to undertake significant reforms to enhance its responsiveness and adaptability to the changing global economic environment.

## **5. WTO in Shaping Trade Policies and International Diplomacy**

The research highlights the pivotal role of the World Trade Organization (WTO) in shaping international trade policies and diplomacy, emphasizing its influence on the relationships between countries. The findings demonstrate how the WTO's guidelines and agreements serve as key determinants in crafting trade strategies and diplomatic relations worldwide. The organization's policies are found to significantly influence how nations interact with each other on economic fronts, shaping their foreign trade policies and strategies. The WTO's role in facilitating trade negotiations and agreements among countries is a testament to its capacity to bring together diverse nations with varying economic and political interests. This facilitation has been crucial in developing a more integrated global trading system, promoting cooperation over competition in international trade.

The research also points out that the WTO's influence extends beyond trade, impacting broader aspects of international relations and shaping diplomatic engagements. Through its dispute resolution mechanism, the WTO has played a significant role in preventing trade conflicts from escalating into larger political disputes, thereby maintaining global economic stability. The organization's decisions

and rulings in trade matters often serve as benchmarks for international trade practices, influencing the formulation of national trade policies. The study finds that the WTO's ability to mediate and resolve trade disputes has fostered trust and mutual understanding among member states, contributing to more harmonious international relations. Additionally, the WTO's efforts in promoting fair trade practices and reducing trade barriers have had a positive impact on developing stronger economic ties between countries.

The organization's commitment to principles like non-discrimination and transparency in trade has bolstered its role as a key player in international diplomacy. Furthermore, the research reveals that the WTO's influence in shaping global trade policies has implications for broader geopolitical dynamics, affecting alliances and partnerships between nations. The WTO's capacity to address contemporary global trade issues, including those related to digital trade and environmental sustainability, is crucial for its continued relevance in international diplomacy. In conclusion, the WTO's role in shaping trade policies and international diplomacy is integral to the functioning of the global trade system, influencing not only economic interactions but also diplomatic relations among nations.

## **6. Future Implications of the WTO in Global Trade**

The research provides critical insights into the future implications of the World Trade Organization (WTO) in the global trade and diplomatic arenas, especially in the face of evolving economic challenges and opportunities. The findings suggest that the WTO's role and influence in international trade are likely to undergo significant shifts as global economic dynamics continue to change. The organization's adaptability to new challenges, such as digitalization and environmental sustainability, will be key to its ongoing relevance in the global economy.

The study highlights that the WTO's ability to effectively address emerging issues like e-commerce and the integration of environmental considerations into trade policies will be critical in shaping the future landscape of international trade. The research also underscores the need for the WTO to evolve in response to the increasing multipolarity of the global economy, where emerging economies are playing a more prominent role. The WTO's future in balancing the interests of a diverse range of economies, from developed to developing countries, will be crucial in maintaining its status as a central institution in global trade governance. The findings point to the potential for the WTO to facilitate new forms of international economic cooperation, responding to the changing nature of global trade relations.

The research also indicates that the WTO's ability to navigate trade tensions and protectionist tendencies will be a determinant of its efficacy in fostering a stable global trading environment. Furthermore, the study suggests that the WTO's role in international diplomacy may expand, as trade increasingly intersects with broader geopolitical issues. The organization's engagement with non-trade concerns, such as labor standards and human rights, may also become more pronounced in the future. The research concludes that the WTO's continued adaptability and responsiveness to

the needs of its member states and the global economy will be vital in determining its role in shaping future trade norms and diplomacy. In summary, the future of the WTO in global trade is poised at a crossroads, with its actions and reforms in the coming years likely to have a profound impact on international trade dynamics and diplomatic relations.

The examination of the World Trade Organization's (WTO) influence on global trade norms reveals a profound impact that resonates with findings from various scholarly works. Comparatively, Drope and Lencucha's study on health and trade policy interaction underlines the WTO's role in shaping norms beyond economic parameters, demonstrating its broader influence on sector-specific regulations (Drope & Lencucha, 2014). Similarly, Araujo's analysis of the EU's use of WTO litigation for exporting norms and values corroborates the WTO's function as a platform for diffusing standards internationally (Melo Araujo, 2015). Abuseridze's research on WTO's role in international trade law development aligns with the observed impact of WTO in standardizing trade practices, validating its role in influencing and harmonizing trade laws globally (Abuseridze, 2021).

Further, Kim's review of Gulotty's work on the politics of regulatory protection highlights how the WTO's frameworks influence domestic policy choices in the international trade arena (Kim, 2021). Tan's exploration of China's response to WTO rules showcases the complex interaction of domestic and international influences shaped by WTO policies (Tan, 2017). Tarullo's examination of global competition policy norms presents a nuanced view of the WTO's role in policy divergence, resonating with the observed complexity of WTO's influence on global trade norms (Tarullo, 2000). Garibaldi and Deane's emphasis on the WTO's active role in cyber security trade measures reflects the organization's expanding influence in contemporary trade issues (Garibaldi & Deane, 2023). Collectively, these studies enrich the understanding of WTO's role in sculpting global trade norms, underscoring its multifaceted impact across various spheres of international trade and policy.

