

11 Decomposition of global trade system: role of discriminatory trade liberalisation*

Introduction

Institutionally, the global trade system is identified with the World Trade Organization (WTO) within which international economic policy is coordinated, which means complete information exchange between governments to establish social and political goals and measures of foreign economic policy of various countries as well as partial resignation from national sovereign rights and transferring them to the international organization (Dugiel, 2013, p. 91). Because not all independent countries are WTO members, we also use a term of multilateral trade system regarding this international regime. Due to the functions and the role of the WTO in the global economy, constituting one of the three pillars of the global economic order apart from the International Monetary Fund and the World Bank, this organization may also be considered as the main element of global trade governance architecture.

However, it should be underlined that the WTO is not the only element of global trade governance. The architecture of the contemporary trade system, apart from the multilateral institution with a quasi-global nature, such as the World Trade Organization, also includes regional arrangements made based on art. XXIV of GATT and art. 5 of GATS.¹

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¹ In literature on the subject – in comparison to agreements made based on art. XXIV of GATT or art. 5 of GATS – a term of regional trade agreements (RTAs) or preferential trade agreements (PTAs) is used. In the case of developing countries, the basis to create PTAs is also the Enabling Clause which regulates conditions of trade of goods between developing countries.

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Thus, in global economy, we are dealing with two trade liberalization systems: non-discriminatory and discriminatory trade liberalization. The first one concerns the General Agreement on Tariffs and Trade made in 1947 based on the Most Favored Nation clause (MFN) and the clause on national treatment of the multilateral trade regime, which, as a result of the institutionalization process, took the form of the World Trade Organization. The second one results from the exceptions from the MFN clause established within the GATT and maintained within the WTO, which allow entering into preferential trade agreements (PTAs). These agreements provide for preferential – in comparison to obligations assumed at the WTO forum – liberalization of trade involving parties of such agreements, which simultaneously means discrimination of countries that remain beyond the trade agreement.

When we observe the dynamics regarding the creation of preferential trade agreements and the simultaneous lack of progress in WTO prognosis in recent years, a question appears concerning the future shape of the global trade system: whether the observed proliferation of preferential trade agreements constitutes manifestation of decomposition of the global trade system, a stage in the process of forming a new global trade governance system or a temporary reaction to the WTO crisis as a negotiation forum; this process will decrease its dynamics when the deadlock in Doha negotiations is broken and this round is finished. The objective of this paper is an analysis of cooperation between WTO members within the creation and implementation of discriminatory trade liberalization regimes within PTAs and indicating their impact on non-discriminatory trade liberalization. In the paper, data of the World Trade Organization contained in the Regional Trade Agreements Information System (RTA-IS)² base, including trade agreements notified by the WTO and previous studies of the author concerning the discussed subject matter, will be used (see Wróbel, 2014; 2015; 2016).

² In the elaboration, only existing trade agreements contained in the WTO base as of 14.08.2016 were subject to analysis. Agreements which are not active or which do not exist anymore were not considered (RTA-IS).

1. Rise of discriminatory trade liberalization

The third wave of trade regionalism³ initiated after completion of the GATT Uruguay Round is characterized by an increase in the significance of discriminatory trade liberalization based on preferential trade agreements. Due to the scale of the process in the analyses dedicated to contemporary tendencies in global economy, it is referred to as proliferation of preferential trade agreements (Bensassi, de Sousa, Jarreau, 2013). According to WTO data contained in the *Regional Trade Agreements Information System* (RTA-IS) including WTO notified trade agreements, the number of existing agreements of this sort is currently 281 (Figure 1).⁴

Particular intensification of activities of WTO members with regards to entering into PTA agreements has been observed since 2006, which was related with suspension of Doha Round negotiations in June 2006. Preferential trade agreements are entered into by countries with various levels of economic development and they are created in all regions throughout the world. They are created both by countries and by already existing integration groups. There are more bilateral agreements than plurilateral agreements (Table 1).⁵

³ The term of trade regionalism is identified with the process of creating regional trade agreements (RTAs), constituting the basis for trade liberalization between two or more WTO members. Such agreements can have various forms depending on the degree of market integration i.a. of free trade zones, customs unions. Preferences granted within such agreements have a discriminatory nature as they concern only countries which are parties of trade agreements and they are not transferred based on the MFN clause on other participants of the multilateral trade system (Śledziewska, 2012, p. 16).

