LATIN AMERICAN EXPERIENCE IN THE WTO DISPUTE SETTLEMENT: RECOMMENDATIONS FOR RUSSIA AND THE EAEU STATES*

Koval Alexandra
St. Petersburg State University, 7/9 Universitetskaya nab., St. Petersburg, 199034 Russia

Sutyrin Sergey
St. Petersburg State University, 7/9 Universitetskaya nab., St. Petersburg, 199034 Russia

Trofimenko Olga
St. Petersburg State University, 7/9 Universitetskaya nab., St. Petersburg, 199034 Russia

Abstract

The article analyses the experience of Latin American and Caribbean countries (LAC) with regards to their participation in the WTO dispute settlement mechanisms. On the basis of this analysis the authors make some recommendations for the Russian Federation as a relatively new member of the organization that is already involved in the WTO dispute settlement system. The results are important for the other Eurasian Economic Union (EAEU) states, even though members not all of them are members of the WTO.

Keywords: WTO Dispute Settlement, Latin American Countries, Russian Federation.

JEL code: F530, K33.

Introduction

The World Trade Organization (WTO) has, for more than 23 years, provided the opportunity for both developed and developing countries to defend their national interests in trade disputes. One could argue that the WTO dispute settlement (DS) system is the most efficient DS procedure of any international body (Biggs, 2005). The WTO DS is nowadays proven to be the most comprehensive one as it, based on the rules, does not allow the losing party to block the decision and has an efficient enforcement mechanism. Up to now, 536 cases were brought to the WTO. Countries at all levels of development are users of the system. One of the "pros" for the Russia's accession to the WTO was an opportunity to defend its economic interest using the DS mechanism. Indeed, discrimination practices of some key Russian goods quite often could not be challenged using diplomatic instruments.

New institutional economics allows examining international arrangements from the perspective of contractual enforcement. In contrast to states, which have a comparative advantage in violence over its territory (North, 1981), international organizations obtain a limited power and represent incomplete contracts. Prior to the GATT/WTO, international trade was controlled by informal rules and practices (Keohane, 1999). Multilateral trade agreement was admitted by nations to reduce both the uncertainty by providing information and transaction costs (Keohane, 1984). The transaction costs of making and enforcing international arrangements were lower than the transaction costs incurred by states without such arrangements. Thus, governments, business, nongovernmental organizations (NGOs) have developed multilateral trading system introducing the GATT/WTO as formal rules but with a lack of the enforcement power (North, 1990). The reciprocity and reputation of states have ensured the maintenance of commitments under international agreements (Milgrom, North, and Weingast, 1990).

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Conceptually then, the WTO is an incomplete contract and its DS system contributes to self-enforcement of the multilateral trade agreement (Bagwell and Staiger 2004; Maggi and Staiger, 2008; Keck and Schropp, 2007; Schropp, 2009). Concerns have been raised by recent studies about opportunities of developing countries to enforce the WTO commitments (Bown and Hoekman, 2007; Bown, 2009). Developing countries with weaker bargaining position have less capacity to use WTO DS despite the contemporary diffusion of power within the organization (Barton et al., 2006).

The purpose of the paper is to ascertain the relevance of the WTO dispute settlement for LACs and indicate consequently recommendations for Russia and its neighbors. The statistical analysis and interviews with representatives of the WTO, ACWL, and Latin American governments' officials will play a significant role in the research development. The paper is divided into two paragraphs. The first part focuses on distinguishing features of Latin American and Caribbean countries participation in WTO DS institution. In the next one the authors analyze first results of Russia's to the WTO DS system.

One could argue that the WTO DS participation pattern depends on the following indicators: level of economic development, size of the economy, trade turnover, lobbying power of domestic companies, adherence to rules and development of relevant institutions. Table 1 demonstrates the data on GDP per capita in US dollars at current prices for the EAEU members and selected LAC economies.

Table 1

Gross domestic product: US dollars at current prices per capita in 2016

Country	GDP per capita	Country	GDP per capita
Uruguay	15 507	Kazakhstan	7 520
Chile	13 699	Ecuador	6 095
Panama	13 696	Peru	6 085
Argentina	12 502	Colombia	5 911
Venezuela	11 052	Guatemala	4 181
Russian Federation	8 916	Paraguay	4 095
Brazil	8 532	Armenia	3 624
Belarus	8 463	Honduras	2 283
Mexico	7 965	Kyrgyzstan	1 024
		Haiti	729

Source: UNCTADSTAT 2017.

