

Mmaobi Nwafor-Orizu, *Policy Challenges in International Trade Amidst COVID-19 Recovery: The Need for Greater Economic Cooperation and Coordination of States' Economic Policies*
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POLICY CHALLENGES IN INTERNATIONAL TRADE AMIDST COVID-19 RECOVERY: THE NEED FOR GREATER ECONOMIC COOPERATION AND COORDINATION OF STATES' ECONOMIC POLICIES†

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Since the emergence of the COVID-19 pandemic, there have been growing concerns about the policy measures that states have continued to adopt in pursuit of a resilient recovery and, more importantly, the implications of such policies on the future of international trade. This paper explores some of the international trade policy challenges that have surfaced in States' COVID-19 strategies. In doing so, this paper will argue that in order to achieve a global economic recovery, there is a need for international cooperation and coordination of States' economic policies. This recommendation is based on a systematic analysis of the policy measures adopted by States during past economic crises and an evaluation of the applicability of those measures in combating the current COVID-19 pandemic. The WTO plays a significant role in this by ensuring that trade rules are not exploited for strictly protectionist agendas and by guaranteeing that trade restrictive barriers do not impinge on supply chains and production capacities of affordable and essential products.

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I. INTRODUCTION

Over the past few years, there has been an overwhelming tendency by nations globally to recycle old policy initiatives on new economic issues. This is primarily the reason why countries, particularly underdeveloped economies, are still unable to effectively manage the aftermath of a global economic crisis. The COVID-19 pandemic has uncovered a myriad of global economic policy issues, particularly in the areas of international trade.¹ Issues of global inequality,² economic sovereignty,³ and inadequate economic governance⁴ are some of the core areas of growing

¹ Gabrielle Marceau & Pramiti Parwani, *COVID-19 and International Trade: The Role of the WTO in Fighting the Pandemic and Building Back Better*, 16(7/8) GLOBAL TRADE & CUSTOMS J. 280 (2021) [hereinafter Marceau & Parwani].

² Ruth Hill & Ambar Narayan, *What COVID-19 can mean for long-term inequality in developing countries*, WORLD BANK BLOGS (Jan. 7, 2021), <https://blogs.worldbank.org/voices/what-covid-19-can-mean-long-term-inequality-developing-countries> [hereinafter Hill & Narayan].

³ Christian Volk, *The Problem of Sovereignty in Globalized Times*, L., CULTURE & HUMAN., Feb. 2019, at 1 [hereinafter Volk].

⁴ Tom Bernes et. al., *Challenges of Global Governance Amid the COVID-19 Pandemic*, COUNCIL ON FOREIGN REL. (May 21, 2020), https://cdn.cfr.org/sites/default/files/report_pdf/challenges-of-global-governance-amid-the-covid-19-pandemic.pdf (Exploring the wider effects of the pandemic for international cooperation, examining the main gaps in the economic governance, and proposing reforms

concern in international economic relations. These issues are progressively hindering the prospects of advanced and emerging economies to effectively cooperate, as well as coordinate, on fundamental economic policies for the attainment of the most achievable national goals.⁵ In fact, according to a report obtained by the Organisation for Economic Co-operation and Development (OECD), in recent times, nations are progressively implementing strategies that exacerbate these issues, thereby increasing the factors⁶ that generally hinder international economic cooperation.⁷ For instance, the export restrictions imposed by countries, including India, United States (US), and the European Union (EU) on medical and Personal Protective Equipment (PPE) at the onset of the COVID-19 pandemic created a huge disparity in recovery between advanced and emerging countries; this disparity was particularly visible in Africa.⁸ All these practices have continued to raise major concerns amongst economists about the future of the international trading system.

Additionally, the limits on the mobility of people imposed by COVID-19 lockdown-measures impinged on a myriad of international trade processes — from fundamental processes that hinge on time and cost to more technical processes like physical inspection of goods or how testing and certification for technical barriers to trade are conducted.⁹ The lack of a resilient international trade policy structure has meant that the slightest crisis may result in global supply chain disruptions, the

that demonstrates how the multilateral system and individual states can predict, prevent, and manage future pandemics.).

⁵ ORG. FOR ECON. CO-OPERATION AND DEV., COVID-19 AND INTERNATIONAL TRADE: ISSUES AND ACTIONS (Jun. 12, 2020), <https://www.oecd.org/coronavirus/policy-responses/covid-19-and-international-trade-issues-and-actions-494da2fa/> [hereinafter COVID-19 & INTERNATIONAL TRADE (OECD)].

⁶ See generally Jocelyn Horne & Paul R. Masson, *Scope and Limits of International Economic Cooperation and Policy Coordination*, 35 IMF ECON. REV. 259–296 (1988) (Factors such as protectionism, weak policy frameworks and institutions, and inherent structural issues are some of the factors that hinder international economic cooperation.).

⁷ Id.

⁸ Ralf Peters & Divya Prabhakar, *Export restrictions do not help fight COVID-19*, UNCTAD: NEWS (Jun. 11, 2021), <https://unctad.org/news/export-restrictions-do-not-help-fight-covid-19>; see also OUR WORLD IN DATA, *Daily share of the population receiving a COVID-19 vaccine dose* (Jan. 18, 2022), <https://ourworldindata.org/grapher/daily-covid-vaccination-doses-per-capita> (Data shows that while countries in North America and Europe had administered a significant number of vaccine doses by January 2022, countries in Africa and Oceania still lag behind.).

⁹ César Hidalgo, *How COVID-19 Has Affected Trade, in 8 Charts*, WORLD ECON. F. (Nov. 6, 2020), <https://www.weforum.org/agenda/2020/11/how-covid-19-has-reshuffled-international-trade/>.

consequence of which is economic inequality.¹⁰ Ultimately, the absence of scientifically determined response strategies by States has continued to widen the gap between the attainment of effective short-term goals and the achievement of resilient long-term results.¹¹ States are concerned with what is immediately implementable, with little or no consideration to long-term implications.¹² One could argue that this has put a very visible wedge in the pathway towards a resilient and effective trade policy and practice. To address these concerns, there have been serious economic policy discussions amongst economists about what best practices need to be reasonably adopted in order to safeguard the future of the trading system in times of global crises. Economists fear that the future of international trading system may be facing a possible existential threat unless proper measures are taken to not only alleviate the growing concerns but, more importantly, to create workable practices that ensure greater cooperation and coordination of States' economic policies.

In light of this, the purpose of this paper is not to address the various impacts of COVID-19 on the international trading system, nor does it attempt to analyse all the different trade policies adopted by different countries in response to the pandemic. Rather, this paper seeks to explore the increasing policy issues in international trade amidst COVID-19 recovery, specifically issues of global protectionism, economic inequality, and trade restrictions. This paper argues that through greater economic cooperation as well as the coordination of States' economic policies, international trade can be better regulated, especially in times of global economic crises. Indeed, policy coordination is an effective way to ensure trade resilience as well as create assurances that today's policies, if well established, would be useful in handling future global economic crises. Therefore, to minimize the gap in global supply chains brought by States' COVID-19 responses, States must be willing to foster greater international economic cooperation, improve trade transparency, and promote global economic equality. Finally, this paper concludes by examining better practice and policy measures that may be useful in facilitating international trade cooperation. In this regard, this research will reflect on the trade policy responses that were adopted during past global crises and consider their applicability to the current global crisis.

¹⁰ C.T. Vidya & K.P. Prabheesh, *Implications of COVID-19 Pandemic on the Global Trade Networks* 56(10) EMERGING MKT. FIN. & TRADE 2408 (2020).

¹¹ United Nations Conf. on Trade & Dev., *The Impact of the COVID-19 Pandemic on Trade and Development: Transitioning to a New Normal*, UNCTAD/OSG/2020/1, <https://unctad.org/webflyer/impact-covid-19-pandemic-trade-and-development-transitioning-new-normal>.

¹² *Id.*

Part Two of this paper addresses the economic policy impact of previous global crises on the international trading system. In doing so, this paper examines the economic policy impact of the 1930s Great Depression and the 2007-08 Global Financial Crisis on international trade. Furthermore, this part reflects on specific economic policies that generally affect the growth of international trade. The ultimate aim of this part is to establish that some of the policy practices, adopted in response to current COVID-19 pandemic, could pose serious challenges for the future of the international trading system as seen from previous pandemics.

Through a critical analysis of some existing COVID-19 response strategies, Part Three focuses specifically on addressing those trade policy challenges that emanate directly from States' COVID-19 recovery policies. In doing so, first, this part considers the impact of restrictive trade policies on production supply chains. Second, this part discusses the problem of vaccine nationalism and the implication of vaccine inequality on international trade. Third, this part explores the different types of global economic inequalities brought on by COVID-19 policies and their impact on the overall structure of the international trading system. Finally, this part explores ways in which States may use trade rules as justification for protectionism ahead of COVID-19 recovery.

Part Four of this article proposes a way forward by exploring some novel policy perspectives for a more resilient future. In doing so, this part demonstrates that an enhanced cooperation on trade finance can contribute to building a more resilient international trade regime. Furthermore, this part provides recommendations on how greater international economic cooperation and resilient policy coordination could be achieved. To establish this, this part reflects on some trade policy perspectives within the World Trade Organization (WTO) and the Peterson Institute for International Economics (PIIE). Finally, this part examines the implications of such proposals on the future of the international trading system. Essentially, trade could be a force for good in times of pandemic; therefore, a lack of economic cooperation and policy coordination can threaten global economic growth and recovery.

