

# FREE TRADE AND THE RESPONSIBILITY TO PREVENT AND ALLEVIATE POVERTY

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## ABSTRACT

Whenever the WTO has been called upon to address various trade plus issues like environment or human rights, much of the underlying concerns have an inherent motivation to prevent trade distortion rather than securing the goals of environment or human rights. The rationale of the choice of trade plus issues raises an intriguing question: whether the WTO could be an effective platform for poverty alleviation? In pursuit of examining the viability of a trade related poverty agenda, the paper examines some of the theoretical foundations governing free trade and its nexus to poverty issues. The paper traces the developmental goals, both of the GATT and the WTO, to examine the scope for seeking a specific mandate of poverty alleviation. The final part examines the international agenda on poverty alleviation in order to highlight the potential role which the WTO could play in strengthening the global drive aimed at elimination of poverty in all forms.

*Keywords: Free Trade, Poverty Alleviation, Development, GATT and WTO, Trade Related Poverty Agenda.*

## INTRODUCTION

‘It is because mankind are disposed to sympathize more entirely with our joy than with our sorrow, that we make parade of our riches, and conceal our poverty’

-Adam Smith<sup>2</sup>

The above words of Adam Smith, from his much less known work ‘The Theory of Moral Sentiments’ is probably the most apt quote for the free traders, who tend to boast the fruits of trade liberalization without taking cognizance of what it fails to address effectively. Since the emergence of the WTO, the pace of globalization has witnessed greater momentum and the evidences of the gains of free trade are increasingly claimed to be ostensive in many societies across the globe. However, the adverse impact caused by undesirable ramifications of free trade or its major shortcomings requires more attention, not only to safeguard the affected interests but also to sustain free trade in the long run.

One of the major concerns, which regrettably has not attracted sufficient consideration, both at domestic and international level, is the issue of poverty caused or elevated by an increase in free trade. Although the trade related or trade plus agenda in the WTO primarily benefits free trade, it still strengthens the protection of related subjects (for instance, the IPR protection) which could be seen as a secondary benefit resulting from the process. However, this does not create any major concern relating to the effectiveness of the international protection of the related subjects (for example, IPRs, environment or human rights) because they are otherwise protected by binding multilateral regimes. In comparison, however, the international agenda to alleviate poverty is marked by the conspicuous absence of binding international obligations. Therefore, any attempt to explore the role of international trade regime to alleviate poverty should be wary of such difference and seek a distinct role for the WTO in the fight against poverty.

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<sup>2</sup> Adam Smith, *The Theory of Moral Sentiments* (Dover Publications Inc 2006) 48.

The present paper seeks to argue that the WTO should develop a poverty alleviation agenda not as yet another ‘means’ to achieve free or fair trade but as an end or a goal in itself. However, such proposition would be met with various challenges including the very pertinent question of whether a poverty alleviation agenda will fall within the scope and objective of the WTO regime. It is equally important to see how such an agenda has the potential to enhance the legitimacy of the WTO. Firstly, this paper investigates how free trade principles comprehend the issue of poverty by examining some of the theoretical underpinning of free trade. Then the paper analyses how poverty alleviation goals can be comprehended within the developmental objectives of the international trade regime as enshrined in the preamble and specific provisions of the GATT 1947 and the WTO. The paper then traces some of the major international initiatives with developmental goals and how the issue of poverty is specially addressed within the scope of the broader developmental agenda. The concluding part also raises some relevant caveat in seeking to address poverty alleviation within the WTO framework and highlight its limitations.

### **THEORIES OF FREE TRADE: DOES POVERTY MATTER?**

The foundations of free trade founded in the theory of ‘absolute advantage’ propounded by Adam Smith in his classic work ‘The Wealth of Nations’, itself is the result of his criticism of the mercantile system, which favoured one interest by ignoring the other. It is argued that the prescription of foreign trade by Adam Smith – “If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry employed in a way in which we have some advantage”<sup>3</sup> – should not be read in isolation of his critique of the mercantile system that dominated the foreign trade policy during his time.

