

**WORLD TRADE ORGANIZATION IN DEVELOPING COUNTRIES: PROCESS, ROLES, PRACTICES AND EFFECTIVENESS**

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**ABSTRACT:** *Significance of WTO dispute settlement is not restricted to a particular area, but it is spread in different areas also. Its benefits have been seen not only in developed nations, but also in the developing nations. In this paper we are providing an overview of the work of WTO dispute settlement in developing countries. Moreover, light is shed on different types of benefits which are provided to the developing nations in terms of legal, political, economic and social terms. By analyzing these kinds of benefits, the actual performance of WTO dispute settlement process in favor and concerning of developing nations is reviewed in detail.*

**KEYWORDS:** Developing countries, Disputes Settlement, WTO

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## **INTRODUCTION**

A vital role is played by the World Trade Organization (WTO) in settling down the dispute among the parties in an effective way. It has always played a vital role for the developed countries, but developing nations are now also coming under this and exercising the powers related to WTO to solve the disputes (Babkina, 2000). The main responsibility of the dispute settlement body is to settle disputes by considering the case and giving right justice, so that no party gets harm with the judgment. In the era of globalization, international trade dispute is taking at a rapid pace in the time period of globalization and there is a need to follow a system where disputed parties are provided with benefits. Since its implementation until today, WTO dispute settlement has achieved tremendous success. In today's world, high rate of disputes and disagreements could have been seen among two different countries (Waincyer, J., and World Trade Organization, 2002). These disputes are subjected to panel process, which is a long term affair. Apart from this, it has been identified that these types of legal proceedings does not favor the parties and creates negative impact on the future political and business relations of the two countries. In order to cope up with this problem, dispute settlement system was adopted that focused on providing justice to the disputed parties in a short span of time.

### **Treatment of WTO dispute settlement system for developing countries**

In the book titled, "The WTO dispute settlement system, 1995-2003" written by Ortino and Petersmann (2004), it is expressed that the number of problems have been faced by developing nations in past. These number of problems were concerning in getting their rights under GATT and WTO dispute settlement system. In addition to this, they also faced problem in asserting their rights in making provisions in two different areas of DSU provision, which is associated with developing countries. DSU provisions are implemented by making use of specific principles that involve the cases related to developing nations. For instance, in article 8.10 and 12.11, it is stated that both the developed as well as developing countries should be provided

with equal treatment and it has been identified that they have worked effectively in WTO practice.

DSU has implemented effective provisions and criteria, which is concerned mainly with the developing countries. For instance, article 3.12 is based on panel procedures, which has been applied in WTO practice (Ortino and Petersmann 2004, p.14). Roessler has raised question on providing privilege to the developing nations as he states that GATT and WTO dispute settlement practice has not been invoked in an effective way. Roessler has raised this question because these practices failure in the legal proceedings of the dispute settlement system can be clearly seen due to this distraction. Therefore, it has been analyzed that the effective measures should be provided to the developing countries, which enable them to defend their rights same as developed countries are provided with. For instance, Article 27 of the DSU based on legal assistance pursuant should be incorporated, which came into existence in July 2001 (Ortino and Petersmann 2004, p.14). Further, in the next paragraph, the light is shed on analyzing how developing countries can overcome the problems associated with financial and human resources, so that WTO dispute settlement process can become easy.

The incorporation of this legal assistance was also proposed by Africa group in the WTO where it was asked to provide findings to the developing countries by WTO members. The outcome of this will be that it will help in the developing countries in overcoming the problems associated with human and financial resources, which is used in complex WTO dispute settlement procedures. Another problem, which was identified for the developing countries in relation to GATT and WTO dispute settlement system was that they has a very small share world trade, they were more dependent on Generalized system of preference and other kind of preferential system (Ortino and Petersmann 2004, p.14). In addition to this, Surveillance body had a special role in settling the disputes, which was related to exporting the textile from developing countries. Not only this, there were a number of GATT exceptions, which made sure that there is restriction on imports by developing countries. This clause can be seen in Article XVIII of GATT. It is identified that developing countries face a number of problems, but the fact is also that WTO complaints have been resolved in a sound way. The factors, which have helped the developing nations in achieving so is described in detail in the below given lines.

