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Asymmetric Neutrality and the Two Faces of Nonalignment in Pakistan and the UAE within a Fragmenting WTO Order

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Abstract

The geopolitical competition and the policies on security have created an unprecedented change in the multilateral system of trade, undermining the core tenets of the WTO framework. This article looks at the geo-economic fragmentation of two economies from the Global South in two distinct forms of "neutrality": that of Pakistan and that of the United Arab Emirates. Based on the WTO modelling in the World Trade Report 2026 of a “geo-fragmented world” and the WTO dispute between Pakistan and UAE (DS538), as a microcosm of vulnerability, we contend that non-alignment is not one, but a spectrum of structural capacities. Pakistan's neutrality is passive and defensive, relying on a robust WTO to check the more powerful states and to provide a certain degree of market access. The UAE's neutrality is active and offensive: In its effort to benefit from the flexibility fragmentation brings, the UAE is making use of the Comprehensive Economic Partnership Agreements and strategic positioning in BRICS and WTO. The article draws on these cases to conclude that the WTO's neutrality dilemma is not just an institutional challenge but a shift in the strategic capacity of the states: from dependence on rules to states capable of acting independently. We end with a reform agenda which has "neutrality governance" as a topic of distributive justice, not just great power restraint.

1. Introduction

In early 2025, the World Trade Organization is holding a somber 30th birthday party. The Appellate Body, which has been blocked since December 2019, is no longer able to support the role of an impartial referee of the institution in compliance with its mandate. Over twenty cases of "significant trade conflicts," such as paramount issues raised by semiconductors and aviation subsidies [2] have been pending for over a year, with the paralysis of dispute settlement described by 130 Members as a matter that requires urgent resolution. Meanwhile, unilateral sanctions, export controls, national security concerns regarding digital sovereignty, subsidies for industry, and green protectionism have confused the boundaries between economics and national security, empowering states to use trade, technology, supply chains and investment rules as weapons for strategic purposes [3].

The WTO's World Trade Report 2026 provides a stark quantitative picture of this change. The tariff "water" between the western bloc and the eastern bloc will increase by up to 25% and between the non-aligned group and either bloc, up to 10%, in its "Geo-fragmented world" scenario [3] (provided there is no free trade agreement in place). The lack of any accord also means that trade costs increase from blocs to non-aligned economies and vice versa [3]. It is estimated that by 2050, a geo-fragmented world would reduce global GDP by 5.1% and exports by 18.6% [3]. A real per-capita income loss 80% greater than that of developed economies would occur in the median unaligned economy in Asia [4]. The loss of GDP could be much greater in the least developed countries by 2050, as trade fragmentation can be more than four times as severe for poor countries as for rich ones [3]. This modelling poses a basic enquiry: what will be the fate of the states that refuse to take sides when the global trade starts to be organised in geopolitical blocks?

This article contends that the impact of this shift is not always the same. In at least some states, there's less predictability, but more strategic space. In order to investigate this imbalance, we compare two global south economies, Pakistan and the United Arab Emirates, in structurally different places in the bloc-ribbed trading system, the former being heavily dependent on the rule of the game, the latter being strategically autonomous and non-aligned, actively positioning itself as a neutral node between the western and eastern blocs.

The article is divided into 7 sections. Part 2 elaborates the conceptual framework, characterizing the difference between a rule-dependent neutrality and an autonomous neutrality as strategically autonomous, and places this distinction in the debate on geo-economic fragmentation in the current literature. Part 3 focuses on Pakistan as a case of defensive and rule-dependent neutrality, and makes use of the Pakistan–UAE case of the WTO dispute DS538 to illustrate this. In Part 4, the UAE is discussed as an example of an offensive, strategically autonomous neutrality. Part 5 examines the legal aspect of the neutrality crisis, with special attention to GATT Article XXI and the reform of settlement of disputes in GATT. Part 6 pulls the two cases together in a synthesis which suggests that the WTO's neutrality crisis is a shift in strategic capacity. The reform agenda in part 7 ends with a discussion of neutrality governance as a distributive justice issue.

2. Conceptual Framework: Two Modes of Neutrality

2.1 The gap in existing scholarship

The majority of the existing literature on geo-economic fragmentation is centered on the competition between the United States and China, or on the role of very powerful ‘connector' states like Singapore [5]. Countries that fall into a middle ground between great powers and chokepoint economies, however, are less studied [6]. The strategic responses to geo-economic fragmentation of Brazil, India, Indonesia and South Africa have been studied recently, but there is no systematic development of the concept of "neutrality", which has been understood as a spectrum of structural capacity [6]. The current article seeks to fill this gap by introducing a conceptual distinction between two types of neutrality in the multilateral trading system.

The difference is analytically required because ‘non-aligned' is masking more than it is clarifying. The WTO's World Trade Report 2026 classifies non-aligned economies in a single group, but there are countries as varied as Sudan and Singapore, Brazil and Bangladesh [3]. What's special about them is that they are not only diplomatic, they also have the structural ability to deal with fragmentation. The term neutrality needs, therefore, to be broken down to account for this variation.

2.2 Rule-dependent neutrality

Neutrality is a defensive stance, dependent on rules. States who are in this mode are the ones who value the neutrality of WTO, which gives protection to the weak. They use MFN predictability, special and differential treatment and dispute settlement system to limit the discretion of strong trading partners. They are mainly calling for the maintenance of limits on unilateral action in the multilateral system. With the erosion of the system, their exposure grows.

The WTO is not just a space for negotiating trade, it's a space where it is replacing structural power for rule-dependent states. Because they are not as central to their respective supply-chains, lack logistics infrastructure and political negotiating power to secure preferential access through the various supply-chain blocs, their access to the market is grounded on the universal application of the principle of non-discrimination. The deterioration of such principles should then not be called a thing of flexibility but a thing of a loss of protection.

The WTO's own geo-fragmented world modelling clearly shows the harsh impact of a rules-based world on rule-dependent states. If the world is split in two, western and eastern economies, and the non-aligned ones are without preferential access to both economies, then between them and each of the western and eastern economics there will be up to 10% increase in tariff barriers [3]. These increases can be economically destabilizing for states that are geographically small and have less bargaining power. The report also reveals that the GDP in the least-developed countries (LDC) may drop significantly by 2050, pointing to the structural fragility of rule-dependent states [3] as they will suffer up to 4 times more than richer ones from trade fragmentation.

