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Where officials sit influences where
they stand on WTO priorities**

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Abstract

Do representatives of member states and officials based in capitals agree on priorities for cooperation in the World Trade Organization? Exploiting an original survey of trade policy officials, we find that respondents representing their countries in Geneva often accord substantially different priorities to institutional reform and policy issues than officials based in capitals. We hypothesize that this “Geneva effect” reflects bureaucratic capacity in capitals and autonomy of Geneva-based officials, and that the effect should be smaller for officials from OECD member states, given extensive interaction outside the WTO to define good regulatory policies and address trade issues of common concern. Empirical analysis supports these hypotheses but also reveals differences in prioritization between Geneva and capital-based officials from OECD countries for specific issues. The results suggest that the prospects of international cooperation may be influenced not only by well-understood differences between states that reflect material interests and domestic political economy drivers, but by differences in relative priorities accorded to issues by officials representing states in international organizations and officials based in capitals.

Keywords

International cooperation; government capacity; issue prioritization; Miles’ Law; WTO reform.

Introduction¹

Sir Henry Wooton is said to have quipped in 1604 that an ambassador is an honest man sent to lie abroad for the commonwealth.² He meant merely that ambassadors reside abroad, not that they speak falsely, but that does not imply that ambassadors automatically transmit the views of the sending state. Scholars frequently consider gaps in how officials execute the wishes of politicians, and in how international organizations respond to the views of their members. Focusing on the World Trade Organization (WTO), in this paper we use an original survey of trade officials to explore a factor not usually considered in the international political economy literature on economic cooperation between states: differences in perceived priorities between resident representatives and their capitals. In addition to their country's material interests, where trade policy officials physically sit may influence their stance on the priorities accorded to substantive policy matters and institutional reform. Such differences may affect effort and positioning of representatives and outcomes of international engagement.

The WTO, the central institution of the international trade regime, supplies information on applied trade policies and provides mechanisms for its members to engage in trade negotiations and resolve trade disputes. In the first two decades after its establishment in 1995, the WTO performed these functions relatively well. Members negotiated several economically meaningful new agreements, they welcomed thirty-six new states, and they used WTO committees and the independent, de-politicized dispute settlement system to monitor and enforce implementation of the agreements. Until recently, the main blemish on WTO performance was the limited success in negotiating additional market access liberalization and updating WTO rules in the Doha Round of multilateral trade negotiations. The reasons for the failure of the Doha Round are complex but include insistence by high-income countries on greater reciprocity from emerging economies and more broadly, eroding domestic political support for the WTO in high-income countries, most notably in the US, perhaps due to that country's declining ability to dominate trade governance (Hopewell, 2021). The WTO impasse became a crisis when the US blocked consensus, repeatedly, on the appointment of new adjudicators to its Appellate Body because of dissatisfaction with its operation, causing the appeals mechanism to cease functioning at the end of 2019.

The negotiation impasse and Appellate Body crisis resulted in increasing calls for WTO reform, with many proposals by members on how to improve the organization.³ Reform suggestions fall into two categories: institutional 'fixing the machine' issues – revising working practices and reviving the dispute settlement function – and negotiating new agreements to address specific sources of tension.⁴ The latter include resolving long-standing differences on how to recognize differences in levels of economic development; and whether and how to incorporate plurilateral agreements that apply on a nondiscriminatory basis but bind only signatories into

1 This paper builds on the results of a survey of trade officials and practitioners undertaken in 2020 in collaboration with Matteo Fiorini, Petros C. Mavroidis and Douglas R. Nelson. We are greatly indebted to Matteo Fiorini for assistance with the empirical analysis of the survey data and thank Michael Bauer, Sarah Davidson Ladly, Manfred Elsig, Philipp Genschel, Julia Gray, Liesbet Hooghe, Audie Klotz, Stephanie Rickard, Evan Rogerson, and Peter Ungphakorn for helpful comments on previous versions of this paper..

2 This familiar version of what Wooton called a "merriment" is from Bartlett's. The Latin was said by Isaak Walton to be *Legatus est vir bonus peregre missus ad mentiendum Reipublicae causa*. Mattingly (1962, 314 n.7, 239) translates it as "A resident ambassador is a good man sent to lie abroad for his country's good."

3 Examples include China (WTO, 2019a), EU (European Commission, 2021), United States (WTO, 2019b), Canada (as leader of the so-called Ottawa Group) (<https://www.canada.ca/en/global-affairs/news/2019/05/ottawa-group-and-wto-reform.html>), and proposals by other groups of WTO Members (e.g., WTO, 2021c).

4 See e.g., Wolfe (2020; 2021), Ismail (2020) and contributions in Hoekman, Tu and Wang (2021).

the WTO framework. Whether and what type of reforms can be agreed depends on factors that are central in the IPE literature, including material interests, domestic political economy forces, perceived threat points and outside options. It also depends on the effectiveness of officials tasked with representing their country's interests in international fora. A common premise in much of the literature is the unitary actor assumption, that national representatives in international fora reflect the preferences of their governments. They may not. How states act on their preferences is affected by the priorities of officials, which in turn may be affected by their interactions with other officials.

This paper makes two contributions. First, we use a survey that collected information on views of trade officials regarding the priority accorded to a range of issues that have been the subject of official submissions to the WTO and academic scholarship to examine the possibility of differing priorities within WTO member governments. We estimate ordered probit models that reveal that officials based in Geneva and in capitals often accord substantially different priorities to WTO reform areas. We call this the 'Geneva effect'. The degree of alignment in views on priorities between officials accredited to the WTO and in capitals is a dimension of international cooperation that has been relatively neglected not just in studies of the WTO but more broadly in IPE research. Second, we estimate the extent to which priorities vary between officials, controlling for their location and the "type" of country they represent – distinguishing between states based on national bureaucratic capacity. Scholars normally attribute differences in positions taken in international fora to state preferences, material interests or development status (e.g., differentiating between the global North and South). We argue that variance in the priorities accorded to issues by officials in Geneva and in capitals may matter as well. Such differences are greater for developing countries, suggesting differences in bureaucratic capacity of capitals and autonomy of Geneva missions as an explanatory factor. We operationalize this possibility by comparing priorities of officials representing Organization for Economic Cooperation and Development (OECD) member countries with those from non-OECD countries. OECD membership is a good proxy for government capacity – OECD membership is highly correlated with World Bank government effectiveness indicators, a proxy for government capacity. In addition to comprising high capacity, high per capita income countries, OECD membership is conditional on satisfying a broad set of mutually agreed criteria.

We find only limited support for a general Geneva effect – defined as all Geneva-based delegates in our sample having a common view on what constitute high priority actions, a view that differs substantially from that of officials in capitals. There is more evidence for issue-specific Geneva effects, reflected in significant differences in the degree of priority accorded to an issue by Geneva- and capital-based officials for both the OECD and non-OECD countries. While differences between Geneva and capitals are associated with national bureaucratic capacity and are smaller within the group of OECD countries, issue-specific Geneva effects point to the importance of also considering political economy factors that affect actor incentives. A general implication of the analysis is that a version of Miles' Law (Miles, 1978) may apply to international trade cooperation: where officials sit may determine where they stand on an issue.

The paper proceeds as follows. In Section 1, we discuss why Geneva and capitals might hold different views on priorities, focusing on the differences in the type of interactions, relationships and working practices that characterize the two settings, discuss the related literature, and present our research question and associated hypotheses. Section 2 describes the survey that generated the data and the discrete choice model framework used for the empirical analysis. Section 3 discusses the resulting estimates of the degree of alignment in priorities of Geneva

and capital-based officials. Section 4 reports findings relating to the possible role of national bureaucratic capacity and autonomy accorded to Geneva missions across types of issues. An Appendix considers the robustness of our results. Section 5 concludes.

1. Conceptual framework and research questions

Do representatives of member states and officials based in capitals agree on priorities for international cooperation? If states were unitary actors, the answer would be yes. Critiques of that assumption note how it underplays the ideas and interests of officials, among other problems (Jones, 2017). We go farther: officials in capitals may have different priorities and rank ordering than their colleagues at missions accredited to an international organization because they have different responsibilities and perspectives (Miles, 1978, 401; Aberbach and Rockman, 1987). These gaps ‘within the state’ are not well captured in existing analyses of multilateral cooperation.

Scholars of organizational culture have looked at international organizations as complex bureaucracies, but they tend not to consider the work of permanent representatives (Nelson and Weaver, 2016; but see Elsig and Milewicz, 2017). The presumption in the open economy politics literature is that delegates represent national interests that reflect material factors and/or the political economy of domestic policy formation (Lake, 2009). Major events like Brexit are then considered in the context of domestic interest aggregation and state interactions (e.g., Owen and Walter, 2017). Consideration of priorities as opposed to preferences is rare in IPE.⁵ We assume in contrast that multilateral diplomacy is not a smooth translation of national preferences by permanent representatives acting as a conveyor belt or diplomatic intermediary, merely implementing instructions received from the capital (Pouliot, 2016, 131).