The core analysis of this paper can be summarised as follows: the current decline in international trade is truly remarkable by historical standards. In relation to economic activity, the recent downturn in international trade may turn out to be bigger than what has ever been witnessed since the 1930s Great Depression. While trade in services appear to have observed a much higher decline, it seems to be broad-based across all aspects of international trade; that is, for both trade in goods and in services. Current government trade policy measures appear similar to those measures adopted during previous global economic crises notwithstanding whether they are effective enough to properly address the present functional demands of the

international trading system. There is a rise in global protectionism, quantitative restrictions, export tariffs, state stimulus, and government spending, all of which have continued to influence the outcome of international trade. To manage this outcome now and for the future, there is a need for greater international cooperation and coordination of global economic policies.

II. THE ECONOMIC IMPACT OF PREVIOUS GLOBAL CRISES ON THE INTERNATIONAL TRADING SYSTEM

Before the COVID-19 pandemic triggered a precipitous decline in global trade, the structure of international trade has been a slippery slope of serious economic downturn in the past two decades. This part aims to explore the economic policy impacts of previous global crisis on international trade by analysing some of the global trade policy responses adopted in both advanced and emerging economies and in particular the US, China, and Europe. Furthermore, this part examines the feasibility of such policy measures in effectively repairing the difficulties faced by the international trading system. In this light, this part briefly considers the analytical findings by Baldwin and Evenett in their book *COVID-19 and Trade Policy: Why Turning Inward Won't Work*.¹³ In this publication, Baldwin and Evenett examine the trade policy responses of three major crises era, namely; the 1930s Great Depression, the global recession between 1980-1983, and the 2007-2008 Global Financial Crisis. The author found that while the 1930s crisis sparked an increase in tariffs and import quotas, the global recession witnessed a rise in voluntary export restrictions and the 2007-08 crisis resulted in a worldwide subsidisation of industries and agriculture. Ultimately, these findings show that, in more ways than one, global pandemics over the years have a way of influencing the outcome of the international trading system.

A. *Economic Impact of the 1930s Great Depression on International Trade*

The Great Depression, which followed the catastrophic stock market crash of 1929, happened to be the lengthiest, harshest, and most widespread global economic crisis of the 20th century. It had devastating impacts on the international trading system because, as stock markets crashed, both consumption and production also plummeted worldwide.¹⁴ While some economists believe that the sudden fall in international trade after 1930 is partially as a result of the 1930 U.S Smoot-Hawley

¹³ RICHARD BALDWIN & SIMON J. EVENETT, *COVID-19 AND TRADE POLICY: WHY TURNING INWARD WON'T WORK* 180-85 (Richard Baldwin & Simon J Evenett eds., 2020) (ebook) [hereinafter Baldwin & Evenett].

¹⁴ Jakob Madsen, *Trade Barriers and the Collapse of World Trade During the Great Depression*, 67(4) S. ECON. J. 848 (2001).

Tariff Act,¹⁵ economists such as Paul Krugman have argued that protectionism did not instigate the crisis nor did it worsen its impact on international trade.¹⁶ Primarily, the Smoot-Hawley Tariff Act was established to protect workers and farm owners in the US from foreign competition by increasing restrictive quotas as well as tariffs on imported goods.¹⁷ However, these trade restrictive practices triggered retaliatory tariffs from other nations, thereby forcing a rise in protectionist policies worldwide.¹⁸ As a result, international trade began to decline, specifically in those regions that which were reliant on foreign trade and by the end of 1939, international trade had decreased by more than 50%.¹⁹

Although the effect of protectionism may be favourable to certain businesses and groups, there is a general consensus amongst economic experts that its impact on economic growth is mostly undesirable.²⁰ The restrictive and protectionist policy approaches adopted by countries such as the US during the 1930s crisis are synonymous to the policy measures being implemented by States in response to the COVID-19 pandemic with countries like the US, India, and the EU imposing export restrictions on PPE and other essential products.²¹ To this end, the greatest concern, therefore, is whether nations can effectively safeguard both national and international interest simultaneously. Essentially, this can be achieved through facilitation of greater economic cooperation as well as the coordination of economic policies among nations.

¹⁵ Barry Eichengreen, *The political economy of the Smoot-Hawley Tariff*, in THE POLITICAL ECONOMY OF THE SMOOT-HAWLEY TARIFF 1 (Roger L. Ransom et. al. eds., 1989); Allan H. Meltzer, *Monetary and other explanations of the start of the great depression*, 2(4) J. MONETARY ECON. 455 (1976) (Arguing that the Act had devastating effects on overall income levels as it hindered the effective functioning of David Hume's price-specie-flow mechanism. Eichengreen argues that this resulted in a decline in the world economy.).

¹⁶ Paul Krugman, *A model of balance of payments crisis*, 11(3) J. MONEY CREDIT & BANKING 311 (1979); Paul Krugman, *Death of a fairy tale*, N. Y. TIMES (Apr. 27, 2014), <https://www.nytimes.com/2012/04/27/opinion/krugman-death-of-a-fairy-tale.html>.

¹⁷ *Smoot-Hawley Tariff Act*, BRITANNICA (Jun. 10, 2021), <https://www.britannica.com/topic/international-trade/Simplified-theory-of-comparative-advantage>.

¹⁸ Douglas Irwin, *The Smoot-Hawley Tariff: A Quantitative Assessment*, 80(2) REV. ECON. & STAT. 326 (1998).

¹⁹ Id.

²⁰ Robert Whaples, *Where Is There Consensus Among American Economic Historians? The Results of a Survey on Forty Propositions*, 55(1) J. ECON. HIST. 139, 144 (1995).

²¹ David Wheelock, *Comparing the COVID-19 Recession with the Great Depression*, ECON. SYNOPSIS (Aug. 12, 2020), <https://doi.org/10.20955/es.2020.39>.

B. *Economic Impact of the 2007-2008 Global Financial Crisis on International Trade*

The impact of the 2007-08 Global Financial Crisis on international trade has been argued to have resulted in a worldwide collapse of the international trading system, especially given the devastating impacts it had on exports.²² However, unlike the 1930s economic crisis, the 2007-08 trade collapse did not give rise to widespread protectionism.²³ Although there were traces of protectionism, it was not in the same magnitude as was seen during the 1930s economic crisis.²⁴ Whilst some economists have argued that the decrease in protectionist policy measures was a result of the increase in integrated supply chains,²⁵ others attribute such a decrease to WTO rules constraining governments from implementing more protectionism on trade.²⁶ Additionally, some economic experts have blamed the decline in protectionism on the increasing number of multinationals in world trade.²⁷ Indeed, a fall in international trade is a reasonable expectation, particularly following a global plunge in income. However, only by comparing the global GDP estimates of 2008-09, the

²² Andrei Levchenko et. al., *The Collapse of International Trade During the 2008-2009 Crisis: In Search of the Smoking Gun*, 58(2) IMF ECON. REV. 214 (2010); Ahmed Gouher et. al., *The Global Financial Crisis and International Trade*, 7(6) ASIAN ECON. FIN. REV. 600 (2017); George Alessandria et. al., *The Great Trade Collapse of 2008-09: An Inventory Adjustment?*, 58(2) IMF ECON. REV. 254 (2010); Richard Baldwin, *The great trade collapse: What caused it and what does it mean?*, VOX^{EU} (Nov. 27, 2009), <https://voxeu.org/article/great-trade-collapse-what-caused-it-and-what-does-it-mean>.

²³ Kishore Gawande et. al., *Determinants of trade-policy responses to the 2008 financial crisis* (World Bank, Working Paper No. WPS 5862, 2011), <http://hdl.handle.net/10986/3628> [hereinafter Gawande].

²⁴ Robert Shelburne, *The Global Financial Crisis and Its Impact on Trade: The World and The European Emerging Economies*, UNECE: DISCUSSION PAPER SERIES (Sept. 2010), https://unece.org/DAM/oes/disc_papers/ECE_DP_2010-2.pdf [hereinafter Shelburne]; *see also id.*

²⁵ Gawande, *supra* note 23 (Arguing that, although the WTO contributed greatly in keeping protectionism in check during the 2008 financial crisis, there were even more powerful forces that helped minimise protectionism. These forces include the decline in cost of trade as well as the integration of large economies that proliferated the volume of global trade.); *cf.* Shelburne, *supra* note 24.

²⁶ World Trade Org., *Report on G20 Trade Measures* (Jun. 28, 2021), https://www.wto.org/english/news_e/news21_e/report_trdev_jun21_e.pdf (Suggesting that the biggest reason for the lack of protectionist policies in the Global Financial crisis of 2008 was the binding effect of WTO rules which constrained the its members against accelerated protectionism.) [hereinafter WTO Report on G20 Trade Measures]; *see also* OECD & UNCTAD, *Report on G-20 Investment Measures* (Jun. 28, 2021), https://www.wto.org/english/news_e/news21_e/g20_oecd_unctad_report_jun21_e.pdf.

