

# Building Sustainable Peace in International Relations - Dispute Settlement in WTO

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## Abstract

In the absence of permanent utopian peace due to differences and certain interests emerging between states, disagreements between states are a frequent phenomenon that characterizes the international arena, so during the human history, there have been continuous efforts that have affirmed the resolution of disputes between states on a peaceful way. If so far, there are only two ways of resolving disputes: juristic and political measures, then the peaceful resolution of international disputes is a field that can be studied in several ways: in the juristic aspect of various acts of international character, respectively international conventions; in the diplomatic aspect of the practice of resolving different disagreements by peaceful means, as well as in economic terms, which implies the settlement of disputes that may arise between States from the competent WTO bodies, thus maintaining international peace and stability belongs to trade issues, which will be even more detailed study of our research.

**Key words:** Sustainable peace; Dispute Settlement; Peace agreement; GAAT/WTO;

## **1. Introduction**

Diplomatic activities are organized actions that emerge after an interstate crisis so that the disputes do not escalate into the use of force. The crisis comes when there is a clash of interests between countries and when none of the parties is withdrawn, so the diplomatic role in this case is related to postponing the problem further until the conditions for its resolution are formed. To understand what is called “The peaceful resolution of disputes”, and to assume what its future will be, we should note its growth during the historical processes, starting with the Hague Convention, which is the first written document to resolve disputes in a peaceful way, but only valid for the signatory states of this document, which foresees all forms by which states can resolve disputes that may appear between them through negotiation, mediation, arbitration, and investigation. To proceed further with the League of Nations, which provides the peaceful resolution of international disputes through arbitration, court, and investigative procedures, concluding with recommendations that did not have any binding character for the participants in the dispute, and continuing with the further support that this field will find in the UN Charter, affirming the principle of peaceful resolution of international disputes.

### **1.1. What is conflict?**

Conflict has many meanings in everyday life. To some it refers to behaviour or action. There is conflict when a trade union goes on strike or an employer locks out its employees. It is also conflict when two states are at war with one another, and where battlefield events determine their relations. The actions constitute the conflict. If this were all, however, it would mean that a conflict ends once this behaviour ends (Wallenstein, 2002, p. 15). Conflict is an inescapable aspect of international interactions. Based on Goldstein the term conflict in international relations “generally refers to armed conflict which is ever present in the international system – the condition against which bargaining takes place” (Goldstein & Pevehouse, 2014, p. 157). But as Rubin said, before getting along with the consequences and the healing of a conflict “it is important to pay attention to the origins, development, and life cycle of conflict as well as the factors that lead to conflict escalation and de-escalation, and the attitudes, behaviours, situations, goals, and values that influence individuals’

interaction and intervention styles (Sean & Senehi, 2009, p. 3). If conflict consists of three components: action, incompatibility and actors, then combining this three components we come to a complete definition that "conflict is a social situation in which a minimum of two actors [parties] strive to acquire (Wallensteen, 2002, p. 16).

The essential question which is in our interest is how does a conflict begin in international system? According to Miall "the conflict begins when some social or political change leads to the emergence of a potential dispute or clash of interests within a society or within the international system". (Miall, 1994, p. 40). But before we discuss in detail about the international conflict we find it reasonable to initially elaborate the forms and mechanisms of the conflict.

According to Deutsch "there are three types of basic conflicts: Wars, Games and Debates. Wars are partially automatic types of conflict. In this type of conflict, control and self-control quickly lose. While Games are rational conflicts that are characterized by strategy. A type of conflict resembles games where players keep control over their movements" (Deutsch, 1968, p. 103). And last one, "Debates and rivalries are conflicts in which opponents are changing each other's motives". (Deutsch, 1968, p. 130). On the other side Goldstein discuss six types of international conflict: ethnic, religious, ideological, territorial, governmental, and economic. "The first three are conflicts over ideas, the last three conflicts over interests. These six types of conflict are not mutually exclusive, and they overlap considerably in practice" (Goldstein & Pevehouse, 2014, p. 160). But according to author Galtung there is a direct violence and Structural violence. "Direct violence is the type of aggression that corresponds to wars and other sorts of personal, visible confrontation. Structural violence is "built into the political, economic, and cultural and has the same ability to harm but operates at a slower pace" (Davies-Vengoechea, 2004, p. 10). Therefore, if we are based on the economic conflict in this paper, then we conclude that this is conflict over interest and if we do not consider diplomatic methods, there can be consequences of structural violence. We can conclude that conflict can be a source of fear, anger, stress, despair, violence, and even war, but there are times that may be inspirational, hopeful, constructive, or sometimes even development and prosperity. Since the word conflict in most cases is related to negative meanings, sometimes its content alone is sufficient to make people feel uncomfortable.