Ortino and Petersmann has also emphasised that in spite of the fact the developing countries have faced a number of problems, WTO complaints have been successfully completed and the developing countries has won the problems in an effective way. Also, the financial cost, which has been invested in resolving WTO dispute settlement problems, has been covered effectively by the export industries who were involved in the proceedings. It is believed that settling the disputes is not a short term affair and requires huge investment (Ortino and Petersmann 2004, p.14). Settling the dispute is an expensive affair both in terms of finance and human resources. In concern to this, the developing countries could come out of this problem by going for shorter consultation and panel proceedings, which would act as a beneficial tool for the developing countries.

In addition to this, Ortino and petersmann also analysed that capacity building focusing on legal assistance would be an effective means in settling the disputes. If WTO legal remedies are improved and effective compliance with the WTO rules are made, developing countries would be benefited in the same manner as developed countries are. In concern to this, different provisions were made on treatment of developing and least developed WTO members by

making effective WTO dispute settlement process. However, in spite of putting hard efforts and making special provisions, no special financial provisions were made like the proposed WTO fund on dispute settlement. Thus, it is obvious that WTO dispute settlement process gives a great aid to the developing nations by defending their rights effectively. This process also provides legal assistance to the developing nations for resolution of their legal problems.

### **Experience of developing countries in analyzing the role of WTO dispute settlement**

In the book titled “Dispute Settlement at the WTO: the Developing Country Experience” written by Shaffer and Ortiz (2010), it is expressed that WTO dispute settlement understanding (DSU) has been into operations for more than fifteen years. It is believed that it has a crucial function in the social control and in implementation of WTO commitments (Shaffer and Ortiz, 2010). The DSU has developed an effective mechanism, which has enabled the WTO members to go through the previous trade concessions. However, still the WTO members are not provided with much right, which enables them to access and utilize the mechanism in an effective way. This has made a major impact on the developing countries.

In concern to this, International centre for trade and sustainable development (ICTSD) has developed a program, which focuses on implementing those strategies that enable the developing countries to take part in WTO dispute settlement. It is believed to be a significant part of the program. The author has made use of academics, policy makers, government officials and WTO members, which has never come up with a WTO complaint. For instance, it has been analyzed that South American countries have used WTO dispute settlement in an effective way. At the end of 2009, it has been identified that total 61 complaints have been registered by South American nations.

Out of 61 complaints, Brazil accounts for 24 complaints, which has made it an active developing country user under DSU. In addition to this, Argentina and Chile are also considered to be active and progressive user countries in the dispute settlement process. Brazil acts as also a significant example. For the developing country members of the WTO, Brazil has proved its importance as it has helped in shedding light on the fact those legal resources can be mobilized by the developing country in order to react to the legal WTO regime in spite of having influential WTO members (Tussie and Delich, 2010 ). In both import substitution and export oriented economic policies, those are somewhat related with the WTO dispute settlement, Brazil has approached in this in a in an efficient way. The work done by the Brazilian government has helped in settling the dispute in an effective way. This has made a positive impact on the other governments to take active role in Doha round of WTO negotiations.

Before the WTO dispute settlement system, Brazil has received both national and international attention. It has motivated to the government regime and private sector to take part in the Doha round of WTO negotiations. Brazil has enabled the country to turn a leader of developing countries. It has become possible only by the political layoffs and to become leader of developing countries is related to the trade negotiations. Trade negotiations include G-20 and G04 trade negotiations of Doha round (Shaffer and Ortiz, 2010). As per Shaffer and Ortiz, Brazil has become a leader in developing country. Brazil has reached at this position because trade and development policies have been changed by the South American countries from import substitution to export oriented trade liberalization alternatives. Focus was made on shifting the problems of the economy from international trade pressures to making the economy more global by developing sound trade.

In 1989, Fernando focused on laying emphasis on monetary policies, capital liberalization and privatization (Shaffer and Ortiz, 2010). In addition to this, Cardoso made sure that Brazil can face global economic competition and can bring a number of changes in the Brazilian government elites. Thus, according to Shaffer and Ortiz, it can be stated that the developing nations have become more alert to proceeds the benefits of WTO dispute settlement system for their economic development. These settlements have solved several international trade related issues in developing countries.

