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WTO reform reports reveal sharp divisions, eroding trust

The facilitators' reports on World Trade Organization (WTO) reform highlight deep and persistent divides across four key pillars of the reform agenda. Members reaffirmed the consensus principle as non-negotiable but pointed to a widening trust deficit driven by unimplemented mandates, historical imbalances and declining confidence. Sharp splits also remain over the core principles such as Most-Favored-Nation (MFN) treatment, binding dispute settlement and special and differential treatment (S&DT).

.... ALSO IN THIS ISSUE ....

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CONTENTS

CURRENT REPORTS

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Reform facilitators' reports expose deep divisions among members

The facilitators' first reports on the World Trade Organization reform agenda covering four key issues reveal that members remain deeply divided on both substance and process, with widening gaps that continue to hamper progress.

by D. Ravi Kanth

GENEVA: The first reports from the four facilitators overseeing the controversial reform of the World Trade Organization – covering foundational issues, decision-making, development, and "level playing field" issues – were released on 4 August.

People familiar with the development say that the document shows sharply diverging perspectives among members, though these are reflected within a rather confusing framework.

The 8,000-word document (Job/GC/Reform/7) was issued by the chair of the WTO's General Council, Ambassador Clare Kelly of New Zealand, in which she stated that "to ensure transparency and to facilitate continued engagement, the Facilitators' reports on the informal plenary meetings of 20, 22, 27 and 29 July 2026 on Foundational Issues, Decision-Making, Development, and Level Playing Field Issues, respectively, are annexed to this document."

She informed members that "the next facilitated informal plenary sessions are scheduled for 18, 22, 24 and 28 September".

The Facilitators, she said, are expected to issue invitations for these informal sessions by 4 September, to enable delegations to plan ahead.

The Facilitators will be available to meet with delegations, bilaterally or in groups, at their request in advance of these plenary sessions.

A cursory glance at the facilitators' reports – written under their own volition, though based on the views expressed by members – suggests the following initial takeaways:

A. Process: Discussion, not negotiation

The Facilitators' views seemingly and explicitly suggest that this is not a negotiation but an iterative discussion aimed at deepening understanding, clarifying differences, and identifying areas of common interest.

The process is Member-driven, inclusive, and designed to accommodate the capacity constraints of smaller delegations. Both written and oral contributions carry equal weight.

The Facilitators stressed the need for sustained engagement over time before reaching decision points. "At this stage, we are not engaged in a negotiation, but in a discussion."

B. Consensus remains unquestioned – but its implementation is failing

According to the Facilitators, no Member questions decision-making by consensus; members claimed it remains the cornerstone of WTO governance.

However, a trust deficit continues to appear as the hallmark of the discussions because of implementation gaps, unresolved mandates, historical imbalances, and declining confidence.

The challenge is not consensus itself but making it work effectively. "No Member questions decision-making by consensus, which remains an important practice of the WTO."

C. Foundational principles: Reaffirm or renegotiate?

A fundamental divide seemingly exists on whether the foundational principles (MFN, transparency, binding dispute settlement, S&DT) should be reaffirmed or reassessed for contemporary realities.

Here again, a large majority of members seem to argue that the challenges stem from implementation failures, not principle deficiencies.

However, a small group of industrialized countries – who are propelling the WTO reform discussions against the views of a majority of members – are insisting on the need for reforms "fully suited to contemporary realities".

D. S&DT: The central flashpoint

For a large majority of members, "Special and Differential Treatment (S&DT)" is a "non-negotiable treaty right", a legal obligation, and not part of aspirational commitments.

Without naming the countries that seemingly foisted the reforms on the majority of members, the Facilitators echoed the views of the United States, the European Union, Japan, and the "Friends of the System" group, that the self-designated S&DT framework is "increasingly unsustainable", enabling major developing countries to access flexibilities indefinitely.

The Facilitators' reports on S&DT mildly acknowledged that proposals for objective differentiation criteria (income thresholds, development indices) face strong opposition: "S&DT constitutes a non-negotiable treaty right, grounded in Part IV of the GATT and the Marrakesh Agreement."

E. Level playing field: Everything or nothing?

According to the Facilitator on level playing field (LFP) issues, "fairness" means different things to different Members. For many developing countries, LFP issues meant addressing historical asymmetries in agriculture, tariffs, and implementation gaps.

"Taken together, the issues raised under this track touch on nearly every major subject discussed in the WTO over the past three decades." Without clearer scope definition, this track risks becoming "a new, broad-based negotiating round".

F. Past mandates and trust

For many countries, confidence in reform depends on implementing previously agreed commitments.

Unimplemented mandates contribute directly to the trust deficit – stocktaking exercises were proposed to understand implementation gaps.

"Confidence in the WTO cannot be separated from the implementation of previously agreed commitments."

G. Dispute settlement

For a majority of countries, the immediate restoration of a fully functioning dispute settlement mechanism was identified as essential to the credibility of any reform outcomes.

H. Mapping exercises

Many developing countries appeared to be calling for mapping exercises: significant interest was expressed across multiple tracks in factual, evidence-based mapping exercises to establish common understanding and provide a basis for focused discussions. *(SUNS #10500)*

Large divergences mark foundational issues

The facilitator on the "foundational issues" track of WTO reform informed that many members are seeking a clearer definition of its scope, with calls for a neutral scoping or mapping exercise to clarify the track's objectives and ensure that it is properly distinguished from other reform streams to avoid duplication.

by D. Ravi Kanth

GENEVA: In her report issued on 4 August, the Facilitator on "foundational issues", Ambassador Sumathi Balakrishnan of Malaysia, said that compared to other tracks, the foundational issues track has been less extensive, resulting in less clarity regarding its scope.

"Many Members have expressed a desire for a clearer understanding of what this track encompasses," the Facilitator noted.

Some members seemingly urged caution given the sensitivities involved, while others emphasized that the track "should not be left behind".

To resolve this, many members proposed undertaking a neutral scoping or mapping exercise to clarify the track's scope and objectives, while strongly emphasizing the need to distinguish this track from other reform tracks to avoid duplication.

According to the Facilitator, many members emphasized that all contributions – whether oral or written – should receive equal consideration, and that any timelines must account for capacity constraints faced by smaller delegations.

A suggestion was made that written questions be submitted to proponents in advance of plenary discussions, with written responses circulated beforehand.

However, many members favored a more flexible approach, recognizing that "proposals differ in nature" and that progress could be achieved through multiple channels, including bilateral exchanges and informal consultations.

Divergent views

For many members, the foundational issues comprise "the core principles embedded in the Marrakesh Agreement that underpin the legitimacy and functioning of the WTO".

These include most-favoured-nation (MFN) treatment and non-discrimination, transparency, predictability, consensus-based decision-making, binding dispute settlement, development, special and differential treatment (S&DT), and the balance of rights and obligations reflected in the Marrakesh Agreement.

Also, many members seem to have described foundational issues as "treaty-embedded principles that form the constitutional architecture of the multilateral trading system".

According to the Facilitator, a significant division has seemingly emerged regarding the track's objectives.

"Many Members considered that the purpose of this track should be to reaffirm the WTO's foundational principles rather than to renegotiate or dilute them, arguing that many of the challenges facing the Organization arise from shortcomings in implementation rather than deficiencies in the principles themselves.

Conversely, a small group of

Third World ECONOMICS No. 847-848, 16 July - 15 August 2026

industrialized countries seem to reckon that the foundational issues should provide an opportunity to examine "whether the existing foundational principles remain fully suited to contemporary realities".

Next steps

The Facilitator acknowledged that due to time constraints, only the United States' submission was presented, focusing on MFN-related elements.

She suggested that members exchanged views focusing on "whether the concerns identified stem from the MFN principle itself, its implementation, existing exceptions, including Article XXIV of the GATT, gaps in existing disciplines, or broader systemic challenges".

They also apparently sought greater clarity on "how such reforms would preserve the predictability, stability, and multilateral character of the trading system".

The Facilitator confirmed that the next plenary session will resume discussion of the US communication, followed by submissions from the European Union and China.

The Facilitator noted that "this track will require sustained engagement over time before reaching decision points". *(SUNS #10500)*

Decision-making track grapples with key issues, plurilateral tensions

The facilitator on the "decision-making" track of WTO reform underscored members' emphasis on transparency, predictability, inclusivity and adequate preparation time, while stressing that members reaffirmed that decision-making by consensus remains a central practice of WTO governance.

by D. Ravi Kanth

GENEVA: In his report issued on 4 August, the Facilitator on "decision-making", Ambassador Katsuro Nagai of Japan, said that the track began with a strong focus on the importance of transparency, predictability, inclusivity, and adequate preparation time.

He stressed the importance of "remaining focused on substance while preserving a member-driven process."

The Facilitator emphasized that "at this stage, we are not engaged in a negotiation, but in a discussion – one in which Members seek to deepen understanding, begin to identify areas of common interest, better understand points of divergence, and create the necessary space for candid exchanges."

The constant refrain on decision-making, according to Ambassador Nagai, has been that "no Member questions decision-making by consensus, which remains an important practice of the WTO".

More importantly, a large majority of members apparently drove home the message for preserving legitimacy, inclusivity, and the Member-driven nature of the organization.

The Facilitator suggested that a large number of members reaffirmed that consensus "remains a cornerstone of the WTO's governance and an important safeguard, particularly for developing and least-developed country Members".

Challenges

While the notion of consensus is undisputed, many members noted increasing challenges to decision-making.

These members appear to have stressed that the principal challenge lies not with consensus itself, but with a broader trust deficit arising from implementation gaps, including "in relation to past mandates, historical imbalances, unresolved development concerns, unequal participation, and declining confidence in the system".

Members identified a range of challenges, including gaps in transparency, constraints on participation, and capacity limitations.

Proposals to strengthen consensus-building included enhanced transparency, improved consultation processes, mediation mechanisms, and "greater accountability and responsibility in the use of objections".

More critically, the Facilitator said members apparently raised important questions regarding "how concepts such as responsible consensus, material harm, affected interests, and written explanations of objections would operate in practice while preserving sovereign equality and the rights of all Members".

In pushing plurilateral negotiations without adhering to the core principle of consensus in the Marrakesh Agreement, the small group of countries seeking changes in decision-making – especially powerful members like the United States – highlighted new methods in decision-making, including "responsible consensus" approaches, mediation, opt-outs, reservations, differentiated implementation periods, silent procedures, greater use of chair discretion, and the use of voting provisions contained in the Marrakesh Agreement.

Regarding plurilateral initiatives, the powerful countries recognized "the increasingly important role that plurilateral negotiations can play by providing flexibility in contemporary trade rulemaking within a large and diverse membership".

However, many members apparently raised sharp concerns regarding potential fragmentation, the protection of non-participants, and "the preservation of the multilateral character of the organization".

According to the Facilitator, several concrete proposals were presented, including a five-stage framework and procedural frameworks for Annex 4 incorporation.

Past mandates & trust

"A number of Members emphasized that confidence in the WTO cannot be separated from the implementation of previously agreed commitments," the Facilitator observed.

Several members argued that

unimplemented mandates have contributed to a trust deficit.

