

Part V

The organization, the institution and the future

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14 Leadership of the organization and management of the institution

[Institutions] evolve incrementally, connecting the past with the present and the future; history in consequence is largely a story of institutional evolution in which the historical performance of economies can only be understood as a part of a sequential story. Institutions provide the incentive structure of an economy; as that structure evolves, it shapes the direction of economic change towards growth, stagnation, or decline.

Douglass C. North
“Institutions” (1991)

Introduction

In a happy coincidence of theory and practice, Douglass North wrote his seminal essay on “Institutions” at almost precisely the same time that the WTO was first proposed. “Institutions are the humanly devised constraints that structure political, economic and social interaction,” he wrote (1991: 97), and “consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights)” that human beings have devised throughout history “to create order and reduce uncertainty in exchange.” That is as good a definition as any of the purposes of the WTO, which may be further distinguished according to its two halves. The WTO is at once an institution staffed by international civil servants and an organization to which members belong. While it is the organizational half of the WTO that is chiefly responsible for writing new rules, the institutional half not only facilitates those negotiations but also administers agreements, monitors the members’ compliance with the rules, and promotes the capacity of the developing members to participate more effectively in the organization and to take advantage of the opportunities that a more open market affords.

Both halves of the WTO are integral to the multilateral trading system. The institution is subordinate to the organization, as the WTO would never exist but for the will of its members, and those members rarely pass on the opportunity to remind the Secretariat that the WTO is a member-driven body. The organization could not function, however, without the institutional support. The services that the Secretariat delivers to the members range from meeting such quotidian needs as providing a space and rendering trilingual interpretation, to the technical expertise of the staff and the political judgment of the director-general. While it is normally the organization that directs the institution, there are times when the

institution goes beyond the mere servicing of the demands that are made upon it, taking a more active role in crafting agreements and resolving disputes.

The organization and the institution of the WTO each exemplify the differences between the old and new multilateral trading systems. As discussed in Chapter 2, GATT was an agreement to which countries were contracting parties rather than an organization in which they were members, and one of the principal differences between the old and new orders is that the WTO is a *bona fide* and permanent international organization. That organizational transition was complemented by an institutional transformation. The GATT had a secretariat, as does the WTO, but the institutional structure of the new order is broader in two senses. One is that it constitutes a larger number of elements: the institution includes not just the WTO Secretariat but also the semi-autonomous Appellate Body Secretariat, and partly incorporates other bodies for which the WTO is a joint sponsor and the host (i.e. the Standards and Trade Development Facility and the Executive Secretariat of the Enhanced Integrated Framework; see Chapter 5).¹ The more significant difference is that the members vest greater confidence, resources and responsibility in the institution of the WTO than they had in the predecessor GATT Secretariat. We already saw in Chapter 8 how the role of the Secretariat evolved from one that rather passively received notifications to one that more actively examines members' policies. As discussed below, the greater trust that the members place in the institution can also be seen in the elevated status of the directors-general, including representation of the WTO in the G20 and other high-level gatherings. The precise role of the director-general nevertheless remains a matter of some dispute, illustrating the struggles that sometimes take place between the organization and the institution.

The perennial tensions in the WTO

There are three perennial tensions in the leadership and management of the WTO. The broadest tension is common to the organization and the institution, both of which need to strike a balance between respecting the ideal of impartiality and pursuing the achievement of the WTO's stated aims. The other two are the tensions between the organization and the institution, most particularly between the ambassadors and the director-general, and the intra-organizational tensions between members of different sizes and capacities.²

The WTO *per se* has no interests or will apart from those of its members. The members nonetheless chose to embody in this organization a set of ideals, to create rules and norms by which those ideals can be translated into concrete objectives, and to establish twin structures that are tasked with achieving those ends. Chairmen of the committees and councils provide the leadership in the organization, while in the institution it is the director-general, the deputy directors-general and the division directors who lead. All of these delegates and officials are expected to operate within diplomatic norms that prize impartiality, but not to the point of inactivity. "The chairman, or the director-general, or the heads of any unit should be neutral vis-à-vis the members," in the view of Chilean Ambassador Mario Matus, "but should not be neutral vis-à-vis the objective of either the group or the institution. From that perspective the

chair, or the general council, or the director-general, should push the system ahead, even cornering countries or people to try to achieve what they should be doing.”³ That view is widely but not universally shared, as not all members are equally eager for the WTO to build upon its achievements in the opening of markets and the enforcement of its rules. Their differing perspectives on this point contribute to the two tensions discussed below.

The organization and the institution

The twin halves of the WTO are structured along parallel yet partly intersecting lines. The highest body of the organization is the ministerial conference that meets every two years, but for normal operations in Geneva the organization’s apex is the General Council. Beneath that body are numerous other councils, committees and (as needed) negotiating groups and working parties, each of them chaired by representatives of members on a rotating basis. The divisions of the institution are parallel to this organizational structure, each of them run by a director who reports to the director-general either directly or, more typically, through one of the four deputy directors-general. Some divisions in the institution correspond directly to a related body in the organization, such that there is (for example) a Trade Policies Review Division servicing the Trade Policy Review Body and a Market Access Division assisting the Council on Trade in Goods. Other parts of the Secretariat serve horizontal functions, such as the Human Resources Division and the Languages Documentation and Information Management Division.

Relations between the twin halves of the WTO sometimes demonstrate a degree of dynamic tension, with the Secretariat seeking to play a more active role and the members often, but not always, resisting that impulse. The two sides have roughly equal numbers. As discussed in Chapter 3, as of 2012 there were 861 people assigned to members’ missions, but if one adjusts those numbers downward for the general-purpose missions it may be more like 485 people. In that same year, 677 people worked in the Secretariat. Taken together, there are more than 1,200 people who comprise the formal WTO community, roughly half of them in the missions and half in the Secretariat.⁴ All of them are dedicated to the broad objectives of the multilateral trading system, but they often have very different views about which of its objectives should be given priority, how the WTO should be steered in that direction and who should be holding the steering wheel.

The differing roles of the organization and the institution are exemplified by the resources that they devote to the negotiation of new rules. The legislative function dominates the organization, taking up much – perhaps most – of the time that the members devote to the WTO. By contrast, the line item for “Facilitating Negotiations” represented a mere 3 per cent of the cost allocation for the Secretariat’s 2012 budget, or less than one tenth as much as Aid for Trade and less than one seventh of the resources devoted to “Administering Agreed WTO Rules”.⁵ The role of the institution in negotiations can sometimes belie the impression that these raw figures may give. The director-general chairs the Trade Negotiations Committee, for example, and may propose compromises or actual drafts or even bargain directly with ambassadors and ministers. The division of labour can also be blurry in the judicial functions

of the WTO. Disputes are member-driven insofar as they alone may bring complaints against one another or resolve these matters “out of court”, and the members also supply the panellists (many of whom are appointed by the director-general), but the institution provides the expertise of the Secretariat’s lawyers, the authority of the Appellate Body and the good offices of the director-general when mediation is requested.

Relations between the Secretariat and the members, and especially between the director-general and the ambassadors in Geneva, can lead to friction and even outright confrontation. Directors-general will sometimes seek to enhance the authority of the institution in general, and their own offices in particular, but members tend to resist these initiatives. That was especially evident in the very early years of the WTO. Members conceded that it had been necessary in the final days of the Uruguay Round to have a director-general with Peter Sutherland’s drive and temperament, but once those negotiations were over there was, in Stuart Harbinson’s recollection, “a definite feeling amongst the ambassadors that they had to stamp their authority on the organization.”⁶ This led them to give less leeway to Director-General Renato Ruggiero, with ambassadors insisting that they had “to make it very clear right at the beginning that this is a member-driven organization” and were determined “to put the DG in his place.” Directors-general were not restored to the chairmanship of the Trade Negotiations Committee until the Doha Round got under way, and have never been given the chairmanship of the ministerial conferences. Mr Ruggiero chafed at the way members restricted his authority. “When I go to Paris or I go to Washington I see prime ministers and presidents,” he once complained to Mr Harbinson. “But when I’m in Geneva I have to ask permission to go to the toilet, and the members say, ‘Yes, but only two minutes!’”⁷

The constraints that members place on the director-general also affect the institution as a whole. Although members have respect for the expertise and impartiality of the Secretariat staff, they are careful to ensure that it operates within limits. Two unwritten rules are paramount: the initiative for any new undertakings will always rest with the members themselves, and apart from the special case of the trade policy reviews and monitoring (see Chapter 8), the staff must never be directly critical of the members or their policies. The Secretariat is on hand to assist the members in logistical and technical matters, and to carry out those functions that the members mandate, but not to propose to the members what they ought to do or to rebuke them for the choices they have made. Members are especially sensitive about any issues relating to foreign policy. In a few incidents where staffers in the Economic Research and Statistics Division and the Information and External Relations Division have made even indirect references to issues involving the political or security interests of members they received dressing-downs from the members involved.

The capacities and activities of large and small members

Beyond the substantive disagreements between members that have conflicting offensive and defensive interests, or the differing perspectives of the rich and poor, members are further divided by their varying sizes and capacities. This is a horizontal distinction that transcends their levels of economic development. Even poor countries can, if they are large enough,

afford to field dedicated missions staffed by knowledgeable and experienced diplomats, and are thus in a better position to defend their interests and to influence outcomes than are members that are either non-resident or have relatively small and general-purpose missions. In this sense, Liechtenstein and Saint Lucia may have more in common with one another than they do, respectively, with the European Union and Brazil. These concerns manifest themselves not only in the positions that members take in negotiations, but also in the individuals chosen to lead the organization and the institution and in the rules by which the organization operates. The one advantage that smaller and poorer members have is their sheer numbers, and that advantage would be enhanced if the system were to operate like a parliamentary democracy. If numbers alone were decisive, the G90 would greatly outnumber small configurations such as the Quad or G7 that have traditionally exercised the greatest power.

The actual operation of the WTO resembles neither a democracy (rule by the many) nor a monarchy (rule by the one), although in some respects its GATT predecessor operated much like an oligarchy (rule by the few). The WTO as it now exists is instead something like a republic in the classic sense of that term, namely a system of government that combines elements of democracy, oligarchy and monarchy. The democratic elements of the organization are the most obvious, and are best demonstrated by its rule of consensus (which might in fact be considered hyper-democratic) as well as the broad participation of small and especially mid-sized countries in the civic duties of chairing committees and rendering jury duty (i.e. serving as panellists in dispute settlement cases). We already saw in Chapter 7 that the most active members in disputes are necessarily less active in supplying panellists, and that panellists will therefore come more often from countries such as New Zealand, Chile and South Africa than from China, the European Union or the United States. A similar dynamic is at work when it comes to leading committees and councils. As discussed below, one finds more chairmen from Norway than from Germany, more from Canada than from the United States and more from Hong Kong, China than from China.

The elements that most resemble oligarchy are the higher posts in the institution. One cannot say that the largest members monopolize the positions of director-general, deputy director-general, and seats on the Appellate Body, but neither could one claim that those offices are distributed randomly. There are instead well-established traditions by which one citizen of the United States always serves as an Appellate Body member and another one as a deputy director-general, and the other major regions and members are represented in the distribution of the remaining Appellate Body and director-general/deputy director-general positions. The closest that the WTO gets to monarchy, and then only for very brief periods, comes in the ministerial conferences. Then the trade minister of the host country is vested by his or her peers with extraordinary authority. That includes the power to extend the proceedings or to bring them to a close, something that may sound trivial but contributed both to the success in Doha (see Chapter 11) and the failure in Cancún (see Chapter 12). The conference chairman also has great leeway in organizing the meeting and appointing friends of the chair, although in practice this is done in close coordination with the Secretariat and in consultation with the membership.

Table 14.1. Participation in WTO activities by member size, 1995-2012

	Share of WTO membership	Activities in which the large members participate less		Activities in which the large members participate more	
		Dispute settlement panellists	Chairmanships of WTO bodies	Appellate body members	Directors-general and deputy directors-general
Eight large members	5.1	13.2	10.9	48.7	56.5
Five large developed ^a	3.2	5.8	7.1	30.8	37.0
Three large emerging ^b	1.9	7.4	3.8	17.9	19.6
All other members	94.9	86.8	89.1	51.3	43.5
Other developed	19.4	41.9	35.5	17.9	17.4
Other developing	75.5	44.9	53.6	33.3	26.1
<i>Memo:</i>					
All developed	22.6	47.7	42.6	48.7	54.3
All developing	77.4	52.3	57.4	51.3	45.7

Sources: Tables 7.7 and 7.8, Table 14.2 (based on the composite measure), and their original sources, as well as www.wto.org/english/thewto_e/dg_e/ddgs_e.htm and www.wto.org/english/thewto_e/dg_e/exdgs_e.htm.

Notes: Percentage of positions filled by representatives of members by type. Appellate Body membership and senior management both calculated by the number of terms. Share of WTO membership based on the 155 members at the start of 2012. Percentages may not add precisely due to rounding. ^aFrance, Germany, Japan, the United Kingdom and the United States. ^bBrazil, China and India.

Eight large members = Five large developed + Three large emerging.

The distinction between the democratic and the oligarchical aspects of WTO governance is statistically supported by the data in Table 14.1, which distinguish eight large members from the rest of the membership. By the start of 2012, these five developed members and three emerging members represented only 5.1 per cent of the membership, but had far larger demographic and economic footprints: they collectively accounted for 41.4 per cent of the world's exports of goods and services, 49.2 per cent of its population, and 59.2 per cent of its gross domestic product.⁸ Their contributions as dispute settlement panellists and as chairmen are on the same order of magnitude as their share of the total membership, but their share of the higher offices in the institution (i.e. Appellate Body members and the directors-general/deputy directors-general) is about the same as their proportions of global wealth and population.⁹ By way of analogy, the activities in which these larger members are less active resemble the UN General Assembly and other committees and councils in the United Nations, and the activities in which these larger members participate more resemble the UN Security Council. That comparison is all the more apt when one considers that half of these eight large members are among the five permanent members of that Security Council, and that winning seats on an expanded council is a high priority for both Brazil and India.

Leading the organization: chairmanships

Much of the work in the WTO is done in councils, committees, working parties and negotiating groups. Most of the regular bodies are chaired by members on one-year rotations, but in the

interest of continuity the chairmanships of negotiating groups and working parties (e.g. on accessions) will often retain the same chairman for several years in succession. Chairmanships are assigned to specific persons rather than their missions, usually to ambassadors for the higher-level bodies and to either ambassadors or other diplomats for the rest.

