6 International Institutions and the Possibilities for Cooperation: Theoretical Foundations and Policy Implications

Having explored the policy relevance of scholarship on the inter-democratic peace, this chapter inquires whether a second body of SIR, one focused on international institutions, has important policy implications. The challenges of dealing with a tightly interconnected international system are increasing, and national policy goals can rarely be attained without substantial international coordination. In principle, well-designed international institutions provide a way to develop and implement common policies to deal with collective problems, and it is hard to find an international issue that has *not* become increasingly institutionalized in recent decades.

Especially since the end of the cold war, intergovernmental organizations (IGOs) have become key vehicles for promoting democratization, human rights, open markets, and the transfer of advanced technology across sovereign borders. Not surprisingly, however, some international institutions are better equipped than others to deal with these problems. One scholar claims that "in recent years, we have gained insight into what makes some [international] institutions more capable than others—how such institutions best promote cooperation among states and what mechanics of bargaining they use."[1] If this is so, the theoretical and empirical literature on international institutions should carry important practical implications. Our purpose in this chapter is to examine these implications.

U.S. leaders appear vexed by the tradeoffs attending multilateral collaboration. As the world's only superpower, the United States has a clear stake in an orderly international environment, one that fosters effective interna-

tional coordination and burden-sharing. For example, Americans prefer sanctions against rogue states to be imposed through international organizations, and U.S. officials have come increasingly to rely on agencies such as the World Bank and International Monetary Fund to manage the world economy and spread U.S. influence abroad.[2] Yet acceptance of international norms constrains national autonomy. Because the U.S. is less vulnerable to some international problems than other states and at times adopts a take-it-or-leave-it stance toward cooperation, U.S. officials periodically opt out of multilateral solutions to international problems. Washington's lack of enthusiasm for a proposed International Criminal Court—a seeming anomaly for a country rhetorically devoted to the rule of law—is a recent example. Such tradeoffs are not new: the unilateralist-multilateralist dilemma has been a recurring theme in U.S. foreign policy for more than a century. But it is thrown into sharper relief today, as deepening globalization and its attendant problems coexist with a domestic backlash against multilateralism.

If scholarly work on international institutions can shed light on these issues by illuminating the opportunities, constraints, and consequences of multilateral action, it should help officials shape external pursuits through multilateral means. Our discussion will proceed in four steps. First, we discuss the historical and intellectual context in which international organizations have developed over the last century and a half, focusing on the way in which scholars' analytical frameworks have colored their interpretations of these institutions' impact and effectiveness. Second, we examine what contemporary scholarship tells us about the instrumental links between foreign policy objectives and international institutions. Third, we explore the broader context in which these relationships operate, and we discuss some of the direct and indirect costs of multilateral institutions. We close the chapter by briefly examining the influence these ideas have had on policy analysts and policymakers.

The Historical and Intellectual Context of International Institutional Development

As used in this chapter, the term *international institutions* refers to routinized patterns of multilateral and bilateral practice that define acceptable behavior. Such institutions include informal as well as formal international

regimes and intergovernmental bureaucratic organizations. Regimes can be defined as the norms and rules that regulate behavior in specific issue-areas involving international activities. Although the direct parties to these institutions are typically governments, the actors that are regulated may be nonstate entities (such as the oil tanker owners and operators who have been the targets of the oil pollution discharge regime).[3]

IGOs generally constitute the administrative arm of international regimes and are responsible for their day-to-day operation and long-term development.[4] IGO secretariats service the interstate meetings through which regimes operate and support their ongoing work, often in ways that have a cumulative impact. For example, the extensive body of trade case law built up since the 1950s has mainly been a product of the legal expertise housed within the GATT and WTO secretariats. Because a good deal of international activity is regulated on a problem-specific basis, many of the examples in this chapter will be of regimes that provide a framework through which states seek to achieve specific policy goals.

