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The Ripple Effect: How Trade Laws Shape Global Alliances and Conflicts

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Abstract

Trade law is no longer just a tool for regulating markets. It has become a powerful instrument of geopolitical influence. In today's global environment, legal decisions involving trade agreements, regional partnerships, and economic sanctions often produce ripple effects that influence international alliances and trigger conflicts. This article examines how trade law contributes to both cooperation and tension in the global system. It draws on key examples such as the transformation of the European Union from an economic to a political union, the strategic development of CPTPP and RCEP in the Asia-Pacific, and the formation of negotiating coalitions within the World Trade Organization. These examples show how legal trade frameworks help build lasting international partnerships. The article also explores how trade law has been used to escalate disputes, including the United States and China trade conflict, the economic sanctions imposed on Russia, the trade consequences of the United Kingdom's withdrawal from the European Union, and the global divide over the TRIPS waiver proposal during the COVID-19 crisis. These cases illustrate how trade law can shape global outcomes far beyond commerce. The article concludes by emphasizing the need to better understand the political role of trade law and to prepare for the wide-ranging effects that may result from its use in a rapidly changing global order.

Keywords: Trade Law, Global Alliances, Global Conflicts.

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1. Introduction

International trade law has undergone a remarkable transformation since its post-World War II origins. Initially conceived as a technical framework to liberalize trade by reducing tariffs, quotas, and other trade barriers, it has now evolved into a central pillar of global governance. The legal foundations laid by the General Agreement on Tariffs and Trade (GATT) in 1947, and later institutionalized through the creation of the World Trade Organization (WTO) in 1995, aimed to establish predictable and non-discriminatory rules that could facilitate economic growth and prevent a return to the protectionist policies that had contributed to earlier global instability (Jackson,1997; Hoekman & Kostecki,2009). However, in the 21st century, trade law is no longer confined to managing the mechanics of market access or dispute resolution. It now plays a strategic role in shaping foreign policy, influencing regional dynamics, and becoming a tool for both cooperation and coercion. Governments increasingly use trade agreements not just to liberalize commerce, but also to signal geopolitical alignment, assert sovereignty, and negotiate influence in regional and multilateral contexts (Chaisse & Matsushita,2017). For example, mega-regional trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) reflect a shift from trade liberalization for its own sake toward broader objectives of regional integration and strategic influence in the Asia-Pacific. These agreements not only lower trade barriers but also align legal standards, investment protections, and digital trade norms, strengthening economic ties and political trust among participating states (Elms & Lim,2012; Urata,2020). Furthermore, the European Union's evolution from a customs union to a political and economic bloc underscores the ability of trade law to create enduring institutional alliances. The legal foundations of the EU, originally built around the European Coal and Steel Community and the Treaty of Rome, have steadily expanded to encompass monetary policy, immigration, human rights, and foreign affairs, turning economic interdependence into political integration (Craig & de Búrca,2020). At the same time, trade law has also become a site of contestation and a means of pursuing economic conflict. The U.S.-China trade war (2018–2020) revealed how domestic trade statutes and WTO rules could be weaponized to impose tariffs and retaliatory measures under the banner of protecting national interests (Bown,2020). Similarly, the use of economic sanctions legally enforced through domestic and international trade laws has become a key aspect of coercive diplomacy, as seen in Western responses to Russia's annexation of Crimea in 2014 and its invasion of Ukraine in 2022 (Giumelli,2017; Biersteker et al.,2016). Moreover, the COVID-19 pandemic illuminated new fault lines in global trade governance, particularly with the debate surrounding the TRIPS waiver proposal at the WTO, which sought to suspend intellectual property protections for vaccines and medical technologies. These developments indicate that trade law is now deeply embedded in the broader architecture of international relations, institutional legitimacy, and global conflict management. Rather than being a neutral arbiter of market activity, trade law has become a dynamic force with far-reaching implications. As a dual-purpose instrument, it can both enhance peace through rules-based cooperation and exacerbate geopolitical rivalry when used as a lever of economic pressure. In this context, the ripple effects of trade law from alliance formation to economic decoupling require focused scholarly attention. Understanding how legal trade frameworks generate these outcomes is essential for anticipating the challenges and opportunities in an increasingly multipolar and fragmented global order.

