



Study Guide The World Trade Organization

***“The Process of Accession of Developing Countries  
to the WTO. The Case of Central Asian Countries”***

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## INTRODUCTION

### *The Process of Accession of Developing Countries to the WTO.*

For developing countries, the accession process can be lengthy and difficult. It can, however, be extremely advantageous. WTO membership can assist developing nations in increasing exports, attracting international investment, and boosting economic growth.

Despite some obstacles, numerous developing nations have joined the WTO. In fact, developing countries represent the vast majority of WTO members. The World Trade Organization contains a number of unique measures for developing nations, such as longer timelines for implementing WTO agreements and technical support. These rules are intended to assist countries that are developing in reaping the benefits of WTO participation while keeping expenditures to a minimum. The process of developing countries joining the WTO is an important component of the global trading system. It contributes to ensuring that all countries participate in the global economy and benefit from trade.

### *The Case of Central Asian Countries.*

Two Central Asian countries, Turkmenistan and Uzbekistan, are actively pursuing WTO membership, while Kazakhstan, the Kyrgyz Republic, and Tajikistan are already members. Central Asian countries benefit greatly from WTO membership. Increased market access and lower trade barriers allow these countries to diversify their economies and attract foreign investment. Central Asian countries' WTO experience reflects a dynamic process of adaptation, negotiation, and reform. While challenges remain, particularly in harmonizing diverse economies and policies, WTO membership offers significant opportunities. Through their participation in the WTO, these countries are positioning themselves to reap the benefits of a more open and interconnected global trading system. As they continue to navigate the

complexities of international trade, the lessons learned and progress made in WTO participation contribute to the larger narrative of Central Asian economic development.

## **HISTORY**

The World Trade Organization (WTO), established on 1 January 1995, is the unique and the only global organization that deals with the rules of trade between nations. It is a forum where governments negotiate trade agreements, settle trade disputes. The goal of WTO is to help producers of goods and services, exporters, and importers conduct their business. The WTO members consist of 164 distinct nations. Additionally, there are 24 observer nations (who are willing to become a part of WTO). WTO has three main agreement elements: increased duty-free access for developing countries, tariff reduction (especially on agricultural products, textiles and clothing) and the reduction of trade-distorting subsidies from developed countries.

## **CAUSES**

While Kazakhstan, with its resource-rich economy, had to negotiate commitments in the energy sector, others, such as Kyrgyzstan and Tajikistan, with predominantly agricultural economies, had to navigate challenges related to agricultural subsidies and market access.

Due to the strained relations between post-Soviet countries, there was a delay in their entry into world organizations, including WTO. Although later they signed agreements on cooperation, nothing changed.

One more reason for stagnant development of trade in Central Asia is their passive participation in global value chains. Global value chains mean an international product sharing. In other words, an opposition between negotiation fully different spheres of trade cause difficulties. Known for its rich cultural tapestry and historical crossroads, Central Asia has struggled to maintain a strong and active trading climate. There are several interrelated variables that contribute to the region's trade stagnation.

The rise of trade in Central Asia has been significantly impeded by geopolitical dynamics. Trade dynamics have become more complex due to past and present political instability, territorial conflicts, and outside pressures that have impeded the free flow of products and services throughout the region.

The region's problems with trade have been made worse by a lack of efficient contemporary transportation infrastructure, including as ports, railroads, and highways. Due to this, trade growth has been hampered, leading to high transportation costs, logistical delays, and restricted movement of commodities within the region. Furthermore, cross-border commerce operations have become complicated and time-consuming due to the existence of onerous customs processes, bureaucratic red tape, and inconsistent legislation throughout Central Asian countries. The growth of trade has been seriously hampered by these administrative obstacles. Due to its excessive reliance on natural resources - especially minerals, oil, and gas - Central Asia's export base has become somewhat diversified, making the region susceptible to changes in the world economy and impeding the growth of other economic sectors.

The growth of official trade networks in the region has been hampered by major obstacles created by corruption and informal trade practices. Enhancing transparency, encouraging fair competition, and drawing in foreign investment all depend on addressing these problems.

The lack of strong property rights, legal frameworks, and methods for enforcing contracts has damaged investor confidence and impeded the expansion of trade and commerce in Central Asia. In order to create a favorable business environment, it is imperative to strengthen certain legal and governance elements.

Finally, the historical economic linkages and dependence of the region on its neighbors, along with a lack of economic diversification within the region, have shaped trade patterns and volumes, contributing to the region's trade stagnation.

## **PROBLEMS**

The challenges that developing countries face during the World Trade Organization (WTO) accession process are multifaceted, and they can have a significant impact on the terms and conditions of their entry into the global trading system. Among the most significant difficulties are:

- *The Lack of Expertise;*

Developing countries frequently face a significant shortage of technical expertise, which is essential when negotiating with current WTO members. The complexities of trade agreements, tariff structures, and adherence to international standards necessitate a level of expertise that is sometimes beyond developing countries' capabilities. This lack of technical expertise can be a significant barrier, limiting their ability to secure favorable terms during the accession process and potentially resulting in less advantageous terms that may have an impact on their economic development.

- *Domestic Resistance;*

Another significant challenge confronting developing countries is domestic opposition to WTO membership. Businesses and interest groups in these countries may be concerned about the potential consequences of joining the EU, such as job losses and increased competition from foreign entities. These fears can manifest as significant opposition, creating a domestic barrier that governments must overcome in order to complete the accession process successfully. For developing countries, striking a delicate balance between international commitments and addressing local concerns becomes a difficult task.

