

# Bloomberg

## The WTO Leadership Race Stumbles Near Finish Line

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Among the parlor games played in a locked-down Geneva this month is some friendly wagering about whether South Korea's **Yoo Myung-hee** will withdraw from the race to lead the World Trade Organization.

Yoo is the second-most popular pick among WTO members behind Nigeria's **Ngozi Okonjo-Iweala** to be director-general. Yoo's lone benefactor, the Trump administration, was voted out of office on Nov. 3 so Okonjo-Iweala's path to the job seems clearer.

Despite what's been written in various news reports, Yoo has not withdrawn from the race and hasn't responded to questions from Bloomberg about whether she'll stay in the running. While it's plausible that she may want to end her bid to lead the WTO, there is no concrete information to verify this.

To some members, Yoo's candidacy became toxic the moment the U.S. unilaterally blocked Okonjo-Iweala a month ago. It's still a bit of a head-scratcher why Washington vetoed a highly respected economist with verifiable reform credentials to lead the WTO. She's also an American citizen.

The office of U.S. Trade Representative offered scant details about why it opposes Okonjo-Iweala, other than to say Yoo has the "skills necessary to be an effective leader of the organization."

### Lighthizer's Strategy

In the absence of a clear reason, here are some possible strategies that USTR **Robert Lighthizer** may be pursuing:

1. The U.S. says what it means and believes that Yoo is the better candidate because she has "real, hands-on experience in the field" and Okonjo-Iweala doesn't.
2. The U.S. wants to advance a third candidate to lead the WTO.
3. The U.S. wants to extract some other concession unrelated to the WTO's leadership race.
4. The U.S. wants to force WTO members to vote on the matter, an unprecedented exercise seen as damaging to a consensus-oriented institution.

5. The U.S. sees a leadership void and chaos at the WTO as beneficial to America's interests.

While any of these options are possible, the Cato Institute's **Simon Lester** told Bloomberg that a multi-dimensional outcome a la option No. 3 seems to be the most plausible explanation.

"The Trump administration has been using economic leverage to extract concessions from trading partners at every opportunity, and it would not be surprising if it were to use the director-general selection process for this purpose as well," Lester said.

President-elect **Joe Biden**, who has supported multilateral organizations in the past, may move to end the impasse in the WTO leadership race. But that won't happen until well after his inauguration on Jan. 20.

For now, Geneva remains in a wait-and-see posture with low expectations that the WTO's drift into dysfunction will be resolved anytime soon.