Much of the international relations literature uses a principal-agent (PA) analytical framework to understand the operation of international organizations (Hawkins et al. 2006). After the pioneering work of Barnett and Finnemore (2004), public administration scholars have noted that secretariats of international organizations comprise bureaucracies that can have their own agendas, exploring the relationship between politics and administration. Recent research in this vein includes a focus on the extent to which international institutions are independent actors (Ege et al, 2021). The PA conceptualization helps understand how slack between signatory governments and their agents – international public administrations associated with a given organization – can stymie the realization of the objectives of principals. PA frameworks have been used to consider the role of the WTO Secretariat in influencing or working with delegates (Jinnah, 2010) and adapted by regarding Geneva missions as “proximate principals” who form part of a “complex agent” that includes the WTO Secretariat (Elsig, 2010; 2011).⁶

Our focus is on a specific instance of institutional change – WTO reform. Institutional change is not a common focus of IPE analysis, at least after Ruggie (1998).⁷ In contrast to the literature on factors that influence the ability of international organizations to adapt to changing

5 An exception that does, assumes that priorities for environmental protection can be inferred from statements made in a committee (Johnson and Lerner, 2021), without considering whether statements reflect an instruction from the capital or the views of like-minded delegations.

6 PA approaches can be applied most directly to the WTO’s dispute settlement mechanism, as this involves delegation by the member states of adjudication of trade disputes to an international bureaucracy – the Appellate Body (Smith, 2004; Cortell and Peterson, 2006) – and accords a significant role to the WTO Secretariat in providing legal support to first instance dispute settlement panels.

7 Notable exceptions include Wilkinson (2014); Hannah et al. (2021); Scott and Wilkinson (2021).

circumstances that highlights the degree of independence of the associated secretariats, their authority, size, and scope (Hooghe et al. 2019), we do not use a PA framework to consider WTO reform because the role of the WTO Secretariat as an actor is circumscribed by design (Karns and Mingst 2013). The WTO is ‘member-driven’ to a much greater degree than other institutions such as the IMF and World Bank governed by executive bodies and with secretariats that have significant autonomy.⁸ Outside of dispute settlement (until the demise of the Appellate Body in 2019), WTO members, that is, Geneva missions (national representatives) drive daily activities. All WTO members have permanent missions staffed by anywhere from one or two to a dozen or more officials, usually headed by an Ambassador, and supplemented by a varying number of subject experts coming from the capital for many or all substantive meetings. We refer to all these people as “delegates” or “representatives” of their countries. Most will be from the trade ministry, but some will come from finance or agriculture ministries. Most resident officials return to their home ministry after a few years in Geneva—they are called “permanent” representatives to differentiate them from officials who come from capitals for specific meetings. The missions are not ‘delegates’ of their government in a principal-agent sense (there is no delegation of sovereignty), but Geneva-based representatives of member states may have priorities that differ from capitals. This assumption differs from the two-level game framework (Putnam, 1988), which assumes one ‘leader’ who plays in both games, and the domestic game is played with actors external to the state. We assume instead that the state is not a unitary actor and that in a “member-driven” organization, outcomes depend on the members rather than the Secretariat as an international public administration.

Standard approaches would expect to see relatively close alignment in prioritization between Geneva and capitals since a country’s material interests are a constant. However, the environment in which Geneva representatives operate differs from those confronting capital-based officials. At home, trade officials must deal with other ministries, industry interests and civil society. Lobbying by different interests for specific policy instruments may influence stances taken by different parts of government (e.g., Davis, 2009; Kim, 2017). In Geneva, representatives confront 163 other members and must work within the confines of how things are done in the WTO. A consequence of the different geographic settings in which trade officials operate, including who they interact with, is that views on priorities for the WTO may be influenced by where they sit.

Hypotheses

While Ambassadors and their capitals should not have different incentives in the usual sense (missions have no control over their own budgets) missions may have a degree of autonomy. The idea of bureaucratic autonomy is well understood in a national context (Wonka and Rittberger, 2010). We conceive of autonomy as meaning a range of independent actions available to actors and the capacity to develop independent views on priorities (Bauer and Ege, 2017). Multilateral diplomatic practices of a given setting may shape the views of all permanent representatives that operate in that context. The idea here is that political dynamics of Geneva cannot be fully explained without considering diplomatic practices (Pouliot, 2016, 5), which emerge organically in the social interaction of, for example, WTO committees (Bohnenberger, 2021). Ambassadors cannot escape the practices that constitute the social order of the WTO. We ask whether something in the social context of Geneva that we do not observe leads national officials to respond differently than their own otherwise similar colleagues in capitals. It might be local diplomatic practices, the perceived need to reach agreement (Lewis, 2005), something arising in the social interaction of the Geneva ecosystem (Dairon and Badache,

8 Karns and Mingst (2013).

2021) or a phenomenon akin to an “epistemic bubble” in which individuals overwhelmed by information—say the ambassador of a small mission—filter out some sources (Nguyen, 2020).

When faced with multiple issues, officials must set priorities for the allocation of limited attention, which will be influenced by the environment in which they work. Discussion in Geneva will influence how ambassadors with limited time perceive the agenda and the relative priority of topics, independent of national preferences or positions on that issue. Such a Geneva effect may result in Geneva-based officials, largely independent of country affiliation and thus idiosyncratic national trade interests, placing greater priority on addressing an issue than do capitals, which is neither an instance of group-think nor evidence of an epistemic community, in the sense of a group of experts. In general, non-alignment of views of Geneva-based representatives with those in capitals may arise because of asymmetric information on organizational matters, differences in assessments on what is feasible or because capital-based officials are farther removed from the intersubjective stabilization of meaning that takes place in international regimes (Kratochwil and Ruggie, 1986).

A conditional form of the Geneva effect hypothesis is that Geneva-based officials may rank order priorities differently from each other as well as from capitals, and that Geneva delegates may differ in the degree of divergence from their capitals depending on the characteristics of the country they represent. The conditional possibility of interest here centers on bureaucratic capacity in capitals that has an impact on the relative autonomy of Geneva officials. Perceived priorities of officials in Geneva may then differ from capitals depending on the degree of de facto autonomy of ambassadors. We expect this to be greater when capacity in the capital is limited, or when a matter tabled in a WTO body does not affect national interests (Odell, 2005). Many ambassadors are accredited at UN organizations in Geneva as well as the WTO. Given competing demands on their time and limited specific trade interests, delegations with significant autonomy may be more open to influence by nongovernmental organizations (NGOs) in Geneva willing to invest resources to pursue their agenda by assisting with speaking notes, briefs and so on. There is evidence for such a claim (Ostry, 2006; Hopewell, 2015),⁹ but it has never been tested (Burstein, 2021).

Structural factors may also give rise to local group dynamics in Geneva that may result in differences in priorities accorded to issues by Geneva missions and capitals. All delegations, but especially smaller ones, must work in coalitions to be effective in the complex WTO setting. Interactions with colleagues in Geneva may shape delegates’ views, especially insofar as they rely on their colleagues to get information and formulate a position on a given issue. Delegates that can (must) act with looser instructions from capitals may end up with a significant proportion of their positions reflecting the dynamics of local group politics (Pouliot, 2016, 143).¹⁰ We expect such local dynamics to play less of a role for countries with high bureaucratic capacity. Moreover, we also expect this to be less likely for countries that engage regularly with each other outside the WTO on trade-related issues. A commonality of view within government (i.e., Geneva representatives and officials in capitals) is more likely to occur among countries

9 Examples include the role of NGOs in Geneva in assisting the African Group in crafting the positions that led to the 2001 Declaration on TRIPS and Public Health, a process that largely played out in Geneva (Odell and Sell, 2006). In 2002, civil society groups influenced the strategy developed by West African cotton producers, with several of the international NGOs who were linked to the resulting cotton initiative partly funded from Geneva (Elsig and Stucki, 2012). The South Centre was a source for several papers put forward by the G-33 (Wolfe, 2009) in early debates on the “special safeguard mechanism” for agriculture and this NGO continued to work with this group of countries in subsequent negotiations (Hannah, Scott and Wilkinson, 2018). And UN organizations played a supporting role on agriculture negotiations both in the Uruguay Round and the Doha Round (Margulis, 2018).

