



The World Trade Organization: It's main bodies and criticisms

SCOPE

1.) Structure of World Trade Organization

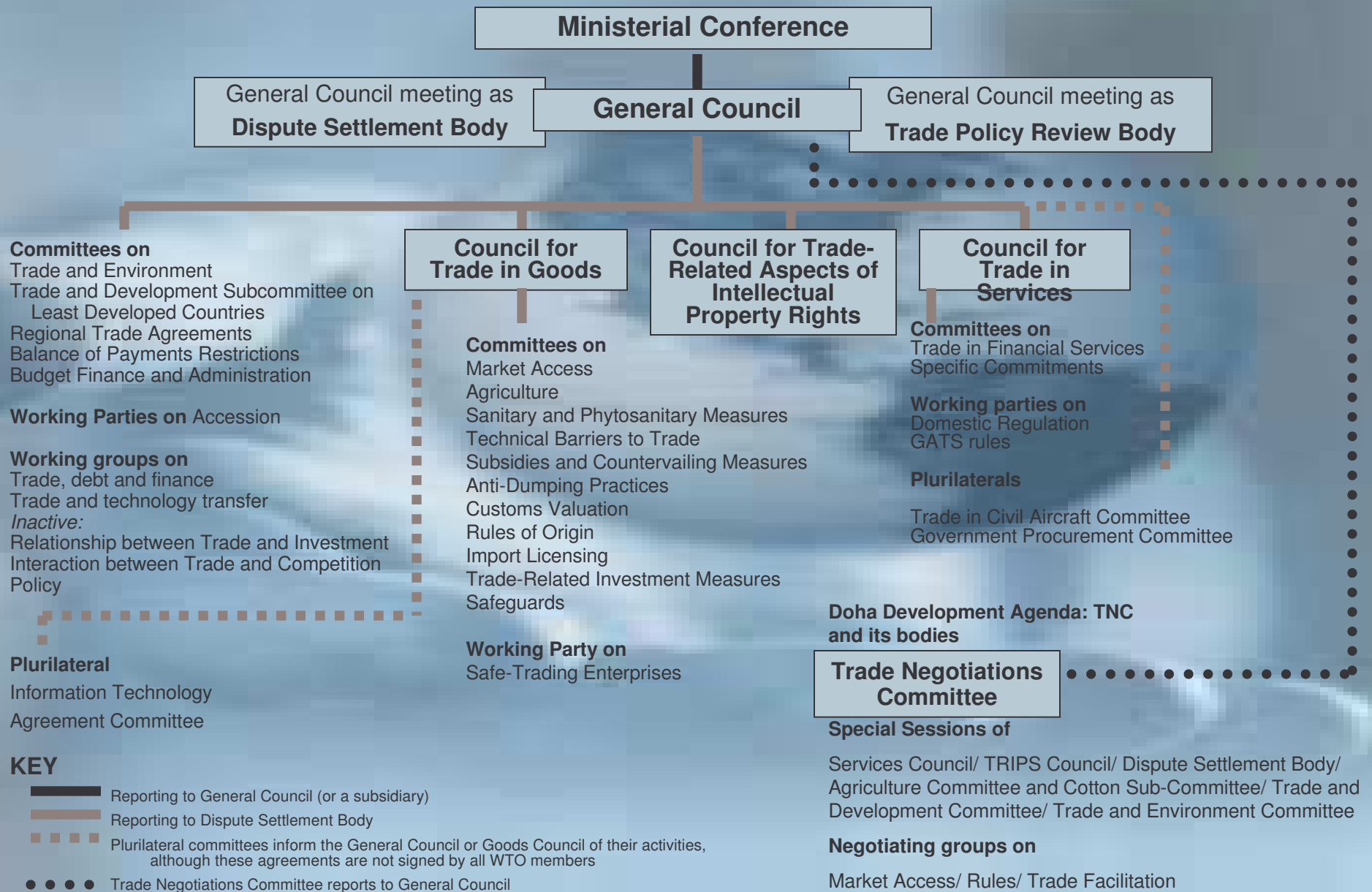
- a. Ministerial Conference
- b. General Council
- c. Council for Trade
- d. Subsidiary Bodies

2.) Membership, alliances and bureaucracy

3.) The Secretariat

4.) Criticisms

1.) Structure of World Trade Organization



a. Ministerial Conference

- The topmost decision-making body of WTO.
- It brings together all members of the WTO.
- It can take decisions on all matters under any of the multilateral trade agreements.

b. General Council

- **The General Council**

- The WTO's highest-level decision-making body in Geneva, meets regularly to carry out the functions assigned to it by the agreements and ministerial conference.
- The council acts on behalf on the Ministerial Council on all of the WTO affairs.
- The current chairman is Amb. Muhamad Noor (Malaysia).