Proposals included stocktaking exercises and dedicated discussions on the Secretariat's compilation of mandates as confidence-building measures, while the very few powerful countries emphasized the need to keep discussions forward-looking.

As part of next steps, Ambassador Nagai apparently encouraged informal engagement and reflection on the proposals. He informed members that the next session is scheduled for 22 September.

The Facilitator reassured Members that the immediate objective "is not to negotiate outcomes, but rather, deepen understanding, clarify differences, identify emerging areas of common interest where possible, and continue the candid and constructive conversation that Members have repeatedly called for." *(SUNS #10500)*

Development track exposes deep rifts on differentiation, S&DT

The facilitator for the “development” track of WTO reform highlighted that while development is widely viewed as a foundational, cross-cutting objective embedded throughout the WTO agreements, sharp divergences persist on the issues of differentiation and special and differential treatment (S&DT).

by D. Ravi Kanth

GENEVA: The Facilitator for “development”, Ambassador Nthisana Motsete-Phillips (Botswana), who had been an official of the International Monetary Fund and the World Trade Organization in her earlier career, said that development was consistently described as “a foundational, crosscutting objective of the WTO, anchored in the Preamble to the Marrakesh Agreement and Part IV of the GATT and across numerous Annex 1 Agreements”.

A few members argued that “a predictable, rules-based multilateral trading system is itself a principal enabler of development, making credible WTO reform one of the most important deliverables for advancing development”.

However, the above view of the industrialized countries was severely challenged, as it was apparently observed that “thirty years of uneven development outcomes demonstrate that trade growth alone has not translated into development, and that WTO reform must therefore address structural asymmetries within the system if it is to deliver meaningful developmental outcomes”.

Members called to “move beyond reaffirming development commitments towards their effective implementation”, while stressing the need for greater clarity on “the problems this track is intended to address through reform, a realistic scope of work, and a clearly defined objective”.

On “treaty-embedded rights”, many Members reiterated that S&DT constitutes a “non-negotiable treaty right, grounded in Part IV of the GATT and the Marrakesh Agreement”.

“In their view, these provisions are legal obligations rather than aspirational commitments, forming part of a carefully balanced negotiated package that cannot be conditioned or diluted without the consent of the Members for whom they were intended.”

However, a few Members seem to have sought clarity, questioning whether the concept extends to future disciplines, observing that “if future rights and obligations are to be negotiated by consensus, greater clarity is needed on how a ‘treaty-embedded’ right that has not yet been articulated would operate in practice”.

The Facilitator appears to be pushing for a narrative that “these exchanges suggest that a common understanding could assist future discussions”, which appears to be somewhat flawed, said trade envoys, who spoke on the condition of anonymity.

Differentiation

Since 2018, the US has been unabashedly pushing for “differentiation” among developing countries for availing of S&DT based on the self-designation framework.

Later, the EU and other members joined the debate to support the US, while China and India vehemently opposed any change to the current framework.

China and India, in a joint paper circulated at the WTO in 2019, had argued that “there is a huge development divide between the developing and developed Members of the WTO, not only in aspects of economic development level, industrial structure and competitiveness, regional balance, but also in education, social security and the ability to effectively participate in international governance”.

Notwithstanding the significant progress achieved by developing Members since the creation of the WTO in 1995, China and India said that “the old divides have not been fully bridged or even have been widened, while new divides, such as those in the digital and technological areas, continue to emerge”.

Without naming the US, China and India argued in their paper that “it is inappropriate, if not inhumane, to measure a member’s development level with select gross economic and trade statistics, so as to deny the divide between developing and developed Members, and to request the former to abide by absolute ‘reciprocity’ or superficial ‘fairness,’ essentially depriving the developing Members of their right to develop”.

On the issue of categorization and differentiation among developing countries, the Facilitator observed in her report that it generated an active exchange of views.

While a few powerful countries seemingly referred to voluntary opt-outs as a means of reflecting diverse development circumstances, others questioned “whether reliance on voluntary action alone would be sufficient over time, noting that the concept has long been part of the discussion but has been exercised only to a limited extent”.

A critical observation apparently made by the US during the discussions last month was that “after three decades of operation, the WTO’s architecture for special and differential treatment warrants a fundamental reassessment”.

The US has also maintained at

the WTO's 14th ministerial conference (MC14) in Yaounde, Cameroon, early this year that "the current self-designated system has become increasingly unsustainable and risks eroding the WTO's credibility by enabling major and highly competitive economies to continue accessing developing country flexibilities indefinitely".

Without naming the US, the Facilitator said that one member noted that "S&DT was not a delivery mechanism for development" and therefore called for "a more targeted, temporary, and needs-based approach that places least developed countries at the centre and supports other developing Members in progressively integrating into the trading system".

The powerful proponents of objective criteria argued that "the uniform application of S&DT no longer reflects today's diverse economic realities" and that "insufficient differentiation among economies with very different relative weights can itself generate or perpetuate inequalities".

In sharp response, many countries opposed the new eligibility criteria, arguing that such approaches do not reflect diverse development realities and insisted that any proposal to narrow the scope should be preceded by "a factual, evidence-based assessment identifying the specific provision concerned, the relevant agreement, the Members making use of it, and its practical effects".

They advocated for a sequenced approach: "evidence before graduation, balance before narrowing, and usability before new obligations".

A proposal for a development index to inform rule design and resource allocation was introduced, alongside discussions on combining it with staged accountability.

Members sought clarifications on whether accountability processes would trigger a review rather than automatic withdrawal, and how such indexes would account for structural vulnerabilities, the Facilitator observed.

Members also spoke about longstanding imbalances, emphasizing that LDC graduation was described as "a milestone to be welcomed, provided it is accompanied by appropriate and sustainable transition support to ensure that development gains are preserved and that flexibilities are not withdrawn abruptly".

Questions were raised regarding "how such transition arrangements should be balanced with considerations of differentiation among developing Members, including why a graduating Member whose relative economic position may improve significantly upon graduation should retain flexibilities that are not available to other developing Members".

Persistent asymmetries

Many Members called for attention to persistent asymmetries in agriculture, noting that "trade-distorting domestic support provided by developed Members remained outside the scope of the discussion, even as measures available to developing Members were being examined".

Calls were made to preserve and expand policy space for industrialization, though some Members called for this to be accompanied by stronger disciplines on industrial subsidies.

Calls were made for a strategic review of technical assistance, given the growing number of trust funds alongside declining funding.

Emerging areas like digital trade, AI, and climate-related measures were suggested for consideration through a development lens, with the digital divide identified as a distinct issue.

Many members expressed support for a Member-driven, factual, inclusive, and transparent mapping and stocktaking exercise.

It was emphasized that this should go beyond cataloguing provisions to assessing "their implementation, utilization, and effectiveness in delivering intended development outcomes".

Several members called for a comprehensive assessment capturing unresolved issues like trade-restrictive measures and existing subsidy regimes, including in agriculture and industrial subsidies, to provide an objective basis for reform.

Members cautioned against assigning effectiveness assessments to the Secretariat, as such judgments remain the prerogative of Members.

As part of "next steps", the Facilitator apparently has begun identifying common themes to provide a basis for more focused discussions. The next informal plenary session is scheduled for 24 September. *(SUNS #10500)*

Level playing field track risks becoming "new broad-based" negotiating round

The facilitator on "level playing field" issues track of WTO reform highlighted the challenges and views on the scope of this issue, with many developing countries stressing that a level playing field must encompass longstanding structural asymmetries, tariff escalation, market access, and development-related flexibilities.

by D. Ravi Kanth

GENEVA: The Facilitator for "level playing field" (LPF) issues, Ambassador Elmer Jose German Gonzalo Schialer Salcedo (Peru), while defining the challenges and views on scope, observed that "fairness means different things to different Members, reflecting their diverse economic circumstances, development priorities and experiences within the multilateral trading system".

While the United States, Japan, and the European Union – who were not named by the Facilitator – reportedly emphasized addressing distortions from industrial subsidies, non-market policies, state-owned enterprises, and overcapacity, many countries apparently stressed that a level playing field must encompass longstanding structural asymmetries, including in agriculture, tariff escalation, market access, and development-related flexibilities.

These members stressed that "a level playing field pillar which sidelines agriculture, NAMA, services, TRIPS, TRIMS, technology transfer, and other areas with development-related asymmetries that need to be addressed would not be balanced, particularly given limited progress in the relevant WTO Bodies to date".

Conversely, a few countries underscored that progress is contingent on "first restoring the WTO's capacity to take decisions, deliver negotiated outcomes and implement and enforce WTO rules".

Members cautioned that absent a clearer definition of scope, "the track risks expanding into the equivalent of a new, broad-based negotiating round".

Many emphasized that leveling the playing field does not imply identical rules or obligations for economies at different levels of development.

For these Members, "a genuine level playing field means ensuring fair opportunities to participate in and benefit from international trade, taking into account development needs, policy space and structural constraints".

However, a few powerful countries like the EU and Japan appear to have emphasized that the WTO must address harmful competitive distortions caused by current industrial policies and state interventions where existing rules fall short.

Issues regarding industrial subsidies, state intervention, state-owned enterprises, and overcapacity were regarded as central to current pressures on the multilateral trading system.

Suggestions included exploring new trade remedies based on market concentration thresholds, enhancing transparency, and modernizing enforcement tools.

Issues concerning transparency were reportedly raised by the US, while a few members stressed that "the objective should not be to characterize industrial subsidies as inherently beneficial or inherently harmful, but rather to distinguish between legitimate development-oriented industrial policies and measures that produce demonstrable adverse effects on international trade."

Some members (like China) cautioned that "the concept of overcapacity has, at times, been invoked to justify protectionist measures."

These members argued that "arbitrarily linking legitimate industrial subsidies or trade surpluses to allegations of overcapacity risks mischaracterizing underlying economic realities and could contribute to the politicization of the debate".

Historical imbalances

Many members emphasized that a balanced agenda must address agricultural domestic support, tariff peaks, tariff escalation, cotton, market access barriers, unilateral measures, and implementation gaps.

Several Members linked confidence in this track to the implementation of existing commitments, particularly in agriculture. Attention was also drawn to the effects of unilateral trade measures, economic coercion, and broad interpretations of security exceptions.

Many Members emphasized that reform should support, rather than constrain, structural transformation and industrialization.

Some suggested that a genuine level playing field should include reflection on whether original Members should assume responsibilities comparable to those undertaken by Members that acceded through Article XII of the Marrakesh Agreement.

Conversely, a few members emphasized that as Members' capacities evolve, this should be reflected in the application of flexibilities, "so as to ensure that such provisions remain appropriately targeted and responsive to demonstrated needs".

These countries expressed concern that undifferentiated approaches to S&DT could contribute to an uneven playing field "by extending flexibilities to Members whose economic circumstances have changed, while reducing the relative opportunities available to other developing Members with greater development needs".

The few powerful countries apparently cautioned that "broad or open-ended policy space that weakens agreed disciplines could create competitive advantages for Members with greater fiscal, institutional or technological capacity, potentially to the detriment of other developing Members with more limited resources".