10 Alternatively, low capacity in the capital may lead to an instruction to the permanent representative to join the position of a specified coalition, whatever it is.

that are likeminded, interact regularly and work together to assess economic policies and determine what constitutes good practice. OECD member countries combine both high government capacity and frequent interaction of trade officials in the OECD Trade Committee and associated specialized expert and working groups. OECD membership involves regular interaction with a focus on identifying good policy practices. Many of the issues addressed by WTO agreements or that are the (potential) subject of negotiations are the focus of regular deliberation and analysis by OECD bodies, making it more likely that officials of OECD member states share common views on trade priorities.

The survey data permit evaluation of the existence of a general Geneva effect reflected in differences in the priority accorded to issues by Geneva and capitals, and the prediction that national bureaucratic capacity conditions the degree of autonomy of Geneva delegations, reflected in differences between Geneva-based officials and those in capitals. Our hypotheses can be formalized as follows:

H1: Geneva effect: Miles' Law affects all trade officials leading to significant differences between Geneva and capitals in the importance accorded to institutional and policy issues.

H2: Bureaucratic capacity constraints lead to greater autonomy for Geneva officials representing non-OECD countries, reflected in greater divergence in prioritization of issues by non-OECD officials in Geneva and capitals than is observed for officials from OECD nations.

2. Empirical methodology

Public opinion surveys are a familiar tool for understanding how the mass public thinks about trade and scholars increasingly use surveys to understand expert opinion (Herold et al., 2021). The data used in this paper come from an anonymous expert survey conducted in June 2020 using an online platform.¹¹ Around 800 responses were received for most of the questions, including from officials, academics, and representatives of non-governmental and international organizations. Results reflect the individual subjective views on the relative priority attached to an issue, not whether these views correlate with the positions of their governments, or even a respondent's perception of the national position.¹² All missions accredited to the WTO, including those without an office in Geneva, received the questionnaire.¹³ We include only responses from government officials in the analysis here. We sort respondents by whether they work in Geneva and whether they identified the nationality of their employer (no nationality information was requested from staff working for the European Commission). The resulting sample comprises 66 officials based in Geneva (47% from non-OECD countries, 42% from OECD countries and 11% that did not specify their nationality) and 146 officials from capitals (49% OECD, 49% non-OECD and 2% with missing nationality). A total of 102 respondents (48%) are from a non-OECD country, 100 (47%) are from an OECD economy, while 10 respondents (5%) did not specify their nationality. For the sample as a whole, one-third work in Geneva and two-thirds work in capitals.

11 Fiorini et al. (2021) discuss the sampling frame and survey instrument and report the full results of the survey.

12 We do not discount the important IPE literature on national interests and trade policy preferences, or the political economy of domestic trade policy, but the data do not provide information on these issues.

13 The official WTO Secretariat contact list was used for the survey.

The survey instrument included questions about priorities for improving the operation of the WTO, including enhanced transparency procedures, mechanisms for managing trade conflicts and settling disputes, deepening engagement with stakeholders, and supporting new approaches to negotiations that do not require universal participation, so called plurilateral cooperation, as well as questions about negotiation priorities, including concluding ongoing negotiations among subsets of WTO members (so-called Joint Statement Initiatives), domestic support for fisheries and agriculture, industrial subsidies and revisiting the approach used to recognize differences in levels of economic development. The survey questions are listed in Box 1. The officials responding to the survey would be cognizant of these issues given that all have been the focus of proposals by WTO members and discussion in WTO bodies.¹⁴ The associated priorities are independent of “preferences” on the substance of desired outcomes, which may – and often will – differ, but this is a dimension on which we do not have information.

Box 1. Survey questions: What priority do you assign to the following issues?

A. Institutional Matters – ‘Fixing the Machine’

1. Improving compliance with notification obligations
2. Monitoring COVID-19 pandemic trade-related measures
3. Strengthening the trade policy monitoring process
4. Use WTO bodies to defusing potential disputes (example: through ‘specific trade concern’ processes)
5. Deepening engagement with stakeholders (example: through thematic sessions of WTO committees)
6. Make virtual meetings and video conferencing standard options for meetings
7. Provide support for plurilateral agreements
8. Analyze the distributional effects across countries of national trade policies
9. Make the Appellate Body operational again
10. Reforming dispute settlement and revisiting the role of appellate review

B. Substantive Negotiation Priorities for the WTO

11. Resolving differences on special and differential treatment for developing countries
12. Concluding ongoing negotiations on fisheries and agricultural support
13. Concluding ongoing plurilateral negotiations on e-commerce, investment facilitation, regulation of services and micro, small and medium-sized enterprises (MSMEs) (joint statement initiatives)
14. Negotiating stronger rules on the use of subsidies and industrial policies
15. Clarifying the role of the trade policy in tackling climate change

¹⁴ See footnote 2. We discuss the substance of these issues in Section 4 below.

16. Clarifying WTO role in promoting the sustainable development goals

Note: See Fiorini et al. (2021) for details on the survey instrument used.

The analysis of the responses uses a discrete choice model to estimate alignment or nonalignment of priorities between two groups of respondents on a given issue. The two groups of interest are officials representing OECD member countries and non-OECD member countries. We use OECD as a proxy for bureaucratic capacity, as OECD members tend to be high-income countries with sophisticated bureaucracies. We expect officials of OECD member countries, whether located in Geneva or in capitals, to have trade priorities that are more aligned than those of officials from non-OECD member countries. The OECD vs. non-OECD split is highly correlated with the familiar North-South or developed-developing characterizations of country ‘types’, and the OECD is a self-defined set. The alternative of defining groups of high and low-capacity countries will inevitably be somewhat arbitrary, with inclusion determined by the capacity indicator used. As a robustness exercise, in what follows and the Appendix we also consider H2 through the lens of direct measures of government capacity.

Responses to specific questions (e.g., “What priority do you assign to providing support for plurilateral agreements?”) are the dependent variable of an ordered probit model with a unique regressor consisting of a dichotomous variable identifying the two groups whose priority ranking of the issue we want to compare. The model is specified as $y^* = \beta D + e$, where the dependent variable is given by the answers to a specific question, with response values ranging from 1 (very low/strongly disagree) to 5 (very high/strongly agree). The regressor of interest is a dummy variable taking value 1 if the respondent belongs to the group of interest (e.g., OECD countries) and 0 if she belongs to the respective baseline group (e.g., non-OECD countries). The latent variable y^* can be interpreted as the continuous utility from priority being assigned to the issue specified in each survey question. The error term e is assumed to be normal, i.e., $e|D$ is distributed as Normal(0,1). The sign of β estimated through the ordered probit model using the observed categorical variable y can be interpreted in terms of the conditional expectation of the associated unobservable latent variable (y^* , the continuous utility) that is the focus of analysis.¹⁵

Point estimates and their respective 95% confidence intervals are plotted graphically, indicating whether belonging to a given group is associated with less (if negative) or more utility (if positive) being assigned to the issue in the question, relative to the baseline (comparator) group, which is normalized to equal zero. Estimation of each discrete choice model is done by clustering standard errors at the level of the unique bivariate regressor. The results are statistically significant if the confidence interval does not cross the zero baseline, which is usually the case.¹⁶ In the figures discussed below, the baseline group, either respondents based in capitals or respondents representing non-OECD member countries, is represented by the vertical line at 0 on the horizontal axis. In analyses of capital-based vs. Geneva-based officials, point estimates to the right of the 0 line reveal higher utility for delegates in Geneva, while point estimates to the left reveal higher utility for officials in capitals. For analyses comparing non-OECD with OECD member officials, point estimates to the right of the 0 line reveal higher utility for respondents in OECD countries while point estimates to the left reveal higher utility for respondents in non-OECD countries. The horizontal distance from the vertical

¹⁵ See Aldrich and Nelson (1984) and Greene (2012).

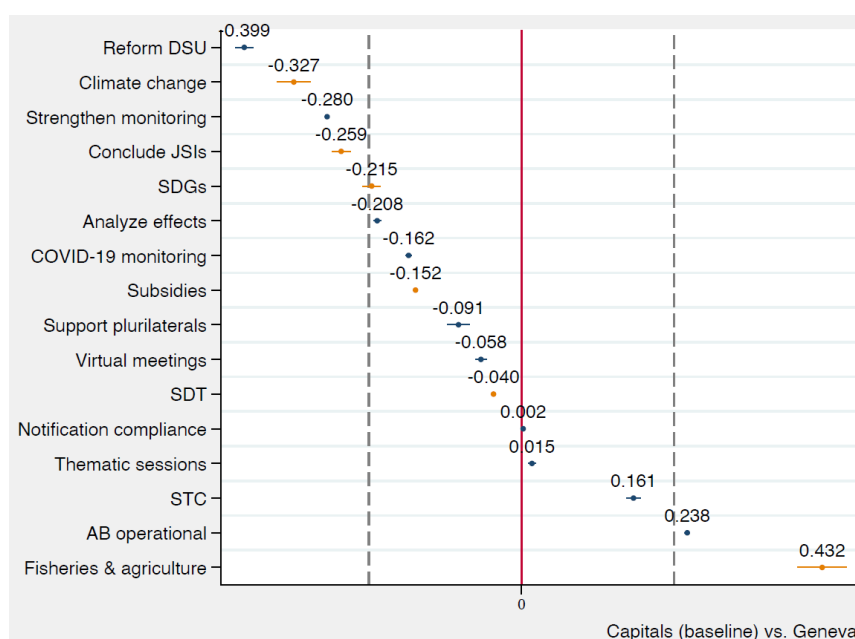
¹⁶ If the confidence interval lies completely to the left or right of the vertical line at 0, the association entailed in the point estimate is statistically significant.