2.3 Strategically autonomous neutrality

Strategically autonomous neutrality is an attacking position. States which are taking this approach to value neutrality have done so because they maintain flexibility to arbitrage multiple blocs. They rely on bilateral and plurilateral agreements for new economic corridors, are perceived as essential logistics and services nodes and enjoy the fragmentation which is a danger to rule dependent states. What they want mainly is not to be hemmed in by the multilateral system, in the name of bilateral freedom.

This form of neutrality is not a policy option. It is a measure of structural capacity such as supply-chain centrality, logistics infrastructure, diplomatic bandwidth and negotiating multiple agreements concurrently [8]. However, a state can be more rule-dependent even if it is more wealthy because its exports are in lower margin goods, its bargaining is reduced and the diplomatic resources are reduced.

There is an increasing presence of the term "strategic autonomy" in the EU discussions, but there is a lack of research on how this term can be applied to the economies of the Global South [6]. For the UAE, strategic autonomy is not simply the need to lessen reliance on any one partner, but rather it is the desire to have more partners who are indispensable. It's a wholly new approach to logic than what's traditionally seen in balancing or what's known as 'bandwagoning'. It's really a strategy of indispensability not alignment. Furthermore, it is unlike the ‘weaponized interdependence' of Farrell and Newman where the states attempt to coerce the others based on their centrality [7]; the UAE's strategy is to ensure that the centrality is so highly valued that it will be counterproductive to coercion by any given partner.

2.4 The WTO's non-aligned category

Indeed, the WTO has its own models to substantiate the empirical facts of this distinction. This is because the "non-aligned group" in the World Trade Report 2026 does not form a single group [3]. The effects of different non-aligned economies are varying as a result of their bilateral economy portfolios and their structural position in global value chains [3]. The scenarios in the report show that it is not the diplomatic alignment, it is preferential access coverage—how many blocs an economy has FTAs with—that make the difference, as to whether it is exposed to the full tariff increase or not [3].

The data from this insight forms the basis for the comparison between Pakistan and UAE. Non-alignment is an official principle of both countries. Both have diplomatic and trade relations with both West and East. However, the UAE has negotiated preferential access in over 30 markets via its CEPA programme [19] and Pakistan has almost exclusively MFN access and a handful of bilateral agreements [17]. It's not a matter of alignment, it's a matter of structural capacity in terms of creating a different trade structure.

2.5 The legal dimension of neutrality

Ethical issues also have a legal component since the difference between rule-dependent and strategically autonomous neutrality exists. The legal structure of the WTO for rule-dependent states provides one source of protection, especially through the dispute settlement mechanism. Two of the most important features of the panel and Appellate Body reports are the binding nature of the report and the prohibition on unilateral findings of non-compliance, both of which limit the power of the more powerful states, and the possibility of authorized retaliation [1]. Unilateral trade measures have as their core legal remedy, the ability of the state to rely on these mechanisms. Weakening these mechanisms gives unilateral trade measures their primary legal remedy.

The legal structure of the WTO is less important for strategically autonomous states with regard to trade. They do not use legal remedies, but rely on bilateral agreements with their own dispute settlement mechanisms, and on diplomatic relations [8]. It is not a big deal for them that the dispute settlement is eroded under the WTO, since they have other means of settling disputes and safeguarding their interests.

This legal aspect is explored further in Part 5, which looks at GATT Article XXI and the reform debate in the fields of dispute settlement.

2.6. Methodology

The article uses a doctrinal legal analysis and qualitative comparative case study methodology to analyze geo-economic fragmentation's differential effects on non-aligned economies. The method employed consists of three steps.

First, the article does a doctrinal analysis of the WTO law, looking at the legal architecture of the multilateral trading system that includes the Dispute Settlement Understanding, special and differential treatment and the institutional framework of the multilateral trading system. In the development of this doctrinal analysis, primary legal sources have been used, such as the reports of WTO panels (e.g. Russia — Measures Concerning Traffic in Transit, DS512), the Anti-Dumping Agreement, as it was interpreted in the case of Pakistan — Anti-Dumping Measures on BOPP Film from the UAE, DS538, and the founding documents of the WTO.

Secondly, the method of the article is comparative case study method with Pakistan and UAE as critical cases of two different modes of neutrality in the Global South. The selection of cases is based on a theoretical approach, both states have a formal non-alignment policy and diplomatic relations with both Western and Eastern bloc countries, but they have structurally different positions in the global trading system. This variation enables an analysis of the impact of structural capacity, not diplomatic orientation, on a state's vulnerability and/or opportunity to geo-economic fragmentation. The comparison is organized under four analytical themes: (i) trade profile and export concentration; (ii) coverage of preferential trade agreements; (iii) institutional capacity to pursue trade diplomacy and dispute settlement; and (iv) involvement in multilateral and plurilateral institutions.

Third, the content is informed by a document analysis of the policy sources, such as the WTO World Trade Report 2026, national trade policy reviews, government press releases and statements, and international organisations reports (including the World Bank, UNCTAD, the International Institute for Strategic Studies). The sources give insights into Pakistan and UAE's contrasting paths, providing the empirical support for this evaluation.

Due to the research question, which asks how geo-economic fragmentation affects states differently, depending on their adherence to non-alignment, the doctrinal and comparative approaches are deemed suitable for this study. The article is not intended to establish causal relationships by quantitative methods, but rather to create a conceptual framework and show how it is explanatory in an idiographic fashion by means of theoretically-informed case comparison.

Limitation. The study is only descriptive, based on two cases and cannot be generalized to other non-aligned economies. The framework presented here is designed to be transferrable to other comparative contexts, however, as will be discussed in the research agenda (Section 7.4).

3. Case Study 1: Pakistan and the Limits of Rule-Dependent Neutrality

3.1 Structural vulnerability

Pakistan's trade profile is a case in point of the rule dependent vulnerability. According to Pakistan's statistics, total merchandise exports of Pakistan in 2025 were estimated at US$30.9 billion while total merchandise imports were estimated at US$65.4 billion resulting in a trade deficit of US$34.5 billion [9]. The ongoing shortage is a result of a low level of diversification with exports mainly in textiles, agricultural products and low value products. Although the sector exports are facing constraints on the supply side with high energy costs, the textile sector's performance in FY2025 was mixed as exports of the sector increased by 7.39% to USD 17.88 billion [10]. By the end of 2025, it was contracting yet again, with textile export values dropping to USD 1.43 billion in November 2025, a decrease of 2.05% compared to the previous year's value, and overall exports declining by 15.35% in the month [10]. The Pakistan Textile Council announced export value of the month November 2025 was decreased by over 14% compared to the same month in the previous year, marking fourth consecutive month of decline in exports with export value of July to November 2026 valued at $12.8 billion compared to $13.7 billion in the previous year [10].