### **WTO dispute settlement process and anti dumping**

In the book “Development, trade, and the WTO: A handbook.” written Hoekman et al. (2002), it is expressed that all WTO members are in the Dispute settlement body (DSB). It has the right to form panels, follow panels and implement new rulings and recommendations and other obligations, which comes under WTO agreement. The member first has to go for bilateral consultation either directly or indirectly. This bilateral consultation is under the WTO agreement. Consultation has an important role for resolving the disputes, but sometimes these disputes are not resolved by the consultation, then the right is given to the complaining party to request the establishment of panel, which can only take place unless the DSB approves to do so.

Different articles have been written and incorporated in DSU, which has helped developing nations to address their problems and receive sound solutions. The benefits of the same for the developing nations are described in detail in the coming lines. In the DSU, a Number of provisions have been made, which focuses on the developing countries (Hoekman et al., 2002). According to article 4.10, members have been called for, so that special attention could be paid on to the concerned problems, those are related to developing countries and the interest associated with them. In the article 12.10, it is also written that extension of consultation period can also be provided in the matters related to developing countries only if the parties agree for the same. As per the article 8.19, it is stated that the developing country involved in any particular case, they have the many rights. One of the important rights is that these developing countries may ask to the panel to include minimum one person from a developing country. On the other hand, according to article 12.11, it is engrossed that the panel has to report how specific provisions were taken related to providing fair treatment. These fair treatments are for developing countries, and are included in the WTO agreement dispute settlement.

Some cases have been identified where special and different treatment has been provided by DSU. As per Hoekman et al. (2002), Bed linen case has been identified, which is related to anti dumping. Anti dumping duties has been imposed in the imports of cotton-type bed linen in the European communities as well. It is a fact that India is a developing country but it has been identified that European countries have not provided special situations to the India. India gave a comment that EC did not act in an effective way as with article 15 of the agreement is related to anti dumping. Article 15 of the agreement states that special provision has to be provided to the developing countries by the developed country. It has become possible when the applications are associated with anti dumping measures (Hoekman et al., 2002). Before implementing anti dumping duties, it is also a need to apply effective remedies. It will enable the developing country members to enjoy the benefits associated with anti-dumping.

It is stated by India that effective measures has not been taken by EC before imposing anti dumping duties and did not reacted to any arguments made from the Indian exporters. The importance of bed linen and textile industry to India’s economy has been understood by putting

best efforts by the Indian parties. There is a big fault of EC that it did not even care to mention position of India as a developing country. Thus, by analyzing overall from the article it can be stated that the results of the WTO dispute settlement process have not been proved so positive for the developing nations (Hoekman et al., 2002).. The developing nations have lacked in taking several consultation services for solving their problems during the WTO dispute settlement process. Anti-dumping measures have to be more effective in relation to developing nations, so that problems faced by them related to anti- dumping could be resolved.

### **Role of developing countries and institutional change in WTO dispute settlement**

In the article titled as, “Inequality in International Trade? Developing Countries and Institutional Change in WTO”, written by Smith (2004), it is stated that issue related with dispute settlement mechanism is a controversial issue when talking about legalization at the international level. This is so because it has been identified that still some inequalities have been identified among developed and developing countries (Smith, 2004). According to accepted wisdom, it has been identified that smaller and less powerful states are favored by third party arbitration in international law. Appellate body has played an important role in the institutional system change of the WTO system. The appellate body is provided with certain delegated authority, which mainly includes procedural issues. Formation of an appellate body was not an easy task and a number of objections were raised by the WTO members in this concern.

For Whalley, it was accepted that the developing countries would be able to come up with a number of disputes and would effectively resolve them, which would act in their favor. When focusing on the dispute settlement review, different useful sources of leverage have been provided to the developing countries, which have acted in their favor. For instance, they are provided with a veto over any subject matter same as those of EU and US, which focuses on disliking any new system. In the WTO if there are any legal disputes, the final decision is made by the Appellate body. The appellate body relishes the same level of autonomy as an independent third party does (Smith, 2004). Therefore, in the multilateral trading system, appellate body has become an important instrument of change.

