

Fragmentation of The Multilateral Trading System: The Impact of Regionalism on WTO Law

Authors : Musa Njabulo Shongwe

Abstract : The multilateral trading system is facing a great danger of fragmentation. Its modus operandi, multilateralism, is increasingly becoming clogged by trade barriers created by the proliferation of preferential regional trading blocs. The paper explores the fragmentation of the multilateral trade regulation system (WTO law) by analysing whether and to what extent Regional Trade Agreements (RTAs) have conflicted with the Multilateral Trading System. The paper examines the effects of RTA dominance in view of the WTO's quest for trade liberalization. This is an important inquiry because the proliferation of RTAs implies the erosion of the WTO law's core principle of non-discrimination. The paper further explores how the proliferation of RTAs has endangered the coherence of the multilateral trading system. The study is carried out with the initial assumption that RTAs could be complementary and coherent with WTO law, and thus facilitate international trade and enhance development prospects. There is evidence that is tested by this study which suggests that RTAs can be divergent and hence undermine the WTO multilateral rules of regulating international trade. The paper finally recommends legal tools of regulating and managing the WTO-RTA interface, as well as other legal means of ensuring a harmonious existence between the WTO and regional trade arrangements.

Keywords : fragmentation of international trade law, regionalism, regional trade agreements, WTO law

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