If the conflict is considered to be exclusively negative, the experts should take care to avoid it as terminology.

## 2. Disputes between states and international disputes

The term 'dispute' indicates any kind of discord, ranging from a mere verbal controversy to a livid fight. According to the Permanent Court of International Justice (PCIJ) and the International Court of Justice (ICJ) "dispute is a disagreement on a point of law or fact, a conflict of legal views or of interest between the parties' which means that the term 'dispute' is 'a situation in which the two sides held clearly opposite views concerning the question of the performance or non-performance of certain treaty obligations'" (Chechi, 2014, p. 34). Based on the book of Bentwich and Martin "the notion of 'dispute' has been defined as a "conflict between states in which the contesting parties have formulated definite claims, defences and possibly counter-claims" (Miall, 1994, p. 37). And lest but not least, the Statute of the International Court of Justice (Article 36/2) defines the legal (judicial) disputes between States as: a) differences in the interpretation of any agreement; b) as an issue that deals with any problem with regard to international law; c) as an act related to the non-fulfilment of international obligations; ç) as an issue related to the realization of indemnification against any other international entity. Political (diplomatic) disputes, however, are of a different nature and are usually concerned with objections to various interests between states and these disputes are usually resolved through other forms such as diplomatic means, which are not necessarily resolved by international law norms. (Shahinovich, 2017, p. 31). Usually, in these cases, problem solving is done by balancing the interests of the states in conflict.

The adjective 'international', as applied to disputes, normally refers to two aspects. The first concerns the requirement that the dispute must be about an alleged violation of public international law. However, controversies involving contraventions of private international law provisions may also be considered 'international'. The second aspect relates to the litigants. In international law, a dispute is defined as 'international' "when it involves at least two States" (Chechi, 2014, pp. 33-34).

We agree with the statement of Bercovitch (1992, p. 4) when it says that "International disputes are not static or uniform events. They vary in terms of situations, parties, intensity, escalation, response, meaning and

transformation. The context in which a dispute occurs affects its process and outcome, in which it will depend, the success of achieving conflict resolution and peace agreements”.

### **3. Conflict resolution and Peace agreements**

In every conflict, each disputant makes a calculation of the probable costs and benefits of continuing the conflict. Even if they are not operating as strictly rational decision makers (in the economic sense), they still determine when, or if, a settlement might be more advantageous than continuing the conflict. “When the alternatives to settlement become onerous enough (economically, politically, or psychologically), the parties consider negotiation” (Susskind & Babbitt, 1992, p. 32). ‘Conflict resolution’, is a more recent concept. It certainly has roots, as evidenced by the reference to international law, conflict theory, cooperation and integration. “During the Cold War, negotiations and agreements on issues that involved the use of weapons were few and limited” (Wallensteen, 2002, p. 4). “Then in the 1990s it has taken on a new, more significant and central meaning” (Wallensteen, 2002, p. 7), something more than the limited definition of peace and more than the absence of war. A situation when “the parties are agreeing to respect each other and prepare for living together with one another” (Wallensteen, 2002, p. 10). Perhaps more significant is the fact that conflict resolution has had substantial impacts upon “how we deal with disputes in a range of settings from the interpersonal to the international”. (Brigg, 2008, p. 4) Thus, we can preliminarily define conflict resolution as a situation where the “conflicting parties enter into an agreement that solves their central incompatibilities, accept each other’s continued existence as parties and cease all violent action against each other” (Wallensteen, 2002, p. 8).

