



# Revisiting India's Trade Competitiveness under the WTO Framework: Structural Realities and 'Survival Stress' in the Economy

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## Abstract

The modern global economic framework is profoundly influenced by multiple organisations at different levels, like the World Trade Organisation (WTO), which aims to promote equity, transparency, and collaboration in international trade. By setting up rules and regulations and by resolving disputes, trade policies are proving themselves efficient and fruitful worldwide. In nations like India, these institutions often operate among inequalities that favour the richest countries. This research analyses India's trade competitiveness within the WTO framework, focusing on the structural challenges and pressure that result in significant economic problems referred to as economic survival, which includes policy restrictions and competitive pressures, by employing a qualitative and analytical methodology with secondary data (WTO reports and dispute cases). The study evaluates critical aspects such as subsidy regulations, intellectual property rights and market assessment conditions. The result indicates that India's trade performance is obstructed by internal challenges like poor infrastructure and external biases, including double-tier rules that favour developed nations. The paper concludes that it is vital to create a more inclusive trade environment and enhance collaboration among developing countries to address inequalities and improve sustainable competitiveness. It also recommends that organisations like the WTO, IMF and other global organisations should always be fair enough for everyone to achieve secular peace and prosperity in the world.

## Keywords:

Trade Competitiveness, WTO Rules, Economic Survival Stress, Structural Asymmetry, Multipolar Trade Order



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## 1. INTRODUCTION

After the Cold War era, the global trade has witnessed a significant transformation, which can be marked by increasing interdependence, liberalisation and institutional governance. The establishment of an organisation called the World Trade Organisation ( WTO ) made a crucial role step in 1995 in creating a rules-based global trading system. The aim of the WTO is to promote free and fair trade by reducing barriers, resolving disputes, and ensuring transparency among member states. However, the promise of fairness in global trade provides a contrast with the live realities of developing economies. Countries like India face a dual challenge: enhancing domestic economic competitiveness while simultaneously navigating an international regulatory framework that may not be entirely neutral. This situation creates what can be conceptualised as "economic survival stress " - a condition where the policy space is constrained, competitiveness is pressured, and long-term development goals are compromised. India's integration into the global economy has been substantial since the economic reforms of 1991. While there is an increase in openness in trade and exports have grown, by introducing an outward policy. At the same time, WTO agreements, particularly in areas like agricultural, subsidies and intellectual property, have imposed constraints that affect India's policy autonomy. Over time, the global trade itself has changed a lot, along with these challenges, it is no longer just about buying and selling goods between countries. Today, it also includes services, digital platforms, and global supply chains that connect different parts of the world. For India, both challenges and opportunities can be brought by this change. For example, India has done well in areas like information technology and services, by which has raised its position in the global economy. However, being part of the global supply chain requires strong infrastructure, better technology, and consistent quality standards- areas where India is still catching up .form global trade rules another issue is raised that all countries are not prepared to equally take benefits. Developed countries usually have strong systems, better financial support, and advanced technology which help them to adjust more easily. In contrast, at the same time countries like India have to deal with multiple concerns, such as job creating, reducing poverty, and ensuring food security. Because of this ,it becomes difficult to fully follow global trade rules without affecting domestic priorities. There is also a major concern like providing flexibility in policy. India needs enough freedom to support its farmers, protect small businesses, and encourage local industries. But sometimes, WTO rules limit how much support the government can provide . For instance, restrictions on subsidy strict the intellectual property rules can make it harder to protect national interest. This creates a situation where the country has to carefully balance its own development needs and its international commitments. At the same time, global uncertainties—like economic slowdowns, political tensions, and disruptions in supply chains—make the situation even more challenging. Economic stability and exports can be affected directly by these factors. In such conditions, the idea of “economic survival stress” becomes more meaningful, as countries constantly try to adjust and manage both internal and external pressures. In the end, what becomes important is finding a balance. India needs to strengthen its own economy while also staying actively involved in global trade discussions. A careful and practical approach can help the country move forward more confidently in a changing global environment.

