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## WTO 'no better than Gatt' in ending disputes

By Guy de Jonquières

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The World Trade Organisation's strengthened machinery for adjudicating trade disputes has been no more effective in resolving conflicts between the US and the European Union than the system it replaced, according to a study.

An analysis by academics at a Canadian and a US university finds the US and EU have been as reluctant to comply with WTO rulings against them by changing offending trade measures as they were to implement rulings by the General Agreement on Tariffs and Trade

(Gatt), the WTO's predecessor.

The study finds that the higher the political and economic stakes involved in a WTO case, the less likely the losing side has been to comply with a ruling against it. Compliance was also less likely when cases were brought by several plaintiffs.

The seven-year-old procedures have been widely hailed as an important innovation in international law, which has made it faster and easier to enforce trade rules and discipline protectionist measures.

However, the study says the WTO procedures have encouraged a "cult of the offensive in litigation, depriving the dispute settlement system of its greatest strength: diplomacy".

It says the system has prolonged disputes by leading to successive rounds of litigation, enabling defendants to "wring at least three years of delays from the system before facing definitive legal condemnation".

The authors say the US and EU have been much more successful in resolving bilateral trade differences through consultation and negotiation under WTO auspices than through rulings by the organisation's disputes settlement machinery.

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