LOUISE JOHANNESSON attended undergraduate and graduate studies in economics at Stockholm University before enrolling as a PhD student at Örebro University and at the Research Institute of Industrial Economics (IFN), Stockholm in 2013. Her research interests intersect law, trade policy and applied economics, particularly issues pertaining to the dispute settlement mechanism in the World Trade Organization.

For some time, disputes were commonly settled through diplomacy and negotiations as nations often used protectionism as a means to achieve various domestic policy goals. Today, the commitments contained in the multilateral trade agreements, organized within the World Trade Organization (WTO), are upheld through the judicial process: Dispute settlement mechanism (DSM). Since the WTO’s inauguration in 1995, it has become one of the most active international dispute resolution venues in the world. However, certain aspects of the system may benefit from a closer review so as to strengthen the DSM.

This cumulative dissertation consists of five self-contained essays, all of which are closely focused around dispute settlement issues. We first introduce the reader to a unique data set—we use this data set extensively throughout the dissertation—and continue with several essays that concern the functioning of the panel. Although the DSM was reformed under the WTO, there is an incentive structure in place that encourages the WTO Secretariat to assume a larger role in writing panel reports, and for panelists to let them do so. We also examine the role of provision Art. 8.10 of the Dispute Settlement Understanding in helping developing countries win disputes against richer countries. We observe, however, that developing countries lose more claims when this provision is applied. We show that this is due to selection and that the provision is helpful. We address the problem of delays by asking ourselves whether we can lessen the problem with a permanent panel. We find that the time it takes to issue panel reports can be shortened if the panel consists of former co-panelists. Lastly, we examine whether there are increases in trade after a dispute for members that are not active participants. We find such evidence but the effects are limited to disputes that settled early.