

Law and Policy Review (LPR)

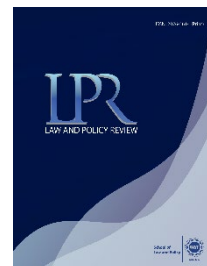
Volume 1 Issue 1, Spring 2022

ISSN(p): 2076-5614

Homepage: <https://journals.umt.edu.pk/index.php/lpr>



Article QR



- Title:** Muslim Countries' Participation, Challenges, and Development in the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO)
- Author (s):** Chaudhary Azhar Hussain Tarar, Bushra Abdul Majeed Bhatti
- Affiliation (s):** University of Management and Technology, Lahore, Pakistan
- DOI:** <https://doi.org/10.5349/lpr.11.04>
- History:** Received: March 6, 2022, Revised: May 5, 2022, Accepted: May 26, 2022, Published: June 29, 2022
- Citation:** Tarar, C. A. H., & Bhatti, B. A. M. (2022). Muslim countries' participation, challenges and developing in the General Agreement on Tariffs and Trade "GATT" and the World Trade Organization "WTO". *Law and Policy Review*, 1(1), 58–81. <https://doi.org/10.5349/lpr.11.04>
- Copyright:** © The Authors
- Licensing:**  This article is open access and is distributed under the terms of [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/)
- Conflict of Interest:** Author(s) declared no conflict of interest



UMT

A publication of
School of Law and Policy
University of Management and Technology, Lahore, Pakistan

Muslim Countries' Participation, Challenges, and Development in the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO)

Chaudhary Azhar Hussain Tarar* and Bushra Abdul Majeed Bhatti

School of Law and Policy, University of Management and Technology, Lahore,
Pakistan

Abstract

Muslim countries are integrated into worldwide trading through membership in GATT and WTO. Many Muslim-majority countries are members of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO). Many Muslim countries are emerging nations and face challenges while participating in the global trade system. If a country does not comply with its WTO commitments, then other countries may take action through the WTO dispute settlement process. WTO is an international organization that facilitates international trade and helps to ensure that trade flows smoothly, predictably, and freely. This organization performs these tasks by promoting the adoption of open and fair trade policies, providing a forum for negotiations, and settling trade disputes between countries. Muslim countries, like other countries, may participate in WTO and are subject to its rules and agreements. Some Muslim-majority countries, such as Indonesia, Pakistan, and Turkey are founding members of WTO, while others joined at various points since its inception. Participation in WTO may bring a number of benefits to Muslim countries including increased access to global markets, the opportunity to shape global trade rules, and the ability to use WTO's dispute settlement mechanism to resolve trade disputes. GATT and WTO are global organizations that play a significant role in shaping the international trade policies. Muslim countries are integrated into worldwide trading through their membership in the GATT and WTO, however, many of these countries continue to face challenges while participating in the global trade system. The current research aims to examine the participation, challenges, and development of Muslim countries in the GATT and WTO system. It provides a brief overview of GATT and WTO along with their respective roles in facilitating international trade. It also highlights the benefits and challenges faced by Muslim countries while participating in these

* Corresponding Author: F2021144002@umt.edu.pk

organizations. Furthermore, this study analyses the impact of WTO on the trade policies of Muslim countries and the implications of WTO accession for their economic development. To achieve these objectives, a review of existing literature and scholarly articles was conducted. It also draws on the case studies of Muslim countries, such as Pakistan, Bangladesh, and Afghanistan to illustrate the practical implications of participating in WTO. By providing an overview of the participation, challenges, and development of Muslim countries in the GATT and WTO system, this study seeks to contribute to a better understanding of the issues faced by these countries in the global trade system.

Keywords: economic development, General Agreement on Tariffs and Trade (GATT), international organization, Muslim countries, World Trade Organization (WTO)

Introduction

The purpose of this document was to discuss the role of Muslim countries in GATT-WTO system with respect adoption and problems in participation. Muslim countries made efforts to promote regional integration and these efforts proved to be successful.

Muslim Countries and GATT-WTO System

Pakistan is one of the founding members of World Trade Organization (WTO) and had been a member of the General Agreements on Tariffs and Trade (GATT) since 30 July 1948 (World Trade Organization [WTO], n.d.b). GATT and WTO are international organizations that regulate and promote international trade between countries (Koyuncu, 2019). Many Muslim-majority countries are members of GATT and WTO and are therefore, integrated into the global trading structure (WTO, n.d.c). As of 2021, the following Muslim-majority countries are members of WTO (Macrory et al., 2005).