▪ **The Dispute Settlement Body**

- It is made up of all member governments, usually represented by ambassadors or equivalent.
- The current chairperson is H.E. Mr. Bruce Gosper (Australia).

▪ **The Trade Policy Review Body**

- The WTO General Council meets as the Trade Policy Review Body (TPRB) to undertake trade policy reviews of members under the TRPM.
- It is open to all WTO members.
- The current chairperson is Amb. Vesa Himanen (Finland).

c. Councils for Trade

- **Council for Trade in Goods (Goods Council)**

- Its responsibility are the workings of the General Agreement on Tariffs and Trade (GATT) which covers international trade in goods.
- It is made up of representatives from all WTO member countries.
- The current chairperson is Amb. Karsten Vagn Nielsen (Denmark).

- **The Council for Trade in Services (Services Council)**

- It operates under the guidance of the General Council

- It is responsible for overseeing the functioning of the General Agreement on Trade in Services (GATS).

- It is open to all WTO members, and can create subsidiary bodies as required.

- The current chairperson is H.E. Mr. C. Trevor Clarke (Barbados).

- **The Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS Council)**

- Information on intellectual property in the WTO, news and official records of the activities of the TRIPS Council, and details of the WTO's work with other international organizations in the field.

- The current chairperson is Amb. Yonov Frederick Agah (Nigeria).

d. Subsidiary Bodies

- **The Goods Council**

- Subsidiary under the Council for Trade in Goods.

- It has 11 committees consisting of all member countries, dealing with specific subjects such as agriculture, market access, subsidies, anti-dumping measures and so on.

- Committees include the following: Textiles monitoring Body, Information Technology Agreement (ITA) Committee, State Trading Enterprises, Groups dealing with notifications.

- **The Service Council**

- Subsidiary under the Council for Trade in Services which deals with financial services, domestic regulations and other specific commitments.

- **Dispute Settlement panels and Appellate Body**

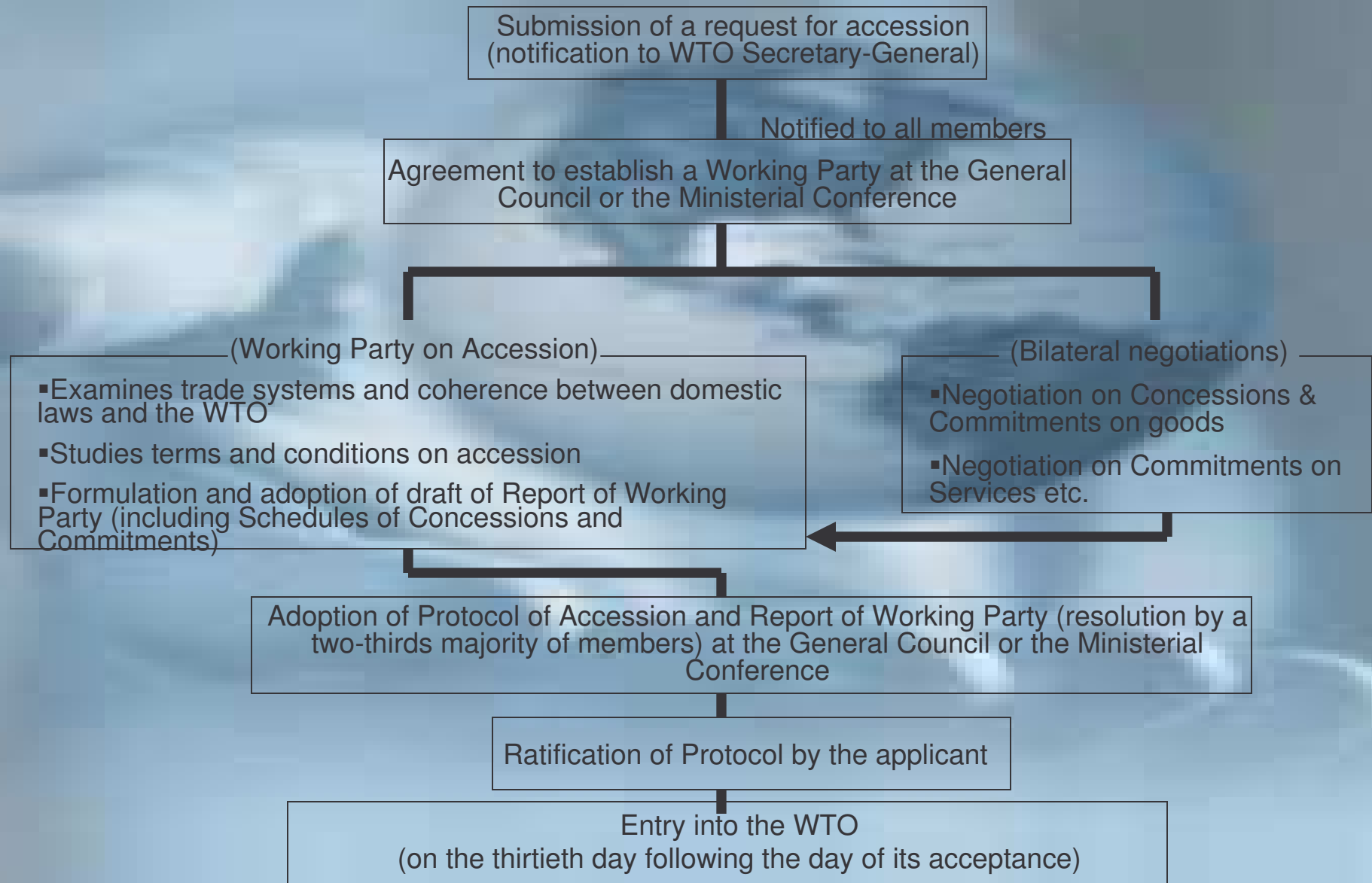
- Subsidiary under the Dispute Settlement Body to resolve disputes and the Appellate Body to deal with appeals.