This paper seeks to critically examine India's trade competitiveness within the WTO framework by addressing the following research questions:

- How do WTO rules influence India's trade competitiveness?
- What structural asymmetries exist within the global trade system?
- To what extent do these asymmetries contribute to economic survival stress in India?

## 2. Literature Review

The debate on international trade governance and its impact on developing economy has been widely discussed in economic literature many scholars have highlighted both the benefits and limitations of multilateral trade institutions and their versatile effect.

### 2.1- WTO and global trade governance or framework

For a global economic stability, a cornerstone is often set to WTO. According to Bhagavati (2004) Trade liberalization under the World Trade Organization promotes inclusive package of efficiency growth and welfare. However, they also argued that the system is inherently Biased toward developed nations due to greater negotiating power and institutional influence. Stiglitz (2002) Emphasized that globalization as governed by institutions like the World Trade Organization and International Monetary Fund often produces unequal outcomes. He argues that developing countries are frequently subjected to rules that limit their ability to protect emerging Economies.

### 2.2- Trade competitiveness in developing economies.

It refers to a country's own ability to produce goods and services that met international market standards while maintaining or increasing real income levels Porter's theory of competitive advantage highlights the role of innovation infrastructure and institutional support. In the context of India, the studies have shown that while sectors like IT and pharmaceuticals are globally competitive traditional sectors such as agriculture and manufacturing faces structural challenges (Panagariya, 2008).

### 2.3- Structural asymmetry in WTO rules

Structural asymmetry refers to Nicole distribution of powers and benefits with the global trade system which can we clearly understand by saying dad giving half information to other party related to that trade. Developed countries often retain advantages through mechanism such as: High agricultural subsidies A stringent intellectual property protection Non-tariff barriers These Asymmetries limit the ability of developing countries to complete effectively in this cutthroat competitive world.

### 2.4- Concept of economic survival stress

The concept of economic survival stress is relatively new and reflects the pressure faced by economies that must adapt to global rules while lacking equal capabilities it includes policy constraints competitive disadvantages vulnerability to external shocks in this whole study we build on this concept to analyses India's position within the WTO framework.

## 3. Methodology

This research adopts a qualitative and analytical approach based on secondary data sources:

### 3.1- Data sources are given below-

- Government of India trading data
- Academic journals and policy papers
- WTO dispute settlement case studies

### 3.2- Analytical framework

- The analysis focuses on three key dimensions
- Subsidy regulations

- Intellectual property rights

### 3.3 Market access provisions

All these dimensions are critical in understanding how WTO rules affect India's trade competitiveness by evaluating all these dimensions we can get our that what is to be needed for the betterment of trade.

### 3.4 limitations

The study relies on secondary data which may limits empirical precisions Quantitative modelling is not included Focus is primarily on macro level analysis.

### 3.5 Hypothesis of the study

Based on the objective and analytical framework of the study the following hypothesis are formulated:

#### Null hypothesis $H_0$

There is no significant relationship between WTO regulatory frameworks that are (subsidies intellectual property rights and market access conditions) and India's trade competitiveness.

#### Alternative hypothesis $H_1$

There is significant relationship between WTO regulatory frameworks and India's trade competitiveness.

### 3.6 Proposed Regression Model

Although the present study is using both style of qualitative and quantitative but primarily, we built, a conceptual regression model is proposed to explain the relationship between WTO related factors and India's trade competitiveness. The model can be expressed as:

The model can be expressed as:

$$TC = \beta_0 + \beta_1 SUB + \beta_2 IPR + \beta_3 MA + \beta_4 INF + \beta_5 INN + \epsilon$$

Where:

TC (Trade Competitiveness): refers to overall competitiveness Measured through export growth, trade balance, or global competitiveness index

SUB (Subsidy Constraints): refers to WTO-imposed limits on agricultural and industrial subsidies

IPR (Intellectual Property Rights): refers to TRIPS-related regulatory intensity

MA (Market Access): refers to non-tariff barriers, SPS, and TBT measures

INF (Infrastructure): refers to Domestic logistics and trade-related infrastructure

INN (Innovation): refers to R&D and technological capability

$\epsilon$ : Error term

Interpretation of Model

This model suggests that India's trade competitiveness is influenced by both:

External factors: WTO rules (SUB, IPR, MA)

Internal factors: Infrastructure and innovation (INF, INN)

Negative coefficients for SUB, IPR, and MA would support the argument of structural asymmetry, while the positive coefficients for INF and INN highlight the importance of domestic capacity building.