Table 1 shows a great diversity between LACs. A big difference in GDP per capita exists in the EAEU as well. It is also worth to mention, that even though Russian Federation joined the WTO with the status of a developed economy, its GDP per capita in 2016 is lower than in a number of LACs. The same is true for Kyrgyz Republic (a member of the WTO since December, 1998).

At the moment the Russian Federation is one of the newest WTO members, but it is the center of gravity for integration processes in the post-Soviet area. Analysis of the LACs' experiences could be useful in forecasting the level of Russian participation in the WTO DS system, as well as the Eurasian Economic Union (EAEU) members. The most relevant for Russia would be the case of Brazil, as this country as well leads integration processes in its own region and at the same time one of the most active participants in the WTO disputes. Small EAEU members might follow the pattern of smaller LACs.

WTO Dispute Settlement: Pro & Contra for Latin America and the Caribbean

Nowadays LACs are active participants in WTO disputes. Argentina, Brazil and Mexico have taken places in the top-10 of complainants and respondents in the WTO (Table 2). It is worth emphasizing that Brazil and Mexico have opposed unfair trade regulation much more often than they had to defend themselves. This is a case for the majority of Latin American countries. However, Argentina has participated in 22 disputes as a respondent and 20 as a complainant. Such results are impressive enough if we compare them with the share of these countries in world trade: Brazil, Mexico and Argentina in total have initiated 76 disputes (about 14% of all disputes in the WTO), but their share in the world export accounts only for 3.9% in 2016 (for Brazil these figures amount 1.11% and 6% correspondingly.

LACs started to defend their national interests using the DS system that existed under the GATT. All in all, they participated in 25 of 101 disputes, but mostly as respondents (in comparison with the WTO) or third parties (Koval and Trofimenko, 2012). Such experience enables some LACs to made some proposals during the Uruguay round with regard to the improvement of the DS, though not all of them were implemented (Delich and Weston, 2003).

Table 2

Top-10 complainants and respondents in the WTO Disputes, January 1995 – December 2018

Country as a complainant	Number of disputes	Ranking	Country as a respondent	Number of disputes	Ranking
USA	131	1	USA	162	1
EU	99	2	EU	85	2
Canada	39	3	China	43	3
Brazil	32	4	India	25	4
Japan	25	5	Canada	23	5
India	24	6-7	Argentina	22	6
Mexico	24	6-7	Republic of Korea	18	7
China	22	8	Brazil	16	8-9
Argentina	21	9	Australia	16	8-9
Republic of Korea	20	10	Japan	15	10

Source: WTO 2018

Figure 2 shows accumulated the amount of disputes initiated by the WTO members in general and LACs in particular. Starting from the year 2000 one could observe a strong correlation between two lines: in the WTO dispute settlement system LACs bring their complaints in line with other members of the organization.

All in all, for the period of 1995 – 2018 LACs have brought to the WTO 127 disputes – a figure that accounts for 22% of all initiated in the organization and about half of coming from developing countries. The peak of their activities was reached in 2001 just when the Doha round had started. The following decreases could be partly explained by the economic crisis in Brazil and Argentina and internal problems that came to the top of the political agenda, rather than international issues and deeper involvement of LACs in the Doha round. In addition, one could observe a decline of interest in the WTO and the search for a new trade strategy, especially within the framework of Regional trade agreements (RTAs) although some experts argue, that countries applied to the WTO DS when they could not achieve their goals during the Ministerial Conferences (Almeida, 2006). A modest participation of LACs in the WTO DS continued during 2006 – 2012 mainly due to the impact of the global economic crisis. First of all, while dealing with its consequences, countries were more involved into their national, domestic problems rather than

international issues. Secondly, both developing and developed countries have been trying to protect their markets, resorting to different trade measures (Evenett, 2009), and new disputes could cause reciprocal ones. Moreover, protectionism has become more "murky" or invisible (Baldwin and Evenett, 2009), and this makes the initiation of a dispute more complicated. Finally, the number of disputes increased in 2012, which shows the recovery of national economies and the return of member countries to WTO issues including the DS system, but the influence of above-mentioned causes brought them back to a rather low level.