This article adopts a multidimensional framework to analyze trade law as both a facilitator of cooperation and a source of conflict in the international system. The framework integrates three levels of analysis. At the institutional level, it considers how global and regional organizations such as the WTO, the EU, CPTPP, and RCEP embed trade law within broader structures of governance, fostering predictability and integration. At the strategic level, it examines how states use trade rules and agreements as instruments of foreign policy, whether to signal alignment, build coalitions, or project influence. At the conflictual level, it evaluates how trade law is deployed as a tool of economic pressure, illustrated by trade wars, sanctions, and disputes over intellectual property rights. This layered approach allows for a comprehensive understanding of the ripple effects of trade law, highlighting its dual capacity to institutionalize cooperation and intensify geopolitical rivalry in a fragmented global order.

Although the political influence of trade law has become increasingly evident, the ripple effects that stem from its application remain underexplored in academic research. Scholars and practitioners often limit their analyses to economic outcomes, legal compliance, or technical trade barriers. There is less consideration of how trade law decisions alter strategic relationships or influence diplomatic alignments. For example, the European Union began as a trade arrangement but developed into a political union. Similarly, the US–China trade conflict illustrates how trade measures, legally justified, can trigger widespread retaliation and destabilize global institutions. Without analyzing these broader implications, the study of trade law risks overlooking its deeper strategic role. Therefore, this article fills the gap by examining how trade law influences both cooperation and confrontation between nations.

2. Methodology

This study uses a qualitative legal methodology based on doctrinal analysis which is commonly used in legal articles (Althabhawi,2014). It draws upon a range of primary legal sources including multilateral agreements under the WTO framework, regional trade arrangements such as CPTPP and RCEP, and legal documentation related to economic sanctions and dispute settlement. Secondary sources include scholarly articles, case studies, institutional reports, and legal commentaries. The research applies comparative analysis to explore how different legal systems respond to trade-related disputes and alliances. The emphasis is on tracing legal logic and interpreting the ripple effects of trade law decisions, rather than measuring economic data.

3. Literature Review

Existing literature on trade law has traditionally focused on the economic outcomes of trade liberalization and legal consistency under the WTO framework. Many scholars analyze rules such as the Most-Favoured-Nation clause, non-discrimination, and dispute settlement mechanisms. However, there is a growing body of research that links trade law to larger geopolitical developments. Studies on the European Union have shown that trade law played a foundational role in political unification. Analysis of the CPTPP and RCEP highlights their use as tools for balancing regional power. The TRIPS waiver debate during the COVID-19 pandemic has also drawn attention to legal inequality between developed and developing countries. Despite these contributions, few works have fully addressed how trade law, in practice, produces ripple effects that reshape global alliances or trigger conflict. This article contributes by bringing these elements together under a cohesive legal-political framework.

4. Research Results

4-1.Trade Laws: Instument of Alliance Building

Trade law has become more than just a tool for controlling cross-border products and services in international relations. It serves as a purposeful legal tactic for establishing and preserving enduring partnerships between states. Countries commit to common norms and regulations through legally binding trade agreements, which not only ease trade but also foster political discourse, institutional cooperation, and mutual trust. Deeper diplomatic collaboration and regional stability are fostered by these legal structures, which frequently have repercussions that go well beyond economic interchange. This section examines the ways in which trade law has been a fundamental instrument in forming long-lasting global alliances.