The institutional reform and its effect on the treaty compliance have resulted in analyzing different objects since the existence of WTO. It has been analyzed that there should be more legal and rule based institution. These rule based institution are helpful in safeguarding the interest those are related with the member of governments. It should also be considered that bargaining leverage should be very less. Main focus is on accessing the agenda is the main function of multilateral trade system. Here, power of bargaining is believed to be a simple function of market size. Due to this reason, number of benefits is provided to the developing countries in the Uruguay Round’s institutional reforms.

Smith (2004) has emphasized that there were several researchers who tested that whether DSU can provide effective benefits to the developing countries or not. The answers varied from one researcher to another. For instance, comparison is done of the two and half years of the WTO with GATT by Kuruvila (1997). He has found out that participation level of the developing countries have been increased now. On the other hand, Hudec (1999) analyzed that WTO system has been used more frequently by both the developing as well as developed countries. Goldstein and Martin (2000) analyzed that there were number in filing and these complaints are filled by the developing countries in the WTO as compared to GATT. Thus, from the

overall tests carried out by different researchers, it was analyzed that this system is not used by the developing countries. It is also compared with their relative size and flow of exports.

### **WTO dispute settlement and role of third parties**

In the article titled as, "THREE'S A CROWD Third Parties and WTO Dispute Settlement", written by Busch and Reinhardt (2006), it is expressed that the number of issues has been resolved after the development of dispute settlement system of the WTO, which were related to commercial tensions that arose between governments in the global economy. When any kind of dispute arises, one or more member governments challenge the policy maintained by another member government. In these types of disputes, other member governments can join them who wish to get an insight of the proceedings. These member governments are referred as third parties and they participate in about three-fourth of the cases.

Participation of third parties is not ordinary in fact there participation is believed to be a major factor in the overall functioning of WTO. For instance, the WTO members can be rest assured that they will be provided with best benefits and the partners will not undercut the deals they make with other parties on preferential terms. Therefore, participation of third parties is considered to be a mechanism, which helps the members in preventing the disputants from taking bilateral settlements. This helps them in restricting the members to take any action, which acts as discrimination against other members. There are some observers who have stated that the role of third parties should be explained in a specific way as they give WTO judicial bodies a broader perspective, which helps in shedding light on the interest of the membership (Busch and Reinhardt, 2006). By analyzing the other part, there are some observers who said that third parties creates more problem in resolving disputes as it is considered to be a costly affair, which adds on more issues to the case.

However, it can be stated that an important part is played by third parties play in the WTO dispute settlement. As per Busch and Reinhardt, third parties lay a major influence on the course of negotiation before the issue of rulings. In the words of Sebenius, it is a universal accepted truth that when more parties are involved in the dispute settlement process, large amount of time, more time consumption and more information is required to negotiate the settlements. So, in order to cope with this problem, involvement of third parties helps in minimizing the prospects for early settlements i.e. trade liberalization negotiation takes place before the implementation of WTO ruling.

In order to resolve the disputes, participation of informal third parties has to be taken into consideration. There are three reasons for their participation. First reason is that since WTO disputes are resolved only after consultation, role of third parties before a panel play a significant role as it makes a significant influence (Busch and Reinhardt, 2006). Second reason is that when the third parties go for reserving their rights at the panel stage, they have to go through the consultation stage i.e. all the formal third parties start as informal ones. Third reason is that the members themselves do not differentiate between participating as formal or informal third. They know that when reforming the DSU, there is a need to have stronger third party right for the consultation.

In the article, it is mentioned that in 2002, third parties participated in 64 percent of the WTO disputes. With such large amount of participation, it can be said that third parties act as a major source in resolving the disputes. According to Bagwell and Staiger, complainants and the defendants are important in concern of third party, therefore it is a goal of the third party is to

make sure that no discrimination takes place between these two. Apart from this, it has also been identified that third parties help in shaping both the panel and AB rulings as they help in formulating effective strategies (Busch and Reinhardt, 2006). Smith has identified that third parties have a great amount of opportunities to participate in the disputes as they are provided with rights to gather valuable information. This information is concerned to get the views of broader WTO membership. Thus, it can be stated that third parties' involvement in the WTO dispute settlement is still a matter of debate. Some arguments work in the favor of strengthening third party rights, while there is little evidence, which sheds light on how third parties influence dispute negotiations.