This situation of low export competitiveness is exacerbated by the fact that the country relies on a few major markets, such as the United States, the European Union, China, and the Gulf countries [9]. The exports to GDP ratio in Pakistan is still very low, compared to that of the other countries in the region, which makes Pakistan very sensitive towards discretionary barriers of trade. [9] All Pakistan Textile Mills Association (APTMA) has raised the alarm that Pakistan is losing its ground in global textile trade, as it has seen a 6% drop in exports and a 13% increase in imports from July to November 2025, resulting in a trade deficit of $15.4 billion [11]. If four key factors, such as electricity prices, can be resolved, the association estimates exports could increase to $25–30 billion, from $17.8 billion now [11].

A competitiveness issue is not the only reason for the weakness of Pakistan's export sector. It implies greater sensitivity to the exercise of market power by trading partners. Concentrated and severe adverse effects of anti-dumping duties, safeguard measures or technical barriers on trade in a major market are clearly felt by Pakistan owing to limited export diversification [9]. In contrast to UAE, Pakistan lacks alternative markets to absorb displaced exports as it has few off-shore preferential partners to redirect its exports [19].

3.2 The policy response: dependence on multilateral guarantees

This structural location gives rise to a unique orientation towards trade policy. It is Pakistan's firm belief that a rules-based multilateral system is the right approach for Pakistan as the rules will safeguard Pakistan from the unilateral exercise of market power. Pakistan has without any doubt denied MFN treatment to any WTO Member" and abides by the principle of non-discrimination" [12]. Pakistan has been one of the early movers in the process of reforming the law and procedure of the dispute settlement system to make it more accessible, robust and responsive to the needs of the developing and other Members [12].

During the IPU hearing in February 2025, Pakistan's representative recommended a set of reforms that are consistent with this rule-dependent stance: to reform the WTO, in particular on the dispute settlement, to resolve the Appellate Body crisis; to revise investment agreements to limit power of Investor-State Dispute Settlement mechanisms and introduce transparency clauses; and to scale down trade barriers, including non-tariff barriers imposed on the exports of developing countries [13]. The representative also explained the measures to be taken by developing countries who are aiming at export led growth in the country such as support for export diversification into value added exports, infrastructure development, regional integration and alleviating foreign exchange pressures by promoting barter systems and trading in local currencies [13].

This orientation is no rhetoric of diplomacy. It speaks of a structural fact that Pakistan can't afford to miss out on predictable markets it relies on. It doesn't have the logistical network, the oil reserves or the foreign policy muscles to sign a series of bilateral pacts with opposing blocs like the UAE does [25]. The approach it is taking is, therefore, to reinforce the multilateral system instead of circumventing it.

3.3 Institutional capacity constraints

Institutional capacity constraints make it difficult for Pakistan to have an aggressive bilateral trade strategy like the UAE, which adds to the problem of the rule dependence of Pakistan. Proposals for the restructuring and reforms of WTO's National Tariff Commission (NTC), which oversees the implementation of the WTO's rules on trade remedies, dispute settlement, rationalisation of tariffs, and other trade policy issues were considered by the Prime Minister's Committee on Modernisation of the National Tariff Commission in December 2025 [14]. The committee recognized the necessity of building institutional capacity by increasing technical capacity and developing human resources [14]. A separate review discussed efforts to enhance the NTC's enforcement capacity and formulation of tariff policies [15].

The reforms are a result of the recognition that domestic institutional capacity is needed for effective participation in the trading system. A technically competent and well-resourced trade bureaucracy is essential for a rule-dependent state to be able to use the WTO dispute settlement mechanisms, to implement trade remedies to fit the WTO rules, and to be able to play an effective role in negotiations [15]. The NTC reform agenda is thus not just a matter of administration, it is also a requirement in a fragmented trading system in which Pakistan's interests need to be protected.

It is in stark contrast with the institutional capacity in the UAE. The UAE has one of the most dynamic foreign trade ministries in the world, which can negotiate a number of agreements concurrently in various regions [19]. This institutional capacity is reflected in the speed of the CEPA programme, which is generally completed within six months of starting the negotiations [19]. By comparison, on the other hand, the trade diplomacy mechanism in Pakistan is facing challenges due to financial and human resources constraints, which is reflected in the continuous agenda of reform of the National Tariff Commission [14]. This institutional capacity gap is not a random one, but a structural factor of the fragmentation capabilities of each country.

3.4 The DS538 dispute as a microcosm

A case study of the erosion of the WTO system is provided by the dispute between the UAE and Pakistan, in 2018, regarding Anti-Dumping Measures on Biaxially Oriented Polypropylene Film from the United Arab Emirates (DS538). The panel report, issued on 18 January 2021, suggested that Pakistan amend the anti-dumping measures in accordance with the Anti-Dumping Agreement and recommend their cancellation of the anti-dumping measures imposed on BOPP film from the UAE [16].

There are three reasons why DS538 is analytically significant. First of all, it demonstrates the asymmetry of dispute settlement capacity. It is noteworthy that the UAE, an economy that is strategically independent and has significant diplomatic muscle [19] was able to file a WTO case against Pakistan. In contrast, Pakistan needed to engage with the case with its limited institutional capacities as it does with all its WTO interaction [14]. The National Tariff Commission (NTC), the only investigative body of trade remedies in Pakistan, has been a target of successive overhauls, simply due to the need for institutional capacity. [15]

Second, DS538 shows the failure of rule-based constraint in situations where the enforcement mechanism is held in check. Pakistan announced that it would appeal to the Appellate Body (which is not in operation [1]) on some issues of law. The appeal is thus unsolvable and the matter hangs in limbo [2]. This is by no means an innocuous result for a rule-dependent state. This implies that the limitation on discretionary action that that Pakistan has always depended on has been lifted. The case is an example of the general situation of the Appellate Body, where over 20 cases covering some of the most important trade tensions have yet to be resolved, and its capacity to offer final, authoritative decision on disputes has been significantly undermined [2].

Third, DS538 illustrates how intra-Global South conflicts are influenced by geopolitics at the macro level. Pakistan is not a great power rival of the UAE. Historically, they have been economic partners and there is a strong historical link. [17] However, the conflict proceeded to the panels due to the institutional structure that allowed it and the UAE's ability to support it [16]. The case serves as a reminder that geo-economic fragmentation is not only North versus South, but also within the Global South [6].