4-2.Europe: From Trade Deal to a United Political Community

The legal underpinnings of trade marked the beginning of the unification of European politics. European leaders contended that economic cooperation may avert future wars following the devastation of World War II. They held that the likelihood of conflict would be significantly reduced when nations are linked by commerce and have similar economic interests. Many European leaders thought that economic cooperation may help avert future wars after the devastation inflicted by World War Two. They believed that nations would have less motivation to wage war on one another if they were linked by commerce and similar economic interests. In 1951, six countries, namely France, Germany, Italy, Belgium, the Netherlands and Luxembourg, signed an agreement known as the Treaty of Paris. This agreement established the European Coal and Steel Community with the aim of placing the major coal and steel industries under common management, so that no country could prepare for war in secret. This step was considered a bold move to maintain peace, based on the belief that legal cooperation in trade could lead to political stability. The success of this agreement encouraged the same six countries to go further. In 1957, they signed the Treaty of Rome, which established the European Economic Community. This agreement aimed to build a common market by gradually eliminating trade barriers between member states. It also introduced new legal rules on competition, product safety and customs duties. These commitments made it easier for countries to trade with one another, but more importantly, they created a system of trust and shared responsibility. As the years went by, more countries joined this community. At the same time, the scope of legal cooperation expanded. What began as a commercial arrangement gradually grew into something far more significant. Common regulations for energy, transportation, and agriculture were agreed upon by the nations. To enforce compliance, they also established organizations such as the European Commission and the European Court of Justice. The 1992 signing of the Maastricht Treaty marked a significant turning point. With this pact, the European Union was legally established. It provided the union with a common foreign policy, a common set of security and justice regulations, and plans for a single currency, the euro. It enhanced the function of legal institutions as well. Nations were more than just trading partners. They were starting to form a political society that collaborated on choices. Today, the European Union comprises 27 member states and functions as a unified legal and economic area. Its institutions deal not only with trade, but also with environmental policy, digital regulation, migration, and regional development. Member states cooperate on foreign policy issues, finance joint infrastructure projects, and even share a common parliament. What makes this transformation so powerful is the fact that it begins with trade law. By agreeing to common rules on trade, these countries learn to work together consistently. From here, a habit of cooperation is born that eventually extends beyond economic borders, and then into other areas of government. The ripple effect of this trade law framework not only creates economic interdependence, but also creates a deep political union.

The European Union has proven that trade law is not just about increasing exports. It can build a peaceful and stable political order. Former bitter enemies like France and Germany are now sitting at the table to solve common problems. Shared legal commitments have helped maintain peace, foster democracy, and strengthen the region’s influence on the global stage. This is one of the most successful examples of how trade law can be used to build alliances that go beyond just business.

4-3.Asia Pacific: Two Different Trade Groups with Big Goals

While Europe has chosen the path of strong political and legal integration, countries in the Asia-Pacific have taken a different approach. In the region, trade law is also used to build cooperation, but in a way that respects the differences in political systems and levels of development of each country. Two major trade agreements in the Asia-Pacific that demonstrate this are the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership.

Japan, Australia, Malaysia, Canada, and Mexico are among the eleven nations that have signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. One of the most comprehensive and cutting-edge trade accords in the world is the CPTPP. It addresses a wide range of topics, including as intellectual property rights, digital trade, labor standards, environmental protection, and rules governing state-owned businesses. The pact, which was first called the Trans-Pacific Partnership (TPP), also involved the United States. But the United States chose to leave in 2017. The CPTPP emerged as a result of other nations' decision to proceed without the US. Strong adherence to the common law and regional cooperation concepts is evident in this ruling.Tariff reduction is not the only goal of the CPTPP. Additionally, it creates legal norms that participating nations commit to upholding. These guidelines promote fairness and transparency in commerce while also fostering trust. For instance, the agreement mandates that nations safeguard the environment, adhere to specific labor rules, and let foreign investors to operate without unfair restrictions. These legal requirements support innovation and draw in investment.Many observers believe that the CPTPP also has a strategic purpose. It connects countries that support open markets, strong legal protections, and international cooperation. In this way, the CPTPP acts as a counterweight to countries that practice government control and opaque trade regulations. Even without the United States, the CPTPP remains a symbol of how legal commitments can foster stability and shared values in the region.

On the other side of the Asia-Pacific, the Regional Comprehensive Economic Partnership (RCEP) takes a different approach. RCEP is the world’s largest trade agreement in terms of population and economic output. It involves fifteen countries: the ten ASEAN member states, as well as China, Japan, South Korea, Australia and New Zealand. In contrast to the CPTPP, RCEP focuses more on facilitating trade transactions than on setting high legal standards. Its main goal is to make it easier to do business across borders by creating a common set of rules, for example on customs procedures and rules of origin of goods. This is very helpful for companies operating in several countries, especially in complex manufacturing sectors such as electronics and automotive.RCEP does not provide strict legal commitments on labor rights, environmental protection or intellectual property. Instead, it emphasizes practical cooperation. This approach makes RCEP more flexible and attractive to countries with different economic systems and regulations. Although RCEP is less restrictive than the CPTPP, it still plays an important role in building regional relations. By agreeing to the same rules of trade, countries become closer and more interdependent. This fosters peaceful relations and opens up opportunities for other forms of cooperation such as investment, infrastructure and digital policy.The existence of the CPTPP and RCEP shows that there is no single model for building alliances through trade law. Some countries prefer agreements with high standards and detailed legal rules like the CPTPP. Others are more comfortable with a broader and simpler framework like the RCEP. But both have a knock-on effect in shaping the way countries interact, influencing diplomatic choices, and helping to manage competition and cooperation in the region.