### **Developing countries in World Trade**

In the international trading system, great progress has been achieved by the developing countries in incorporating their economies. Mixture of the products has acted in the favor of manufacturers and due to this trade has become an important function in some of the developing countries since early 1990s as compared to the developed countries (Michalopoulos, 2001). However, in spite of this fact it has been analyzed that the developing countries enjoy less benefits as compared to the developed countries and also limited benefits have been identified. The output and trades in less developed countries is growing at a very low rate as compared to the developing countries.

In the book “Developing Countries in the WTO” written by Michalopoulos (2001), it is expressed that developing countries have effective integration and it can only take place when they involve effective trade policies and institutions. In this, developed countries also play an important part and they are also involved as the major trading partners. Integration requires the less developed countries to follow all the required rules, regulation and standards, which regulates the multilateral trading system. The rules came into force in concern to the agreements laid down by WTO. Thus, it is imperative that membership should be in proper and active participation in the WTO.

As per Michalopoulos, it has been identified that developing countries are the main part of the GATT membership. These developing countries cover all most half of the part of GATT membership. With the passage of time, developing countries made use of number of development related provisions in their agreement. A new global institution named United Nations Conference on Trade and Development (UNCTAD) was set up in 1960. It was an important era from 1960 to 1970, because in this, developing countries viewed that UNCTAD is a more institution as compared to GATT, which helps in promoting their trade interests. As soon as the GATT's has started its journey, Uruguay round of multilateral trade negotiations, developing countries shifted their focus on participating in GATT.

Most of the WTO members played a major role in the Uruguay round negotiations and many members showed their interest in becoming GATT members. As the time passed by, trade policies of many developing countries became liberalized, which focused on favoring outside orientation and minimizing protection. There were several countries in East Asia who were recognized as a major trading power in relation to exporters and manufacturers. According to Michalopoulos, it has been analyzed that value of international rule in the conduct of trade was recognized as a significant aspect as it helped in protecting trade related interest.

In addition to this, with the incorporation of WTO, different changes have been identified, which have resulted in placing additional demands on developing countries. There were

number of new areas, which have been covered by WTO that includes service standards and intellectual property rights. These areas focus on governing new rules related to international trade and implementation of these requires additional institutional capacity by the member governments (Michalopoulos, 2001). In addition to this, the newly developed WTO dispute settlement mechanism (DSM) has enabled the developing country to come up with their problems and addresses their grievances in an effective way. The developing countries take part actively in WTO, has resulted in comparing their participation with earlier GATT participation. Thus, it can be stated that developing countries have effective policies and attitudes towards the formulation of international trading system is still a matter of concern. The increasing rate of globalization has posed a question that in the near future only few countries would be benefited in solving their disputes.

### **Reasons for developing countries not being active participants in a legalized dispute settlement system**

In the book written by Gorgiev and Borgh (2006), it is stated that there are many developing countries other than Brazil and India who are not an active participant in the WTO litigation process. There are two main reasons prevail behind this. First main reason can be related with the individual developing countries. These countries have less value, volume and different exports, which results in formulating less economies of scale. Secondly, accessing the system is a very costly affair. The developing countries do not participate in trading activities on a large basis because of which there are less chances of repeating the players in the WTO litigation process.

Since, the developing countries do not use the WTO litigation system on a regular basis, they are provided with fewer incentives that restrict them to develop internal legal expertise. Also, they are not able to enjoy the benefits from economies of scale. It results negatively in the overall development of legal resources. Long term structural imbalances are the main negative effect of this, but the balance is required at the time of WTO disputes settlement. Further, Gorgiev and Borgh has also identified that bringing a single WTO case requires huge investment, which restricts the developing countries to participate Gorgiev and Borgh (2006). Also, lack of assistance is provided from the home country, which discourages the developing countries to take part in the dispute settlement system.