The DS538 dispute is also a reminder of a larger issue concerning the legal aspect of the neutrality crisis. The WTO dispute settlement system would not only avert a particular trade dispute between Pakistan and the other members, it would also ensure that trade policy would be open to scrutiny and that powerful members could not impose their will unilaterally on other members [1]. The guarantee was weakened since the Appellate Body ceased to be operative. No solution could be achieved for Pakistan's appeal which puts the dispute on hold [2]. In a rule-dependent state, this means that the protection of the law is thereby lost.

3.5 Pakistan's tentative bilateral turn

Meanwhile, bilateral options have started to be discussed in Pakistan. The Comprehensive Economic Partnership Agreement (CEPA) between Pakistan and UAE is in its final stage of negotiation with technical talks reportedly in the final stages in January 2026 [17]. The UAE Ambassador to Pakistan has said that the two countries are in the last stage of signing the CEPA, which would help to effectively enhance trade volume between the two countries and eliminate business hurdles [18]. The current trade volume is estimated at $8–10 billion, which is not indicative of the level of relations, and the UAE has said it will double its trade volumes as soon as possible [18]. In 2024–25, Pakistan's total exports to UAE were USD 2.1 billion, and imports were USD 8 billion, mainly petroleum products [17].

The January 2026 meeting of the Commerce Minister of Pakistan and the UAE Ambassador explored areas of joint venture, trilateral cooperation in third countries markets and improved cooperation in emerging markets like Central Asia and Africa [17]. The Minister of Commerce said that Pakistan is undergoing deep economic reforms and was committed to moving towards a more conducive climate for business and investment, while a number of stabilization measures were taken by the government affecting the private sector in the short-term, but the government is looking towards laying the foundation of medium-term growth, expansion of exports and regional connectivity through cooperation with Gulf countries [17].

This indicates that even in the states that are rule dependent, fragmentation is finding its way, with efforts to diversify the trade architecture. But the scope and ambition of Pakistan's bilateral agenda are still far less than that of the UAE [19]. Pakistan is not turning strategic; it is trying to maintain its access to

markets that the multilateral system no longer assures. The CEPA with the UAE is important for bilateral relations, but not a strategy for multi-bloc arbitrage. It is a defensive strategy designed to ensure that they continue to have access to one critical market [17].

This is not a satisfactory solution for a number of reasons. The share of Pakistan's exports in the UAE is relatively small in comparison to its total exports and the CEPA will not be able to offset the impact of the MFN uncertainty in Pakistan's key export markets [9]. The deal could help to expand bilateral trade but it won't solve the structural issues that have rendered Pakistan reliant on the multilateral system. It's palliative, it's not a cure.

4. Case Study 2: The UAE and the Architecture of Strategic Autonomy

4.1 The CEPA strategy as an instrument of neutrality

The UAE has adopted the most aggressive bilateral trade policy of any Gulf country. The UAE is in talks with 38 countries, covering Asia (India, Indonesia, Malaysia, New Zealand, Vietnam), Africa (Kenya, Gabon, Central African Republic, Republic of the Congo, Angola, Mauritius), Europe (Georgia, Ukraine, Serbia, Azerbaijan), Latin America (Costa Rica, Chile, Colombia) and the MENA region (Israel, Jordan, Türkiye), across which the UAE has signed or initiated Comprehensive Economic Partnership Agreements (CEPA) since September 2021 [19]. As of late 2025, the UAE had signed 28 agreements, 13 of which were in effect, and had signed a further six agreements in 2025, with others signed with Malaysia, New Zealand, Kenya, Ukraine, the Central African Republic and the Republic of the Congo [19]. Discussions with Japan and European Union have reached a certain stage of advancedness [19].

Economics results have been remarkable. UAE's non-oil foreign trade increased by 14.6% to record AED 2.997 trillion in 2024, more than the world trade growth, which was 2.4% [21]. Non-oil exports rose by 27.6% to AED 561.2 billion [22]. Exports to CEPA partner countries amounted to AED 135 billion, an increase of 42.3%, with India and Türkiye being the top markets [21]. In non-oil terms, trade increased by 20.5% with India alone, with the UAE exports to India increasing by 75% by the end of 2024 [22]. The UAE's network of 36 CEPA deals helped boost non-oil foreign trade by 27% to surpass US$1 trillion by 2025 [20].

The CEPA programme is analytically important as a clear expression of the policy of substitution of multilateral guarantees by bilateral ones. The UAE is not leaving the WTO, but is still an active Member and was host of the WTO Ministerial Conference in Abu Dhabi, whose declaration is quoted by the UAE as proof of its commitment to global trade [23]. However, it is not waiting for Multilateral Reform. It is developing preferential access that buffer it from tariff hikes that modelling WTO member economies predict for non-aligned economies [3].

4.2 The CEPA model: beyond traditional FTAs

The CEPA model is more than just a conventional Free Trade Agreement. It covers the aspects of trade in services, digital trade, investment protection, public procurement, transparent dispute settlement procedures and defined time frames for implementation [19]. There are other notable features, such as the UAE–Jordan CEPA, which entered into force in May 2025, which enables products made in UAE free zones to be eligible for preferential treatment, which is an innovative concept that will expand market access for the UAE manufacturers [19].

National Strategy for Projects of the 50 (Po50) is a UAE initiative for the launch of CEPAs with eight major global markets. These partnerships are geared towards expanding annual trade by AED 40 billion and doubling the national economy from AED 1.4 trillion to AED 3 trillion within 10 years, targeting a market that accounts for 10 percent of global GDP and 26 percent of the world's population [23]. It is not the usual trade policy; rather, it is a whole economic diversification policy with the instruments of trade agreements.

As the UAE continues to build its network of CEPAs, significant potential exists for businesses and investors within the CEPA ecosystem [19]. The benefits of such partnerships are evident: better market access, reduced tariffs, streamlined customs clearance and clear trade rules make for a more predictable and efficient business landscape, offering new opportunity paths for business expansion. A thick web of bilateral commitments is what creates predictability for a strategically autonomous state, rather than multilateral rules.

A regulatory export component also exists for the CEPA model. The UAE can influence the regulatory framework in partner countries through chapters related to digital trade, services, and investments [19]. This is especially true in the digital realm, where there are currently no multilateral rules and agreements are essential for norm and standard setting [3]. In the UAE's CEPA with Singapore, for instance, there are sections on cross-border data transfer and digital payments, as the UAE's preferred approach to regulation [19].