It is evident that trade law in the Asia-Pacific region encompasses more than just commerce. It is a tool that nations utilize to fortify their regional positions, mold global supply chains, and find partners who share their values. These trade agreements, whether through stringent legal obligations or more accommodating regulations, contribute to the development of trust networks, lower the likelihood of conflict, and improve the region's capacity to address global issues.

4-4.Southeast Asia: Trade Rules that Encourage Regional Teamwork

The Association of Southeast Asian Nations, or ASEAN, is a grouping of ten countries in Southeast Asia. The countries differ in many ways their size, political systems, cultures, and levels of economic development. Yet, over more than five decades, they have managed to find ways to work together, especially through trade. ASEAN's success shows how trade law can be a bridge that unites countries that are different even if they don't always agree. ASEAN was founded in 1967 with five founding members: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Over time, five more countries joined, bringing the total to ten. One of ASEAN's main goals is to promote peace and cooperation in the region, and trade law plays a big role in that effort. Rather than forcing all members to follow a strict legal system, ASEAN has opted for a more flexible approach. This approach is known as the "ASEAN Way," which emphasizes mutual consent, mutual respect, and non-interference in the internal affairs of its member states. Although it may seem weak compared to more powerful organizations like the European Union, it has proven successful in bringing its member states closer together. One of ASEAN's first major trade projects was the ASEAN Free Trade Area (AFTA), which helped reduce tariffs and increase trade between members. Later, the ASEAN Trade in Goods Agreement (ATIGA) came along, which set clearer rules and simplified customs procedures. These agreements have made the movement of goods in the Southeast Asian region smoother. Although ASEAN does not have a strict enforcement mechanism, the trade rules that have been established have instilled a foundation of trust between member countries. Over time, these trade laws have become part of ASEAN's identity. With this legal basis, ASEAN can act as a group in international trade negotiations. ASEAN played a leading role in negotiating the Regional Comprehensive Economic Partnership (RCEP), and works with major economic powers such as China, the European Union and the United States through formal trade and cooperation agreements. This makes ASEAN more than just a trading bloc; it has become a regional platform for dialogue, problem-solving and diplomatic cooperation.

Shared trade rules also pave the way for cooperation in other areas such as infrastructure development, the digital economy and action on climate change. By placing the foundations of trade law at its core, ASEAN has increased its diplomatic strength and helped make Southeast Asia a more peaceful and stable region. This is a strong example of how even a simple legal structure can support lasting alliances.

4-5.Global Level: Developing Countries United by Trade Law

Trade law is not only used by rich and powerful countries. It is also used by developing countries, especially when they come together to form coalitions. One of the most important places for this is the World Trade Organization (WTO). The WTO is a global institution that provides a legal system for international trade. It sets rules, resolves disputes and helps countries negotiate to reach agreements.

In the WTO, every member country has a voice, no matter how big or small. However, in practice, larger economies tend to have more power and resources to influence decisions. To overcome this challenge, many developing countries form coalitions. These coalitions are groups of countries that work together for a common goal, especially on issues of fairness in trade. There are several major coalitions within the WTO. For example, the African Group represents the interests of countries on the African continent. The G90 brings together many of the world's least developed countries. The Cairns Group is made up of agricultural exporting countries that want to eliminate barriers to trade in agricultural products. This coalition is not just a political alliance, but a legal cooperation based on a common interpretation of trade rules. Among their main weapons are the legal texts of the WTO agreements, including the General Agreement on Tariffs and Trade (GATT), the Agreement on Agriculture, and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Through these rules, coalitions can propose reforms, file complaints, and challenge unfair trade practices. A notable example occurred during the COVID-19 pandemic. In 2020, India and South Africa submitted a proposal to the WTO for temporary exemptions to certain intellectual property rights. The aim was to allow more countries to produce vaccines and medical supplies. The proposal was supported by many other developing countries, forming a global coalition.The proposal sparked a long debate at the WTO. Some rich countries feared that patent exemptions would stifle innovation. But for developing countries, the main issue was saving lives and making sure that trade rules worked for everyone. In the end, a limited agreement was reached that allowed some flexibility in vaccine production. This event proved that the legal coalition in the WTO can push for fairer trade, even in the face of opposition.This example shows that trade rules give developing countries an opportunity to create a more level playing field. By working together, their voices are louder and their interests are better protected. Coalitions also build long-term relationships. When countries write joint legal proposals or make group statements, they are not only working together for the moment, but also building a culture of cooperation that can be extended to other areas such as climate policy, finance and development aid.The ripple effects of this legal cooperation are significant. Developing countries that join the WTO often also cooperate in regional organizations and United Nations programs. This creates a broader network of alliances, all rooted in common legal principles. It also promotes trust, transparency and accountability, which are essential values in international law.