- Algeria
- Bahrain
- Bangladesh
- Brunei
- Egypt
- Indonesia
- Iran

- Jordan
- Kuwait
- Lebanon
- Malaysia
- Mauritania
- Morocco
- Oman
- Pakistan
- Palestine
- Qatar
- Saudi Arabia
- Sudan
- Syrian Arab Republic
- Tunisia
- United Arab Emirates
- Yemen

These countries are actively participating in the global trading structure and have committed to follow the rules and regulations set forth by the GATT and WTO. They have also agreed to reduce tariffs and other trade barriers in order to facilitate the free flow of goods and services between member countries (Alavi, 2002).

While many Muslim-majority countries are members of GATT and WTO, it is worth noting that not all Muslim-majority countries are their members. Some examples of Muslim-majority countries that are not the current members of WTO (WTO, n.d.a) include:

- Afghanistan
- Azerbaijan
- Kyrgyzstan
- Tajikistan
- Turkmenistan
- Uzbekistan

It is also worth noting that some Muslim-majority countries have had issues with their membership in WTO. For instance, Indonesia has had difficulty complying with WTO rules and faced criticism from other member countries resultantly.

Overall, it was determined that many predominantly Muslim countries have been integrated into the world trade structure through their accession to the GATT and WTO. However, the extent of their integration may vary and there are some Muslim-majority countries that are not the members of these organizations.

Troubles of Muslim Countries in GATT System

There are a number of specific problems that may arise with respect to the participation of certain countries in the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO). Some examples include (VanGrasstek, 2013).

Developing Countries

Developing countries may face challenges while participating in the global trading structure due to their lack of economic development and capacity. They may struggle to comply with the rules and regulations established by GATT and WTO and they may have difficulty competing with more developed countries (Mahmud, 2017).

There are several problems faced by developing countries with respect to their participation in GATT and WTO. Some of these problems include (Hudec, 2011).

Trade Negotiations

Developing countries often have limited resources and capacity to participate in trade negotiations which might put them at a disadvantage as compared to developed countries.

Intellectual Property Rights

Developing countries may have weaker intellectual property rights regimes which may make it difficult for them to protect their domestic industries from competition from foreign firms.

Agricultural Subsidies

Developed countries often provide subsidies to their domestic agricultural sectors which may make it difficult for farmers in developing countries to compete on the global market.

Technical Barriers to Trade

Developing countries may face technical barriers to trade, such as, the requirement to meet certain standards or regulations which could be costly and burdensome to comply with.

Market Access

Developing countries may have limited access to developed country markets due to high tariffs and other trade barriers.

Capacity Building

Developing countries may lack the capacity to fully participate in the global trading structure including the ability to effectively negotiate trade agreements and enforce their rights under these agreements.

Political Instability

Countries that are experiencing political instability or conflict may also have difficulties to participate in the global trading structure. This may be due to disruptions in their domestic economy or difficulties while negotiating trade agreements with other countries.

Political instability may pose a problem for any country's participation in the GATT and WTO regardless of the country's religious affiliations. Political instability may lead to disruptions in trade, difficulties in negotiating trade agreements, and challenges to enforce the rights and obligations under these agreements.

It is not accurate to assume that all Muslim-majority countries experience political instability or that political instability is a uniquely Muslim problem. Like any other group of countries, there is a wide range of political and economic conditions in Muslim-majority countries and many of these countries have successfully participated in GATT and WTO.

Cultural or Legal Differences

Countries with different cultural or legal systems may also face challenges while participating in the global trading structure. For instance, they may have difficulty complying with certain rules and regulations that are not consistent with their own laws or values.

Cultural and legal differences could sometimes pose challenges for the participation of Muslim-majority countries in the GATT and WTO. For

instance, some Muslim-majority countries may have cultural or religious beliefs that are at odds with certain practices, common in the global trading structure, such as, the consumption of alcohol or the treatment of pork products. These differences may sometimes lead to misunderstandings or difficulties in negotiating trade agreements (Nsour, 2011).

Legal differences could also be a challenge, as the legal systems in Muslim-majority countries may be based on Islamic law (sharia) or a combination of Islamic and secular legal traditions. This may sometimes lead to differences in the interpretation and application of WTO rules and agreements (Mirza & Narlikar, 2018).

It is important to note that cultural and legal differences are not unique to Muslim-majority countries and may be found in many other countries.. These differences may be conquered through dialogue, understanding, and the development of mutually acceptable solutions.

