

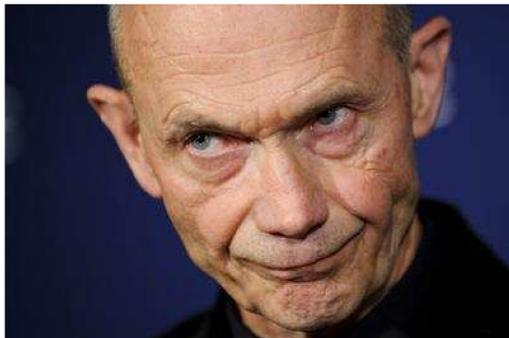
Who wants what, and how much?

How the design of the WTO prevents articulation of interests in the multilateral trade negotiations

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THE PROBLEM AND THE ARGUMENT

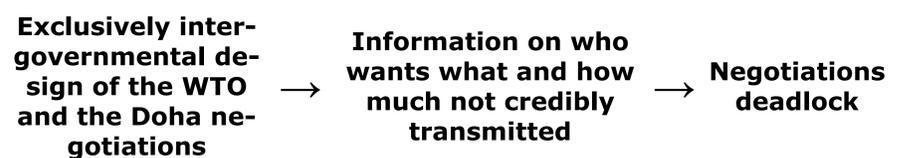
Multilateral trade talks are in a deadlock. I claim that this is because the negotiators are not able to properly articulate their interests in the negotiations. They are not able to credibly articulate *what they want and in particular how much*, i.e. how far they can go in concessions due to domestic pressures and what relative value they attach to gains and losses across different issue-areas.



For the WTO and Doha to work, the way interests are represented in the negotiations needs to change: *domestic politics rather than merely government positions* should be represented on the international level.

THE UNDERLYING THEORY

- Negotiations consist of a complex set of issue linkages. The need for the issue linkages leads to increased involvement of the states' domestic politics in the negotiations, as the trades of gains and losses across areas generate domestic distributive consequences.
- For such 2-level agenda, the exclusively intergovernmental institutional design of the WTO is not suitable. Government negotiators cannot commit themselves to positions that are domestically politically contested. Their inability to commit credibly to certain outcomes (focal points) is detrimental to the success of bargaining and negotiations. Alternative designs, representing more directly the plurality of domestic politics within the states, would likely perform better.



Research questions:

- Do the actors in the Doha negotiations know what their counterparts want, and what concessions they can make?
- How does the institutional design of the WTO and of the Doha negotiations help them in or prevent them from learning it?

- Hypothesis: *the more the domestic politics matter for the given issue, the less does the institutional framework of the WTO perform its information transmission function.*

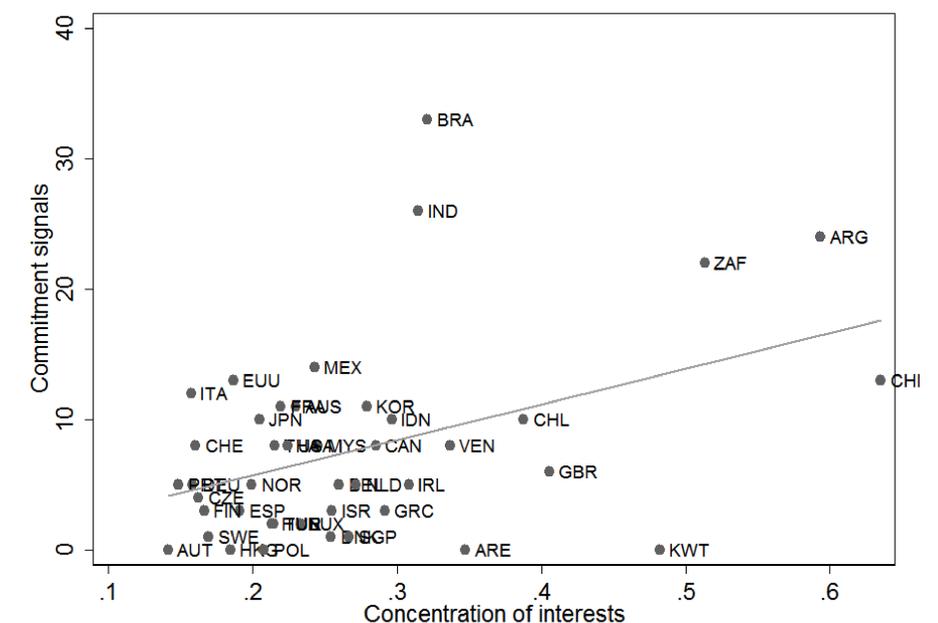
THE DATASET

- Coded public statements by the ministers at the WTO ministerial conferences (all 8 conferences, 1996-2011)
- 47 countries (more than 90% of World trade); total 354 statements, approx. 4000 relevant codings
- IV: concentration of interests on one or few dominant areas (e.g. agriculture); = share of the most salient area (alternative measures possible)
- DV: strong "costly" statements committing to the negotiation positions; = sum



RESULTS: DESCRIPTIVE GRAPHICS

Countries with a single or few highly salient issue (higher values on the horizontal axis) and therefore lower involvement of domestic politics are more willing to make costly statements (vertical axis) and thus to credibly commit to their negotiation positions.



RESULTS: MULTIVARIATE ANALYSIS

The bivariate results (right) hold in a multiple regression analysis, where we control for various polity- and economy-based, trade policy-related, and international political factors.

Table 1: Results of the bivariate and multivariate analysis

	(1)	(2)	(3)	(4)	(5)
	commitment	commitment	commitment	commitment	interest_concentration
interest_concentration	27.23** (2.97)	25.73* (2.47)	23.29* (2.53)	24.79* (2.68)	
democracy		0.615* (2.48)	0.687** (3.17)	0.686** (3.17)	-0.0133*** (-4.14)
HDI		-29.22** (-3.06)	-13.21 (-1.37)	-12.62 (-1.31)	-0.194 (-1.33)
agricultural_exports		0.146 (1.36)	0.0875 (0.92)	0.0797 (0.84)	0.00420** (2.75)
growth			7.65e-13 (1.19)	3.06e-13 (0.41)	
growth_rate			-52.87 (-1.79)	-51.42 (-1.74)	
tariff_overhang			0.0668 (1.19)	0.0624 (1.11)	
bribs			14.06*** (3.91)	14.60*** (4.05)	
Constant	0.311 (0.12)	17.58 (2.00)	6.334 (0.72)	5.591 (0.63)	0.477*** (4.22)
Observations	43	42	42	41	42
R ²	0.177	0.479	0.680	0.689	0.462
Adjusted R ²	0.157	0.423	0.602	0.611	0.420

t statistics in parentheses

In Models 2-5 Hong Kong is excluded due to a missing value for democracy, Model 4 copies Model 3 but with the EU as an actor excluded.

* p < 0.05, ** p < 0.01, *** p < 0.001