Many members highlighted "the restoration of a fully functioning dispute settlement system as an essential element of any meaningful level playing field", noting that "any new obligations, disciplines or remedies would be difficult to sustain without an effective, independent and accessible mechanism through which all Members can enforce their rights and obligations". *(SUNS #10500)*

Reform facilitators misleading members with "vague" language?

The facilitators' reports on WTO reform have triggered sharp concerns over the repeated use of imprecise qualifiers which obscures the actual distribution of positions and masks which members hold them, thereby distorting the balance in the reform process.

by D. Ravi Kanth

GENEVA: The reports issued on 4 August by the four facilitators overseeing the reform of the World Trade Organization have reportedly raised sharp concerns over the facilitators' use of vague terms such as "many", "some", "several", and "few" – language that allegedly misleads Members by failing to quantify the underlying figures or name the countries concealed within these rather ambiguous labels, according to people familiar with the development.

Without formally launching a new round of trade negotiations, the facilitators appear to be constructing a dangerous narrative to pave the way for initiating perilous negotiations in which the major economies seek a "regime change" in the rules of the Marrakesh Agreement.

They are simultaneously setting aside the unresolved and unaddressed issues that formed part of the Doha Round of trade negotiations launched in December 2001, the last comprehensive round based on the Single Undertaking, said a trade envoy who asked not to be identified.

The WTO reform issues were not even agreed upon at the failed WTO's 14th Ministerial Conference (MC14) in Yaounde, Cameroon, in March 2026, the trade envoy said, adding that the WTO Director-General appears to be complicit in the current efforts.

"By attributing support to an unspecified count of Members, these facilitators – under the overall cover of the General Council Chair – are seeking to legitimize a conversation on issues without any collective agreement to launch that conversation," the envoy said.

More disturbingly, "they are indirectly making up for the failure at the Yaounde meeting through these reports by suggesting that this is a member-led process," the envoy suggested.

"Over time, this issue of lack of collective agreement or mandate on so-called reform will lessen in significance, and specific issues raised will dominate the debate."

Clearly, the facilitators ought to clarify how many Members would constitute "many", "several", and "some" – and, if possible, name the countries tucked within these terms, the trade envoy said.

Interestingly, the term "many" appears approximately ten times, while the term "some" Members is used around a dozen or more times. Similarly, the term "several" appears roughly 30 times.

In effect, the limited number of "many" mentions falls well behind those of "some" and "several" Members, said people familiar with the development.

More distressingly, "the current Director-General changed the definition of 'Member-driven' when she started acting on one or two Members even if others would oppose work on such issues by the Secretariat," said another trade envoy.

The envoy suggested that "now these facilitators have taken a leaf from her playbook by giving credibility to their respective processes on reforms by quantifying support of Members via vague terms like 'some', 'many', 'several', etc., preceding 'Members'."

The facilitator for foundational issues, Ambassador Sumathi Balakrishnan of Malaysia, states in paragraph 7 of her report that "many Members considered that the purpose of this track should be to reaffirm the WTO's foundational principles rather than to renegotiate or dilute them, arguing that many of the challenges facing the Organization arise from shortcomings in implementation rather than deficiencies in the principles themselves".

The facilitator for the decision-making track, Ambassador Katsuro Nagai of Japan, states that "many Members emphasized that these conversations require time, reflection, and sustained engagement".

However, neither Ambassador Nagai nor Ambassador Balakrishnan apparently explained, even once, how many countries "many" represents – whether it is 60, 70, 90, one-third, or two-thirds of Members.

In the same vein, Ambassador Balakrishnan notes that "at the same time, other Members considered that this track should provide an opportunity to examine whether the existing foundational principles remain fully suited to contemporary realities".

Here again, the facilitator did not indicate the number of "other Members" – whether they are merely a handful of countries or a score of them, said people familiar with the discussions.

Furthermore, the facilitators used the term "some Members" in roughly 13 cases, without clarifying who these Members are.

The reports also contain instances of "some" without "Members" (e.g., "some areas", "some called for", "some viewed") and "Members" without "some".

"Vague" terms

The appearances of the terms "many Members", "several Members", and "some Members" are as follows, albeit with caveats regarding paragraph numbering in the reports:

- "Many Members" – Appearances:

1. Foundational issues, paragraph 2: "... many Members have expressed a desire for a clearer understanding ..."
2. Foundational issues, paragraph 7: "Many Members considered that the purpose of this track should be to reaffirm ..."
3. Decision-making, paragraph 2: "... Many Members emphasized that these conversations require time ..."
4. Decision-making, paragraph 7: "A large number reaffirmed..." (Note: "large number" does not mean "many"; the following sentence

highlights "a number of Members observed" – which also does not use the term "many").

The next actual use is in paragraph 11: "... with many recognizing the increasingly important role ..."

5. Development, paragraph 4: "Many Members reiterated that S&DT constitutes a non-negotiable treaty right ..."
6. Development, paragraph 15: "Many Members called for attention to persistent asymmetries ..."
7. Development, paragraph 20: "Many expressed support for a Member-driven, factual ..." (Note: This is "Many" without the term "Members".)
8. Level playing field, paragraph 5: "Many Members emphasized the need to clarify what is meant by a level playing field ..."
9. Level playing field, paragraph 7: "Many Members stressed that obligations should recognize capacity constraints ..."
10. Level playing field, paragraph 11: "Many Members emphasized that a balanced level playing field agenda should also address ..."
11. Level playing field, paragraph 13: "Many Members recalled that development remains a core objective ..."

• "Some Members" – Appearances (13 occurrences):

Foundational issues report (20 July 2026):

1. Paragraph 2: "... I also observed that some Members urged caution in determining how to advance discussions ..."
2. Paragraph 4 b: "... In this context, some Members proposed undertaking a neutral scoping or mapping exercise".

Development report (27 July 2026):

3. Paragraph 3: "... At the same time, some Members stressed the need for greater clarity regarding the problems this track is intended to address through reform ..."
4. Paragraph 3: "... Some Members observed that it may be difficult to avoid duplicating work that has been undertaken elsewhere."
5. Paragraph 5: "... Some Members observed that if future rights and obligations are to be negotiated by consensus ..."
6. Paragraph 6: "... Some Members referred to voluntary opt-outs as a means of reflecting the diversity of development circumstances ..."
7. Paragraph 9: "... Some Members also emphasized that insufficient differentiation among economies with very different relative weights can itself generate or perpetuate inequalities ..."
8. Paragraph 11: "... Some Members also reframed the debate around whether a Member actually avails itself of S&DT..."
9. Paragraph 16: "... At the same time, some Members called for any expansion of policy space to be accompanied by stronger disciplines on industrial subsidies and state intervention ..."
10. Paragraph 17: "... At the same time, some Members cautioned against using this track to revisit every development-related imbalance ..."
11. Paragraph 18: "... Some Members called for a more tailored and recipient-led approach to capacity building ..."
12. Paragraph 20: "... In this regard, some Members suggested focusing on an inventory of implementation and results ..."
13. Paragraph 21: "... with some Members cautioning against assigning this role to the Secretariat on the basis that such assessments involve judgments that remain the prerogative of Members."

Level playing field report (29 July 2026) – Additional "some Members" occurrences (not included in the 13 above):

1. Paragraph 2: "Some Members emphasized that this work should enable the WTO to address distortions ..."
2. Paragraph 3: "Some Members underscored that progress on levelling the playing field ..."
3. Paragraph 6: "Some Members considered that the discussion of the MFN principle itself belongs primarily ..."
4. Paragraph 10: "Some Members also cautioned that the concept of overcapacity has, at times, been invoked ..."
5. Paragraph 12: "Some Members asked whether work on new disciplines should also extend ..."
6. Paragraph 14: "Some Members also suggested that a genuine level playing field should include reflection ..."
7. Paragraph 16: "... some Members considered that policy space should be exercised ..."
8. Paragraph 18: "Some Members also suggested that such a mapping exercise should also include how S&DT..."
9. Paragraph 19: "Some viewed mapping as a necessary first step ..."
10. Paragraph 22: "Some Members further emphasized the importance of managing the workload ..."

• "Few" – Appearances:

Level playing field report (29 July 2026):

Paragraph 20 (Observations section): "While Members expressed differing perspectives, I nevertheless heard a few emerging areas of common interest that could be further pursued."

Total: One occurrence (of "a few").

• "Several" – Appearances:

Foundational issues report:

1. Paragraph 4 a: "Several delegations emphasized that all contributions – whether oral or written – should receive equal consideration ..."
2. Paragraph 5: "In particular, several delegations argued that foundational issues comprise the core principles embedded in the Marrakesh Agreement ..."

Decision-making report:

3. Paragraph 1: "Several Members emphasized the importance of transparency, predictability, inclusivity, adequate preparation time, clear agendas, and meaningful opportunities for participation by all delegations ..."
4. Paragraph 10: "Several argued that unimplemented mandates have contributed to a trust deficit..."
5. Paragraph 11: "Several concrete proposals were presented, including a five-stage framework..."

Development report:

6. Paragraph 2: “Several Members emphasized that a predictable, rules-based multilateral trading system is itself a principal enabler of development ...”
7. Paragraph 4: “Several broad themes emerged from our discussion.”
8. Paragraph 11: “They noted that several developing Members have already exercised voluntary opt-outs...”
9. Paragraph 13: “Several clarifications were sought during the discussion.”
10. Paragraph 14: “...was also raised by several Members.”
11. Paragraph 21: “Several called for it to capture not only the implementation...”

Level playing field report:

12. Paragraph 3: “... several Members stressed that a level playing field pillar which sidelines agriculture ...”
13. Paragraph 3: “At the same time, several Members considered that the cross-cutting nature of the issues ...”
14. Paragraph 4: “Several Members likewise observed that, taken together, the issues raised under this track ...”
15. Paragraph 5: “Several broad themes emerged from our discussion.”
16. Paragraph 7: “Several Members questioned whether technical assistance alone would resolve persistent gaps ...”
17. Paragraph 11: “Several Members linked confidence in this track to the effective implementation of existing commitments ...”
18. Paragraph 12: “Several Members also drew attention to the effects of unilateral trade measures...”
19. Paragraph 17: “Several Members also highlighted the restoration of a fully functioning dispute settlement system ...”
20. Paragraph 22: “Several Members called for a more structured approach to future discussions ...”

In short, the reports issued by the facilitators suggest that a myriad of terms – “many”, “several”, and “some” – allegedly mislead the Members.

For instance, the reports appear to have downplayed support for dispute settlement, which remains the core issue for a large majority of countries, said an Asian trade envoy who asked not to be quoted. *(SUNS #10501)*

Third World ECONOMICS No. 847-848, 16 July - 15 August 2026

Global trade rises sharply amid mounting price pressures

Global goods trade reached US$13.7 trillion in the first half of 2026, with trade in artificial intelligence (AI) and electric vehicle-related goods expected to remain a key driver of expansion even as persistent geopolitical uncertainty is reshaping supply chains and redirecting bilateral trade flows, prompting countries to diversify trading partners.

by Kanaga Raja

PENANG: Global goods trade totaled about US$13.7 trillion during the first half of 2026, representing a 12.5 per cent increase compared with the same period in 2025, supported in part by higher prices, according to UN Trade and Development (UNCTAD).