Protectionist Policies

Some countries may be hesitant to participate in the global trading structure due to concerns about protecting their domestic industries. They may be unwilling to reduce tariffs or other trade barriers which may limit their ability to engage in international trade.

Protectionist policies could be a problem for the participation of any country in the GATT and WTO including Muslim-majority countries. Protectionist policies are measures that a government takes to shield its domestic industries from foreign competition, such as tariffs, quotas, and other trade barriers. These measures could restrict trade and make it more difficult for foreign firms to access the domestic market.

Protectionist policies could be a particular problem for developing countries including many Muslim-majority countries, as they may rely heavily on exports and have fewer resources to protect their domestic industries. Protectionist policies in developed countries may also make it difficult for developing countries to access the developed country markets.

Even not all Muslim-majority countries engage in protectionist policies and many have actively participated in the global trading structure by liberalizing their trade regimes and reducing trade barriers.

There are a number of special problems that may arise with respect to the participation of certain countries in the GATT and WTO. These

challenges could vary depending on the specific country and its unique circumstances.

Troubles Encountered when Acceding to WTO

There are several difficulties that Muslim-majority countries may encounter while acceding to WTO. Some of the main challenges include:

Meeting the Requirements for Membership

In order to become a member of WTO, countries must demonstrate that they have a functioning market economy and that they are able to comply with the rules and regulations of the organization. This could be a challenge for countries that are experiencing economic or political instability, or that have weak institutions.

Any country that wishes to accede to WTO must meet the requirements for membership set out in the WTO's Agreement on the Accession of New Members. These requirements are designed to ensure that the new member is able to contribute to the WTO's objectives of promoting free and fair trade and to participate in the organization's rules and decision-making processes.

Meeting the requirements for WTO membership could be a challenging process for any country regardless of its religious affiliations. Some of the specific challenges that Muslim-majority countries may encounter when acceding to the WTO include:

Trade Policy

The candidate country must provide information on its trade policies including its tariffs and other trade barriers and must undertake to notify WTO of any future changes in these policies.

Legal Framework

The candidate country must provide information on its legal framework including its laws and regulations related to trade and must undertake to notify WTO of any future changes to these laws and regulations.

Capacity Building

The candidate country may need to build up its capacity in order to participate in WTO by strengthening its institutions and regulatory frameworks and increasing its technical expertise.

Trade Negotiations

The candidate country must negotiate with WTO members to reach agreements in terms of its accession including the commitments it would make to liberalize its trade regime and the concessions it may receive in return.

However, the process of acceding to WTO could be complex and time-consuming and it is not uncommon for countries to face challenges and setbacks along the way. However, many countries, including many Muslim-majority countries, have successfully acceded to WTO and have benefited from their membership in the organization.

Negotiating Market Access

As part of the accession process, countries must negotiate market access agreements with other WTO members. This could be a complex and time-consuming process and it may be difficult for some countries to secure favourable terms.

Negotiating market access is one of the key challenges that countries may face while acceding to WTO. Market access refers to the ability of a country's firms to sell their products in foreign markets. As part of the process of acceding to the WTO, a candidate country must negotiate with WTO members to reach agreements on the terms of its accession including the commitments it would make to liberalize its trade regime and the concessions it may receive in return.

One specific aspect of market access that countries may need to negotiate is the reduction of tariffs and other trade barriers on their exports. This may be a challenging process, as countries may be reluctant to lower their tariffs or open up their markets to foreign competition.

It is not accurate to assume that Muslim-majority countries face specific difficulties in negotiating market access while acceding to the WTO. Like any other group of countries, Muslim-majority countries have a wide range of economic and political conditions and the challenges they face in negotiating market access depends on their individual circumstances. Some Muslim-majority countries may have relatively high tariffs or other trade barriers that they need to reduce as part of their accession process, while others may have relatively open trade regimes and may not face significant challenges in this regard.

Implementing WTO Agreements

Once a country becomes a member of WTO, it must implement the agreements and commitments it has made as part of the accession process. This could be challenging for countries that lack the capacity or resources to make the necessary changes to their domestic laws and regulations.

The implementation of WTO agreements is one of the key challenges that countries may face when acceding to WTO. As a member of WTO, a country must adhere to the rules and obligations of the organization including those set out in the WTO's various agreements. These agreements cover a wide range of areas including trade in goods, trade in services, intellectual property, and dispute settlement.

One specific challenge that countries may face in implementing WTO agreements is the need to bring their domestic laws and regulations into line with WTO rules. This may require countries to undertake legal and institutional reforms which could be a time-consuming and complex process.