Who chairs, and who chooses chairs

The formal principles and procedures for the selection of chairmen are summarized in Box 14.1. The last thing that a General Council chairman has to do before leaving office is to consult over the slate of chairmanships for the following year. Stuart Harbinson “found that the most distasteful task [he] did throughout the whole year,” because there were –

lots of egos to balance. You have some people who are desperate for chairmanships because they don't want to get sent back home. You have the good-citizen types who are a bit more flexible, obviously. But then you also have all sorts of petty rivalries and jealousies that seem to come into the equation, in addition to having to construct a subtle regional balance.¹⁰

The three largest WTO members are conspicuous for their absence from the chairmanships of the major bodies. There is an unwritten but widely understood norm by which China, the European Union and the United States will refrain from seeking the chairmanship of the General Council, the Dispute Settlement Body, or the other major WTO committees and councils. This is a carry-over from GATT. “It would create conflicts and a lack of confidence in the membership” for them to chair any major bodies, Rufus Yerxa observed.¹¹ We might draw a comparison here to other posts in the international community such as the secretary-general of the United Nations, which is traditionally held by diplomats from mid-sized countries: Norway, Sweden, Burma (now Myanmar), Austria, Peru, Egypt, Ghana and the Republic of Korea. There has never been a UN secretary-general from any of the five permanent members of the Security Council (China, France, the Russian Federation, the United Kingdom and the United States), and those same P5 countries have been equally reticent when it comes to chairing the major bodies of the WTO.

These most influential WTO members will sometimes chair the less prominent committees. France and the United Kingdom are fairly active in such bodies, but even there the majority of those two countries' chairmanships have been by people below the head of delegation level who lead on technical matters at, for example, the Working Group on the Interaction between Trade and Competition Policy (chaired by the same French expert from 1997 to 2003) and the Committee on Customs Valuation (on which three British diplomats have served as chairman). And while representatives from other EU member states have chaired WTO bodies, the head of the EU delegation has never done so. China and the United States have been only a little more active in this respect, having chaired just three and five bodies, respectively, from 1995 to 2012. None of those were among the six major bodies. Four of the five chairmanships by US diplomats were on the Committee on Sanitary and Phytosanitary Matters, and the Chinese service in chairmanships has also tended to be on technical topics.

Box 14.1. How WTO chairmen are selected

Sourced from Guidelines for the Appointment of Officers to WTO Bodies, WTO document WT/L/510, 21 January 2003.

The General Council adopted in late 2002 a set of Guidelines for Appointment of Officers to WTO Bodies. The guidelines provide that “Members should regard the appointments exercise as a relatively routine annual ‘housekeeping’ function, with the principle of rotation as its norm,” the purpose of the exercise being “to ensure that the Organization continues to be able to handle its business in a smooth and seamless way.” The procedures call for a five-step process:

- The selection process starts with an announcement by the chair at the General Council meeting held in December each year;
- The General Council chair and colleagues (i.e. the chair of the Dispute Settlement Body and any former GC chairs still in Geneva) hear the views and suggestions, if any, of members, individually and/or in groups;
- Following any further consultations, the chair and colleagues then devise a balanced slate in accordance with the guidelines and based on the comments they have received;
- An open-ended informal heads of delegation meeting is held in late January or early February, providing an opportunity for general dissemination and discussion of the slate; and
- The slate is to be proposed and agreed at the February regular General Council meeting.

In addition to providing that chairpersons must be representatives of members, and that representatives of members that have been financial arrears for over a year cannot be considered for appointment (as discussed later in this chapter), the guidelines specify that the “choice of a chairperson should primarily reflect the capacity and the availability of that person to undertake the special responsibilities required of such posts in the WTO system.” Chairmen are expected to be impartial and objective, to ensure transparency and inclusiveness in decision-making and the consultative processes, and should aim to facilitate consensus. “Appointments must be acceptable to the membership as a whole and not only to regions or groupings that may have proposed them,” the guidelines specify, but there should also be a “balance which reflects the overall membership of the WTO.”

These are the rules that apply to major bodies such as the Council for Trade in Goods. The chairman of that council will then select chairmen for the 11 subsidiary bodies that report to this council (e.g. those dealing with agriculture, market access, subsidies, anti-dumping measures, etc.); the same principle applies to the councils on services and intellectual property. All of those selections to subsidiary bodies are made with a view towards regional balance.

Table 14.2 provides details on the chairmanships of the 28 WTO members that have been most active in this area, divided into two classes of WTO bodies. One consists of the six most significant bodies in the organization: the General Council, the Dispute Settlement Body, the Trade Policy Review Body, and the councils devoted to goods, services and intellectual property. The other consists of all remaining bodies. For each of these categories, Table 14.2 shows the number of years that diplomats from a given country have chaired WTO bodies, as well as a member’s share of the total person-years of all such chairmanships from 1995 to 2012. The data are arranged according to a composite score for countries’ chairmanships, representing the average for the two shares.

Table 14.2. Frequency of members' chairmanships of WTO bodies, 1995-2012

	Six major bodies ^a		All other bodies		Composite
	Years	Share	Years	Share	
Developed countries	45.0	41.7	252.0	43.6	42.6
Norway	10.0	9.3	9.5	1.6	5.5
Canada	6.0	5.6	22.5	3.9	4.7
New Zealand	3.0	2.8	32.5	5.6	4.2
Japan	4.0	3.7	19.0	3.3	3.5
Switzerland	1.0	0.9	25.0	4.3	2.6
Australia	3.0	2.8	12.0	2.1	2.4
Hungary	3.0	2.8	7.0	1.2	2.0
Finland	3.0	2.8	5.0	0.9	1.9
Sweden	2.0	1.9	8.5	1.5	1.7
Ireland	3.0	2.8	2.0	0.3	1.6
Czech Republic	1.5	1.4	9.0	1.6	1.5
France	0.0	0.0	17.0	2.9	1.5
Belgium	1.5	1.4	5.0	0.9	1.2
United Kingdom	0.0	0.0	13.0	2.2	1.1
All other developed	4.0	3.7	65.0	11.2	7.5
Developing countries	63.0	58.3	326.0	56.4	57.4
Hong Kong, China	6.0	5.6	16.0	2.8	4.2
Singapore	5.0	4.6	12.0	2.1	3.4
Nigeria	6.0	5.6	7.0	1.2	3.4
Chile	4.5	4.2	11.5	2.0	3.1
Uruguay	4.0	3.7	12.0	2.1	2.9
Colombia	4.0	3.7	10.0	1.7	2.7
Brazil	2.5	2.3	16.0	2.8	2.5
Pakistan	2.0	1.9	16.0	2.8	2.3
Kenya	4.0	3.7	2.5	0.4	2.1
Korea, Republic of	2.5	2.3	10.0	1.7	2.0
Malaysia	3.0	2.8	7.0	1.2	2.0
Philippines	1.0	0.9	16.0	2.8	1.8
Costa Rica	1.0	0.9	15.0	2.6	1.8
Thailand	1.0	0.9	14.5	2.5	1.7
All other developing	16.5	15.3	160.5	27.8	21.5
Total	108.0	100.0	578.0	100.0	100.0

Source: WTO Secretariat.

Notes: Number of years bodies were chaired by representatives of a member. ^aIncludes: General Council, Dispute Settlement Body, Trade Policy Review Body, Council for Trade in Goods, Council for Trade in Services, and the Council for TRIPS. The data do not include working parties on WTO accession. For any year in which a body was chaired by two persons in succession a value of 0.5 was assigned to each.

Composite = Average value for the two shares.

If all chairmanships were randomly assigned and all members bore an equal burden, the average WTO member would chair one body every four years. The participation of individual members and their ambassadors in chairmanships instead varies quite widely. At one end of the spectrum is the large number that never chaired a single WTO body in the organization's first 18 years of existence. That was the case for fully 73 WTO members, or very nearly half of the total membership. In addition to the aforementioned special case of the European Union, this group includes several relatively populous countries such as Angola, Cuba, the Dominican Republic, the State of Kuwait, Portugal, the United Arab Emirates and Viet Nam. Most of the remaining members that have never chaired a WTO body are non-resident or very small countries.¹² At the other end of the spectrum is the unique case of Ambassador Ronald Saborio of Costa Rica (see Biographical Appendix, p. 592), who served as chairman of a committee every year from 1998 to at least 2013. The ten most active members, developed and developing, collectively provided close to half (48.8 per cent) of the chairmanships of the six major bodies and 28.4 per cent of the other chairmanships.

The concentration of chairmanships in some developed countries is a simple function of small-number mathematics: chairmanships are usually divided equally between developed and developing countries, but the European Union and the United States generally do not chair, which leaves very few remaining developed countries to fill slots. As a consequence, diplomats from Australia, Canada, Japan, Norway, New Zealand and Switzerland are kept quite busy. Or as one developed country ambassador put it, "it's a small gene pool."¹³ If the chairmanship of the General Council were rotated among all of the members, no one country would chair it more than once in a century; in the eighteen years from 1995 to 2012, Canada and Norway each held this position three times. John Weekes (see Biographical Appendix, p. 596) of Canada holds the distinction of being the only ambassador ever to serve as chairman of both the GATT Council (1989) and the WTO General Council (1998).

More than just mathematics is at work in determining which developing country ambassadors become chairmen. This is partly a matter of demand, with some members or regions actively campaigning for their share. The principal purpose of the Latin American and Caribbean Group, commonly known as the GRULAC, is to ensure that its members are adequately represented in chairmanships. It is also partly a matter of capacity. A chairmanship is virtually impossible for a non-resident member, and is impractical for those with general-purpose missions that have small staffs. The fact that Hong Kong, China has chaired more often than any other developing member is readily understandable if one considers that it is not an independent country with separate representation in other international organizations, and its diplomats can devote themselves exclusively to WTO matters.¹⁴ Seven of the next ten developing countries on the list had dedicated WTO missions as of 2012, generally with staff complements of at least five persons. Those members could afford the opportunity cost of having the ambassador devote large blocks of time to a chairmanship; that same service would impose a greater burden on a mission staffed by just two or three people who must cover all Geneva-based international organizations. Another factor is a country's length of time in the system. Those that recently acceded are less likely to have had numerous chairmanships, both because the opportunities have been fewer and because they need time to develop an understanding of how this organization operates.

For both the developed and the developing members, it is not the largest countries that chair the most committees. Brazil, Pakistan and Nigeria are partial exceptions to this general rule, being the sixth, seventh and eighth most populous WTO members (if one counts the European Union as one), but it is more significant that one does not find China, India and Indonesia – the first, second and fifth most populous members – prominent in the list of chairmanships. It is instead countries such as Singapore and Uruguay that are near the top among the developing country membership, just as countries such as Norway and Canada take the lead among the developed. The system as a whole appears to be more comfortable when bodies are chaired by ambassadors from countries that are large enough to afford well-staffed missions, but not so large as to be among the most outspoken *demandeurs*.

The functions and styles of chairmen

Does it matter who chairs the WTO bodies? The answer would be negative if we assumed that chairmen were simply facilitators, playing a role similar to that of a speaker of the house in a Westminster-style parliament. That is manifestly not the case in the WTO, however, which follows the established GATT tradition by which the chairman is expected not merely to facilitate debate but to build consensus, and to take an active role in developing texts and “getting to yes”. Two characteristics of the ideal chairman are worth highlighting: the obligation to act on behalf of the system as a whole rather than as an advocate for one’s own country, and the need to balance impartiality towards the members with the responsibility to advance negotiations by proposing texts, breaking deadlocks and achieving consensus. A diplomat in the WTO is expected to engage in creative compartmentalization, placing the chairman’s obligation to the system ahead of the national representative’s duty to promote specific objectives. Or, to put the matter in the language of negotiations theory, a chairman is supposed to concentrate on creating value for the community as a whole rather than on claiming value for one’s own country.

The conduct of the negotiation on trade-related aspects of intellectual property rights (TRIPS) and public health illustrates the distinction. Towards the end of those talks in December 2002, Ambassador Eduardo Pérez Motta of Mexico was putting together the final draft of what would become the Decision on Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (see Chapter 10). “The Americans were very nervous about the outcome,” he later recalled, concerned that the text would go against their position on some key points. Mr Pérez Motta received “calls from the Mexican capital sending me messages from the US, and I said, ‘Well, I’m sorry but ... I’m not playing this role as an ambassador, so I’m not going to get any information or instructions on this.’” His interlocutors in Mexico City then knew there was no point in trying to pressure him into taking one position or another. This exchange between the ambassador and the capital depended on a certain understanding of the chairman’s ethos. According to Mr Pérez Motta’s view of this responsibility –

if you have that role, as a head of a working group [in Geneva] your role is on a personal basis. You are not representing your country. Your delegation will be representing your country at the table there, and you have to hear your delegation like any other delegations. But sometimes that is a role that is not clearly perceived or clearly understood by capitals, and you have to send clear signals.¹⁵

Not all ambassadors will have either the inclination or the ability to make such a distinction, and many of them might, were they in Mr Pérez Motta's position, have received those instructions as orders and acted accordingly. This is one of many points on which the political culture and traditions of member states differ, and can also depend critically on the personalities involved. As an ideal, however, the approach that Mr Pérez Motta took is what the system expects of a chairman.