## 4. Analysis and Findings

### 4.1 Agricultural Subsidies and Structural Imbalance

India's agricultural policy operates under constraints imposed by the WTO's Agreement on Agriculture (AOA), particularly the Aggregate Measurement of Support (AMS) limits.

Developed economies continue to provide high subsidies through "Green Box" provisions, which are technically allowed but practically distort trade it's a matter of fact.

Table 1: Comparative Agricultural Subsidies (% of Farm Income)

Country/Region	Subsidy Level (%)	WTO Classification	Impact
USA	35–40%	Green Box	Trade distortion (indirect)
EU	40–45%	Green Box	High competitiveness
India	<10%	Amber Box limits	Policy constraint

#### Interpretation:

Despite of lower subsidies, India faces stricter scrutiny, creating an uneven competitive landscape.

(a)WTO Case Citation have shown that India has faced challenges from the United States regarding poultry imports and sanitary measures.(India – Agricultural Products (DS430)

→ Highlighted how SPS standards can act as trade barriers.

### 4.2 Public Stockholding and Food Security

India's food security programs (e.g., MSP procurement) have been repeatedly questioned under WTO norms.

**Graph 1:** Conceptual Representation – Policy Space vs WTO Constraints



Diagram 1: Conceptual Representation – Policy Space vs WTO Constraints

#### Insight:

Our India operates within a narrower policy space compared to developed countries, intensifying "economic survival stress"

### 4.3 Intellectual Property Rights (TRIPS) Impact

India's pharmaceutical competitiveness has been affected by TRIPS compliance, especially post-2005 product patent regime.

Table 2: Impact of TRIPS on the Indian Pharma Sector

Indicator	Pre-TRIPS	Post-TRIPS
Generic Drug Production	High	Moderately restricted
Export Competitiveness	Strong	Slight decline
Drug Prices	Low	Increased

b) WTO Case Citation refers that India was required to amend its patent laws and demonstrates how global IP norms override domestic policy priorities [India – Patent Protection for Pharmaceutical Products (DS50)].

### 4.4 Market Access and Non-Tariff Barriers

While tariff barriers have reduced globally, non-tariff measures (NTMs) have increased significantly.

Table 3: Types of Non-Tariff Barriers Affecting India

Barrier Type	Example	Impact on India
SPS Measures	Food safety standards	Limits agricultural exports
TBT Measures	Technical certifications	Raises compliance cost
Environmental Norms	Carbon standards	Affects manufacturing

c) WTO Case Citation refers that India's domestic content requirement was challenged by the USA, and the WTO ruled against India, restricting its renewable energy policy flexibility (India – Solar Cells (DS456))

### 4.5 Trade Performance Trends

Graph 2: India's Export Growth vs Global Trade Growth (Conceptual)

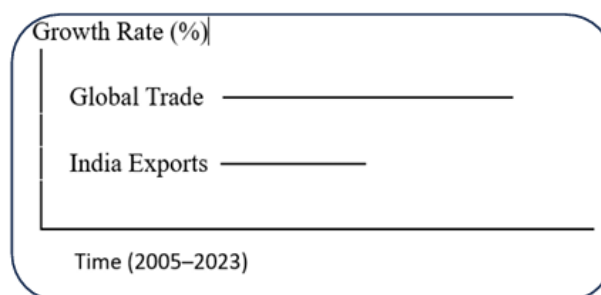


Diagram 2: India's Export Growth vs Global Trade Growth (Conceptual)

**Observation:**

India's export growth has been inconsistent compared to global trends, reflecting both domestic and external constraints.

## 5. Discussion

The analysis reveals that India's trade challenges cannot be attributed to a single factor. Instead of single factors they arise from a structural intersection of global asymmetry and domestic limitations basically having multiverse determinants.