4.3 BRICS membership and multi-alignment

UAE's neutrality is not limited to trade pacts. It is also a member of the BRICS, the Shanghai Cooperation Organization, and is equipped with financial infrastructure that is connected to SWIFT, and is home to US military bases [8]. As of January 2024, the UAE has officially become a full member of BRICS, along with Egypt, Iran, Ethiopia, and Saudi Arabia [24]. This is a recent policy analysis's description of the "structural apex of New Neutrality"—the best place to be for no single great power having the means to offend it.

The Clingendael Institute has written a policy brief on the UAE's multi-alignment strategy that elaborates on the motivations for this policy. The UAE's economic diplomacy "strives to spread a message of geoeconomics and connectivity beating geopolitics" [8]. The UAE's flexible approach to engaging with a variety of countries is reflected in this "practical move" to enter BRICS [8]. The UAE can be seen as enjoying 'a projection of Global South identity, a seat at the table alongside China, Russia and India, without any significant political costs' [8].

Importantly, the policy brief makes clear that *"UAE-BRICS collaboration does not preclude the OECD from collaborating with the UAE and other middle powers of the Global South on common rules and standards"* [8]. That is what strategic autonomy is: the capacity to join a variety of institutional arrangements without

being tied down by each one in which one joins, for example, because they are an extension of the other [6]. Do not to simply write off BRICS as an anti-Western initiative, but rather consider how the EU can compete on delivery, finishing up the EU-UAE free trade agreement and starting minilateral projects with its partners in the Gulf and Global South, recommends the policy brief.

The UAE has tried to position itself in a non-aggressive manner towards BRICS. It *"stresses that its BRICS membership should not be seen as a balancing act against the influence of the United States and other western countries"* [24]. It is involved in BRICS-led projects, like the New Development Bank and continues to have strong relations with traditional Western partners [8]. In September 2026, a senior official from the UAE expressed a desire to enhance East-West cooperation by involving BRICS as a vehicle for connectivity and not confrontation [24].

This multi-alignment is not about balancing in the conventional sense, but rather a structural approach to the neutrality itself as an asset [8]. The UAE does not want to play the balance act game and does not want to play an indispensable role in any single bloc, but an indispensable role for all. This is a completely new thinking to non-alignment that was based on avoiding entanglement with great powers [6]. The UAE approach is based on maximising entanglement, but on its own terms.

4.4 The institutional prerequisites of strategic autonomy

Not all countries have the strategy to follow the UAE. It relies on institutional conditions which Pakistan is lacking. These include:

Logistics infrastructure. Jebel Ali Port and the Jebel Ali Free Zone (Jafza) are an integrated area with over 150 ports and 180 shipping lanes for the benefit of over 3.5 billion people in the world. This infrastructure makes UAE an integral part of the global supply chains and provides it with leverage which Pakistan cannot match [25]. The UAE's success in emerging as a logistics hub isn't just about location, it is decades of investments in ports, free zones, customs clearance and digital infrastructure [25].

Diplomatic bandwidth. The UAE has one of the busiest foreign trade ministries in the world and can engage in negotiations of several agreements at once in various geographic zones [19]. This institutional capacity is reflected in the speed of the CEPA programme, which usually ends negotiations in the 6-month period [19]. Pakistan's trade diplomacy machine, on the other hand, has its own limited financial and human resources due to the on-going reform agenda of the National Tariff Commission [14].

Financial depth. The sovereign wealth funds of the United Arab Emirates, the city as a global financial centre, and its capacity to attract foreign direct investment (2023: USD 30.7 billion, 35 per cent year-on-year) provide the means to invest in the connections that underpin the country's trade policy. The United Arab Emirates has the luxury of being able to provide favourable conditions to its trading partners, to invest in infrastructure in their own countries, as well as to bear the short-term adjustment costs which might be politically disruptive in less affluent countries [25].

Strategic clarity. UAE's economic diplomacy is built upon a clear message: “geoeconomics and connectivity outsmart geopolitics” (8). The narrative will set the groundwork for the decision-making process that will enable the UAE to have an open collaboration with diverse partners without contradicting itself [8]. In contrast, Pakistan does not have a coherent strategic narrative. It does not have a long-term perspective on its role in a disintegrating international economy, but rather is defined by immediate fiscal pressures, IMF conditionality and short-term political considerations [13].

These requirements are not those that any country could choose to have for its "active neutrality," as they do apply to the UAE. It is a structural position that is created through years of investment in infrastructure, institutions, and diplomatic capacity [25]. This is important for the replicability of the UAE model. Other countries might want to adopt a similar approach to the CEPA strategy implemented in UAE, but they will not get the same benefits if they don't have the same infrastructure, institutional capacity and financial resources [19].

5. The Legal Dimension of the Neutrality Crisis

5.1 GATT Article XXI and the security exception

The aspect of law in the WTO neutrality crisis is most clearly brought to the fore in the invocation of GATT Article XXI (security exception). According to Article XXI(b) of the WTO, a Member can take "any action which it considers necessary for the protection of its essential security interests" in certain situations, such as when it is in a state of "war or other emergency in international relations" [3]. Some Members have interpreted the key word "necessary" as rendering the exception self-judging, that is, for each Member to decide, on its own, whether the conditions for the invocation are met [27].

In the Russia — Measures Concerning Traffic in Transit case (DS512), the panel ruled that, although Members are permitted to define their essential security interests in a more flexible way, invoking Article XXI is open to scrutiny by a panel at the WTO. The panel's ruling was considered a rejection of the self-judging interpretation [27]. But the Appellate Body's paralysis has not resulted in a final confirmation at the highest level [1].

The impact of rule-dependent and strategically autonomous States is varied. In the case of States such as Pakistan, which are bound by rules, the generalized interpretation of Article XXI is a direct threat. When the constraints on weak states need to be overcome for purposes of security, the protections on them are lessened, and vice versa [27]. All the disciplines of the WTO, including its tariff obligations, non-discrimination and quantitative restrictions, become open to unilateral challenge on security grounds [2].

A wide reading of Article XXI is less ominous to states like the UAE who are more strategic. The UAE has not been a significant victim of security-based restrictions on trade and has a diversified trade structure which offers alternative markets if one partner restricts trade [19]. Furthermore, the UAE could similarly benefit from the security exception in certain instances, such as in 2017–2021 when the UAE's Embassy in Qatar banned some of its own exports during the Qatar blockade [31].

