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Ambiguity and Contradiction: Strategic Instruments for International Agreements

International Agreements in different issue areas frequently overlap in their functional scope. Within this overlap provisions are astonishingly vague and often outright contradictory. Consider for instance the requirement to disclose the origins of genetic resources in patent applications requested under the Convention on Biological Diversity (CBD), but so far not included in the relevant provisions of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs). This conflict between CBD and TRIPs impedes inter alia a clear allocation of receipts and royalties from new and existing uses of genetic resources. This in turn gives rise to conflicts over the international distribution of revenues and has substantial consequences for the incentives to invest into conservation of genetic resources and future research.

An apparent explanation for the lack of a better alignment of overlapping agreements is that the issues at stake are inherently complex and prone to mistakes. Alas, we find this hardly convincing, because ambiguity and contradictions may serve to the advantage of the negotiating parties. In a stylized model, we show that ambiguity and contradictions may serve two purposes: First they facilitate selling the agreements at home (ratification and public acceptance), because ambiguity allows—at least temporarily—a more favorable interpretation. Second, they may be used as bargaining tool, because it allows one party to cave in at a certain issue, while at the same time pursuing it under another agreement. This option is particularly interesting for the more sophisticated party. We conclude that diverging interests of domestic political actors and domestic political institutions explain part of the empirical phenomenon. Moreover, we show that it may be to the disadvantage of the less sophisticated party to have the same issues negotiated and settled under different agreements. Developing countries are advised to pool negotiations in order to prevent falling prey to contradictions later on.