²⁷ Shelburne, *supra* note 24 (Arguing that commerce has a substantial influence on politics and that they generally encourage a system of open trade.).

actual significance of the 2007-08 Global Financial Crisis vis-à-vis decline in international trade is realised.²⁸

Another major economic policy impact of the 2007-08 financial crisis on international trade is the rise in government subsidies in different economies and on different economic sectors.²⁹ The sectoral impact of the financial crisis varied in some countries compared to others; for example, production and agriculture were severely impacted by the crisis in Czech Republic and Slovakia compared to Hungary and Bulgaria, which were much less impacted.³⁰ However, generally, the sectors that were hardest hit were agricultural, industrial, construction, and services.³¹ Ultimately, the trade impact was felt in both developed and developing countries and, according to a 2009 International Monetary Fund (IMF) Statistics, developed countries like the US experienced a slightly higher decline in overall trade.³² As global exports and imports fell, economies worldwide decelerated, trade credits generally diminished, and international trade declined.³³ Without trade credits, international businesses, particularly those involved in manufacturing, were unable to facilitate production, thereby further diminishing import flows.³⁴ These economic uncertainties as well as severe sectorial downturns prompted many governments to expedite government spending and subsidies in those sectors that were majorly affected.³⁵

C. Periods After the Late 20th Century Globalisation Peak Periods

Following the late 20th century globalisation peak periods, factors such as technological evolution, lower trade barriers, and China's inclusion into the WTO

²⁸ Udo Broll & Julia Jauer, *How international trade is affected by the financial crisis: The gravity trade equation* (Technische Universität Dresden, Working Paper No.03/14, 2014), <https://www.econstor.eu/handle/10419/144879>.

²⁹ Baldwin & Evenett, *supra* note 13.

³⁰ Id.; Consensus Economics Chart: 'Domestic Production Changes by Sector (2009 compared to 2008)', CONSENSUS ECON. (July 19, 2010).

³¹ Id.

³² IMF, *Global Financial Stability Report: Navigating the Financial Challenges Ahead* (Oct. 2009), <https://www.imf.org/en/Publications/GFSR/Issues/2016/12/31/Navigating-the-Financial-Challenges-Ahead>.

³³ IMF, *World Economic Outlook, April 2009: Crisis and Recovery* (Apr. 22, 2009), <https://www.imf.org/en/Publications/WEO/Issues/2016/12/31/World-Economic-Outlook-April-2009-Crisis-and-Recovery-22575>; see also IMF, *Survey of Private Sector Trade Credit Developments* (Feb. 2009), <https://www.imf.org/external/np/pp/eng/2009/022709.pdf>.

³⁴ Marc Auboin, *Restoring Trade Finance: What the G20 Can Do, in THE COLLAPSE OF GLOBAL TRADE, MURKY PROTECTIONISM, AND THE CRISIS: RECOMMENDATIONS FOR THE G20 75* (Richard Baldwin & Simone Evenett eds., 2009).

³⁵ Shelburne, *supra* note 24.

spurred the establishment of several supply chains which later prompted increases in cross-border activities.³⁶ Subsequently, these activities led to the rise in the production values of global trade. However, it appears that these trends have gone adrift or may have even possibly backtracked since the early 2000s. Global trade significantly declined by 3% since 2011 while overall GDP growth decelerated by an average of 2.9% in years preceding the global financial crisis.³⁷ To some degree, these statistics reflect the prevalence of foundational issues that have remained existent within the overall structure of international trade.³⁸ This includes the continuous changes that occur as a result of disruptions in global supply chains caused by advanced economies scaling up the value chain of global trade.³⁹

For instance, with China producing a substantial amount of intermediate products, a structural shift that gave rise to an asymmetrical multilateral trading system was occasioned.⁴⁰ Moreover, OECD statistics show that although global trade may have been witnessing a continuous expansion, it has slowed down compared to overall economic growth.⁴¹ On one hand, it might be argued that this lack of correspondence may indicate that trade is becoming less significant in global economic growth. On the other hand, given the changing and widely unpredictable outcomes in international trade since the COVID-19 pandemic, one might argue to the contrary. Additionally, technological advancements and increased wages in developing economies have minimised the incentive of businesses to diversify

³⁶ Kristian Behrens et. al., *Trade Crisis? What Trade Crisis?*, 95(2) REV. ECON. STAT. 702 (2013) [hereinafter Behrens].

³⁷ *Id.*

³⁸ Behrens, *supra* note 36 (The growth of global trade shifted in the years between 1992 and 2007 by an average of 7.7% per year, roughly twice as much as the 3.4% global GDP growth. The reasons for these declines were deep-rooted not just in the inadequacy of government trade policies to meet the functional demands of the trading system but also in the dwindling structure of the trading system.); see also *Global Economic Outlook Report: Global trade in decline long before the pandemic*, ICAEW ECON. INSIGHT (Aug. 24, 2020), <https://www.icaew.com/technical/economy/economic-insight/global-trade-in-decline-long-before-the-pandemic> [hereinafter ICAEW Economic Insight].

³⁹ Susan Lund et. al., *Risk, resilience, and rebalancing in global value chains*, MCKINSEY GLOBAL INST. (Aug. 6, 2020), <https://www.mckinsey.com/business-functions/operations/our-insights/risk-resilience-and-rebalancing-in-global-value-chains>; see also Hubert Escaith & Sangeeta Khorana, *The Impact of the COVID-19 Pandemic on Merchandise Trade in Commonwealth Countries* (The Commonwealth, Working Paper No. 2021/02, 2021), <https://www.thecommonwealth-ilibrary.org/index.php/comsec/catalog/book/334> (It is as a result of this that it has been easy for the COVID-19 pandemic to trigger a catastrophic economic collapse across the globe.).

⁴⁰ Samuel Delpuech et. al., *Trade imbalances and the rise of protectionism*, VOX^{EU} (Feb. 12, 2021), <https://voxeu.org/article/trade-imbalances-and-rise-protectionism>.

⁴¹ Behrens, *supra* note 36.

productions abroad.⁴² These instances are indications of the discrepancies surrounding international trade which contribute to diminishing the prospects of a resilient multilateral trading system.

III. POLICY CHALLENGES IN INTERNATIONAL TRADE AMID COVID-19 RECOVERY

Generally, governments employ trade policy tools such as tariffs or quantitative restrictions which are typically placed on import and export as a means of protecting domestic markets and restricting undesirable trade practices.⁴³ These restrictions are typically imposed to achieve diverse policy objectives, including protection of businesses from unfair market competitions as well as creation of government revenue.⁴⁴ However, economists generally argue that these barriers often give rise to a myriad of global economic challenges which are in most cases necessitated by the obstruction of the overall flow of trade.⁴⁵ Thus, in the light of trade in products relevant to combat COVID-19, such as PPE and vaccines, the recorded rise in trade barriers across different countries has resulted in a steep decline in international trade.⁴⁶ Notwithstanding, since the current pandemic surfaced, States have been imposing other various forms of restrictive policy measures that hinder the smooth flow of trade.⁴⁷ These restrictions include export prohibitions on medical supplies as well as on certain food products, licensing or permit requirements to export, tariff increase, customs requirements, and quotas.⁴⁸

⁴² Id.

⁴³ Jeonghoi Kim, *Recent Trends in Export Restrictions* (OECD Trade Policy Papers No. 101, 2010), https://www.oecd-ilibrary.org/trade/recent-trends-in-export-restrictions_5kmbjx63sl27-en.

⁴⁴ Gabrielle Marceau, *WTO and export restrictions*, 50(4) J. WORLD TRADE 563 (2016).

⁴⁵ Baris Karapinar, *Export Restrictions and the WTO Law: How to Reform the 'Regulatory Deficiency'*, 45(6) J. WORLD TRADE 1139 (2011).

⁴⁶ COVID-19 & International Trade (OECD), *supra* note 5.

⁴⁷ WTO Report on G20 Trade Measures, *supra* note 26.

⁴⁸ INTERNATIONAL TRADE CENTRE, MARKET ACCESS MAP (Apr. 30, 2022), <https://www.macmap.org/en/covid19> [hereinafter MARKET ACCESS MAP] (According to the Market Access Map data, first, India is still operating under a quota restriction it established in September 2020 which places a monthly quota on the export of certain diagnostic instruments, apparatus, and reagents. Second, countries such as the US, India, EU, Russia, and Brazil still have temporary export ban on medical equipment such as oxygen and ventilators. Third, in Australia, the Maritime Safety Queensland (MSQ) introduced new regulations to prevent ships from passing through specific ports of customs, thereby disrupting the quick flow of trade. Additionally, although majority of countries have lifted licensing or permit requirements to export of specific essential products, these requirements remain prevalent.).

Globally, there has been an increase on the number of countries restricting exports on essential goods and other PPE. According to records obtained by Market Access Map (an initiative of the International Trade Centre), as of April 2020, sixty countries had imposed export restrictions on essential products, and by January 12, 2022, the number had increased to ninety-eight.⁴⁹ This disturbing evidence of the rise in export restrictions shows that there is a much bigger problem with current international trade policies. Essentially, many of the trade policies established for facilitating COVID-19 recovery conceal extreme nationalistic agendas, which is a major challenge being faced by international trade today.⁵⁰ Governments feel obligated to first and foremost serve its national interests, which are mostly implemented through trade-related policy measures that generally involve restricting the flow of import and export by imposing tariffs and qualitative restrictions.

Essentially, rather than implementing strategic recovery schemes based on scientifically obtained practice recommendations, there has been an overwhelming tendency of countries to adopt purely restrictive and nationalistic measures in combating the current global crisis.⁵¹ Expectedly, these policies have continued to result in a myriad of negative implications for international trade. To mention but a few, rise in supply chain disruptions, trade inequality, trade protectionism, anti-competitive practices, corruption, and increased trade disputes are some of the challenges brought on by restrictive government policies on international trade since COVID-19 emerged. However, for the purpose of this paper, this part would focus more intensely on critically analysing some of the aforementioned policy challenges and their implications on international trade amid COVID-19 recovery strategies.