Trade law therefore helps developing countries form alliances that are not based on strength or wealth, but on shared rules and legal rights. These alliances strengthen the global trading system and make it more balanced and fair. They also demonstrate how trade law can empower small countries and build solidarity in the face of global challenges.

4-6.Trade Law: Catalyst for Conflict among Nations

It is also important to see Trade Law as just a field of cooperation and alliances. However, Trade Law is more than that. It also served as a strategic confrontation to solve many issues and problems. Stategic confrontation here refer to a planned and a long-term approach to conflict and especially competition between nations. It is important to see the quality of it approach as a catalyst to solve problems, rather than looking at it as a short and quick reaction. In this field, we need to see how it gives more quality in a long-term period and not looking for a short quantity of time to solve conflicts among nations. How does it work? Trade Law works as a legal tool to bridge nations together. For example, through tariffs, export bans, economic sanctions and restrictive intellectual property rules. These tools are there to not only to govern and protect local industries but also serve as a pressure on rival countries. These often trigger retaliation from other countries, disrupt supply chains and shake financial markets. However, it also helps countries to send political signals or push foreign policy goals under the cover of lawful economic actions. This can have an effect in reshaping international relations and increase tensions. World Trade Organization plays a vital role in this aspect as it may undermine global institution, where it shows how trade law has fueled geopolitics conflicts.

4-7.Trade War: US–China

In 2018, the US-China trade war shows how trade law can be used as a weapon and not just for cooperation. Section 301 of the Trade Act 1974 act and WTO as mechanism used by US to impose tariffs on Chinese imports. Whereby they are accusing Chine of forced technology transfers, IP theft and unfair licensing practices. These tariffs were unilateral outside of

WTO's dispute system, and it is challenging multilateral norms. However, China retailed with counter-tariffs on US goods, as escalating the conflict. This conflict proves that both countries tried to justify actions under WTO exceptions, but the unilateral US tariffs exposed weaknesses in WTO enforcement. In 2020, a WTO panel ruled against the US, but enforcement stalled because the US blocked new Appellate Body Judges, leaving WTO's appeals system paralyzed. This has weakened trust in the WTO as a neutral global trade referee. On the other hand, it has impacted the economy in some way, where higher prices for consumer and intermediate goods such as electronics, agriculture and manufacturing. It has also impacted multinational firms as they started shifting supply chains away from China. "Phase One Agreement" as in January 2020, China agreed to buy $200B more US goods or services in 2 years. In conclusion, trade law turned legal trade tools into economic weapons. This showed the limits of multilateral institutions like WTO, and it reflected a trend of using domestic trade law for foreign policy goals.