There is a greater reminiscence between the caveats Adam Smith raised regarding the manner in which foreign trade under mercantile policy was promoting the interest of the industry over that of the consumers and how free trade is sought to be promoted in modern times. Upholding consumption as the sacrosanct value, Adam Smith categorically argued that any promotion of the interest of producers should be subservient to the interest of the consumers. He argued that “consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer.”<sup>4</sup> His stout critique of the mercantile system in this regard seems quite reminiscent of how the modern world trade regime under the WTO or the member states are arguably more focused in promoting some interest over others.

The thesis of Adam Smith in his book – the Wealth of Nations, which challenged the practices of the mercantilist doctrine is well summarized in the below three succinct points:

First, he demonstrated that trade, when freely initiated, benefits both parties. Second, he argued that specialization in production allows for economies of scale, which improves efficiency and growth. Finally, Smith argued that the collusive relationship between government and industry was harmful to the general population.<sup>5</sup>

While the first two points clearly demonstrates the advantage of free trade, the last one raises a fundamental reprimand, against which modern free trade regimes should constantly guard itself. This is crucial to ensure that the free trade system does not face risk of falling into the very same blemishes, for which it was propounded as a cure in the first place.

The distinct scope of the free trade doctrine to benefit the whole population and not just a selected interest or a class in a society is comparatively highlighted in the below observation:

<sup>3</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Thomas Nelson, 1843) 185.

<sup>4</sup> *ibid* 274.

<sup>5</sup> L LaHaye, ‘Mercantilism’ in David R. Henderson (ed.) *Concise Encyclopaedia of Economics* (2<sup>nd</sup> edn, The Library of Economics and Liberty 2007) <<http://www.econlib.org/library/Enc/Mercantilism.html>> accessed 2 November 2015.

While the mercantilist policies were designed to benefit the government and the commercial class, the doctrines of laissez-faire, or free markets, which originated with Smith, interpreted economic welfare in a far wider sense of encompassing the entire population.<sup>6</sup>

It is important to note that when Adam Smith propounded the free market philosophy as an antidote to shortcomings of the mercantile system, his emphasis on seeking ‘economic welfare of the entire population’ was the fundamental value upon which the very basis of the free trade system was conceived. That fundamental value of seeking a wider economic value of entire population and not the interest of some segments of that population should form the basis for any evaluation and validation of modern free trade regimes.

Subsequent to Adam Smith, David Ricardo refined the free trade principles with his theory of comparative advantage, which had a profound effect on expansion of global free trade and liberalization of markets. The theory of comparative advantage rests upon the fundamental premise that individual nations, even if they enjoy absolute advantage in producing all goods, should focus on engaging their labour in the production of goods in which they enjoy the most advantage and import the goods on which they enjoy the least advantage. He argued that a nation which focuses on producing goods on which it enjoys a comparative advantage and then freely engages in foreign trade would not only benefit itself but also other nations with which it engages in free trade. He believed that

Under a system of perfectly free commerce, each country naturally devotes its capital and labour to such employments as are most beneficial to each. This pursuit of individual advantage is admirably connected with the universal good of the whole.<sup>7</sup>

Although, Ricardo’s conviction that pursuit of individual comparative advantage of nations will result in universal good of the whole is admirable, it is crucial to note that such conviction is based on certain assumption with regard to how capital and labour are engaged in the relevant pursuits. However, studies have demonstrated that the prevalence of poverty in a nation could affect the engagement of certain factors of production like labour, which in turn will impact the building of a comparative advantage of the nation. For example, a study on impact of trade pattern argues that “[a]part from the influence of nature-given comparative advantages, the income level of countries is then important in establishing comparative advantage.”<sup>8</sup>

### **DEVELOPMENTAL OBJECTIVES OF THE GATT AND THE WTO AND THE POTENTIAL FOR POVERTY ALLEVIATION AGENDA**

Through the preamble of the GATT 1947, the founding member states of the GATT clearly undertook to conduct their trade and economic relations in consonance with a set of specific goals that have clear ramifications for economic development and consequentially upon poverty alleviation. These include: categorical objectives to raise standards of living, ensure full employment including growing volume of real income, develop the full use of the world resources and expand production and exchange of goods. The preamble of the GATT explicitly recognizes the desire to contribute to the above objectives, which has motivated the parties to the GATT to devise the fundamental arrangements in international trade regime namely those aimed at reducing tariff and non-tariff barriers and eliminating discriminatory trade practices. The above elements of the Preamble of the GATT 1947 demonstrate that the objectives of the GATT were aimed at achieving a higher set of value proposition that are pertinent to any drive for development and poverty alleviation. It reveals that such objectives were clearly perceived as an end and the international trade regime was conceived as a means to achieve those ends.