A. Restrictive Trade Policies and the Problem of Supply Chains Disruptions

Since the emergence of the COVID-19 pandemic, nations have been under great pressure to implement multilateral policies as part of their national measures for combating the global health crisis and ensuring a sustainable economic recovery. However, the current disruptions in global supply chains are one of the major problems brought on by some of the policy measures adopted by nations for tackling this crisis.⁵² In the height of the pandemic with all the concomitant uncertainties,

⁴⁹ *Id.*

⁵⁰ Bernardine Adkins et. al., *A new Protectionist era*, GOWLING WLG (Oct. 5, 2021), <https://gowlingwlg.com/en/topics/protectionism/>; see also Nicolás Albertoni & Carol Wise, *International Trade Norms in the Age of Covid-19 Nationalism on the Rise?*, 14 FUDAN J. HUMAN. & SOC. SCI. 41 (2021) [hereinafter Albertoni].

⁵¹ COVID-19 & International Trade (OECD), *supra* note 5.

⁵² David Dollar, *The future of global supply chains: What are the implications for international trade?*, BROOKINGS (Nov. 17, 2020), <https://www.brookings.edu/research/the-future-of-global-supply-chains-what-are-the-implications-for-international-trade/> [hereinafter Dollar].

many countries defensibly felt an urgency to put their national interest ahead of global needs. Countries started implementing nationalistic and protectionist policy measures by restricting imports and exports with other countries as well as adopting other dispensable compliance requirements.⁵³ However, as most international trade experts predicted,⁵⁴ some of these policy measures started to inhibit the smooth flow of the supply of essential products across countries, thereby further exposing the existing vulnerabilities in international trade practices.⁵⁵ For instance, in the beginning of 2020 when the pandemic was at its peak, majority of countries across the world closed their borders from further trade on grounds of public health in order to curtail the spread of the virus. Countries such as US, India, EU, Russia, and Brazil still maintain temporary export bans on medical equipment such as oxygen and ventilators.⁵⁶

The main issue of supply chain in relation to international trade amid COVID-19 pandemic is the disproportionality in the supply of essential products, particularly medical supplies, where trade is the primary means of facilitating distributions across different countries. The disruptions in supply chains have continued to give rise to more international trade concerns which have been made worse by the inadequacies of existing trade policies to effectively regulate the functional demands of a global pandemic, such as COVID-19. Another concern is whether there would be any permanent changes to the future of international trade following the global economic recovery. Indeed, this pandemic has revealed so many possibilities that can alter the pre-existing structure of international trade.

For instance, the possibility of working from home permanently, particularly in advanced economies, is likely to reduce the demand for automobiles and petrol while demands for offices and retail spaces may also plunge.⁵⁷ Consequently, these outcomes may start to reduce the market prices of the affected commodities as well as the volumes of trade for such commodities.⁵⁸ Additionally, OECD analytics show

⁵³ Bryan Mercurio, *How COVID-19 is undermining international trade law*, EAST ASIA FORUM (Nov. 15, 2021), <https://www.eastasiaforum.org/2021/11/15/how-covid-19-is-undermining-international-trade-law/>.

⁵⁴ Monica de Bolle & Jeromin Zettelmeyer, *Measuring the Rise of Economic Nationalism* (Peterson Inst. Int'l Econ., Working Paper No. 19-15, Aug. 24, 2019), <https://www.piie.com/publications/working-papers/measuring-rise-economic-nationalism> [hereinafter Bolle & Zettelmeyer] (Analysing the prospects of COVID-19 recovery and the economic impact of nationalistic protectionist measures and supply chain disruptions.).

⁵⁵ Clinton Free & Angela Hecimovic, *Global supply chains after COVID-19: the end of the road for neoliberal globalisation?*, ACCT. AUDITING & ACCOUNTABILITY J. (2020).

⁵⁶ MARKET ACCESS MAP, *supra* note 48.

⁵⁷ Dollar, *supra* note 52.

⁵⁸ Id.

that there has been an increased demand for electronic commodities due to increased reliance on technological products.⁵⁹ Essentially, these major shifts in demand show that while trade in some products (such as, fuel, airplanes, autos, motorised equipment, and steel) plummeted, trade in several other products (such as, PPE and medical products, foodstuff, and ‘home nesting’ appliances) increased significantly.⁶⁰ Generally, these outcomes are likely to affect the overall trade of such products, thereby resulting in possible instability in market price, consequent recession, and disparities in both value and supply chains for the affected products.⁶¹

Furthermore, since the COVID-19 pandemic, global supply chains have been reacting to the US-China trade tensions. Trade analytics obtained by the World Economic Forum (WEF) show that countries are increasingly moving away from China to other countries in southeast Asia and North America for products’ supply, thereby opening new trading opportunities with countries like Indonesia, Vietnam, and Mexico.⁶² Notably, with China announcing its policy of “dual circulation,” there is a growing risk of possible protectionism from China which may result in a closed off international trading system.⁶³ Consequently, this may create a dichotomy in the international trading system where developing countries may be forced to choose between the US and Chinese trade.⁶⁴ Indeed, it can be argued that global merchandise trade is witnessing some of its worst days till date as countries are finding it increasingly difficult — both on political and on economic grounds — to cooperate as well as coordinate on their respective policy initiatives.

Regarding trade in services, it appears that since the COVID-19 pandemic emerged, trade in services has seen more downturn with a relatively slower recovery rate compared to trade in goods.⁶⁵ IMF Statistics show that trade in services declined by

⁵⁹ Christine Arriola et. al., *The impact of COVID-19 on directions and structure of international trade* (OECD Trade Policy Papers No. 252, 2021), https://www.oecd-ilibrary.org/trade/the-impact-of-covid-19-on-directions-and-structure-of-international-trade_0b8eaafe-en. [hereinafter Arriola].

⁶⁰ *Id.*

⁶¹ Pepita Barlow et. al., COVID-19 and the Collapse of Global Trade: Building an Effective Public Health Response, 5(2) LANCER PLANET HEALTH 102 (2021).

⁶² Mattias Hedwall, *The ongoing impact of COVID-19 on global supply chains*, WORLD ECO. F. (Jun. 22, 2020) <https://www.weforum.org/agenda/2020/06/ongoing-impact-covid-19-global-supply-chains/> [hereinafter Hedwall] (Interestingly, new trading opportunities have also opened with China and countries like Indonesia, Vietnam, and Mexico for trade in products like clothing, footwear, and electronics.).

⁶³ Dollar, *supra* note 52.

⁶⁴ *Id.*

⁶⁵ Arriola, *supra* note 59.

over 20% in 2020, i.e., nearly four times more than trade in goods.⁶⁶ This was largely because the service sector represents a good part of economic activities in developed economies and lock down measures restricted the mobility of services across nations.⁶⁷ Additionally, in the context of the COVID-19 measures, generally, most government policies adopted for enabling trade in services appear to support the facilitation of telemedical services.⁶⁸ However, some countries such as Canada, EU (particularly Italy and France) as well as India have imposed more restrictions on investments while requiring more delayed processes for detailed screenings.⁶⁹ Furthermore, another challenge facing trade in services is that many emerging economies lack the technical knowledge and the financial capacity to implement telemedical services.⁷⁰ Therefore, developed nations' restrictions on access to vaccines and other PPE impede upon smaller nations' access to expedited medical support, thereby further diminishing international trade.

B. *Issues of Vaccine Nationalism and Supply Inequality*

In the context of COVID-19 and related supply chain disruptions, another major challenge prevalent within the global scope of events is the issue of 'vaccine nationalism.'⁷¹ Vaccine nationalism refers to the act of a state in purchasing⁷² and

⁶⁶ Joseph Stiglitz, *Conquering The Great Divide*, IMF (Sept. 2020), <https://www.imf.org/external/pubs/ft/fandd/2020/09/pdf/COVID19-and-global-inequality-joseph-stiglitz.pdf> [hereinafter Stiglitz]; see also Xuepeng Liu et. al., *The 2020 trade impact of the Covid-19 pandemic*, VOX^{EU} (Jun. 9, 2021), <https://voxeu.org/article/2020-trade-impact-covid-19-pandemic> (Establishing that global merchandise trade reduced by 7% in 2020.).

⁶⁷ Rosie Dickinson & Gabija Zemaityte, *How has Covid affected global trade?*, BANK OF ENGLAND (Jul. 23, 2021), <https://www.bankofengland.co.uk/bank-overground/2021/how-has-covid-affected-global-trade>.

⁶⁸ Sherry Stephenson & Jimena Sotelo, *Trade in digital services is booming. Here's how we can unleash its full potential*, WORLD ECON. F. (Jun. 8, 2020), <https://www.weforum.org/agenda/2020/06/trade-in-digital-services-is-booming-here-s-how-we-can-unleash-its-full-potential/> [hereinafter Stephenson & Sotelo].

⁶⁹ United Nations Conf. on Trade and Dev., *World 2020 Investment Report: International Production Beyond The Pandemic*, UNCTAD/WIR/2020 (2020); see also *COVID-19: Impact on Governmental Foreign Investment Screening*, BAKER MCKENZIE (Mar. 31, 2020) https://insightplus.bakermckenzie.com/bm/antitrust-competition_1/international-covid-19-impact-on-governmental-foreign-investment-screening.

⁷⁰ Stephenson & Sotelo, *supra* note 68.

⁷¹ James Lagman, *Vaccine nationalism: a predicament in ending the COVID-19 pandemic*, 43(2) J. PUB. HEALTH 375 (2021).