Chairmen must meet the competing expectations that they be impartial as well as effective. Being an honest broker requires that the chairman be respectful of the views of all members, not siding with their own countries' interests or those of any coalition or faction with which they might be associated, and they certainly must not show any hostility to the positions or persons of other members and groups. Like many other virtues, however, if impartiality is taken too far it becomes a vice. "A chairman has to be both firm and flexible," according to Ambassador Julio Lacarte, "according to circumstances."¹⁶ He or she "has to grasp the sense of the meeting, take advantage of the moments when a text can be pushed through, and not hesitate to proceed accordingly."¹⁷ Odell (2005: 475) classified the tactics that chairs might adopt along a spectrum from relatively passive to relatively interventionist. "The most passive WTO mediation tactics," he observed, "consist of observation, diagnosis, and communication." More frequently, WTO chairs will seek more actively to formulate a consensus. A chair may even adopt "decisive or manipulative tactics that attempt to give the process or individuals a push in a particular direction" (*Ibid.*: 487). The choice among these alternatives is determined by the circumstances and the person. The role of a chair "depends very much on the negotiation," according to Ambassador Ronald Saborio, such that –

there are moments in which a chair must allow the members to perform a very important role themselves and allow things to rise from the bottom. When there is high interest in the results of a negotiation, when interests are being proposed, it is important to allow the forces to play and members to dance. And then a very active role of the chair can be disturbing, in situations like that. There are other situations when negotiations are not moving in which the chair probably has to be active and be the one proposing things. This is more difficult, and it is more risky not just for the chair who might burn his fingers but even worse, he can derail a negotiation.¹⁸

Some members are uncomfortable with the degree of initiative that chairmen take in the development of texts. In 2002, the Like-Minded Group (LMG) proposed changes in the operation of the WTO that would have altered the role of the chairman. The 13 countries in this group¹⁹ advocated "effective participation by all the Members in the negotiations" through a process that "should engender transparency and consensus-based decision making."²⁰ That would mean reducing the degree of authority and discretion exercised by the director-general and the chairmen of negotiating groups by (among other things) giving the chairmanship of the Trade Negotiations Committee to a member rather than the director-general, electing this and all other chairmen "by consensus from Geneva based Ambassadors," and restricting the authority of the chairmen to develop negotiating texts on their own authority. Any reports or draft decisions "should be agreed upon in the concerned negotiating body by consensus," the LMG urged, and in

the absence of consensus the “differing views of members, with alternate suggestions for decision, should be reflected in the drafts to be sent up to higher bodies for decision.”²¹

No matter how passive or assertive a chairman may be, all must start with the process of gathering information on members' positions and, if the topic is technically challenging, developing their own expertise on the subject. Their consultations go beyond simply compiling the views of the most active members, both on the offensive and defensive sides, but also require that they sound out members to determine the intensity of their views and their willingness to consider compromises and accommodations. A chairman must interpret, because members “don't show the cards,” according to Mr Saborio. “You can guess what their cards are, you can make your own mathematics, and you receive signals that are very codified.”²²

The most common device is the “confessional,” a one-on-one meeting to review issues and positions. The practice itself likely dates back to pre-GATT days, but the specific title of the confessional was an innovation by Julio Lacarte, the ambassador from Uruguay. In Mr Lacarte's confessionals during the Uruguay Round, he “would invite the Heads of Delegation to meet with me individually and under conditions of strict confidentiality, gauge their real aims, disabuse them on demands that were doomed to fail, and prepare the ground for agreements acceptable to all.”²³ This would often require multiple meetings. Participants will start from their maximum positions, but the chairman can sometimes bring them individually closer to their bottom lines. Taken together, the information collected in this process allows the chairman to define not only the technical issues (generally in consultation with the Secretariat) but also to map out the zone of possible agreement. That latter task is based on the chairman's own intuition, as well as the discussions he or she may hold with other chairmen, the director-general, Secretariat staff or other trusted persons.

The transition from information-gathering to deal-brokering can be gradual. Mr Pérez Motta characterized the case of the negotiations on TRIPS and public health as “a process of many discussions, so that every part of the table would understand what were the reasons and the arguments of the other side.” A chairman needs to find “the small windows of opportunities that each side are opening, even without knowing that they are opening those windows.”

You have to start understanding what possibilities you would have to put on the table a document that in the end has to keep everyone relatively uncomfortable. So everybody has to go out of the room at the end relatively unhappy. Because if you have a group very happy and the other very unhappy then things are not balanced. But if everyone is unhappy and everyone blames you as the origin of their problems there then you're right, you're doing your job.²⁴

Ambassador Guillermo Valles of Uruguay faced the difficult task of shepherding the negotiations on trade-remedy laws and fisheries subsidies when he chaired the Doha Round Negotiating Group on Rules from 2004 to 2010. Both of these subjects involved their own substantive and political complexities; the same members that might be *demandeurs* on trade-remedy laws could

strike a defensive stance on fisheries subsidies and vice versa. This required that he work closely with experts in the Secretariat and in numerous missions, cataloguing the positions of the members and mapping the options. "My strategy," he said, "was to reach a point in which the members would acknowledge that they by themselves wouldn't be in a position as to identify the trade-off."²⁵ The drafting of a chairman's text is the most critical task, requiring that the chairman make judgment calls about what to include, what to exclude, what to place within brackets and how specific a draft text ought to be. Mr Valles managed to develop a series of texts that defined the options, but a chairman can take that process only so far when the positions of members are irreconcilable. There will come a point at which there are no further trade-offs that might be made within a single text, but members might be persuaded to make trade-offs across them. That will typically require a political decision at the ministerial level.

The General Council and ministerial conference chairmen

Two types of chairmen hold a special place in the WTO system. One is the chairman of the General Council, the pinnacle of the system of regular committees and councils. Like other top chairmanships, this one is held only for one year at a time on a rotating basis. The other is the chairman of the ministerial conference, a position that is always held by the trade minister of the host country or, in the case of those ministerials that are held in Geneva, by the trade minister of the country whose ambassador is then serving as General Council chairman.²⁶

Two traditions dominate the selection of a General Council chairman. One is that the person who holds the post in any given year will normally be whoever chaired the Dispute Settlement Body (DSB) in the previous year. This is the only respect in which the WTO system replicates the Roman concept of the *cursus honorum*, or the sequence of offices that one is expected to follow in the path towards the highest post; there is no specific series of chairmanships that an ambassador should hold prior to becoming the DSB chairman. The practical result is that when members decide in one year who will chair the DSB they have effectively decided who, in the absence of some unanticipated development (e.g. if the ambassador were to be reassigned), will be the General Council chairman the next year. The second tradition is that there is a pair of regional rotations in offices, such that the General Council chairman will be from a developing country one year and from a developed country the next year, and in those years that the position is filled by a developing country diplomat there is a further rotation between the three developing regions. The sequence of General Council chairmen in the odd years from 1995 to 2011 was three cycles of Asia–Latin America–Africa, in the following order: Singapore–Brazil–Tanzania–Hong Kong, China–Uruguay–Kenya–Malaysia–Chile–Nigeria. The sequence began again in 2013 with a General Council chairman from Pakistan. In those same years, the DSB chairmanship was held by a developed country diplomat.

The General Council chairmanship is an unusual position that is in some respects like a bridge between the membership and the Secretariat. It is the only chairmanship that comes with an office in the WTO headquarters building, together with access to support staff. That is an innovation that dates to Mike Moore's tenure as director-general. He established this arrangement so that the leaders of the institution and the organization could remain in regular

communication with one another in those critical months preceding the launch of the Doha Round. Mr Moore's relationship with General Council Chairman Stuart Harbinson was especially close and productive. "We were seamless," he later observed. "I had his back and he had my back."²⁷ There were some in the secretariat staff who did not like this new development, as it violated their sense of the proper division between the legislative and executive branches of the institution. Mr Moore did not agree with that strict view of separation. "You've got to be able to walk into each other's office and bang the table and vent,"²⁸ he said.

The role of the General Council chairman varies according to the individual holding that position, the personality of the director-general, and the relationship between them. "The Director-General and the chairman of the General Council have to try to develop a sort of complementary relationship," according to Mr Harbinson, "so that one is doing things that the other is not doing."²⁹ The significance of the General Council chairmanship is in direct proportion to the importance of the issues being considered during his or her tenure. When negotiations are at critical phases, the General Council chairman may play a key role in moving them forward, helping to break deadlocks, advance solutions, and promote consensus, but in times when negotiations are slowed or stalled the duties are commensurately diminished. The General Council chairman also acts as a communications medium, conveying messages between the members and the Secretariat. Sometimes that involves acting as a trouble-shooter or even mediating personality disputes. General Council chairmen have also suggested that they should speak for the WTO in external affairs, such as when it is represented at meetings of the G8 or the G20, but that honour is reserved for the director-general.

The WTO Agreement was silent about who would chair the ministerial conferences. Mr Ruggiero had hoped to exercise this power at the first ministerial in 1996, but the members instead reserved this prerogative for the trade minister of the host country. The actual division of labour between a conference chairman and a director-general can be finessed, however, as was the case at the Doha Ministerial Conference. Minister Yousef Hussain Kamal chaired the plenary sessions, which consisted primarily of formal speeches, but the real deal-making took place in the green room that Mr Moore ran. That arrangement saved the ministers "at least five hours of negotiating time, by allowing each minister to go out, say his piece to camera for the record, then get back down to business" (Moore, 2003: 128).

Like the chairmen of the regular WTO bodies, the ministerial conference chair is expected to focus on the needs of the organization and to demur on matters of parochial national interest. That may be too much to ask of a chairman who represents one of the major players, as was the case at the Seattle Ministerial Conference in 1999. Some members were concerned that Ambassador Charlene Barshefsky could not distinguish between the two responsibilities of representation and facilitation. This may have been not a personal failing as much as it was an error in the decision to bring the ministerial to a major country, and explains why the hosting of ministerials is another one of the tasks that the system prefers be assigned to mid-sized rather than large powers. Another recurring theme in the accounts of the ministerial conferences, especially those associated with the launch or the conduct of the Doha Round, is the sheer exhaustion from which the conference chairman will typically suffer. Acting as host to the world is

a demanding task in the best of times, and is made even more difficult when the chair is asked to put out figurative fires, mediate between hostile camps and make judgment calls about how the conference should be conducted and closed. That fact alone may help explain why the chairmen of the Seattle and Cancún ministerial conferences made some questionable decisions.

Leading the institution: directors-general and deputy directors-general

The director-general holds the most visible post in the WTO and is the most prominent trade policy-maker in the world. It can also be a thankless job. As Mr Moore put it, a director-general can quickly find that “you’re not a director nor are you a general.”³⁰ Sometimes the same members who expect the most from a director-general will be the least willing to cede more power to that office.

“A starting point for a discussion of the role of the DG,” Blackhurst (2012: 3790-91) observed, “is to note that the member countries have never provided the DGs with a specific job description.” Neither the Agreement Establishing the World Trade Organization nor any other document precisely lay out the functions and powers of the director-general. Article VI of that agreement provides that ministers “shall appoint the Director-General and adopt regulations setting out the powers, duties, conditions of service and term of office of the Director-General,” but apart from admonishing the director-general “not [to] seek or accept instructions from any government or any other authority external to the WTO” the agreement is silent. The regulations called for in that agreement have never been drafted, although the members did offer a few more clues about the ideal director-general when they described the qualifications for this post in the 2002 Procedures for the Appointment of Directors-General. This document states that “[i]n broad terms, candidates should have extensive experience in international relations, encompassing economic, trade and/or political experience; a firm commitment to the work and objectives of the WTO; proven leadership and managerial ability; and demonstrated communications skills.”³¹ The elevated status of the office can also be seen in the headquarters agreement, or more formally the Agreement between the World Trade Organization and the Swiss Confederation. This 1995 instrument provides (among other things) for the treatment that the host country extends to persons associated with the WTO. The agreement specifies that both the director-general (Article 30.1) and other senior officials (Article 31.1) “enjoy such privileges and immunities as are granted to diplomatic agents in accordance with international law and usage”, but further distinguishes the director-general by providing that he “shall enjoy such facilities as are granted to Heads of Missions” (Article 30.2).³²

The principal functions of the office have developed through tradition and practice, and sometimes through trial and error. “[I]n the real world the DG carves out his role,” Ambassador Julio Lacarte observed, “according to his charisma, professional strengths, ability to interpret governmental trends and interests, and personal relationship with the accredited ambassadors.”³³ That process is still underway.

Directors-general enjoyed long periods of service in GATT (see Annex 2, p. 599). Prior to the relatively short and unique career of Peter Sutherland, who served as the last director-general of GATT (1993-1994) and the first of the WTO (1995), the institution had just three heads. The most long-lived among them was Eric Wyndham-White (1948-1968).³⁴ Moving into Britain's Ministry of Economic Warfare not long after graduating from law school in 1938, he also participated in the ill-fated Havana Conference and, after the ITO failed to come into being, spent the rest of his career in the GATT Secretariat. He was followed by Olivier Long (1968-1980) and Arthur Dunkel (1980-1993), both of whom were Swiss. Mr Long was Switzerland's ambassador to the United Kingdom prior to becoming director-general; Mr Dunkel represented Switzerland in GATT and other economic institutions from 1971 until his appointment. The 46-year tenure of these three GATT heads spanned a period in which the world saw five popes, six secretaries-general of the United Nations, six German chancellors, ten US presidents, 11 British prime ministers and 19 Japanese prime ministers. The only major world figures who enjoyed greater job stability than GATT directors-general were royalty.³⁵

The tenures of WTO directors-general after Mr Sutherland have been much shorter. Renato Ruggiero (1995-1999), Mike Moore (1999-2002), Supachai Panitchpakdi (2002-2005), and Pascal Lamy (2005-2013) served an average of fewer than five years each, compared to an average of more than 15 years each for their GATT predecessors. The rules provide for a four-year term and eligibility for a second term, with "no expectation of automaticity in the reappointment,"³⁶ but only Mr Lamy managed to serve two full terms. Each of his predecessors saw the number or the length of their terms truncated by deals made in the selection process.

How directors-general are selected

One important difference between GATT and the WTO is the ease with which directors-general are chosen. The process in GATT was comparatively quiet, brief and infrequent. Starting with Mr Ruggiero's selection in 1994 to 1995, the recruitment process in the WTO has been elongated in time and deepened in controversy, sparking conflict among and between the major developed and developing countries. The resulting struggles undermined the authority of a figure who should be seen as an impartial manager, an honest broker and, in special moments, as a deal-maker.

Although they could not yet be sure of it, the contracting parties who chose the last director-general of the GATT were also choosing the first director-general of a new organization that they were about to create. The 1993 race began when Mr Dunkel was asked not to seek reappointment. Some negotiators felt that he had been unceremoniously sacked, in part because aspects of his 1991 draft had irritated both the European Community and the United States; others felt that he had become too married to his own draft, and was less capable of making the adjustments needed to do the deal. Brussels and Washington both favoured Mr Sutherland as a replacement (see Chapter 2), and after a brief contest with Mr Lacarte (see Box 14.2), Mr Sutherland had the job. He would hold the position for only 22 months, just four of them as WTO director-general.

Box 14.2. The recurring Latin campaign for director-general

A feature of every race for the director-general position from 1993 to 2013 is the candidacy of a Latin American or, starting in 1994, at least two candidates from that region.

Julio Lacarte ran against Peter Sutherland for the post of GATT director-general in 1993. When the time came for a vote, Mr Lacarte had concluded that Mr Sutherland held the majority, and "felt that it was the moment to respect the GATT tradition of electing DGs by unanimity and not through a vote."³⁹ Mr Lacarte therefore withdrew and supported Mr Sutherland after arranging for the appointment of a Latin American deputy director-general (see below).

The struggle over who would become the first full-term WTO director-general inaugurated the tradition by which two or more Latin American candidates vie for the position, and in the process they usually diminished the likelihood that either one of them would succeed. In 1994 to 1995, the two candidates were Rubens Ricupero, the former Brazilian ambassador to GATT who was then serving as Finance Minister, and President Carlos Salinas de Gortari of Mexico. The regional rivalry did not last long this time, as Mr Ricupero dropped out before Mr Salinas did.

