

## PS 7334

### International Organization (rationalist approaches)

The course raises the question of the existence and significance of international institutions broadly defined as to include law, treaties, and international organizations. Drawing from political economy, we will ponder what the specific reasons are for why anarchy fails to deliver an efficient allocation of resources and what *specific* institutional solutions have been, or could be, invoked or devised to remedy these failures.

The course starts by raising the question of *existence* of international institutions in a world of anarchy; why can't balance of power deliver an efficient equilibrium comparable to that it delivers (supposedly) in the competitive market of economic theory? Ken Waltz does not confront the question head front, but nevertheless makes a powerful argument against the need for collective governance in the face of the threat of global nuclear annihilation. Once the existence question was overcome, and it had to since IOs did exist after all, the debate shifted to the rationale for such an existence, with two sides squaring off: the *efficiency* school, arguing that IOs are created to reduce transaction costs, and the *power* school, arguing that IOs are the tools of the powerful. The two schools have carried on the debate to the next logical frontier of inquiry: how should these international institutions look like? The initial answer, still relevant today, contrasted two types of cooperation failure, coordination and collaboration, each one calling for a different institutional format. *Coordination* failures, initially treated as simplistic choices of the type driving-on-the-right versus driving-on-the-left side of the road, have in the recent past been problematized and transformed, notably by constructivists, into problems of common knowledge. *Collaboration* failures, in contrast, have received much attention from rationalists, who, drawing from the game-theoretic arsenal, categorized them into distinct classes (*collective action*, *commitment*, *moral hazard*, *adverse selection*, and *uncertainty*), providing a distinct institutional solution for each one. A recent debate between the efficiency and power schools has focused on the role played by *informal* and *private* international regimes. A final set of studies focuses on the impact that IOs have on their environment, mostly pathologies such as bureaucratic *corruption* (mined by constructivists and not covered in this class) and *forum-shopping* (denounced by rationalists).

No prior knowledge of game theory or statistical modeling is required.

The course will be run in the form of a seminar. A set of readings will be assigned each time, with each participant being expected to present and comment on all of those readings. The class will be sanctioned by a seminar paper, ten-page-long on average, to be outlined in the last sitting and handed in by the official deadline.

*Abbreviations:* IO: International Organization. ISQ: International Studies Quarterly. APSR: American Political Science Review. AJPS: American Journal of Political Science.

#### 1. Presentation

#### 2. The existence question

Waltz, Kenneth N. 1981. The Spread of Nuclear Weapons: More May Be Better. *Adelphi Papers* 171.

London: International Institute for Strategic Studies.

Keohane, Robert O. 1984. *After Hegemony*. Princeton: Princeton University Press. Chap. 6

Gilligan, Michael J. 2009. "The transactions costs approach to understanding international institutions." In Helen V. Milner and Andrew Moravcsik. *Power, Interdependence and Non-State Actors in World Politics: Research Frontiers*. Princeton: Princeton University Press.  
<http://politics.as.nyu.edu/docs/IO/2601/TransactionsCostsApproach.pdf>

### 3. Power versus efficiency

Keohane, Robert O. 1984. *After Hegemony*. Princeton: Princeton University Press. Chap. 9.  
 Grieco,<sup>1</sup> Joseph M. 1988. "Anarchy and the Limits of Cooperation—A Realist Critique of the Newest Liberal Institutionalism." *IO* 42(3):485-507.  
 Krasner, Stephen D. 1991. "Global Communications and National Power: Life on the Pareto Frontier." *World Politics* 43(3):336-366.  
 Voeten, Erik. 2001. "Outside Options and the Logic of Security Council Action." *APSR* 95(4):845-58.  
 Thompson, Alex. 2006. "Coercion through IOs: The Security Council and the Logic of Information Transmission." *IO* 60(1):1-34.

### 4. Coordination or Cooperation?

Stein, Arthur A. 1982. "Coordination and collaboration regimes in an anarchic world." *IO* 36:299-324.  
 Martin, Lisa L. 1992. "Interests, Power, and Multilateralism." *IO* 46:765-92.  
 Fearon, James D. 1998. "Bargaining, enforcement, and international cooperation." *IO* 52:269-305  
 Gilligan, Michael J. 2006. "Is enforcement necessary for effectiveness? A model of the International Criminal Regime." *IO* 60(4):935-68.

### 5. Belief diversity (the common knowledge problem)

Ruggie, John-Gerard. 1982. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order." *IO* 36(2):379-415.  
 Haas, Peter M. 1992. "Banning chlorofluorocarbons: Epistemic community efforts to protect stratospheric ozone." *IO* 46(1):187-224.  
 Kelley, Judith. 2004. "International actors on the domestic scene: Membership conditionality and socialization by international institutions." *IO* 58(3):425-57.  
 Mitzen, Jennifer. 2005. "Reading Habermas in anarchy: Multilateral diplomacy and global public spheres." *APSR* 99(3):401-417.

### 6. Participation and free riding (the collective action problem)

Olson, Mancur and Richard Zeckhauser. 1966. "An economic theory of alliances." *Review of Economics and Statistics* 48(3):266-79.  
 Heal, Geoffrey. 1999. "New strategies for the provision of global public goods: Learning from international environmental challenges." In *Global Public Goods: International Cooperation in the 21<sup>st</sup> Century*, edited by Inge Paul, Isabelle Grunberg, and Marc A. Stern, pp. 220-39. United Nations Development Program. New York: Oxford University. .  
 Barrett, Scott. 2003. *Environment and Statecraft*. Oxford: Oxford University Press. Chapter 7.