⁷² Andrea Chloe Wong, *Vaccine nationalism: Rich nations must also care for the poor*, LOWY INST. (Feb. 10 2021), <https://www.lowyinstitute.org/the-interpreter/vaccine-nationalism-rich-nations-must-also-care-poor>.

hoarding⁷³ the supplies of vaccine for solely national benefits.⁷⁴ Many nations, particularly countries of the global north, use their superior financial influence to gain preliminary access to vaccinations exclusively for national usage and to the supply detriment to other nations.⁷⁵ Whilst some governments, such as Costa Rica, are rightly investing in serious, globally inclusive COVID-19 strategies, it appears that such commitments are not rightly shared across borders.⁷⁶ There have been massive trends involving countries like the US, United Kingdom (UK), and France pledging dominance with pharmaceutical producers in order to gain access to initial doses of vaccines.⁷⁷ For instance, on April 10, 2020, Sanofi (a French multinational pharmaceutical corporation) entered into an investment agreement that gave the US exclusive rights to the largest pre-order of vaccinations.⁷⁸ However, due to some protests by EU officials, Sanofi was forced to reverse on that agreement, thereby preventing the success of that contract.⁷⁹ Essentially, the implication of vaccine nationalism is that it encourages the emergence of a closed-off international trading system; a system that neglects the recovery imperatives of developing economies.

This problem of vaccine nationalism promotes a unilateral ideal that not only benefits the richer economies but also significantly creates a haphazard international trading system as emerging economies continue to fall short vis-à-vis access to

⁷³ Tedros Adhanom Ghebreyesus, *Vaccine Nationalism Harms Everyone and Protects No One*, FOREIGN POLICY (Feb. 2, 2021), <https://foreignpolicy.com/2021/02/02/vaccine-nationalism-harms-everyone-and-protects-no-one/> [hereinafter Ghebreyesus].

⁷⁴ Helen Lock, *Vaccine Nationalism: Everything You Need to Know*, GLOBAL CITIZEN (Feb. 11, 2021), <https://www.globalcitizen.org/en/content/what-is-vaccine-nationalism/>.

⁷⁵ *Why pandemic-induced trade protectionism will affect tax for years*, EY GLOBAL (Sept. 23, 2021), https://www.ey.com/en_gl/tax/why-pandemic-induced-trade-protectionism-will-affect-tax-for-years.

⁷⁶ Muhammad Abbas, Treatment of the novel COVID-19: why Costa Rica's proposal for the creation of a global pooling mechanism deserves serious consideration?, 7(1) J. L. & BIOSCIENCES 49 (2020).

⁷⁷ Noemie Bisserbe, *Sanofi Bows to France's Demand for Coronavirus Vaccine Supplies*, WALL STREET J. (Jun. 16, 2020), https://www.wsj.com/articles/sanofi-bows-to-frances-demand-for-coronavirus-vaccine-supplies-11592322940#comments_sector; Rebecca Weintraub, *The Danger of Vaccine Nationalism*, HARV. BUS. REV. (May 22, 2020), <https://hbr.org/2020/05/the-danger-of-vaccine-nationalism> [hereinafter Weintraub] (According to AstraZeneca report, the UK invested 79 million USD to gain access to the initial thirty million doses of the vaccine while the US invested much more to gain access to three-hundred million vaccines.).

⁷⁸ *United States of America: BARDA collaborates with Sanofi for the development of COVID-19 vaccine*, GLOBAL TRADE ALERT (Apr. 10, 2020), <https://www.globaltradealert.org/state-act/48096/united-states-of-america-barda-collaborates-with-sanofi-for-the-development-of-covid-19-vaccine>.

⁷⁹ Weintraub, *supra* note 77.

vaccinations.⁸⁰ This trade deficiency has great implications in countries' aggregate GDP due to how closely connected many developed economies are to their unvaccinated trade partners, which mostly comprise of emerging markets and developing economies.⁸¹ This singular problem adds to the heights of trade inequality and the general uncertainties facing the international trading system today.⁸² In fact, the World Health Organization (WHO) Director-General Tedros Adhanom Ghebreyesus' statement that "[v]accine nationalism only helps the virus"⁸³ remains the ultimate truth because as long as the virus is still existent in any part of the world, the world would continue to face serious global economic threat.⁸⁴ Indeed, vaccine nationalism appear to be slowing down the global recovery success of COVID-19.⁸⁵

Notably, De Bolle and Zettelmeyer⁸⁶ recently presented a compelling analysis suggesting that, since the 2008 global financial crisis, developed countries have become more nationalistic in matters of immigration and trade whereas developing countries have become more nationalistic in their industrial policies.⁸⁷ Fundamentally, the issues of increasing economic nationalism generally serve as a concrete road block to economic policy coordination, particularly in a global issue

⁸⁰ UNITED NATIONS: DEP'T OF ECON. AND SOC. AFF., DEVELOPMENT POLICY AND MULTILATERALISM AFTER COVID-19 (Jul. 13, 2020), <https://www.un.org/development/desa/dpad/publication/development-policy-and-multilateralism-after-covid-19/>.

⁸¹ Cem Çakmaklı et. al., The Economic Case for Global Vaccinations: An Epidemiological Model with International Production Networks (NBER, Working Paper No. 28395, Jan. 2021), <https://www.nber.org/papers/w28395>.

⁸² *Vaccine nationalism means that poor countries will be left behind*, THE ECONOMIST (Jan. 28, 2021), <https://www.economist.com/graphic-detail/2021/01/28/vaccine-nationalism-means-that-poor-countries-will-be-left-behind>.

⁸³ Ghebreyesus, *supra* note 73 (Stating that "vaccine nationalism is not just morally indefensible. It is epidemiologically self-defeating and clinically counterproductive."); *see also* Harry Kretchmer, *Vaccine nationalism – and how it could affect us all*, WORLD ECON. F. (Jan. 6, 2021), <https://www.weforum.org/agenda/2021/01/what-is-vaccine-nationalism-coronavirus-its-affects-covid-19-pandemic/>.

⁸⁴ Yasmeen Serhan, *Vaccine nationalism is doomed to fail*, THE ATLANTIC (Dec. 8, 2020), <https://www.theatlantic.com/international/archive/2020/12/vaccine-nationalism-doomed-fail/617323>.

⁸⁵ Hu Yiwei & Hu Xuechen, *Graphics: what's the cost of 'vaccine nationalism'?*, CGTN (Feb. 19, 2021), <https://news.cgtn.com/news/2021-02-19/Graphics-What-s-the-cost-of-vaccine-nationalism--Y0hkVNJKOA/index.html>.

⁸⁶ Bolle & Zettelmeyer, *supra* note 54.

⁸⁷ Monica de Bolle, *The Rise of Economic Nationalism Threatens Global Cooperation*, PETERSON INST. INT'L ECON. (Sept. 4, 2019), <https://www.piie.com/blogs/realtime-economic-issues-watch/rise-economic-nationalism-threatens-global-cooperation> [hereinafter Bolle].

such as the COVID-19 pandemic. Ultimately, it can be rightly argued that the attempts to tackle a global pandemic nationally are relatively ineffective and rather short-sighted.⁸⁸ This is especially the case in today's highly globalised world. It is evident that the pandemic has, in many ways, slowed down globalisation;⁸⁹ however, as established by DHL's and New York University's Stern School of Business's Globalization Report 2020, it may take more than a pandemic to stop globalisation.⁹⁰ All things considered, the practice of vaccine nationalism should be universally rejected and nations should liberalise trade if there is any chance of a resilient global economic recovery.⁹¹

C. *International Trade and Problems of Economic Inequality Amid COVID-19 Recovery*

The long-standing problem of economic inequality has become even more widespread as different economies continue to find it difficult to cooperate on fundamental economic activities.⁹² The COVID-19 pandemic has exposed and exacerbated the levels of inequality in various economic sectors, particularly in developing countries where governments are unable to afford some basic factors and processes of production to facilitate trade.⁹³ As a result, these countries find it more difficult to meet necessary national demands and supply needs, thereby triggering different variations of inequality including supply inequality,⁹⁴ labour inequality,⁹⁵ and income inequality.⁹⁶ The implications of these variations of

⁸⁸ Stiglitz, *supra* note 66.

⁸⁹ John Pearson, *Why COVID-19 shows the future not the end of globalization*, WORLD ECON. FORUM (Dec. 3, 2020), <https://www.weforum.org/agenda/2020/12/covid-19-future-of-globalization-trade/>; see also Pol Antràs & Davin Chor., *Global value chains*, in HANDBOOK OF INTERNATIONAL ECONOMICS (Gita Gopinath et. al. eds., 2021); see also Italo Colantone et. al., *The backlash of globalization*, CTR. ECON. POL'Y RES.: DISCUSSION PAPER (Sept. 2021), <https://cep.lse.ac.uk/pubs/download/dp1800.pdf>.

⁹⁰ Steven Altman & Phillip Bastian, *DHL Global Connectedness Index 2020: The State of Globalization in a Distancing World*, DHL (2020), <https://www.dhl.com/content/dam/dhl/global/dhl-spotlight/documents/pdf/spotlight-g04-global-connectedness-index-2020.pdf>.

⁹¹ Derek Royden, *The troubling rise of vaccine nationalism*, NATION OF CHANGE (Dec. 28, 2020), <https://www.nationofchange.org/2020/12/28/the-troubling-rise-of-vaccine-nationalism/>.

⁹² Hill & Narayan, *supra* note 2.

⁹³ Sergio Galletta & Tommaso Giommoni, *Pandemics and inequality*, VOX^{EU} (Oct. 3, 2021), <https://voxeu.org/article/pandemics-and-inequality>.

⁹⁴ Hedwall, *supra* note 62.