In the latest edition of its Global Trade Update, UNCTAD said that East Asian economies recorded the strongest trade growth in the first quarter of 2026, with both developed and developing economies in the region expanding at rates well above the global average.

Trade in artificial intelligence (AI)- and electric vehicle-related goods grew significantly during the first quarter, and these sectors are expected to continue driving trade expansion, it suggested.

However, it said geopolitical uncertainty continued to drive the re-configuration of global supply chains and trade relationships, leading to shifts in bilateral trade patterns and greater diversification of trading partners.

Trade trends

According to the report, global trade growth was strong in the first quarter of 2026, expanding by approximately 4 per cent quarter-on-quarter (QoQ), with goods trade increasing by 4.8 per cent and services by 1.6 per cent.

UNCTAD's nowcast suggests continued positive momentum into the second quarter of 2026, with preliminary estimates pointing to QoQ growth of 6.4 per cent for goods and 2.1 per cent for services.

Overall, the report said global trade is estimated to have increased by about US$2 trillion in the first half of 2026 and is on course to reach a record annual value.

"Part of this growth reflected higher trade prices rather than stronger trade volumes.

The disruption to shipping through the Strait of Hormuz, together with heightened concerns over regional energy supplies, drove up global energy prices and increased transportation, logistics and production costs across international supply chains," the report said.

Global trade inflation rose sharply to 3.6 per cent QoQ in the first quarter of 2026, while UNCTAD's nowcast suggests a further increase of around 5.1 per cent QoQ in the second quarter.

Over the past 12 months, trade inflation has averaged about 3.4 per cent, indicating particularly persistent price pressure on global trade, said the report.

According to the report, trade performance remained highly uneven across economies and sectors.

East Asia was the main engine of growth, with China and the Republic of Korea recording particularly strong goods trade, while the rest of Asia experienced slower growth, it said.

"Africa and the Americas registered import growth above the global average but comparatively weaker export performance."

At the sectoral level, demand for semiconductors, information and communication technology (ICT) products, electrical machinery, batteries, critical minerals and electric vehicles supported expansion, whereas chemicals, iron and steel, and some renewable-energy products contracted, it added.

Strong demand for AI-related products, semiconductors, batteries and electric-vehicle components is expected to remain an important driver of trade growth in the second half of 2026, the report suggested.

At the same time, it said global trade is increasingly being shaped by evolving trade policies and geopolitical developments.

"In the United States, the ongoing trade negotiations are likely to keep policy uncertainty elevated, with some front-loading of trade expected ahead of potential policy changes."

More broadly, it said renewed trade tensions, persistent risks to shipping through the Strait of Hormuz, and continued geoeconomic fragmentation are expected to raise trade costs and contribute to increasingly uneven trade performance across regions and sectors.

Key factors

The report drew attention to the following negative factors affecting the trade outlook:

- "Geopolitical tensions in the Middle East: Although efforts to resolve the conflict are ongoing, geopolitical risks persist.

Disruptions to regional logistics, shipping routes, and supply chains continue to pose downside risks to global trade and economic activity.

Renewed tensions could quickly affect transport costs, business confidence, and investment.

- Debt burdens, fiscal constraints and uncertain monetary easing: Although inflation has moderated in many economies, elevated public debt, high debt-servicing costs, and constrained fiscal space continue to weigh on growth, particularly in developing economies.

Moreover, the pace and extent of monetary easing remain uncertain as inflationary pressures persist in some economies, and geopolitical developments create new price risks.

Together, these factors constrain governments' ability to support domestic demand and investment and may dampen import demand and global trade growth.

- Geoeconomic competition and fragmentation: The frequent use of export controls, industrial policies, subsidies, and regulations, especially on advanced technologies, is aimed at strengthening domestic industries, enhancing technological leadership, and improving supply chain resilience and safeguarding national security.

Together with growing efforts to diversify or 'de-risk' supply chains, these measures are expected to increase trade costs, redirect trade flows, reduce market predictability, and further fragment global trade."

The report also listed the following positive factors influencing the global trade outlook:

• "Growth in digital, AI and green industries: Rapid expansion in digital technologies, artificial intelligence (AI), and green industries continues to create new sources of global trade and investment.

Strong demand for semiconductors, AI infrastructure, cloud computing, digitally delivered services, batteries, and clean-energy technologies is supporting trade in high-value goods and services while accelerating innovation and productivity across economies.

• Investment in supply chain resilience: In response to geopolitical risks, businesses continue to strengthen the resilience of their supply chains by diversifying suppliers, expanding inventories, and investing in logistics infrastructure.

Rather than reducing trade overall, these adjustments are reshaping sourcing strategies and production networks, helping firms adapt to disruptions while sustaining cross-border trade.

• Emergence of connector economies and new trade corridors: As firms diversify production and sourcing, connector economies are attracting greater investment and expanding their roles in regional and global value chains. The development of new manufacturing hubs, logistics corridors, and regional trade networks is creating new trade opportunities and improving the geographical diversification of global commerce."

Highlighting trade trends across the major economies, the report said East Asian economies outperformed their peers in goods trade during the first quarter of 2026.

On the export side, the Republic of Korea recorded the strongest growth, with exports increasing by 20 per cent, followed by China at 11 per cent.

Japan, South Africa, and the United States also posted robust export growth. In contrast, India experienced a sharp decline of 8 per cent, it added.

On the import side, China recorded the strongest increase, with imports rising by 13 per cent, followed by solid growth in the Republic of Korea.

Brazil and Japan also experienced import growth, while imports in most other major economies remained broadly unchanged compared with the previous quarter.

The report said services trade growth presented a mixed picture across major economies in the first quarter of 2026.

On the import side, services imports declined in India, the Republic of Korea, and the Russian Federation, while Brazil and the European Union recorded increases.

It said on the export side, the Republic of Korea recorded the strongest growth, with exports rising by 9 per cent, followed by the Russian Federation and the European Union. In contrast, Brazil experienced a decline.

"Services trade in the remaining major economies remained broadly unchanged compared with the previous quarter."

Regional trends

Highlighting some regional trends, the report said that global trade growth in the first quarter of 2026 was driven primarily by developing economies in East Asia.

Trade by developing economies and South-South trade were particularly strong when East Asian economies were included, with both recording double-digit growth over the past 12 months.

However, it said excluding East Asia, developing economies as a group registered an overall contraction in trade in Q1 2026, largely because of reduced imports and exports from the Middle East and South Asia regions.

Meanwhile, developed economies maintained a similar pace of positive quarterly trade growth as in the previous quarter, the report said.

In the first quarter of 2026, goods trade growth was robust across most regions, led by East Asia, which recorded double-digit quarterly growth.

On the other hand, all other Asian sub-regions experienced negative quarterly growth, and while intra-regional trade expanded in most regions, it remained weak in South America, said the report.

"Over the past 12 months, import growth was particularly strong in Africa, East Asia, and Europe, with these regions also recording robust growth in intra-regional trade."

Meanwhile, the report said global imbalances in goods trade remained relatively stable in Q1 2026, although the composition of these imbalances continued to shift across major economies.

China's goods trade surplus expanded further during the quarter, while the United States' goods trade deficit continued to narrow, reinforcing the ongoing re-configuration of global trade balances, it noted.

By contrast, the United Kingdom's goods trade deficit widened further, and the European Union's goods trade balance shifted from a surplus to a deficit.

The report said outside these major economies, developments also diverged: the aggregate goods trade surplus of other developing economies contracted, whereas that of other developed economies widened.

Notably, bilateral trade imbalances in goods among major economies remained elevated in Q1 2026, with some widening over the quarter.

China's trade surpluses with many economies continued to expand, especially with the European Union, said the report.

"The United States' trade deficits with Canada, China, India and the European Union continued to narrow, while its deficits with Viet Nam increased."

Trade concentration continued its increasing trend during the quarter, indicating faster trade growth among the largest economies, the report further said.

The report said the increasing trend of trade between politically-aligned countries that started in early 2025 halted this quarter, while trade trends point to a gradual return to near-shoring, with moderately stronger trade growth between geographically-close countries.

Importantly, it said geoeconomic factors continue to play a significant role in shaping bilateral trade patterns, with notable shifts in trade relationships observed over the past 12 months.

Trade interdependence between the United States and Canada declined markedly, alongside Canada's increasing trade dependence on the European Union and China, it noted.

Similarly, trade interdependence between the United States and China weakened, accompanied by growing trade dependence on these two economies among several East Asian economies, including Thailand and Viet Nam.

Sectoral trends

At the sectoral level, the report said that during the first quarter of 2026, most sub-sectors recorded robust trade growth.

Within the agricultural sector, oil seeds and animal products led the expansion, while trade in coffee, tea, and spices declined sharply, reflecting the steep fall in coffee prices from high levels of previous quarters, it added.

"Nominal trade in natural resources increased strongly, largely reflecting higher mineral fuel prices amid the conflict in the Middle East."

Trade in minerals also recorded robust growth, expanding by more than 20 per cent.

Within the manufacturing sector, electrical machinery, machinery, and other base metals sustained the strong growth observed in previous quarter, whereas trade in chemical products, and iron and steel contracted, it said.

The report said during the first quarter of 2026, AI- and electric vehicle-related goods all had a particularly strong growth performance, namely batteries (15 per cent), critical minerals (38 per cent), ICT (14 per cent), semiconductors (25 per cent) and electric cars (11 per cent).

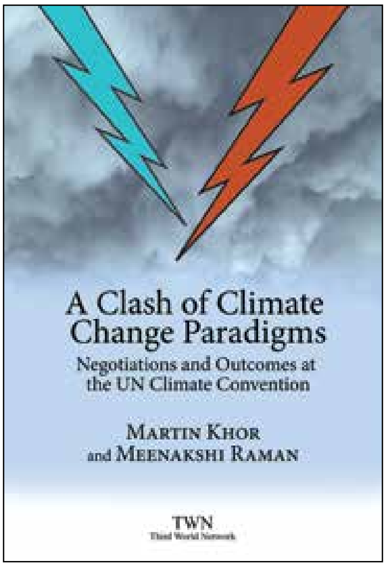
Other renewable energy products, including solar and wind-related products, contracted during the quarter, while fossil fuel trade growth remained positive, driven by upward price pressures, it added.

It also said while the motor vehicle sector growth was below average, hybrid vehicles recorded strong growth and a particularly strong one over the last 12 months. *(SUNS #10491)*

A Clash of Climate Change Paradigms

Negotiations and Outcomes at the UN Climate Convention

by **Martin Khor** and **Meenakshi Raman**



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Climate change is the biggest problem facing humanity and the Earth. To address it requires fundamental changes to economies, social structures, lifestyles globally and in each country.

International cooperation is crucial. But to achieve this is difficult and complex, because there are many contentious issues involved, not least the respective roles and responsibilities of developed and developing countries.

This book is an account of the outcomes and negotiations at the UN Framework Convention on Climate Change (UNFCCC). It covers the Convention's annual Conference of Parties (COP) from Bali (2007) to Paris (2015), where the Paris Agreement was adopted, to 2018 where the rules on implementing Paris were approved, and to Madrid (2019).

