



**Report on the seminar “The Global Crisis and International Economic Law -
Bridging the Gap between World Economic and Legal Integration”**

On 19 October 2012 the British Institute of International and Comparative Law hosted the seminar entitled ‘The Global Crisis and International Economic Law: Bridging the Gap between World Economic and Legal Integration’. The event was chaired by Robert Volterra (Volterra Fietta and University College London, Faculty of Law). The keynote speaker was Professor Robert Howse (New York University, School of Law) and Dr Andrew Lang (London School of Economics, Department of Law) participated as the discussant.

Professor Howse referred to the World Trade Organization (WTO) as an example of successful global economic governance during the present economic crisis. The preponderance of his remarks centred on the contention that both the relevance and the legitimacy of the WTO have been enhanced in the last decade. To this end, he pointed to a number of developments. He began by highlighting the frequency with which WTO Members have sought recourse to the organization’s rules and dispute settlement mechanisms, pointing out that a “judicial” approach has even been employed in cases marked by a high level of political and social sensitivity. He advanced that the more constructive and knowledgeable engagement of civil society in WTO negotiations has resulted in the perception that the organization has become more inclusive and transparent. He insisted that the recent accessions of China and Russia have strengthened the multilateral foundations of the organization and that the institution has proven better able to promote positive changes that respond to human rights and related values. Finally, and perhaps most importantly, he stressed that even in the midst of the financial crisis, WTO members have responded well to calls from the organization’s leadership to maintain the integrity of rules-based liberal trade, and have avoided a wholesale reversion to protectionist measures, thus illustrating the durability of the embedded dimension of the multilateral trade regime.

After concluding his discussion on the relevance and legitimacy of the WTO, Professor Howse briefly considered the difficulties surrounding the Doha Round and contemplated the future of the organization. He asserted that the failure of WTO leadership to include important human security issues in negotiations resulted in a sparse, outdated agenda that guaranteed the Doha Round’s irrelevance and secured its failure. He suggested that the organization should contemplate employing a different model from the “single act” basis for negotiations that has been embraced in the past. In particular, he suggested that a process wherein plurilateral agreements serve as the basis for subsequent multilateral accords might offer promise in its ability to secure successful outcomes for future negotiations.

Dr Andrew Lang commented on a number of issues highlighted in the keynote address. He affirmed the importance of civil society engagement in WTO negotiations, but also advanced that the contribution of the Appellate Body – which

has been characterized by the kind of judicial modesty reminiscent of public law approaches – has also enhanced the institution’s legitimacy. He agreed with assertion that the WTO has successfully resisted a protectionist turn during the recent economic crisis, but cautioned that the legacy of the crisis, particularly the strain on social cohesion that it has engendered, ensures that the aftermath of the crisis will continue to pose challenges for the WTO. Dr Lang expressed some doubts over the plurilateral approach to negotiations, asserting that it may encounter resistance from developing countries. He suggested that the most important element for the future success of the organization was the creation of an integrated vision, provisionally but collectively defined, that would enable the organisation to respond more effectively to new challenges, while still providing member states with the flexibility to experiment and reposition themselves in the global economic order. He saw the creation of a process wherein the preceding vision could be realized as a central challenge for the WTO.

Questions for the panel touched upon a diverse set of issues. Asked to consider whether the WTO is the appropriate forum to address the problems stemming from the financial crisis, Professor Howse took the position that other institutions, such as those bodies involved with managing the fiscal crisis in Europe, have proven adept at adapting to meet the needs of the crisis, and questioned the utility of engaging the WTO with these issues. Dr Lang advanced that a normative vision about the proper role of the WTO in international economic governance is needed to guide the WTO in these matters before it can meaningfully engage with the problems stemming from the crisis.

Another line of inquiry addressed the expansion of the WTO into other areas, specifically development, as a way to enhance the organization’s legitimacy. Here, the panel was reluctant to endorse an expansion of the WTO’s role, advancing that the organization is best suited to its traditional roles of dispute settlement and managing trade flows.

Finally, the question of political integration in the WTO and the creation of a unified vision for its future were also discussed at some length. Dr Lang reiterated that while he advocates for the WTO to revisit the question of its fundamental purposes, he believes that it should still be situated within an experimentalist international order. Professor Howse suggested that the achievement of an integrated vision depends in large part on the political savvy of the WTO leadership, and suggested that the ability to build political consensus should be viewed as an important attribute for all future candidates for the post of Director-General of the WTO.

Report prepared by Cynthia Morgan