<sup>6</sup> *ibid.*

<sup>7</sup> D. Ricardo, *On the Principles of Political Economy and Taxation* (3<sup>rd</sup> edn, Botoche Books 2001)

<sup>8</sup> R. Maseland and A.D. Vaal, ‘Trade, development, and poverty-induced comparative advantage’ (2011) 20(2) *The Journal of International Trade and Economic Development* 153, 154.

The pertinence of the objectives of the GATT in developing global poverty alleviation drives and the prominence of such objectives as a goal of the GATT should make international trade regime an indispensable platform for the fight against poverty. Apart from the objectives enshrined in the preamble of the GATT, other specific provisions of the GATT could also be interpreted to have positive implications for poverty alleviation. Provisions seeking to achieve development through trade deserves a particular attention in this regard. Part IV of the GATT specially dealing with trade and development as a subject matter was not part of the original legal text but was subsequently introduced in 1965 and came into force in the following year.<sup>9</sup> It is interesting to note that Part IV in itself was motivated by some of the key objectives enumerated in the Preamble of the GATT discussed above. In particular, Part IV of the GATT specifically refers to ‘the raising of standards of living’ and ‘the progressive development of the economies’ as the basic objectives of the GATT and emphasizes the significance of attainment of those objectives for the LDCs.

Other than reiterating the basic objectives of the GATT, Part IV enshrines a set of its own specific objectives<sup>10</sup> that are quite pertinent for achieving development, which can also help alleviate poverty. While acknowledging the importance of ‘export earnings’ and ‘import prices’ for the economic development of the LDCs, Part IV objectives recognize the need for individual and joint action to promote economic development and improve standards of living in the LDCs. It is interesting to note that Part IV objectives explicitly recognize that international trade as a ‘means’ of achieving economic and social advancement and to that extent authorize the use of special measures (governed by specific rules and procedures) to promote trade and development of LDCs.

Based on the objectives of the GATT and specific objectives of Part IV, the parties to the GATT have agreed on several new measures to promote development in LDCs. The agreed measures, aiming to expand the export earnings of LDCs, recognize the need for various positive efforts to be made. It includes the creation of more favourable and acceptable conditions of access to world markets for primary or processed and manufactured products of LDCs and provisions for facilitating financial assistance to development. The agreed measures in Part IV contemplates promotion of collaboration with other intergovernmental bodies and the UN agencies focused on trade and economic development of LDCs. Interestingly, Part IV of the GATT requires that the adoption of agreed measures should form part of ‘conscious and purposeful effort’ of the member states both through individual and joint actions.

Part IV has introduced a range of specific commitments to further development through means of trade. They include commitments for developed members to reduce and eliminate existing barriers and to refrain from introduction of new barriers (including fiscal measures and policies) affecting the products of particular export interest to LDCs, to maintain trade margins at equitable levels for imported products that are wholly or mainly produced in the territories of LDCs, to provide greater scope for the development of imports from LDCs and have special regard to the trade interests of the LDCs when considering the application of other measures permitted under the GATT. Although, the commitments are mainly prescribed for developed member states, it is interesting to note that LDC members are also required to take appropriate action to implement the provisions of Part IV for the benefit of trade of other LDC members.<sup>11</sup> Finally, it is important to note that member states are also required to collaborate jointly, both

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<sup>9</sup> However, it is pertinent to take note that it took much longer before all parties to the GATT accepted the Protocol amending the GATT to introduce Part IV on trade and development, which was achieved only in 1979. This evidences the initial reluctance of some member states to accept the expansion of developmental objectives within the framework of the GATT.