On the other side, Peace agreements are an integral part of conflict resolution. Without some form of agreement among the conflicting parties, it is hard to talk about conflict resolution. However, an agreement, even if implemented, may not be sufficient to establish a durable peace. Peace requires more than an agreement among the parties. The peace agreement is, however, a necessary step to a lasting arrangement. According to Walensteen (2002, pp. 8-9) “Peace agreements refer to situations in which the fighting parties accept each other also as parties in future dealings with

one another. It means that nobody wins all that there is to win, but no one loses all that there is to lose”.

But how will we reach the peaceful solution or agreement of international disputes?

One of the best ways to resolve the disagreements between two states is to know their history and culture, and also the circumstances that have led to that problem, and therefore, it has recently come to a new concept of conflict resolution that has to do with the analysis of the disputes and the ways to solve them, i.e. it deals with academic perspectives and tactics, which mean including at the negotiating table, personalities with an academic past or experts. These experts, having a sound basis and trying to be objective and stripped of political pressure and lack of electorate, will be supported in cooperation and solidarity, i.e. in researching and finding mutual interests. This approach is also called the relationship between the profits of both parties. In this case, to find a political solution directly between them, the most important methods are the negotiations that make up the most vital function of diplomacy. Of course, even though there are many theories for conflict resolution again without political will, their solutions would not be possible. The second and most serious form of dispute solution is with the involvement of relevant institutions.

We will close this part with the description of the author Kemp (2004, p. 8) defining the situation of peaceful societies and those who claim to be peaceful: “A peaceful society is a society that has orientated its culture and cultural development toward peacefulness. It has developed ideas, mores, value systems, and cultural institutions that minimize violence and promote peace—a cultural technology of peace. This latter point is crucial, as we can find societies that claim they are peaceful, but in fact maintain a technology and an orientation toward war, as those in power seek to preserve the right of violence as an instrument of power and conflict resolution”.

### **3.1. The role of International organizations in disputes**

If conflicts of ideas can be intractable for solve because of psychological and emotional factors and may escalate into military conflict, “conflicts about material interests are somewhat easier to settle based on the reciprocity principle” (Goldstein & Pevehouse, 2014, p. 177). According to Jonah (1992, p. 177), from the point of view of the parties to the dispute or a conflict, international organizations have certain advantages: “first, they do

not represent any vested interests; Second, the involvement of the international organization can be a face-saving device, especially if a party is in a position to offer or to accept a compromise but prefers to present it as a concession to the international community; and third, a representative from an international organization can more easily be disavowed if necessary, than can an intermediary acting in the name of a powerful state". The capacity of third parties to provide and withhold military, political, or economic assistance can determine how successful they could be in facilitating an agreement. Apart from providing political support, sometimes of a questionable nature, third parties representing the International organization are not in a position to utilize economic or military leverage, except for rare cases, as we can point out the example of "UN which has to provide a forum for settling international disputes that could erupt into war, and to take action when necessary to prevent aggressor nations from succeeding; The World Bank which has to provide funding and technical expertise in the service of encouraging economic development; and the example of the "GATT/WTO which has to increase the free flow of international trade by working to remove tariff barriers and other impediments (lloyd, 2011, p. 156).

Experts have debated how much truth and reconciliation are necessary after long conflicts. "Some now argue that in some circumstances, tribunals and government-sponsored panels to investigate past crimes could lead to political instability in transitional states. Other experts disagree, noting that the work of such panels can be essential to building trust that is important for democracy" (Goldstein & Pevehouse, 2014, p. 156). Just like there are opinion (Gates) "that economic growth generates political instability and an increased risk of armed conflict in very poor economies, but decreases this risk in richer economies", there are also opinion (Collier and Hoeffler) that suggest that "economic growth has a direct positive effect on violence reduction, and also an indirect effect as it fosters income that positively correlates with violence reduction" (Paffenholz, 2009, p. 272).

Based on the arguments cited, in the following, we shall elaborate on a case that indicates that a well-organized economic project can regain a state and can restore its peace and it is precisely what is known as the Marshall Plan or the Berlin Wall's downfall project, which came as a result of the Cold War between the US and the USSR. The rise of the Berlin Wall not only brought a territorial division but also brought about a differentiation of Germany in terms of their economy and development. Development and

progress in the West was constantly rising, the market economy advanced and the level of public welfare improved at high rates. A significant impact on the growth of GNP in West Germany played the Marshall Plan's aids. While for East Germany the main cause was the large sums it invested in its recovery. The weak economic situation of East Germany continued throughout the Cold War. It was also a reason for the fall of the Berlin Wall which meant that the border between East Germany and the West lost its meaning just as Germany's socialist state. 11 months after the fall of the Berlin Wall, Germany was reunited.

