

## **Short Paper**

Student's Name

Institution

Course

Instructor

Due Date

## Short Paper

### **Introduction**

The World Trade Organization (WTO), which monitors member countries to ensure they're following trade rules, is crucial to developing free trade and economic prosperity. The dispute settlement system provides a forum for the impartial adjudication of trade disputes, making it a crucial tool for enforcing these rules. This paper aims to examine the World Trade Organization's Dispute Settlement Body (DSB), including its composition, the procedure for reaching panel decisions, the role of the Appellate Body, the parties who prefer WTO adjudication, and the factors that contribute to that choice. Furthermore, we will examine the connections between the ideas presented in "Why Adjudicate?" by Christina L. Davis and the study by Ryu (2018) and Stone.

### **Dispute Settlement Body in the WTO**

The basic system for resolving disputes resulting from violations of WTO agreements is known as the Dispute Settlement Body, or DSB for short. Because the DSB was designed based on the principle of agreement, all its members must reach decisions concerning the dispute settlement procedure jointly and unconditionally (Christina, 2012). All participants will have an equal say in the decision-making process, and the conflict resolution system will be fair and objective, thanks to how it was designed. The purpose of the DSB is to monitor the panel ruling process and guarantee that the judgements are followed to the letter. A consultation request kicks off the panel's decision process, which leads to a round of negotiations amongst the parties involved. If the parties cannot agree, the case will be referred to a committee for further investigation. The panel of three experts is responsible for examining the evidence presented by both sides and deciding about it. The ruling is next examined by the DSB, which decides whether or not to adopt it. If the ruling is approved, the respondent must modify its policies to comply with WTO regulations.

### **The Panel Ruling Process and The Function of The Appellate Body**

After resolving a dispute through the Dispute Panel Ruling process at the World Trade Organization (WTO), an Appellate Review can be requested (Christina, 2012). A country can initiate the ruling panel process by filing an appeal for the appointment of a panel if it has tried to resolve the dispute through negotiations with the respondent country but has been unsuccessful. The panel comprises three panellists who are experts in international trade law with extensive expertise and renown in the subject. These individuals were selected from a larger pool of candidates. After listening to the arguments and facts presented by both sides, the panellists compile their findings, draw their conclusions, and provide their suggestions in a report.

If one of the parties is unhappy with the decision made by the panel, they can appeal the ruling to the Appellate Body. The Appellate Body comprises seven different people, each serving a term lasting four years. The panel's decisions are either upheld or overturned after being examined by the Appellate Body, which issues its report after conducting its legal analysis of the report issued by the panel. It is expected that the members of the panel and the Appellate Body will make decisions without bias and rely only on the arguments and proof given to them to reach their conclusions (Christina, 2012). It is generally agreed upon that the World Trade

Organization (WTO) dispute settlement procedure is an efficient tool for resolving disagreements and guaranteeing that member countries comply with the organization's rules.

### **Actors That Prefer WTO Adjudication**

Countries in developed and developing states, private businesses, and various interest groups are examples of actors that favour WTO adjudication. The developed nations have used the WTO dispute settlement system to challenge the trade practices of the developing nations. At the same time, the developing nations have also used the system to target the trade practices of the developed nations. Private corporations and interest groups have also utilized the mechanism to contest trade barriers harmful to their interests. Governments often impose tariffs and quotas to gain entry to foreign markets, which private companies may challenge. The company can pursue having the trade barrier removed through the World Trade Organization's dispute settlement system.

### **Actors Benefits**

Members gain from the WTO because it provides a forum for equitably settling trade disputes. The dispute resolution mechanism contributes to enforcing WTO rules, which helps maintain the system's consistency and steadiness and benefits the global trading community. The World Trade Organization (WTO) helps prevent a destructive trade war that might harm all parties by settling disputes through arbitration instead of retaliation. The World Trade Organization is beneficial to its members in multiple ways. One of these ways is that it encourages economic growth and development by lowering trade barriers and increasing trade liberalization.

### **Article By Ryu and Stone (2018) Idea in Davis's Book**

The article by Ryu and Stone (2018) examines domestic politics' role in affecting the outcomes of WTO dispute settlements. This article builds upon the ideas that were offered in Davis's book. Ryu and Stone contend that politics inside a country may affect whether the country's government is inclined to abide by WTO judgements. They argue this can affect how well the dispute settlement system works. According to their findings, governments are more likely to comply with orders when there is substantial support for the WTO inside their own countries and when the repercussions of defiance are considerable. Their findings seem to indicate that the success of the WTO's system for resolving disputes is contingent on the domestic political environment in which it functions. When evaluating the system's efficiency in resolving disputes, these findings also illustrate how important it is to consider actors' concerns and points of view based on domestic institutions.

### **Conclusion**

In conclusion, the dispute settlement mechanism of the WTO plays an essential part in enforcing the laws governing international commerce and fostering free trade and economic growth. The DSB is responsible for monitoring the panel ruling process and ensuring that the judgements are followed, whilst the Appellate Body is responsible for ensuring uniformity and predictability. Because it provides a fair and unbiased platform for resolving trade disputes, the World Trade Organization (WTO) adjudication is preferred by both developed and developing countries, private enterprises and interest groups. When evaluating the system's effectiveness in

resolving disputes, it is essential to consider the potential impact of domestic politics since this factor might affect how well the system works. The dispute settlement system utilized by the WTO contributes to developing a wealthier and more interconnected global community. This is accomplished through fostering consistency, stability, and equity in international trade.