The two main authors took part in all the COPs analysed except the 2019 COP. The book thus provides a unique ringside view of the crucial negotiations and their results at the UNFCCC as the different countries and their groups grappled with the details on how to save the world, and who should take what actions.

This brief account will be useful, even indispensable, for policy-makers, researchers, civil society activists and all those interested in the climate change issue.

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US imposes "forced-labour" tariffs on 60 countries

The United States on 23 July imposed tariffs of 10-12.5 percent on 60 countries under Section 301 of the Trade Act of 1974, claiming these governments failed to prohibit and enforce bans on imports made with forced labour.

by D. Ravi Kanth

GENEVA: The United States on 23 July imposed tariffs ranging from 10 percent to 12.5 percent on 60 countries under the controversial Section 301 of the US Trade Act of 1974 "for their failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labour", an allegedly unilateral and illegal move that is inconsistent with the World Trade Organization's rules, said people familiar with the development.

Although the US Trade Representative (USTR), Ambassador Jamieson Greer, justified the tariffs, which included "two rounds of public hearings, more than 2,100 public comments, and engagement with our trading partners to remedy these longstanding concerns," the move to impose tariffs on 60 countries appears to violate the WTO rules based on the rulings of dispute settlement panels.

The USTR claimed that "President Trump recognizes that decades of moral suasion have not eradicated forced labor from global supply chains," while "the United States has had a forced labor import ban for nearly a century, and rigorously enforces it; it's well past time for our trading partners to do the same".

"Today's action will begin to correct what is both a human rights abuse and distortive trade practice to improve the welfare of workers everywhere. I am encouraged by the trading partners who have moved quickly to adopt forced labor import prohibitions, and look forward to ensuring their effective enforcement," said Ambassador Greer.

The 10 percent tariff imposed due to the prevalence of forced labour includes many developing countries such as Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Honduras, India, Indonesia, Jordan, Malaysia, Mexico, Pakistan, Sri Lanka, and Trinidad and Tobago, as well as two industrialized countries: Canada and the United Kingdom.

Further, the "10 percent or 12.5 percent, net of Most-Favored-Nation (MFN) rate is the appropriate rate of Section 301 duties for certain products of the European Union, Taiwan, Japan, Korea, and Switzerland" as well as Brazil, among others.

The 60 countries subjected to US tariffs include Algeria, Angola, Argentina, Australia, the Bahamas, Bahrain, Bangladesh, Brazil, Cambodia, Chile, China, Colombia, Costa Rica, the Dominican Republic, Egypt, El Salvador, Guatemala, Guyana, Honduras, Hong Kong-China, India, Iraq, Israel, Japan, Jordan, Kazakhstan, Kuwait, Libya, Malaysia, Morocco, New Zealand, Nicaragua, Nigeria, Norway, Oman, Peru, the Philippines, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Sri Lanka, Switzerland, Taiwan, Thailand, Trinidad and Tobago, Turkiye, the United Arab Emirates, the United Kingdom, Uruguay, Venezuela, and Vietnam.

The forced-labour tariffs appear to demonstrate how the Trump administration is finding one way or the other to replace the reciprocal tariffs imposed under the International Emergency Economic Powers Act (IEEPA) of 1977, which were struck down by the US Supreme Court early this year.

After the Supreme Court dismissed the IEEPA tariffs, which had caused turmoil in the global trading system since April last year, the US resorted to another weapon: imposing a 10 percent tariff under Section 122 of the US Trade Act of 1974, which comes to an end on 24 July.

According to Richard Neal, the ranking Democratic member on the House Ways and Means Committee: "With his global tariffs expiring tonight, Trump is once again flipping through the statute books looking for any authority to keep them in place. Today's forced labor justification is too convenient to be taken seriously."

Early this week, President Trump threatened to impose 50 percent tariffs on goods entering from Canada, the largest trading neighbour of the US, and in a separate move, the US targeted Brazil with a 25 percent tariff.

However, a senior US official said that the forced-labour tariffs would "restore fairness in the global market for American workers" and prompt US trading partners to "join the United States in eliminating forced labour from global supply chains", according to a report in the Financial Times on 24 July.

Further, according to a USTR fact sheet, several energy items such as oil, gas, and fertilizers, as well as goods that are not produced in the US, are being exempted from the long list of products that will be subjected to new forced-labour tariffs.

Several countries, including Japan, Australia, and Singapore, among others, have somewhat politely expressed that the tariffs are "unjustified" and not in accordance with international trade rules.

While countries appear to be increasingly unhappy with the changing face of the allegedly arbitrary, unilateral, and illegal tariffs imposed by the Trump administration, they seem to have failed in mounting a common challenge by invoking a trade dispute at the WTO or outside it, said people familiar with the development.

Notably, the move to impose tariffs based on the alleged failure of countries to comply with the International Labour Organization (ILO)'s Forced Labour Convention appears to violate multilateral trade rules, as trade and labour obligations are not part of the WTO's rulebook, according to people familiar with the development.

Interestingly, the US has ratified only two of the ILO's core labour standards – on forced labour and child labour – while leaving unratified several other conventions, including those on freedom of association, the right to organize and collective bargaining, the minimum age of employment, equal remuneration, and discrimination in employment and occupation.

(continued on page 18)

Third World ECONOMICS No. 847-848, 16 July - 15 August 2026

Global hunger stays stubbornly high as Africa becomes new epicentre

An estimated 645 million people – 7.8% of the global population – faced hunger in 2025, with progress in reducing global hunger remaining fragile, uneven and far off the trajectory needed to meet the Sustainable Development Goals, according to five United Nations specialized agencies.

by Kanaga Raja

PENANG: An estimated 645 million people, or 7.8 percent of the global population, faced hunger in 2025, with Africa for the first time overtaking the Asian continent in hosting the largest number of hungry people, according to a new report by five United Nations specialized agencies.

In their "The State of Food Security and Nutrition in the World 2026" report, released on 21 July, the UN agencies said that while global hunger declined for a third consecutive year in 2025, improvements remain fragile, unevenly distributed and insufficient to achieve the Sustainable Development Goals (SDGs) by 2030.

The report was jointly authored by the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Children's Fund (UNICEF), the UN World Food Programme (WFP), and the World Health Organization (WHO).

The report estimates that 7.8 percent of the global population faced hunger in 2025, down from 8.1 percent in 2024 and 8.6 percent in 2022, confirming a sustained, albeit slow, improvement.

This means that around 645 million people were affected by hunger in 2025, representing a reduction of nearly 14 million compared to 2024 and 43 million compared to 2022, said the UN agencies.

However, they said despite global progress, recovery remains uneven across regions. Asia, together with Latin America and the Caribbean, has recorded steady improvements in recent years.

In contrast, Africa is now home to approximately 309 million hungry people, compared with 292 million in Asia.

The report also said that in 2025, an estimated 25.8 percent of the global population (around 2.1 billion people) experienced moderate or severe food insecurity, meaning they were at times forced to compromise on the quality or quantity of the food they ate.

Responding to the findings in the report, the International Panel of Experts on Sustainable Food Systems (IPES-Food) said global hunger remains stubbornly high – 645 million people faced hunger in 2025, 61 million more than before the COVID-19 pandemic in 2019.

Despite some marginal progress, one in four people worldwide – 2.1 billion – were food insecure, lacking regular access to sufficient food for an active and healthy life, it added.

In its analysis of the findings in the report, IPES-Food said that Africa is now the global epicentre of hunger.

One in five Africans – a record 309 million people – now face hunger, an increase of 81% since 2010, driven by conflict, climate shocks, debt and dependence on food imports.

Two-thirds of Africans cannot afford a healthy diet, more than double the share in Asia and Latin America, it pointed out.

In a press release, the IPES-Food experts warned that conflict, trade tensions, fertiliser disruptions and climate shocks could trigger another surge in food prices in 2026 – reinforcing the need to reduce dependence on volatile global markets by building more resilient, self-reliant food systems.

IPES-Food also underscored that healthy diets are out of reach for many. One in three people worldwide (2.7 billion) were unable to afford a healthy diet in 2025, after the cost of healthy eating rose by 45% since 2017.

Around 70-75% of what consumers pay is added by traders, processors, distributors and retailers after food leaves the farm, pointing to where action is most urgently needed.

Worryingly, IPES-Food said that the outlook for 2026 is even more alarming. The 2025 figures may soon be overtaken by war, fertiliser disruptions, aid cuts, trade disputes, and intense climate shocks linked to El Nino and the climate crisis, which together threaten another global food price crisis.

However, IPES-Food said rising hunger is not inevitable. Asia and Latin America saw continued improvements – thanks in part to the success of anti-hunger programs like those in Brazil, which has eradicated hunger through a program of cash transfers to vulnerable families, universal school meals, city public food provision, and public procurement from family farmers.

With the right policies, countries can build resilient food systems and bolster their food security, it stressed.

Importantly, IPES-Food said that the findings reinforce the conclusions of its recent report, titled "The New Geopolitics of Food", which argues that today's food systems have become dangerously exposed to geopolitical conflict, trade disruptions, climate shocks and corporate concentration.

It said the answer is more resilient, self-reliant food systems that strengthen local and regional production, reduce reliance on volatile imports, curb excessive corporate concentration, and protect people's access to healthy food.

Global trends

The assessment of global hunger in 2025, based on the prevalence of undernourishment (PoU), shows continued gradual progress for the third consecutive year, said the report.

The proportion of the world population facing hunger decreased from 8.6 percent in 2022 to 8.1 percent in 2024 and 7.8 percent in 2025.

It is estimated that hunger affected between 608 and 696 million people in the world in 2025.

Considering the point estimate of 645 million, that is nearly 14 million fewer people in 2025 compared to 2024 and 43 million fewer than in 2022, it added.

However, the estimated number of people facing hunger is still above levels recorded in 2019, prior to the sharp increase in the wake of the COVID-19 pandemic, it stressed.

Compared to 2015, when the 2030 SDG Agenda was launched, the prevalence is lower (7.8 percent in 2025 compared to 8.0 percent in 2015), but the estimated number of people facing hunger has increased by about 50 million.

Pointing to stark regional differences that persist, the report said it is estimated that one out of five people in Africa (20.0 percent), faced hunger in 2025, compared to 6.0 percent of the population in Asia, 4.8 percent in Latin America and the Caribbean, 8.0 percent in Oceania, and less than 2.5 percent in Northern America and Europe.

Asia and Latin America and the Caribbean have been showing steady recovery over several consecutive years since the spike in hunger following the COVID-19 pandemic, it added.

In contrast, the PoU in Africa had been on the rise since 2017 – until the most recent estimates, which point to signs of a turnaround in 2025.

The report said the PoU in Africa decreased from a peak of 20.3 percent in 2024 to 20.0 percent in 2025, still nearly 4 percentage points higher than in 2015 when the SDG Agenda was launched.

However, it said this marginal improvement in prevalence from 2024 to 2025 did not translate into a decrease in the absolute number of people facing hunger, due to the growing size of the population in Africa.