IGOs and regimes have become a very visible feature of modern international policymaking. There were fewer than 40 IGOs in the decade before World War I; now there are more than 400. In the middle of the nineteenth century, when the first modern IGOs were established, they sponsored two or three interstate conferences a year; today, close to 4,000 meetings are held annually under the auspices of international institutions.[5] Not only national governments, but also multinational firms, trans-state lobbies, and domestic political groups try to capture these institutions for their own purposes, and IGO officials also try to shape their own environments. Because these relationships are complex, observers, including IR scholars, differ over how much international institutions affect states' actions. To appreciate the issues involved, it is helpful to provide some background about when and why international institutions emerged and scholars' differing interpretations of that story.

The Historical Context

Four major developments have catalyzed the growth and development of international institutions since the nineteenth century. The first was the Concert of Europe system, a product of the 1815 Treaty of Paris that ended the Napoleonic Wars. It established the precedent that the major powers would deliberate about the region's stability, even in the absence of a war

or a crisis, and would act together when possible. Although barely institutionalized by contemporary standards—the Concert was strictly intergovernmental in nature, with no administrative structure aside from its governments—its meetings broadly foreshadowed the Group of Seven summits that began in the 1970s and planted the seeds for more fully institutionalized arrangements down the road.

The second development consisted of the creation of several "Public International Unions" beginning in the mid-nineteenth century. These interstate agencies took up such problems as the trans-border standardization of telegraph communications, improvements in the efficiency of interstate mail delivery, the standardization of international patent and copyright protection, and many other such tasks over time. In coordinating such tasks, they supplemented the existing administrative responsibilities of national governments in areas where states were becoming increasingly commercially and technologically interdependent.[6]

The third development began at the turn of the twentieth century, when governments began sending representatives to conferences at the Hague for the purpose of creating and codifying the practices of warfare. The Hague system, as it came to be called, was halted by World War I, but resumed in the 1920s and again after the end of World War II in the late 1940s. The fourth development, the creation of global, multipurpose IGOs, involved more ambitious security objectives. The League of Nations and the United Nations were designed as global collective security bodies, intended to deter aggression by the expectation of a concerted response from member states. To make that kind of response palatable, all members were given a veto in the League Council, while in the UN the five permanent members of the Security Council had to agree for joint action to take place. But global collective security has at most worked only once as fully intended, in the 1991 Persian Gulf War. Both bodies have nonetheless made other major contributions to world order. Under their auspices, international regimes and IGOs designed to solve problems in areas such as labor standards, the liberalization of international trade, and the financing of international development have developed.

Except for the period just after World War II, the largest number of IGOs has been created to foster interstate trade. For many years the next largest group focused on conflict management, though by the 1980s economic development IGOs had become more numerous. Nevertheless, wealthy states are represented disproportionately in contemporary IGOs.[7]

Not surprisingly, these institutions have had a mixed record of achievement. The League failed to uphold the principle of collective security during the interwar years, but fostered economic, social, and human-rights work quite advanced for its era. The United Nations has played a key role in decolonization and development. Its officials nurtured the development of peacekeeping, a form of conflict management in which neutral forces monitor agreements between warring parties and seek to prevent new violence. But it has also been plagued by a bloated bureaucracy and public forums more noted for bombast than content. The two agencies chiefly responsible for management of the world economy, the International Monetary Fund and World Bank, have mainly been praised by the wealthy countries, but have often been castigated by the poorer ones on grounds of insensitivity to their needs. Overall, international institutions have broadened the agenda of international politics and have affected the way in which many international problems, especially socioeconomic ones, have been handled. And even though the UN and other global IGOs with broad mandates have often been seen only as "talk-shops," the organizations and regimes with narrower mandates have been more effective.[8] At the same time, international institutions rarely acted decisively on major security issues during the twentieth century[9], and there is little reason to think that this pattern will soon change.