0 line indicates the degree of alignment in the priority respondents assign to that question—greater distance indicating greater divergence. While not salient from a statistical inference perspective, vertical dashed lines corresponding to plus and minus the standard deviation of all point estimates are plotted in some of the figures to give a sense of the relative magnitude of the difference in views.

3. Geneva and capitals: on different planets?

Our main interest is in two research questions: (i) the extent of divergence between capitals and their delegates in Geneva (the Geneva effect hypothesis); and (ii) whether any such divergences are smaller for officials representing OECD and non-OECD countries (the capacity-cum-autonomy hypothesis). Figure 1 summarizes results for the 16 questions listed in Box 1, comparing Geneva to capitals without controlling for country group. A first finding that emerges is that on most questions officials in Geneva and capitals are not on the same page: where officials sit may indeed affect where they stand. There are several subjects in Figure 1 where differences are large. The most extreme divergence is fisheries and agriculture, which is a much greater priority for Geneva than for capitals. This is important, as agreement on fisheries subsidy disciplines is a litmus test for the ability of WTO members to negotiate meaningful outcomes. Also striking are the results for the two dispute settlement questions. Geneva and capitals are far apart. Capitals accord much greater priority to reforming the dispute settlement mechanism, that is to re-consider conflict resolution processes as laid out in the WTO Dispute Settlement Understanding (DSU). Conversely, Geneva attaches much greater importance to reviving the Appellate Body. The evident non-alignment of Geneva and capitals on most issues suggests support for H1, that is, a Geneva effect.

Figure 1. Capitals and Geneva often are not aligned



Notes: N=212. Row labels denote the survey questions listed in Box 1. Point estimates and confidence intervals in red (blue) denote questions pertaining to negotiation (institutional) issues. Vertical dashed lines indicate the standard deviation of all point estimates reported in the figure. DSU: Dispute Settlement Understanding; SDGs: Sustainable Development Goals; SDT: special and differential treatment; STC: specific trade concerns; AB: Appellate Body.

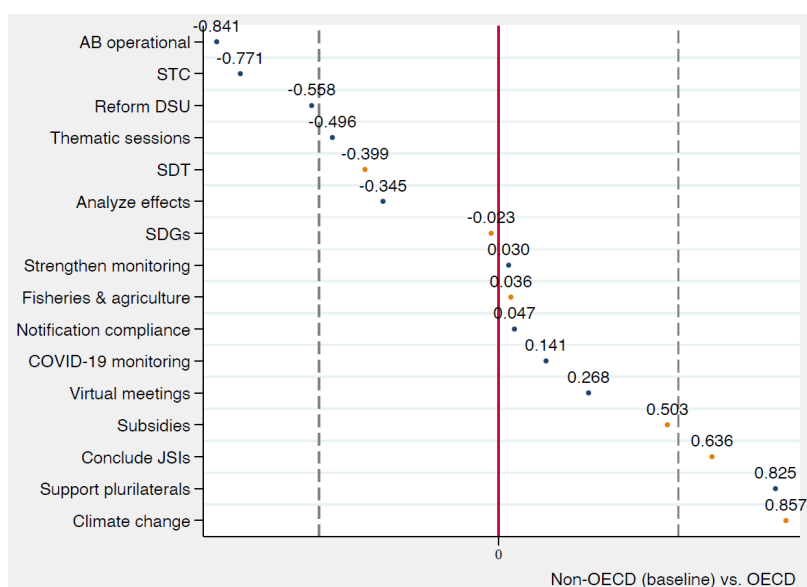
For any such inference to be robust, the effect must be independent of the type of country officials represent. In most instances, this is not the case. Estimations of the degree of alignment between OECD and non-OECD countries reported in Figure 2 reveal significant differences across priorities of officials in these two groups in Geneva (Figure 2(b)), although there is even more divergence in the views on relative priorities of officials in capitals (Figure 2(a)) – with alignment for only two issues compared to four for Geneva.¹⁷

Figure 2. OECD and non-OECD views are not aligned

a) OECD vs non-OECD (capital-based officials)



b) OECD vs non-OECD (Geneva-based officials)



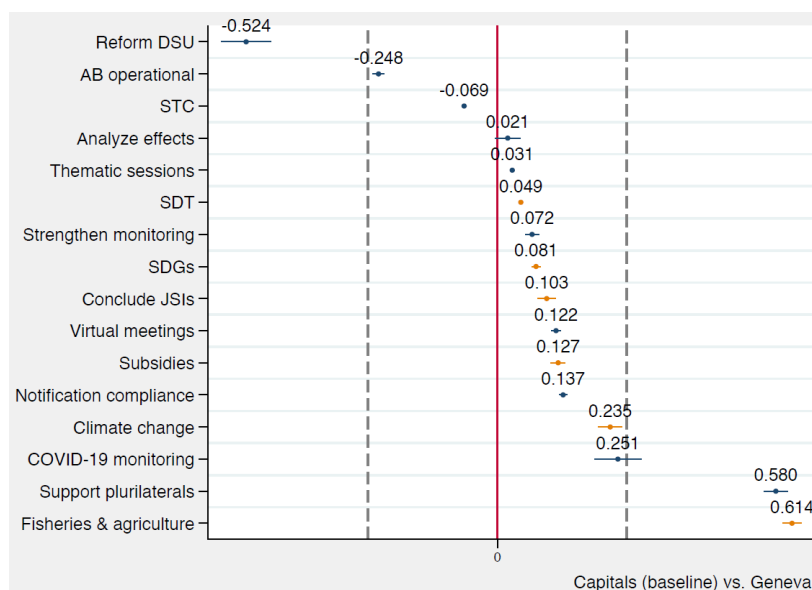
Note: See explanatory notes to Figure 1.

17 Qualitatively similar results obtain if instead of focusing on OECD/non-OECD we differentiate between countries based solely on national bureaucratic capacity using the World Bank government effectiveness indicators (Kaufman et al. 2010). We discuss results using only government capacity to differentiate between respondents in the Appendix.

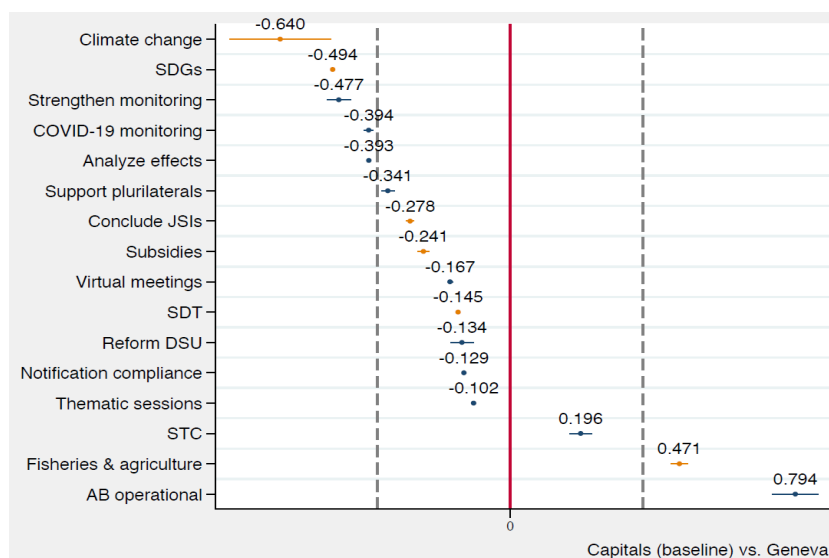
Focusing more specifically on the question of interaction in Geneva (and conversely among capitals), Figure 3 panels (a) and (b) report estimates for the two sub-groups of officials, revealing that on most issues the two groups differ. Figure 3(a) reveals relatively close alignment between OECD capitals and their Geneva delegates on many issues, while Figure 3(b) suggests less alignment in views of officials in Geneva and capitals affiliated with non-OECD nations.¹⁸

Figure 3. Non-alignment between capitals and Geneva: OECD vs. non-OECD countries

a) Capital vs Geneva (OECD countries)



b) Capital vs Geneva (non-OECD countries)



Note: See explanatory notes to Figure 1. N=202.