It said that about 309 million people faced hunger in 2025, based on the PoU. Improvements from 2024 to 2025 in Eastern Africa, Middle Africa and Western Africa contributed to the slight overall decline in the PoU in the region, enough to offset a marginal increase in Southern Africa.

However, there was no change in Northern Africa, which had the lowest PoU in the region in 2025 – 9.8 percent, compared to 12.3 percent in Southern Africa, 16.9 percent in Western Africa, 25.6 percent in Eastern Africa, and 28.9 percent in Middle Africa.

In Asia, steady progress has been made on reducing hunger since 2021, based on the PoU trend.

The estimated proportion of the population facing hunger in Asia decreased from 7.9 percent in 2021 to 6.0 percent in 2025 – a decrease of more than 80 million people, said the report.

The estimated number of people facing hunger in Asia in 2025 was about 292 million.

The PoU in Eastern Asia has remained below the 2.5 percent threshold since the launch of the 2030 Agenda, and Central Asia has been close to achieving this goal since 2024, at 2.8 percent, it added.

The reduction in hunger in the region has been driven by improvements in South-eastern Asia and Southern Asia, the report noted.

"The PoU in South-eastern Asia decreased from 5.6 percent in 2021 to 5.1 percent in 2025, and from 13.9 to 9.3 percent in Southern Asia in the same period."

The prevalence is highest – and still increasing – in Western Asia, where it reached 13.0 percent in 2025, up from 9.3 percent in 2015 when the 2030 Agenda was launched.

Asia is the region that has shown the most progress since the launch of the 2030 Agenda, with a PoU that was 25 percent lower in 2025 than in 2015, said the report.

Additionally, the downward trend observed since 2021 represents a full recovery from the peak reached in the wake of the COVID-19 pandemic, it further said.

The report said that steady progress has also occurred in Latin America and the Caribbean, with a decrease in the PoU from 6.1 percent in 2020 to 4.8 percent in 2025, which is below pre-COVID-19 pandemic levels.

The latest estimate is slightly lower than in 2015, at the outset of the 2030 Agenda, when the PoU for the region was 5.1 percent, it noted.

About 32 million people were estimated to be facing hunger in 2025 based on the PoU, down by more than 1 million from 2024, and by 7.5 million from 2020.

The sub-region with the lowest PoU, and with the most marked improvement, is South America, where the PoU decreased from a peak of 5.5 percent in 2020 to 3.5 percent in 2025.

The report said modest progress has also been made in Central America in recent years, with a decrease in the PoU from 5.7 percent in 2023 to 5.1 percent in 2025.

The Caribbean is the most affected sub-region, with an estimated 16.6 percent of the population facing hunger in 2025, said the report.

"While some improvement was seen in the Caribbean from 2022 to 2024, the new estimate points to a stagnation in progress between 2024 and 2025."

It is estimated that 8.0 percent of the population of Oceania may have faced hunger in 2025 based on the PoU, a slight improvement compared to a peak of 8.4 percent in 2023, but relatively unchanged compared to 2024, said the report.

Focusing on the number of people estimated to be facing hunger in each region, the report said the number rose in Africa from 171 to 309 million between 2010 and 2025 and decreased in Asia from 396 to 292 million in the same period, resulting in a substantial change in the share of the global number of people facing hunger in each region.

"The share living in Africa increased from 28 percent in 2010 to 48 percent in 2025, while the share in Asia decreased from 65 to 45 percent. The share living in Latin America and the Caribbean has remained relatively constant over the 15-year period at around 5 percent."

The report also offered updated hunger projections for the next five years in light of the conflict in the Middle East.

Depending on the length of the impact of the crisis on food inflation – which is driven by higher energy and fertilizer prices – approximately 510 to 520 million people may still be facing hunger in 2030 (compared to the lower projection of 503 million in the pre-conflict scenario), with the global number of undernourished people expected to decrease by 20 percent, said the UN agencies.

While improvements are expected in all regions over the next five years, significant differences remain, they added.

The report said by 2030, an estimated 56 percent of the undernourished people in the world will be in Africa, or nearly 17 percent of the region's population.

In Asia, as well as in Latin America and the Caribbean, the PoU is projected to fall below 5 percent.

The 2026 conflict in the Middle East is projected to have heterogeneous impacts across continents and countries, largely driven by their status in terms of net energy trade, the report underlined.

In particular, it said Asia is the region with the largest negative impact, followed by Africa, with about 10 million more people projected to be facing hunger in 2030 in Asia and 8 million more in Africa under the lasting crisis scenario compared to the pre-conflict scenario.

It said Latin America and the Caribbean, a net energy exporter, will benefit from higher energy prices, and some countries in the region that still have high levels of hunger, but strong oil or natural gas exports, are projected to experience accelerated growth.

Food insecurity

The report said new estimates of the global prevalence of moderate or severe food insecurity based on the Food Insecurity Experience Scale (FIES) show a continuous five-year downward trend following the sharp increase from 2019 to 2020, the year the COVID-19 pandemic swept the globe.

The period from 2024 to 2025 saw an acceleration of this progress, driven by improvements in Africa, Asia and Latin America and the Caribbean, it added.

In 2025, an estimated 25.8 percent of the global population – 2.1 billion people – were moderately or severely food insecure, down from 27.1 percent in 2024 and 28.7 percent in 2020.

"That is the equivalent of nearly 86 million fewer people in 2025 compared to 2024, and 135 million fewer compared to 2020. However, the observed decrease was not enough to reach pre-pandemic levels."

Of the 2.1 billion people facing moderate or severe food insecurity in 2025, more than one-third were severely food insecure – 778.6 million people, or 9.5 percent of the global population.

Compared to 2024, this is nearly 25 million fewer people facing severe food insecurity, said the report.

Such progress would normally be grounds for optimism, but the impacts of the conflict unfolding in the Middle East in 2026 and the potential consequences of global cuts in official development assistance raise concerns regarding the prospects for continued improvement in global food security, it emphasized.

Highlighting some regional trends, the report said that the level of food insecurity varies widely from region to region, highlighting stark regional disparities.

In 2025, more than half the population of Africa (56.6 percent) faced moderate or severe food insecurity based on the FIES, compared to 20.3 percent in Asia, 22.9 percent in Latin America and the Caribbean, and 8.7 percent in Northern America and Europe, it said.

It said that while there has been steady progress in Asia and Latin America and the Caribbean since 2020, this is the first year that improvement has been seen in Africa since the 2030 Agenda for Sustainable Development was launched in 2015.

The prevalence of moderate or severe food insecurity in Africa decreased significantly from 58.5 percent in 2024 to 56.6 percent in 2025 – a decrease equivalent to 8.6 million fewer people.

There was also a decrease in severe food insecurity in Africa in the same period, from 21.8 to 20.6 percent, it added.

Improvements were seen in all sub-regions of Africa, with significant progress in Northern Africa, where the prevalence of moderate or severe food insecurity decreased from 35.1 percent in 2024 to 31.4 percent in 2025.

Since the 2030 Agenda was launched in 2015, moderate or severe food insecurity has increased by more than 25 percent in Africa (11.6 percentage points), with an especially notable 57 percent increase in Western Africa (22.4 percentage points), said the report.

The recent progress seen across all the sub-regions of Africa from 2024 to 2025 is encouraging, putting the region back on course towards narrowing the gap to achieving SDG Target 2.1, it added.

Progress was also seen in Asia, where the prevalence of moderate or severe food insecurity has been decreasing steadily since 2020, according to the latest estimates.

The prevalence decreased from 22.1 percent in 2024 to 20.3 percent in 2025, equivalent to nearly 77 million fewer people facing moderate or severe food insecurity in Asia, said the report.

"The proportion of the population facing severe food insecurity also decreased, from 8.5 percent in 2024 to 8.1 percent in 2025."

The sub-region with the lowest prevalence of moderate or severe food insecurity in 2025 was Eastern Asia – 6.3 percent, compared to 12.8 percent in South-eastern Asia, 16.0 percent in Central Asia, 31.9 percent in Southern Asia and 35.1 percent in Western Asia.

The trend in recent years is relatively unchanged in Central Asia, Eastern Asia and Western Asia, while it is improving in South-eastern Asia and Southern Asia, said the report.

In 2025, the prevalence of moderate or severe food insecurity in Asia fell below the level estimated for 2019, before the COVID-19 pandemic, but is still a few percentage points higher than in 2015 when the 2030 Agenda was launched.

If the current momentum can be maintained or accelerated, significant progress will be made towards the achievement of SDG Target 2.1, the report suggested.

Steady progress is also being made in Latin America and the Caribbean, where the proportion of the population facing moderate or severe food insecurity decreased for the fifth consecutive year, from 23.8 percent in 2024 to 22.9 percent in 2025, it said.

It said about one-third of the population was moderately or severely food insecure in 2020, at the peak of the COVID-19 pandemic, and in 2025, the proportion fell to less than one-quarter, which is even below the 2015 level at the outset of the 2030 Agenda.

However, the report said most of the progress has been in South America, where the trend started to improve in 2021.

The prevalence of moderate or severe food insecurity has fallen by 35 percent (nearly 11 percentage points) in South America since 2021.

In 2025, the prevalence in South America was 20.3 percent, down from 21.3 percent in 2024 and from its peak of 31.1 percent in 2021, it added.

Improvement has also been seen in recent years in Central America, where the prevalence of moderate or severe food insecurity peaked at 34.1 percent in 2020 and decreased by nearly 12 percentage points to 22.2 percent in 2025.

The report said the prevalence is highest in the Caribbean, where more than half the population (52.0 percent) was estimated to be moderately or severely food insecure in 2025, and half of this share (24.5 percent of the population) was facing food insecurity at severe levels – a situation which has persisted for several years with little change.

Oceania did not show any progress in 2025 compared to 2024, with the prevalence of moderate or severe food insecurity remaining above 26 percent in both years, and far above the prevalence of 21.3 percent in 2015 when the 2030 Agenda was launched.

Levels of food insecurity are lowest in Northern America and Europe, with little change in the past several years, said the report.

It said the prevalence of moderate or severe food insecurity was 8.7 percent in 2025, higher than the prevalence of 6.8 percent in 2019, before the COVID-19 pandemic.

The prevalence in Europe was 7.7 percent in 2025, compared to 10.7 percent in Northern America, while within Europe, levels ranged from 6.1 percent in Southern Europe to 8.5 percent in Eastern Europe, said the report. *(SUNS #10488)*

(continued from page 14)

Moreover, attempts to incorporate trade and labour provisions into the WTO's rulebook failed at the WTO's third ministerial conference in Seattle in December 1999.

The latest US announcement comes just before the Section 122 tariffs of 15 percent imposed by the US on a large swath of countries are due to expire on 24 July, owing to the 150-day statutory limit under the US Trade Act of 1974.

Although the issue of forced labour was repeatedly raised by the US during the fisheries subsidies negotiations in the run-up to the WTO's 12th ministerial conference (MC12) in Geneva in June 2022 – allegedly to target China – the proposal to include this issue was not agreed to, said people familiar with the development.

More importantly, while a WTO dispute panel did not rule outright against Section 301 in a trade dispute brought by the European Communities back in 1999, it clearly stated: "Significantly, all these conclusions are based in full or in part on the US Administration's undertakings mentioned above. It thus follows that should they be repudiated or in any other way removed by the US Administration or another branch of the US Government, the findings of conformity contained in these conclusions would no longer be warranted."