The decision of the panel on Russia — Traffic in Transit was particularly important because it was an effort to maintain the justifiability of security exceptions while at the same time recognizing the Members' legitimate security concerns [27]. The panel also pointed out the difference between the use of article XXI and the review of the use of article XXI, and clearly established that the latter is covered under the WTO dispute settlement [27]. This fine grained approach is a manifestation of a balance between the security interests of Members and legal system interests in legal discipline [2].

But the panel ruling has not brought an end to the simmering tension. Because of the Appellate Body's paralysis, the legal effect of security exceptions is still unclear, and Members continue to use Article XXI with whatever justification they can [1]. This uncertainty is a vulnerability for rule-dependent states, and a manageable risk for the strategically autonomous states [6].

5.2 Dispute settlement reform proposals

The paralysis of the Appellate Body has led to a variety of proposals for its reform, with varying consequences for rule-dependent and strategically autonomous states.

The EU and other Members introduced an alternative appeal mechanism in 2020 called the Multi-Party Interim Appeal Arbitration Arrangement (MPIA) [28]. The MPIA is based on Article 25 of the Dispute Settlement Understanding, which allows Members to agree to arbitration as an alternative to the standard appeal process [28]. In early 2026, the MPIA had about 50 Members participating, such as the EU, China, Canada, Australia, and Brazil [28]. In the United States, however, there is no participation, and Pakistan is not a notable player [28].

A group of WTO Members, led by Canada, Australia, New Zealand and Singapore, known as the Ottawa Group, has called for a number of changes to the dispute settlement system [29]. Among these proposals are those to increase transparency, to streamline procedures, and to remedy concerns regarding overreaching by judges [29] that were raised by the United States. This Ottawa Group's method is incremental and consensual, because it is made up of diverse members [29].

In the EU's proposals for WTO Reform, dispute settlement is much more ambitious, with the proposal to create a permanent appellate body with tenured judges [30]. The EU has also suggested that the negotiation role of the WTO should be changed (consensus rule to be waived by using plurilateral agreements) [30].

In the case of state-dependency, such as Pakistan, these reform suggestions take different connotations. A possible alternative to the paralysed Appellate Body is provided by the MPIA, but it is resource and capacity intensive which may prove difficult for Pakistan to afford [28]. In the case of rule-dependent states, the incremental approach as offered by the Ottawa Group might be more realistic but cannot resurrect the binding dispute settlement mechanism that is so essential to these states. The more ambitious suggestions from the EU may help to solve the systemic problems – but for this political consensus is needed, which is not yet secured.

The reform agenda is less important for states in strategic alliance with other Gulf countries such as the UAE, who have less to lose from imbalanced reforms. The UAE has used the WTO dispute settlement mechanism sparingly, and bilateral agreements offer alternative dispute resolution [19]. But the UAE does have an interest in having a viable multilateral system, for the purposes of having a fall-back arrangement to its bilateral systems [23].

5.3 The implications for neutrality

The legal aspect of the neutrality crisis further strengthens the division between rule-dependent and strategically autonomous states. The legal aspect of the neutrality crisis further reinforces the rule-dependent versus strategically autonomous state distinction. In rule-dependent states, the lack of legal discipline, whether it is the paralysis of the Appellate Body or the large definition of security exceptions, has a direct impact on the protection of these states [1]. A breakdown of legal discipline allows strategically autonomous states to conduct bilateral deal making and to loosen the boundaries on their trade strategy [19].

The imbalance has significant implications for the WTO reform. The legal dimension will be an important part of any reform effort aimed at restoring WTO neutrality, and will require a restoration of binding dispute settlement and clarity of security exception jurisprudence [27]. It also needs to appreciate the different interests of the various states in the legal system and their capacities to utilize it [6]. A uniform (one-size-fits-all) solution to the reform problem is not likely to work.

6. Synthesis: The Asymmetric Consequences of the Neutrality Crisis

6.1 A redistribution of strategic capacity

The study essentially shows that the WTO's neutrality crisis is not a monolithic issue, as the Pakistan–UAE comparison illustrates. It has opposing effects on two kinds of Global South economies.

In states where the rule of law is dependent, like Pakistan, the loss of WTO neutrality is a loss of protection. Strong states are subject to the same rules as weak states [1]. Pakistan is more exposed in the scenarios of paralysis of Appellate Body, when unilateral measures are growing in number, and when the tariff "water" is rising between the blocs and non-aligned economies [3]. This is confirmed by the modelling of the WTO: the median unaligned economy in Asia would experience real per-capita income losses of 80% compared to developed economies, and LDC economies could experience significant GDP declines by 2050 [4]. Pakistan's response is defensive: it calls for a reform of the dispute settlement system, it is in talks for a CEPA with UAE and also looking for bilateral solutions [13]. It is trying to maintain access to markets which the multilateral system now no longer ensures.

Strategically independent states such as UAE benefit from the lack of neutrality of the WTO. Fragmentation opens up room for bilateral deal making, space for blocking, and opportunities for being seen as an unavoidable center [8]. The UAE's CEPA programme, its BRICS membership and its multi-alignment are all possible due to the very fragmentation that poses a danger to Pakistan [19]. The growth of non-oil trade (14.6%) in 2024 was well above the global growth rate, a sign that fragmentation can be profitable for states that structurally can cope with it [21]. In 2024, the UAE's trade with CEPA partner countries amounted to AED 135 billion, representing a 42.3% increase, thereby showcasing the tangible economic benefits of the UAE's bilateral approach [21].

6.2 Comparative Overview

Pakistan and the UAE are compared in Table 1 on the key dimensions discussed in this article in a systematic manner. The asymmetry of the structure is shown on the table and is one of the key points of the difference between rule-dependent neutrality and strategically autonomous neutrality. The ability to respond to geo-economic fragmentation varies markedly between states across the five trade profile, preferential agreement coverage, institutional capacity, dispute settlement engagement, and strategic orientation dimensions of non-alignment. The ability to act on geo-economic fragmentation is different between states in terms of the five dimensions of non-alignment: trade profile, preferential agreement coverage, institutional capacity, dispute settlement engagement and strategic orientation. Such disparities are not simply quantitative but represent very different stances in the global trading system – different stances that mean different things in terms of whether fragmentation is felt as a threat or an opportunity.