#### **4. GAAT and WTO, the trade system that brought the trade dispute settlement through negotiations**

Economic competition is the most widespread form of international relations, as no country wants to lose its trade with any other country. While Costa Rica demands that the price of coffee exports to grow, the country that imports coffee requires its price to fall; the US, one of the largest oil exporters, demands a minimum price for oiling imports, while Arab countries, the largest oil holders, they often threaten with a boycott. We agree with the opinion of Goldstein and Pevehouse (2014, p. 185), who emphasize that “in a global capitalist market, all economic exchanges involve some conflict of interest. In most cases, conflicts and disagreements between states have been resolved violently and ended with the war”. Although economic conflicts rarely lead to the use of violence, there are again exceptions. In 1861, when Mexico was unable to pay international debts, it was occupied by France, Great Britain, and Spain. Today, with the codification of international law and the establishment of institutions for its implementation and monitoring, states tend to settle disagreements and conflicts peacefully, ie through diplomacy, mediation, and negotiation.

Among the important trade regimes after the Second World War is the WTO, which is a descendant of the rules and principles of the General Agreement on Tariffs and Trade (GATT). GATT's origins is closely related to the traumatic events between 1920-1930, which led to political and economic destruction, triggered by the Great Depression and the emergence of fascism. After all this, there was a desire not to repeat these experiences, especially after the Second World War, with the abandonment of US isolation policies, to gain world leadership in the form of support for international economic cooperation. The establishment of the GATT is seen

as a great achievement, in the aspect of international cooperation between states in terms of trade in goods, and an opportunity to develop a peaceful life where conflicts would be resolved through negotiations and agreements would be reached them. A large number of meetings show how complex this process has been, as the states did not want to return to where they were held several years ago. According to Gilpin (2000, p. 62) "the trading regime was born as a result of the conflict between US and British negotiators at the Bretton Woods Conference, where the US negotiators were aiming to liberalize trade and move towards opening up foreign markets".

With the end of the idea for ITO in 1950, GATT became the most powerful organization in the world that would deal with the rules and principles of trade, to promote free and fair trade, but that during the negotiations shortcomings also emerged. We agree with the opinion of Gilpin, who distinguishes GAAT from other organizations that aimed at achieving numerical results, where through GATT agreements, fixed rules were targeted, based on qualitative achievements (Gilpin, 2001, p. 191). "Although GATT proved to be very successful in promoting trade liberalization and providing a framework for trade discussions, its authority and scope of its responsibilities were limited; more was a forum than an international organization, and there was no authority to make decisions. Furthermore, it lacked an adequate dispute settlement mechanism and the laws that came out of it were mostly applied to manufactured goods." (Gilpin, 2000, p. 63). These and many other causes prompted the need for the establishment of a new trade regime that would match a dynamic economy emerging from the protectionism of the 1970s into an integrated world where the weight of international trade was growing.

The Uruguay Round lasted for 7 and half years, involving 123-member states. Negotiators in these meetings dealt with all trade-related topics, ranging from toothbrushes to ships, from banking services to telecommunications services, from the rice problem to the treatment of SIDA's disease. The WTO, which by its new name was a new organization, but with the practices inherited by GATT, dates back to 1948, started functioning on January 1, 1995, which the organization participating ministers of governments had signed Marrakesh's Declaration. There are some perspectives on how to define or view the WTO. According to Sampson (2001, p. 13), "the WTO is the largest "player" in the field of global

governance, with rules and processes that will deeply affect the future of the economic and global orientation of member states". Whereas Reis (2009, p. 51) shares the view that "this organization is a 'driver' of trade negotiations by setting rules for world trade through the legal and institutional system for all member states". If we refer to the publication of the WTO, 'Understanding the WTO' (2015, pp. 9-10), "the WTO is an organization that aims mainly trade liberalization, i.e. a forum of world governments to launch negotiations on trade agreements. The WTO was born as a result of negotiations and any decision that comes out of it is their result". Even during this period, WTO member states are holding negotiations under the umbrella of the "Doha Development Agenda", which began in 2001.