There were no Latin nominees at the start of the 1998 to 1999 race, although for a time Canadian Trade Minister Sergio Marchi (see Biographical Appendix, p. 585) put forward Chilean Foreign Minister José Miguel Insulza as a compromise candidate. The US trade representative showed some interest in this idea, but the White House would not switch its support from Mike Moore. Mr Insulza would instead go on to serve as secretary general of the Organization of American States, beating out Mexican Foreign Minister Luis Ernesto Derbez for that job.

The Latin split returned with a harder edge in 2005. Two of the three candidates who unsuccessfully opposed Pascal Lamy, the European commissioner for trade, that year were Carlos Pérez del Castillo of Uruguay (see Biographical Appendix, p. 588) and Luiz Felipe de Seixas Corrêa of Brazil. Brazil was a leader among the Cancún-era G20, and while Uruguay's interests were congruent with this group's position on agricultural subsidies Mr Pérez del Castillo believed that he had to be even-handed as General Council chairman. His decision to keep Uruguay out of the G20 angered Brazilian Minister of Foreign Relations Celso Amorim, and Uruguayan officials believe Brazil's decision to put forward its own nominee late in the campaign was expressly intended to sabotage the candidacy of Mr Pérez del Castillo.

In 2013, when an unprecedented nine candidates ran for the position, fully one third of them were from Latin America. They included WTO Ambassador Roberto Azevêdo of Brazil, Costa Rican Minister of Foreign Trade Anabel González and former Mexican Secretary of Commerce and Industry Herminio Blanco. The third and final round of consultations in that race came down to a contest between Mr Azevêdo and Mr Blanco, with Mr Azevêdo emerging as the sixth director-general of the WTO.

The first race for a full-term director-general to the new organization began even before the WTO came into being. By the end of 1994, the race had become a three-way contest in which each candidate had the backing of a bloc: President Carlos Salinas de Gortari of Mexico had the support of the United States and Latin America, Japan and most Asian countries favoured Trade Minister Kim Chulsu (see Biographical Appendix, p. 582) of the

Republic of Korea, and the European Community, together with the African, Caribbean and Pacific countries, backed former Italian Minister of Foreign Trade Renato Ruggiero. The manoeuvring was well under way in the final weeks of 1994, and lasted into the first quarter of 1995. It is difficult to know what might have happened if Mexico did not then descend into an economic crisis. That development, coupled with a scandal that led to the arrest of his brother, prompted Mr Salinas to drop out of the race by the start of March. The United States eventually, and reluctantly, came around to supporting Mr Ruggiero. In a deal that the European Community reached with the Clinton administration, he was limited to a single, four-year term; it was also agreed that his successor would not be a European.

Another recurring issue that arose in the 1994 to 1995 race concerned the appropriate *curriculum vitae* for a director-general. During the GATT period, it was quite sufficient for the nominee to have been an ambassador or other mid-level official; in the WTO period the typical candidate has been either a sitting or former trade minister or, in a few cases, a former president or prime minister. That transition began with Mr Sutherland, who as EC competition commissioner had been of the same rank (although not the same position) as a trade minister. Mr Salinas was the first candidate to have been a head of government, but for some Geneva diplomats that was not a welcome innovation. "Ambassadors fear Salinas would be forever going over their heads direct to the heads of states and not working through the existing process," one of them told a journalist at the time. Characterizing the WTO as "a relatively informal agency," the ambassador said that Mr Salinas "wouldn't have the security, the entourage and the kind of office he is used to in the presidential palace in Mexico."³⁷

The next struggle began as Mr Ruggiero's tenure ended in 1999, with members promoting four competing candidacies. The two leading contenders were former New Zealand Prime Minister Mike Moore and former Thai Deputy Prime Minister Supachai Panitchpakdi. This race was more ideological, extended and bitter than the one before it, with Mr Moore being associated with labour and Mr Supachai being supported by the Like-Minded Group. The other candidates included a former Canadian Trade Minister, Roy MacLaren, and a Moroccan trade envoy, Hassan Abouyoub. The European Community was split: while Mr Abouyoub had the support of France and the African countries, the United Kingdom joined Australia, Japan, Malaysia and Kenya in supporting Mr Supachai. The United States was initially non-committal,³⁸ but eventually gave its backing to Mr Moore because of his support for a trade-labour link. When Mr Abouyoub's candidacy faded, several of his key supporters went over to Mr Moore's camp. Matters then settled into a stalemate. Mr Moore may have enjoyed a very narrow lead, but this could not be confirmed without breaking the general taboo against formal voting in the WTO.

The extended contest that year damaged the institution, the victor, and the prospects for a new round in the near term. Mr Ruggiero left office on 1 May 1999, and for the next five months David Hartridge led the institution as officer in charge. The vacancy was "both tragedy and farce," in the words of *The Economist* (1999), which observed that the stalemate was "hampering preparations for a big WTO summit in Seattle in November" and added to the "growing risk that the Seattle summit will be a failure." The publication joined in the brief rally behind Chilean Foreign Minister José Miguel Insulza (see Box 14.2).

The compromise came in a proposal that Thai Foreign Minister Surin Pitsuwan made to US Secretary of State Madeleine Albright in mid-June (Blustein, 2009: 63-64). This deal gave Mr Moore the position from 1999 to 2002, and Mr Supachai would be director-general from 2002 to 2005. The solution of non-renewable, three-year terms might appear Solomonic in purely mathematical terms, but from an institutional perspective the results were far from ideal. Mr Moore took office just weeks before the Seattle Ministerial Conference, and the sore feelings from the selection process did not heal in that brief interim. "There was a continuous attitude between the selection of the DG and the preparations for Seattle,"⁴⁰ Deputy Director-General Rodriguez remembered, with the LMG members, in particular, raising many objections along the way. The only advantage that this process gave Mr Moore, and a very slim one at that, was that being denied the option of seeking re-election gave him a certain sense of freedom.

Director-general selections after 1999

The extended and self-defeating recruitment struggles of 1994 to 1995, and especially 1998 to 1999, inspired members to adopt in 2002 the Procedures for the Appointment of Directors-General. These rules provide for a more formal process that is less likely to result in a stalemate. The process is conducted by the chairman of the General Council in consultation with members, assisted by the chairs of the Dispute Settlement Body and the Trade Policy Review Body. The procedures direct these three facilitators to "encourage and facilitate the building of consensus among Members, and assist them in moving from the initial field of candidates to a final decision on appointment,"⁴¹ but also allow for the possibility of a vote in the event of a deadlock.

Sergio Marchi, who had moved in 1999 from being the Canadian trade minister to WTO ambassador, made the development of these selection procedures a top priority during his stint as chairman of the General Council in 2002. Knowing that it would be three years before a new selection process would begin, and hence there were no declared or even anticipated candidates yet whose standing might be helped or hindered by any specific set of rules, Mr Marchi believed this was the ideal time to pursue a reform. He spent much of his tenure devising and winning approval for a new set of procedures. Among the issues that proved difficult were adapting these rules to the tradition of rotation between developed and developing countries and the even longer and stronger tradition by which members avoid voting. He resolved the first problem by leaving the decision to the membership in any given campaign and handled the second one by falling back on the GATT/WTO tradition of constructive ambiguity.

The procedures specify that the appointment process begins nine months prior to the expiry of the incumbent's term and is intended to last six months, thus allowing a three-month transition period. The schedule contemplates one month for nominations "submitted by Members only, and in respect of their own nationals" followed by three months in which the candidates may campaign for the post (which is more diplomatically described in the procedures as "mak[ing] themselves known to Members" and "engag[ing] in discussions on

the pertinent issues facing the Organization”). During this period, candidates will appear before the General Council “to make a brief presentation, including their vision for the WTO, to be followed by a question-and-answer period.” They make direct appeals by visiting ambassadors in their missions and trade ministers in their capitals, and will also present themselves in other settings such as the World Economic Forum meetings in Davos.

There then follows a process that might be described as voting without votes. The three facilitators will consult all members one-by-one in a series of confessionals to “assess their preferences and the breadth of support for each candidate,” the aim being “to identify the candidate around whom consensus can be built.” The outcome of these consultations are to be reported to the membership at each stage, and “the candidate or candidates least likely to attract consensus shall withdraw” (with the number of withdrawals at each stage to “be determined according to the initial number of candidates, and made known in advance”). The field is thus narrowed in successive stages as the members seek to build consensus around one candidate. At the end of this process the facilitators “submit the name of the candidate most likely to attract consensus and recommend his or her appointment by the General Council.”⁴²

One of the chairmen who served on this selection panel in 2005 described the experience. These three facilitators met together in the office of the General Council chairman with each of the WTO ambassadors in turn, in an order determined by a sign-up sheet, and sounded them out on their preferences for the position. Some of the ambassadors would state their views very directly, either emphasizing the one candidate whom they strongly favoured or presenting a hierarchical list, while others would speak in diplomatic circumlocutions; that would then require the three chairs to confer as to what they believed they had actually been told. The facilitators then processed the information they received in order to determine the breadth of support for each candidate. That estimation of the breadth of support was not simply a matter of adding up votes, but was a qualitative assessment that took into account “the distribution of preferences across geographic regions and among the categories of Members generally recognized in WTO provisions: that is, [least-developed countries], developing countries and developed countries.”⁴³ Once the members of this troika had heard from all of their peers they would conclude which candidate had the least support, approach that person with an implicit or (if necessary) explicit suggestion to withdraw, and then start all over with the now-reduced slate. There being four candidates in 2005, they had to go through this process three times with the full membership.

This method is a more formal version of the approach that was taken in the very first race for director-general. In the 1994 to 1995 process, it fell to Chairman András Szepesi (Hungary) of the GATT Contracting Parties to canvass the other delegations. The first difference comes in the expansion of the review body from one to three persons, thus eliminating any concerns that the individual in question may have misread or even misrepresented the actual breakdown of members' positions (as some would allege was the case in the 1999 race). In the 1994 to 1995 episode, it was hoped that the two candidates with the least support would graciously withdraw once Mr Szepesi found that one candidate had built a commanding lead. That first selection

process dragged on several months longer than would be ideal, however, with the most intense phase lasting about five months. Things only got worse in the next race, and if that same process remained the sole means of selecting a director-general, it could happen again. The second and more significant innovation in the procedures was therefore to provide for a Plan B option in which the members will resort to voting if a consensus candidate does not emerge. In the event that “it has not been possible for the General Council to take a decision by consensus by the deadline,” according to the procedures, then “Members should consider the possibility of recourse to a vote as a last resort by a procedure to be determined at that time.”⁴⁴ This was Mr Marchi’s constructive ambiguity at work, leaving unsaid whether that voting would require a simple or a super-majority, whether it would be on a one-member, one-vote basis or in some form of weighted voting, among other options.

The procedures got their first try-out in 2005, when four candidates competed for the post. That process went much more smoothly than had the two prior contests, and was all over by 26 May. No vote was required. That gave Director-General-elect Pascal Lamy three months to make an equally smooth transition into office, including the selection of his deputy directors-general. Mr Lamy ran unopposed for a second term in 2009. When the campaign for his successor began at the end of 2012, it attracted an unprecedented nine candidates, including three Latin American candidates, two Africans and contenders from Indonesia, Jordan, the Republic of Korea and New Zealand. It would be impractical to go through the full process of consultations with the membership in eight successive rounds, so the three facilitators decided in this race to eliminate four candidates in a first round and three candidates in the second round, keeping the full process down to three rounds of consultations.⁴⁵

Leadership styles of the directors-general

Each director-general is unique, taking a different approach to defining the role of the office and the style by which he will pursue his goals. To simplify, one might identify four general approaches: leadership-by-trust, knocking heads, gentle persuasion and institution-building. While most directors-general have engaged in each of these styles to one degree or another, they can be associated principally with one exemplar among the directors-general. They are presented below in chronological order.

Leadership-by-trust was practised more in the GATT era than in the WTO period, and fit well with that smaller and more homogeneous system. Eric Wyndham-White may be cited as the principal practitioner of leadership that is exercised through the trust that the community places in the director-general. That style is illustrated by one incident related by Mr Lacarte, who described how Mr Wyndham-White resolved “a very big argument” among the contracting parties:

Nobody could agree on anything on this particular issue, opinions were sharply divided and a new meeting was called to try to find a solution. At the beginning of

the meeting, Wyndham White patted his pocket and he said 'I've got the solution right here.' Everybody clamoured 'Well go on, say it.' And he replied 'I'll say it, provided you agree beforehand you'll accept it.' Without dissent, everybody complied with his condition. He pulled out the piece of paper, read it, and that was the end of the problem (Lacarte, 2011: 15).

This approach to leadership depends as much on the willingness of the community to be so led as it does on the ability of the director-general to provide that leadership. In the final years of GATT, that willingness could be attributed in no small measure to the enforcement of norms by EC Ambassador Paul Tran (see Biographical Appendix, p. 595), who was famous for instructing all incoming ambassadors on the commandments (see Box 14.3). Their exact content varied somewhat from time to time, but one item that they always included was the injunction that the ambassadors must honour the director-general. That is a custom that has been honoured at least as much in the breach as in the observance in the years since Mr Sutherland left the WTO in 1995 and Mr Tran retired in 1994.

Box 14.3. The “Ten Commandments” of the GATT and WTO

Paul Trân Van-Thinh, also known to his colleagues as Paul Tran, served as the European Community's ambassador to the GATT from 1979 to 1994. He famously instructed all newly appointed ambassadors to the GATT on what he deemed the Ten Commandments. At his farewell speech on 26 January 1994, he updated these commandments to cover the new organization that he helped to bring into being.

1. Thou shalt do nothing to endanger the Lord thy GATT/WTO, for which there is no alternative and without which there shall be no salvation.
2. Thou shalt not discriminate, creating free trade areas and customs unions only in strict accordance with the laws of the Lord thy GATT/WTO.
3. Thou shalt tariffy thy trade barriers, bind them and reduce them progressively, yea until no more shall remain.
4. Thou shalt ensure fair conditions of competition both on thy domestic market and on the world market.
5. Thou shalt administer thy trade policies transparently, in the full light of the day.
6. Thou shalt grant special and differential treatment to developing countries so long as they remain so.
7. Thou shalt strive to extend the domain of the Lord thy GATT/WTO even until it shall encompass relations between trade and environment.
8. Thou shalt be tolerant and loyal to others in all circumstances, even in negotiations.
9. Thou shalt do nothing to politicize the work of the organization for, in order that it may live and flourish, it must not fall into the ways of the United Nations.
10. Thou shalt commit no disrespect towards the Director-General for thou shouldst honour thy shepherd even as thou honorest the Chairman of the General Council and the myriad other officers of the Organization.