It is not accurate to assume that Muslim-majority countries face specific difficulties in implementing WTO agreements when acceding to the organization. Like any other group of countries, Muslim-majority countries have a wide range of economic and political conditions and the challenges they face to implement WTO agreements would depend on their individual circumstances. Some Muslim-majority countries may need to undertake significant legal and institutional reforms as part of their accession process, while others may have legal systems and regulatory frameworks that are already largely consistent with WTO rules.

Overcoming Domestic Opposition

In some cases, there may be opposition to WTO membership within a country. This could be due to concerns about the potential impact on domestic industries, cultural or legal differences, or other issues. Overcoming this opposition could be a challenge for governments seeking to accede to the WTO.

Overcoming domestic opposition is also considered to be one of the challenges that countries may face when acceding to WTO. The process of acceding to WTO involves making commitments to liberalize the country's trade regime and in order to adhere to the rules and obligations of the

organization. These commitments may sometimes be controversial and there may be domestic opposition to the country's accession to WTO.

One specific aspect of domestic opposition that countries may face while acceding to WTO is the fear that the country's domestic industries would be harmed by increased foreign competition. This fear may be particularly pronounced in industries that are protected by tariffs or other trade barriers, as these barriers may be reduced as part of the country's accession process.

Muslim-majority countries face difficulties to overcome domestic opposition when acceding to WTO. Like any other group of countries, Muslim-majority countries have a wide range of economic and political conditions and the challenges they face to overcome domestic opposition would depend on their individual circumstances (Scott-Keltie & Epstein, 2016). Some Muslim-majority countries may have well-developed and influential domestic industries that are resistant to liberalization, while others may have more open trade regimes and may not face significant opposition to their accession to WTO.

It may be seen that there are several difficulties that Muslim-majority countries may encounter when acceding to WTO. These challenges could vary depending on the specific country and its unique circumstances.

Efforts of Muslim Countries in Regional Integration

There have been a number of efforts made by Muslim-majority countries to achieve regional integration. Some examples include:

Arab League

The Arab League is a regional organization that was established in 1945 with the goal to promote cooperation and coordination among Arab countries. The organization has 22 member states and focuses on a range of issues including economic development, trade, and security which are located in the Arab world. While the Arab League is not exclusively composed of Muslim-majority countries, all of its member states have significant Muslim populations (Benaddi & Silva, 2022).

The Arab League has made a number of efforts to promote regional integration among its member states. Some examples include:

The Arab Free Trade Area (AFTA)

Established in 1997, the Arab Free Trade Area (AFTA) is a free trade area that aims to promote trade and economic integration among Arab League member states. AFTA has reduced tariffs and other trade barriers among member states and it aims to create a single market among the participating countries.

The Arab Customs Union (ACU)

Established in 2015, the Arab Customs Union (ACU) is a customs union that aims to create a single market among Arab League member states by eliminating tariffs and other trade barriers among them. The ACU is an extension of AFTA and builds on the progress made under that agreement.

The Arab Monetary Fund (AMF)

Established in 1976, the Arab Monetary Fund (AMF) is a regional financial organization that aims to promote economic cooperation among Arab League member states. The AMF provides financial assistance to member states and supports regional financial integration through programs, such as, the Arab Trade Financing Program.

All these efforts by the Arab League are aimed to promote trade and economic cooperation, enhancing political and security cooperation, and fostering cultural and social exchange among the participating countries.

Economic Cooperation Organization (ECO)

The Economic Cooperation Organization (ECO) is a regional organization that was established in 1985 to promote economic cooperation and integration among Muslim-majority countries in Central and South Asia, the Middle East, and the Caucasus. The organization has 10 member states and focuses on issues, such as trade, transportation, and energy which are located in the Central and South Asian regions. It has a membership that is largely composed of Muslim-majority countries.

The ECO has made a number of efforts to promote regional integration among its member states. Some examples include:

The ECO Trade Agreement

Established in 2003, the ECO Trade Agreement is a free trade agreement that aims to promote trade and economic integration among ECO

member states. The ECO Trade Agreement has reduced tariffs and other trade barriers among member states and it aims to create a single market among the participating countries.

The ECO Regional Investment Agreement

Established in 2003, the ECO Regional Investment Agreement is an investment agreement that aims to promote investment and economic integration among ECO member states. The agreement provides a framework for the promotion and protection of foreign investment in ECO member states and aims to create a more favourable investment climate in the region.