However, another panel in a dispute between the US and China ruled against Section 301, but the US voided the findings of the panel by appealing to the defunct Appellate Body. *(SUNS #10490)*

One-third of humanity priced out of healthy diets, warns report

An estimated 2.69 billion people - 32.7% of the global population - could not afford a healthy diet in 2025, with affordability constraints being most severe in Africa, underscoring deepening global nutrition inequities, according to five United Nations specialized agencies.

by Kanaga Raja

PENANG: An estimated 2.69 billion people (or 32.7 percent of the world population) were unable to afford a healthy diet in 2025, with more than half (about 1.4 billion) of them living in lower-middle-income countries, according to five United Nations specialized agencies.

In their "The State of Food Security and Nutrition in the World (SOFI) 2026" report, released on 21 July, the UN agencies said that the percentage of people unable to afford a healthy diet remains highest in Africa, where it is estimated to have reached 66.6 percent in 2025, more than double the levels currently estimated for Asia (28.9 percent) and Latin America and the Caribbean (25.7 percent).

The report was jointly authored by the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Children's Fund (UNICEF), the UN World Food Programme (WFP), and the World Health Organization (WHO).

IFAD President, Alvaro Lario, said: "SOFI tells us that the cost of a healthy diet continues to rise and that nearly 2.7 billion people may still be unable to afford a healthy diet. Resilient value chains must be a central part of the answer. Our task now is to turn the evidence SOFI provides into investment – and to do so through partnership. Together, we can build the value chains, market systems and rural economies that make healthy food affordable for all."

WHO Director-General, Dr. Tedros Adhanom Ghebreyesus, said: "While we welcome the clear progress we have made in reducing hunger, a healthy diet still remains unaffordable for one in three people globally."

"Obesity is rising and progress on maternal and child nutrition is stalling. But we know what works: policies that make healthy food the easy choice, promoting breastfeeding, front-of-pack labelling, taxing unhealthy products, and protecting children from harmful marketing. Healthy diets are not a luxury – they are the foundation of health and must be within everyone's reach," he added.

WFP Acting Executive Director, Carl Skau, said: "Behind every number in this report is a family counting the cost of food. Conflict and climate shocks push them further beyond their means."

"We must continue working with partner agencies, governments and communities to build food systems that hold up under shock, so families can afford nutritious diets, even in times of crisis. We now need sustained investment to match the scale of the challenge," Skau added.

"The report shows that progress is possible, but we must move faster. Ending hunger and making healthy diets affordable requires political commitment, sustained investment and enabling policies," said the FAO Director-General Qu Dongyu.

"Recent crises – from natural disasters like the COVID-19 pandemic to man-made disasters like hotspots of conflicts, the war in Ukraine, the Gaza crisis, and the recent Strait of Hormuz disruption – have demonstrated both the resilience of agrifood systems and the need to strengthen them further to better serve the world's most vulnerable people, farmers and consumers," he added.

UNICEF Executive Director, Catherine Russell, said: "Every child deserves the chance to grow and develop to their full potential, and this starts with access to nutritious, affordable food. This report is a stark reminder that food systems fail millions of children and families. Food, health, education and social protection must go hand in hand to protect the most vulnerable children and women from global shocks."

Cost of healthy diet

According to the SOFI report, inflation has continued to raise food prices in 2025. Assuming that the prices of foods that contribute to a healthy diet have increased in line with the overall rise in food inflation, this will have pushed the global mean cost of a healthy diet up to 4.28 PPP (purchasing power parity) dollars in 2025, from 3.44 PPP dollars in 2021 and 2.94 PPP dollars in 2017.

Among the main regions of the world, the cost of a healthy diet (CoHD) appears highest in Latin America and the Caribbean, where it is estimated to have reached 4.91 PPP dollars in 2025, compared to 4.35 PPP dollars in Africa, 4.33 PPP dollars in Asia, and 3.64 PPP dollars in Northern America and Europe, it said.

However, the regional values also mask important differences at the sub-regional level. The average CoHD in Latin America and the Caribbean is highest in the Caribbean, where it may have reached 6.04 PPP dollars in 2025, and lowest in Central America (4.66 PPP dollars), said the report.

Among the sub-regions that compose Northern America and Europe, Southern Europe had the highest average CoHD in 2025 (4.62 PPP dollars) while the lowest was seen in Northern America (3.02 PPP dollars).

Comparing all sub-regions, the report noted that in 2025, the average CoHD in the Caribbean was double the estimated value for Northern America.

"From the perspective of the World Bank income classification of countries, the CoHD is, on average, higher in lower-middle-income countries (4.36 PPP dollars in 2025) and lower in low-income countries (4.05 PPP dollars), and remaining closer to the global average in upper-middle- and high-income countries."

Based on the latest updates, it is estimated that in 2021, which is the reference year for the prices of foods that contribute to a healthy diet, 2.97 billion people may have been unable to afford a healthy diet, corresponding to 37.4 percent of the world population, said the report.

More importantly, the report said the number of people unable to afford a healthy diet may have fallen globally – following a peak of 3.13 billion in 2020 – to about 2.69 billion (or 32.7 percent of the world population) in 2025.

The overall decreasing trend implies that the CoHD, driven by the increase in food prices, may have risen less relative to total income, it suggested.

The percentage of people unable to afford a healthy diet remains highest in Africa, where it is estimated to have reached 66.6 percent in 2025, more than double the levels currently estimated for Asia (28.9 percent) and Latin America and the Caribbean (25.7 percent), it said.

It said the differences have increased since 2021 due to diverging trends, with the prevalence of unaffordability of a healthy diet (PUA) increasing in Africa, but falling in Asia, Latin America and the Caribbean, and Northern America and Europe.

When considering the distribution by country income group, the report found that more than half (about 1.4 billion) of the almost 2.7 billion people who are estimated to be unable to afford a healthy diet in 2025 live in lower-middle-income countries.

It also noted that 750 million people living in upper-middle-income and high-income countries cannot afford healthy diets, reflecting the fact that even in more affluent societies, agrifood systems still fail to make healthy diets universally accessible.

Dietary diversity

According to the report, unhealthy diets are a common cause of all forms of malnutrition.

It said evidence suggests that dietary patterns are changing rapidly almost everywhere, with reduced intake of diverse nutritious foods and increasing consumption of less nutritious so-called ultra-processed foods, increasing the prevalence and consequences of diet-related non-communicable diseases globally.

The report said that unhealthy diets are among the leading causes of premature mortality from diseases such as diabetes, cardiovascular diseases, stroke and cancer.

Notably, the same dietary trends are also exacerbating existing challenges of micro-nutrient deficiencies in all world regions, it added.

The agrifood systems that enable such shifting consumption patterns also contribute to loss of agro-biodiversity, intensive use of productive resources, and increased greenhouse gas emissions, the report stressed.

True progress towards sustainable development cannot be achieved without addressing these issues, yet until last year, diets have remained unmeasured as part of the Sustainable Development Goal framework, it noted.

However, in March 2025, the United Nations Statistical Commission approved Minimum Dietary Diversity for Children (MDD-C) and Women (MDD-W) as new indicators for SDG 2 monitoring.

These indicators provide a simple assessment of dietary diversity by counting the number of predefined food groups consumed during the previous 24 hours, at the population level.

Based on these metrics, the report pointed out that globally, less than one-third of children aged 6 to 23 months (30.8 percent) achieved minimum dietary diversity between 2018 and 2024 - a prevalence level that has remained largely unchanged over the past decade (prevalence was 29.4 percent between 2011 and 2017).

"This means that more than two-thirds of young children worldwide did not consume sufficiently diverse diets, potentially limiting their intake of essential vitamins, minerals and other nutrients critical for healthy growth and development."

The report said that this is particularly worrisome as nutrient-poor diets are a key determinant for all forms of malnutrition among children.

Globally, an estimated 150.2 million children under five years of age are stunted, 42.8 million are affected by wasting, and obesity has overtaken underweight as the more dominant form of malnutrition among school-age children and adolescents, it added.

Furthermore, disparities in children's diets are observed across regions. In Africa, only one out of five children aged 6 to 23 months (20.5 percent) achieved minimum dietary diversity, compared to 34.9 percent of children in Asia in the same reporting period.

Meanwhile, Minimum Dietary Diversity for Women is a simple

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population-level indicator that measures the proportion of women aged 15 to 49 years who consumed at least five out of ten predefined food groups in the previous 24 hours.

Evidence shows that women who meet this threshold are more likely to achieve adequate micro-nutrient intakes than those who consume fewer than five food groups in a day, said the report.

However, it said that a large proportion of women worldwide still lack minimally diverse diets, placing them at higher risk of not consuming sufficient essential micro-nutrients, aligned with established requirements.

Globally, only 62.7 percent of women aged 15 to 49 years achieved minimum dietary diversity between 2021 and 2025, meaning that about one in three did not.

This is very similar to the prevalence of 65.0 percent reported in the 2025 edition of this report, based on data pooled from 2020 to 2024, and indicates that there has been virtually no progress in improving women's diets worldwide since the reporting period last year.

Moreover, disparities in regional estimates were observed, with the lowest percentage of women aged 15 to 49 years achieving minimum dietary diversity observed in Africa (43.0 percent), followed by Asia (65.0 percent) and Latin America and the Caribbean (77.5 percent), while the highest was recorded in Northern America and Europe (79.8 percent), said the report. *(SUNS #10489)*

The poverty of growth

Arguing that poverty persists – and in many cases deepens – even as global production and incomes rise, former UN Special Rapporteur Olivier De Schutter calls for abandoning "growthism" – the belief that GDP expansion is a prerequisite for progress – and outlines instead alternative pathways to tackle poverty.

by Lean Ka-Min

PENANG: Even as ever more goods and services are produced and total incomes rise, poverty stubbornly, scandalously persists.

A recent report suggests that privation is rife not despite, but often because of, economic growth, and explores a pathway out of this predicament.

"The Roadmap for Eradicating Poverty Beyond Growth" was prepared by Olivier De Schutter during his tenure (April 2020-April 2026) as the United Nations Special Rapporteur on extreme poverty and human rights.

It draws on inputs sourced from more than 400 contributors, including from governments, trade unions, civil society groups, academics and UN agencies, over an 18-month consultative process.

The report was presented to the UN Human Rights Council in June.

[The report is available at https://www.neep-poverty.org/wp-content/uploads/2026/06/The-Roadmap-for-Eradicating-Poverty-Beyond-Growth.pdf]

The Roadmap stresses the need to "escape the trap of growthism: the ideological belief that no progress is possible without first increasing the total output of the economy, as measured by the Gross Domestic Product [GDP] indicator".

Questioning the conventional wisdom that sustained growth is a precondition for poverty eradication, it laments that "economic growth has disappointed".

Instead of steadily delivering new employment opportunities, growth has "translated only weakly into job creation" in many contexts, especially in low- and middle-income countries, says the report.

