

The Struggle for Legitimacy in the WTO

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Introduction

The World Trade Organization (WTO), which was established in 1995, faces two major challenges to its legitimacy and credibility as an international organization.

The first is to make its internal decision-making system more transparent and inclusive, particularly with respect to the developing and least developed countries (which now represent over 100 of its 146 Members). This is the challenge of “internal legitimacy”.

The second is to respond to external critics—mainly non-governmental organizations (NGOs) and non-state actors—who maintain that the WTO is a closed, non-democratic, bureaucratic/autocratic supranational entity. This is the issue of “external legitimacy”. The external legitimacy challenge arises, in part, because the WTO administers a complex set of agreements that reach deeply into subjects normally assumed to be the province of national and sub-national levels of government—for example, intellectual property, health and safety standards, regulation of services, and subsidies. In addition, the dispute settlement system, with its compulsory jurisdiction and binding decisions, more closely resemble domestic judicial systems than the usual voluntary, international arbitration mechanisms.

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