The ECO Transit Transport Framework Agreement

Established in 2004, the ECO Transit Transport Framework Agreement is a transport agreement that aims to promote connectivity and economic integration among ECO member states. The agreement provides a framework for the development of transport and transit corridors in the region and aims to facilitate the movement of goods and people among ECO member states.

Organization of Islamic Cooperation (OIC)

The Organization of Islamic Cooperation (OIC) is a regional organization that was established in 1969 to promote cooperation and coordination among Muslim-majority countries. The organization has 57 member states, which are primarily Muslim-majority countries and focuses on a range of issues including economic development, trade, and human rights.

It is a multinational organization and the second-largest intergovernmental organization in the world after the United Nations.

The OIC has made a number of efforts to promote regional integration among its member states. Some examples include:

The OIC Free Trade Area (FTA)

Established in 1981, the OIC FTA is a free trade area that aims to promote trade and economic integration among OIC member states. The OIC FTA has reduced tariffs and other trade barriers among member states and it aims to create a single market among the participating countries.

The OIC Investment Agreement

Established in 1981, the OIC Investment Agreement is an investment agreement that aims to promote investment and economic integration among OIC member states. The agreement provides a framework for the promotion and protection of foreign investment in OIC member states and aims to create a more favourable investment climate in the region.

The OIC Industrial Cooperation Agreement

Established in 1981, the OIC Industrial Cooperation Agreement is an industrial cooperation agreement that aims to promote industrial development and economic integration among OIC member states. The agreement provides a framework for the promotion of joint ventures, technology transfer, and other forms of industrial cooperation in the region.

OIC is aimed at promoting trade and economic cooperation, enhancing industrial development and technological cooperation, and fostering cultural and social exchange among the participating countries (Boulila & Oueslati, 2016).

The Gulf Cooperation Council (GCC)

The Gulf Cooperation Council (GCC) is a regional organization that aims to promote cooperation among its six member states which are all Muslim-majority countries in the Gulf region. The GCC has a range of programs and initiatives related to economic integration including the creation of a common market and the establishment of a customs union.

The GCC was established in 1981 and has a membership that includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

The GCC has made a number of efforts to promote regional integration among its member states. Some examples include:

The GCC Free Trade Area (FTA)

Established in 1981, the GCC FTA is a free trade area that aims to promote trade and economic integration among GCC member states. The GCC FTA has reduced tariffs and other trade barriers among member states and it aims to create a single market among the participating countries.

The GCC Customs Union

Established in 2003, the GCC Customs Union is a customs union that aims to create a single market among GCC member states by eliminating tariffs and other trade barriers among them. The GCC Customs Union is an extension of the GCC Free Trade Area and builds on the progress made under that agreement.

The GCC Common Market

Established in 2008, the GCC Common Market is a common market that aims to create a single market among GCC member states by eliminating tariffs and other trade barriers among them, along with harmonizing regulations and standards and facilitating the movement of goods, services, capital, and labour. The GCC Common Market is an extension of the GCC Customs Union and builds on the progress made under that agreement.

The Association of Southeast Asian Nations (ASEAN)

The Association of Southeast Asian Nations (ASEAN) was established in 1967. ASEAN is a regional organization that aims to promote cooperation among its 10 member states which are located in Southeast Asia. While ASEAN is not exclusively composed of Muslim-majority countries, several of its member states have significant Muslim populations. ASEAN has a range of programs and initiatives related to economic integration including the establishment of a free trade area and the creation of a common market.

ASEAN has made a number of efforts to promote regional integration among its member states. Some examples include:

The ASEAN Free Trade Area (AFTA)

Established in 1992, the AFTA is a free trade area that aims to promote trade and economic integration among ASEAN member states. AFTA has reduced tariffs and other trade barriers among member states and it aims to create a single market among the participating countries.

The ASEAN Economic Community (AEC)

Established in 2015, AEC is a common market that aims to create a single market among ASEAN member states by eliminating tariffs and other trade barriers among them along with harmonizing regulations and

standards with facilitating the movement of goods, services, capital, and labour. The AEC is an extension of the AFTA and builds on the progress made under that agreement.

The ASEAN Single Window

Established in 2011, the ASEAN Single Window is an electronic trade facilitation system that aims to streamline trade procedures and helps to reduce the cost of doing business in the region. The ASEAN Single Window allows businesses to electronically submit customs and other trade-related documents to a single point of entry, which is then forwarded to the relevant regulatory agencies for processing.