<sup>10</sup> See “Principles and Objectives”, Article XXXVI, Part IV, Trade and Development, General Agreement on Tariffs and Trade 1947.

<sup>11</sup> However, this obligation is subjected to the qualification that the contemplated action is consistent with their individual present and future development, financial and trade needs. See para 5, Article XXXVII of GATT 1947.

from within the framework of GATT and other sources,<sup>12</sup> to further the objectives of trade and development as prescribed in Part IV of GATT.

In order to review the application of Part IV of the GATT and to deal with relevant consultation on its application, the GATT Committee on Trade and Development was established. A similar committee with an expanded mandate was also established under the auspices of WTO. Interestingly, the expanded mandate of the WTO Committee on Trade and Development contemplates its role in not only coordinating the work on development within the WTO but also its relationship to development-related activities in other multilateral agencies. This newly recognized role of the Committee supports the argument that WTO should carry out the implementation of its development mandate in coordination with other major international development initiatives and the pertinent international organizations.<sup>13</sup> Such an approach is particularly useful in learning how a broader development agenda under GATT/WTO could be transformed into specific poverty alleviation goals from the experiences of other international developmental initiatives addressing the issue of poverty, some of which will be examined in the next section of the paper.

The development mandate of the GATT received a major practical boost when the parties to the GATT approved the 'enabling clause', which provided for a more pronounced differential and more favourable treatment, reciprocity and fuller participation of developing countries in 1979.<sup>14</sup> The privileged treatment to developing countries initiated by the enabling clause continues to find place in several WTO Agreements, which explicitly recognize a special and differential treatment to developing countries.<sup>15</sup> Moreover, 'waiver' for actions favouring developing countries could also be granted by the WTO General Council.<sup>16</sup> The expanded and dispersed WTO mandate promoting development subsequently culminated in a comprehensive development agenda in the Doha ministerial meeting, which set a more ambitious future course for the development mandate of the WTO.

Apart from the future course, the ministerial meeting in Doha also addressed other developmental issues including the effective implementation of developmental goals that are already present in the existing WTO agreements. The Doha Declaration enlisted around 21 different subjects requiring negotiations or implementation actions, a detailed discussion of which is not warranted here.<sup>17</sup> However, it is important to mention that ambitious developmental aspirations under the Doha Declaration evidences the continued confidence over the WTO by the global trading community that it could be an effective and viable platform for achieving the goals of development in the 21<sup>st</sup> century.

The extensive set of developmental objectives and commitments of both the GATT and the WTO identified in the above section raises a pertinent question regarding how they could be transformed into specific poverty alleviation goals. In this regard, it is highly relevant to refer to the UN General Assembly Resolution, which prescribes the indispensable need for any development objectives to ultimately achieve individual wellbeing, which should be one of the core focus of any poverty alleviation agenda. The UN General Assembly Resolution proclaims as below:

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<sup>12</sup> For example, the member states are required to collaborate with the United Nations and its organs and agencies, including any institutions under the auspices of the United Nations Conference on Trade and Development (UNCTAD). See Article XXXVIII 2(b) of GATT 1947.

<sup>13</sup> It is equally important to take note that the mandate for such cooperation is equally supported by the requirement of Part IV of the GATT, which as discussed earlier requires member states to collaborate jointly among themselves as well as with other sources to further the objectives of trade and development. See Article XXXVIII, 2 (a-f), GATT 1947.

<sup>14</sup> See the decision by the signatories to the General Agreement on Tariffs and Trade, 28 November 1979 (L/4903).

<sup>15</sup> See for a detailed description of the special and differential treatment provided for developing countries in different WTO agreements, Committee on Trade and Development, "Special and Differential Treatment Provisions in WTO Agreements and Decisions" Note by the WTO Secretariat, (WT/COMTD/W/196), 14 June 2013, pp.118.

<sup>16</sup> See Article IX:3, The Agreement Establishing the WTO.