#### **4.1. To benefit internationally from the WTO trading system - The promotion of international peace and stability**

It is a bit difficult to say that all WTO member states benefit equally from the multilateral trading system. The influence of countries with larger economies, considering production and exporting capacity; and the financial contribution to support the functioning of the WTO's bodies, we can appreciate that the benefit is not equal, but at least the benefit even minimal is present for all member states. Benefits from the WTO's multilateral system initially appear at international level, respectively, creating genuine political, economic and social conditions for cooperation between member states. With WTO membership, even the smallest and least developed states gain the right to hear their "voices", to negotiate in terms of international trade. The Dispute Settlement Panel, as the WTO body, contributes to the resolution of trade-related conflicts between member states, thus reducing trade tensions. As long as conflicts are resolved on a peaceful path and through talks, the WTO trade system's contribution is seen in terms of maintaining international peace and stability. Through multilateral agreements in various fields, states are agreed to protect the living environment and create conditions for the safety of the lives of humans, animals and the plant world, thus being effective in the development of developing economies, not exceeding the boundaries that are as defined by the WTO's international law.

One of the benefits on the international level of the WTO multilateral trade system is the political and economic benefit, namely the resolution of conflicts that arise between states on trade issues and the reduction of trade

tensions. The WTO system for settling disputes has reached a sufficient experience, with an average of two disputes submitted to the panel for months. "Before World War II, this option was unavailable. After the war, the world community of trading nations negotiated trade rules that today were entrusted to the WTO. These rules include obligations for member states to submit their disputes to WTO bodies and not take unilateral action" (WTO, 2008, p. 3). Based on the country's practices about the various conflicts, after the Second World War serious steps were taken that trade disputes that would emerge between world countries, especially between WTO member states, would be resolved in a peaceful way, i.e. through negotiations and talks where the agreement between the parties or the Dispute Settlement Body at the WTO finally resolves who are the most righteous, and who is less.

The global economy is often faced with turmoil and uncertainty, but the multilateral trading system of the WTO can contribute in terms of stabilization. "Some argue that this may also contribute to international peace. History is full of examples where trade disputes have escalated into armed conflicts" (WTO, 2008, p. 48). In 1930, the world faced a devastating trade war, followed by the Great Depression, where fears that imports would adversely affect state government increased custom barriers, which resembled a vicious circle of revenge between states. After many events that accompanied the crisis, the world economy began to decline, all of these causes led to the outbreak of World War II. The post-war period, led by GATT, established a trading system that was far more stable than before, even during the financial and economic crises that emerged from time to time. "The WTO's trade system plays a vital role in creating and strengthening trust among states. In particular, negotiations leading to consensus-based agreements are important..." (WTO, 2008, p. 2). So shortly, it can be said that the WTO plays a special role in promoting peace and international stability.

Today, the role of the WTO in terms of geopolitics is rising. In recent years, developing WTO member countries are much more active on the scene of the international economy and trade, as well as on forums held within the WTO. While in earlier years the developed countries were the ones that contributed to the achievement of the trade agreements, encouraged the resolution of disputes between states, today even developing countries take part through coalitions and co-operation in resolving the problems and trade disputes that arise. Countries such as

Brazil, India, Indonesia, and Malaysia are an active part of the international trade scene, where they are not only a powerful voice in negotiations and talks but are also promoters of filing complaints about imports and exports.

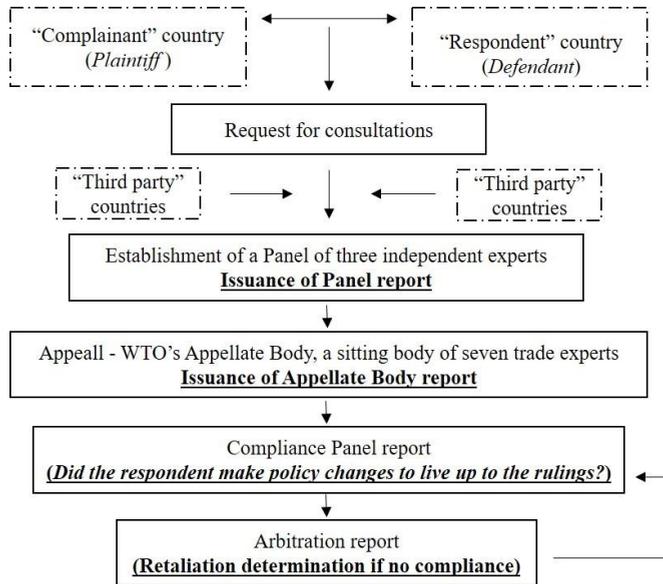
#### **4.2. Building international sustainable trade system - Trade dispute settlement in WTO**