The Intellectual Context

The two major theoretical traditions within IR interpret this record quite differently, a difference that reflects deep disagreement about the possibilities for international cooperation. Liberals—those who believe that common values or interests can induce states to work together—take an optimistic view. They believe that governments can commit themselves to common norms, standards, and institutions that facilitate joint action even in the absence of centrally enforceable international rules. In this view, international institutions can be used to increase or stabilize the benefits of peace, such as economic interdependence, and to raise the costs of war, perhaps through collective punishment of aggression. By contrast, Realists expect little from international cooperation other than that based on shared security fears. International institutions, they say, are either ineffective in restraining behavior or just legitimize the position of powerful states. When states' ob-

jectives conflict, Realists argue, so will their behavior—regardless of prior commitments to institutions.

At least since the eighteenth century, much of the debate about international institutions has been framed by these two broad views. A third and more recent view examines how people's social identities and norms may be fostered by their institutionalized relationships. Because interests here are seen to grow out of social relationships, rather than as analytically prior to them, it is neither *a priori* optimistic or pessimistic about the possibilities for institutionalized cooperation.

The Liberal Tradition and International Institutions Liberal thinking about the prospects for institutionalized cooperation has gone through three major phases. This evolution has taken Liberals from a position that featured grandiose objectives, but lacked a plausible mechanism to achieve them, toward a more practical approach grounded in the concrete objectives of national policymakers.

The first phase began in the fifteenth century, when a number of writers began offering plans for interstate organizations they hoped would control or even end war in Europe. Notable proposals came from the duc de Sully (who served as chief minister to Henry IV of France), Emeric Cruce, Hugo Grotius, William Penn, the abbé de Saint-Pierre, Jeremy Bentham, and Immanuel Kant. All of their plans called for a voluntary association of states that would be represented within a central body. For these thinkers, the balance of power had never led to peace and was inherently incapable of doing so. Just as individuals had escaped the dangers of stateless societies by contracting to form governments, they reasoned, states could likewise delegate some autonomy to institutions that could mediate or otherwise reduce conflicts among them.[10] Kant focused less than the other writers in this group on the coercive role of international institutions; for him, effective interstate institutions would emerge, if they did at all, out of an international civil society comprised of republican states.[11] But these writers shared core assumptions, which constitute the Idealist school within the broader Liberal tradition. They believed (1) that progress is possible among states just as it is within them, (2) that human agency can significantly move humankind down a progressive sociopolitical road, and (3) that there is a natural harmony of interests among states.[12] The third assumption implies that any conflicts that do arise among states reflect actors' temporary misunderstandings rather than fundamentally incompatible state objectives. Based on these

premises, each of these thinkers saw an important role for institutionalized interstate cooperation in bringing humankind closer to perpetual peace (the title of Kant's famous essay, discussed in more detail in chapter 5).

These proposals were very impractical and had little impact on European rulers of the day. Except for Kant's plan, the league of states they called for was supposed to be able to control or coerce governments that violated group norms.[13] How this was to be achieved within a voluntary body was never spelled out. Behind all of these plans was the presumption that the practices of power politics *must* be tamed by force of institutionalized rules, since failure was simply unacceptable. Such thinking was revived by the horror of World War I. In referring to the League, Woodrow Wilson offered no reasoned argument about how it would help prevent future wars; instead, he said "if it won't work, it must be made to work."[14] Not surprisingly, when universal IGOs were built during the twentieth century, they did little to undermine the anarchic structure of the international system.[15] If anything, in affirming the importance of juridical sovereignty, they reinforced the basic logic of self-help at the state level. In this sense, the most optimistic thinkers about war, peace, and institutionalized international cooperation have repeatedly been disappointed.[16]

A second phase in the evolution of Liberal thinking on these issues came with the realization that the Idealists' goals had been too ambitious. According to this line of argument, the institutions likeliest to succeed were not those with grand political objectives. Effective institutions would be those that served specific practical functions—namely the coordination of rule-making and implementation for technical problems common to many states. This summarizes British Functionalism, a school of thought with a strong and enduring contribution to SIR beginning in the nineteenth century.[17] It began with Jeremy Bentham, Richard Cobden, and John Stuart Mill—classical Liberals who believed that the same community of interests linking individuals could be created among states, provided that voluntary exchanges across boundaries were unhindered. International order would reflect a harmony of interests, but only on bread-and-butter issues. This harmonious result would be created through a spontaneous, bottom-up process that operated through transnational civil society. It would require little organizational guidance or coordination from governments.