⁹⁵ Scott Baker et. al., *How Does Household Spending Respond to an Epidemic? Consumption during the 2020 COVID-19 Pandemic*, 10(4) REV. ASSET PRICING STUD. 834 (2020) [hereinafter Baker].

⁹⁶ Angus Deaton, *COVID-19 and global income inequality* (NBER, Working Paper No. w28392, Jan. 2021),

economic inequalities on international trade is that it creates a disparity in global value chain, thereby disrupting the smooth functioning of the international trading system. Notably, official statistics on inequality are often accompanied with considerable delays and this has significantly impacted on the objective of policy makers to timely mitigate inequality and amend its implications on trade.⁹⁷

Historically, pandemics have had a way of significantly increasing the levels of economic inequality on a universal level.⁹⁸ In the case of the COVID-19 pandemic, inequality is being witnessed at both the national and international level. A recent study shows that in Sweden, since the emergence of the COVID-19 pandemic, inequality has largely been driven by wage cuts and layoffs in the low and middle-class population, diminishing the smooth flow of value chain.⁹⁹ Although practical non-policy measures, such as government funding, unemployment insurance, and other economic stimulus packages have been extremely effective in mitigating the increase of labour and income inequality for the interim,¹⁰⁰ governments need to be very attentive to resilient international trade policy measures that have practical future implications.¹⁰¹

The increasing heights of inequality being witnessed not just within countries but also with respect to their economic relations with different countries would mean that its effect is inevitably more robust. Therefore, to manage its impact, governments may need to move away from nationalistic measures and into more universally inclusive initiatives.¹⁰² To achieve this, States may need to cooperate on the coordination of their various economic policies to ensure that there is adequate consensus on global practices and policy objectives. A lack of this consensus would give the global pandemic a longer standing which means that inequalities would continue to rise, thereby leading to a higher degree of trade divergence.¹⁰³ Over time,

https://scholar.princeton.edu/sites/default/files/international_income_inequality_and_the_covid_v2_assembled_0.pdf.

⁹⁷ Oriol Aspachs et. al., *Tracking the impact of COVID-19 on economic inequality at high frequency*, PLOS ONE, Mar. 21, 2021 [hereinafter Aspachs].

⁹⁸ SCHEIDEL WALTER, *THE GREAT LEVELER: VIOLENCE AND THE HISTORY OF INEQUALITY FROM THE STONE AGE TO THE TWENTY-FIRST CENTURY* (2018); see also Davide Furceri et. al., *COVID-19 will raise inequality if past pandemics are a guide*, VOX^{EU} (Mar. 8, 2020), <https://voxeu.org/article/covid-19-will-raise-inequality-if-past-pandemics-are-guide>.

⁹⁹ Nikolay Angelov & Daniel Waldenström, *COVID-19 and income inequality: Evidence from monthly population registers*, (CTR. ECON. POL'Y RES.: Discussion Paper 2021).

¹⁰⁰ Baker, *supra* note 95.

¹⁰¹ Aspachs, *supra* note 97.

¹⁰² Bolle, *supra* note 87.

¹⁰³ Ambar Narayan et. al., *COVID-19 and Economic Inequality: Short-Term Impacts with Long-Term Consequences* (World Bank, Working Paper No. 9902, 2022),

high levels of economic inequality may begin to introduce more economic problems, such as issues of debt crisis or anti-competitive trade practices, fuelling further international trade gaps.¹⁰⁴ Essentially, in order to expedite recovery prospects, Group of Twenty (G20) leaders need to show more commitment towards international COVID-19 response initiatives, such as the Access to Covid-19 Tools (ACT) Accelerator.¹⁰⁵ ACT is a universal cooperative endeavour established for the purpose of accelerating the growth, production, and access to new COVID-19 diagnosis, treatments, and vaccines.¹⁰⁶

D. *The Impact of Trade Rules on Protectionism*

Another major growing area of concern in international trade since the pandemic is the risk of countries abusing the National Security exceptions in Article XXI of the General Agreement on Tariffs and Trade (GATT) and in some Regional Trade Agreements (RTA).¹⁰⁷ Countries may be inclined to see such specific provisions as a lacuna to implement further protectionism on trade and investments ahead of COVID-19 recovery.¹⁰⁸ This practice is not exactly alien as the US, in 2019, used such a provision in the International Emergency Economic Powers Act to threaten trade restrictions on Mexico.¹⁰⁹ Similarly, the US also used the provisions of Section 232 of the 1962 Trade Expansion Act to impose further restrictions on the

<http://hdl.handle.net/10986/36848>; *see also* WORLD BANK, GLOBAL ECONOMIC PROSPECTS, JUNE (2022).

¹⁰⁴ Stiglitz, *supra* note 66.

¹⁰⁵ World Health Org., G20 leaders boost support of the Access to COVID-19 Tools (ACT) Accelerator but urgent and immediate action is needed to maintain momentum (May 21, 2021), <https://reliefweb.int/report/world/g20-leaders-boost-support-access-covid-19-tools-act-accelerator-urgent-and-immediate>.

¹⁰⁶ World Health Org., Access To COVID-19 Tools (ACT) Accelerator: A Global Collaboration to Accelerate the Development, Production and Equitable Access to New COVID-19 diagnostics, therapeutics and vaccines (Apr. 24, 2020), [https://www.who.int/publications/m/item/access-to-covid-19-tools-\(act\)-accelerator](https://www.who.int/publications/m/item/access-to-covid-19-tools-(act)-accelerator).

¹⁰⁷ General Agreement on Tariffs and Trade 1994, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1A, art. XXI, 1867 U.N.T.S. 187, 33 I.L.M. 1153 (1994) [hereinafter GATT].

¹⁰⁸ Gerhard Erasmus, *What does the National Security Exception in GATT mean?*, TRALAC BLOG (Jul. 11, 2019), <https://www.tralac.org/blog/article/14151-what-does-the-national-security-exception-in-gatt-mean.html>.

¹⁰⁹ Tom Hals & Brendan Pierson, *Trump's Mexican tariffs test limits of U.S. emergency powers: legal experts*, REUTERS (May 31, 2019), <https://www.reuters.com/article/us-usa-trade-mexico-legal-analysis/trumps-mexican-tariffs-test-limits-of-us-emergency-powers-legal-experts-idUSKCN1T12AB>.

importation of steel and aluminium.¹¹⁰ However, countries like China and India have challenged Section 232 on the grounds that it violates GATT Article I,¹¹¹ GATT Article II,¹¹² as well as the WTO Agreement on Safeguards.¹¹³ Additionally, there are also provisions under Article XX of GATT and RTAs that expressly provide exceptions for the protection of human life and health.¹¹⁴ Essentially, these exceptions create an additional avenue through which members can draw justification for implementing stringent protectionist measures at the height of the COVID-19 pandemic. This is particularly concerning given the possibility of new COVID-19 variants which may cause further economic upheaval.

Consequently, these issues beg the question of whether an overuse of nationalistic government policies can amount to an actionable abuse of the WTO rules.¹¹⁵ In situations of such abuse, concern arises with respect to expedition of such time-bound disputes, particularly given the fact that the WTO Dispute Settlement System is currently facing an appellate body crisis, with members losing confidence in the panel process as well. Although options for disputes settlement in regional and plurilateral agreements continue to be available, the expedited determination of trade related disputes seems questionable as the choices for WTO dispute settlement remain limited.¹¹⁶ Given these vulnerabilities facing the WTO in recent times and the uncertainties in international cooperation, one way forward for businesses is to be more transparent about their supply chains.¹¹⁷ In that way, governments would be able to make more accurate assessments of possible unintended risks associated with implementing protection measures.

IV. STRATEGIES FOR A RESILIENT FUTURE

Rising trade barriers (during the 1930s great depression), financial disruptions interfering in global trade finance (during the 2009 financial crisis) and now economic inactivity (current COVID-19 pandemic) are some of the core economic

¹¹⁰ Antonio Ortiz-Mena, *COVID-19 and Protectionism: The Worst May Be Yet to Come*, BRINK NEWS (Jul. 23, 2020), <https://www.brinknews.com/covid-19-protectionism-the-worst-may-be-yet-to-come-nationalism-trade-supply-chains/>.

¹¹¹ GATT, *supra* note 107, art. I.

¹¹² *Id.* art. II.

¹¹³ Rachel Fefer, Section 232 of the Trade Expansion Act of 1962, CONGRESSIONAL RESEARCH SERVICE (Nov. 4, 2021), <https://sgp.fas.org/crs/misc/IF10667.pdf>.

¹¹⁴ GATT, *supra* note 107, art. XX

¹¹⁵ Albertoni, *supra* note 50.

¹¹⁶ Mireya Solís, *Order from Chaos: The post COVID-19 world: Economic nationalism triumphant?*, BROOKINGS (Jul. 10, 2020), <https://www.brookings.edu/blog/order-from-chaos/2020/07/10/the-post-covid-19-world-economic-nationalism-triumphant/>.

¹¹⁷ Marceau & Parwani, *supra* note 1.

factors that generally hamper the growth of global trade. This part provides good policy recommendations as well as practical policy practices that may help facilitate economic cooperation and strategic policy coordination among countries in order to keep trade flowing smoothly.