The effectiveness of the World Trade Organization's (WTO) dispute resolution mechanism in international trade, as highlighted in this study, finds parallels and contrasts in existing literature. Erskine's exploration of the historical evolution of the WTO's dispute resolution system emphasizes its development over the years and how it has been instrumental in resolving trade disputes (Erskine, 2007). Koespitasari's research further supports this by noting the WTO's ability to ensure equal treatment among member nations, especially offering differential treatment to developing countries (Koespitasari, 2015). However, Lee's analysis of 395 dispute cases suggests that the WTO might not always be fair in settling disputes, implying potential biases favoring wealthier nations (Lee, 2010). Szyszczak raises concerns about the mechanism's future effectiveness due to the disruptive behavior of certain member states, hinting at a possible shift towards alternative models like those of the EU (Szyszczak, 2019). Rubiyanto, however, underscores the mechanism's vital role in resolving international trade disputes and details specific procedural approaches followed by the WTO (Rubiyanto, 2019). Juwaihan adds that the mechanism aids in

stabilizing the global economy, despite drawbacks like operational challenges and the risk of losing appeal processes (Juwaihan, 2019). Zhadan evaluates the dispute resolution systems of the WTO and specialized mechanisms under free trade agreements, recognizing both positive and negative aspects while suggesting improvements for existing mechanisms (Zhadan, 2021). Kim's examination of the effectiveness of the WTO's dispute settlement system aligns with this study's findings on its importance in international trade, though noting the influence of conflict framing and multilateral leadership on outcomes (Kim, 2017; Joshi, Lahiri, & Hemmatian, 2019). Marceau and Wyatt's discussion on the interplay between Regional Trade Agreements and the WTO in trade dispute resolution highlights challenges in addressing trade countermeasures that may conflict with WTO rules (Marceau & Wyatt, 2010). Petersmann's insights into the GATT/WTO dispute settlement system between 1948-1996 provide historical context for the evolution of the mechanism's effectiveness (Petersmann, 1997). Hamann addresses the challenges posed by the unavailability of the WTO Appellate Body, leading members to seek alternative resolution methods (Hamann, 2021).

The intricate dynamics between the WTO's policies and national interests in forming economic alliances and rivalries resonate with several studies in the field of international trade. Junne's analysis suggests that the future relations between major trading blocs are likely to be characterized by "managed rivalry" rather than complete cooperation or fragmentation, mirroring the complex interaction seen between WTO policies and national interests (Junne, 1995). Haim's research on alliance networks and trade supports the notion that joint membership in an alliance community significantly increases trade more than the association with dyadic alliances, indicating the influence of WTO policies on such networks (Haim, 2016). Matsushita discusses how major international organizations and nation-states collaborate to maintain the governance of free trade order, aligning with the observed synergy between WTO policies and national strategies (Matsushita, 2016).

Fordham's study on trade and asymmetric alliances further supports the finding that international trade under WTO norms influences the likelihood of alliance formation among states (Fordham, 2008). Nacewska-Twardowska's analysis of the European Union's trade policy within the WTO framework highlights the balancing act between regional and multilateral trade coordination practices (Nacewska-Twardowska, 2010). Garavello's paper on the role of the United States and European Union in regionalism and multilateral trade negotiations underscores the impact of WTO policies in shaping economic alliances and rivalries on a global scale (Garavello, 2007). Long and Leeds' study on military alliances and economic agreements shows that trade is higher among allies with specified economic cooperation compared to non-allied states or allies without economic provisions in their treaties, reflecting the influence of WTO-driven trade norms (Long & Leeds, 2006). McGinnis' perspective on the political economy of global multilateralism advocates for WTO policies leading to mutual gains, emphasizing the need for encompassing interests and avoiding complex enforcement mechanisms (McGinnis, 2000).

The study's findings on the challenges faced by the WTO, particularly in relation to increasing protectionism and trade wars, are echoed and further elaborated upon in the wider literature. Chaisse (2017) highlights the crucial role of the WTO Dispute Settlement Understanding in addressing trade protectionism, ensuring respect for commitments among member states. This perspective aligns with the study's observation of the WTO's challenges in mitigating protectionism. Abida and Gargouri (2021) discuss the threats to the WTO's future, including uncooperative behavior by powerful regional blocs leading to trade wars, which jeopardizes international rules and the organization's viability. Ruddy (2010) provides a counterpoint, emphasizing that WTO members have largely resisted broad protectionist measures, maintaining the integrity of the multilateral trading system despite economic crises and trade wars. Jones (2005) identifies a range of WTO critics, from workers and environmentalists to anti-capitalist protesters, reflecting diverse concerns about the organization's impact on global trade and development. Barfield (2001) notes that protectionism leading to potential trade wars, as exemplified in disputes between the US and EU, presents significant challenges for the WTO.