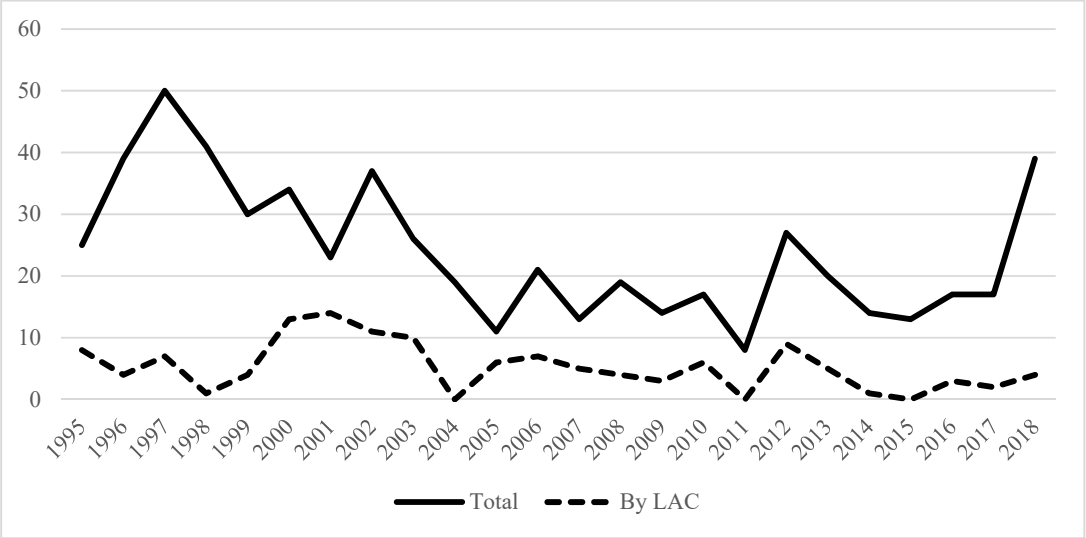

Figure 1 Disputes initiated in the WTO in total and by Latin American and Caribbean Countries (LAC), 1995 – 2018

Source: WTO 2018

Brazil, however, continued to utilize the WTO DS system. It brought one complain in 2014, three in 2016 in one in 2017. Mexico stays inert since 2012.

Many LACs are not active enough in bringing their cases to the WTO. Some members prefer not to use the long-lasting and rather expensive procedures and try to find other solutions to their problems. Since the WTO was established, such countries as Cuba, Uruguay, Venezuela, and Nicaragua used to have one case each. Some LACs (Paraguay, Haiti) have never used the WTO DS process, Trinidad and Tobago was only a respondent in 2 intraregional cases. In addition, seven countries – Chile, Columbia, Costa Rica, El Salvador, Guatemala, Nicaragua, and Panama – submitted most of their claims in the WTO against their neighbours.

Among the main challenges that some LACs face in the multilateral DS system are the following: lack of expertise and local specialists who are able to conduct the WTO DS cases; lack of financial resources to bring the case to Geneva and participate in all necessary procedures; low level of government efficiency and lack of communication between the government and business, as well as between various entities of the national business community. Yet another problem for LACs is the fact that the working language of the disputes is usually English, even though French and Spanish are also the working languages of the WTO. Nevertheless, English predominates and this can lead to several challenges for most LACs (Delich and Tussie, 2005).

One could argue that improvements in aforementioned directions would lead to the greater use of the WTO DS system by developing countries. For instance, during the litigation process LACs might count on some assistance from the WTO Secretariat. Such support is important, but

in the case that two developing countries are the parties of the dispute they both should expect equal treatment. The WTO itself cannot help member states directly to improve the efficiency of their governments. Some training could be provided through the technical assistance programs, but it is up to the country itself to develop a proper institutional body that should be able to deal with international disputes.