¹⁸ Here again, results are consistent with those obtained from estimating and comparing priorities for respondents from the top and bottom 10 ranked countries on government effectiveness in the sample.

The results reported in Figure 3 suggest that H2 may be informative in that where you stand is conditioned by other factors. Geneva officials from OECD countries attach much greater priority to support for plurilateral initiatives and concluding negotiations on fisheries and agricultural subsidies, and conversely, much less priority to reforming dispute settlement processes than capital-based officials do. Two of these issues relate to the operation of the WTO; one concerns a substantive policy area. Officials from non-OECD countries in Geneva diverge substantially from their colleagues in capitals on many issues, notably fisheries and agriculture, but the greatest divergence is the perceived priority of reinstating the Appellate Body, where Geneva and capitals are very far apart. This is a matter on which there is also substantial divergence among officials from OECD countries.

The estimates reported in Figure 3 suggest a noticeable degree of non-alignment between Geneva and capitals, with Geneva-based officials from OECD countries assigning greater priority than capitals to most issues. Conversely, officials from non-OECD countries in Geneva attach less priority than capitals to most issues. These results suggest only weak support for a common Geneva effect, but they indicate the potential salience of H2, discussed further in Section 4. For countries likely to have less bureaucratic capacity in capitals and greater autonomy in Geneva, most of which can be expected to fall into the non-OECD group, the extent of the differences in rank-ordering of priorities is substantial – there is no alignment for any of the sixteen issues (Figure 3(b)). Conversely, point estimates and confidence intervals are grouped more tightly around the baseline for officials from OECD countries (Figure 3(a)).

4. Differences in priorities across country groups

The foregoing presentation of estimation results does not permit straightforward analysis of the hypothesis that differences in priorities for officials in Geneva and capitals may be associated with capacity differentials and that the degree of alignment in priorities on policy (negotiation) issues can be expected to be greater for OECD than for non-OECD respondents (H2). In this section we consider this hypothesis more closely, focusing on the subset of issues that are most important from a WTO reform perspective – those that have been the subject of submissions by WTO members and discussion in the academic literature.¹⁹ Each issue is preceded by a brief discussion of its salience to WTO reform debates. Recall that how states act on their preferences, whatever they are, is affected by the priorities of officials, which are in turn affected by their interactions with other officials, creating the possibility of a Geneva effect. In each of the figures in this section, panels 1 and 2 compare estimation results for officials from OECD and non-OECD countries, respectively, showing how the Geneva effect differs for our two groups. H2 not rejected when panel 2, non-OECD countries, shows greater divergence than panel 1, OECD countries. A larger divergence with capitals in panel 1 implies an issue-specific Geneva effect that is based neither on material interests nor on capacity, which would support H1. Panels 3 and 4 amplify figures 2 and 3 above, showing where OECD and non-OECD countries are aligned (or not) with each other, allowing an assessment of whether negotiation obstacles are located in Geneva or capitals.

4.1 Fixing the machine: institutional matters

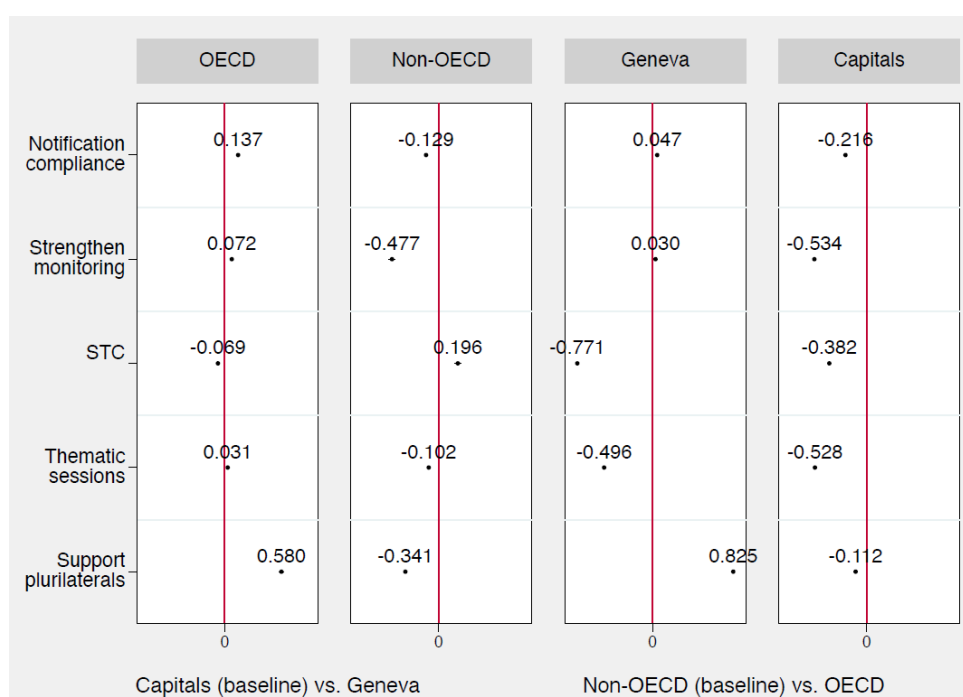
Transparency of actor behavior and expectations is a core requirement of international regimes. Two transparency-related issues figure prominently in WTO reform discussions. The first concerns uneven compliance with the dozens of formal notification obligations in WTO

¹⁹ See footnotes 2 and 3.

agreements. These include requirements to notify changes in trade legislation and customs clearance procedures, new technical product regulations, agricultural support programs and other subsidies (Hoekman and Kosteki, 2009). Improving notification performance has been a common objective for the EU, US, and other OECD member countries (WTO, 2021c) but has been resisted by many developing countries who think the obligations already place an undue burden on them. Another dimension of improving transparency of trade policies concerns strengthening the periodic WTO trade policy monitoring reports prepared by the Secretariat that provide information on all government interventions affecting trade, beyond that available in formal notifications (WTO, 2020).

Model estimation results in Figure 4 (third panel) show that delegates from OECD and non-OECD nations in Geneva are closely aligned on the priority accorded to improving both dimensions of improving policy transparency. Officials from OECD and non-OECD nations in Geneva are not aligned with capitals on the priority to accord to strengthening notification compliance (panel 1), rejecting H2. Geneva delegations from non-OECD countries diverge from capitals substantially on the priority of strengthening monitoring (panel 2), while this is not observed for officials of OECD countries, consistent with H2.

Another focal point for institutional reform concerns using WTO committees to address specific trade concerns (STCs) regarding (proposed) national policy measures that fall under existing multilateral agreements. STC procedures are used relatively frequently by the U.S. and the EU, but also some other OECD countries (Wolfe, 2020). A 2021 proposal to establish common procedural guidelines by the EU and 19 other WTO members aims to make better use of WTO bodies to discuss and resolve STCs (WTO, 2021a) was met with considerable resistance by developing countries concerned about burdensome additional obligations (Wolfe, 2020). The first and second panels of Figure 4 show that OECD capitals and Geneva accord similar priority to this issue, while there is less alignment for non-OECD countries, consistent with H2. The third panel of Figure 4 reveals that addressing proposals to expand and improve the use of STCs is a higher priority for non-OECD officials in Geneva than for Geneva representatives of OECD member countries. Perhaps given that STCs often concern technical matters, better procedures could facilitate easier engagement by authorities in capitals for countries with lower bureaucratic capacity.

Figure 4. Fix the Machine: Institutional matters

Notes: Rows pertain to questions 1, 3, 4, 5 and 7 in Box 1.

Deliberation in WTO bodies is important for officials to consider what works well under agreements, what is not working, and what should be next on the agenda (Bohnenberger, 2021). Currently the main mechanism for policy dialogue for WTO members to discuss emerging issues are so-called thematic sessions of WTO bodies. These are informal and permit participation by non-government stakeholders – business representatives, regulators, experts, specialized intergovernmental organizations, etc. (Wolfe 2021). On the question whether engagement with stakeholders should be expanded through thematic sessions, H2 is supported. Non-OECD capitals and Geneva are less aligned than officials from OECD countries. Representatives of non-OECD countries in Geneva accord a much higher priority to this than officials of OECD countries (Figure 4 panel 3). This divergence is consistent with differences in bureaucratic capacity—OECD countries may not see the need for more WTO help to engage with stakeholders.