### 7. Cheating enabled by unobservable action (the moral hazard problem)

Mitchell, Ronald B. 1994. Regime design matters: Intentional oil pollution and treaty compliance. *IO* 48(3):425-58.  
 Downs, George, David M. Rocke and Peter N. Barsoom. 1996. "Is the good news about compliance good news about cooperation?" *IO* 50, 3:  
 Bailey, Michael, Judith Goldstein, and Barry Weingast. 1997. "The institutional roots of American trade policy: politics, coalitions, and international trade." *World Politics* 49(3):309-38  
 Dai, Xinyuan. 2005. "Why comply? The domestic constituency mechanism." *IO* 59(2):363-98.

<sup>1</sup> The piece by Grieco launched the absolute/relative gains debate, joined by Snidal [Snidal, Duncan. 1991. "Relative gains and the pattern of international cooperation." *APSR* 85:701-26] on the side of the efficiencists. Powell [Powell, Robert. 1991. "Absolute and relative gains in international relations theory." *APSR* 85:1303-20] killed the debate.

### 8. Time inconsistency (the credible commitment problem)

- Bordo, Michael D. and Finn E. Kydland. 1995. "The Gold Standard as a rule: An essay in exploration." *Explorations in Economic History* 32:423-464.
- Simmons, Beth A. 2000. "International Law and State Behavior: Commitment and Compliance in International Monetary Affairs." *APSR* 94(4):819-35.
- Moravcsik, Andrew. 2000. "The Origins of Human Rights Regimes: Democratic Delegation in Postwar Europe." *IO* 54(2):217-52.
- Eilstrup-Sangiovanni, Mette and Daniel Verdier. 2005. "European integration as a solution to war." *European Journal of International Relations* 11(1):99-135.

### 9. Private information about intentions (the adverse selection problem)

- Kydd, Andrew. 2001. "Trust Building, Trust Breaking: The Dilemma of NATO Enlargement." *International Organization* 55(4):
- Pevehouse, Jon C. 2003. "Democratization, credible commitments, and joining international organizations." In *Locating the proper authorities: the interaction of domestic and international institutions*, edited by D. Drezner, pp. 25-48. U. of Michigan Press.
- Von Stein, Jana. 2005. "Do treaties constrain or screen? Selection bias and treaty compliance." *APSR* 99(4): 611-622.
- Gray, Julia. 2009. International organization as a seal of approval. *AJPS* 53(4):931-49.

### 10. Uncertain future

- Downs, George W. and David M. Rocke 1995. *Optimal Imperfection*. Princeton University Press. Chapter 4.
- Rosendorff, B. Peter and Helen V. Milner. 2001. The optimal design of international trade institutions: Uncertainty and escape. *IO* 55(4):829-57.
- Koremenos, Barbara. 2005. "Contracting around International Uncertainty," *APSR* 99(4):549-65.
- Pelc, Krzysztof J. 2009. Seeking escape: The use of escape clauses in international trade agreements. *ISQ* 53:349-68.

### 11. Informal Governance

- Abbott, Kenneth W. and Duncan Snidal. 2000. Hard and soft law in international governance. *IO* 54(3):421-456.
- Eilstrup-Sangiovanni, Mette. 2009. "Varieties of Cooperation: Government Networks in International Security." In *Networked Politics: Agency, Power, and Governance*, edited by Kahler, Miles, pp. . Ithaca, NY: Cornell University Press.
- Stone, Randall. 2011. *Controlling Institutions: International organization and the global economy*. Cambridge: Cambridge University Press. Chapters 2 & 3.
- Verdier, Daniel. FORTH. "The dilemma of informal governance with outside option as solution." *International Theory*.

### 12. Private Governance

- Bartley, Tim. 2003. "Certifying Forests and Factories: States, Social Movements, and the Rise of Private Regulation in the Apparel and Forest Products Field." *Politics & Society* 31(3):433-464.
- Vogel, David. 2009. The Private Regulation of Global Corporate Conduct. In *The Politics of Global Regulation*, edited by Walter Mattli and Ngaire Woods, pp. 151-188. Princeton: Princeton University Press.
- Haufler, Virginia. 2010. The Kimberley Process Certification Scheme: An innovation in global governance and conflict prevention." *Journal of Business Ethics* 89:403-416.
- Verdier, Daniel. Unpublished. Divergence: Why the world trade regime has become more legalized while the finance regime has become less legalized.

### 13. Forum Shopping

- Busch, Marc L. 2007. "Overlapping institutions, forum shopping, and dispute settlement in international trade." *IO* 61(4):735-62.

- Benvenisti, Eyal, and George W. Downs. 2007. "The empire's new clothes: Political economy and the fragmentation of international law." *Stanford Law Review* 60:595-631.
- Alter, Karen J. and Sophie Meunier. 2009. "The politics of international regime complexity." *Perspectives on Politics* 7(1):13-24.
- Morse, Julia and Robert O. Keohane. FORTH. "Counter-Multilateralism." *Review of International Organizations*.

#### 14. Students' Presentations