After the Great Depression, this laissez-faire argument was replaced by one that recognized the major welfare functions of modern states. International welfare, it was argued, would be best served by integrating the func-

tions states were now performing, rather than by wishing state functions away.[18] A key proponent of this idea was David Mitrany.

Mitrany's thinking was driven by a belief that war stems from socioeconomic problems such as poverty, illiteracy, and economic insecurity. But he rejected international solutions that involved a frontal challenge to sovereignty. He proposed instead that efforts to improve the quality of life be task-specific, "each [task] according to its nature, to the conditions under which it has to operate, and to the needs of the moment."[19] The "Functionalist" argument that followed from this premise meant that each effort's organizational form would be dictated by its specific function. Over time, Mitrany reasoned, cooperation would flourish through a twofold process. As people's socioeconomic needs were met across national jurisdictions, the tasks would be expanded. For example, successfully preventing crop erosion in a poor country might stimulate other efforts to make farmland more productive. Cooperation would also "spill over" into new areas: as farm yields grow, pressures to manage commodity export prices might grow as well. As people across states joined in these activities, state institutions would lose much of their *raison d'être*, and thus their practical and emotional grip on individuals and groups.[20] In this way, Mitrany believed that "the artificialities of the zoning arrangements associated with the principle of sovereignty would be broken down."[21] Not only would people live better, regardless of *where* they lived or *who* they were, but their attachment to particular states was expected to weaken as state functions were transferred, bit by bit, to transnational bureaucratic management.

But Mitrany's scheme had a serious flaw: it tried to bypass politics. "In many fields," he claimed, "arrangements between states have been settled and developed directly in conferences attended by technical experts representing their respective technical departments, without passing through the complicating network of political and diplomatic censors."[22] But even if senior officials at times delegate technical issues to lower-level officials, they do so at their own discretion. Mitrany was naive to view political and diplomatic considerations as "complications" when politicians or diplomats would often be held directly accountable for the consequences.

A Neofunctionalist school of thought emerged in the 1960s, in part as a response to the Mitrany's technocratic determinism. Ernst Haas, one of its leaders, agreed with orthodox Functionalists that task-specific programs could enhance international welfare, if they were kept organizationally separate from broad ideological disputes. But, unlike Mitrany, he viewed the

process and consequences of international collaboration as *inherently* political. For lessons learned in one functional area to be applied to others, political actors would have to make that choice for self-interested reasons. They could just as easily learn *not* to deepen or broaden their cooperation. Related to this, Neofunctionalists expected that politically disinterested technical expertise might be ignored. Unless experts' recommendations were tied to concrete benefits that mattered to politically relevant constituencies, those ideas would likely be of little use.[23] From a Neofunctionalist perspective, the prospects for building viable international institutions were slighter than Functionalists had hoped or expected. Neofunctionalists were thus not surprised that the institutions created in the twentieth century had such a mixed record.

Neofunctionalism was not just a reaction to the naivete that characterized orthodox Functionalism. It also tried to account for an intriguing puzzle: the slowing of what had been seen in the 1950s as a trend toward integration at the regional level. When that process stalled in Europe beginning in the mid-1960s and failed to catch on elsewhere, analysts tried to explain why Functionalist "logic" had escaped so many policymakers. But observers soon had another puzzle to explain, one for which Neofunctionalism had no ready answer. During the 1970s, the world economy suffered a number of serious shocks. Oil prices skyrocketed, the Bretton Woods exchange-rate system disintegrated, and North-South economic relations became notably more acrimonious. Yet in some issue-areas, international institutions were more of a presence than in others or were performing better in managing the situation. The international monetary regime made a transition from fixed to floating exchange rates, in the process creating a new role for the International Monetary Fund as a broker of privately supplied liquidity to insolvent governments. The oil-importing states created the International Energy Agency to manage shortfalls in petroleum supplies. At the same time, there was no international regime for foreign direct investment, which had become an area of increased contentiousness, and the norm of nondiscrimination in the international trade regime had become honored in the breach almost as much as in practice. How could these uneven patterns of international regulation and regulatory effectiveness be explained?

