

Análisis del CURI

THE SEARCH FOR THE NEW WTO DIRECTOR GENERAL

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The search for the new WTO Director General

There is a large consensus (with perhaps limited exemptions) that in order to secure a recovery of the world economic depression in which we are deeply submerged as a result of the coronavirus, we will need a strong and credible multilateral trading system, that could restore the confidence and certainty that the WTO is currently lacking as a result of a serious identity crisis. It is also true that in order to achieve that goal, we need to engage in a process of reform that will enable the organization to adjust to the realities and challenges of the XXI Century.

We must however recognize that in the current WTO situation none of these objectives is possible as a result of the prevailing and visible lack of trust among members enhanced by bilateral trade wars and tensions between major trading partners. Any initiative taken by a member will immediately be rejected by other(s), a fact that has seriously impaired and in some cases paralyzed the work of the organization.

So in order to pursue both goals we will need to rely on an independent voice that could lead the process forward.

The forthcoming selection of the DG provides, in my mind, a unique opportunity. It should be conceived not merely as the selection of the new head of the organization, but primarily, as the selection of the person that will be entrusted to guide and lead the needed process of reform of the WTO.

We are looking for an experienced strategic leader with proven integrity and objectivity, decision making capacity and negotiating skills. He or she should have knowledge and experience of the WTO, its governance, modalities and procedures. A successful track record at a senior management level and experience in institutional reform would be an additional asset.

The choice should fall on the best possible candidate and the one that **all members** could finally agree and accept to entrust with this important initiative, responsibility and leadership of the process (certainly some members with less enthusiasm than others in relegating sovereignty).

It could be anyone from anywhere in the world, but following the tradition of the house, the most likely claim to occupy this position will come from the African Group (in view of the concept of geographical distribution) or the developed camp (in view of the concept of rotation between developed and developing countries in successive DG terms). So perhaps, it would be wise to concentrate our initial search on candidates from those two groups.

Once elected, the new DG should be given the mandate to engage immediately in intensive consultations with members, and use all means at his disposal, to prepare the basis for a programme of work with clear objectives and proposals for a package of reform. For this task, he should be given by members a reasonable period of time, let's say six months. In the meantime the membership should be kept informed of progress and developments through special sessions of the General Council.

In my view, rather than engaging in consultations on a case by case basis on what needs to be reformed, it would be wise to group the most controversial issues in clusters in order to facilitate the search for trade-offs and the reaching of balanced solutions. For example to group in one such cluster for eventual negotiation by members, issues related with state-owned-enterprises, subsidization of industry with governmental aid and domestic support for agriculture. Another cluster could group the question of the Appellate Body reform with the concept of graduation and special and differential treatment among developing counties.

The DG will present his draft proposal, **under his own responsibility**, to a regular session of the General Council. It should be viewed at the proposal he was entrusted to prepare as part of his appointment mandate. It will consist of a proposal for a Work Programme and Action Plan to be negotiated among members leading to the process of WTO reform.

At that session the DG will listen to all the views expressed by the membership. Experience tells that he should be ready to receive criticism from all sides, but this should not deter him from continuing exercising the mandate he was given by members. If need be, he may decide to take on board some comments and make the necessary adjustments. He will come back with the revised text to a new session of the General Council. The aim of this exercise is not the approval of his proposal, but merely its endorsement as a text that could be accepted **as a basis for negotiation** among members.

If this is adopted, we would then be ready to proceed with the official launching of the process of negotiations, under the most likely supervision of the Trade Negotiating Committee (TNC) chaired by the DG. Although I do not sense currently any appetite from members for launching a new multilateral round of trade negotiations, it could, if agreed, be called the "Reform Round", although it is more likely to remain as the Plan of Action for the WTO Reform.

If everything goes smoothly we would have achieved only a few months after the appointment of the new DG, an ongoing process of negotiation towards WTO Reform. This should be regarded as an important step in the right direction for strengthening the multilateral trading system and something very unlikely or impossible to achieve had we left that task only to the membership to reach an agreement.

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The views expressed reflect those of the author