

complainant's GDP, characteristics of the defendant, panel formation and rulings, and observable attributes of the dispute.

If there is a new gap, what accounts for it? Put differently, at what point in the escalation of a case does the complainant's level of development hamper its chances for obtaining full liberalization from a defendant?

To find out, consider the probability of early settlement in the 154 WTO disputes concluded to date. Again, the main variable of interest is the complainant's per capita income, controlling for its absolute market size and other attributes of the dispute. Here, too, this variable is positively signed and statistically significant; rich complainants are more likely to get defendants to settle early than are poorer complainants, holding GDP constant. This suggests that developing-country complainants disproportionately fail to negotiate concessions in advance of a panel ruling.

Could it be, instead, that these countries are disproportionately losing verdicts? The answer is no. Looking just at those WTO cases in which rulings are issued, and estimating the direction of a ruling with the same covariates outlined above, the complainant's income (and market size) has no effect on its prospects of winning a judgment, where one is issued. In other words, the gap in securing full concessions from a defendant is *not* a function of poor legal acumen once litigation is underway. Rather, the problem is that developing-country complainants are losing out in pre-litigation negotiations.

Finally, could the gap, instead, be a result of developing countries' failure to secure compliance by defendants against whom adverse rulings have been issued? After all, given their market size, would it not seem reasonable to suspect that these complainants' retaliatory threat is insufficiently credible? Here, too, the answer appears to be no. Looking just at the 41 cases in which a WTO ruling went fully against the defendant, the complainant's income has no effect. A rich complainant, in other words, has no discernable advantage over a poorer, but equally-

---

partial liberalization in 3 of its 6 complaints, with no concessions whatsoever in a fourth.