The GATT community of the early 1990s was still prepared to give some degree of deference to the director-general in helping to move beyond an impasse, as demonstrated by the evolution of the Dunkel Draft into the final deal, but one cannot imagine them approving something of that magnitude sight unseen. Even when they took Mr Dunkel's 1991 draft as a new point of departure, it still required three more years of negotiations to transform it into a final deal. The key players decided over the course of those talks that they needed new blood in the office of the director-general. The trading community still places trust in the director-general in the WTO era, as demonstrated by the leading members' willingness to use the one-page "Lamy Draft" of mid-2008 as the starting point for what might have been the endgame of the Doha Round (see Chapter 12). Those negotiations ultimately collapsed, although their failure can be attributed more to the fundamental inability of members to bridge their differences than to failings in the draft itself. For our present purpose what matters most is that the key players were still willing to let a director-general advance a solution.

Mr Sutherland, who picked up the Uruguay Round where the Dunkel Draft left off, exemplified an altogether different approach to leadership. The imagery that diplomats from that time employ to describe his style typically invokes knocking heads or putting on hobnail boots. That approach was already described in Chapter 2, and another example of the Sutherland style is offered in the next section. Mr Sutherland was not the last director-general to take an assertive approach to the job, but when his successors pushed they sometimes found a membership more willing to push back. Mr Lamy, for example, acknowledged that many members of the WTO believed he had been "too direct a leader, too pushy, too voluntary, and that we need a DG that's more subtle."⁴⁶

If the Sutherland style defines one end of the spectrum from passivity to activism, that of Director-General Supachai Panitchpakdi defines the other. "When they criticized me for some of the work I've done," Mr Supachai would later recall, "they said, 'You don't knock heads.'" For him this was "a very barbaric way of doing negotiations." The role of a director-general is defined not just by what the members expect of the director-general, but also by what the director-general expects of the members, and cultural traditions as well as academic training had instilled in Mr Supachai a belief in the harmony of members' interests. He saw his role as encouraging them to act on their shared interests in order to open markets. Rather than knocking heads, he was instead –

in favour of preparing the negotiation as well as possible, having people talking to me, talking to each other, going to the depth of issues to see what it is really that you want, and can I then put up a package so that you can really be satisfied with it. Not to say that, "I'm giving away something" or "I'm taking this".⁴⁷

He could not reconcile himself to the idea that ambassadors might be looking out only for the interests of their own countries. Mr Supachai's approach was to see negotiations as "a collective exercise" in which "we all are trying to create something for the world," rejecting the notion that countries might have offensive and defensive interests.⁴⁸ That made him something of an herbivore in a system that the carnivores had long dominated.

Where Mr Sutherland vested great authority in the director-general, and Mr Supachai left the initiative to the organization and its members, an alternative would rely on the institution and the expertise of the Secretariat. Mr Lamy, who grew up in a system where the states of Europe entrusted ever-greater authority in a sequence of regional institutions, would naturally see in the European Union a model for a global institution such as the WTO. He also saw how the members of other international organizations left greater initiative to their secretariats. Those institutions relied less on the initiatives of members *per se* and more on impartial experts to develop solutions and to draft texts. “The role of the DG,” he would conclude, “is to grow the stable part of the system, which is the institution.”⁴⁹ When Mr Lamy took office he saw three aspects of WTO decision-making that hobbled the legislative function, namely the single undertaking, the rule of consensus, and the bottom-up (i.e. member-driven) process of negotiations, but concluded that the third was the most troublesome. He thus set out to strengthen the capacity and role of the institution, hoping to reform the process by de-emphasizing the member-driven organization and promoting the ability of the institution to drive the members.

Mr Lamy's leadership style thus placed a high priority on building the capacity of the institution, and through that institution the capacities of its members. The institution has important tasks to perform even when the organization is not actively engaged in negotiations, from the administration of the existing agreements to the adjudication of disputes over their meaning and application. One clear example of his enhancement of the institution's authority came in the monitoring programme that the WTO adopted during the financial crisis of 2009, a step that built the capacity of the institution to enforce not just the letter but also the spirit of agreements by encouraging peer pressure and discouraging backsliding (see Chapter 8). Mr Lamy also stressed the need to bring the entirety of the Secretariat under one roof, and (as discussed below) shelved plans for a second building in favour of an expansion of the existing headquarters. Other initiatives that he undertook enhanced the capacities of the institution to conduct and disseminate research and to make data and analysis available not just to members but to civil society. His attention to the WTO budget and the problem of arrearages also fits this pattern. Having begun his career in public service as a tax inspector, Mr Lamy took it upon himself to call ministers or even presidents and prime ministers to ensure that their dues got paid. As discussed later in this chapter, this approach reduced the magnitude of the arrearages and put the institution on a more stable financial footing. He also reformed the budget process to allocate resources according to functions. These steps fall short of transforming the WTO from a member-driven organization to an institution that has both the capacity and the mandate to drive the debate, but they move the WTO in that direction.

The multiple levels of directors-general dealings with members

All directors-general deal directly with members, but not necessarily in the same ways and at the same level. This was done in the GATT period almost exclusively through ambassadors; ministers were so rarely involved in negotiations and decision-making that encouraging their greater participation was one of the principal aims of the Uruguay Round negotiations on the Functioning of the GATT System (see Chapter 2). John Weekes had a meeting with Mr Dunkel to present his credentials when he was first appointed as Canada's ambassador to GATT, and

there the director-general told him that “his most important relationship with the contracting parties was through the permanent representatives in Geneva because these were the people whom their governments had appointed to work on GATT matters all the time,” Mr Weekes recalled. “His second and distinct relationship with the contracting parties was with senior officials in capitals, and the third was with people at the political level.”⁵⁰ Although Mr Dunkel was prepared to operate at all three levels, he was most comfortable in dealing with the ambassadors, and rarely dealt with heads of government.

Compared to their GATT predecessors, WTO directors-general feel less constrained about “going over the heads” of the Geneva diplomatic corps in direct appeals to ministers and, on occasion, to the very top. That is an innovation that dates to the Sutherland administration but has continued, to varying degrees, with each of his successors. From Mr Sutherland’s first day in office, he was meeting with UK Prime Minister John Major, and he would soon meet with all of the G7 leaders except US President Bill Clinton. The objective was not to negotiate directly with these heads of government or to ask that they change the instructions to their negotiators, but instead to raise awareness and to set up the lines of communication that Mr Sutherland might later need to activate – or threaten to activate – when dealing with the ambassadors. He usually made sure that the ambassadors were present when he met with the chiefs, and in those cases where (at the insistence of the president or prime minister) the ambassador was excluded the director-general made sure to keep the ambassadors informed as to what transpired in the meeting. When tactically necessary, however, Mr Sutherland was prepared to treat ambassadors more roughly.

One episode at the very end of the Uruguay Round illustrates the approach that Mr Sutherland took. Ambassador Minoru Endo of Japan approached Mr Sutherland to tell him that he could not give his consent to the anti-dumping language that had been gavelled the night before in the green room. Mr Endo’s earlier approval was based on acceptance of the language by one of the interested Japanese ministries, but now another ministry was raising objections. Mr Sutherland decided to play the capital card, asking the ambassador to give him the prime minister’s telephone number. The ambassador said that he did not have the number, “so I was stumped for a second,” the director-general later recalled. With that manoeuvre blocked, he fell back instead on a Geneva gambit. “Do you know what I’m going to do now?” he asked the ambassador:

I’m going to go into the Trade Negotiations Committee, and I’m going to say that last night at three in the morning we agreed the anti-dumping text. And I’m going to say, “Does anybody want to raise their hand and object to it?” And if anybody raises their hand and objects to it, I’m going to say, “Well that does it, we can’t conclude the round.”

Mr Sutherland did as he said he would, although he could not be certain just how the ambassador would respond. "And I looked straight down at him, and he didn't move." *Bang!* went Mr Sutherland's gavel, who "knew we had it then," and that the round was over.⁵¹

Dealing with the ambassadors while retaining the authority to go over their heads is "a delicate balancing act," as Blackhurst (2012: 3856) observed, "that some DGs have been better at than others." Ambassadors may object to this tactic on two levels, not just resenting this form of pressure but also objecting that ministers lack the necessary time and expertise to resolve difficult matters. "Negotiations are more likely to succeed if you leave only simple things for ministers to decide at the end," according to Chilean Ambassador Mario Matus. "They need to be given binary choices."⁵² Tim Groser of New Zealand, who served both as ambassador to the WTO and then as trade minister, concurs on the need to calibrate decisions to the proper level. In his view it is absurd to hear highly experienced negotiators say "[w]e need some political guidance from our ministers," but then when "the ministers come to town they read out a speech that's been written for them by the people who claim that they need political guidance." Mr Groser once chaired a meeting with the trade and agricultural ministers from the five largest members, "and they were being asked to define a formula for converting non-*ad valorem* tariffs into *ad valorem* equivalents." Questioning whether "any of them even understood what the question was, let alone what the answer was," he argues that ministers need to be given a basis for making the decisions that are presented to them. "They've got to be shown the political choice, the judgment, the trade-off that they are making, and if they can't see that they can't take a decision."⁵³ The director-general is the one policy-maker who needs to be able to work at both the technical and political levels.

The deputy directors-general and the chefs de cabinet

The principal task of deputy directors-general is to assist the director-general in any capacities that they may be assigned, including advisor and trouble-shooter, and in helping the director-general to understand the interests and sensitivities of the regions and countries from which they come (see Annex 2, p. 599). They also administer those areas that fall within their responsibility, as assigned by the director-general, exercising authority over the directors of divisions in their respective areas. In the administration of Mr Lamy, for example, one deputy director-general was assigned the divisions dealing with accessions, economic research and statistics, legal affairs and rules; another to development, technical cooperation and trade policy reviews; yet another to agriculture and commodities, trade and environment and services; and one to market access, information technology solutions, intellectual property, administration and general services, and languages documentation and information management.⁵⁴ Beyond those formal lines of command, individual deputy directors-general also take the lead in those areas in which they have special expertise. We have already seen, for example, how in the Lamy administration Deputy Director-General Valentine Sendanyoye Rugwabiza promoted Aid for Trade (see Chapter 5), just as Deputy Director-General Alejandro Jara led the eponymous Jara Process of reform in the dispute settlement system (see Chapter 7). In that same administration, Deputy Director-General Harsha Vardhana Singh (see Biographical Appendix, p. 593) bore much of the responsibility for dealing with other international organizations and ensuring coherence in the

area of food security (see Chapter 5), and Deputy Director-General Rufus Yerxa led the project to renovate and expand the WTO headquarters building (see below).

One fairly steady trend across both the GATT and WTO periods has been a growth in the total number of deputy directors-general. While there was only one such position from 1947 to 1967,⁵⁵ and the post actually lay vacant in the years between the endgame of the Kennedy Round and the start of the Tokyo Round, it doubled to two deputy directors-general from 1973 to 1993. Mr Sutherland created a third position during his transitional term from GATT to the WTO, and Mr Ruggiero increased it to four. The rising number of deputy directors-general is disturbing to some old hands, for whom both the proliferation of positions and the notion of regional representation are unwelcome. Traditionalists prefer to see the deputy director-general as a highly qualified civil servant whose only affiliation with any country or region should be seen as an accident of birth, and who places the needs of the institution ahead of any other consideration.

As was discussed earlier in this chapter, these positions tend to be filled primarily by the citizens of larger countries. From the GATT period, it has been traditional for one of the deputy directors-general to be a US citizen, six of whom served as such in GATT or the WTO up to the end of 2012.⁵⁶ India has contributed three deputy directors-general across both periods.⁵⁷ The division of labour in the latter half of the GATT period generally assigned administrative matters to one deputy director-general (typically the one from the United States) and negotiations to the other. Most terms have run concurrently with those of the director-general who selected them, but that is not a hard and fast rule. Madan Mathur of India served from 1973 to 1991 under the Long and Dunkel administrations, Mr Ruggiero kept on the three whom Mr Sutherland selected, and Mr Yerxa of the United States served under both the Supachai and Lamy administrations. Mr Yerxa holds the record for longevity in the WTO period, having served for 11 years, but that falls well short of Mr Mathur's 18-year run. Ironically, the briefest tenure as deputy director-general was that of Mr Lacarte (1947-1948), a man whose longevity as a leader in the trade policy community is never likely to be bested.

Mr Lacarte was also responsible for restoring the tradition of a "Latin seat" among the deputy directors-general. This dates to his manoeuvring in the 1993 race with Mr Sutherland to replace Mr Dunkel. When Mr Lacarte had decided to withdraw from the race –

I spoke to Swiss Ambassador William Rossier [see Biographical Appendix, p. 591], who was managing Peter's campaign, and told him I would withdraw provided it was agreed there would be a new post of DDG for Latin America. William immediately interpreted I wanted that new position for myself, so I told him I was a candidate for DG, but not for DDG, and that the Mexican Ambassador Seade would be a good choice. In a few minutes William came back with agreement from his group, and we all voted for Peter Sutherland.⁵⁸

Ever since then one of the deputy directors-general has been from a Latin American country, with these positions having been filled by diplomats from Brazil, Chile, Mexico and the Bolivarian State of Venezuela. The other director-general and deputy director-general

positions have followed a fairly predictable geographic pattern in every administration since that of Mr Ruggiero, with one from the United States, one from a European country (France, Ireland and Italy), and at least one from another developing country (Burkina Faso, India, Kenya, the Republic of Korea, Rwanda and Thailand). The only person who did not fit neatly into this regional distribution was Mr Moore of New Zealand.

The deputy director-general selection process in the WTO period remains identical to the GATT tradition in one respect – the director-general has the final say – but also underwent important changes. What had once been a process in which candidates campaigned for the position, or (as illustrated in the anecdote above) engaged in horse-trading, became one in which applicants interview for a job. This change can be illustrated with the experiences of two men who sat in the Latin seat. Miguel Rodriguez Mendoza, who held this position during the Moore administration, was not actually the candidate of his own country. The Bolivarian Republic of Venezuela had then undergone a change in government and was en route to further constitutional evolution, and Mr Rodriguez – who had negotiated for the country's accession to GATT – was seen in Caracas as too closely associated with the previous government. He was nonetheless the favoured candidate of Latin American capitals other than Caracas and Havana, and was also supported by Washington (which had earlier promoted Moore's candidacy). The Venezuelan government eventually relented and joined in backing the Rodriguez candidacy. When he was called in to have a meeting with Mr Moore, that job interview turned out to be little more than one question: "When can you start?" Within minutes the newly appointed deputy director-general was chairing a preparatory committee for the impending Seattle Ministerial Conference.

