Who Wants to Work at a Transparent International Organization?

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Oct 22, 2021
Motivation

Decreasing influence of the Secretariat

- David Bisbee, the US Deputy Chief of Mission, Geneva (2019)
- An anonymous WTO Director (2007)
Motivation

**Decreasing** influence of the Secretariat

▶ “Compared to the WTO Secretariat, the GATT Secretariat had much more discretions.”
- David Bisbee, the US Deputy Chief of Mission, Geneva (2019)
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- “Compared to the WTO Secretariat, the GATT Secretariat had much more discretions.”
  - David Bisbee, the US Deputy Chief of Mission, Geneva (2019)

- “As a young professional during the Tokyo Round I could do more against the will of members than today as a Director.”
  - An anonymous WTO Director (2007)
Puzzle

▶ **Conventional wisdom**: We should expect greater influence of international bureaucrats in IOs with larger membership. (Keohane 1987; Barnett and Finnemore 2004).
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- **Puzzle**: As the GATT/WTO gets larger, the Secretariat exercises less influence.

- **Approach**: I examine how international bureaucrats respond to changes in the institutional design.
Institutional Design: Transparency

Growing Transparency in IOs, 1980-2011
Source: Dingwerth, Schmidtke, and Weise (2020)
Argument

1. International bureaucrats adapt to transparency.
2. When transparency is high, international bureaucrats stay silent to be seen impartial.
3. The silence is more apparent for those with a stronger career prospect.
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Consequence: An IO becomes less appealing as a negotiation forum.
Model Set-up

▶ Player: Bureaucrat ($B$), Member states as a whole ($S$)
▶ Preference: $B$ wants success in its career whereas $S$ wants closure of a negotiation and accountability to its people
▶ Sequence:
  1. $B$ chooses to work at an IO
  2. $S$ chooses the degree of transparency
  3. $B$ chooses its effort level
  4. Negotiation outcomes are realized
▶ Solution Concept: Bayesian Nash Equilibrium
Theoretical Implications

Under increased transparency, international bureaucrats underperform by:

1. Passive Mediation
2. Competent international bureaucrats self-selecting out of international organizations
Empirical Validation

Why GATT/WTO?

▶ Provides negotiation forums
▶ Hires permanent Secretariat
Empirical Validation

Why GATT/WTO?

- Provides negotiation forums
- Hires permanent Secretariat
## Comparative analysis

<table>
<thead>
<tr>
<th></th>
<th>GATT</th>
<th>WTO</th>
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<tr>
<td><strong>Transparency</strong></td>
<td>Low</td>
<td>High</td>
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<tr>
<td><strong>Director General</strong></td>
<td>Eric Wyndham White</td>
<td>Supachai Panitchpakdi</td>
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<tr>
<td><strong>Term</strong></td>
<td>1965-1968</td>
<td>2002-2005</td>
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<td><strong>Round of Negotiation</strong></td>
<td>Kennedy</td>
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<td><strong>Mediation</strong></td>
<td>Aggressive</td>
<td>Passive</td>
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“He [Eric Wyndham White] smoked them [the delegates] out in the small hours of the night.”
- Jake Warren (a Canadian Delegate)

Organized the Green Room meetings but later got caught by excluded member states and NGOs

"I am trying to balance as much as I can without losing my credibility."

-Supachai Panitchpakdi in a meeting with NGOs in Geneva on December 2, 2002
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Conclusion

- Transparency generates a trade-off between accountability and deadlocks in international negotiations.
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- International bureaucrats may strategically choose to remain silent.
- Institutional design of IOs changes behavior of the actors involved.
Appendix

1. Deadlocks in the GATT/WTO negotiations
2. Game Tree
3. Comparative Statics: Passive mediation
4. Comparative Statics: Inefficient selection
5. Google N-gram analysis (Wyndham - Supachai)
6. Google N-gram analysis (All DGs)
7. Interview evidence: The Secretariat’s intentional silence
8. Interview evidence: Career prospect of the Secretariat
Deadlocks in the GATT/WTO negotiations

Length of GATT/WTO rounds (As of Aug 12, 2020)
\( (p^H (C + \delta) - b, p^H C + d) \)

\( (qC, qC + d) \)

\( e = 1 \)

\( M_H \)

\( (p^H C, p^H C) \)

\( e = 1 \)

\( T \)

\( (qC, qC) \)

\( e = 0 \)

\( N \)

\( (p^L (C + \delta) - b, p^L C + d) \)

\( (qC, qC + d) \)

\( e = 1 \)

\( M_L \)

\( (p^L C, p^L C) \)

\( e = 1 \)

\( N \)

\( (qC, qC) \)

\( e = 0 \)

\( \theta = H \)

\( \theta = L \)

\( (w, 0) \)

\( (2w, 0) \)
Comparative Statics: Passive mediation

Career-mindedness and bias
(equilibria of which transparency (T) is chosen)

\[ b = p^H \delta + (p^I - q)C \]

Bias (b)

Career mindedness (\( \delta \))
Comparative Statics: Inefficient selection

Career-mindedness and outside wage (equilibria of which transparency (T) is chosen)

\[ w = \frac{p^h}{2} \delta - \frac{p^hC - b}{2} \]

- \( w = p^LC \)
- \( w = qC \)
- \( w = qC/2 \)

- Efficient selection
- Underperformance (no entry)
- Underperformance (no effort)
Google N-gram analysis (Wyndham - Supachai)
Google N-gram analysis (All DGs)
Interview evidence: The Secretariat’s intentional silence

“I think the Secretariat has a hugely unrecognised influence, because in almost everything that the WTO membership does, the Secretariat is generating the analysis, drafting the documents... My perspective is that the Secretariat has quite a bit of influence, but it is probably also not fully using the influence.”
- An Anonymous WTO Official (Trondal et al, 2013)
“The high management would generally discourage publications by the Secretariat of any papers that express views that go against the negotiating positions of the major players. The officials themselves may be reluctant to do so, because they fear that this may affect their long-term career prospects.”
- Vinod Rege, a retired senior officer of the GATT Secretariat (1998)