Settling disputes at the World Trade Organization

av

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Abstract


This cumulative dissertation consists of five self-contained essays, all of which are closely focused around issues that concern the WTO dispute settlement mechanism (DSM). In Essay 1, we describe salient features of the DSM using a unique data set. We observe a spike in new disputes in 2012, which in turn led to an increasing number of panels and appeals. This put the WTO under a heavy workload and delays soon became an issue. In Essay 2, we show that the DSM often appoint institutional insiders to serve as judges. Although the DSM was reformed under the WTO, the judges are similar to those found in the GATT. Furthermore, there is an incentive structure in place that encourage the WTO Secretariat to assume a larger role in writing panel reports and for panelists to let them. Essay 3 examines the role of Special and Differential Treatment (SDT) provision Art. 8.10 of the Dispute Settlement Understanding (DSU) in helping developing countries win disputes against richer countries. We observe that developing countries lose more claims when this provision is applied. I formulate a model and show that this observation can be consistent with the presumed benefit of Art. 8.10. Essay 4 addresses the problem of delays by asking ourselves whether we can lessen the problem with a permanent panel. I study features such as the panelists’ experience and prior working relationships in explaining the time it takes to issue panel reports and efficiency in examining claims. We find that prior collaboration can decrease duration. Lastly, in Essay 5, we assess the impact on trade for members that are not involved in disputes. There is evidence of positive trade effects after a dispute for non-complainants, but the effects are limited to disputes that did not escalate to adjudication. We found no external dispute effects for adjudicated disputes.

Keywords: World Trade Organization, trade policy, trade disputes, dispute settlement, causality, panels, developing countries, panels, international trade

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