

DEPUTY DIRECTOR-GENERAL ALAN WM. WOLFF**30 NOVEMBER 2020**

DDG Wolff calls for more structured WTO cooperation with humanitarian and peace communities

Deputy Director-General Alan Wolff stressed on 30 November the need to deepen understanding of the use of trade as an instrument for inclusive and sustainable peace and how it can bring stability to fragile and conflict-affected countries. In remarks at the opening session of Trade for Peace Week, DDG Wolff said this initiative can contribute to making the trading system more agile, responsive, humane and fit for purpose. There is much more that the trade and peace communities can and must do together, he added. His remarks are below.

Good afternoon. I am very pleased to be with you for this official Opening Session of the First Edition of the [Trade for Peace Week \(https://www.wto.org/english/thewto_e/acc_e/t4-peace2020_e.htm\)](https://www.wto.org/english/thewto_e/acc_e/t4-peace2020_e.htm).

This year, the WTO is celebrating its 25th anniversary, a silver jubilee. The multilateral trading system is nearing its 75th anniversary, its diamond jubilee. We mark these occasions to know better where our institutions came from, how they arose, to review what they have accomplished, and to consider how the future should be shaped. I cannot think of a better topic than "Trade and Peace" to reflect the past, present and future contributions of the system to humanity.

Trade for Peace: the Past

Contemplating the relationship between trade and peace has a long history. In AD 100, Plutarch wrote that sea trade allowed one to cooperate and "redress defects" in their relationships through mutual exchange.⁽¹⁾ In the 1700s, Montesquieu specified that peace is a "natural" consequence of trade. The legal and theological underpinnings for this philosophy were provided by Hugo Grotius, who held that the purpose of free trade was to unite the world in peace.⁽²⁾

This history, as well as current relations among nations, provide fresh evidence for a proven correlation between peace and open trade. Trade does not guarantee peace, but it is an essential foundation for the economic stability that makes peace more possible. Peaceful relations in turn make the expansion of trade achievable. As China's Premier, Li Keqiang

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recently said, “without a peaceful and stable environment, nothing would be possible.”⁽³⁾ This is recognized as being all too true for a number of the countries, no strangers to conflict, who have recently joined the WTO as well as several who seek to do so.

The conceptual linkage between trade and peace provided the foundation for the multilateral trading system. The 1948 Havana Charter for the International Trade Organization (ITO) was drafted immediately after two devastating world wars and the Great Depression. The purpose of the founders, to use trade to promote peace is reflected in the Charter’s opening words: “to create conditions of stability and well-being which are necessary for peaceful and friendly relations among nations”.

The idea of using trade as an integral part of the management of relations between nations had been championed by Woodrow Wilson a few decades earlier in his Fourteen Points at the Paris Peace Conference⁽⁴⁾ after the First World War. The points were agreed to by all the nations attending the conference and implemented by none. But the thread was not lost. It was picked up by Secretary of State Cordell Hull who served Franklin Roosevelt between 1933 and 1944. Hull believed that one “could not separate the idea of commerce from the idea of war and peace”. “[I]f we could increase commercial exchanges among nations over lowered trade and tariff barriers and remove international obstacles to trade, we would go a long way toward eliminating war itself.”⁽⁵⁾ He sought through bilateral trade agreements, which were concluded on a most-favored-nation basis, that is, they were nondiscriminatory, to deliver on the promise of the trade and peace linkage that he held dear.

While the Havana Charter failed to create the ITO, the cause of peace was served by the coming into force of the General Agreement of Trade and Tariffs (GATT) which, in the absence of the ITO, served as an *ad hoc* arrangement of rules for international trade until it was eventually transformed into the WTO in 1995.

For over seven decades, the rules-based multilateral trade system has provided an enabling environment to foster unprecedented levels of economic prosperity and poverty reduction in modern human history.

There is academic and empirical evidence that the attainment of peace and security is supported by international cooperation through trade and economic interlinkages. (Indeed, there will be a dedicated discussion on this subject at Session 4 of the Trade for Peace Week). The contribution to the advancement of peace through the creation of the European Union, the largest and most impressive of the post-WWII economic integration projects, was recognised by the award of the Nobel Peace Prize in 2012.

The Capstone Research Project, which the WTO Secretariat conducted with the Graduate Institute last year, identified 157 peace agreements concluded over the last century⁽⁶⁾ as containing economic clauses. These largely pertain to the removal of impediments to free movement of goods, people and services; economic reconstruction through industries, investments, and entrepreneurial enterprises; and improvement in the standard of living through economic reconstruction activities. Only ten of 300 trade agreements examined⁽⁷⁾ make explicit reference to peace. The cause of peace may be served, but homage to the express linkage that motivated the founders of the multilateral trading system largely disappeared. If we believe that trade does serve as an enabler for peace, a subject which is at the core of our discussions this week, the trade and peace communities should consider bringing this connection to the attention of trade negotiators and peace negotiators whenever conflict-affected nations are involved.