⁴ Calculating the existing PTAs in the situation of a gradual process of trade liberalization between some WTO members, based on several agreements in which trade of goods and services is regulated separately, the number of WTO members will be 303 (RTA-IS).

⁵ In WTO reports the term of plurilateral agreements/negotiations is used to differentiate between trade prognosis of several WTO members from multilateral prognosis involving all members of the organization.

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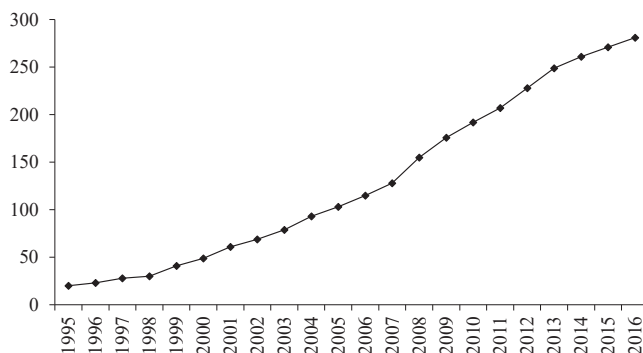
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Table 1
Preferential trade agreements according to type in 2016

Agreement types	Number of agreements
Bilateral agreements	158
Plurilateral agreements	56
Agreements in which at least one party is preferential trade agreement (PTA)	67

As of 14.06.2016, inactive agreements were not included in the comparison.

Source: own elaboration based on *Regional Trade Agreements Information System* (RTA-IS).



As of 14.06.2016, inactive agreements were not included in the comparison.

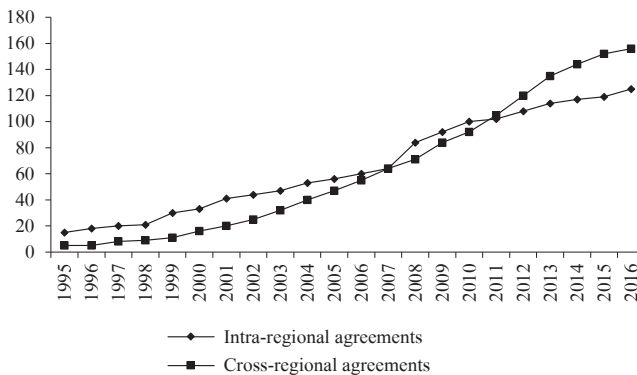
Figure 1. Number of preferential trade agreements in 1995–2016

Source: own elaboration based on *Regional Trade Agreements Information System* (RTA-IS).

A relatively new tendency, observed on an unprecedented scale during previous stages of trade regionalism, is the intensification in the field of creating cross-regional trade agreements, (C-RTA), involving countries, which do not belong to the same geographic region (Figure 2). In previous waves of regionalism, integration groups between the so-called natural partners dominated, i.e. geographically neighboring countries (regions and continents). The new generation of PTAs includes agreements concluded between countries that are geographically located

rather far from one another, which notice economic benefits, often also political, from intensification of economic cooperation on preferential terms (Żołądkiewicz, 2015, p. 94).

A significant breakthrough in the case of creating these kinds of agreements was the year 2011. Then, the number of cross-regional agreements exceeded the number of previously dominating intraregional agreements. In the middle of August 2016, the number of existing WTO notified PTA cross-regional agreements was 156. At the same time, there were 125 intraregional agreements (Figure 2).



As of 14.06.2016.

Figure 2. Number of intra- and cross-regional trade agreements in 1995–2016 according to the WTO notification date

Source: own elaboration based on *Regional Trade Agreements Information System (RTA-IS)*.

The third wave of regionalism differs from the previous waves not only in the scale of dynamism of entering into new trade agreements and an increase of significance of cross-regional trade agreements, but also the increasing scope of agreements. Current PTAs – apart from trade of goods – also regulate the flow of services with increasing frequency. It is related i.a. with the inclusion of the sector of services to negotiations of the Uruguay Round and acceptance of the General Agreement on Trade and Services (GATS), which constitutes the basis of multilateral

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liberalization of trading intangible goods. Most bilateral PTAs involve disciplines concerning reduction of barriers in trading services. In addition, in the case of most cross-regional trade agreements, apart from the flow of goods, also the exchange of services was regulated (Table 2).