4-8.Russia: Economic Sanctions and Strategic Trealignment

Other than that, we look into Russia sanctions where in February 2022 after Russia invaded Ukraine, Western countries imposed coordinated sanctions. However, these sanctions go beyond punishment, they are strategic tools for geopolitical containment and economic decoupling. Whereby it was measured by including bans on financial transactions, export restrictions, freezing Russia's central bank assets abroad and excluding major Russian banks from SWIFT. Legally, these sanctions were adopted under established international law protocols particularly when coordinated multilaterally and under domestic legal authorities such as the International Emergency Economic Powers Act (IEEPA) in the U.S. and EU Council Regulations within the European Union. However, there were issues under WTO, such as exports ban on tech and luxury goods conflicts with MFN principle (GATT Art. I). For example, restrictions on the export of dual-use technologies and luxury goods arguably conflicted with WTO Most-Favoured Nation (MFN) obligations under GATT Article I. However, sanctioning states defended these measures under GATT Article XXI, which provides broad latitude for national security exceptions (Howse,2019). The invocation of Article XXI in this context has sparked debate over its scope and the risk of undermining the WTO's dispute resolution mechanisms, as the provision's ambiguous language allows states significant discretion in interpreting "national security". This raised concerns as there is vague wording of the Article as it was stated broadly that it may potentially weaken the WTO dispute system. Russia responded by deepening trade or financial ties with non-Western states such as China, India and Iran. This has birthed the development of alternative payment systems and moves toward de-dollarization. Hence, it contributes to fragmented and bifurcated global economic order. In conclusion, this sanction has become a tool of economic warfare and strategic statecraft. While effective in exerting immediate pressure, these measures also highlight vulnerabilities in the global trading system and raise important questions about the future resilience and coherence of the multilateral trade regime amid escalating geopolitical tensions.

4-9.The Trips Waiver Debate and the Global L North-South Divide

During the COVID-19 pandemic, there was a Trade-Related Aspects of Intellectual Property Rights (TRIPS) waiver debate on the issue of intellectual property rights. It was an excellent case study on the Global North-South divide, specifically regarding access to essential medicines and technologies. In this agreement, there are two sides of argument whereby the debate pitted the Global South against the Global North on a crucial matter of public health. From the global south's position involving India and South Africa, where the problem arises when the pandemic exposed a severe inequity in access to life saving vaccines and treatments. This is because the developing nations lacked manufacturing capacity and were heavily dependent on the developed world, leading to delays and higher costs. However, India and South Africa proposed a temporary waiver of certain TRIPS obligations. They argued this would allow generic manufacturers in developing countries to produce more affordable vaccines and therapeutics without legal threats from patent holders. They fight for the unprecedented global public health crisis, humanitarian needs should outweigh commercial interests. In the other hand, the concern arises in global north's position like US, UK, EU and Switzerland, where these countries initially resisted the waiver proposal. They argued that waiving IP rights would undermine innovation development. The alternative that they suggested is that the existing mechanisms like voluntary licensing agreements where patent holders permit other companies to produce their products, were sufficient to address access issues. This position prioritized the protection of commercial interests and the existing IP framework.

However, at the WTO's 12th Ministerial Conference in June 2022, a limited waiver was agreed. The final agreement was a "watered-down" version of the original proposal. It only waived patent protections for COVID-19 vaccines and excluded diagnostics and therapeutics. It also included conditions that limited its practical application. The outcome demonstrated the rigidity of international trade law and its inability to respond effectively to a global health emergency. It highlighted how existing legal frameworks can exacerbate systemic inequalities, rather than promoting global inequalities. The debate raised fundamental questions about the balance between commercial rights and humanitarian imperative in international law.

4-10.Legal Trade Relationships: Brexit and the Fragmentation

Brexit has made trade between the UK and the EU much more complicated by breaking apart a legal system that used to be unified. Instead of easy, seamless trade, there's now a fragmented legal landscape with new rules, higher costs and a lot of uncertainty. However, the main argument here is that the UK's withdrawal from the EU, had led to a significant fragmentation of legal trade relationships. This fragmentation has created economic uncertainty, new legal and political conflicts, this also has weakened the stability and predictability that international trade law is meant to provide. There are a few examples of this such as the EU-UK Trade and Cooperation Agreement (TCA). This agreement formalized the disentanglement of deeply integrated trade legal frameworks, leading to the unwinding of harmonized customs arrangements and regulatory standards. The TCA replaced the seamless flow of goods with new customs procedures and regulatory checks, effectively creating a tangible border where none had existed before. This "disentanglement" had a direct impact on supply chains and businesses, introducing new hurdles like customs declarations, health certificates, and compliance with divergent product standards. Next, the Northern Ireland Protocol presented as a central flashpoint that created a customs and regulatory border in the Irish Sea. Designed to prevent a hard border on the island of Ireland and protect the peace process, it created a de facto customs and regulatory border in the Irish Sea. This arrangement caused intense political controversy and domestic tensions within the UK, particularly in Northern Ireland, by treating it differently from the rest of the UK. Moreover, trade agreement with third parties, where Brexit forced the UK to independently renegotiate its trade relationships. The UK had to forge new bilateral trade agreements with third countries. This task was previously handled by the EU. This highlighted the diminished bargaining power of the UK acting alone compared to its former position as a key member of the world's largest single market. It also has increased burdens on businesses, where the unwinding of harmonized rules led to increased transaction costs, uncertainty over rules of origin, and a lack of mutual recognition of standards. These issues have created a complex and costly trading environment, forcing companies to navigate a maze of new customs procedures and regulatory requirements. The shift from a single market to a trading relationship with a major third country has resulted in a tangible decline in the ease of doing business between the UK and the EU. The impact of Brexit had on businesses that were operating in the UK and EU is the increased regulatory burdens, higher transaction costs, uncertainty over rules of origin, complications with custom procedure and uncertainty regarding the mutual recognition of standards, particularly in the services sector. Despite these impacts, Brexit has demonstrated how the reconfiguration of the trade law, where the fragment established legal certainty. It provokes internal constitutional conflicts and external diplomatic disputes. Brexit has weakened the predictability and stability that international trade law is intended to provide.