- *Political Pressure;*

Existing WTO members frequently exert political pressure on developing countries during the accession process. During negotiations, more economically advanced countries may use their political clout to coerce concessions from their developing counterparts. This asymmetry in power dynamics can result in imbalances in terms of accession, potentially disadvantageous developing countries and forcing them to make concessions that may not be in their long-term economic interests. Overcoming such political pressures requires diplomatic skill and strategic negotiation abilities on the part of developing countries.

- *Institutional and Regulatory Changes;*

Joining the WTO necessitates significant institutional and regulatory changes to align with the organization's established norms and regulations. This process entails changes to trade policies, legal frameworks, and institutional structures. Implementing these changes can be costly and may face opposition from established domestic institutions, adding another layer of complexity to the accession process.

- *Capacity Limitations;*

Developing countries frequently face limitations in their administrative and institutional capacities to effectively implement and enforce WTO commitments. Building these capacities is an important but difficult aspect of the accession process, necessitating investments in training, infrastructure, and institutional development.

Finally, the accession process for developing countries is fraught with difficulties that go beyond mere negotiations. Overcoming these challenges necessitates a comprehensive and strategic approach that includes technical capacity development, skilled negotiation skills, and the ability to navigate domestic and international pressures. Addressing these challenges effectively is critical to ensuring that the terms of accession are fair, equitable, and conducive to the nations' long-term economic development.

## **PAST UN ACTIONS**

After more than 20 years of discussions, Kazakhstan joined the World Trade Organization on November 30, 2015. This membership was a significant step forward in Kazakhstan's integration into the global trading system. Kazakhstan's contributions span a wide range of industries, including agriculture, services, and intellectual property. Kazakhstan has used its WTO membership to become more involved in global trade, bolstering its position as a regional economic hub. Kyrgyzstan joined the World Trade Organization on December 20, 1998. WTO membership has provided Kyrgyzstan with a framework for trade relations and dispute resolution. Tajikistan joined the WTO on March 2, 2013, following a lengthy negotiation process. WTO membership is viewed as a means for Tajikistan to improve its economic development and facilitate international trade. Turkmenistan has not yet joined the World Trade Organization. Turkmenistan's Working Party was formed on February 23, 2022.



The Working Party has not yet met. The country has expressed interest in joining the WTO, but the process has been fraught with delays and difficulties. For several years, Uzbekistan has been working toward WTO membership. The country has implemented a number of reforms to bring its trade policies in line with WTO standards. The Working Party of Uzbekistan was established on December 21, 1994. In March 2023, the Working Party will meet for the sixth time. The complexity of aligning domestic policies with international trade standards is one notable challenge faced by Central Asian countries in the WTO. The adjustment of regulations across sectors such as agriculture, services, and intellectual property proved difficult for Kazakhstan and Kyrgyzstan, which have already joined the WTO. Turkmenistan, which is still in the accession process, must align its policies with WTO standards, a process hampered by internal complexities and delays.

## **SOLUTIONS**

Central Asian countries facing difficulties in joining the World Trade Organization (WTO) can implement strategic solutions to make the process go more smoothly.

To begin, it is critical to invest in technical expertise. Collaboration, training programs, and knowledge-sharing partnerships can help countries improve their negotiation skills and understanding of international trade agreements. Creating domestic consensus is also critical. Transparent dialogues with stakeholders, addressing concerns about job losses, and making policy changes can help to reduce opposition and gain support for WTO membership.

Addressing geopolitical challenges requires diplomatic skill. Countries can mitigate external pressures and create an environment conducive to successful negotiations by aligning their accession strategies with regional dynamics.

Economic reforms that strike a balance between international norms and domestic economic models are critical. Prioritizing reforms to improve competitiveness, sustainability, and innovation has a positive impact on the accession process. It is critical to adapt to global economic changes. Central Asian nations benefit from staying informed and responsive to changes in international trade patterns during negotiations.

Finally, active participation in multilateral talks is essential. Building constructive relationships with existing WTO members, seeking alliances, and collaborating on shared interests all help to break down barriers and make the accession process go more smoothly.

In conclusion, a comprehensive approach that includes technical investment, domestic consensus-building, diplomatic skill, targeted economic reforms, adaptability to global changes, and active participation in multilateral negotiations can pave the way for Central Asian countries to successfully integrate into the global trading system through WTO accession.

## **CONCLUSION**

We know that you have been working hard, and we are confident that you will represent your country well. The conference will be a challenging one, but it is also an opportunity for you to make a difference. You will have the chance to learn about important global issues, discuss different perspectives, and develop solutions to some of the world's most pressing problems. We know that you are all capable of great things. You are intelligent, passionate, and committed to making the world a better place. We urge you to use your skills and talents to make the most of the conference. We are confident that you will have a

successful and rewarding conference experience and look forward to hearing about your accomplishments!

*From the bottom of our hearts TIMUN wishes good luck to all delegates. See you at the conference!*

## LINKS TO RESEARCH

[https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/dev4\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/dev4_e.htm)

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<https://uz.usembassy.gov/usaidsupports-world-trade-organization-wto-accession-process-uzbekistan/>

[https://www.wto.org/english/news\\_e/news23\\_e/acc\\_08jun23\\_e.htm#:~:text=Currently%2C%20two%20countries%20in%20Central,Tajikistan%20are%20already%20WTO%20members.](https://www.wto.org/english/news_e/news23_e/acc_08jun23_e.htm#:~:text=Currently%2C%20two%20countries%20in%20Central,Tajikistan%20are%20already%20WTO%20members.)

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<https://www.adb.org/publications/trade-policy-transition-economies-central-asia>

<https://intracen.org/news-and-events/news/wto-membership-can-boost-central-asias-integration>