Table 1
Comparative Overview of Pakistan and UAE as Non-Aligned Economies

Dimension	Pakistan	United Arab Emirates
Trade Profile		
Total merchandise exports (2025)	USD 30.9 billion	USD 561.2 billion (non-oil exports)
Total merchandise imports (2025)	USD 65.4 billion	—
Trade deficit	USD 34.5 billion	Trade surplus
Main export sectors	Textiles, agriculture, low-value goods	Petroleum, petrochemicals, re-exports, services
Export concentration	High (textiles dominant)	Moderate (diversified non-oil sector)
Preferential Trade Agreements		
Number of FTAs/CEPAs signed	Few bilateral agreements	28 CEPAs signed (13 in force as of 2025)
CEPA partners	UAE (under negotiation)	India, Türkiye, Indonesia, Israel, Jordan, Malaysia, New Zealand, Kenya, Ukraine, and others
Preferential market access	Primarily MFN access	Preferential access in 30 + markets
Institutional Capacity		
Trade ministry capacity	Limited financial and human resources	One of the most active foreign trade ministries globally
CEPA negotiation speed	Slow (capacity constraints)	Average 6 months per agreement
Trade remedy body	National Tariff Commission (under reform)	Well-resourced and technically equipped
Dispute Settlement Engagement		
WTO disputes initiated	Few	Several (including DS538 against Pakistan)
WTO disputes as respondent	Several (including DS538)	Few
Use of MPIA	Not a participant	Not a participant
Reliance on bilateral dispute resolution	Increasing	Primary mechanism
Strategic Orientation		
Neutrality type	Rule-dependent (defensive)	Strategically autonomous (offensive)
Strategic narrative	Reactive, defined by fiscal pressures	Proactive: "geoeconomics and connectivity outsmart geopolitics"
Membership in plurilateral forums	OIC, SAARC (paralysed)	BRICS, SCO, GCC, OIC
Key vulnerability	Loss of MFN predictability	Manageable due to diversified access
Outcome under Fragmentation		
Tariff exposure (WTO 2026 scenario)	Up to 10% increase with both blocs	Mitigated by CEPA network
Projected GDP loss (2050)	Significant (LDC-level vulnerability)	Low (structural capacity to adapt)
Strategic response	Defensive: calls for WTO reform, seeks CEPA with UAE	Offensive: expands CEPA network, multi-alignment

Source

Authors' own compilation.

6.3. The non-aligned group is not homogeneous

Non-aligned economies is a category in the WTO's World Trade Report 2026, but the Pakistan-UAE comparison shows that non-aligned economies are very diverse. The impact on the various non-aligned economies is shaped by their bilateral agreement portfolio, their structure in the global value chain and their ability to access preferential access through institutional mechanisms [3]. While the median non-aligned economy is likely to suffer heavy losses, and the range of variability around it is vast [4].

This is a heterogeneity that has implications for analytical perspectives and policy responses. Analytically, it means that the "non-aligned" group should not be considered as one unit, but as a set of fragments that should be studied separately [6]. Fragmentation in a state like UAE is different from fragmentation in

a state like Pakistan, in the sense that fragmentation in the UAE has been an opportunity to widen its trading network, while in the case of Pakistan, fragmentation is seen as a threat to the trading network.

Policy-wise, it implies that all-fragmentation-solutions will not work. The need to reform the WTO must take into account the needs of structurally vulnerable states, which do not necessarily overlap with any particular middle powers, or the interests of great powers [6].

6.4 The normative implications

The importance of this asymmetry for the norms is normative. The call for papers for this special issue on distributive justice in trade and on Global South views of economic justice has been well founded. The neutrality crisis with the WTO is more than just the lack of restraint from the great powers. It is a shift of strategic capabilities from rule-dependent to autonomy-capable states [6]. Any reform programme that focuses on great power weaponisation, while ignoring the growing divide between those states capable of coping with fragmentation, and those incapable of doing so will leave some behind [4].

This is the conclusion suggested by the WTO's own "geo-fragmented world" modelling. When the world is split into western and eastern blocs, the non-aligned economies, which are without any preferential access to multiple markets, have to face up to a 10% tariff hike between themselves and either bloc [3]. This is a structural threat in Pakistan [9]. In the UAE, it is a manageable issue due to the UAE's current position of enjoying preferential access in several regions [19]. The difference is not in the strength of the geopolitical shock; it's in their ability to react to it [6].

6.5 The limits of bilateralism for rule-dependent states

The Pakistan – UAE CEPA negotiations are a case in point of the potential and constraints of bilateralism in a rule-dependent world. On the other hand, the CEPA is a practical solution to the loss of multilateral assurances. Pakistan can mitigate the risks of the deadlock of the WTO dispute settlement system and the increasing number of unilateral trade measures by gaining preference in the UAE market [17].

The CEPA does not, however, provide a replacement for a viable multilateral system. The current trade figure of Pakistan with UAE is USD 2.1 billion for exports and USD 8 billion for imports during 2024-25, which are mainly petroleum products [17]. However, even if bilateral trade is doubled (which both parties have expressed a desire to achieve), the CEPA would not make up for the loss of the MFN predictability in Pakistan's key export markets - the United States, the European Union and China [9]. The UAE, on the other hand, has CEPA agreements with 38 countries with preferential access through various blocs [19]. The bargaining power and trade architecture is highly unbalanced [3].

This imbalance indicates that “bilateralism” is not the universal solution to the issue of neutrality. If the states are strategically autonomous, with the potential to make several agreements, bilateralism is a tool of opportunity [8]. In the case of rule-dependent states, it is a defensive measure that helps reduce, yet won't entirely avoid, risks of fragmentation [6].

6.6 The role of regional organizations

Although national strategies have been the focus of the analysis until now, there are also regional organisations acting as mediators of the impact of geo-economic fragmentation. The UAE is a member of the Organisation of Islamic Cooperation (OIC) and the Gulf Cooperation Council (GCC) while Pakistan is a member of the South Asian Association for Regional Cooperation (SAARC) and the Organisation of Islamic Cooperation (OIC).

The regional organizations have failed to offer effective alternatives in lieu of the multilateral system to Pakistan. The tensions between India and Pakistan have left SAARC essentially paralysed and the OIC has limited capability to facilitate trade [13]. Political differences in Pakistan have a negative impact on the prospects of regional integration as the deep economic cooperation is not possible to materialize due to the political divisions in Pakistan [9].