2.) Membership, alliances and bureaucracy

▪ Membership

- Membership means a balance of rights and obligations.
- They enjoy the privileges that other member countries give to them and the security that the trading rules provide.
- Any state or customs territory having full autonomy in the conduct of its trade policies may join to the WTO, but WTO members must agree on the terms.

WTO Accession Flow Chart



■ **Alliances and Bureaucracy**

➤ **G-20**

- Includes Argentina, Brazil, China, Egypt, India, South Africa, Thailand and many others.

➤ **The Cotton Four (C-4)**

- An alliance of sub-Saharan countries lobbying for trade reform in the sector.

➤ **European Union (EU)**

- Known officially as the “European Communities” in WTO business.
- It is a customs union with a single external trade policy and tariff.
- The European Commission alone speaks for the EU at almost all WTO meetings.
- It is a WTO member in its own right as are each of its member states.

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- **Association of South East Asian Nations (ASEAN)**
 - Brunei, Darussalam, Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Thailand, Singapore and Vietnam (Laos is applying to join the WTO).

 - **MERCOSUR, the Southern Common Market**
 - Argentina, Brazil, Paraguay, Uruguay and Venezuela, with Bolivia, Chile, Colombia, Ecuador and Peru.

 - **North Amreican Free Trade Agreement (NAFTA)**
 - Canada, US and Mexico

 - **Cairns Group**
 - Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Peru, Philippines, South Africa, Thailand, Uruguay.
 - It was set up just before the Uruguay Round began in 1986 to argue for agricultural trade liberalization.
 - Its members are diverse, but sharing a common objective– that agriculture has to be liberalized– and the common view that they lack the resources to compete with larger countries in domestic and export subsidies.

3.) The Secretariat

- It is headed by the director-general
- It is located in Geneva
- It has around 630 staff
- It's budget is over 160 million Swiss francs with individual contributions calculated on the basis of shares in the total trade conducted by WTO member.
- Part of the WTO budget goes to International Trade center.