<sup>17</sup> See Doha WTO Ministerial Declaration, WT/MIN(01)/DEC/1 dated 20 November 2001

The ultimate objective of development must be to bring about sustained improvement in the well-being of the individual and bestow benefits on all. If undue privileges, extremes of wealth and social injustices persist, then development fails in its essential purpose. This calls for a global development strategy based on joint and concentrated action by developing and developed countries in all spheres of economic and social life....<sup>18</sup>

The recommended action includes the economic sphere of trade and finance, which can support the proposition that any development goals of international trade regime should equally seek a sustained improvement in the wellbeing of the individual.

The agenda of trade and development should therefore move beyond broader societal goals like greater economic growth of a nation or overall development of a society to be more focused on individual wellbeing. In order to translate the broader developmental mandate of the GATT/WTO into specific poverty alleviation goals, it will be necessary and relevant to look into the experiences of how other international developmental initiatives have addressed the issue of poverty and how the GATT/WTO has responded to such initiatives.

### **POVERTY ALLEVIATION IN INTERNATIONAL DEVELOPMENTAL AGENDA AND THE POTENTIAL ROLE OF THE WTO**

Beyond its primary mandate to achieve and maintain global peace and security, the UN has also been a pioneering organization in promoting development and poverty alleviation. The UN General Assembly created an exclusive global development network in 1965 through the establishment of the flagship United Nations Development Programme (UNDP), which brought together other related UN initiatives under a single umbrella. The UNDP has been extending support to address developmental challenges around the world through capacity building for achieving human development including poverty reduction. As a primary UN network focused on development, it has been in the forefront of facilitating the achievement of various developmental goals of the UN, including the Millennium Development Goals (MDGs). Development goals have also been part of the mandate of other UN bodies that have addressed the issue as part of their inter-disciplinary interest. The United Nations Commission on Trade and Development (UNCTAD) and the United Nations Environment Program (UNEP) are some of the important initiatives that have been addressing the issue of development in its interdisciplinary dimension involving the issue of trade and environment respectively.

One of the important international poverty agenda could be found as part of the Agenda 21, an important road map for achieving sustainable development in balance with the environment. The major aim of the poverty agenda within Agenda 21 is interestingly aimed at enabling the poor to achieve sustainable livelihood. In enumerating the basis for seeking an action on poverty some of the key points raised are relevant to note. Firstly, the recognition of poverty as a multidimensional problem that also includes an origin in international domain is very important element for any efforts to address poverty as an interdisciplinary issue warranting international attention. It also recognizes the need for “country-specific programmes to tackle poverty and international efforts supporting national efforts, as well as the parallel process of creating a supportive international environment, are crucial for a solution to this problem.”<sup>19</sup> The challenges identified in specifically achieving greater equity in income distribution is particularly relevant in the light of the growing concerns regarding trade induced income gaps between the rich and the poor in countries where free trade has contributed to overall economic growth. The explicit recognition that the fight against poverty is the shared responsibility of all countries is another significant contribution of Agenda 21.

<sup>18</sup> See Resolution 2626 (XXV) adopted by the UN General Assembly dated 24 October 1970 (A/RES/25/2626), para 7.

<sup>19</sup> See “Combating Poverty” Chapter 3 in AGENDA 21, United Nations Conference on Environment and Development, 3 to 14 June 1992, U.N. GAOR, 46th Session, Agenda Item 21, UN Doc A/Conf.151/26 (1992), para 3.1-3.12.

Agenda 21 highlights how a development policy without regard to the sustainability of the resources will cause productivity declines and ultimately have adverse impact on poverty (UNEP, 2011).<sup>20</sup> Some of the notable activities proposed under Agenda 21 that are relevant to our ongoing discussion includes development of “a long-term strategy aimed at establishing the best possible conditions for sustainable local, regional and national development that would eliminate poverty and reduce the inequalities between various population groups”.<sup>21</sup> Moreover, call for introduction of specific poverty alleviation measures by national governments in assistance and cooperation with appropriate international organizations are particularly relevant for any arguments aiming to promote similar activities under the auspices of the WTO.<sup>22</sup>