The WTO does not have a mandate to work on the establishment of proper links between the governments and the businesses community. The governments themselves have to introduce an understandable and transparent institutional framework that would allow business entities to submit complaints. They should also facilitate the development of educational programmes on international trade and international trade law. All of the above measures might help LACs to increase the extent of the utilization of the WTO DS system in the long run. At the same time, improvement of governmental efficiency is a tough, long-lasting and a very sensitive political process. Some LACs have achieved a significant progress in building such an institutional framework.

As it was already mentioned, larger countries like Brazil, Argentina and Mexico use the DS mechanism much more often than their smaller LAC neighbors due to more important commercial interests and substantial developments in their domestic WTO DS related institutions. In addition, these countries have more financial resources and specialists available for the DS process. Their volume of trade is rather high and there are many local companies that are powerful enough to force their governments to initiate the DS process on the international level. Some developing countries have also adapted to the WTO system by creating specialized trade bureaucracies, coordinating interagency trade policy processes in home capitals, and maintaining specialized trade units in Geneva (Shaffer, 2003). For example, Brazil created the General Office for the Coordination of Disputes within the Ministry Foreign Affairs (Barral, 2007).

As the incentives for launching disputes should come from business, the bigger companies have more potential for lobbying their interests. Thus, the interests of Mexican company Cemex could be found in 5 disputes regarding the regulation of cement imports. Moreover, business associations could be quite strong. For example, the Brazilian Business Coalition, which brought together 166 Brazilian associations and enterprises in order to coordinate their positions concerning discriminatory trade policy measures (Rosenberg, Sanchez and Schaffer, 2006). And finally, the other important issue for improving national positions in disputes is the need to develop educational and training programmes on WTO issues, such as the Brazilian International Trade Scholars (ABCI) Institute (Barral, 2007). In many cases the teamwork of all three major players: Government, Business and the scientific community, helps countries to study the peculiarities of the WTO legal system in more depth and to participate in the WTO DS process.

Finally, it should be noted that 38.4% of all disputes initiated by LACs and 52.2 percent of all disputes initiated against LACs were intraregional. The number of cases brought by developed countries against LACs is significantly smaller than the number of intraregional disputes. Nevertheless, LACs initiated more disputes against the USA and the EU than they answered from them. Moreover, there were several cases with Canada, China and Turkey where LACs were complainants. More developing countries initiated disputes against LACs than vice versa, but most of them were with the participation of Brazil. Indeed, the share of intraregional disputes in all cases initiated by developing countries against LACs is quite high (89 percent).

The large number of intraregional disputes shows that LAC economies are more competitive than complementary, and this explains the low figures for intraregional trade and the interest in new market entry. Another explanation could be that the USA and the EU used to bring their complaints against LACs to the WTO less frequently, because they could achieve their goals

by means of bilateral negotiations; something that LACs could not do and therefore they opted for the multilateral choice.

LACs, who frequently participate in the disputes as third parties, are also the most significant complainants. On the one hand, this strategy of "free riding" has its benefits and to a certain extent improves conditions of access to significant markets. For instance, when Brazil won the dispute on sugar subsidies against the EU, this represented an important step for many LACs, and furthermore some states went on to establish the special LAC Association for the Defense of Sugar Industry (Klochkovskiy, 2008). In addition, the same strategy prevents retaliations of the sort that occurred between Argentina and Chile.

On the other hand, third parties cannot comprehensively defend their own national interests; they follow the concessions of the main players. In whole the unwillingness to initiate disputes could be a result of many factors. For instance, the benefits of a win under the WTO DS process for smaller economies could be invisible, taking into account the low volumes of exports and the necessity to cover the litigation costs (Bown and Hoekman, 2005). Here is also worth to notice that acting as a third party also requires some expenses, although smaller ones.

Anyway, for LACs the practice of third parties is very reasonable, because, on the one hand, they are able to apply learning-by-doing strategy and gather experience which could then be used to launch their own disputes. The same applies when a WTO member at first initiates the case not on its own, but with a group of countries. On the other hand, the third party also has the right to comment on the dispute and the panel could take this into consideration, especially if it is in the case of a developed country supporting a developing one. All of these examples can be clearly noted if we consider the participation of Peru in the WTO DS, because at first Peru participated as a third party in the dispute initiated by Canada against the EU trade description of scallops (DS7) and then went on to join this dispute (DS12). Afterwards Peru initiated its own case on the EU labeling policy for sardines (DS231) and in this dispute the USA presented the oral statement that supported Peruvian arguments (Davis, 2006).