### 5.1 Structural Inequality in the WTO Framework

Although WTO rules appear neutral, their implementation often reflects the historical advantages of developed economies:

- Legacy subsidies remain protected
- Regulatory standards favour technologically advanced nations
- Legal mechanisms require high institutional capacity

### 5.2 Economic Survival Stress: A Conceptual Expansion

The term "economic survival stress" can be analytically defined as: A condition in which a nation's economic policy autonomy and competitive capacity are simultaneously constrained by domestic inefficiencies and external institutional pressures.

Key Dimensions Identified:

Dimension	Description
Policy Constraint	Limited flexibility under the WTO
Competitive Pressure	Unequal global competition
Institutional Stress	Legal and compliance burden

### 5.3 Trust Deficit and Global Trade Fragmentation

The increasing dissatisfaction among developing countries is evident in:

- Stalled Doha Development Round
- Rise of Regional Trade Agreements (RTAs)
- Growing scepticism toward multilateralism

### 5.4 Strategic Role of Emerging Economies

India, along with other emerging economies, has the potential to reshape global trade norms through:



Diagram 3: straight role of emerging economies

## 6. Policy Recommendation



Diagram 4: policy recommendation

**6.1 Improve logistics and infrastructure** for India to compete better in global trade, where it is important to make the basic infrastructure stronger. Which means better roads, railways, ports and a smoother transport system so that goods can move faster and at minimum cost. If the transportation becomes easier and much reliable, business can be delivered on time and reduce losses. Good infrastructure also builds up the confidence among investors and supports overall economic activity.

**Invest in research and innovation:** India needs to focus more on developing its own ideas and technologies instead of believing in others. It can be happened when more attention is given to research and innovation. Universities, industries and the government should work together to create new solutions and to improve existing ones. When innovation increases, the quality of products improves and Indian industries can take part stronger in international markets.

**Enhance skill development:** a country depends a lot on the skills of its people. It's important to ensure that education and training match the needs of industries. Hands on abilities, career-oriented training, and lifelong learning should be promoted to ensure individuals are well-equipped for real

world employment. A competent workforce not only enhances efficiency but also enables industries to expand and adjust to evolving demands.

**6.2 India needs to adopt a more deliberate and strategic** approach in its engagement with the WTO, instead of merely responding to circumstances. This involves proactively understanding global trade regulations, participating assertively in negotiations, and safeguarding national interests while maintaining international cooperation. A well-structured approach can enable India to better utilize the opportunities offered within the WTO framework.

- Utilize the dispute resolution mechanism more efficiently
- Strengthen legal expertise and negotiation capabilities.
- Promote equitable reforms in subsidy policies.

**6.3 Global Cooperation** In today's highly interconnected world, no nation can progress in isolation. For India, collaborating closely with other countries - particularly those facing similar challenges- is essential to building a more equitable and balanced global trade system. International cooperation can facilitate the sharing of opportunities, the mitigation of risks, and strengthen collective bargaining power.

- Reinforce partnerships with developing Nations.
- Advocate for a more multipolar system of trade governance.
- Diversify trade relations to lessen reliance on Western markets.

## 7. Conclusion

This study has explored India's trade competitiveness within the WTO framework by examining both structural realities and policy constraints. The analysis suggests that while the WTO plays a vital role in establishing a rules-based trading system, the benefits are not evenly shared among countries.

India's experience illustrates that trade competitiveness depends on a mix of domestic readiness and external regulatory conditions. WTO rules on subsidies, intellectual property, and market access often restrict policy flexibility. At the same time, internal challenges like infrastructure gaps and technological limitations further hinder performance.

The idea of economic survival stress provides a useful lens for understanding this situation. It emphasises the ongoing tension between development needs and global responsibilities, which influences policy decisions in developing economies.

Moving forward, improving trade competitiveness requires a balanced approach. Strengthening domestic capabilities should go hand in hand with more effective participation in global trade discussions. There's also an increasing need for reforms in global trade governance to make it more inclusive and responsive to developing countries' needs.

In this context, the shift towards a more multipolar trade system presents both challenges and opportunities. If approached thoughtfully, it can foster a fairer global environment where countries like India can engage with greater confidence and stability.

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