

Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade

The General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO) have been touted as premier examples of international institutions, but few studies have offered empirical proof. This article comprehensively evaluates the effects of the GATT/WTO and other trade agreements since World War II. Our analysis is organized around two factors: institutional standing and institutional embeddedness. We show that many countries had rights and obligations, or institutional standing, in the GATT/WTO even though they were not formal members of the agreement. We also expand the analysis to include a range of other commercial agreements that were embedded with the GATT/WTO. Using data on dyadic trade since 1946, we demonstrate that the GATT/WTO substantially increased trade for countries with institutional standing, and that other agreements had similarly positive effects. Moreover, our evidence suggests that international trade agreements have complemented, rather than undercut, each other.