A. The Role of Enhanced Trade Finance in COVID-19 Recovery

This part aims to establish how an enhanced cooperation on trade finance can contribute to building a more resilient international trade regime. At the beginning of the COVID-19 pandemic, businesses lost a lot of capital due to the degrees of economic inactivity caused by export restrictions and lockdown measures.¹¹⁸ Additionally, income earners, particularly middle class and low-skill income earners suffered heavy financial losses due to layoffs and subsequent wage-cuts.¹¹⁹ As a result, different governments, particularly in advanced economies started to implement diverse government support measures through increased disbursement of loans, sovereign guarantees, tax deferrals, subsidies, automatic insurance mechanisms, and furlough schemes.¹²⁰ These fiscal and monetary policies were aimed at minimising the economic impact of losses experienced from the COVID-19 pandemic by supporting both industries and low-skilled income earners.¹²¹ However, many countries, particularly emerging economies, have been finding it remarkably difficult to access trade credit due to pre-existing structural gaps in trade finance.¹²²

Although the COVID-19 pandemic is not a financial but a health crisis, the problems of trade finance has arisen as a matter of urgency due to the increasing hardships that many emerging economies have been facing in obtaining trade credits.¹²³ As the

¹¹⁸ Rodrigo Coelho & Raihan Zamil, *Payment holidays in the age of Covid: implications for loan valuations, market trust and financial stability*, FINAN. STABILITY INST.: BRIEFS (May 2020), <https://www.bis.org/fsi/fsibriefs8.pdf> [hereinafter Coelho & Zamil].

¹¹⁹ INT'L LAB. ORG. & OECD, *THE IMPACT OF THE COVID-19 PANDEMIC ON JOBS AND INCOMES IN G20 ECONOMIES* (2020), https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_756331.pdf.

¹²⁰ INT'L MONETARY FUND, *POLICY RESPONSES TO COVID-19*, <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#A> (last visited Dec. 11, 2021) (In March 2020, the government of Albania set up a normative act to facilitate some of those measures.).

¹²¹ *Id.*

¹²² Auboin Marc, *Trade finance, gaps and the covid-19 pandemic: A review of events and policy responses to date* (WTO, Working Paper No. ERSD-2021-5, 2021) [hereinafter Auboin]; see also OECD, *Trade Finance in Times of Crisis - Responses from Export Credit Agencies* (May 25, 2020), <https://www.oecd.org/coronavirus/policy-responses/trade-finance-in-times-of-crisis-responses-from-export-credit-agencies-946a21db/>.

¹²³ Auboin, *supra* note 120.

crisis continued to exacerbate, many financial banks began to witness a rise in the failures by businesses (including those not originally affected by the crisis such as aeronautical, tourism, and even automobile industries) to repay debts.¹²⁴ Consequently, similar to the 2008-09 financial crisis, many International Financial Institutions (IFIs), Multilateral Development Banks (MDBs), governments, and export credit agencies quickly interceded to assist private markets.¹²⁵ For example, MDBs, such as the European Bank for Reconstruction and Development (EBRD), have been providing substantial amounts of guarantees on trade finance and capital to less advanced countries through their Trade Facilitation Programme.¹²⁶ Similarly, IFIs have been able to supply foreign exchange instruments to Central Banks using swap agreements,¹²⁷ while governments have been implementing payment deferrals strategies.¹²⁸ Although there has been significant progress made towards facilitating trade finance across different countries, there is still a substantial amount of work to be done in order to alleviate the challenges of import and export of vaccines and facilitate greater trade flows.¹²⁹

To alleviate the challenges of trade finance in light of the COVID-19 pandemic, a way forward could be for the multilateral institutions to enhance cooperation on

¹²⁴ Susan Starnes et. al., *COVID-19 and Trade Finance in Emerging Markets: An Overview of IFC's Annual Respondent Bank Survey*, INT'L FIN. CORP. (Mar. 2021), https://www.ifc.org/wps/wcm/connect/c5f0f4fe-cf39-4684-a602-37f3e53078a0/76329_Draft_03.24_11.35am.pdf?MOD=AJPERES&CVID=nxAUpKw.

¹²⁵ OECD, *The Impact of the Coronavirus (COVID-19) Crisis on Development Finance* (Jun. 24, 2020), <https://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/>.

¹²⁶ Axel Reiserer, *EBRD continues to deliver record levels of trade finance to emerging markets*, EUR. BANK RECONSTRUCTION & DEV. (May 4, 2020), <https://www.ebrd.com/news/2020/ebrd-continues-to-deliver-record-levels-of-trade-finance-to-emerging-markets.html> (Notably, the Bank delivered an unprecedented €503.5 million in trade finance via 179 trade transactions, compared with €385.6 million for 144 operations in March 2020, which itself had already been a new record. In addition, The EBRD extended tenors of its guarantees in support of imports of fast-moving consumer goods into Ukraine from Turkey and of foodstuffs from Kazakhstan to Uzbekistan, where shipments had been delayed due to the coronavirus outbreak.).

¹²⁷ Joshua Aizenman et. al., *Central Bank Swap Arrangements in the COVID-19 Crisis* (NBER, Working Paper No. w28585, 2021), <https://www.nber.org/papers/w28585>.

¹²⁸ Coelho & Zamil, *supra* note 116.

¹²⁹ Auboin, *supra* note 120; see also Helen Castell & Violeta Gonzalez, *Narrowing the trade finance gap for LDCs*, TRADE FOR DEV. (Jul. 13, 2021), <https://trade4devnews.enhancedif.org/en/news/narrowing-trade-finance-gap-lDCs>.

trade finance.¹³⁰ Doing so would allow institutions to join forces in finding ways to increase the accessibility of trade finance for countries that have the most need for it.¹³¹ In a joint statement on the November 29, 2021, WTO and International Finance Corporation officials agreed to boost existing cooperation to improve the statistics, documentation, and recognition of trade finance gaps in order to facilitate greater demands, especially in Africa.¹³² To mitigate the effect of the pandemic on the trading system, nations could also engage in short-term to long-term trade finance.¹³³ Moreover, by increasing cash flow and building capacity, especially in the short-term, export credit agencies could be very instrumental in improving trade finance.¹³⁴ Essentially, it is most important for the nations to improve all global efforts and focus more on building better strategies for resilient policy coordination and greater economic cooperation amid COVID-19 recovery.

B. *The Role of the WTO in Ensuring Better Economic Cooperation and Resilient Policy Coordination*

In the past decade, there has been a lot of policy discussions within the WTO on the degrees of economic cooperation that nations need to implement in order to facilitate international trade. These involve questions about the types of policies that may be needed and whether multinationals need to set binding obligations that limit the policy space of its members.¹³⁵ There are also ongoing discussions on whether strict measures should be adopted to enable economic cooperation or if the same can be achieved through simple measures involving high-level diplomatic coordination processes.¹³⁶ Beside all of these considerations, there are also concerns within the international trading system that the rise in protectionism as a response to an otherwise global economic issue, such as the COVID-19 pandemic, may inevitably result in an unstable economic recovery.¹³⁷ Ultimately, these degrees of

¹³⁰ Press Release, United Nations General Assembly, Developing Countries Need More Financial Aid, Influence in Multilateral Institutions to Overcome Economic Devastation from COVID-19, Speakers Tell General Assembly, UN GA/12366 (Sept. 22, 2021).

¹³¹ Auboin, *supra* note 120.

¹³² WTO, *IFC heads agree to enhance cooperation on trade finance*, WORLD TRADE ORG. (Nov. 29, 2021), https://www.wto.org/english/news_e/news21_e/igo_29nov21_e.htm.

¹³³ OECD, *Trade finance in the COVID era: Current and future challenges* (Mar. 23, 2021), <https://www.oecd.org/coronavirus/policy-responses/trade-finance-in-the-covid-era-current-and-future-challenges-79daca94/>.

¹³⁴ *Id.*

¹³⁵ Simon Evenett et. al, *Trade policy responses to the COVID-19 pandemic: Evidence from a new dataset*, VOX^{EU} (Dec. 11, 2020), <https://voxeu.org/article/trade-policy-responses-covid-19-pandemic-new-dataset>.

¹³⁶ Javier Barbero et. al., Effects of COVID-19 on trade flows: Measuring their impact through government policy responses, PLOS ONE, Oct. 21, 2021.

¹³⁷ Behrens, *supra* note 36; see also ICAEW Economic Insight, *supra* note 38.

heightened policy discussions at the WTO and other multinational institutions can compel nations to expedite efforts for economic cooperation.

One of the key factors hindering global economic cooperation is that nations are generally unwilling to give away parts of their sovereignty due to lack of trust and issues of transparency.¹³⁸ As a result, countries are more inclined to operate inwardly, giving rise to more restrictions and greater protectionism.¹³⁹ These nationalistic policy preferences ultimately prevent a global response to a global economic crisis, such as the COVID-19 pandemic.¹⁴⁰ Essentially, WTO's Trade Monitoring Reports act as an informant on countries' trade policies, guaranteeing that countries continue to enforce trade policy restraints which prevent protectionist trade measures that are capable of destroying the global economy.¹⁴¹

Furthermore, although international trade in goods has improved significantly and the growth of exports have already exceeded pre-pandemic levels of 2019, smaller economies and extremely poor nations still fall behind.¹⁴² By prioritising the implementation of WTO's 2017 Trade Facilitation Agreement, less developed countries would be able to surmount some of these challenges.¹⁴³ This agreement not only facilitates the free flow of trade globally but also provides technical assistance and capacity building to help poorer countries.¹⁴⁴ The global economy cannot thrive and will continue to suffer unless nations open their supply chains and cooperate on a systematic and equitable supply of vaccines and other PPE, particularly to those countries that may be severely lagging in terms of finance.¹⁴⁵ It is on this premise that Dr. Ngozi Okojo-Iweala, Director-General of WTO, in her incisive speech dated October 14, 2021 on the benefits the multilateral trading system stated that “[i]n a deeply interdependent world with an increasingly multipolar distribution of economic power, we are all safer and better off when all

¹³⁸ Volk, *supra* note 3.