Finally, the call made by Agenda 21 that the UN system in cooperation with its member states and other appropriate international organizations should make poverty alleviation a major priority is an important source for inspiring the involvement of the WTO. The emphasis on resource flows, structural adjustment, social concerns and provision of basic services to the poor and needy are highly relevant in examining the role of economic institutions like the WTO in addressing poverty. The emphasis on the need to mobilize international cooperation and address the root cause of poverty is relevant in identifying the role of the international trade regimes to identify and address trade induced poverty. The UNCTAD for example has established a specific Trade and Poverty Unit (TPU) which provides policy recommendations through research and policy analysis investigating the links between trade and poverty reduction<sup>23</sup> mainly focused on Africa and the LDCs.

After Agenda 21 was established in early nineties, the issue of development and poverty alleviation received a major attention through the UN Millennium Development Goals, which were established towards the turn of the century. Among, the eight specific MDGs resulting from the Declaration, ‘eradication of extreme hunger and poverty’ was set as the first and prime most goal and ‘development of global partnership to achieve development’ was declared as the eighth goal.<sup>24</sup> Although there are eight distinct set of goals, cumulatively they help address various dimensions of poverty. In the past fifteen years, since the MDGs were set, progress has been achieved in reaching the goals although disparity is witnessed among different parts of the world and even within different parts of a same country. Progress was also not uniform among different goals.<sup>25</sup> In response to the MDGs, the WTO has mainly focused its work towards promoting the goal of building a global partnership for development.<sup>26</sup> However, it has acknowledged the relevance of its work towards achieving the goal of eradicating extreme poverty and hunger.<sup>27</sup> It is this relevance, which needs to be explored and developed further in order to ensure that the key strength of the WTO mechanism as a distinct organization in

<sup>20</sup> A detailed exposition of the nexus between sustainable development and poverty alleviation can be seen in this UNEP Report.

<sup>21</sup> AGENDA 21, *op.cit.* para 3.1-3.12 (emphasis added).

<sup>22</sup> M. MacDonald, *Agendas for Sustainability: Environment and Development into the Twenty First Century* (Routledge 1998). This work makes a succinct comparison of the poverty agenda in Agenda 21 with some other proposals to address world poverty.

<sup>23</sup> According to UNCTAD, the key areas examined by its TPU in the context of nexus between trade and poverty includes a) composition of trade and the nature of specialization, b) level of development and the structure of production and employment, c) interdependence between trade and other international economic relations and d) role of trade policy in national development strategies. See UNCTAD, “Trade and Poverty Reduction” at <http://unctad.org/en/Pages/ALDC/Trade-and-poverty.aspx>

<sup>24</sup> The other six MDGs seek to 1) achieve universal primary education, 2) promote gender equality and empower women, 3) reduce child mortality, 4) improve maternal health, 5) combat HIV/aids, malaria and other diseases and 6) ensure environmental sustainability.

<sup>25</sup> United Nations, *The Millennium Development Goals Report 2015* (United Nations 2015). A detailed account of the progress in achieving the MDGs during the past 15 years United Nations can be found in this Report.

<sup>26</sup> The WTO work in this regard has been mainly confined (reflective of its primary mandate) to developing an open, rule-based, predictable, non-discriminatory trading system, which is recognized as part of target 8A under the MDG 8.

<sup>27</sup> See for a detailed account of WTO’s work toward MDGs, WTO, “Millennium Development Goals-A Global Partnership” available at [https://www.wto.org/english/thewto\\_e/coher\\_e/mdg\\_e/global\\_partnership\\_e.htm](https://www.wto.org/english/thewto_e/coher_e/mdg_e/global_partnership_e.htm)

international economic relations provides the much needed vigour in the fight against global poverty.

The end of the target period of MDGs saw the renewal of new hopes through the establishment of a new set of sustainable development goals (SDGs) through the UN 2030 Agenda for Sustainable Development that was agreed upon recently in September 2015.<sup>28</sup> The 2030 Agenda for Sustainable Development sets out 17 Sustainable Development Goals with 169 associated targets, which are more sprawling than the MDGs and the issue of poverty alleviation continues to be the first and foremost of the goals with a distinct emphasis. It is interesting to note that unlike the MDGs that were aimed at ‘eradicating extreme hunger and poverty’, the newly established SDGs are more ambitious and are tuned towards ‘ending poverty in all its forms everywhere’.