The incoming Lamy administration had changed the process entirely by the time that Alejandro Jara took the Latin seat. During the period that Mr Lamy was the director-general-designate, he issued an announcement that the four deputy directors-general positions would be filled through an open application process, inviting applicants to submit their names to the director of the WTO Human Resources Division by 10 July 2005. Although an experienced and well-connected diplomat who was then serving as the Chilean ambassador, Mr Jara did not know about the process until a friend of the family told him she had seen it posted on the WTO webpage. The announcement noted that the selection would "take into account the need to ensure adequate gender and geographical balance,"⁵⁹ meaning that there was every reason to expect that one seat would be reserved for Latin America. Mr Jara was one of several Latin American candidates who interviewed for the job; among the others were Elbio Rosseli of Uruguay (then serving as ambassador to Belgium and Luxembourg) and Esperanza Durán of Mexico (then the executive director of the Agency for International Trade Information and Cooperation). Mr Lamy announced his selection of Mr Jara and the three other deputy directors-general on 29 July, thus giving them two full months to make the transition before their terms began on 1 October.

The switch in the process of appointing the deputy directors-general had the effect of enhancing the independence of the director-general vis-à-vis the members. The growing number of deputy positions, coupled with the closer association between these deputies and their regions, had created an environment in which some might question whether a given individual felt a greater sense of loyalty to the institution as a whole (as personified in the

director-general) or to the members and regions that had supported them for the position. Such questions seem less pertinent when the hiring decision is dissociated from campaigning and bargaining, and is more clearly the choice of the director-general.

Another change Mr Lamy made in the administrative machinery of the WTO came in the transformation of the *chef de cabinet* (or chief of staff) position. The job was largely that of speech-writer and facilitator during the GATT period, acting more like a principal private secretary to a minister than as an administrator, policy-maker or negotiator. It was usually filled by experienced Secretariat personnel, who either had already or would soon serve as director of one of the divisions. That description also applies to some who filled this post in the WTO period, such as Evan Rogerson (who held the job in the Ruggiero administration; see Biographical Appendix, p. 591) as well as Patrick Low and Patrick Rata (both in the Moore administration; see Biographical Appendix, pp. 584 and 589). Starting with the endgame of the Uruguay Round, however, the job description and its qualifications have become more elastic, being redefined by successive directors-general and their *chefs de cabinet*.

Mr Sutherland introduced a new style when he brought Richard O'Toole along with him to serve in this post. Mr O'Toole, who also held the title of assistant director-general, played a key role in Mr Sutherland's campaign to conclude and then secure passage of the results of the Uruguay Round. Like Mr Sutherland, he came from outside the trade community and left WTO service after the job was done. Two other people who held this job also broke out of the established mould. One was Stuart Harbinson, who moved into it laterally from his post as permanent representative⁶⁰ for Hong Kong, China. He came into this position with extensive experience, having chaired a long succession of WTO bodies before serving as chairman of the General Council in the pivotal year of 2001. It was a matter of some controversy when, during Mr Harbinson's service as chief of staff to Director-General Supachai (2002-2005), he continued to chair the agricultural negotiations. This put him in the unique position of being, together with the director-general (who traditionally chairs the Trade Negotiations Committee), one of only two WTO chairmen who did not represent a member. Mr Harbinson stayed on to be special adviser to Mr Lamy from 2005 to 2007. Arancha González, who held this position throughout the Lamy administration, also departed from the usual pattern of a *chef de cabinet*. Like Mr O'Toole, she came to the WTO along with her boss, although in her case she already had experience in trade negotiations. Ms González had participated in several EC negotiations from 1996 onward, and was an advisor to Mr Lamy when he was the EC trade commissioner (2002-2004). Ms González established her own style, and one in which the director-general lodged considerably more authority than had most of his predecessors.

The Secretariat

Steger and Shpilkovskaya (2009: 145) characterized the WTO staff as "probably the leanest secretariat of any international organization." With 677 staff in 2012, the WTO was less than one third as large as the Organisation for Economic Co-operation and Development (OECD) or the International Monetary Fund (IMF), about one fifth the size of the International Labour Organization (ILO), and less than one tenth as big as the World Health Organization. The WTO Secretariat was nevertheless larger than the 420-person United Nations Conference on

Trade and Development (UNCTAD).⁶¹ Members are universal in their praise for the knowledge and technical expertise of these staffers. The days are long past when members would joke that the functions of the Secretariat should be limited to booking the rooms and making the coffee. There nevertheless remains a recurring concern on the part of some delegations that if the Secretariat staff were given too much leeway they might become something like, depending on one's cultural reference point, the Praetorian Guard of ancient Rome or the palace eunuchs of the Forbidden City. This is partly a left-handed compliment, reflecting the views that knowledge is power and the Secretariat is collectively more knowledgeable about the issues than are most members, but it is also an expression of some members' concern that a proper balance must be maintained between the authority of the members and the powers they grant to the institution. No member is prepared to delegate sovereignty to an international organization, and certainly not to its staff. In the same way that the membership views with caution any proposals that might enhance the power of the director-general, so too do they scrutinize any proposals to expand the budget, staffing or mandates of the Secretariat as a whole. If the Secretariat is lean, that is because the members want to keep it that way.

These concerns notwithstanding, members rely greatly on the Secretariat for information, analysis and guidance. "The most successful members of the Secretariat are the ones that know how to whisper the right piece of advice in the right ear at the right moment," according to US negotiator Dave Shark, and are those who "know just how to facilitate bringing people together."⁶² Their ability to perform that function depends critically not just upon the staffer's substantive knowledge but also their personal credibility and the discretion to know where to draw the line. The key to the relationship, in the words of one prominent delegate-turned-staffer, is –

that they trust you, they can come to you with their secrets, and they know that you will deal with it professionally in a way that does not compromise them. And it's very important that they also realize that professionally you know the parameters of what you're offering them. You're offering them advice on substance, on the legalities of what they're trying to do, on the background and the institutional history behind it. You're helping them decide on what they want and helping them do what they want. But you don't have an agenda yourself. You're not trying to tell them what's good for them. That's their job. I don't make policy choices for you. I give you advice on what needs to be considered in order to make informed choices and how to organize a negotiation.⁶³

One function of the Secretariat that merits special attention is its research and statistics. The statistical services are indispensable in helping members understand the meaning of proposed deals, backstopping the Trade Policies Review Division in the preparation of its reports and generally providing an empirical basis by which the members, the Secretariat and the outside world can gauge the place and direction of the trading system. Research is a more complex matter, both substantively and politically. The research staff of the WTO is very small by comparison with its counterparts in other organizations. Many of the 2,500 people who work at the OECD are devoted to research, for example, where the Trade and Agriculture Directorate alone had a staff of 120 in 2012. Only ten people work on research in the WTO, barely up from the six or seven in

1997. As in the case of the Secretariat as a whole, the size of the research staff reflects the members' preference for a lean institution with a limited mandate. It is also based on the concern that pure objectivity can be elusive, and that while facts and ideas are of paramount importance in this field, they might also be manipulated or "spun" for political purposes.

Directors-general have taken different approaches towards the use of statistics and studies, each according to their own styles of leadership and management. Mr Sutherland used the product of Richard Blackhurst's (see Biographical Appendix, p. 574) research as a selling point for the Uruguay Round, showing politicians and the press what the world might miss if it did not conclude these talks and open markets. Mr Supachai saw the research arm of the WTO as a means of promoting closer cooperation among the members. He instituted the annual *World Trade Report* because he thought "diplomats should be educated not [just] in the art of negotiation ... but in the economic sense of international trade," and "so that people will be as clear as possible actually what they need."⁶⁴ Mr Lamy worked to enhance the capacity of the institution to collect, analyse and disseminate statistical data and research, especially through online resources such as the Integrated Trade Intelligence Portal (as discussed in Chapter 15). He sees the flagship *World Trade Report* as "an excellent vehicle to share this wealth of knowledge and provide forward thinking to our stakeholders," being "ahead of the curve in looking at issues of importance for the future of global trade such as trade in natural resources and non-tariff measures."⁶⁵

Researchers in the WTO must operate within the limits of what the members will tolerate. "We have gotten more independence gradually over time in terms of what we can do," according to Patrick Low, "as long as we obey certain rules." The trick comes in not being excessively self-censoring, but still recognizing that "there are certain things that if you start getting involved in you will have a very adverse reaction which could inhibit your capacity to do anything." The research cannot be overtly critical of any particular country's policies, and "you shouldn't choose a topic which is in front of everyone's mind as a negotiating issue unless you are going to do that in a way to elucidate the issue rather than to say, 'This is the obvious answer.'"⁶⁶ The members do not like being told what they ought to do, but do appreciate data and analysis that help them to identify the nature of the current problems, the range of solutions that might be considered, and at least general indications of what the economic consequences might be of going down one path or another.

The staffing in the WTO and the GATT before it has grown in three phases. Figure 14.1 shows that the size of the Secretariat rose geometrically during the early GATT period, growing at an average rate of 14.7 per cent per year from 1952 to 1972; briefly declined in the period between the end of the Kennedy Round and the initiation of active negotiations in the Tokyo Round;⁶⁷ and then rose arithmetically during the late GATT and WTO periods, adding an average of about one new position per month from 1974 to 2012. The rate of growth did not change much in the transition from the GATT to the WTO. The range of issues dealt with in the new organization was wider than had been the case in its GATT predecessor, but, as discussed in Chapter 2, in some respects that transition and growth came in a gradual process throughout the Uruguay Round rather than as a sudden change upon its conclusion. The GATT Secretariat had already taken on some of the new responsibilities (e.g. preparing the trade policy review reports) and the new issues (e.g. intellectual property rights and trade in services) that would come to distinguish the WTO from its predecessor, so the growth in personnel remained incremental rather than radical.

Figure 14.1. Staffing levels in the GATT and WTO, 1952-2012

Source: Calculated from the Geneva Office cantonal de la statistique, *Enquête sur les organisations internationales* (various years).

The face of the Secretariat staff is not the same as it was in the GATT days. It is still the case that Europeans hold the majority of the posts, and that the higher positions tend to be held by men, but both of those points are changing. Women exercised greater authority in the Lamy administration than had been the case in past administrations, as demonstrated by the selection of Valentine Sendanyoye Rugwabiza as the first female deputy director-general and Arancha González as the first female *chef de cabinet*. As can be seen from the data in Table 14.3, women already held a majority of the positions as of 2000, and their share grew slightly by 2011. The rise in employment of women from developing countries is especially large, having almost doubled in absolute numbers from 2000 to 2011. That growth is more notable if one focuses only on the professional positions,⁶⁸ where the share of posts held by women rose from 30.2 per cent in 1994 to 47.3 per cent in 2011.⁶⁹ And while dispute settlement panels are part of the organization rather than the institution it is notable that there, too, one finds a growing role for women. Whereas just 6.8 per cent of the panellists appointed in 1996 to 1998 were women, by 2010 to 2012 the share had risen to 21.1 per cent.⁷⁰

The nationalities represented in the Secretariat have also changed. Mr Lamy pledged at the start of his second term to “adhere to the principles of expertise, merit and diversity,” noting that in his first term the WTO had “increased the number of nationalities of our staff” by “add[ing] eight new nationalities from developing and Least Developed Countries.”⁷¹ These years saw a decline in the share of staff coming from developed countries in general and from Europe in particular, though by 2011 developing countries still accounted for slightly less than one quarter of all personnel. One point that requires explanation is the very high and growing percentage of Secretariat staff whose nationality is French. It is normal for a large share of the staff in any international organization to be nationals of the host country, and in this case France might be considered something like an unofficial co-host. The border between France and Switzerland is only a short drive from the WTO headquarters, and many of the Secretariat

Table 14.3. WTO Secretariat staff by nationality and sex, 2000 and 2011

	2000				2011			
	Men	Women	Total	Share	Men	Women	Total	Share
Developed	195	246	441	82.6	210	299	509	75.2
Europe	159	216	375	70.2	175	263	438	64.7
<i>France</i>	63	68	131	24.5	80	108	188	27.8
<i>United Kingdom</i>	15	60	75	14.0	17	52	69	10.2
<i>Spain</i>	14	15	29	5.4	14	29	43	6.4
<i>Switzerland</i>	16	27	43	8.1	15	23	38	5.6
<i>Italy</i>	10	10	20	3.7	7	8	15	2.2
<i>Other Europe</i>	41	36	77	14.4	42	43	85	12.6
United States	8	15	23	4.3	10	19	29	4.3
Canada	17	8	25	4.7	16	8	24	3.5
Australia	5	5	10	1.9	5	5	10	1.5
Japan	2	1	3	0.6	2	2	4	0.6
New Zealand	4	1	5	0.9	2	2	4	0.6
Developing	57	36	93	17.4	98	70	168	24.8
Americas	23	19	42	7.9	44	28	72	10.6
<i>Colombia</i>	4	0	4	0.7	7	3	10	1.5
<i>Brazil</i>	1	3	4	0.7	6	3	9	1.3
<i>Argentina</i>	2	4	6	1.1	6	3	9	1.3
<i>Other Americas</i>	16	12	28	5.2	25	19	44	6.5
Asia	19	13	32	6.0	31	24	55	8.1
<i>India</i>	7	3	10	1.9	10	3	13	1.9
<i>Philippines</i>	2	4	6	1.1	6	5	11	1.6
<i>China</i>	0	0	0	0.0	4	6	10	1.5
<i>Other Asia</i>	10	6	16	3.0	11	10	21	3.1
Africa	15	4	19	3.6	23	18	41	6.1
Total	252	282	534	100.0	308	369	677	100.0
Share	47.2	52.8	100.0		45.5	54.5	100.0	

Sources: Calculated from the WTO annual reports of 2000 and 2012.

staff – French citizens as well as expatriates from many other countries – make that commute every working day.⁷² French citizens provide much of the support staff for the institution; Switzerland itself is only the fourth-largest source of Secretariat staff. Apart from those two, special cases, the countries with the largest numbers of citizens working in the WTO are (in descending order) the United Kingdom, Spain, the United States, Canada, Italy and India.

As was discussed in Chapter 5, during the GATT period the Secretariat was technically a part of the United Nations system. Those ties were then severed in the first years of the WTO period, with the Secretariat of the new organization having its own system of pay, benefits and pensions. There were disputes for a time between the staff and management over the level of pay, with WTO staffers insisting shortly after the new institution came into being that their compensation should be identical to that of the other Bretton Woods institutions (or what are called the “coordinated organizations” for budgetary purposes); the pay levels at the World Bank and the International Monetary Fund are significantly higher than they are in the UN system. These demands were settled by establishing a formula whereby the WTO pay-scale would be based 70 per cent on UN levels and 30 per cent on Bretton Woods levels.