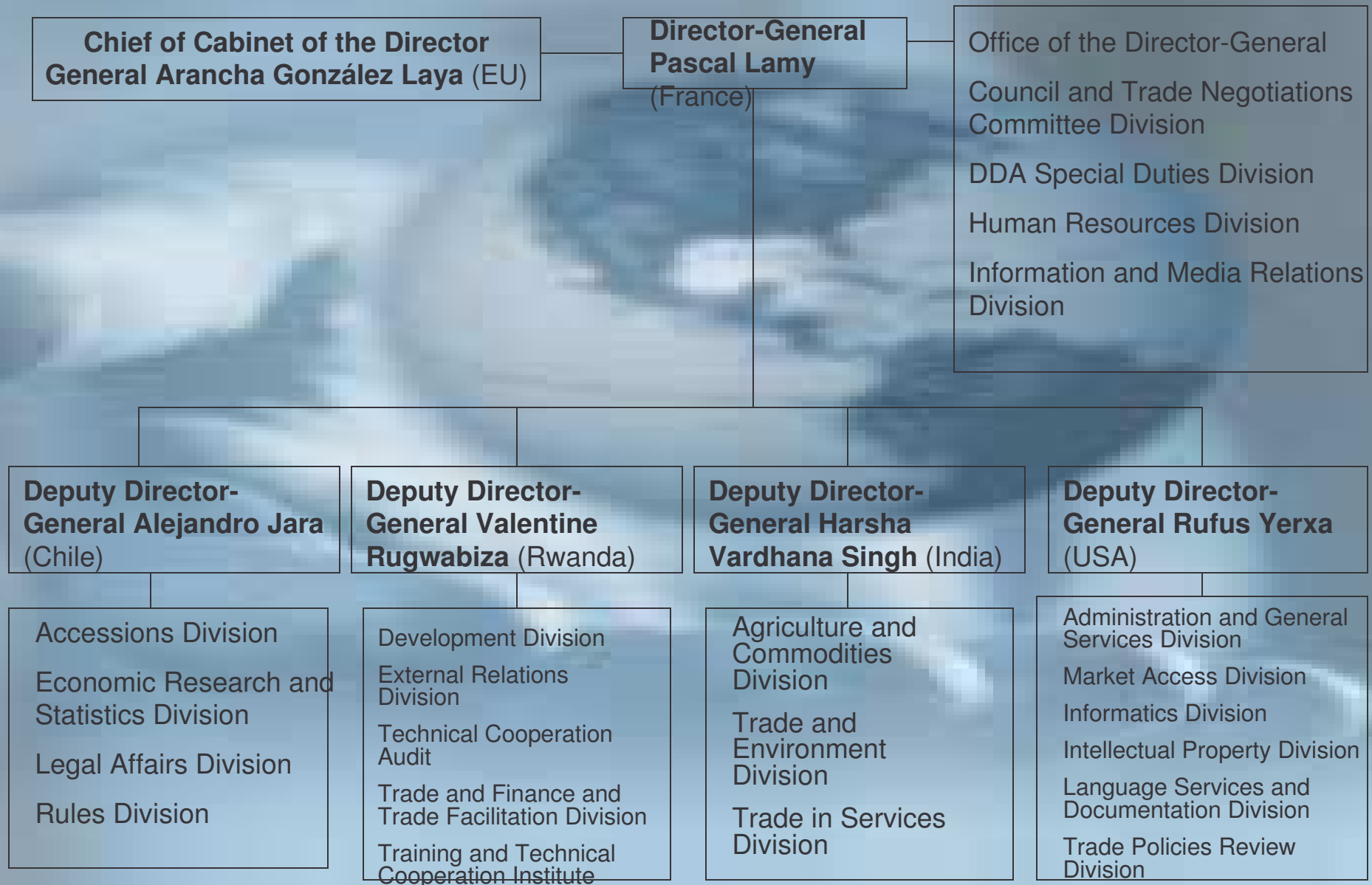
- **Director-general**

- Powers, duties, conditions of service in tem of office are all determined by the members in the form of Ministerial Conference.
- He played a central role in the negotiation process as agenda-setters and mediators.

▪ Improvements

- WTO Secretariat has enhanced its dialogue with civil society-NGOs interested in the WTO. Parliamentarians, students, academics and other groups. NGOs are regularly invited to the WTO to present their recent policy research and analysis directly to member governments.
- A monthly electronic news bulletin is also available to NGOs, enabling access to publicly available WTO information.

WTO Secretariat Organizational Chart



4.) Criticisms

- WTO has a small budget and comes from contributions of members.
- Small size of the WTO Secretariat.
- The frequency of ministerial meetings imparts a pace to WTO negotiating that developing countries cannot keep up with.
- Members have not had to surrender any of their decision-making powers to an executive body.
- Large time requirements in many rounds of negotiations to develop a consensus decision division.
- Consensus based decision making disadvantages developing countries.
- Lack of guidelines to assist in subsequent selection processes and mitigate potential conflict.