

The Politics of Participation in WTO Accession Negotiations

Amanda Kennard

November 14, 2017

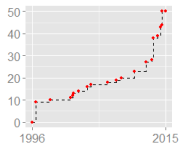
Tough Love: The Rigors of WTO Accession

- ▶ 36 states have acceded to WTO so far; another 21 in line:
 - ┆ One fourth of total WTO membership.
 - ┆ Thirty percent of global population; twenty percent of GDP.
 - ┆ Majority lower income or lower middle income.
- ▶ Yet accession negotiations **increasingly rigorous**:
 - ┆ Growing average duration of negotiations.
 - ┆ Upward trend in market access and policy commitments.
 - ┆ Services commitments on par with *industrialized* Members.

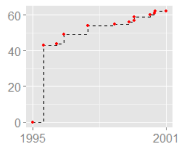
The Puzzle of Participation

- ▶ Why do Members participate in accession negotiations?
- ▶ Negotiations conducted by an *ad hoc* working party.
- ▶ Open to all existing WTO Members.

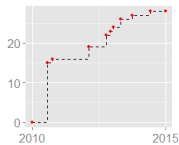
Participation Over Time



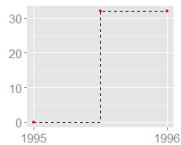
Seychelles



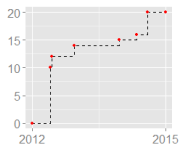
China



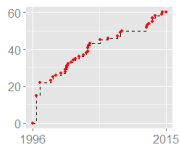
Afghanistan



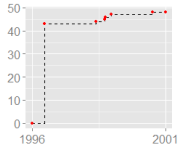
Panama



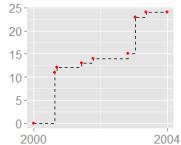
Liberia



Kazakhstan



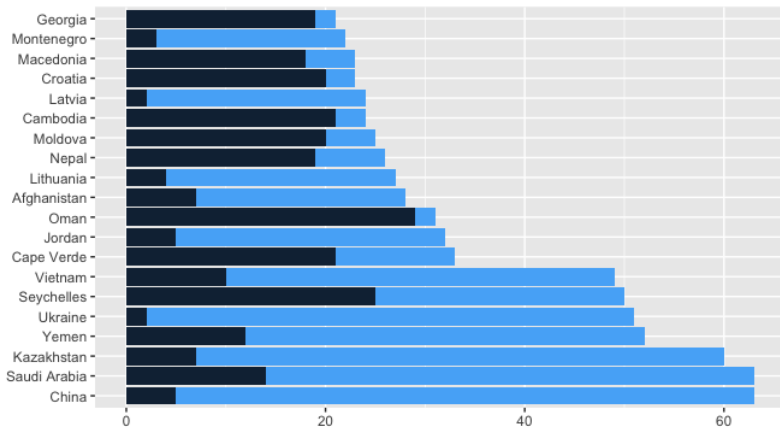
Taiwan



Cambodia

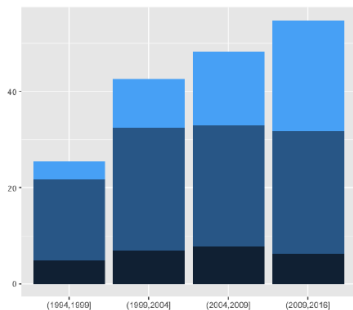
► Yet much variation across countries *and* over time.

Trade Ties to Applicant

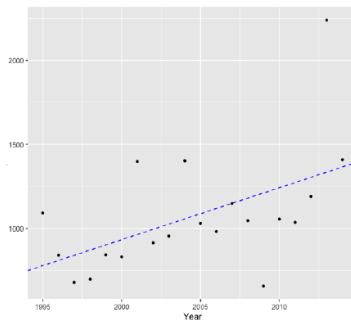


- ▶ Many participants with no bilateral trade (light blue).

Accession Negotiations Over Time



(a) Mean Commitments by Applicant



(b) Unique Words Used Over Time

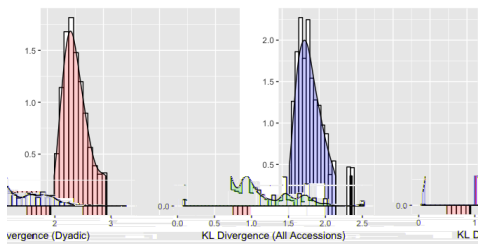
Light blue indicates proportion of commitments relating to: TBT, SPS, Services, TRIPS, or Framework for Making and Enforcing Policies.

Argument

- ▶ Commitments increasingly touch on contentious trade politics.
- ▶ Set precedents for future resolution of similar issues.
- ▶ Participation reflects “far-sighted” concern for trade rules:
 - **H1.** Members more likely to join negotiations related to (own) far-sighted policy priorities.
 - **H2.** Members more likely to join negotiations related to systemically novel issues.

Empirical Strategy

- ▶ Corpus of 30,062 negotiating “documents.”
- ▶ Estimate 100 topics using Latent Dirichlet Analysis (LDA).
- ▶ Compare topic distributions to estimate independent variables:
 - H1. Distance from document t to all previous negotiations in which i participated (KL).
 - H2. Distance from document t to all previous documents (KL_{All}).



Empirical Strategy

- ▶ **Dependent variable:** 1 if country i joins at time t .
- ▶ **Covariates:** $\log \text{TotalTrade}_{ij}$, $\log \text{GDP}_i$, $\log \text{GDP}_j$, GDPpc_i , GDPpc_j , $\text{OriginalMembership}_i$, $\text{MembershipsToDate}_j$, $\text{PTA}_{i,j}$, Quad_j .

Estimated Topics

| Positively Associated with Participation | | | | |
|--|------------|------------|-----------|------------|
| meat | infring | telecommun | custom | trade |
| fish | right | servic | good | countri |
| fresh | crimin | communic | chapter | countries |
| milk | properti | yes | transit | free |
| product | code | services | declar | cis |
| anim | copyright | network | goods | bilater |
| frozen | intellectu | provid | import | preferenti |
| veget | measur | radio | clearance | treatment |
| fruit | provid | oper | border | sign |
| chill | procedur | telecom | code | agreements |
| (40) | (37) | (38) | (67) | (93) |

Results

| | Model 1 | Model 2 | Model 3 |
|-------------------|---------|---------|---------|
| (Intercept) | -9.73* | -6.09* | -6.07* |
| | (1.39) | (1.48) | (1.47) |
| (Log) KL | -1.88* | -1.80* | -1.93* |
| | (0.33) | (0.34) | (0.34) |
| (Log) KL_All | 1.59* | 1.46* | 1.56* |
| | (0.31) | (0.32) | (0.32) |
| (Log) TotalTradeI | | 0.07* | 0.07* |
| | | (0.01) | (0.01) |
| SimilarityUS | | | -1.13* |
| | | | (0.40) |
| <i>N</i> | 5268 | 5268 | 5268 |

Additional covariates: $\log \text{GDP}_i$, $\log \text{GDP}_j$, GDPpc_i , GDPpc_j , $\text{OriginalMembership}_i$, $\text{MembershipsToDate}_j$, $\text{PTA}_{i,j}$, Quad_j . Dependent variable: Joins_6 .