Thus, LACs participation in the WTO DS system is not homogeneous. Countries with bigger economies use much more often the WTO in order to resolve trade disputes, and vice versa. Among the main advantages of the multilateral DS system which are frequently mentioned by them are the following:

- the opportunity to solve the problem on the basis of rules, rather than economic and political power. This means that developing countries can rely on the impartial nature of the dispute settlement and if their claims are reasonable, they should win from their stronger partners applying restrictive measures;
- the comprehensive enforcement mechanism that leads to the fact that all losing parties (again, including those with greater power) will implement the decision taken by the Dispute Settlement Body;
- the opportunity to improve the international image of the country and ensure/improve market access for local companies on foreign markets.

These characteristics tend to demonstrate that the WTO even being an incomplete contract has a self-enforcement mechanism through the DS system. This mechanism is based on reputation of nations and reciprocity (equal rules for all members). The credibility of the WTO DS is also proved by the fact that most of recommendations adopted by the Dispute Settlement Body were implemented by Member states. Only in 5 cases complainants suspended concessions or other obligations (retaliations) because respondents didn't meet requirements of the DS Body. All these disputes were initiated by LACs alone or with other nations on behalf of a group. So far, retaliations

represent economic sanctions in response to violations of WTO commitments. Hence, the DS system provides the transparency and stability of multilateral trade agreements.

However, a weaker participation of smaller LACs in the WTO DS system could be explained not only by internal institutional challenges faced by these states (low links between government and business, lack of specialists, etc.) but also by an imperfection of an incomplete contract. Firstly, there is no doubt that WTO DS is based on legal rules, nevertheless, the role of politics is still under consideration. Less powerful nations often try to avoid initiating a dispute in the WTO against developed countries. There are exceptions, for instance, the USA-Antigua and Barbuda case. On one hand, this dispute was a good example of an equal approach to nations with different bargaining power. Finally, the DS Body upheld Antigua and Barbuda's claim against the USA. However, the USA failed to comply with the WTO DS Body's recommendations. So far, Antigua and Barbuda was authorized to apply economic sanctions. One may argue that this case demonstrates that the self-enforcement mechanism works at the WTO. On the other hand, Antigua and Barbuda didn't implement sanctions against the USA, but was engaged in process of reaching the agreement with its bigger partner. The reason for such actions was a fear of possible countermeasures applied by the USA (Mendel, 2010).

Thus, secondly, retaliations seem to be not so effective enforcement mechanism according to the above mentioned example and other cases, especially for developing countries (Bown and Pauwelyn, 2010). Moreover, as the WTO DS process is time-consuming, governments could violate trade rules for several years without facing any sanctions until the end of disputes, that leads to so called remedy gap (Brewster, 2010).

Finally, a participation of third parties and amicus curiae, providing the transparency and credibility for WTO DS, is still very limited. That's why, one of the LACs proposals during the prominent Doha Round is to expand rights of third parties (Albashar and Maniruzzaman, 2010). The other idea to develop rules for *amicus curiae* briefs could not be perceived as being blatantly in favor of developing countries. NGOs from developed countries are usually better organized and stronger than those from the developing countries. Only in some LACs are NGOs quite strong (for example, the Association of Argentine Edible Oil Industries) and well organized but for smaller countries the participation of their NGOs in the DS process could be a problem. The prominent proposals at the Doha Round, which include toughening DS time frames, forcing financial compensation from countries that delay implementation of the rules, applying monetary compensation as sanctions and bringing small claims (Deere-Birkbeck and Monagle, 2009), could strengthen an enforcement mechanism of multilateral trading agreements.

Thus, LACs' participation in WTO DS proves the great need for such a multilateral instrument of peaceful and impartial dispute resolution as was developed in the WTO, although some reforms could improve the litigation process. At the same time, most of the LACs are members of regional trade blocs which have developed their regional dispute settlement systems.

