

consequential, for in fact these verdicts do matter to the extent that non-compliance, given the system's norms, can be costly. Still, there is likely to be a nontrivial level of *non-compliance* with adverse rulings; such instances would occur disproportionately where defendants care less about these costs. More generally, market power, or asymmetric dependence, should be only a partial predictor of the defendant's level of concessions, for all the reasons outlined above.

These predictions offer a window on the efficacy of likely reforms of the DSU. Most noteworthy, in this regard, is that, because retaliation depends on the resolve of the complainant, *not* the regime's official authorization, reforms such as those which eased approval for the suspension of concessions should have little impact on dispute outcomes. Similarly, because the regime's normative power lies in the interpretations of its rulings, not in their official legal force once adopted, reforms such as those which removed the defendant's ability to veto adoption should also have little effect. On the other hand, reforms that clarify the WTO's legal provisions should make panel decisions more predictable and GATT/WTO jurisprudence more coherent; this should *improve* the likelihood of realizing trade liberalizing. That said, reforms are unlikely to yield benefits to developing countries lacking the expertise required to navigate the complexities of the legal regime, especially if they favour recourse to litigation rather than to diplomacy and thus reduce the likelihood of early settlement, the stage of the process where concessions are most likely. In the sections below we discuss the empirical research to date on all of these separate implications of our model.

Before moving on, however, it is important to consider an objection to this entire line of reasoning: namely, that the "real action" may be unfolding long before a complainant brings a case to Geneva. This is the concern over *selection bias*: i.e., the possibility that unobserved factors distinguish those cases filed for dispute settlement from those dealt with through shuttle diplomacy, regional dispute settlement, or at other fora. If this were true, then inferences drawn from studies of dispute settle-