As a response to the Doha Round deadlock, at the 2017 WTO ministerial conference in Buenos Aires, groups of WTO members launched “joint statement initiatives” (JSIs) with a view to explore the scope to agree on specific issues on a plurilateral (‘critical mass’) basis (Hoekman and Sabel, 2021). The JSIs imply a move away from negotiations spanning all WTO members and the working practice of consensus decision-making. Any agreements would make use of WTO transparency and dispute settlement procedures, and apply on a nondiscriminatory basis because of the WTO most-favored-nation treatment rule. Notwithstanding that JSI agreements would not apply to non-signatories and that benefits would have to be extended to non-signatories, their launch was controversial. Many non-OECD member countries, led by India

and South Africa (WTO, 2021b), argued the WTO Secretariat should not support plurilateral talks as a matter of law and principle.²⁰

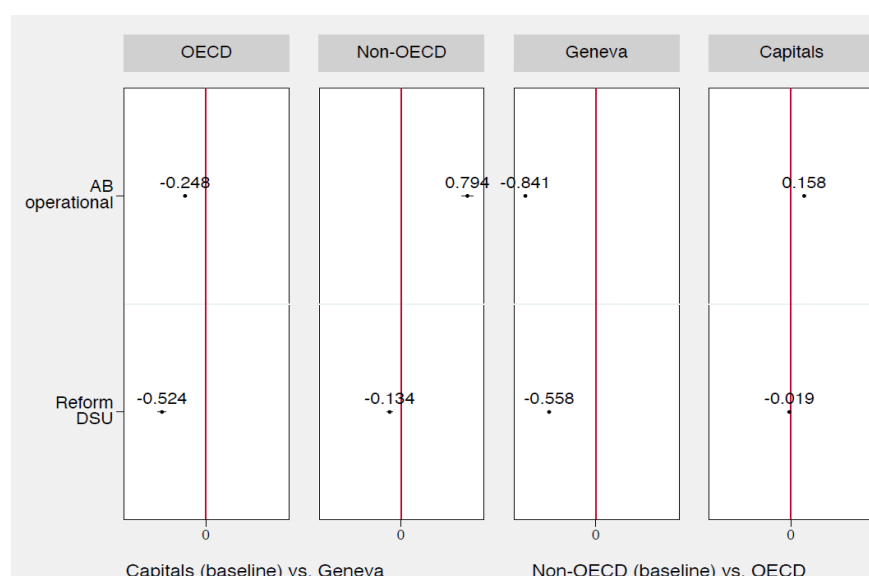
Officials from OECD countries in Geneva differ significantly from delegates from non-OECD nations on this issue (Figure 4, panel 3). Non-OECD delegations in Geneva accord substantially less priority to this issue than capitals (Figure 4, panel 2), but officials from OECD countries in Geneva also differ from capitals in according much greater priority to this issue. Thus, H2 is rejected. This is a matter that is particularly important for the prospects for negotiating new agreements. It is a 'fix the machine' issue where Geneva and capitals differ substantially and there are large intra-Geneva differences. The lack of alignment between Geneva and capital-based officials from OECD nations reveals that other factors are in play beyond government capacity and potential like-mindedness associated with OECD membership. On this matter Geneva may differ from OECD capitals because Geneva representatives regard plurilateral engagement as a means to engage with like-minded WTO members on topics of common interest.

A somewhat different pattern of results obtains if instead of dividing the sample into OECD and non-OECD member countries we focus on the top and bottom ten scoring countries on the World Bank government effectiveness indicator (see Appendix). For this more limited sub-sample, H2 is rejected for three of the issues (strengthen monitoring, boost use of STCs and support plurilaterals). As with the OECD-non-OECD split, there is a strong divergence between Geneva-based officials from countries with the weakest government capacity and officials from high capacity nations, with the latter according much less priority to expanding the use of STCs and thematic sessions. The finding that officials from high-capacity countries are not aligned with capitals on the priority of supporting plurilateral engagement is also observed in this sub-sample, bolstering the conclusion that capacity and OECD membership has explanatory power but that consideration also must be given to possible location-specific political economy factors influencing perceived priorities.

4.2 Fixing the machine: dispute settlement

Independent, depoliticized third-party adjudication of trade disputes is a central feature of the WTO. Resolving the Appellate Body crisis is critical for the relevance of the WTO. As already mentioned, making the Appellate Body operational again is a big issue in Geneva, while general reform of dispute settlement matters is given higher priority in capitals. Making the Appellate Body operational is a much higher priority issue for non-OECD delegates in Geneva relative to capitals than for officials from OECD nations in Geneva (Figure 5, panels 1 and 2), so H2 is not rejected. Capital-based officials of OECD countries attach greater priority to dispute settlement reform than do their delegates in Geneva. On dispute settlement reform, OECD and non-OECD representatives in Geneva accord less priority than capitals, with the difference being greater for OECD officials, inconsistent with H2. The same results obtain if we estimate models for the set of top 10 and bottom 10 scoring countries on the World Bank government effectiveness index (see Appendix), with a much greater difference between representatives in Geneva from countries with the weakest government effectiveness and capitals than is observed for the priority that should be accorded to reform of dispute settlement procedures.

20 The survey included two questions on plurilateral cooperation. One was institutional, asking whether this should be supported by the organization. The other concerned the priority accorded to concluding then ongoing JSI negotiations. We discuss results for the second question in sub-section 4.3.

Figure 5: Fix the Machine: dispute settlement

Note: Survey questions 9 and 10 in Box 1.

Arguably having an effective conflict resolution mechanism is of central importance to be able to address trade disputes, a matter on which OECD and non-OECD capitals agree. The large differences in perceived priorities between non-OECD capitals and Geneva on making the Appellate Body operational again is consistent with the capacity hypothesis, but the results make clear that standard political economy arguments centered on asymmetries in economic power and size need to be considered. The same applies to dispute settlement reform, where the results suggest that non-OECD countries see reform to be less of a priority than Geneva-based officials from OECD nations, who may be more vested in the system and less willing to re-visit its design.

This discussion of institutional matters confirms there is no general Geneva effect (H1): on 5 out of 7 issues delegates from non-OECD countries diverge substantially from their OECD counterparts. Agreement on prioritization is observed only for transparency – the issues of notifications and policy monitoring. The pattern of results provides some support for H2, i.e., an expectation that Geneva officials representing non-OECD countries have greater autonomy than representatives of OECD nations on these institutional issues. For most of the issues considered there is little alignment between non-OECD Geneva and capitals (panel 2). That said, for 4 of the 7 issues considered, this is also found for officials from OECD countries, rejecting H2. The results suggest the need for issue-specific analysis. The large differences in priority accorded to dispute settlement and providing support for plurilateral cooperation by officials from OECD members in Geneva vs. capitals is striking, suggesting a Geneva effect at work.

4.3 Priorities accorded to negotiation issues

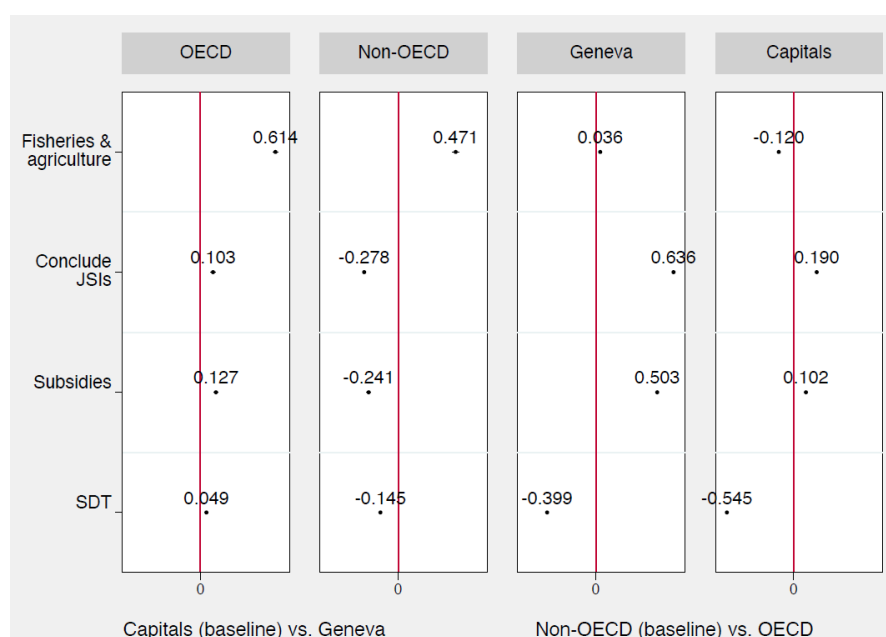
Key negotiation-related challenges addressed in the survey questionnaire concerned addressing economic development differentials in WTO agreements, concluding active ongoing negotiations, and negotiating new rules on the use of subsidies and industrial policies.²¹ The

²¹ Recall that our focus in this paper is not on analyzing underlying interests and associated differences in positions taken by WTO members, but on the priority accorded to subjects included in the questionnaire by respondents.

first is important for the prospects on engaging in substantive negotiations on many policy issues as developing countries insist on the continued application of the principle of special and differential treatment (SDT), whereas OECD countries seek greater reciprocity from more advanced developing countries. A U.S. proposal (WTO, 2019) to apply criteria to determine which countries can avail themselves of SDT, in the process ensuring that China and other large emerging economies cannot do so, has met strong opposition. In practice there has long been differentiation on an issue-specific basis with large players like China engaging in reciprocity, but there are deep differences on whether WTO members should continue to be able to self-designate whether they are developing countries.²² Officials from non-OECD nations in Geneva and in capitals differ significantly on the priority to be accorded to SDT, whereas those from OECD countries are more aligned, suggesting H2 holds.