LACs' experience in the WTO dispute settlements system: lessons for Russia and the EAEU

For the first 18 years of the WTO existence Russia could not participate in its DS system. More than 100 anti-dumping measures have been applied against Russian companies, and the country was not able prove that many of them were imposed in a discriminatory manner. During the investigation process Russian companies had to adapt themselves to the legislation of the importing country every time rather than relying on multilateral norms.

High financial and administrative costs probably are not among the the key challenges for the Russian companies that suffer from the unfair anti-dumping duties. They are normally rich

enough to bear some of the costs of the disputes. What is more important is the remaining lack of experience of participation in such disputes.

Another important problem for Russia is the weakness of the institutions responsible for the defense of the country's commercial interests on the international arena. This problem falls into three parts. First of all, there is a lack of Russian national law allowing Russian companies to pursue lawsuits in international trade disputes. Secondly, one can notice a lack of communication between the business society and the government of the Russian Federation, which would initiate such cases. Finally, we must mention the lack of knowledge among the Russian business society of the opportunities and procedures of the WTO DS process. The latter is worsened by the fact that managers of some companies do not even want to know more about it and are not willing to participate in business associations (something that could be important at the preliminary stages, when the case is initiated domestically).

As it was mentioned before, Russia joined the WTO having the status of a developed economy. It does not give some privileges available for developing countries. With regard to the DS process it is relevant as well. When a dispute occurs between a developing-country Member and a developed-country Member, the panel shall, if the developing-country Member so requests, include at least one panelist from a developing-country Member (Article 8.10 of the DSU). Some studies show that such approach can increase chances of developing countries to win (Johannesson 2016).

Despite all problems related to the WTO dispute initiations, the Russian Federation might expect first benefits. Thus, cost-adjustment methodologies used by the European Union in calculating antidumping duties might be challenges (Bohanes J., Markitanova A., 2015). Indeed, precedents created in other WTO DS cases should bring a victory for the Russian side of the dispute.

At the same time, Russia's WTO membership did not lead to the extensive utilization of the WTO DS system in the short term. Like other countries, Russia had to take part in some disputes as a third party to learn how to conduct the disputes properly. Less than one year after the accession the country received 2 complaints. At the moment the amount of cases where Russia is a respondent is bigger than the number of officially submitted complaints (8 vs 6). For countries like Russia political issues are important as well: a country should keep a balance between initiated cases and those that it has to respond.

By now, Russia has practically lost two disputes out of 9 (in other three the country made amendments into its legislation and trade policy practice in order to eliminate claims). For one of the lost disputes, the European Union demands a compensation. In the society, including the State Duma of the Russian Federation, the talk began that without gaining fundamental advantages from membership in the organization, Russia faced additional obligations and therefore it would be advisable to leave this body. Unfortunately, groups of people initiating such talks, forget or prefer not to know that at such a high level of international dispute settlement a country initiates a dispute against another one if only it is sure that there is a violation of the WTO law. In most cases none of the WTO members would waist their recourses by bringing a potentially losing case. It seems that instead of studying and proper adopting the international trade rules some trade policy makers still prefer a direct use of restrictive instruments (this trend can be observed in many counties, though).

Participation of Russia in the WTO DS is not only a serie of failures. So far it manage to win two cases against Ukraine (one as a complainant DS493: Ukraine — Anti-Dumping Measures on Ammonium Nitrate and one as a respondent DS499: Russia — Measures affecting the importation of railway equipment and parts thereof). In the DS476: European Union and its

Member States — Certain Measures Relating to the Energy Sector the Panel supported some of Russian claims. In addition, the Russian Federation has good chances to win some other cases as a complainant.

So far, three other EAEU members are involved in the WTO DS: Armenia, Kazakhstan and Kyrgyzstan. In all cases a complaining party was Ukraine. It is worth to mention, that in the WTO there is a kind of unwritten rule that is followed in many cases: not to initiate disputes against new members unless they would start doing it themselves. This rule come from understanding the challenges that new acceded members might face, most of them were previously discussed in the paper. Armenia had to change its trade practice in order to avoid a long-lasting and expensive dispute; the further steps of Kazakhstan and Kyrgyzstan are not clear yet.