Table 2
Number of preferential trade agreements in 2016 according
to the scope of the agreement

	Goods	Goods and services	Services
Total	141	139	1
Intraregional agreements	82	42	1
Cross-regional agreements	59	97	–
Bilateral agreements	64	94	–
Plurilateral agreements	37	18	1
Agreements in which at least one party is preferential trade agreements (PTA)	40	27	–

As of 14.06.2016.

Source: own elaboration based on *Regional Trade Agreements Information System* (RTA-IS).

Apart from the trade of goods and services within PTAs, matters concerning the flow of capital and protection of intellectual property are regulated, and principles of cooperation concerning technical standards, quality standards as well as principles concerning public procurement are established. Some PTAs also include provisions concerning standards of work and protection of the natural environment.

The concluded preferential agreements are differentiated not only by scope, but also by the model of market integration. Due to cooperation intensity and the scope of liberalization of the trade of goods and services, the WTO differentiates several types of PTAs. They are: partial scope agreement (PSA),⁶ free trade agreement (FTA), customs unions (CU) and economic integration agreement (EIA) (Śledziewska, 2012, p. 20). The last one also involves – apart from liberalization of the trade

⁶ Agreements concerning sector trade liberalization within which partial abolition of customs duties and trade restrictions take place.

of goods – a reduction of barriers in the flow of services, and often also liberalization of the flow of production factors as well as cooperation in the field of reduction of regulatory barriers.

Table 3
Number of intraregional preferential trade agreements in 2016,
according to integration model

	FTA	FTA & EIA	CU	CU & EIA	EIA	PSA
Total	106	129	18	10	1	17
Intraregional agreements	58	33	18	9	1	6
Cross-regional agreements	48	96	–	1	–	11
Bilateral agreements	57	94	–	–	–	7
Plurilateral agreements	13	8	15	10	1	9
Agreements in which at least one party is preferential trade agreements (PTA)	36	27	3	–	–	1

As of 14.06.2016.

Source: own elaboration based on *Regional Trade Agreements Information System* (RTA-IS).

Most preferential trade agreements take the form of free trade agreements and economic integration agreements (FTA & EIA). In the middle of August 2016, these types of agreements constituted nearly 46% of all PTAs. There are also many traditional free trade agreements involving only disciplines concerning the liberalization in the trade of tangible goods between parties of the agreement, maintaining their autonomy in the field of shaping trade policy towards third countries, which are not included in the agreement – 37.7% of all PTAs. There are much less agreements ensuring liberalization of trade turnover of parties concerning certain goods or sectors of goods (PSA) or customs unions (CU). Their participation in the general number of preferential trade agreement was 6.4% and 6.1%, respectively (Table 3). Participation of customs unions completed with economic integration agreements (CU & EIA) was 3.5% at that time, while the participation of notified PSA only based on art. 5 of GATS concerning only the flow of services was 0.3% (compare with WTO, 2011, p. 62).

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While analyzing the proliferation process of agreements and its role in the disintegration process of the global trade system, we must draw attention to trade policy of the economies, which have the largest share in the global trade turnover – the European Union, the United States of America and China. An increase of significance of discriminatory trade liberalization and decreasing interest in multilateral solutions in their trade policies will not only have a negative impact on the functioning of the WTO, but it may also negatively affect third countries, which do not belong to agreements concluded by them (the effect of shifting trade).

The leader concerning existing PTAs is the European Union. In accordance with WTO data, the EU is a party in 36 trade agreements, of which 30 entered into force after the establishment of the World Trade Organization. Among the existing EU trade agreements, thirteen have been WTO notified based on art. XXIV of GATT and art. 5 of GATS. Therefore, in this case, we are dealing with integration agreements involving the liberalization of the trade of goods and services as well as other matters related to these economic flows (investments, regulatory barriers, etc.). Other agreements were notified based on art. XXIV of GATT. Therefore, liberalization concerns only the trade of goods. However, three of them have a form of customs unions (agreements with Andorra, San Marino and Turkey), while the other twenty are free trade zones agreements.