At the time the survey was held, multilateral negotiations were ongoing on fisheries subsidies and agricultural support policies. In addition, talks had been launched on e-commerce, domestic regulation of services, investment facilitation, and measures to enhance the ability of micro and small and medium enterprises to utilize trade opportunities. The latter four negotiations took the form of “joint statement initiative” negotiations that sought to establish new open plurilateral agreements (Hoekman and Sabel, 2021). The fishery negotiations aim to discipline subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to illegal, unreported and unregulated fishing. Launched in 2001, the negotiations have yet to be concluded, repeatedly missing deadlines. There are many reasons for the failure, including variation in domestic interest groups, political systems and geographic distribution of production (Rickard, 2022), but SDT is a factor, including for India and China, two of the largest providers of fisheries subsidies (Tipping, 2020). Negotiations on agricultural support have a long history in the GATT/WTO. Over time there has been an increasing focus on developing nations as their share of global food trade expanded (standing at 60% in 2018), in conjunction with a growing level of domestic support provided to farmers (Lu and Matthews, 2021).

Figure 6 Priorities accorded to negotiation issues



Note: Box 1 questions 12, 13, 14 and 11.

²² Low (2021) argues any solution requires separating SDT from developing country status.

Geneva delegates – both OECD and non-OECD – rank concluding the negotiations on fish subsidies and agricultural support a much higher priority than do capitals (Figure 6, panels 1 and 2). Moreover, OECD and non-OECD delegates in Geneva are aligned on the priority to be given to these subjects (panel 3), an issue-specific instance of the Geneva effect. While delegates from non-OECD countries in Geneva accord a much higher priority to this issue than do capitals, the same applies to officials from OECD countries, inconsistent with H2. This is an area where there appears to be more evidence of a Geneva effect (H1) in that OECD and non-OECD officials in Geneva are on a different page from capitals. The results suggest the problem on fisheries and agricultural support is in capitals. A possible interpretation of this finding is that concluding fishery/agricultural subsidy negotiations is seen as more critical for the operation of the WTO by “insiders” than capitals, a necessary condition for moving forward on other issues. We speculate that after two decades of talks representatives in Geneva may simply want to get this done, while officials in capitals may care much less about “please get this off the table” and worry more about their fishers and their farmers – i.e., the type of domestic political economy factors that have been well-documented in the literature.²³

As mentioned previously, in 2017 plurilateral ‘joint statement initiatives’ were launched dealing with four subjects: e-commerce, investment facilitation, regulation of services and supporting the ability of micro, small and medium-sized enterprises (MSMEs) to use the trading system. The JSIs involve a mix of OECD and non-OECD participants but have mostly attracted high- and middle-income countries. India and South Africa oppose the JSIs as a matter of principle, but other emerging economies are not opposed, notably China, which participates in all the JSIs. Officials from OECD countries in Geneva accord concluding JSIs much greater priority than Geneva-based representatives of non-OECD countries (Figure 6, third panel), whereas the latter accord this issue less priority than officials in capitals (panel two). In conjunction with the relative alignment of views of officials of OECD countries in Geneva with capitals (panel 1), this suggests support for H2. Successful conclusion of these talks is widely held to be a litmus test by OECD countries for the ability of the WTO to be a platform for like-minded countries to negotiate new agreements. While our results suggest bureaucratic capacity is likely to be a factor explaining why non-OECD Geneva is not aligned with capitals on the priority to give to the JSIs, the strong opposition to the JSIs by India and South Africa in the WTO General Council (WTO, 2021b) may also play a role. As with other findings emerging from the survey this is a question that calls for further analysis based on complementary methods, including structured interviews.

Subsidies of one type or another constitute an increasing share of trade interventions imposed since the last financial crisis.²⁴ Subsidies can give rise to potential negative cross-border competitive spillovers. It is clear in Figure 6 that officials from OECD countries, especially in Geneva, attach a much higher priority to addressing the negative international spillovers of industrial subsidies than non-OECD officials. Non-OECD officials in capitals attach much more importance to this issue than their representatives in Geneva, and the difference between point estimates and the baseline is greater than observed for officials from OECD countries, supporting H2.

Summing up, H2 is not rejected for the four negotiation issues considered in this section. Geneva delegates from non-OECD countries diverge from capitals in the priority they attach to all four subjects, and the difference is greater for three of four issues than is observed for officials from OECD countries – i.e., Geneva-based officials from OECD countries are more aligned

23 See e.g., Anderson et al. (2013) and Campling and Havice (2013).

24 See https://www.globaltradealert.org/global_dynamics_

with capitals. More generally, in many cases where H2 is not rejected, the more detailed issue-specific analysis also shows instances of a Geneva effect within the group of OECD officials (H1), revealing the importance of considering political economy factors that may influence the incentive framework confronting officials in their respective locations. The results reported in the Appendix confirms that differences between Geneva and capitals cannot be attributed only to national material interests or to capacity but may reflect location-specific political economy variables.

5. Conclusion

Where trade officials stand appears to be influenced in part by where they sit, as Miles' Law predicts. There are significant differences between Geneva and capitals in the priority accorded to addressing different WTO issues. But on many subjects delegates in Geneva representing OECD and non-OECD countries are also not on the same page. Both findings are relevant to studies of international economic organizations. Insofar as there is a Geneva effect, it appears to be issue specific. We find support for the hypothesis that where Geneva-based officials stand is influenced by bureaucratic capacity at home, which is associated with greater autonomy for Geneva officials representing non-OECD countries and may help explain the greater differences in perceived priorities with capitals than is observed for officials from OECD countries. There is more alignment in views for OECD countries, consistent with the presumption that OECD countries have greater bureaucratic capacity and the possibility that officials from OECD member countries interact more frequently via the work they engage in at the OECD.

The additional contribution of our analysis is to shed new light on a potentially important source of difficulty in international cooperation. Deadlock in the daily life of the WTO may not be solely a matter of differences in material interests and national objectives, important as they are, as would be expected in the IPE literature. The prospects of agreement may also be affected by differences within states regarding relative priorities. Our results suggest that sometimes Ambassadors in Geneva may be an obstacle to progress, at other times the problem is in capitals.²⁵ In either case, differences in perceived priorities may contribute to an inability to agree on feasible compromises. Generating information that elucidates where – and how intensely – Geneva differs from capitals in ranking of priorities and whether that reflects divergence among Members would help the organization determine when to bring capitals to Geneva and which issues to prioritize.

Our findings suggest that analyses of international organizations, their performance and prospects for responding to changes in circumstances (reform) should consider the possibility that representatives of member states may have different priorities than their colleagues in capitals, and that those priorities cannot be directly inferred from the material interests of their country. Whether such differences have consequences in affecting behavior is an important question. We make no claim to this effect in this paper given the survey data reflect only the rank ordering of priorities by respondents. The survey did not ask respondents about preferences over desired outcomes. Two representatives from different countries may agree on the priority accorded to an issue such as resolving the problem of fishery subsidies and agriculture domestic support, while having opposing views on what the outcome should be. Even if in practice such differences in priorities do not affect behavior and positions taken – which we regard as unlikely to be the case in those instances where representatives have considerable

²⁵ The survey design does not allow us to assess potential reasons for differences in priorities within Geneva and between capitals, or within capitals, e.g., if this is associated with the ministries our respondents represent.

autonomy – the fact that views on priorities sometimes differ quite substantially suggests a need for further research into this possibility, its determinants, and its repercussions. Gaps ‘within the state’ may explain some difficulties in international cooperation. Unitary actorness should be regarded as a variable, not a constant.

Our study has several important implications for future research. First, since the priorities accorded by officials to a given issue may depend on where they sit, understanding to what extent this is the case and why could help governments bridge differences. Second, the survey data do not permit analysis of factors such as participation in coalitions, the extent to which Geneva missions have been granted formal autonomy to deal with certain types of issues, and whether such discretion is ‘captured’ by non- or inter-governmental organizations. Addressing such questions requires tailored survey instruments that are designed to generate information pertinent to investigating such questions. The survey that is the basis for this paper illustrates that collecting such data is feasible.