International relations studies are categorized into two major subfields. The subfield of international security studies are related to war and peace, meanwhile, the subfield of the international political economy studies are focused in that how states cooperate politically with each other to create and support institutions that will deal with trade issues, the world economy, and international finance. We agree with the opinion of Cohen when he says that “international political economy (IPE) is about the complex interrelationship of economic and political activity at the level of international affairs” (Cohen, 2008, p. 16). In this point of the study, Goldstein and Pevehouse add that “the topics of IPE previously cantered on relations among the world’s richer nations, but with the new wave of globalization and multilateral economic institutions and agreements such as the WTO, has pushed IPE researchers to focus their studies on developing states as well, paying attention to relations between developed and developing nations” (Goldstein & Pevehouse, 2014, p. 12). International trade regimes and institutions may take many forms, with rules and procedures for resolving disputes that the ultimate goal is to reach agreements in the field of trade. According to Keohane and Nye, “some regimes have become strengthened over time – even legalized, with more obligatory and precise rules, and with dispute settlement arrangements. In the politics of trade, for instance, since 1995 the rules of the WTO have authorized third-party arbitrators to adjudicate trade disputes. Yet at the same time, these same regimes may build in provisions that cushion the effects of such external governance” (Keohane & Nye, 2011, p. 256).

WTO’s formal trade dispute settlement process it can be explained by the basics of the legal process of WTO dispute settlement. According to Bown (2009, p. 46), “WTO speak – associated with the formal enforcement. The political and economic incentives that drive the process sometimes can be relatively complicated, but the legal process itself is fairly straightforward and intuitive. Since there is a dispute between WTO member states, so when a country has violated and threatened the

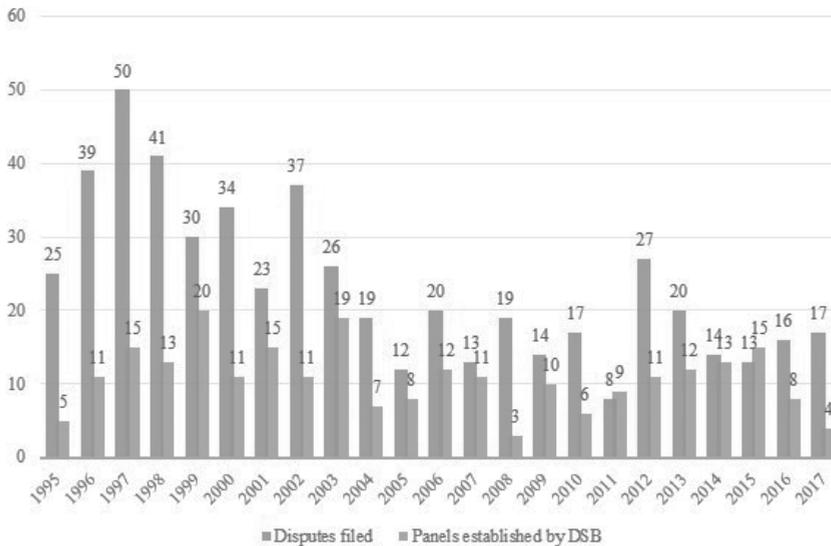
principles and rules of the WTO, “if the two countries do not work out the problem on their own, the exporting country’s first step is to initiate a dispute at the WTO by making a formal “request for consultations”. The nation of the aggrieved exporters – that is, the potential plaintiff in a dispute – is called a complainant country, whereas the policy-imposing defendant is called the respondent country” (Bown, 2009, p. 46). After we have two parties to the dispute: complainant and respondent country, and if the countries cannot find a common agreement between, they can request to be established a panel of three independent experts. In this phase of the dispute settlement process, other WTO member countries that have interest or that are affected by the dispute, and they are named like “third parties countries”. Countries parts of the process send their evidence and facts about the dispute, and once the panel hears all the parties, according to the WTO rules and principles, is prepared the Panel report. If the complainant or the respondent country isn’t satisfied with the rulings in the Panel report, can be submitted a request for an appeal to the WTO’s Appellate Body, “a sitting body of seven trade experts employed by the WTO Secretariat who act as jurists” (Bown, 2009, p. 48). This is called the “Appellate Body phase of the dispute settlement process”, where the arguments are reviewed from the parties part of the process. When the Appellate Body issues the Report, and if it is verified that the respondent country has violated the WTO rules and principles, it is asked from the country to harmonize its trade policies with the agreements of the multilateral trade system. However, if the complainant country isn’t satisfied with the respondent’s form of compliance, it can be asked to act the Compliance Panel, and in the end if the respondent country fail to harmonize its policies and comply, from the complainant can be asked to be established the Arbitration Panel and it is authorized retaliation determination if no compliance. WTO’s Dispute Settlement Process is illustrated in figure 1-1.