Pugachevska et al. (2023) explore trade protectionism in global multipolarity, assessing the origins of the WTO crisis and evaluating prospects for free trade doctrines amidst rising new trade restrictions. Lee and Feng (2013) discuss the WTO's challenges in reconciling environmental protection with free trade, a key area of contemporary concern. Morellato (2019) questions whether the WTO dispute settlement procedure can effectively resolve trade wars initiated by prominent figures like President Trump, highlighting the organization's relevance in contemporary geopolitical conflicts. Messerlin (2009) offers perspectives on the WTO's role in adapting to rapidly changing trade regimes post the Pittsburgh G20 Summit, reflecting on the resilience of open trade policies. Qureshi (2019) and Zhou (2019) both explore the WTO's capabilities in managing trade wars and resolving foreign trade disputes within domestic systems. Trommer (2020) highlights the challenges faced by the WTO, including internal and external criticisms, underscoring the difficulties the organization currently faces. Mollaian (2019) indicates that the WTO faces challenges in managing the weaponization of trade through GATT's security exception Article XXI. Marx et al. (2015) describe the crisis faced by multilateral institutions, transitioning from optimism to pessimism due to the emergence of powerful new players and financial crises.

The findings of the World Trade Organization's (WTO) role in shaping trade policies and international diplomacy, along with its future implications in global trade, align with and are expanded upon by various scholarly contributions. Chitadze and Beruashvili (2017) underline the WTO's role in promoting international trade and foreign direct investment, highlighting its impact on global business environments, consistent with this study's observations on the WTO's influence on trade policies (Chitadze & Beruashvili, 2017). Fortín's analysis on the United Nations and WTO's governance in international trade offers a complementary perspective, emphasizing the WTO's contribution to defining trade boundaries and introducing development

perspectives in trade policy (Fortín, 1995). Messerlin's discussion on the WTO's adaptation to the fast-paced global trade regime echoes the study's findings on the WTO's evolving role in shaping future international diplomacy and trade policies (Messerlin, 2009). Kireyev and Osakwe's exploration of WTO accessions further supports the idea that the WTO plays a crucial part in enhancing the multilateral trading system and adapting to new global realities (Kireyev & Osakwe, 2017). Rubiyanto emphasizes the significance of the WTO in resolving international trade disputes and shaping trade policies, aligning with the study's findings on its ongoing involvement in global trade (Rubiyanto, 2019). Rago's examination of the evolution from GATT to WTO highlights the organization's pivotal role in the multilateral trade system and the new world order, mirroring the study's insights into the WTO's future implications (Rago, 1998). Oliveira's analysis of the institutionalization of the multilateral trade regime and its implications for trade negotiation strategies further corroborates the findings on the WTO's role in shaping international diplomacy (Oliveira, 2012). Zelicovich's work emphasizes the WTO's role in bridging the gap between 20th-century trade rules and 21st-century trade policies, underscoring the importance of multilateralism in addressing contemporary challenges in global trade relations (Zelicovich, 2020). Hernández-López discusses the influence of non-State actors like NGOs and private corporations in shaping international trade policies, showcasing the intersection between WTO-driven trade norms and non-State actors' concerns (Hernández-López, 2001). Hogue highlights the WTO's aim to expand international trade by reducing barriers and settling trade disputes among member countries, directly reflecting the study's findings on the organization's influence in shaping trade policies and diplomacy (Hogue, 1999).

#### **D. CONCLUSION**

The conclusion is this extensive literature review on the World Trade Organization (WTO) elucidates its multifaceted role in shaping global trade dynamics and international diplomacy. The WTO emerges as a pivotal entity in standardizing international trade norms, effectively resolving trade disputes, and navigating the complexities of national interests versus collective economic goals. Despite facing significant challenges, including rising protectionism and trade wars, the WTO has demonstrated resilience and adaptability, continuing to influence global trade policy and international relations. Its ability to mediate between varying national interests and maintain a balance between developed and developing countries underscores its importance in the global trade architecture. The research highlights the need for ongoing evolution and reform within the WTO to address contemporary and future trade issues, ensuring its relevance in an increasingly multipolar world economy. As international trade continues to evolve amidst technological advancements and geopolitical shifts, the WTO's role in fostering cooperation, resolving conflicts, and promoting equitable trade practices remains indispensable. This study contributes to a nuanced understanding of the WTO's impact and underscores the importance of multilateralism in maintaining a stable and prosperous global trading system.

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