Third, future research to explore if where officials stand depends not only on where they sit but on where they have been and where they are going (Schneider, 1993) would be valuable. Some officials in some countries will be oriented to advancing in the government hierarchy; others may have their eye on moving to the private sector, and those ambitions may well influence where they stand as much or more than where they sit, for now. Many senior officials in the Secretariat first came to Geneva as delegates. The prospect of future employment in the Secretariat may have some influence on their views and rhetoric while being national representatives (Gray and Baturu, 2021). Here again appropriate survey design that includes questions of education, gender, professional experience, and career path can shed light on these potential determinants of priorities of representatives.

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Appendix

Differentiating across respondents based only on government capacity

In the body of the paper, we use OECD membership to differentiate between countries in the sample, given that OECD membership is associated with high per capita income countries with strong government capacity and may be associated with greater like-mindedness of officials on prioritization across issues independent of where they work (location). To assess the robustness of our findings, in this appendix we consider differences between officials in Geneva and in capitals focusing only on government capacity using the World Bank government effectiveness indicator reported in the Worldwide Governance Indicators database (Kauffman et al. 2010).²⁶ Table 1 compares the average priority accorded to issues by officials in Geneva and capitals, splitting the sample into respondents representing countries scoring above (below) average on government effectiveness. We report the absolute difference in these averages as the difference may be positive or negative. What matters is not the sign of the difference but the degree to which Geneva and capitals are aligned. The higher the difference the less aligned officials are on the priority accorded to an issue.

A first observation is that the average difference in mean priority in columns 1 and 3 (the average across all issues for a given group) is greater for officials from countries with below average capacity (0.27) than for officials from countries with higher capacity (0.2), consistent with H2. For countries with above average capacity, Geneva and capitals diverge the most on priority accorded to concluding the fish/agriculture negotiations and support for plurilaterals. Columns 2 and 4 provide information on whether the issue-specific differences in mean priorities are statistically significant. P-values below 0.1 are reported in boldface and denote instances where differences in mean priorities are statistically significant at the 10% level or better. Column 2 shows that for both fish/agriculture and support for plurilaterals the difference between officials from higher capacity countries in Geneva and capitals is statistically significant. Turning to officials from lower capacity countries, the only issue where the difference in mean priority accorded by officials in Geneva and capitals is statistically significant is making the Appellate Body operational again (column 4). It is also worth noting that the difference in priority accorded to support for plurilateral engagement and conclusion of JSI negotiations is almost significant at the 10% level.

²⁶ Country-specific government effectiveness indicators are available at: https://govdata360.worldbank.org/indicators/h580f9aa5?country=BRA&indicator=388&viz=line_chart&years=1996,2020.

Appendix Table 1. Difference in mean priorities of Geneva and capital officials

	Officials from countries with above average govt capacity		Officials from countries with below average govt. capacity	
Issue	Absolute difference in mean priority, Geneva vs. capitals	p-value, equality of means	Absolute difference in mean priority, Geneva vs. capitals	p-value, equality of means
<i>Fix the machine: working practices</i>				
Improve notifications	0.14	0.56	0.14	0.36
Strengthen monitoring	0.06	0.31	0.52	0.49
More use of specific trade concerns	0.05	0.79	0.05	0.31
More thematic sessions	0.21	0.24	0.25	0.40
Support plurilateral initiatives	0.42	0.07	0.45	0.11
<i>Fix the machine: dispute settlement</i>				
Make Appellate Body operational	0.02	0.93	0.25	0.08
Reform dispute settlement	0.35	0.45	0.35	0.20
<i>Negotiation subjects</i>				
Fisheries & agriculture	0.52	0.02	0.18	0.14
Conclude Joint Statement Initiative talks	0.13	0.54	0.43	0.11
Expand rules on subsidies	0.10	0.30	0.27	0.41
Resolve special & different treatment issue	0.14	0.59	0.06	0.31
Average difference	0.20		0.27	

Notes: Sample split into above and below average government capacity, with 91 observations for each category. Government capacity proxied by the World Bank government effectiveness indicator. The reported p-value pertains to a t-test of the null hypothesis that the difference in mean priority accorded to an issue by officials in Geneva and capitals for a given group = 0. Values in boldface denote instances where differences in mean priorities are statistically significant at the 10% level or better.

A similar pattern emerges if we repeat the analysis for the 10 and 20 lowest and highest scoring countries in the sample on government effectiveness.²⁷ Results reported in Appendix Table 2 show that differences in mean priorities of officials in Geneva and capitals are larger for the lowest-capacity countries than for the highest-scoring WTO members in the sample, again consistent with H2. There are statistically significant differences between Geneva and capital officials from high-capacity countries on support for plurilaterals and fisheries/agriculture negotiations, with the first statistically significant for both the top 10 and top 20 scoring countries and the second statistically significant when expanding the group to the top 20 – which adds countries like Australia, France, Japan and the US. The difference in mean priority between officials from low-capacity countries in Geneva and capitals on making the Appellate Body operational again is statistically significant, for both the lowest-scoring 10 and 20 countries, with the difference becoming more significant, rising to the 1% level for the bottom 20. We also find a significant difference for making greater use of thematic sessions in deliberation of WTO bodies between Geneva and capitals for the group of 20 lowest-capacity countries (not observed for the lowest 10 nations) and for the mean priority accorded to dispute settlement reform for the top 10 countries (not observed if we consider the top 20 countries).

These findings map closely to those in which differences in capacity are proxied by OECD membership: there is less alignment in Geneva-capital priorities for countries with weaker government capacity and the issues where officials from high-capacity countries in Geneva and capitals differ significantly in terms of prioritization are the same as emerge from the analysis of OECD vs. non-OECD countries. While the results support the capacity differentials hypothesis, they also point to issue-specific Geneva-effects, exemplified by the instances in which we observe statistically significant differences between officials in Geneva and capitals of high-capacity WTO members in prioritization. What matters for the thesis of this paper is that such differences between Geneva and capitals cannot reflect national material interests or capacity but must reflect location-specific political economy variables.

27 The top 10 sample countries span Canada, Denmark, Finland, Hong Kong, Netherlands, New Zealand, Norway, Singapore, Sweden and Switzerland. The top 20 adds Australia, Austria, France, Germany, Japan, Luxembourg, Chinese Taipei, UAE, UK and U.S. The lowest scoring 10 countries comprise Afghanistan, Central African Republic, Haiti, Liberia, Nigeria, Sierra Leone, South Sudan, Sudan, Venezuela and Zimbabwe. The lowest 20 adds Bangladesh, Cameroon, Guinea, Lesotho, Malawi, Mozambique, Nepal, Niger, Papua New Guinea and Tanzania.

Appendix Table 2. Mean priorities, Geneva vs. capitals, grouped by highest and lowest government capacity

Issue	Lowest 10 countries		Highest 10 countries		Lowest 20 countries		Highest 20 countries	
	Absolute difference in mean priority, Geneva vs. capitals	p-value, equal means	Absolute difference in mean priority, Geneva vs. capitals	p-value, equal means	Absolute difference in mean priority, Geneva vs. capitals	p-value, equal means	Absolute difference in mean priority, Geneva vs. capitals	p-value, equal means
1. Fix the machine								
A. Working practices								
Notification compliance	0.42	0.55	0.14	0.76	0.44	0.30	0.14	0.70
Strengthen monitoring	0.08	0.91	0.41	0.24	0.11	0.78	0.08	0.78
Specific trade concerns	0.33	0.46	0.29	0.39	0.44	0.15	0.08	0.79
Thematic sessions	0.58	0.22	0.08	0.79	0.61	0.04	0.07	0.75
Support plurilaterals	0.93	0.19	0.67	0.03	0.75	0.19	0.50	0.10
B. Dispute settlement								
AB operational	0.67	0.04	0.43	0.39	0.61	0.01	0.05	0.89
Reform dispute system	0.50	0.54	0.86	0.07	0.41	0.37	0.41	0.21

2. Negotiation subjects										
Fisheries & agriculture	1.25	0.42	0.27	0.61	0.33	0.36	0.64	0.06		
Conclude JSIs	0.17	0.33	0.13	0.63	0.33	0.36	0.19	0.53		
Subsidies	0.15	0.82	0.13	0.65	0.18	0.65	0.32	0.29		
SDT	0.25	0.58	0.11	0.82	0.22	0.44	0.11	0.76		
Average difference	0.49		0.32		0.41		0.23			

Note: JSI: Joint Statement Initiatives. SDT: Special and differential; Treatment. Government capacity proxied by the World Bank government effectiveness indicator. The reported p-value pertains to a t-test of the null hypothesis that the difference in mean priority accorded to an issue by officials in Geneva and capitals for a given group = 0. Values in boldface denote instances where differences in mean priorities are statistically significant at the 1, 5 or 10 percent level.

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