ASEAN is aimed at promoting trade and economic cooperation, enhancing connectivity and infrastructure development, and fostering cultural and social exchange among the participating countries.

There are also many other examples of regional integration efforts by Muslim-majority countries at the sub regional and bilateral levels. Overall, these efforts are aimed to promote trade and economic cooperation, enhancing political and security cooperation, and fostering cultural and social exchange among the participating countries

Generally, it may be seen that there have been a number of efforts by Muslim-majority countries to achieve regional integration. These efforts focused on a range of issues and involved different regional organizations.

Degree of Succeeded & failed Muslim Countries' Efforts

The success of efforts by Muslim-majority countries to achieve regional integration varies. Some efforts have been more successful than others and there are a number of factors that may contribute to the success or failure of these initiatives.

One example of a successful effort at regional integration among Muslim-majority countries is the Association of Southeast Asian Nations (ASEAN). ASEAN made significant progress to promote economic and political cooperation among its member states and it played a key role to foster the stability and prosperity in the region.

On the other hand, other efforts at regional integration among Muslim-majority countries were less successful. For instance, the Arab League faced challenges to promote cooperation and coordination among its member

states and it struggled to effectively address conflicts and other issues in the region.

There are a number of factors that may contribute to the success or failure of efforts at regional integration among Muslim-majority countries. Some of the main factors include:

Political Differences

Countries with significant political differences may have difficulty achieving regional integration. This may be due to conflicting interests or ideologies, or to ongoing conflicts or disputes.

Political differences may potentially contribute to the success or failure of efforts by Muslim-majority countries in the perspective of the GATT and WTO. Political differences may affect a country's ability to contribute fully in the global trading structure, as they could influence the country's economic and trade policies as along with its level of engagement with the organization.

For instance, political differences may lead to differences in economic and trade policies among Muslim-majority countries which could affect the degree to which these countries are able to participate in the global trading structure. For instance, countries with more protectionist trade policies may face challenges to fully participate in the GATT and WTO, as these policies may limit the country's ability to liberalize its trade regime and adhere to the rules and obligations of the organization.

Political differences may also affect the level of engagement of Muslim-majority countries with the GATT and WTO. Countries with different political systems or ideologies may have different priorities and perspectives on trade and may therefore have different levels of engagement with the organization. This may impact the extent to which these countries are able to effectively participate in the organization and shape its rules and decisions.

Political differences could be a factor in the success or failure of efforts by Muslim-majority countries in the GATT and WTO, however, they are not the only factor. Other factors, such as, economic and institutional conditions, negotiating skills and capacity, and the country's level of engagement with the organization may also play a role.

Economic Disparities

Economic disparities between countries may also be a challenge for regional integration. Countries with stronger economies may be less willing to make concessions or cooperate with less developed countries.

Economic disparities may affect a country's ability to participate fully in the global trading structure, as they can influence the country's economic and trade policies as well as its level of engagement with the organization.

For instance, economic disparities may lead to differences in economic and trade policies among Muslim-majority countries which may affect the degree to which these countries are able to participate in the global trading structure. Countries with weaker economies may be more protectionist in their trade policies, as they may feel the need to shield their domestic industries from foreign competition. This may limit their ability to liberalize their trade regimes and adhere to the rules and obligations of the GATT and WTO.

Economic disparities may also affect the level of engagement of Muslim-majority countries with the GATT and WTO. Countries with weaker economies may have fewer resources to devote to trade negotiations and may be less able to engage actively with the organization. This may impact the extent to which these countries are able to effectively participate in the organization and shape its rules and decisions.

Cultural Differences

Cultural differences may also be a barrier to regional integration. Countries with different cultures and traditions may have difficulty finding common ground and working together.

Cultural differences could affect a country's ability to participate fully in the global trading structure, as they may influence the country's economic and trade policies along with its level of engagement with the organization.

Cultural differences may lead to differences in economic and trade policies among Muslim-majority countries, as countries may have different cultural values and priorities that shape their approach to trade and economic development. These differences may affect the degree to which these countries are able to participate in the global trading structure, as they may lead to different approaches to trade liberalization and adherence to the rules and obligations of the GATT and WTO.

Cultural differences may also affect the level of engagement of Muslim-majority countries with the GATT and WTO. Countries with different cultural traditions and values may have different priorities and perspectives on trade and may therefore have different levels of engagement with the organization. This may impact the extent to which these countries are able to effectively participate in the organization and shape its rules and decisions.