¹³⁹ Baldwin and Evenett, *supra* note 13.

¹⁴⁰ Bolle, *supra* note 87; *see also* Bolle & Zettelmeyer, *supra* note 54.

¹⁴¹ WTO REPORT ON G20 TRADE MEASURES, *supra* note 26 (Suggesting that the biggest reason for the lack of protectionist policies in the Global Financial crisis of 2008 was the binding effect of WTO rules which constrained the its members against accelerated protectionism.).

¹⁴² Alessandro Nicita et. al., *International trade is back, but not for all*, UNCTAD (Oct. 6, 2021), <https://unctad.org/news/international-trade-back-not-all>.

¹⁴³ Violeta Behar, *Opinion: 4 ways to promote vaccine equity through trade*, DEVEX (Aug. 3, 2021), <https://www.devex.com/news/opinion-4-ways-to-promote-vaccine-equity-through-trade-100457> [hereinafter Behar].

¹⁴⁴ Joann Peterson, *The WTO Trade Facilitation Agreement: Implementation Status and Next Steps*, J. INT'L COM. & ECON., Dec. 2020.

¹⁴⁵ Jonathan Josephs, *New WTO boss warns against vaccine nationalism*, BBC NEWS (Feb. 16, 2021), <https://www.bbc.com/news/business-56079088>.

countries can come to a common table to manage frictions over trade and the cross-border spill over effect of each other's economic policies."¹⁴⁶

The WTO's Aid for Trade Initiative, through its Enhanced Integrated Framework (EIF), provides a reliable mechanism from which developing and least-developed countries can obtain resources to tackle their trade-related issues.¹⁴⁷ To expedite global recovery, wealthier nations need to commit more to Aid for Trade, expand their aid financing objectives towards other initiatives outside the current health exigencies, and facilitate more funding for the EIF.¹⁴⁸ Some countries have recently taken huge steps to help shrink the gap with Norway donating an additional forty-five million Norwegian kroner of funding to the EIF.¹⁴⁹

To keep trade flowing, economic cooperation and policy coordination are paramount: this means that not only do supply chains for essential products need to be kept open and transparent,¹⁵⁰ export restrictive policies also need to remain equitable, with fair market competition policies.¹⁵¹ Nations need to establish strong coordination mechanisms, i.e., mechanisms that are beyond what is immediately implementable and mechanisms that have practical future implications.¹⁵² Such measures may include efforts by nations to adopt logically determined policies using an array of scientifically established methods that have shown to be successful in curtailing the economic impact of the crisis.¹⁵³ For example, at the peak of the pandemic, the government of New Zealand (NZ) adopted a series of scientifically predefined measures involving early risk assessment, effective response plan, and intensive consideration to high performance infrastructure and resources.¹⁵⁴ This

¹⁴⁶ Ngozi Okojo-Iweala, *A Conversation with Ngozi Okonjo-Iweala, WTO Director-General*, PETERSON INST. INT'L ECON. (Oct. 14, 2021), <https://www.piie.com/events/conversation-ngozi-okonjo-iweala-wto-director-general>.

¹⁴⁷ WORLD TRADE ORG., AID FOR TRADE (Jan. 20, 2021), https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm.

¹⁴⁸ Behar, *supra* note 141.

¹⁴⁹ *Norway commits NOK 45 million to EIF to spur economic recovery in least-developed countries*, WORLD TRADE ORG. (Jun. 22, 2021), https://www.wto.org/english/news_e/news21_e/if_22jun21_e.htm.

¹⁵⁰ Richard Baldwin & Rebecca Freeman, *Risks and global supply chains: what we know and what we need to know* (Bank of England, Working Paper No. 942, Sept. 2021), <https://www.bankofengland.co.uk/-/media/boe/files/working-paper/2021/risks-and-global-supply-chains-what-we-know-and-what-we-need-to-know.pdf>.

¹⁵¹ Willy C. Shih, *Global Supply Chains in a Post-Pandemic World: Companies Need to Make Their Networks More Resilient. Here's How*, 98(5) HARV. BUS. REV. 82 (2020).

¹⁵² Dollar, *supra* note 52.

¹⁵³ Jasper Verschuur et. al., *Observed impacts of the COVID-19 pandemic on global trade*, 5 NATURE HUM. BEHAV. 305 (2021).

¹⁵⁴ Jemma L. Geoghegan, *New Zealand's science-led response to the SARS-CoV-2 pandemic*, 22 NATURE IMMUNOLOGY 262 (2021); *see also* Michael G. Baker, *New Zealand's COVID-19*

was an embodiment of an “elimination strategy,” which was aimed at zeroing down the number of reported cases of COVID-19 and eradicating the virus.¹⁵⁵ Although the net economic impact of this strategy inflicted some socio-economic costs,¹⁵⁶ the strategy proved to be highly effective in preventing a widespread pandemic in NZ.¹⁵⁷ The government of NZ has also had to adjust its measures — shifting from the elimination of previous variants¹⁵⁸ to tight suppression of Delta,¹⁵⁹ and currently, to the mitigation of Omicron, all with the goal to ‘flatten the curve.’¹⁶⁰

To establish resilient policy strategies for economic and policy coordination, Weintraub, Bitton, and Rosenberg have stressed on the need to focus, not on the politics of the pandemic, but more robustly on a coordinated and scientifically determined strategy that will enable an informed global policy.¹⁶¹ This involves putting social science experts, and not political leaders, in the forefront of policy making as they may be better equipped in ensuring that there is a logically established

elimination strategy, MED. J. AUSTRALIA 213(5) 198 (2020) (Specifically, New Zealand’s strategies included a sophisticated border management to prevent the virus from entering the country, a high performance surveillance and testing for quick identification of incidents and breaks, and an updated public health infrastructure with digital source.).

¹⁵⁵ Michael Baker et al., *The need for a robust scientific definition for the elimination of COVID-19 from New Zealand*, PUB. HEALTH EXPERT: U. OTAGO BLOG (May 5, 2020), <https://blogs.otago.ac.nz/pubhealthexpert/the-need-for-a-robust-scientific-definition-for-the-elimination-of-covid-19-from-new-zealand/>.

¹⁵⁶ Michael Baker, *Preparing for Omicron: A proactive Government response is urgently needed to minimise harms*, PUB. HEALTH EXPERT: U. OTAGO BLOG (Jan. 17, 2022), <https://blogs.otago.ac.nz/pubhealthexpert/preparing-for-omicron-a-proactive-government-response-is-urgently-needed-to-minimise-harms/>.

¹⁵⁷ Sarah Jefferies et al., *COVID-19 in New Zealand and the impact of the national response: a descriptive epidemiological study*, 5(11) LANCET PUB. HEALTH (2020); see also id. (The elimination strategy proved to be the best adopted at the time because the alternative measures (e.g., suppression and mitigation) would have been far more devastating to the economy considering they pose more risks to spreading the virus amidst the uncertainties about vaccinations at the time. This would have resulted in difficulty returning to normal domestic economic activities and an ineffective exit strategy.).

¹⁵⁸ Michael Baker et al., *Elimination could be the optimal response strategy for covid-19 and other emerging pandemic diseases*, BMJ (Dec. 22, 2020), <https://doi.org/10.1136/bmj.m4907> [hereinafter M. Baker].

¹⁵⁹ Michael Baker et al., *The next phase in Aotearoa New Zealand’s COVID-19 response: a tight suppression strategy may be the best option*, 134(1546) NEW ZEALAND MEDICAL J. 8 (2021).

¹⁶⁰ MINISTRY OF HEALTH, NEW ZEALAND INFLUENZA PANDEMIC PLAN: A FRAMEWORK FOR ACTION (2017) (Notably, the mitigation strategy is a fundamental component of the “New Zealand Influenza Pandemic Plan,” which states as its main objective “[t]o minimise deaths, serious illness and serious disruption to communities and the economy arising from an influenza pandemic.”); see also M. Baker, *supra* note 156.

¹⁶¹ Weintraub, *supra* note 77.

system for a unified and reliable governance structure characterised by the proper movement of capital, data, and supplies.¹⁶² Essentially, this promotes the implementation of strategies that guarantee a promising and resilient post pandemic world characterised by greater equality, more economic cooperation, and better policy coordination with consideration to Sustainable Development Goals (SDGs).¹⁶³

V. CONCLUSION

Indeed, the COVID-19 pandemic has exposed an array of international trade concerns that have long plagued the global economy. This has prompted multinationals, private sector partners, and investing stakeholders to not only reflect on ways to build better resilience against global shocks but also combine recourses and expedite actions towards developing effective solutions for tackling those concerns. Through strategic economic cooperation and informed policy coordination founded on scientifically established facts, a prosperous future for international trade can be assured. Although the international trading system alone cannot end the current trade concerns brought on by the COVID-19 pandemic and the adverse effects that it poses to the future of international trade and the global economy, it certainly has the capacity and resources to greatly influence a positive outcome. A rules-based trading system is the foundation of a functional economic structure and, through its resources, it can influence well-organised economies. To produce more resilient global supply chains and achieve greater recovery prospects amidst the uncertain trends in the aftermath of the COVID-19 pandemic, countries need to facilitate better cooperation while multinationals may have to set more ambitious targets in order to realise future objectives quicker.

¹⁶² *Id.*

¹⁶³ Stiglitz, *supra* note 66.