Developing countries not only face many problems but also lack of resources and structural incentives restrict the developing countries. Restriction on the developing countries is, not to become active participants in the legalised dispute settlement system. The developing countries are not coming up with those methods, which enables them to develop human capital and know-how in the WTO law. Unlike US and Europe, no private lawyers are provided to the developing countries, which can provide assistance to local firms and trade association regarding WTO rights. They also defend the rights in WTO litigation and settlement negotiations.

Thus, help is given to the developing countries. This help is given in the form of small number of educated lawyers in the field of WTO litigation. It augments the cost for developing country firms and governments as they are required to become alert of WTO violations and then provide training to the lawyers. The positive consequences of this, they become able to challenge the violations. Thus, it can be stated that there are many developing countries which are not provided with proper assistance and there is a need the developing country officials must work in a foreign language in WTO judicial proceedings.



In order to cope up with this problem, developing countries should try to adopt those models. These models have been used by larger developing countries in order to minimize WTO dispute settlement. Some of the developing countries which have come up with new specialized trade bureaucracies and have created dispute settlement units. These dispute settlement units have been established within the foreign ministry. Also, some of the developing countries which have created career paths, so that WTO representation could be continued to a great extent. As per the wordings of Georgiev and Borgh, there are many developing countries which have included many lawyers in their delegations. Thus, it can be observed that there is a need that the developing countries should be provided with proper legal resources, so that they are able to defend their rights through WTO dispute settlement process. The system should be such where the grievances of the developing countries should be addressed and rectified effectively. Overall, it can be stated it is a need to modify the DSU, which will ultimately improve the system's effectiveness for developing countries.

### **Identification of the factors that result in moving the disputes from negotiation stage to the panel stage**

Guzman and Simmons (2002), mentioned that it is expressed that there are some factors at the WTO, which results in moving the disputes from negotiation stage to the panel stage. The major reason for the development of WTO was to improve the workings, which were carried out under GATT by lessening down the time period of the cases. It is also necessary to remove the use of veto power states<sup>34</sup>. Time is an important factor, as it is passed by; important decline in the number of cases where the developing countries used the wealthier nations has been recorded. As per the author, now the complaints involves among non-OECD countries, but still the number of cases registered in this category is equal to that of OECD case, which took place in year 2000.

### **Effectiveness of WTO dispute settlement mechanism for the developing countries**

In the article written by Ierley (2002), it is stated that a number of benefits has been provided by the dispute settlement mechanism of WTO to the developing countries by assessing their needs and fulfilling them in an effective way. High growth has been seen in the developing country membership and the body of trade agreements under WTO has also lead to increase in the number of complaints. This has enabled WTO to solve the disputes between members in spite of having great difference in both the economic as well as political power. Some factors have been identified, which has helped in knowing the influential reasons due to which the developing countries participate. It is compliance with WTO panel and Appellate body decisions (Ierley, 2002). These factors are firstly, the political and economic strength of developed countries has leaded a great influence on settling down the disputes. Secondly, the dispute settlement is acting as a tool in resolution of disputes between those countries. They are also having diverging political and economic power. Thirdly, the developed countries failed to comply themselves with the decisions imposed by WTO. Fourthly, there was lack of recourse to retaliation. Fifthly, both the financial as well as technical resources were not available in great amount for the developing countries, which restricted them to file and defend themselves against complaints.

Based on Ierley (2002), it is stated that there are many theorists whose views differ from each other in identifying the importance of WTO and dispute settlement regimes. For instance, one official states that both the WTO and its dispute settlement acts as a power based structure, while other official states that WTO is based only on rules and not on power. In the same concern, third official stated that problem of power has always been an issue whether

bilaterally or in WTO (Ierley, 2002). Problems associated with WTO dispute settlement have always been on a hike and the most relevant example for this can be Banana dispute. Banana dispute is believed to be a rising problem for the developing country in the context of WTO and developed countries (Bown, 2009). St. Lucia was not made a part of the dispute process because private attorney was hired by him in order to present its arguments. In lieu to this, press conference was called by him on the steps of WTO, so that his exclusion could be protested. Around 92 percent of bananas are produced in developing countries all over the world however most of them are consumed by the developed countries (Ierley, 2002).. Thus, World Bank has stated that if there is decrease in the banana production, it would create negative impact on Dominica and St. Vincent. The government situated in Windward Islands have stated that since the market access to banana is deteriorating, it could result in creating socio-economic consequences especially in rural areas.