Trade for Peace: The Present

Peace was not explicitly referenced in the Marrakesh Agreement Establishing the WTO in 1995 or the launch of the Doha Development Round in 2001. The trade and peace linkage had either been taken for granted or was no longer seen as very relevant. This is remarkable especially given the recent end of the Cold War, which had threatened global annihilation through the use of nuclear weapons. But the vision did not die. Three years ago, a group of fragile and conflict-affected LDCs in the process of accession — Comoros, Sao Tomé and Príncipe, Somalia, South Sudan and Timor-Leste — came together, together with recently acceded LDCs — Afghanistan, Liberia and Yemen, and made the case that trade and economic integration can be employed to promote inclusive and sustainable peace, particularly for their countries. During the WTO's 11th Ministerial Conference in Buenos Aires in December 2017, these LDC Ministers established the g7+ WTO Accessions Group.

I was privileged to be part of the launch of the Group. These very poor, war-torn countries — reminded us of the original *raison d'être* for the multilateral trading system — to contribute to global peace and stability. I said at that time that:

“conflict or post-conflict status is not the usual topic for WTO members, not even at Ministerial Conferences. However, the pursuit by these countries of WTO membership, despite the challenges, reminds us of the critical contribution that the multilateral trading system can make to the peace and stability of nations.”⁽⁸⁾

Today, the WTO has 164 Members and 23 countries are in the process of joining the Organization. Nearly half of the acceding countries are categorized as fragile and conflict affected according to the World Bank's definition. In addition to the LDCs in the g7+ WTO Accessions Group, Iraq, Lebanon, Libya and Syria — are all struggling to restore stability and focus on their much-needed economic recovery, which has been severely hampered by the recent pandemics. For these countries, the promotion of a just and sustainable peace is a fundamental motivation for becoming a WTO Member.

The Trade for Peace through WTO Accessions Initiative is essentially a partnership between the trade, humanitarian and peace communities to assist those fragile and conflict affected countries in re-building institutions and economies that can serve as a foundation for a lasting peace. At the core, the accession process is about building domestic institutions on the pillars of non-discrimination, transparency and the rule of law. These precepts are designed to promote economic stability, create a conducive business environment through secure and predictable market conditions, encourage the movement of labour and investments and support integration into global value chains.

Since the launch of the initiative, thanks to our partners from the peace community who are participating in the Trade for Peace Week, the WTO has deepened the understanding and increased the sensitivity towards particular challenges confronted by countries which are fragile and conflict-affected. Over the last two years, the WTO Secretariat has organised several activities with the peace community as part of the Trade for Peace initiative, involving the Geneva Peacebuilding Platform, the g7+ Secretariat, the Institute for Economics and Peace, the ILO and the World Bank. It has also involved actors from the private sector such as Nespresso.

Among the most memorable of these events was the panel session in which the former leader of Timor Leste, Xanana Gusmão participated in during the 2018 Public Forum in Geneva. He described the enormous economic potential of fragile and conflict affected states, indicating that: “trade, investment and cooperation among the countries in the world bring about prosperity and development. Trade is a peaceful alternative to war. . . We, the fragile and conflict affected countries are committed to promote “Trade for Peace”.

Another memorable occasion was listening to a panel discussion during the African Dialogue on WTO Accessions in Djibouti in which the ambassadors of Sudan and South Sudan, sitting next to each other, told us “where there is trade there is peace”. At the same event, Ambassador Mohammed Haqjo of Afghanistan, who has served as coordinator of the g7+ WTO Accessions Group from its inception, stressed that “economic cooperation and peacebuilding are gradual processes that should evolve concurrently”.

There is much more that the trade and peace communities can and must do together to improve the conditions of fragile and conflict-affected countries. The Trade for Peace Week is expanding the Trade for Peace partnership, bringing in new “peace friends” to the WTO, such as the International Committee of the Red Cross (ICRC), the UN Peacebuilding Commission, the UN Office for Coordination of Humanitarian Affairs (UNOCHA) and Interpeace. The WTO also welcomes our traditional friends to join us in the Trade for Peace efforts, including from the ITC, ICC, UN Technology Bank, UN Economic Commission for Africa, African Union and UNDP.

We are fortunate to be joined by individuals, whether from governments or the private sector, who have direct experience in using trade and economic opportunities to promote peace in fragile and conflict-affected countries — with experience in Afghanistan, Ethiopia, Iraq, Lebanon, Liberia, Libya, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Timor-Leste and Yemen. I am confident that through the ten programs this week, they will bring a wealth of expertise and their unique contributions to the table, promoting interdisciplinary approaches to achieving inclusive and sustainable peace through trade.