Budget

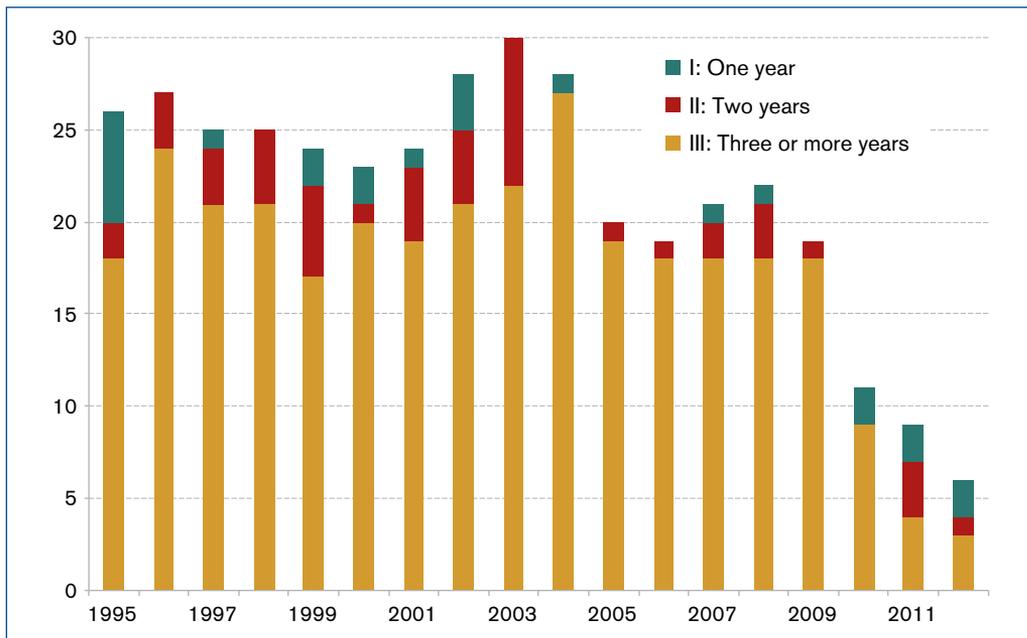
The budget of the WTO is many times the level of its GATT predecessor, but nonetheless remains well below those of most other international organizations. The GATT budget did not reach the US\$ 1 million level until 1961. It then rose to about US\$ 25 million by 1980 (by which time it was denominated in Swiss francs) and over US\$ 70 million in 1994.⁷³ From 2001 to 2011, the total WTO budget rose from Sfr 132.9 million to Sfr 194.3 million. In 2011, this institution was around half as costly as the administrative budget of the OECD and less than one tenth that of the World Bank.⁷⁴ The average annual increase in the WTO budget from 2001 to 2011 was 4.2 per cent. That increase was either higher or lower for some members, however, depending on their currencies. The foreign-exchange risk in this system is borne by the members rather than the institution, such that the amount of Swiss francs that a given member owes will be fixed each year but the figure may rise or fall in terms of dollars, euros, pesos, yen or other currencies. Certain special funds are treated differently; if a member pledges a contribution in its own currency to the Doha Development Agenda Global Trust Fund, the actual value received by that fund could change in response to the fluctuating value of the franc. Those fluctuations can sometimes be wild, as was the case in 2011, and whenever the value of the Swiss franc rises that can increase the real cost of members' contributions to the general budget, while also decreasing the real value of their contributions to the trust fund.

Members scrutinize the budget closely. The strictest "budget hawks" are naturally the ones that make the largest contributions, with the United States at the top of that list. The shares that each member contributes to the annual operating budget is established on the basis of that member's share of all trade of WTO members, calculated for the last three years for which data are available. The figures take into account trade in goods (excluding gold held as a store of value), services and intellectual property rights, as reported in IMF balance of payments statistics. See Appendix 14.1 for the contributions of members in 2001 and 2011. As of 2011, the eight largest members provided just under half of the budget. A minimum contribution of 0.03 per cent was originally applied to those members whose share of trade is less than 0.03 per cent; in 1999 this was halved to 0.015 per cent. The budget contributions from the EU member states come individually rather than as a group, and are calculated on the basis of their shares of total trade rather than the European Union's share of extra-EU trade. If trade within the European Union were excluded from the calculation, these 27 countries' collective contribution to the WTO budget would be much lower.

The accession of new members, especially those that account for large shares of trade, has relieved some of the budgetary burden on the incumbent members. In 2011, for example, China, the Kingdom of Saudi Arabia and Chinese Taipei together contributed 9.5 per cent of the total budget. As a consequence, most other members saw their contributions fall in relative terms, and to rise by less in absolute terms than would otherwise be the case. The only members whose share of the total budget increased from 2001 to 2011 were those whose share of global trade increased rapidly in the first decade of the twenty-first century; most countries fitting that description were smaller EU members, oil exporters and emerging economies such as India.

Some members fail to make their contributions. This is a problem inherited from the GATT period, when failure to pay the assessed contributions had become a common practice on the part of some contracting parties that were non-resident, had succeeded rather than acceded to GATT, or both. By the start of the WTO period in 1995, fully one fifth of the members were in arrears; one in ten members had failed to make their payments for more than three years. Figure 14.2 shows the number of members falling into each of three categories of arrearages, based on the length of the period in which they have failed to make their contributions. A sliding scale of penalties applies to these members according to the length of their non-payment. One of the consequences of being placed in Category I (an arrearage of one year), for example, is ineligibility for nomination to preside over WTO bodies. The penalties rise when a member moves into Category II (e.g. access to the members-only section of the WTO website is discontinued) and Category III (e.g. denial of access to most training or technical assistance and identification of a member's inactive status when its representatives take the floor in the General Council). The main improvement came in the Lamy administration, when the director-general made it a personal priority to ensure that all members paid their dues. The total number of members in arrears had peaked at 30 in 2003 (22 of them for three or more years), but declined thereafter to just six in 2012 (only three of them for three or more years). The financial impact of these arrearages on the institution is limited, insofar as most of the members with persistent difficulties in making their payments owe the minimum amount assessed on any member (i.e. 0.015 per cent of the total), but budget officials and other members nonetheless consider it important as a matter of principle for all members to meet their obligations.

Figure 14.2. Arrearages in member contributions to the WTO, 1995-2012



Source: WTO Secretariat.

The WTO headquarters and relations with the host government

The relations between the WTO and the host government are laid out in the Agreement between the World Trade Organization and the Swiss Confederation.⁷⁵ Assistant Director-General Richard O'Toole and Chairman András Szepesi of the GATT Contracting Parties represented the GATT (soon to be the WTO) in the negotiations with Bern, securing an agreement that provides better terms for the WTO than GATT had enjoyed under the predecessor arrangement. Examples of the superior privileges and immunities extended under this agreement are the broader tax exemptions and a spousal-employment provision, both of which ease the burden of living and working in one of the most expensive cities in the world.

One reason why Switzerland was willing to offer better terms to the WTO was the prospect that the headquarters might move elsewhere. The German city of Bonn made a strong bid to host the WTO during the transition from GATT to the WTO. Whether or not the members were seriously interested in moving to Bonn, this offer gave them greater leverage in their negotiations with the Swiss government. "The former West German capital on the banks of the Rhine had been out of work since German reunification," as a WTO history of the headquarters building noted, because when the wall came down in Berlin most of the Federal Republic's institutions relocated. Bonn had –

buildings, housing, working conditions and a tax system that were difficult to beat. And yet Geneva had one thing Bonn did not: the professional environment, the accumulated know-how, the dense network of international cooperation activities that attracted what it needed. Switzerland was well aware of this fact, and accepted what were now the going rates in order to maintain and develop that advantage (WTO, 2011: 11).

Much of this history has been devoted to an examination of the evolving institutional architecture of the trading system, but not all WTO architecture is metaphorical. Like its GATT predecessor, this institution is housed in the Centre William Rappard (CWR) on land that the Swiss Confederation had donated to its original occupant, the ILO. The building is fittingly named after William Emmanuel Rappard (1883-1958), a Swiss diplomat and professor of economic history. Born in New York and schooled in Europe and the United States, he represented Switzerland in both world wars and at the 1919 peace negotiations. He is credited with convincing the "Big Four" Allied leaders to choose Geneva over other European cities as the headquarters for the League of Nations and its subsidiary.

The building that would later bear Rappard's name has the classical lines of a Florentine villa, combining a stately grace with functionality. It is a remarkably airy structure in which every office has at least two windows that open either to the outside or to the South courtyard; the most coveted offices are those with lakeside views. Designed by George Épitau and inaugurated in 1926, it was enlarged in 1937, 1938 and again in 1951. By the 1960s, the ILO's need for office space greatly exceeded the capacity of the site. The ILO shelved plans in

1964 for a major expansion on the site when it became clear that the municipal authorities would not grant their approval. After the ILO flirted with an offer from Turin, which would have accommodated the entire organization free of charge, the federal government in Bern set up the Building Foundation for International Organizations (FIPOI) to develop Geneva as an international hub. Among its many projects was a larger home for the ILO, which vacated the premises in 1975; two years later, GATT moved down the hill from the old Villa le Bocage to this site. The CWR then housed not just the GATT Secretariat, but also the High Commissioner for Refugees and the library of the Graduate Institute for International Studies.

The WTO treats its architectural and artistic inheritance differently than did GATT. Whereas GATT Director-General Olivier Long considered the labour-themed elements of the building “unsuitable for its new occupants” and “set out to remove all traces” of them (WTO, 2011: 11), Mr Lamy highlighted the works that the ILO had commissioned from artists and artisans. When he became director-general, the only public evidence of the original inhabitant was “The Dignity of Labour”, a fresco by Maurice Denis that the Christian trade unions had donated in 1931. At the insistence of FIPOI, this mural continued to grace the main staircase after the ILO departed. Victor do Prado (see Biographical Appendix, p. 576), as chairman of the WTO Construction Project Committee, had responsibility for overseeing not just the renovation and expansion of the CWR but also the restoration of its artistic heritage. Under Mr Lamy’s direction he brought out of storage, or had uncovered from earlier renovations, many other works. These included a Delft panel by Albert Hahn Jr. reproducing in four languages the preamble of the ILO Constitution; painted murals by Gustave-Louis Jaulmes entitled “In Universal Joy”, “Work in Abundance” and “The Benefits of Leisure”; a Dean Cornwell mural portraying professions that the American Federation of Labor had donated; and Spanish artist Eduardo Chicharro y Agüera’s “Pygmalion”.

Like the ILO before it, the WTO began to outgrow the CWR. By the time Mr Lamy took office in 2005, there were plans to construct an additional building (called WTO II) elsewhere in Geneva, which would mean isolating some parts of the institution – including hearing rooms and member offices for the Appellate Body – from the rest. Mr Lamy insisted instead that a coherent institution required that the whole staff be under one roof. After giving consideration to building a new headquarters on some other site in Geneva, the WTO opted in 2008 to expand in place. The institution then had to negotiate with the Swiss government to undo the agreements that had been reached to construct an adjunct building, conclude a new memorandum of understanding on the terms by which they would build the new facilities, and – after some members of Geneva’s Municipal Council expressed concerns that the project jeopardized public access to the park along the lake – win approval for the new plans in a public referendum. The WTO guaranteed the public that it would still have access to the grounds even after a new security fence went up, and that neither the lake nor the trees would be affected by the project. The Secretariat campaigned for the expansion by opening its doors to visitors. Voters passed the referendum on 27 September 2009, with 61.8 per cent giving their approval.

The physical plant of the WTO is now far larger than was its GATT predecessor. In addition to occupying the entirety of the original CWR, plus the new wing, it is complemented by a new

conference building inaugurated in 1998 and built as a Greek-style amphitheatre. The Swiss agreed to build that conference centre as part of the 1995 headquarters agreement. The new wing added 12,000 more square meters to the CWR, making it about half again as large as what the WTO inherited in 1995. The renovation created the spacious new atrium, expanded the CWR's meeting room space and equipped new meeting rooms with state-of-the-art technology. It also produced a new administrative building with a restaurant on the lake, enhanced the support facilities (i.e. print shop, data centre and central archives), and built a security perimeter around the whole campus. The entire project cost about Sfr 150 million in direct costs and about another Sfr 30 million to Sfr 40 million of indirect costs amortized over the budget in a seven-year period. Most of the Sfr 150 million came from the Swiss government in a Sfr 70 million grant and a Sfr 60 million loan on 50-year, interest-free terms (thus costing the members Sfr 1.2 million a year). The renovation made the building much more energy-efficient. The WTO also received a garden pavilion as a gift from China upon the tenth anniversary of its accession, completed in 2013.

Endnotes

- 1 The institutional structure of the WTO system also includes the International Trade Centre (ITC), but this does not represent a change from the GATT period. The ITC dates back to 1964 (when the predecessor International Trade Information Centre was established) and 1968 (when the centre took its present form). The ITC is jointly sponsored by the WTO and the United Nations Conference on Trade and Development.
- 2 Yet a fourth issue would be the tensions within the institution, either horizontally (i.e. between different divisions) or more often vertically (i.e. between levels of authority within the Secretariat). While this is a subject about which many current and former Secretariat staffers have decided views, as do some current or former diplomats, it falls outside the scope of the present study.
- 3 Author's interview with Mr Matus on 23 January 2013.
- 4 These numbers could be further adjusted to account for the fact that many of the personnel in both the WTO and the missions are support staff. If one were to concentrate solely on the professionals whose sole or primary focus is on trade policy *per se*, the total size of the WTO community in Geneva would probably be something in the range of 500 to 700 people.
- 5 Information provided by the WTO.
- 6 Author's interview with Mr Harbinson on 24 January 2013.
- 7 *Ibid.*
- 8 Data are from 2011, calculated from World Bank data at <http://data.worldbank.org/indicator/SP.POP.TOTL> (population), <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD> (GDP) and <http://data.worldbank.org/indicator/BX.GSR.GNFS.CD> (exports).
- 9 One might speculate that these eight members' shares of the Appellate Body and deputy director-general posts might be higher still if China had been a member for all 18 of these years rather than just 12.
- 10 Author's correspondence with Mr Harbinson on 30 January 2013.
- 11 Interview conducted by Gabrielle Marceau available at www.wtcreation.org/en/videos?video=30495229.
- 12 In addition to those already named, the other members that chaired no WTO bodies from 1995 to 2012 include: Albania; Antigua and Barbuda; Armenia; the Kingdom of Bahrain; Belize; Benin; the Plurinational State of Bolivia; Botswana; Brunei Darussalam; Bulgaria; Burkina Faso; Burundi; Cambodia; Cameroon; Cape Verde; the Central African Republic; Chad; Congo; Croatia; the Democratic Republic of the Congo; Djibouti; Dominica; Fiji; The Gambia; Georgia; Grenada; Guinea; Guinea-Bissau; Guyana; Haiti; Jordan; the Kyrgyz Republic; Liechtenstein; Luxembourg; Macao, China; Madagascar; Malawi; Maldives; Mali; Malta; Mauritania; the Republic of Moldova; Montenegro; Mozambique; Myanmar; Nepal; Niger; Oman; Papua New Guinea; Qatar; Rwanda; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Samoa; the Kingdom of Saudi Arabia; Sierra Leone; the Solomon Islands; Sri Lanka; Suriname; Swaziland; Tanzania; the former Yugoslav Republic of Macedonia; Togo; Tonga; Ukraine; and Vanuatu.
- 13 Interview with the author.
- 14 These factors make it possible but not inevitable for a member to be active; the missions of Chinese Taipei and Macao, China are in similar circumstances as Hong Kong, China but are far less active in chairing committees.