The growing significance of trade regionalization is also clearly seen in the trade policy of the United States. Out of the fourteen PTAs existing in the country, only two were concluded in previous waves of regionalism (free trade area with Israel, NAFTA). In comparison to the European Union, attention should be paid to the fact that in the case of American trade agreements, integration agreements constitute a larger share in the general number of agreements. The USA is a party only in one agreement establishing a free trade area and in thirteen integration agreements. A typical feature of trade agreements concluded by the country is therefore a broad scope of regulated matters of mutual trade exchange between the participating parties.

Despite the relatively recent accession to the WTO and assumption of significant liberalization obligations – similar to other main global exporters – China also joined the discriminatory liberalization process. This country indicates significant activity in liberalization of trade based on bilateral agreements. The number of previously concluded trade agreements is half as low as in the case of the European Union, but this difference will decrease gradually with further positively concluded negotiations, which are currently being made by China. Among the 15 WTO notified trade agreements, of which China is a party, two were submitted based on the so-called Enabling Clause and they take the form of partial liberalization agreements. While in the case of China-ASEAN cooperation, where we are dealing with a gradual trade liberalization process based on further agreements, the agreement concerning the flow of goods was notified based on the Enabling Clause; the service agreement according to GATS was submitted based on art. 5 of the agreement. The remaining twelve agreements were notified in accordance with the provisions of art. XXIV and art. 5 of GATS. However, it must be noted that, in this case, we are dealing with integration agreements, but the agreements are selective in nature and they contain numerous exceptions. For instance, the agreement with New Zealand involves – apart from the trade of goods – service turnover and investment matters, but simultaneously numerous sensitive sectors of industry and services were excluded from the liberalization scope.

2. Role of megaregional trade agreements in the disintegration process of the global trade system

While analyzing the existing and negotiated preferential trade agreements, we can argue that the greatest role in the evolution process of global trade governance can be played by the so-called megaregional trade agreements (mega-zones of free trade). These agreements vary from other PTAs by the total share of negotiating or participating countries in the global product and global trade. In the case of these agreements, apart from economic factors, which are undoubtedly the main premise of such initiatives, also political and strategic interests of the

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strongest participants are clearly visible. This is related to transformations in the global arrangement of strengths and competition between the great powers, especially the United States and China (Kozłowski, 2015, p. 41). In particular, in this context, we need to draw attention to the competition between the United States and China in the Asia-Pacific region. Also, the European Union – seeking to maintain its position in international relations – joins the structure of the megaregional trade agreement with the USA, which is treated as an instrument of maintaining economic domination of the West under conditions of an increasing significance of dynamically developing emerging markets in the global economy.

Among megaregional initiatives in the region of Asia and the Pacific, due to the largest advancement in creation of a new integration model in the regions, first of all, the Trans-Pacific Partnership (TPP) must be mentioned. Negotiations concerning this agreement were completed at the end of October 2015. The TPP is an agreement the purpose of which is the integration of 12 countries of the Asia-Pacific region.⁷ In accordance with the declarations, it will be a group of “high quality, fulfilling standards of the 21st century, assuming commitments determined as exceeding traditional border barriers, and therefore referring to the harmonization of regulations (or at least minimalizing the existing discrepancies), i.e. *behind-the-border*, determining new standards for global trade, introducing new generation matters to increase competitiveness of the member states in the global economy, simultaneously taking into

⁷ The TPP is the result of evolution of trade regionalism in the Asia-Pacific region which was initiated by bilateral negotiations of Chile and New Zealand at the beginning of the 90s of the 20th century, continued between Singapore and New Zealand, then as P3 with Chile. In 2000 during the APEC summit, the USA and Australia expressed their will to join the negotiations in the P5 formula. However, negotiations were continued in the P4 formula after Brunei joined the negotiations under the official name of the Transpacific Strategic Economic Partnership (TPSP) which was signed in 2005. Three years later, when negotiations concerning the TPSP agenda were conducted concerning services and investment, the USA again expressed their will to join the negotiations. With the USA, Australia, Peru and Vietnam also joined the negotiations. In 2011 Canada, Mexico, Malaysia joined the negotiations, and in 2013 participation of Japan was accepted (Bobowski, 2015, pp. 149–150).

account differences in the levels of their development. As a fully regional agreement, it will improve intermodal chains of production and deliveries as well as transnational cooperation in the field of regulations concerning trade and investments, simultaneously ensuring an increase of prosperity and promotion of sustainable development, determining new borderlines in the depth and versatility of the integration scope” (*Enhancing...*, 2011).