**Figure 1.** WTO's Dispute Settlement Process. Source: (Bown, 2009, p. 47)



“WTO members bring disputes to the WTO if they think their rights under trade agreements are being infringed. Settling disputes is the responsibility of the Dispute Settlement Body” (WTO, 2018, p. 126). From 1995 to the end of 2017, 534 disputes between WTO member states were registered in the form of complaints and respondent for which consultation procedures were initiated. Of the total number of filed disputes, only 249 panels were established by the Dispute Settlement Body (DSB). Disputes between states from 1995 to 2017 are illustrated in Figure 1-2.

**Figure 2.** Dispute filed by WTO member, and panels established by the dispute Settlement Body (DSB), 1995-2017



**Source:** (WTO, 2018, p. 131) and (WTO, 2017, p. 108)

According to Figure 1-2, the largest number of trade disputes between member states was registered in 1997, and the lowest number in 2011 with a total of 8 complaints submitted to the WTO competent bodies for consultation. Also, a considerable number of disputes have been recorded in 2012-2015, wherein in 2016 we have a total of 16 disputes between states, wherein in 2017 we have 17 disputes filed in form of consultations. In 1999 there were 20 Panels established by DSB, while in 2008 only 3 panels were established, which is also the lowest number during 1995-2017. Between 2012-2015, a total of 51 panels have been established, in 2016 8 panels, and in 2017 only 4 panels.

Regarding the number of complaints and respondents during 1995-2017, the US has been ranked first with regard to the complaints filed, where it has issued a total of 115 complaints and has been respondent in total 134 times. Then, the European Union states with a total of 97 complaints and 83 respondents. China has complained 15 times while it was indicted 39 times, while Mexico has issued a total of 24 complaints, 14 times it was a

respondent. 15 WTO member states that have had more disputes over the period 1995-2017, with data on the number of complaints and respondents, are illustrated in more detail in Table 1-1.

**Table 1.** 15 most WTO members involved in disputes, 1995 to 2017

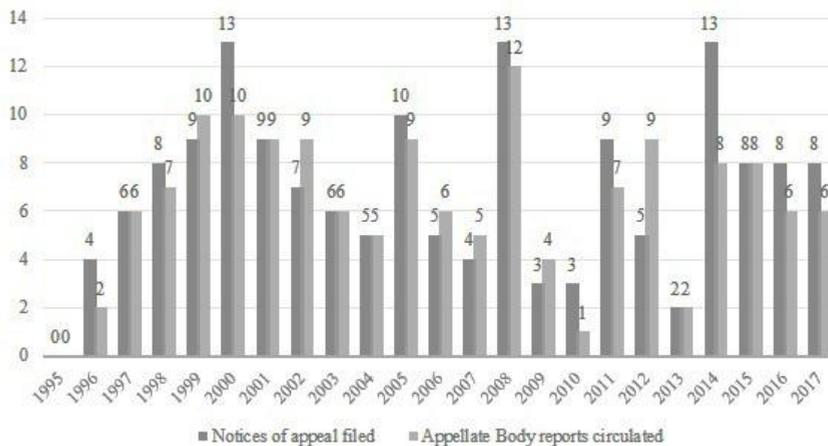
Member state	Complainant	Respondent
Argentina	20	22
Australia	8	16
Brazil	31	16
Canada	38	22
Chile	10	13
China	15	39
European Union	97	83
Guatemala	9	2
India	23	24
Indonesia	11	14
Japan	23	15
Republic of Korea	17	16
Mexico	24	14
Thailand	13	4
United States of America	115	134