However, it may be seen that the success of efforts at regional integration among Muslim-majority countries varies and there are a number of factors that may contribute to the success or failure of these initiatives.

It is difficult to make generalizations about the success or failure of Muslim-majority countries' efforts in the GATT and WTO, as the experience of these countries has been diverse. Some Muslim-majority countries were active participants in the global trading structure and benefited from their membership in the GATT and WTO. Other Muslim-majority countries were less active and may have faced challenges in their participation in the organization.

It is also significant to note that the GATT and WTO are multilateral trade organizations that operate on the basis of consensus. This means that all member countries have a say in the decisions made by the organization and must agree to any changes to the rules and obligations of the organization. This may make it difficult for individual countries including Muslim-majority countries to pursue their own interests within the organization.

The success or failure of Muslim-majority countries' efforts in the GATT and WTO would depend on a variety of factors including their domestic economic and political conditions, their negotiating skills and capacity, and their level of engagement with the organization. Some specific challenges that Muslim-majority countries may face in their participation in the GATT and WTO include:

Protectionist Policies

Some Muslim-majority countries may have protectionist policies that limit their ability to participate fully in the global trading structure. These policies may include tariffs, quotas, and other trade barriers that restrict trade and make it more difficult for foreign firms to access the domestic market.

Protectionist policies are measures that a government takes to protect its domestic industries from foreign competition. These measures may include tariffs, quotas, and other trade barriers that restrict the import of foreign goods and services. Protectionist policies are often used by governments to shield domestic industries from competition in the hope that this would allow these industries to grow and prosper.

However, protectionist policies may also have negative effects on a country's economy and its participation in the global trading structure. For instance, protectionist policies may increase the cost of imported goods which could lead to higher consumer prices and reduced purchasing power for households. Protectionist policies might also reduce the competitiveness of domestic industries, as they are shielded from competition and may not have to innovate or improve their efficiency in order to compete.

In the context of the GATT and WTO, protectionist policies may pose challenges for countries that are members of these organizations. Both the GATT and WTO are based on the principles of free trade and the reduction of barriers to trade, and as such, they require member countries to reduce tariffs and other trade barriers and to liberalize their trade regimes. Countries that maintain high levels of protectionism may face challenges in adhering to these rules and obligations and may face pressure from other member countries to reduce their trade barriers.

Legal and Institutional Reforms

Some Muslim-majority countries may need to undertake legal and institutional reforms in order to participate fully in the GATT and WTO. These reforms may be necessary to bring the country's domestic laws and regulations into line with WTO rules, or to build up the capacity of the country's institutions to implement and enforce WTO rules and obligations.

Legal and institutional reforms are changes to a country's laws and institutions that are designed to improve the functioning of its economy and its participation in the global trading structure. These reforms may be necessary in order to bring a country's domestic laws and regulations into line with international standards and obligations, or to build up the capacity of its institutions to implement and enforce these standards and obligations.

Legal and institutional reforms may be a challenging process, as they often involve significant changes to the way that a country's economy and legal system operate. These reforms may be resisted by domestic interests

that stand to lose from the changes and they may require a significant investment of time, resources, and political will to implement.

In the context of the GATT and WTO, legal and institutional reforms may be necessary in order for a country to participate fully in these organizations. Both the GATT and WTO have a set of rules and obligations that member countries must adhere to and these rules and obligations may require countries to make changes to their domestic laws and institutions (WTO, *n.d.d*). For instance, a country may need to reform its customs procedures in order to comply with WTO rules on trade facilitation, or it may need to change its intellectual property laws in order to comply with WTO rules on intellectual property protection.

Legal and institutional reforms may be an important factor in a country's success or failure in the GATT and WTO, as they may help the country to effectively implement and enforce the rules and obligations of these organizations and to participate fully in the global trading structure.

Negotiating Market Access

Some Muslim-majority countries may face challenges in negotiating market access while acceding to the WTO or while negotiating trade agreements with other countries. These challenges may arise due to the country's relatively high tariffs or other trade barriers, or due to the reluctance of other countries to open up their markets to foreign competition.

Market access refers to the ability of a country or company to sell its products and services in a foreign market. Negotiating market access could be a complex process, as it involves establishing or improving the conditions under which a country or company could sell its products and services in a foreign market.

There are several factors that might affect market access including tariffs (taxes on imported goods), non-tariff barriers (such as regulatory barriers or quotas), and other trade policies and regulations. In order to negotiate improved market access, countries or companies may need to negotiate with the foreign government to reduce or eliminate these barriers.

