Selecting a New WTO Director-General: Implications for the Global Trading System

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The United States and members of the World Trade Organization (WTO) face selection of new leadership for the WTO Secretariat, following Director-General (DG) Roberto Azevêdo's unexpected announcement of his resignation in August 2020, a year before his term's end. Eight candidates were in the running, and WTO members narrowed the field to five in September after the first round of consultations. The process requires all 164 WTO members to agree by consensus on the new DG appointment. WTO members and observers view the outcome of the DG race and fresh leadership as important to inject new momentum into the institution, amid efforts to salvage its relevance and chart a path forward. In the current race, analysts have variously called for an "honest broker" and dealmaker, politician over technocrat, or a "peacekeeper." WTO leadership may be particularly critical at this juncture, given members' divergent views over needed reforms and new rules, a nonfunctioning dispute settlement system, and a recent spike in unilateral trade actions, which threaten the organization's legitimacy. The intensive selection process, usually lasting nine months, has been expedited to conclude possibly by early November following the U.S. presidential election.

The WTO and global trading system face significant challenges. The WTO's credibility hinges on the conclusion of outstanding negotiations, set back by the postponement of the 2020 Ministerial Conference, due to the Coronavirus Disease 2019 (COVID-19) pandemic. Meanwhile, a dispute settlement crisis continues and broader WTO reforms remain under discussion, complicated by wide differences, growing trade disputes, and unilateral trade actions. In the near-term, WTO members face additional challenges in responding to the global trade and economic slowdown and spread of trade restrictions in response to COVID-19. In the words of the outgoing DG: "The challenges facing the work of this Organization will always be formidable — commensurate with its relevance and role as an anchor of predictability and certainty in a fast-changing global economy."

Debate over the WTO's future direction is of interest to Congress. Some Members have expressed support for ongoing WTO reform efforts (H.Res. 746) and advocated for an active U.S. leadership role (S.Res. 651). In May, Senator Hawley and Representatives DeFazio and Pallone introduced joint resolutions (S.J.Res. 71, H.J.Res. 89) proposing to withdraw congressional approval of WTO agreements; rule changes are likely to prevent votes from occurring on the measures.

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The Role and Selection of the DG

Since the WTO is member-driven, the Secretariat headed by the DG has no decision-making powers. Its primary role is to provide technical and professional support to members on WTO activities and negotiations, monitor and analyze global trade developments, and organize ministerial conferences. Notwithstanding the lack of formal power, the DG is an advocate for the trading system and often wields "soft power," relying on diplomatic and political heft in helping members build consensus or break stalemates—an increasingly difficult task. Some argue that the Secretariat should be granted more authority to table proposals and advance new rules.

The WTO General Council (GC), comprised of members, adopted the current DG selection procedures in 2002. The DG typically serves a four-year term, with possible reappointment. DG qualifications broadly include "extensive experience in international relations, encompassing economic, trade and/or political experience; a firm commitment to the work and objectives of the WTO; proven leadership and managerial ability; and demonstrated communication skills." The original eight candidates in 2020 have a breadth of experience (**Table 1**). A recent survey suggests management and political experience, economics training, and WTO negotiating experience are preferred characteristics. Experts speculate that Nigeria's Ngozi Okonjo-Iweala and Kenya's Amina Mohamed currently lead the field.

DG candidates met (in person or virtually) with WTO members in mid-July to present views and answer questions. This campaign phase ended September 7, kicking off consultations among members over two months to narrow the field and build consensus around a candidate; as leading candidates gain traction, others are expected to withdraw. On September 18, the WTO announced the five candidates who advanced to the next stage (**Table 1**). The second phase of consultations to end in early October will narrow the field to the top two candidates. A selection committee leads this process, headed by the GC Chair. The committee then issues its recommendation on the candidate most likely to gain consensus, and members make their final decision. (In the (rare) absence of consensus, procedures specify that as a last resort there can be recourse to other voting procedures.)

WTO DG appointments generally have alternated between developing and developed countries, and have hailed from all regions except Africa, the Middle East and North America—regions home to three current candidates. With Azevêdo from Brazil, some developed countries view it as their moment, while African countries strongly argue it is their turn. No female has ever served as DG, and some are now calling for that to change.

Table 1. WTO DG Candidates

Candidate	Country	Background and Key Positions
Advanced after first round		
Ngozi Okonjo-Iweala	Nigeria	• Former Finance Minister • Former Managing Director World Bank
Yoo Myung-hee	South Korea	• Trade Minister
Amina C. Mohamed	Kenya	• Secretary for Sports, Culture and Heritage • Former Foreign Affairs and Trade Minister; Chair of 2015 WTO Ministerial Conference • Former Deputy Secretary-General United Nations
Mohammad Maziad Al-Tuwaijri	Saudi Arabia	• Royal Court Adviser • Former Economy and Planning Minister • Former Banking Executive
Liam Fox	United Kingdom	• Former Trade Secretary
Eliminated in first round		

Candidate	Country	Background and Key Positions
Jesús Seade Kuri	Mexico	• Foreign Affairs Under Secretary for North America • Former Deputy DG of the WTO • Former Deputy DG of the GATT
Abdel-Hamid Mamdouh	Egypt	• Senior Counsel, King & Spalding LLP • Former WTO official
Tudor Ulianovschi	Moldova	• Former Foreign Minister • Former Ambassador to WTO

Source: WTO, "Candidates for DG selection process 2020."

What's at Stake

DG Azevêdo was motivated to resign early to prevent the DG selection from coinciding with the rescheduled 12th WTO Ministerial Conference (MC12) in 2021, potentially diverting political attention from achieving critical outcomes. It would also allow the incoming DG to better shape the strategic direction for MC12. During Azevedo's tenure, WTO members advanced some important achievements, like the Trade Facilitation Agreement, but made little progress on resolving major issues leftover from the Doha agenda and advancing new priorities. MC12 stakes are high, with final agreements pending on longstanding priorities like fisheries subsidies, and ongoing plurilateral talks, including on e-commerce. Many have also urged the WTO to tackle the trade policy challenges that emerged from COVID-19.

Members also confront reforming the WTO, a difficult process but highly consequential for the institution's continued relevance. U.S. priorities include reform of the treatment of developing country status, notification and transparency requirements, and disciplines on nonmarket economies. Meanwhile, trade disputes have accelerated between the United States and China, countries have increasingly resorted to unilateral punitive trade actions (the subject of several WTO disputes), and, more broadly, protectionist trade policies are rising, which undermine the spirit and letter of WTO rules. WTO dispute settlement, generally considered a success of the system, is unable to function fully, amid sharp disagreements over the Appellate Body's (AB) role. New WTO leadership will face ushering the trading system through these various challenges.

U.S. Perspectives

In June testimony to House Ways and Means, U.S. Trade Representative (USTR) Lighthizer called the WTO "a mess," an institution that has failed the United States and the global trading system. The Trump Administration has widely documented its concerns in its trade policy agenda and AB critiques. Regarding ideal qualities for a DG, Lighthizer has called for leadership that supports fundamental, across-the-board reform and understands the nature of problems facing market economies in dealing with China and current rules that fail to discipline large state-run economies. He noted that any "whiff of anti-Americanism" would be grounds for a U.S. veto.

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