The TPP agreement consists of 30 chapters in which disciplines concerning the following matters were assumed: trade of goods (a separate chapter dedicated to liberalization of trade of textiles and clothing), rules of origin, customs and trade facilitations, sanitary and phytosanitary measures, technical barriers to trade (TBT), protective measures, investments, cross-border flow of services, financial services, temporary presence of business tourists, telecommunication services, electronic commerce, public procurement, competition policy, monopolies and state-owned enterprises (SOEs), intellectual property, labor law, environmental protection, cooperation and capacity-building, competitiveness and facilitations for business development, small and medium-sized enterprises, regulatory consistency, transparency, dispute settlement. Given the indicated scope of TPP regulations, after it enters into force, it should constitute a platform of universal facilitations in the flow of goods, services and investments in the region (*Summary...*). Four features of this agreement should be particularly highlighted, as they decide about its breakthrough significance in the economic integration process in the Asia-Pacific region: 1) universal scope of integration themes; 2) wide geographic coverage; 3) significantly deeper cooperation and integration of the member states; 4) integration of participants sharing the same values and standards. It is also worth noting that the assumed disciplines exceed the scope of clauses applicable at the WTO (Żołądkiewicz, 2015, pp. 100–101).

The completion of negotiations does not necessarily signify the successful completion of the agreement, but it only marks the start of the difficult process of ratification. In particular, new US position in this field made the success of the initiative difficult.

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The counterweight to American involvement in the integration process in the Asia-Pacific region is in particular another megaregional trade agreement negotiated in the region – Regional Comprehensive Economic Partnership (RCEP). In this case – as opposed to the TTP – China participates in the negotiations, but the USA does not. The genesis of the RCEP according to S. Bobowski should be sought in the competition between China and Japan for the impact in trade regionalism of Asia, especially towards ASEAN countries. These two countries offered ASEAN two different visions of economic integration. The RCEP proposal is the result of a compromise between China and Japan. In 2000, China made an offer to ASEAN concerning the construction of a free trade zone. While in 2002, Japan – being concerned about the intensifying cooperation between China and ASEAN – offered to create the Comprehensive Economic Partnership (CEP) involving a broader scope of cooperation between these economies than the previous offer made by China. In the subsequent years, more competing projects of China and Japan appeared. In 2005, China offered negotiations concerning the East Asia Free Trade Agreement (EAFTA). On the other hand, Japan responded with a proposal of the Comprehensive Economic Partnership in East Asia (CPEA). In 2009, results of the expertise concerning consequences of these competitive projects were presented at the ASEAN Plus Three (EAFTA) and ASEAN Plus Six (CPEA) forums. Finally, as a result of a compromise, in August 2011, China and Japan offered ASEAN appointment of three working groups for trade turnover, trade of services and investments. During the 19th ASEAN Summit, works on the RCEP were inaugurated, involving ASEAN Plus countries. The negotiations were commenced during the 20th ASEAN Summit in November 2012 (Bobowski, 2015, pp. 151–152).

A kind of counterweight to the growing interest of the USA in the Asia-Pacific region as well as an element deepening the previous transatlantic cooperation are negotiations leading to the establishment of a bilateral trade agreement with the European Union called the Transatlantic Trade and Investment Partnership (TTIP). According to numerous analysts – as it has been previously indicated – the TTIP constitutes an

alternative – towards the WTO – instrument for integration of the western countries facing the increasing significance of emerging markets. Such a perception of the TTIP agreement results from the observed difference in the field of the dynamics of the economic growth in the EU and the USA on the one hand, and emerging economies on the other. The phenomenon of the dynamic growth of emerging markets is accompanied by relatively slower activity of economies of the developed western countries (Paszewski, 2014, p. 137). For the USA and the EU, not only the relative change of their position in the global economy in relation to the economic results achieved by emerging markets constitutes a problem; also, an increasing deficit of the balance of payments as a result of increasing import from this group of economies, in particular from Eastern Asian countries constitutes an important challenge. An increase in asymmetry in the balance of payments of highly developed countries and developing emerging markets – to the benefit of the latter – leads to the collapse of the international balance of payments, consequently becoming a source of the global imbalance of payments. In this context, TTIP negotiations can be treated as a method to return to the global balance of payments. Without an increase in the competitiveness of economies of the EU and the USA, it is not possible to stop the imbalance of payments, which has been deepening since the turn of the century (Starzyk, 2014, p. 234). Representatives of the EU and the US do not conceal that one of the main purposes of the TTIP is to promote principles, which reflect their interests and which, according to them, should be applicable in global economy (Paszewski, 2014, p. 137).