There are number of problems addressed above related to WTO dispute settlement process. However, on the other side, there are some theorists who have shed light on the positive aspects of the dispute settlement system. In the article written by the author, some diplomats have been identified, which have stated that dispute settlement system is an effective means, which helps in resolving disputes. There are many reasons are behind in this. The main reason is that it helps in shedding light to all the crucial factors that help to the developing countries to resolve the disputes with the help of DSU. It is believed that DSU is fair and relates all the trade related intellectual property rights (TRIPS). It benefits to both the developing and developed countries enabling the panel to do a good job.

In the words of another diplomat, Dispute settlement Body (DSB) is considered to be a fair body and it is believed that WTO dispute settlement system should focus more on rules especially in regional trading blocs (Ierley, 2002).. In spite of facing a number of obstacles, it is recommended by the officials that the developing countries should take part in the dispute settlement system and should act in a serious way, so that disputes could be won by them in an effective way. Thus, overall it can be stated that dispute settlement system acts in equal way by providing same rights to everyone, which makes the developed country not to comply with the rules and also insufficient resources are provided to the developing countries, which restrict them to take part in the system.

### **Contribution of developing countries in the WTO dispute settlement Process**

According to Sacherdoti et al. (2006), it has been observed that an active role is played by the developing countries in WTO dispute settlement system. Active role of these developing countries in the same has enabled in knowing one of the major facts, which proves that WTO rules are not only based on benefiting only the developed countries.

In fact, WTO dispute settlement has given benefit to the developing countries. It is believed that developing countries have played a progressive role in prosecuting their rights under the WTO dispute settlement system as compared to GATT system. With their best initiatives, they have challenged the measures of the developed countries. For instance, Pakistan, ASEAN, Korea and Latin American countries have successfully challenged the measures of the developed countries like EC and US. Hence, it can be said that it is an immense need to have support of developing countries, so that consensus of civil society proposals could be achieved, which will also include dispute settlement arena.

## CONCLUSION

The major conclusion that can be drawn out is that the WTO dispute settlement process is playing a significant role in multilateral trading system and this is due to the fact that WTO from time to time is providing its assistance to make the global economy flexible one. The developing countries have achieved great benefits with the help of WTO dispute settlement process, as to a large extent it has acted in their favor. The developing countries have identified that the new dispute settlement process have enabled the weak trading countries to carry out best rights and obligations under different types of WTO agreements.

Due to number of benefits provided by WTO agreements to the developing countries, there were many developing countries who agreed to take part in the Uruguay round agreements. However, some problems have also been identified in the WTO dispute settlement process, which needs to be taken proper care, so that the developing countries enjoy the benefits as the developed countries do. The major problem identified is that the dispute settlement process is considered to be a costly affair, which restricts the developing countries to resolve the disputes. It has been identified that the developing countries are stuck in a situation where they require having assistance of the law firms from the developed countries in order to resolve their disputes. This results in making them charge with heavy fees. Hence, this is a major imbalance, which has been identified in rights and obligations between developed and developing countries, which has resulted in forming difference in the capacity of both the nations. However, as the time passed by, WTO dispute settlement process has become effective one and has implemented a number of rules and proceedings, which is favoring developing countries to a great extent.

Technical cooperation in the area of WTO work has enabled the developing countries to carry out its work successfully in the multilateral trading system. In addition to this, working of WTO dispute settlement process has helped the developing countries to follow every step and resolve the disputes in an effective way. Hence, dispute settlement machinery is acting as beneficial tool, which is providing the developing countries with best results. The level of developing countries as complainants is much better as compared to GATT system and has high geographical spread. Thus, the only need is to cope up with some problems addressed above, so that WTO dispute settlement process becomes effective and provides the developing countries with the same benefits as developed countries are provided.

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