5. Discussion

5-1.The Ripple Effects: between Cooperation and Conflict

In economic governance, Trade Law works as a tool which has ripple effects that are beyond just economics. It influences diplomatic alignment, political negotiations and institutional strategy. However, it can either foster cooperation or trigger conflict. In cooperation, trade law provides a predictable environment that encourages countries to resolve disputes peacefully and commit to long term partnership. The Regional Trade Agreements and Multilateral Framework help to build trust and interdependence, leading to peaceful relations such as The World Trade Organization. These mechanisms guide countries to resolve disputes cooperatively and stabilize global economic relations. On the other hand, Trade Law works as a catalyst for conflict which helps to advance national interests and assert geopolitical influence. However, if it was used in unilateral manner, it can escalate tension and trigger systemic consequences. For example, Tariffs and Sanctions and Restrictive Intellectual Property Measures. These legal instruments often serve as strategic levers in broader foreign policy conflicts, thereby triggering systemic consequences including the realignment of alliances, shifts in global power balances, and challenges to the legitimacy of multilateral institutions. In essence, trade law operates in a dynamic environment where legal frameworks and political interests are intertwined.

5-2.Trade Law: Foundation for Strategic Cooperation

In a mutual legal commitment, trade law acts as a robust foundation for strategic cooperation among states. Trade law moves beyond just as economic arrangements to create deeper political and legal integration which in turn leads to more stable and durable alliances. The European Union (EU) has proven that trade treaties have evolved into a comprehensive framework for political and legal integration. This has a deep legal interdependence that has led to decades of sustained peace, the harmonization of regulatory standards and a unified diplomatic voice in global trade talks. The EU has transformed from a basic customs union into a supranational entity that can influence global governance. On the other hand, the Asian Pacific Region has evolved the legal model into a high commitment legal framework with strict standards on labor, environment and intellectual property. The CPTPP has aims to reinforce a rule-based order among like-minded countries. However, the RCEP has also become a more flexible legal approach that accommodates diverse economies and promotes inclusivity. It creates a parallel legal trade block that shapes regional power dynamics. Other than that, ASEAN also plays a vital role in fostering legal and diplomatic cohesion across a highly diverse region. The ASEAN Free Trade Area and the ASEAN Trade in Goods Agreement have enabled economic integration while respecting national sovereignty, balancing regional cooperation with domestic political realities. Trade law has proven that the broader impact of legal commitment within formal trade law produces more than just commercial benefits. This has resulted in more durable and stable alliances, strengthening cooperative frameworks and reshaping diplomatic landscapes far beyond the realm of trade itself.

6. Conclusion

Trade law has evolved into a powerful force that shapes not only economic outcomes but also political alliances and global conflicts. As shown throughout this article, legally binding trade agreements can foster cooperation and unity, while tools like tariffs, sanctions, and restrictive regulations can escalate tensions and fragment international relations. The ripple effects of trade law reach far beyond commerce, influencing diplomacy, security, and multilateral governance. Recognizing trade law as a strategic instrument is essential for anticipating its consequences in a rapidly shifting global landscape. Moving forward, states and institutions must approach trade law not just as a framework for economic exchange, but as a key component in maintaining or reshaping international order.

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