How world trade rules were written to keep Africa poor

The WTO's 14th Ministerial Conference concludes on March 30 with ministers adopting several decisions as well as making a commitment to continue work in Geneva on key outstanding issues. PHOTO/COURTESY OF WTO

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BY DEOGRATIUS WAMALA

When East African trade ministers flew to Yaoundé, Cameroon, in late March for the World Trade Organisation (WTO)'s 14th Ministerial Conference (MC14), only the second time in 30 years its highest decision-making body had met on African soil, they carried demands their governments have raised since the organisation was founded: fairer agricultural rules, the right to maintain food reserves without legal challenge, and a fair exit for Uganda, Rwanda, and Tanzania as they graduate out of least developed country (LDC) status.

They left with almost nothing. Three procedural decisions were adopted, all pre-agreed in Geneva. Agriculture, WTO reform, e-commerce, and the LDC package, all deferred with no firm deadline. On the final night, director general Ngozi Okonjo-Iweala told the ministers the conference had simply run out of time.

To understand Yaoundé, go back to Marrakesh, Morocco, April 1994, where the Uruguay Round concluded, and the WTO was born. The agreements signed there created a rulebook, binding every member to this day on who can produce medicines and at what cost, what a government can do to support its industries, and how much a country can protect its farmers from cheap foreign imports.

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A bargain never theirs

East African countries were technically present when those rules were written, but presence is not the same as power. The core terms were negotiated in what insiders call the Green Room, an informal but powerful arrangement where a small circle of wealthy nations—the United States, the European Union (EU), Japan, and Canada—meet privately to agree the real terms before presenting them to the wider membership as a near-finished text.

Developing countries were largely shown finished texts and asked to sign. Many had no practical choice: aid flows, debt relief, and market access were tied, explicitly or implicitly, to compliance. What they signed locked them into a system built around the interests of those who wrote it. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement extended patent law globally, letting pharmaceutical companies hold exclusive production rights for decades anywhere in the world, creating legal barriers to cheaper generic HIV drugs, malaria treatments, and cancer therapies that persist today.

The Trade-Related Investment Measures agreement banned local content requirements — the very tools the United States, Germany, Japan, and South Korea had used during their own industrial development, now prohibited by rules the rich world wrote.

The Agreement on Agriculture used a 1986 to 1988 baseline—the historical peak of rich-country farm subsidies—to calculate permitted support levels, permanently locking in an advantage for American and European farmers while constraining developing-country support to negligible amounts under the same percentage rules.

These codified existing advantages and foreclosed development pathways for those who had none. Vahini Naidu, programme coordinator at the South Centre in Geneva, an intergovernmental policy research think-tank focusing on developing countries, argues that the current WTO reform agenda reflects “a fundamental disagreement about whose problems the multilateral system is being reformed to solve”.

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For large developed economies, the priority is disciplining industrial subsidies—rules aimed primarily at constraining China. For the African group and the East African Community (EAC), the priority is delivering on past mandates around agriculture, cotton, and special and differential treatment, and addressing structural imbalances built into the Uruguay Round.

One organisation. Two completely different reform agendas. For 32 years, one side has consistently prevailed.

Pulling safety net away

The WTO's architects could not entirely ignore the asymmetry they had created. So they inserted a corrective mechanism: Special and Differential Treatment (S&DT). It's a set of flexibilities, giving developing and least developed countries longer implementation timelines and lower tariff-reduction targets. It did not rewrite the unequal rules. But it was an acknowledgement, written into the treaty, that the weakest players deserved some protection in a game they had not designed.

That protection is now being dismantled. Six senior diplomats produced reform reports before the 14th WTO Ministerial Conference (MC14). Reading them together, Naidu identified that every document called for S&DT to be “needs-based and evidence-based,” for countries to move away from “self-definition” toward “objective criteria”.

To a general reader, this sounds reasonable. It is not. Under the current system, a country declares itself developing, and protections follow as a legal right.

