

**Facultat de Ciències Polítiques i Sociologia**

**Treball de Fi de Grau**

**Resum executiu**

**Títol:**

**Contestation of the Multilateral Trade System:  
The WTO Crisis through the Lens of the  
Appellate Body, Free Trade Agreements, and the  
Green Room**

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The World Trade Organization, since its establishment in 1995, has been the epicenter of the global trade regime. However, since the end of the Uruguay Round it has faced growing contestation from its most influential members. Understanding these dynamics and their potential implications is essential, as the WTO remains the primary institution negotiating rules that govern 98% of global trade (WTO, 2025). This contestation means the withdrawal of multilateral trade liberalization and rules that have existed since the end of the Second World War. It has resulted in a vision that emphasizes preserving national autonomy rather than enforcing the binding multilateral trade rules, summarized in this thesis as the “Sovereignty-based scheme”

This thesis investigates the extent to which the WTO has been contested by its most influential members such as the United States, the European Union, and China, from the end of the Uruguay Round to 2024. The main objectives are understanding the background of multilateral trade contestation, examining current leadership and the future of the trade regime. It explores how these actors have contributed to either the erosion or defense of the multilateral trade system and their current stance. Therefore, the chosen guiding research question is: To what extent has the WTO been contested by its most important actors since the Uruguay Round until 2024?

The main theoretical framework is Wiener’s (2014) “Theory of contestation,” which conceptualizes contestation as a set of constant actors' interaction leading to a norm-generative activity and an essential practice for legitimacy in any context of governance (Wiener, 2014). This framework is highly relevant for the WTO, where there is constant norm interaction. The thesis also explores the concept of legitimacy, typically grounded in compliance within international organizations. To explain why states comply with or challenge norms, it considers classical International Relations approaches: realism, liberalism, and constructivism, though it prioritizes a realist view, emphasizing power and interests in WTO engagement.

As previously mentioned, the study introduces a spectrum between multilateral trade liberalization and a sovereignty-based scheme. This spectrum understands how actors either fully comply with the multilateral regime or opt to liberalize outside it to regain national sovereignty. This framework is analyzed through three case studies: trade liberalization, decision-making and dispute settlement.

Each case corresponds to specific norm types in Wiener’s (2014) framework. Multilateral trade liberalization, examined through PTAs and FTAs, is a Type 1 norm. The Green Room and the Appellate Body represent Type 3 norms. Norm operationalization also follows Wiener’s (2014) approach, using sources such as: policy documents, official WTO records, academic literature, and empirical data (e.g., Hofman et al., 2017) to trace state behavior over time.

The thesis reveals a trend: the US and EU are gradually shifting toward the sovereignty-based scheme, while China has increasingly positioned itself as a defender of multilateralism. In the case of PTAs and FTAs, the US and EU have promoted bilateral and regional agreements that undermine the WTO's universal liberalization role. These often conflict with WTO standards, create suboptimal results and hinder some states' integration into multilateral frameworks (Limão, 2006; Senti, 2014; Nakatomi, 2014; Limão, 2016; Ariekot, 2018; Baccini, 2019; Auyezova, 2020). China, although involved in such agreements, acts more reactively (Song & Yuan, 2012; Schott et al., 2015), influenced by the “domino effect” (Baldwin, 1993; Rovira & Vaillant, 2024).

In the Green Room case, decision-making has become less inclusive and effective. The US advocates for a “critical mass” approach and stricter criteria for developing country privileges, which risks marginalizing weaker actors (SUNS, 2022a; 2022b). The EU takes an ambivalent position, supporting reforms without consistent proposals (European Commission, 2018; SUNS, 2022a; European Parliament, 2022). China, by contrast, promotes transparency, inclusivity, and a consensus-based reform, aligning with the original multilateral vision (SUNS, 2024; WTO, 2024).

The dispute settlement system has been a focal point of US contestation, particularly the Appellate Body. The US has blocked appointments, effectively paralyzing the whole organization. The EU and China responded by supporting the alternative Multi-Party Interim Appeal Arbitration Arrangement (MPIA), signaling commitment to rule-based resolution (Sambhav, 2025). This paralysis has led to a return to power-based dispute settlement in many cases, depriving smaller economies of legal reliant certainties.

This thesis concludes that the WTO faces a profound structural crisis driven by its most powerful members. The US's retreat and the EU's partial withdrawal from the framework they once led is concerning, as both now favor mechanisms enhancing their regulatory autonomy. In contrast, China has emerged as a proponent of the multilateral system, advocating for its rules and meaningful reform. These dynamics suggest that the legitimacy and compliance of the WTO are exclusively shaped by interests rather than shared norms. The future of global trade governance is in the air, as a future unblock of the organization seems unlikely.

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