Considering the role of megaregional trade agreements in the disintegration process of the global trade system, it should be stated that the TPP, RCEP and TTIP will consolidate the network global trade governance system being formed in relation to the occurrence of the missing element of the new structure of the trade system in the form of strong preferential relations between the strongest economies referred to by Bartosz Michalski (2014, p. 216). The TPP and TTIP will also intensify the economic competition between the USA and the EU on the one hand, and China – on the other. Such agreements also constitute a factor

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stimulating operations of China to build their own trade block, manifestations of which are RCEP negotiations being conducted and acceptance of the Free Trade Area of the Asia-Pacific (FTAAP) as the basic platform of integration in the Asia-Pacific region by China.

3. Sector agreements

Apart from megaregional preferential trade agreements, a factor increasing the decomposition of the global trade system are sector negotiations conducted outside the World Trade Organization. Examples are plurilateral negotiations concerning the Trade in Services Agreement (TISA), which constitute an attempt to develop a trade regime in the sector that has already been regulated at the WTO forum.

Negotiations leading to establishment of the TISA commenced in April 2013. Currently, 23 economies (including the European Union) participate in them; these economies are responsible for 70% of global service turnover.⁸ However, this number may change. TISA negotiations are open to all WTO members who are interested in the liberalization of international service turnover.⁹ It is supposed to allow future multilateralization of the agreement and ensure the basis for its potential inclusion into the WTO system (Sauvé, 2013, p. 3).

The purpose of the negotiations is to develop an ambitious service agreement, which is compliant with the provisions of the General Agreement on Trade in Services and based on the main principles developed within it. As a result of such negotiations, a significant improvement in the access to markets of the participants of the negotiations should be observed (Sauvé, 2013, p. 3).

⁸ They are: Australia, Canada, Chile, Taiwan, Colombia, Costa Rica, European Union, Hong Kong China, Iceland, Israel, Japan, Korea, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Switzerland, Turkey and the United States. In October, also Singapore declared its will to negotiate a multilateral arrangement concerning the trade of services, but it withdrew from works on the treaty (*Trade in Services...*).

⁹ After the commencement of negotiations, China and Uruguay expressed their will to join the negotiations on TISA (*Porozumienie...*).

Given the participation of the previous participants of the negotiations in the global market of services and the perspective of including further economies into the negotiations, the TISA may significantly impact the structure of global service turnover (the effect of creation and shifting of trade). Analyzing potential consequences of such an agreement, it should be highlighted that, similarly to megaregional trade agreements, it may constitute a significant threat to the consistency of the global trade system. In the sector of services, we will deal with two regimes: the non-discriminatory GATS agreement applicable for all members of the WTO and the discriminatory TISA agreement involving some members of the organization.

Conclusions

In the analyses concerning the impact of preferential trade agreements on the functioning of the global trade system, we deal with two contradictory approaches. The first one indicates the decomposition or disintegration of the multilateral WTO trade system signaled in the title of this elaboration. In this case, PTAs are treated as an alternative response – in comparison to WTO negotiations – to the crisis of negotiations at this forum. In the situation when the principles of the multilateral trade system cannot ensure efficient trade liberalization, especially reduction of non-tariff barriers exceeding the classic tools of trade policy, countries seek new solutions ensuring economic benefits resulting from facilitated access to foreign markets (Żołądkiewicz, 2015). In such a case, PTAs become an instrument, which – as opposed to the WTO – ensures benefits only to the economies participating in the agreement. Through the discrimination mechanism of third countries, they can be treated as a tool of geo-economic competition, a tool to build advances in the global economy at the expense of other participants of international exchange. The examples of megaregional trade agreements referred to in this article also show that PTAs can be a factor of change in the global or regional arrangement of power and an instrument to build a zone of influence.