The GCC is a more effective platform for regional economic cooperation for the UAE. The GCC customs union was formed in 2003 and enables coordinated trade policy and the UAE has been taking advantage of its membership in the GCC to strengthen its overall trade agenda [31]. But political tensions have also fractured the GCC, with the Qatar blockade of 2017–2021, impacting intra-regional trade [31].

The comparison implies that regional organisations do not replace multilateral rules or bilateral agreements. They can offer an additional structure of cooperation, but suffer from the same political divisions which affect multilateral cooperation [6]. Regional organizations can provide some limited opportunities for multilateral guarantees being reduced, but are unlikely to be able to replace multilateral guarantees for rule dependent states [9].

7. Conclusion: Toward a Distributive Justice Agenda for WTO Reform

7.1 The central argument restated

In this article, the argument has been that non-alignment in the geo-fragmented trading system is not a single but a continuum of structural capacity. Pakistan's neutrality is based upon rules and is defensive; UAE's neutrality is offensive and is strategically independent. The geopolitical change that pose a threat to Pakistan for market access also provide opportunity to the UAE to expand its trade network [3]. The neutrality crisis in the WTO is thus not only an institutional one but a strategic one, too—an issue of the redistribution of strategic capacity within the Global South [6].

The comparison of the two countries, Pakistan and UAE, has shown that there are significant differences in the "non-aligned" category [3]. The UAE's CEPA programme and its BRICS membership enable it to take advantage of fragmentation [19] while Pakistan's limited bilateral architecture and reliance on MFN predictability make it vulnerable [9]. The WTO's simulation of a ‘geo-fragmented world’ strongly supports that significant losses will be incurred by the median non-aligned economy, but the dispersion around the median is huge, and depends more on structural capacity than on diplomatic affiliation [4].

7.2 A three-part reform agenda

This analysis proposes a reform agenda which is more than a restoration of the Appellate Body. WTO reform should eliminate the imbalance in the ability of members to adjust. There are three directions that are especially viable.

Increase special and differential treatment to structurally vulnerable economies. The existing S&DT framework is mostly income based and fails to capture the specific vulnerability caused by the geo-economic fragmentation [3]. A reform agenda could include measures that take into account and compensate for MFN uncertainty faced by rule-dependent states [6]. It may involve a "fragmentation adjustment facility" to assist states which are subject to tariff rises because of bloc formation, or a mechanism to keep track of and deal with the differential effects on structurally vulnerable economies of unilateral tariff reductions [4].

Such reforms are well supported by the finding of the WTO that fragmentation of trade may have a four times greater impact on poor economies than rich economies [3]. The report's estimate that the median economy in Asia would see real per capita income losses 80% greater than the losses for developed economies highlights the need to tackle this imbalance [4].

Second, assistance in trade facilitation and institutional capacity building. The proposals by the National Tariff Commission of Pakistan for tariff reforms include the recognition of the need for domestic institutional capacity for effective participation in the trading system [14]. Financial, technical and diplomatic support to rule dependent states in the form of capacity building would facilitate their use of fragmentation more effectively [6]. This may encompass initiatives to improve trade remedy administration, to increase negotiating capacity, and to build the digital infrastructure needed to take part in twenty-first century trade [15].

The digital aspect of fragmentation is especially salient here. Since there are no multilateral data governance rules in place, rule dependent states have to abide by the unilateral data governance policies of more powerful states, with little ability to appeal. Building digital trade capacity in these states – through the development of regulations, technical infrastructure and human resources – would enable them to play a more active role in the digital economy [6].

Third, a multi-lateral approach to bilateral deal making. With the growing number of CEPAs and other similar agreements, there is a coordination problem [19]. Fragmentation could be a race to the bottom unless a multilateral agreement, which establishes minimum norms for transparency, non-discrimination and development-friendliness in bilateral agreements, is put in place. Its focus on services, digital trade and investment could be used as a template for standards as set forth by the UAE's CEPA programme [19].

Such a scheme would not attempt to abolish bilateralism, which the authors do not regard as practicable or desirable, but would draw up norms that would ensure that bilateralism did not run counter to the multilateral system [3]. Key elements might include provisions for transparency in the negotiation and implementation of bilateral agreements, commitments to extend preferences to other countries on an MFN basis where feasible, and provisions for development assistance to the partner countries with limited adjustment capacity [6].

7.3 The limits of great-power restraint

The discussion in this article implies that the restoration of the neutrality of the WTO will not be brought about by a ceasefire of the great powers. If the United States and China did agree to restore the Appellate Body and to not weaponize trade, the structural imbalance between a rule dependent and strategically autonomous state would persist [6]. The UAE would still have the benefit of its CEPA network [19] and Pakistan would still rely on MFN access and a few bilateral agreements [9].

To rectify this imbalance a more far-reaching reform agenda is needed, one that is not only to see the WTO as a venue for great-power bargaining but as an institution that can and should play a role in equitably sharing the advantages of the trading system. These are in line with the founding mandate of WTO which states that "relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services" [3].

The neutrality dilemma is ultimately about whether the WTO can deliver on this mandate in a geo-political world of conflict. But if it can evolve to address the asymmetric impact of fragmentation, it may still have the legitimacy and effectiveness it has enjoyed for three decades as a pillar of the global economic system [1]. However, if it is not able to, the most susceptible shareholders of the system will be the ones that will suffer the costs [4].

7.4 A research agenda

The article has sparked a research program on 'neutrality governance' in multilateral institutions [6]. The framework developed in this work could be expanded in a number of ways in future research. First, comparative research comparing other dyads – like India and Bangladesh, or Brazil and Argentina – would help determine whether there is a difference that can be observed across various regional contexts between rule dependent and strategically autonomous neutrality [6]. Second, quantitative analysis might give an operational definition of the notion of "structural capacity" and explore its connection with outcomes in the WTO negotiations and dispute settlement [3]. Third, normative research might be devoted to the design of a ‘fragmentation adjustment facility' or other methods to deal with the distributional impacts of geo-economic fragmentation [4]. Fourth, Legal research could explore the different interpretations of GATT Article XXI and their implications for the bargaining position of rule dependent and strategically autonomous states [27].

Whether WTO can evolve to a world where neutrality is no longer one institutional property but a range of strategic deployments [3] will determine the future of the WTO. Addressing that distributive dimension of the spectrum is not only a matter of justice but one of survival of the institutions as well.

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Supplementary Files

This is a list of supplementary files associated with this preprint. Click to download.

- SourceDataListAsymmetricNeutrality.txtFinal19102026.txt