- 15 Author's interview with Mr Pérez Motta on 24 September 2012.
- 16 Author's correspondence with Mr Lacarte on 18 February 2013.
- 17 *Ibid.*
- 18 Author's interview with Mr Saborio on 28 September 2012.
- 19 In addition to India, they included Cuba, the Dominican Republic, Honduras, Indonesia, Jamaica, Kenya, Malaysia, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe.
- 20 See *Organization of Negotiations Envisaged in the Doha Ministerial Declaration*, WTO document TN/C/W/2, 29 January 2002, p. 1.
- 21 *Ibid.*, p. 2.
- 22 *Ibid.*
- 23 Author's correspondence with Mr Lacarte on 18 February 2013.
- 24 Author's interview with Mr Pérez Motta on 24 September 2012.
- 25 Author's interview with Mr Valles on 29 September 2012.
- 26 This is a rule developed in 2009, the year that Ambassador Mario Matus of Chile chaired the General Council. If not for that rule, the chairman of the ministerial conference would, by default, have frequently been the trade minister of Switzerland. The other possibility would have been to give that position to the director-general, an option that the ambassadors preferred not to choose.
- 27 Author's interview with Mr Moore on 20 February 2013.
- 28 *Ibid.*
- 29 Author's interview with Mr Harbinson on 24 January 2013.
- 30 Author's interview with Mr Moore on 20 February 2013.
- 31 *Ibid.*, p. 2.
- 32 See *Agreement Between the World Trade Organization and the Swiss Confederation*, WTO document WT/GC/1, 17 May 1995.
- 33 Author's correspondence with Mr Lacarte on 18 February 2013.
- 34 Prior to 1965, when the position of director-general was created, Mr Wyndham-White's title was executive secretary; the title of the deputy director-general position was deputy executive secretary.
- 35 From 1948 to 1994, there was one monarch in Thailand and two each in Denmark, Japan, the Netherlands and the United Kingdom.
- 36 See *Procedures for the Appointment of Directors-General*, WTO document WT/L/509, 20 January 2003, p. 3.
- 37 Quoted in Nash (1994).
- 38 The impartiality that the United States sometimes demonstrates in the early stages of the director-general selection process can be more apparent than real, as it is often felt to be a disadvantage for a contender to be seen as close to Washington. A candidate for this position may prefer that the United States soft-pedal its support until a later stage in the campaign.

- 39 Author's correspondence with Mr Lacarte on 18 February 2013.
- 40 Author's interview with Mr Rodriguez Mendoza on 26 September 2012.
- 41 See *Procedures for the Appointment of Directors-General*, WTO document WT/L/509, 20 January 2003, p. 1.
- 42 *Ibid.*, p. 3.
- 43 Quoted in *Appointment of the Next Director-General – Further Process Informal General Council Meeting at the Level of Heads of Delegations*, WTO document JOB/GC/39, 19 March 2013, p. 2.
- 44 See *Procedures for the Appointment of Directors-General*, WTO document WT/L/509, 20 January 2003, p. 3.
- 45 See *Appointment of the Next Director-General – Further Process Informal General Council Meeting at the Level of Heads of Delegations*, WTO document JOB/GC/39, 19 March 2013.
- 46 Author's interview with Mr Lamy on 28 September 2012.
- 47 Author's interview with Mr Supachai on 27 September 2012.
- 48 *Ibid.*
- 49 Author's interview with Mr Lamy on 28 September 2012.
- 50 Author's interview with Mr Weekes on 19 December 2012.
- 51 Author's interview with Mr Sutherland on 18 January 2013.
- 52 Author's correspondence with Mr Matus on 23 January 2013.
- 53 Author's interview with Mr Groser on 22 March 2013.
- 54 Some directors report directly to the director-general. In the administration of Mr Lamy, for example, these included the directors of the Office of the Director-General, the Council and Trade Negotiations Committee Division, the Human Resources Division, the Office of Internal Audit, and the Information and External Relations Division.
- 55 Note that prior to 1965, the top positions in the GATT were entitled executive secretary and deputy executive secretary.
- 56 The US deputy directors-general during the GATT period were Gardner Patterson (1973-1980), William Kelly (1980-1986) and Charles Carlisle (1986-1993). Warren Lavorel (1993-1999) held the post in the transition from GATT to the WTO, and was followed by Andrew Stoler (1999-2002) and Rufus Yerxa (2002-2013).
- 57 In addition to Mr Mathur, the Indian deputy directors-general in the GATT and WTO periods were Anwarul Hoda (1993-1999) and Harsha Vardhana Singh (2005-2013).
- 58 Author's correspondence with Mr Lacarte on 18 February 2013.
- 59 The text of the 27 June 2005 vacancy announcement is posted at www.wto.org/english/thewto_e/vacan_e/vn_e/ddg_vacancy_e.pdf.
- 60 The title "ambassador" is reserved for members that are independent countries.
- 61 Calculated from data at the websites of the respective organizations.

- 62 Author's interview with Mr Shark on 23 January 2013.
- 63 Author's correspondence with Mr Mamdouh on 7 January 2013.
- 64 Author's interview with Mr Supachai on 27 September 2012. Mr Supachai took the annual *World Development Report* that UNCTAD produces as a model for this WTO publication.
- 65 Author's correspondence with Mr Jara on 26 March 2013, with Mr Jara quoting Mr Lamy.
- 66 Author's interview with Mr Low on 27 September 2012.
- 67 The Tokyo Round was formally launched in 1972 but the negotiations were not very active prior to 1974.
- 68 The professional positions were defined in the GATT system (based on UN classifications) as P1 to D2 and in the WTO system as grades 6 to 12.
- 69 Calculations provided by the WTO.
- 70 Calculated by the author from data compiled by WorldTradeLaw.net and posted on www.worldtradelaw.net/dsc/database/panelistgender1.asp.
- 71 Address to the General Council of April 29, 2009 at www.wto.org/english/news_e/news09_e/tnc_chair_report_29apr09_e.htm.
- 72 Note that while a great many of the WTO Secretariat staff live in France, and especially those in support positions, the diplomats assigned to missions typically live in Switzerland.
- 73 Calculated from data in Yi-chong and Weller (2004: 89).
- 74 Calculated from data on the websites of these two organizations.
- 75 See *Agreement Between the World Trade Organization and the Swiss Confederation*, WTO document WT/GC/1, 17 May 1995.

Appendix 14.1. Members' contributions to the WTO budget, 2001 and 2011

	2001		2011	
	Swiss francs	Share (%)	Swiss francs	Share (%)
United States	20,773,599	15.631	24,135,946	12.422
Germany	12,912,564	9.716	17,207,208	8.856
China	–	–	13,363,954	6.878
Japan	9,519,627	7.163	9,643,109	4.963
United Kingdom	7,962,039	5.991	9,406,063	4.841
France	7,663,014	5.766	8,722,127	4.489
Italy	6,244,971	4.699	7,268,763	3.741
Netherlands	4,571,760	3.440	6,281,719	3.233
Canada	5,172,468	3.892	5,869,803	3.021
Korea, Republic of	3,387,621	2.549	5,216,955	2.685
Hong Kong, China	4,791,045	3.605	5,110,090	2.630
Spain	3,291,933	2.477	5,084,831	2.617
Belgium	3,686,646	2.774	4,731,205	2.435
Singapore	3,059,358	2.302	4,278,486	2.202
Mexico	2,607,498	1.962	3,604,265	1.855
Chinese Taipei	–	–	3,248,696	1.672
India	1,100,412	0.828	2,933,930	1.510
Switzerland	2,154,309	1.621	2,607,506	1.342
Sweden	2,049,318	1.542	2,556,988	1.316
Austria	2,022,738	1.522	2,461,781	1.267
Australia	1,717,068	1.292	2,312,170	1.190
Ireland	1,265,208	0.952	2,308,284	1.188
Malaysia	1,946,985	1.465	2,242,222	1.154
Saudi Arabia, Kingdom of	–	–	2,183,932	1.124
Thailand	1,503,099	1.131	2,075,124	1.068
Poland	944,919	0.711	2,040,150	1.050
Brazil	1,391,463	1.047	1,985,746	1.022
United Arab Emirates	708,357	0.533	1,981,860	1.020
Denmark	1,330,329	1.001	1,896,368	0.976
Turkey	1,113,702	0.838	1,836,135	0.945
Norway	1,231,983	0.927	1,740,928	0.896
Czech Republic	707,028	0.532	1,534,970	0.790
Indonesia	1,234,641	0.929	1,472,794	0.758
Finland	944,919	0.711	1,259,064	0.648
Hungary	526,284	0.396	1,257,121	0.647
South Africa	749,556	0.564	1,088,080	0.560
Greece	437,241	0.329	983,158	0.506
Portugal	826,638	0.622	981,215	0.505
Israel	736,266	0.554	880,179	0.453
Luxembourg	394,713	0.297	818,003	0.421
Ukraine	–	–	790,801	0.407

	2001		2011	
	Swiss francs	Share (%)	Swiss francs	Share (%)
Philippines	881,127	0.663	749,998	0.386
Chile	445,215	0.335	730,568	0.376
Venezuela, Bolivarian Republic of	445,215	0.335	722,796	0.372
Slovak Republic	283,077	0.213	705,309	0.363
Argentina	709,686	0.534	691,708	0.356
Romania	241,878	0.182	681,993	0.351
Viet Nam	–	–	681,993	0.351
Nigeria	295,038	0.222	637,304	0.328
Kuwait, State of	287,064	0.216	598,444	0.308
Egypt	360,159	0.271	551,812	0.284
New Zealand	385,410	0.290	460,491	0.237
Colombia	337,566	0.254	411,916	0.212
Qatar	83,727	0.063	396,372	0.204
Angola	81,069	0.061	388,600	0.200
Slovenia	235,233	0.177	374,999	0.193
Pakistan	260,484	0.196	359,455	0.185
Morocco	216,627	0.163	351,683	0.181
Bulgaria	131,571	0.099	334,196	0.172
Croatia	205,995	0.155	328,367	0.169
Peru	196,692	0.148	310,880	0.160
Lithuania	–	–	275,906	0.142
Oman	139,545	0.105	275,906	0.142
Tunisia	183,402	0.138	242,875	0.125
Bangladesh	136,887	0.103	200,129	0.103
Ecuador	122,268	0.092	192,357	0.099
Estonia	82,398	0.062	188,471	0.097
Bahrain, Kingdom of	99,675	0.075	184,585	0.095
Panama	175,428	0.132	169,041	0.087
Dominican Republic	159,480	0.120	163,212	0.084
Costa Rica	126,255	0.095	159,326	0.082
Latvia	67,779	0.051	157,383	0.081
Jordan	94,359	0.071	149,611	0.077
Macao, China	85,056	0.064	149,611	0.077
Cuba	71,766	0.054	141,839	0.073
Guatemala	79,740	0.060	137,953	0.071
Sri Lanka	127,584	0.096	137,953	0.071
Cyprus	91,701	0.069	134,067	0.069
Côte d'Ivoire	98,346	0.074	112,694	0.058
Trinidad and Tobago	62,463	0.047	112,694	0.058
Honduras	50,502	0.038	101,036	0.052
El Salvador	69,108	0.052	95,207	0.049
Kenya	69,108	0.052	95,207	0.049
Iceland	59,805	0.045	91,321	0.047
Ghana	46,515	0.035	89,378	0.046
Uruguay	90,372	0.068	83,549	0.043

	2001		2011	
	Swiss francs	Share (%)	Swiss francs	Share (%)
Jamaica	79,740	0.060	79,663	0.041
Malta	66,450	0.050	77,720	0.040
Paraguay	99,675	0.075	77,720	0.040
Brunei Darussalam	61,134	0.046	73,834	0.038
Cameroon	38,541	0.029	71,891	0.037
Cambodia	–	–	69,948	0.036
Botswana	51,831	0.039	64,119	0.033
Democratic Republic of the Congo	33,225	0.025	62,176	0.032
Mauritius	58,476	0.044	60,233	0.031
Tanzania	35,883	0.027	60,233	0.031
Former Yugoslav Republic of Macedonia	–	–	56,347	0.029
Bolivia, Plurinational State of	35,883	0.027	54,404	0.028
Congo	34,554	0.026	54,404	0.028
Albania	19,935	0.015	50,518	0.026
Georgia	21,264	0.016	48,575	0.025
Zambia	29,238	0.022	48,575	0.025
Liechtenstein	37,212	0.028	46,632	0.024
Chad	19,935	0.015	44,689	0.023
Namibia	41,199	0.031	42,746	0.022
Nicaragua	23,922	0.018	42,746	0.022
Gabon	47,844	0.036	40,803	0.021
Myanmar	43,857	0.033	40,803	0.021
Senegal	31,896	0.024	40,803	0.021
Mozambique	19,935	0.015	38,860	0.020
Moldova, Republic of	–	–	34,974	0.018
Uganda	25,251	0.019	34,974	0.018
Papua New Guinea	51,831	0.039	33,031	0.017
All other members*	19,935	0.015	29,145	0.015
Total	132,900,000	100.000	194,300,000	100.000

Source: Calculated from WTO budget data at www.wto.org/english/thewto_e/secre_e/past_contr_e.htm and www.wto.org/english/thewto_e/secre_e/contrib_e.htm.

Notes: *In 2011, each of the following members was assessed a contribution of Sfr 29,145, or 0.015 per cent of the total budget: Antigua and Barbuda, Armenia, Barbados, Belize, Benin, Burkina Faso, Burundi, Cape Verde, the Central African Republic, Djibouti, Dominica, Fiji, The Gambia, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, the Kyrgyz Republic, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mongolia, Nepal, Niger, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sierra Leone, the Solomon Islands, Suriname, Swaziland, Togo, Tonga and Zimbabwe. Most of them were also assessed the same percentage in 2001.