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The second approach concerning relations between globalism and regionalism treats preferential trade agreements as a completion of the multilateral trade system and a support mechanism for multilateral liberalization. When positions of the participants in the bilateral and plurilateral negotiations get more aligned, such agreements may make it easier to reach an agreement at the WTO forum. They also ensure certain progress in the field of trade liberalization, which is limited to the member states of the organization, but the process also ensures economic benefits for opening economies, which may favor an increase in readiness to open to other trade partners within subsequent preferential agreements or at the multilateral forum. Due to a limited number of participants of negotiations, preferential trade agreements also favor the assumption of deeper liberalization disciplines than within the WTO. Moreover, they may become an instrument to develop new principles in trade in the fields that have not been regulated within the global trade system, which may become a model for principles assumed within the WTO.

Currently, it is difficult to decide whether proliferation of preferential trade agreements will become a factor deepening the WTO dysfunctionality and marginalize the role of this organization in the global trade governance system; or we will be dealing with competing trade blocks developing their own principles in trade and using integration structures to build their own competitive advantage in the global economy. Subsequent WTO ministerial meetings result in certain progress in the solution of at least a part of contentious issues, which were shown in the Doha Round negotiations. Simultaneously, none of the negotiated megaregional trade agreements have entered into force. As mentioned before, even the fate of TPP, in the case of which negotiations were completed, is uncertain due to the necessity to complete the ratification procedure, and its result mostly depends on political factors. Summarizing the above considerations, given the dynamics in the creation of new PTAs observed in recent years and never seen before, we can agree with Katarzyna Śledziwska that after the completion of the Uruguay Round, “discriminatory liberalization, which constitutes derogation from the general rule, is becoming an element of common practice and non-discriminatory liberalization,

which constitutes the general rule of the global trade system, is in fact becoming a postulate of law” (Śledziwska, 2012, p. 6).

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Decomposition of global trade system: role of discriminatory trade liberalisation

Summary. When we observe the dynamics regarding the creation of preferential trade agreements and the simultaneous lack of progress in WTO prognosis in recent years, a question appears concerning the future shape of the global trade system: whether the observed proliferation of preferential trade agreements constitutes manifestation of decomposition of the global trade system, a stage in the process of forming a new global trade governance system or a temporary reaction to the WTO crisis as a negotiation forum; this process will

decrease its dynamics when the deadlock in Doha negotiations is broken and this round is finished. The objective of this paper is an analysis of cooperation between WTO members within the creation and implementation of discriminatory trade liberalization regimes within PTAs and indicating their impact on non-discriminatory trade liberalization. In the paper, data of the World Trade Organization contained in the Regional Trade Agreements Information System (RTA-IS) base, including trade agreements notified by the WTO.

Keywords: free trade, WTO, discriminatory trade liberalization, regionalism

JEL classification: F13

Dekompozycja światowego systemu handlu: rola dyskryminacyjnej liberalizacji handlu

Streszczenie. Obserwowana w ostatnich latach dynamika w zakresie tworzenia preferencyjnych porozumień handlowych i jednocześnie brak postępu w rokowaniach WTO rodzi pytania o przyszły kształt światowego systemu handlu: czy obserwowana proliferacja preferencyjnych porozumień handlowych jest przejawem dekompozycji światowego systemu handlu, etapem w procesie formułowania nowego systemu zarządzania handlem światowym czy też przejściową reakcją na kryzys WTO jako forum negocjacyjnego i czy proces ten zmniejszy swoją dynamikę wraz z przełamaniem impasu w rokowaniach Doha i zakończeniem tej rundy. Celem opracowania jest analiza współpracy członków WTO w tworzeniu i implementacji reżimów dyskryminacyjnej liberalizacji handlu w ramach PTAs i wskazanie ich wpływu na niedyskryminacyjną liberalizację handlu. W opracowaniu wykorzystano dane Światowej Organizacji Handlu zawarte w bazie *Regional Trade Agreements Information System* (RTA-IS), obejmującej umowy handlowe notyfikowane przez WTO.

Słowa kluczowe: wolny handel, WTO, dyskryminacyjna liberalizacja handlu, regionalizm

Klasyfikacja JEL: F13