There is a huge institutional challenge that the EAEU states face at the moment in the WTO DS due to the fact that Belarus is not a WTO member. Some trade policy measures (like antidumping duties) countries do not impose themselves as this is a competence of the Eurasian Economic Commission. But the latter cannot represent the union in the WTO (unlike the European Union). Therefore, each state might become a respondent for measures taken at the intergovernmental level.

Of course, the WTO DS system is not the only multilateral body dealing with economic issues. The Russian Federation, for example, might bring the case to the International Court of Justice. Moreover, as we have observed the experience of LACs in the regional DS mechanisms it would be fair to discuss the future of the DS systems created within the key trade blocs with participation of the Russian Federation (e.g. Court of the Eurasian Economic Union (EAEU), the Economic Court of CIS countries). Especially since Russia's WTO accession, the choice of regional and multilateral determinants in Russian trade policy is a critical issue for policy makers (Koval, Sutyrin, Trofimenko, 2013).

At the same time, it is worth mentioning the share of CIS countries in the external trade of Russia. According to Rosstat (2017), of the Russian Federation, this is less than 13 per cent in 2017. The share of the EAEU members is about 8,5 per cent in Russian trade turnover. This figure is even smaller than the share of intraregional trade among LACs. Russia's main trade partners (around 87 per cent of trade turnover) are members of the WTO and participation in the WTO DS reflects the country's long-term economic interests.

Disputes are used by countries as a final argument in defending their interests. WTO members are trying to remove trade barriers while participating in the sessions of various committees. For example, RF delegation managed to agreed upon termination of a countervailing investigation on Russian steel products with Canada without imposing the measures (Pravila WTO i osnovy torgovoi politiki 2017).

Conclusions

The opportunity to peacefully resolve trade disputes is a key issue for the modern international trading system. Developed countries are the main users of the WTO DS mechanism. At the same time, developing members of the organization have started to address to it more actively. Latin American countries, especially Brazil, Mexico and Argentina quite often turn to this tool to achieve their trade policy goals. The WTO, with its rules on the DS system, should remain in existence as the "final" international body for settling trade disputes among LACs and the rest of the world. Yet some peculiarities of the WTO DS process (e.g. high costs for participating countries) would still be a barrier to greater use of the system. However, the most important and politically sensitive issues would be addressed to the WTO.

The Russian Federation (regardless of the fact that it is a relatively new WTO member) has to examine the existing rules and reform proposals for the WTO DS system. In order to build expertise in the WTO DS process it might use the experience of LACs. A Brazilian case might be used for developing a domestic institutional environment that would make easier and smoother a process of creating new WTO complaints and responding to incoming requests. This includes building tight links between universities, companies and administrative bodies responsible for trade policy development and implementation. In education and research, a special attention should be paid to academic programmes devoted to international trade and international economic law. Graduates of such programmes should have an internship/carrier opportunities at companies with potential interest to the use of the WTO DS mechanism and/or at authorities, involved in this process. Authorities, in their turn, should create conditions that would stimulate young professionals to work in this field in public service. They should also be more resistant to attempts of national business to lobby easier solutions to their problems (e.g. domestic support measures that might be offered by the government at the taxpayers' costs). Companies, for their part, should also study an option of the WTO complaint initiation, universities and authorities should help them (organizing seminars or participating in application design and facts gathering).

In addition, the Russian Federation (having ambitions of a regional economic and political leader) should keep flatten the amount of brought and received complaints, and, more importantly, the amount of won and lost cases. The authors do not mean that Russia has to initiate disputes for the sake of disputes. Finding diplomatic solutions should normally dominate over the wish to litigate.

The Russian Federation also has to take into account that new complaints might originate from its closest neighbors, including Ukraine and some CIS countries that are also members of the WTO. This might happen if regional dispute resolutions opportunities are either unable to settle the issue or unavailable.

Smaller EAEU countries – might behave like small LACs: neither Armenia nor Kyrgyz Republic participated in the trade disputes as complainants or third parities, at the same time Kazakhstan joined 30 cases as a third party, but have not bring any complants yet. So far Armenia, Kazakhstan and Kyrgyz Republic received complaints from Ukraine. Further development of WTO DS related institutions within the EAEU might improve the balance of the WTO membership costs and benefits.

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