Negotiating market access could be a challenging process, as it requires careful consideration of the interests of all parties involved. It is important to understand the motivations and concerns of the foreign government along

with the potential impacts on domestic industries and consumers. In order to be successful, it may be necessary to find creative solutions that address the concerns of all parties and achieve mutually beneficial outcomes.

Implementing WTO Agreements

Some Muslim-majority countries may face challenges in implementing WTO agreements due to the need to bring their domestic laws and regulations into line with WTO rules, or due to the lack of institutional capacity to effectively implement and enforce WTO rules and obligations.

WTO agreements are legally binding commitments that WTO member countries make to one another in order to open their markets and reduce trade barriers. These agreements cover a wide range of areas including goods, services, and intellectual property.

To implement WTO agreements, member countries must incorporate the provisions of the agreements into their domestic laws and regulations. This process may involve a variety of steps including drafting and enacting new laws, revising existing regulations, and setting up institutional structures and procedures to administer the agreements.

It is important for WTO member countries to implement WTO agreements consistently and transparently in order to ensure that trade flows smoothly and to maintain confidence in the global trading structure. If a country is not in compliance with its WTO commitments, other countries may be able to take action through the WTO dispute settlement process.

Conclusion

WTO is an international organization that facilitates international trade and helps to ensure that trade flows smoothly, predictably, and freely. It does this by promoting the adoption of open and fair trade policies, providing a forum for negotiations, and settling trade disputes between countries.

Muslim countries, like many other countries, can participate in WTO. Hence, they are subject to its rules and agreements. Some Muslim-majority countries, such as Indonesia, Pakistan, and Turkey are the founding members of WTO, while others have joined at various points since its inception. Participation in the WTO may bring a number of benefits to Muslim countries including increased access to global markets, the opportunity to shape global trade rules, and the ability to use the WTO's dispute settlement mechanism to resolve trade disputes.

References

- Alavi, R. (2002). Trade protectionism under the WTO: The impact on Muslim countries. *Journal of Economic Cooperation*, 23(4), 1–32.
- Benaddi, A., & Silva, P. (2022). The multilateral trade policy of the Arab league countries: An empirical investigation. *The World Economy*, 45(11), 3420–3450. <https://doi.org/10.1111/twec.13283>
- Boulila, G., & Oueslati, A. (2016). A comparative study of the trade performances of OIC member countries. *Journal of Economic Cooperation and Development*, 37(3), 103–136.
- Hudec, R. E. (2010). *Developing countries in the GATT legal system*. Cambridge University Press.
- Koyuncu, C. (2019). The role of the World Trade Organization in regulating trade relations among its member countries. *Journal of International Trade Law and Policy*, 18(1), 19–37.
- Macrory, P. F. J., Appleton, A. E., & Plummer, M. G. (Eds.). (2005). *The World Trade Organization legal economic and political analysis*. Springer.
- Mahmud, T. (2017). Challenges of trade liberalization under the World Trade Organization (WTO) for developing countries. *Journal of Business and Management*, 19(3), 10–14.
- Mirza, H., & Narlikar, A. (2018). Islamic perspectives on international trade: Review and critique of the literature. *Journal of International Trade Law and Policy*, 17(3), 97–110.
- Nsour, M. F. (2011). International trade law and culture... is it “Culture” by the way? The case of international trade law and Islamic law. *European Journal of Social Sciences*, 19(4), 499–506.
- Scott-Keltie, J., & Epstein, M. (Eds.). (2016). *The statesman's year-book*. Springer.
- VanGrasstek, C. (2013). *The history and future of the World Trade Organization*. World Trade Organization. https://www.wto.org/english/res_e/booksp_e/historywto_e.pdf
- World Trade Organization. (n.d.a). *Members and observers*. https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm

World Trade Organization. (n.d.b). *Pakistan and the WTO*.
https://www.wto.org/english/thewto_e/countries_e/pakistan_e.htm#:~:text=Pakistan%20and%20the%20WTO&text=Pakistan%20has%20been%20a%20WTO,GATT%20since%2030%20July%201948.

World Trade Organization. (n.d.c). *Understanding the WTO: Principles of the trading system*.
https://www.wto.org/english/thewto_e/whatise/tif_e/fact1_e.htm

World Trade Organization. (n.d.d). *Let's talk rules-based trade*.
https://www.wto.org/english/res_e/webcas_e/ltt_e/ltt10_e.htm#:~:text=What%20are%20the%20WTO%20rules,and%20to%20open%20services%20markets.