Trade for Peace: the future

Trade for Peace is part of our future. Two weeks ago, on 19 November, I spoke at the WTO’s 25th anniversary event. Of the nine points I listed as being relevant to the question of “What will the future of the WTO be like?”, my first two are very much relevant for the Trade for Peace Week. They are:

“Our Membership, already accounting for 98% of world trade, will become universal through accessions.

The WTO of the future will promote peace by creating economic conditions that bring greater stability to fragile and conflict-affected lands.”

I continued:

“While dealing with current crises, we must anticipate future ones and put into place institutional and substantive changes needed to carry out our mission ... We have the joint responsibility to make sure that the world trading system which has been entrusted to us is left, when our time of service comes to an end, in better condition than that in which we found it.”

[I am fully convinced that] “the nations of the world will ultimately come together in a spirit of international cooperation to create a stronger multilateral trading system, more responsive to the concerns of humankind, more fit for purpose.”⁽⁹⁾

The Trade for Peace initiative can contribute to making the trading system of the future more agile, responsive, humane and fit for purpose to support the well-being of humanity. The COVID-19 pandemic has exposed the vulnerability of multilateralism to protectionism, isolationism and nationalism, demonstrated by the initial reports of disruptions in access to medical supplies. The WTO of the future will need new forms of multilateral cooperation to deal with future crises, that can effectively respond to the needs of a wide diversity of members including those participating in the g7+ WTO Accessions Group.

What are some possible next steps for contributions from the Trade for Peace platform? The following ideas emerged in conversations with our partners leading up to this week:

- ❑ create a White Paper on Trade and Peace, which could include the best practices of the use of trade policy instruments to promote positive peace.
- ❑ establish a permanent platform (e.g., a Working Group or Commission on Trade for Peace) to bring together trade experts and peacebuilders to explore a new agenda for the Trade for Peace initiative; and
- ❑ develop training materials on trade for peace, which could be used by trade practitioners and peace builders to deepen understanding of the use of trade as an instrument for inclusive and sustainable peace.

We are hoping that participants will elaborate on these ideas and bring new ones to the table during their discussions throughout the week. The week-long discussions should help illuminate a clear path forward to upgrade the Trade for Peace initiative to a more structured WTO cooperation with our partners in the humanitarian and peace communities and beyond.

Let me thank you all in advance for the contributions you will make to equip the multilateral trading system to better meet future challenges and opportunities arising from the WTO's expanded and diversified membership.

With this, let us begin the Trade for Peace Week. I wish everyone all the best for a successful week, and I look forward to learning from all of you.

Notes:

1. Plutarch (ca. AD 100). Quoted in Douglas A. Irwin, *Against the Tide: An Intellectual History of Free Trade* (Princeton, NJ: Princeton University Press, 1996) [back to text](#)↑
2. <https://www.academia.edu>
(https://www.academia.edu/3067362/Economic_Theology_On_-_Grotius_s_Mare_Liberum_and_Vitoria_s_De_Indis_Following_Agam-ben_and_Schmitt) [back to text](#)↑
3. <https://global.foreignaffairs.co.nz/2020/09/16/mil-osi-china-premier-li-peace-and-development-cooperation-and-exchange-remain-theme-and-trend-of-time/>
(<https://global.foreignaffairs.co.nz/2020/09/16/mil-osi-china-premier-li-peace-and-development-cooperation-and-exchange-remain-theme-and-trend-of-time/>). *And: all nations must intensify cooperation and coordination as well as broadening the scope of complementing and learning from each other in accordance with the principle of equality and mutual benefit. An important basis will thus be laid for the maintenance of world peace.* <https://www.fmprc.gov.cn>
(https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/gjs_665170/gjzzyhy_665174/2604_665196/2606_665200/t15273.shtml). [back to text](#)↑

4. "III. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance." [back to text](#)↑
5. Cordell Hull, former Secretary of State, in his memoirs, after observing two world wars. [back to text](#)↑
6. Between February 1897 and May 2017. The researchers used the United Nations Peacemaker website, an online mediation support tool developed by the Mediation Support Unit at the UN Department of Political and Peacebuilding Affairs (DPPA). Available at <https://peacemaker.un.org/document-search>. [back to text](#)↑
7. The researches chose to study Regional Trade Agreements and Preferential Trade Agreements from the WTO/GATT Database available at <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx> (<http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx>). [back to text](#)↑
8. https://www.wto.org/english/news_e/news17_e/min-is_10dec17_e.htm (https://www.wto.org/english/news_e/news17_e/min-is_10dec17_e.htm). [back to text](#)↑
9. https://www.wto.org/english/news_e/news20_e/ddgaw_19nov20_e.htm (https://www.wto.org/english/news_e/news20_e/ddgaw_19nov20_e.htm). [back to text](#)↑

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