With a more ambitious global poverty alleviation agenda set by the UN under its 2030 Agenda for Sustainable Development, core economic organization like the WTO cannot continue to stay in the side lines of poverty battle and a much direct involvement is the need of the hour.<sup>29</sup> Having experienced in working towards the MDG of achieving development during the past 15 years, it is a high time for the WTO to seek a more concrete path in contributing directly towards the fight against global poverty during its future course of promoting the SDGs. Recently, the WTO itself has made some initiatives in the direction, by conspicuously asserting its interest on the issue of poverty in partnership with the World Bank,<sup>30</sup> which is an encouraging sign. However, this needs to be nurtured further by systematically studying and developing the role of WTO as an effective platform to alleviate poverty and ultimately tap its fullest potential to win the formidable battle against global poverty.

## CONCLUDING REMARKS

Any proposal for a poverty alleviation agenda, especially for an international regime that is not mandated to address the issue, should identify key challenges and practical concerns and seek solutions. For example, in tracing the developmental goals, upon which the GATT was founded, it is important to examine whether such macro developmental goals have any basic scope for seeking a mandate for poverty alleviation. It is equally important to examine the practical challenges faced in expanding the mandate of the WTO to comprehend newer fields of trade plus issues. In this regard, specific attention should be paid to the resistance that prevailed against the attempts to comprehend newer issues within the WTO framework. For example, the issue of competition, in spite of its characteristic that fits in very much within the typical rationale of choice of trade plus issues for the WTO, has not gained much ground in being part of the WTO mandate. It deserves a critical examination to identify the underlying causes for the resistance.

Similarly, the scope and inherent limitations of the WTO in influencing domestic policy issues, is one of the key factors that need to be examined in any attempt to seek a trade related poverty agenda. As concerns like growing disparity in development, increasing gap between rich and poor, the implications of trade on poverty levels (absolute vs relative poverty) etc could often be seen as a matter of cognizance for domestic policies, the role and limitations of WTO in promoting poverty alleviation needs a closer scrutiny. Finally, it is equally important

<sup>28</sup> See UNGA, “Transforming our world: the 2030 Agenda for Sustainable Development”, Resolution adopted by the General Assembly on 25 September 2015 (A/RES/70/1).

<sup>29</sup> Realizing the multidimensional nature of the SDGs, the UN itself has sought to consolidate its strength by bringing together various related frameworks and outcomes under one platform in order to strengthen its march towards the achievement of SDGs in the next 15 years. The pertinent frameworks in this regard includes the Agenda 21 of 1992, the Paris Agreement on Climate Change 2015, the Addis Ababa Action Agenda 2015 on financing for development, the Sendai Framework for Disaster Risk Reduction 2015, SIDS Accelerated Modalities of Action (SAMOA) Pathway 2014, and the Future We Want Resolution of the General Assembly 2012. See United Nations, “Sustainable Development Knowledge Platform” available online at <https://sustainabledevelopment.un.org/frameworks>

<sup>30</sup> The World Bank and the World Trade Organization, *The Role of Trade in Ending Poverty* (The WTO 2015).

to examine some practical means for gradually bringing a poverty agenda within the WTO framework. In this regard the enquiry on the international agenda on poverty alleviation pursued by key international organizations and their limitations is important in order to identify whether a poverty agenda would be better served with or without the involvement of the WTO?

In spite of the above caveats, it is clear that an effective fight against global poverty would require a multi-pronged approach supplemented by major international initiatives. In this regard, the premise that the direct involvement of the WTO in a poverty alleviation agenda will provide a much needed boost to the fight against global poverty could hardly be challenged. Based on such a premises and the renewed hopes for an expanded poverty alleviation agenda under the 2030 Sustainable Development Agenda, the efforts to further explore and involve the arsenal of WTO in the fight against global poverty are the indispensable need to fully enjoy the fruition of free trade.

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