**Source:** (WTO, 2018, p. 131)

During 2017, WTO states members filed 17 requests for consultations and four requests for consultations that will be discussed in established panels. "The United States, Canada and Qatar submitted the most requests for consultations concerning new disputes, with three each, followed by Russia and Ukraine with two. The United States also figured most frequently as respondent, being cited in four cases, followed by Canada, which was cited in three" (WTO, 2018, p. 131). According to the WTO Annual Report (2018, pp. 131-132), "United States requested consultations and filed a complaint against China for the subsidies to producers of Primary Aluminium, and another two complaints where this time respondent was Canada for the measures governing the Sale of Wine in Grocery Stores. In 2017, US was respondent; to India for the Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India; to Turkey for Countervailing Measures on Certain Pipe and Tube Products;

and three times respondent to Canada for the Countervailing and Anti-Dumping applying different pricing methodology to Softwood Lumber, and for the Certain systemic trade remedies measures. In filed requests for consultations active was also Qatar, filing three complaints about the same reason: Measures Relating to Trade in Goods and Services, against Saudi Arabia, the United Arab Emirates and Bahrain. According to Russia, requested two consultations and filed two complaints; one against European Union states about the Anti-Dumping Measures on certain Cold-Rolled Flat Steel Products; and the other against Ukraine about the measures relating to Trade in Goods and Services, citing the Accession Protocol GAAT 1994, General Agreement on Trade in Services(GATS), Import Licensing Agreement SPS, Agreement on Technical Barriers to Trade(TBT), and the Marrakesh Agreement Establishing the WTO” (WTO, 2018, pp. 131-132).

**Figure 3.** Number of notices of appeal filed and Number of Appellate Body reports circulated, 1995-2017



**Source:** (WTO, 2018, p. 142)

Based on Figure 1-3, we can confirm that the largest number of disputes filed in the Appellate Body is in 2000, 2008 and 2014, with a total of 13 notices of appeal filed per year. As for Appellate body reports circulated, we can say that the largest number of reports released in 1999 and 2000, with a total of 10 per year. “The Appellate Body had another busy year,

with eight appeal proceeding initiated and six reports circulated” (WTO, 2018, p. 140).

## **5. Conclusion**

When parties perceive that they are in conflict and that the goals they are pursuing are incompatible, there is overt conflict. This may be followed by a phase of no coercive conflict, when the parties prosecute the dispute by methods such as persuasion, negotiation, influence, and so on. If these fail to settle the conflict, there may be a phase of polarization and the use of threat and coercion. Threat can lead to crisis and crisis can lead to war. War may be ended by a cease-fire, which in turn can lead to a peace settlement. This may be followed by reconciliation between the parties.

To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, “adjustment or settlement of international disputes or situations which might lead to a breach of the peace” (Miall, 1994, p. 36).

International law standards dealing with conflict resolution between states peacefully should be developed in the direction of maximizing the institutionalization of all instruments and tools for such solutions. Even such rules of international law need to undergo changes by adapting to new political, economic, commercial circumstances in international relations in the international community.

In the framework of the reforms commitments and changes to the UN Charter, we are of the opinion that “such changes include formulations to force the parties to conflict to be obliged to approach resolutions of the peace deal, accepting the foreseen forms to this matter” (Shahinovich, 2017, p. 38). Taking into account the trade dispute settlement process between states in a multilateral trading system, such as the WTO, based on the records of the official reports of this organization on complaints and respondents issued in the form of consultations, or even during the establishment of panels dealing with the issue of their solution, we can say that the WTO member states have chosen peaceful forms and through dialogue to resolve any dispute. Numerous complaints made by states are a signal that the WTO's multilateral trading system works and trade disputes

between states are initially attempted to be resolved through consultation but also through the establishment of relevant panels.

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