What the reform language proposes is a system where an external body, almost certainly dominated by the same wealthy countries that wrote the original rules, decides who qualifies, using criteria they define. The difference is constitutional, and it is one between a right and a favour. The rich countries, having built a system that structurally disadvantaged the poor, are now seeking to convert the poor's limited protection into a conditional entitlement dispensed at their own discretion.

Uganda's Assistant Commissioner for Multilateral Trade, Georgina Mugerwa, says: “We went with the opportunity that we could secure a WTO reform agenda, one that can deliver on our voices. We only came home with a chairman's summary and instructions to wait for Geneva.”

Constitution being rewritten

For the global south, another deferral is another year of a system designed to hold them in place. No structural problem is, however, more dangerous than what is happening to consensus, which is the principle that no agreement binds the full membership without every member's agreement. For countries like Uganda, consensus is the only mechanism giving them equal standing with the EU or the United States. It is being systematically circumvented.

When the General Council could not reach consensus on incorporating a new Electronic Commerce Agreement, a proposal to establish binding global rules on digital trade, covering cross-border data flows, taxation of digital transactions, and the regulation of online marketplaces, cloud services, and digital payments, India and South Africa were among those who objected.

Their argument was that the agreement would entrench the dominance of rich-country tech giants, strip developing nations of the policy space to build their own digital industries, and permanently ban customs duties on digital transmissions, costing Global South governments revenue they could not afford to surrender.

The proponents, led largely by wealthy tech-exporting nations, did not accept the outcome. They built a parallel institution—a binding agreement with more than 40 participants, its own dispute settlement mechanism, and an explicit strategy: embed the rules deeply enough that by the time WTO incorporation returns as a question, trade flows and legal proceedings will already have been built around the new framework, making resistance more costly than acceptance. All of this is dressed in language designed to sound like housekeeping: “flexible consensus,” “critical mass” thresholds.

“These ideas are framed as technical improvements, but they are not simply technical. They are quite constitutional and fundamental to the operation of the Marrakesh Agreement,” Naidu says.

Farmers left behind, again

Agriculture is where abstraction becomes a question of what a family eats and what it costs. The EU can spend tens of billions of euros annually supporting its agricultural sector and remain comfortably within WTO commitments, because its permitted ceiling was calculated from that inflated 1980s peak. Uganda, whose farm support in the 1980s was negligible, faces tight legal constraints on what it can offer its smallholder maize and bean farmers today.

Two specific remedies have been promised for decades. The special safeguard mechanism; allowing temporary tariff increases when import surges threaten local farmers, has been under negotiation since the Doha Round launched in 2001. Undelivered.

Public stockholding for food security, governments buying grain at guaranteed prices to build national reserves, has been contested since the Bali ministerial in 2013. Unresolved.

At MC14, agriculture did not even make the deferred package. On the conference's final day, 12 agricultural exporting nations—Australia, Brazil, Canada, New Zealand among them—launched a parallel dialogue on “emerging agricultural trade issues,” framed around sustainability: the agenda exporters want to discuss.

It will hold retreats before MC15, arriving with polished, institutionally embedded proposals. The development reform agenda will arrive at MC15, having waited 25 years. “Agriculture is a gateway issue for the African group,” Naidoo says.

The exporters' dialogue risks displacing existing mandates before they ever deliver.

The verdict

The rules were written without East Africa's meaningful input and designed to serve those who wrote them.

“MC14 was not a success for Africa by any measure,” Naidu says. “Most of our issues were obstructed before the meeting even commenced.”

Herbert Kafeero, the deputy executive director at SEATINI Uganda, a policy think-tank on development, says: “Fragmented positions weaken influence when coherence is critical. East African countries must carry their AfCFTA aspirations into WTO negotiations. Speaking with one voice is the only way to counter the structural weight of those who have always arrived better organised.”

The May General Council is next. Then July. Then MC15. Each will pass quickly.