For the rich countries in the Organisation for Economic Cooperation and Development (OECD) meanwhile, there is a mere 0.34 correlation between GDP increase and unemployment reduction.

Indeed, as labour-saving technologies take hold and worker protections are dismantled, jobless growth risks becoming the norm, the report warns.

With the benefits of growth largely eluding the working class, it is the rich who hoover up the gains.

According to the Roadmap, the top 1% of the population captured 36.7% of global wealth growth between 1995 and 2025, against just 1.1% for the bottom 50%.

Expectations that such windfalls can help swell public coffers are dashed by the regressive nature of current tax systems at the top end and by the prevalence of tax dodging.

Moreover, growth may not only fail to snuff out poverty; it can even worsen the lot of the poor.

The report points to the phenomenon of "uneconomic" growth, whose costs exceed its benefits.

This can arise when the very policy tools deployed in the pursuit of growth end up negating any welfare gains generated, particularly in the case of lower-income segments.

The prime culprits are neoliberal policies of liberalization, deregulation and privatization which hurt workers, consumers and marginalised groups while boosting corporate bottom-lines.

Additionally, pressures to maximise productivity can exact a punishing toll on physical and mental health and social cohesion, which in turn further enmeshes people in poverty – the vicious cycle of what the report calls the "burnout economy".

One of the most consequential costs of (un)economic growth is being borne by the earth itself.

The Roadmap cites scientists' warnings that "infinite economic growth is incompatible with a finite planet – one characterized by limited resources and a constrained capacity to absorb waste and pollution".

By fuelling climate change and biodiversity loss, the drive to produce more and consume more is pushing the earth's life-support systems to breaking point.

As the writer Benjamin Kunkel has remarked, "planetary capitalism is living beyond its means".

Yet not everyone on the planet is guilty of profligacy. Instead, it is high-income nations which account for 74% of global excess material use, according to the report, led by the United States (27%) and the high-income countries of the European Union (25%).

On an individual level, the wealthiest 10% of the global population are responsible for 47% of consumption-based carbon emissions and 77% of emissions linked to private capital ownership.

At the very top, the richest 1% account for 41% of ownership emissions, nearly double the share of the bottom 90 percent.

While the poor bear little responsibility for environmental ruin, they are the ones hardest-hit by its impacts.

Over 90% of reported deaths caused by climate and other weather-related disasters between 1970 and 2021 occurred in developing countries.

Further, people living in poverty, explains the report, often depend directly on ecosystems for their livelihoods, are more likely to reside in climate-exposed areas and have limited capacity to deal with shocks linked to environmental degradation, such as rising food prices, declining labour productivity and declining health conditions.

If the drive for growth is wrecking the earth, then the solution for some is to decouple economic expansion from environmental pressure.

Advocates of "green growth" contend that the hunger for growth can be satiated while staying within ecological limits, thanks to technological innovation, renewable energy and efficiency gains.

However, the report finds no empirical evidence of such decoupling on the scale required, with the authors of one cited study maintaining that "in the absence of robust evidence, the goal of decoupling rests partly on faith".

"Continuing to premise economic development strategies on the eventual realisation of green growth", the report cautions, "amounts to a high-risk wager, one that the world's poorest populations cannot afford to lose".

"Green" or otherwise, growth has not delivered in terms of poverty eradication. More growth will only result in the expansion of an economic system that produces deprivation and want in tandem with its output of goods and services.

As the Roadmap says, poverty is "not an accident" but is "manufactured" – generated through structures of resource production and distribution and through relations of power.

The need therefore is to "chang[e] the architecture of the economy itself" to "break the cycles that perpetuate poverty while at the same time respecting planetary boundaries by reducing dependency on economic growth".

Towards this end, a myriad of "post-growth" models have emerged over the past 50 years, notes the report, ranging from de-growth, doughnut economics and steady-state economics to the Ubuntu economy and buen vivir – all of which share a commitment to distributive justice and environmental sustainability while rejecting GDP growth as the primary economic goal.

In addition, international institutions, including within the UN system, have explored alternatives to growth-centred policy paradigms.

In order to be translated from paper to practice, these initiatives, the Roadmap suggests, should be anchored to a "human rights economy" framework.

Launched by the UN High Commissioner for Human Rights in 2023, the concept of a human rights economy aims, among others, to "move beyond growth as the organizing principle of economic policy" and to "redress root causes and structural barriers to equality, justice and sustainability by prioritising investment in economic, social and cultural rights".

As a unifying framework for action, it will enable governments to be held to account for upholding universal human rights obligations under international law.

With indefinite global growth not looking like a viable option to realise these obligations, a just distribution of existing resources is imperative.

Accordingly, the report proposes a mix of redistributive and predistributive policies, the latter seeking to prevent inequalities from arising in the first place rather than redressing them after the fact.

Nestled within the human rights economy framework, the wide-ranging policy recommendations put forward in the actual "roadmap" section of the report encompass "(1) post-market compensation through progressive taxation and universal public services, combined with (2) in-market inclusion strategies such as labour market reforms that guarantee living wages and reduce precarity, and (3) sustained pre-market social investment in early childhood, education, housing, and nutrition to break the vicious cycles that perpetuate poverty across generations".

Thus, for example, the report calls for fiscal systems that are both fair in their distributive logic and effective in raising revenue, decrying current fiscal regimes where "those with the greatest capacity to contribute pay proportionally the least, while the burden of financing public services falls disproportionately on labour and consumption".

One objective it sets for fiscal policy is to limit high concentrations of wealth, which can undermine democracy and introduce macroeconomic distortions linked to rentier dynamics, asset price inflation and market concentration.

The super-rich continue to accumulate – just 12 of the richest billionaires have amassed more wealth than the over 4 billion people in the poorer half of humanity – while typically enjoying a lower effective tax rate than ordinary workers.

To remedy this perverse state of affairs, the Roadmap proposes a recurrent net wealth tax, taxes or caps on inheritances, and maximum income/wage schemes as means of reducing inequality, re-balancing economic and political power, and sourcing funds for poverty alleviation.

Corporations are not let off the hook either, given that corporate tax dodging is estimated to have caused $1.7 trillion in global revenue losses in 2016-21 alone.

Ensuring that businesses contribute their fair share would require, according to the report, a global minimum effective corporate tax (one that goes beyond an existing OECD scheme with its attendant limitations), taxes on excess or windfall profits, and – to redress developing countries' current inability to tax the gains of Big Tech companies operating without a physical presence – digital services taxes.

Environmental levies are also on the agenda, with the Roadmap proposing taxation of resource use, ecological degradation and luxury consumption in order to curb overexploitation and mobilise funding for environmental remediation.

By targeting those most responsible for environmental harm and reducing pollution that disproportionately impacts those least responsible, such taxes help advance the cause of environmental justice.

Revenues generated from progressive taxation can in turn be directed towards the supply of universal basic services, which the report sees not as market commodities but as public services provided as entitlements organised around need.

"A human rights economy," says the report, "rests on the foundational premise that education, healthcare, food, water, sanitation, housing, energy, transportation, and social protection are life-saving necessities, essential for a dignified life, and thus cannot be made conditional on an individual's ability to pay."

While progressive taxation and universal basic services constitute a redistributive approach to combating poverty, the predistributive element of the Roadmap is reflected in its policy proposals regarding the labour market.

These proposals aim to strengthen the position of labour, whose share of income has fallen in most countries over the last 40 years as productivity gains are captured by higher profits.

The measures recommended include an employment guarantee through public job programmes; promoting transition from informal to formal work; greater protections for platform workers; and working time reduction without a corresponding cut in pay (currently over a third of the world's workers work more than 48 hours a week).

The report makes the case for establishing fair and living wages necessary to secure a decent standard of living for workers and their families.

As of April 2026, it notes, only 28 out of 186 countries had a statutory minimum wage above the lowest living wage threshold applicable in their national context.

Beyond these, the report seeks to chart out a path towards strengthening workers' collective voice.

It emphasizes that freedom of association and collective bargaining are not only fundamental labour rights but also enabling rights which allow for the realisation of other rights at work.

The report calls for democratizing the workplace, noting that decision-making power within a firm "is generally concentrated in the hands of shareholders and top executives, while workers – who generate value and bear the risks of restructuring, relocation, or automation – have little influence over strategic choices".

A re-balancing would entail, among other steps proposed, mandatory minimum thresholds for worker shareholding and representation on corporate boards.

The Roadmap is far-reaching in scope: apart from the above, the proposals it advances also span the areas of monetary, industrial, financial, environmental, social and other policies.

At the same time, it recognises that their successful implementation will hinge not only on what happens within national borders.

For instance, an effective global minimum corporate tax calls for international tax cooperation, while indebted governments need sovereign debt relief to free up resources for public services and investment.

Thus, the report sets out recommendations for action on the international front too, including a sovereign debt cancellation framework, a dedicated global fund to finance social protection, expanded allocations of IMF-managed Special Drawing Rights, a UN Framework Convention on Tax Cooperation, and an end to unilateral economic sanctions.

Underlying the Roadmap's proposals for international collaboration is the principle of "common but differentiated responsibilities".

This principle acknowledges that "[h]igh-income countries, having contributed most to ecological overshoot and accumulated wealth through unequal global arrangements, bear heightened responsibilities to reduce excessive consumption, mobilize resources and support policy space in low- and middle-income countries".

"International solidarity", the report asserts, "is not charity; it is a legal and moral obligation grounded in shared humanity and differentiated capabilities".

But while the rich nations will have to stop consuming as if there is no tomorrow (lest there really be no tomorrow), growth may still be a necessity for developing countries whose populations' gaping needs cannot be met without raising economic output.

However, such growth must be inclusive and not of the "uneconomic" kind; it should no longer be tied to demand from the Global North but be oriented towards satisfying domestic need, suggests the report.

As shown by the interdependence of actions at domestic and international levels, the policy proposals put forward in the report are not a smorgasbord to pick and choose from, but form a cohesive blueprint of mutually supportive measures.

Yet, "[w]ell-intentioned policy alone is both naive and insufficient", the Roadmap warns, for policy must also reckon with politics.

Economies have been politically constructed to serve the interests of powerful groups, with any reforms limited to technocratic tinkering while the core, unequal structures are left intact.

Such constructions are not things of fixity and permanence, however. The economy can be rebuilt to reflect the priorities of the majority over the elites.

Reclaiming democratic control over the organization of production, distribution and investment would open the door for pursuit of poverty eradication unbound by growth dictates.

Recognising that "the economy is a site of democratic struggle", the Roadmap underlines the need to build the power of public institutions, social movements and participatory processes.

Towards this end, it advocates safeguards against corporate capture of state institutions by erecting firewalls between corporate actors and public decision-makers, mandating disclosure of lobbying activities, and closing off the "revolving door" between public service and big business.

Moreover, collective decision-making in steering the economic course can be enhanced with the involvement of trade unions, social movements and community organisations, and through inclusive mechanisms like citizens' assemblies, participatory budgeting and social audits.

Amid the prevailing gloom, the report maintains belief in "a politics of possibility", and the roadmap it lays out points the way to a world free of poverty and of a ruinous addiction to growth. The fate of humankind may come to rest on whether it can reach this destination. *(SUNS #10496)*