This question stimulated the third phase of Liberal thinking about international institutions. Neoliberal Institutionalists noted that certain aspects of the international environment seem to inhibit bargains governments otherwise would want to make with one another. First, sovereignty means that

property rights—actors' ability to possess and exchange assets with the knowledge that they can make liability claims if their rights are violated—are fragile across state lines. Second, because information about others' behavior is costly and unevenly distributed, governments may be uncertain about which policies will benefit them. Third, negotiating many separate issues on an *ad hoc* basis rather than under the aegis of general standards can be inefficient. Political Scientist Robert Keohane argued that international institutions can help states address all of these problems, making it easier for them to cooperate where they otherwise might not.[24]

From a Neoliberal perspective, international institutions serve governments by setting agreed-upon standards and monitoring compliance with them. Enhancing the quantity and quality of information is central: without knowledge about others' intentions, officials will have doubts about whether agreements will be honored. This tends to inhibit costly commitments, even those that might serve a state well. International institutions address this problem by making governments' behavior more transparent and by stabilizing expectations through the development of common standards. This occurs in several ways. Dealing with the same set of issues and actors over time tends to tie actors' reputations to their compliance records. By monitoring governments' compliance behavior and by publicizing it, asymmetries of information that can hurt some parties relative to others—and thus inhibit agreements—are evened out. Enforcement may also be easier within an international institution than it is bilaterally: common norms provide a standard against which to hold others responsible and, if necessary, punish them. Finally, institutions also lower states' bargaining costs by clustering issues together. Doing so obviates a need to invent new rules for each issue and makes it easier for negotiators to link concessions across issues within the same overarching regime. For all of these reasons, Neoliberals expect international institutions to become more numerous and relevant as interdependence deepens.[25]

Neoliberal Institutionalism made an important contribution in showing how regimes help states deal with uncertainty and commitment problems. These problems are inherent in mixed-motive situations—those where the parties' interests are partly compatible, yet partly competitive. Theorists agree that mixed-motive conditions are more typical of social life, including international relations, than completely harmonious or totally conflictual situations. But they present policymakers with significant tradeoffs. Overlapping goals provide a reason to make agreements; the conflicts provide

reasons to cheat or otherwise gain unilateral advantages over others. In showing how international institutions can help governments manage these problems, Institutionalists helped explain how states are able to act on their complementary interests when there are also reasons not to do so. In this way, Neoliberalism helps explain why institutions are capable of outlasting the particular intergovernmental bargains that produced them—something Neofunctionalism is hard-pressed to explain. But Neoliberal theorists were able to achieve these results only by narrowing considerably what they have tried to explain. In their argument, institutions stand out as useful tools *given* a set of overlapping state interests. If interests themselves are more open-ended,[26] the Neoliberal approach is less compelling.

In sum, Liberals explore how institutions can be used to realize complementary yet latent benefits across societies. At times, the benefits themselves, such as species preservation or nonproliferation, can be achieved only if everyone's actions are predictably restrained. Cooperation can also foster risk-sharing and burden-sharing. Fundamentally, Liberals take such shared goals for granted and ask how barriers to cooperation can be minimized. While Liberalism has been the main intellectual context within which international institutions have been discussed, two other traditions, Realism and Social Constructivism, have also had a role in the conversation.

The Realist Tradition and International Institutions In contrast to Liberalism, Realism offers a fairly bleak perspective on the order-producing potential of international institutions. From a Realist perspective, progress toward intersocietal cooperation is limited by power politics. States cannot trust one another enough to stop competing. The only significant exception to this generalization is joint action to deal with a shared security threat. These constraints, Realists believe, typically give officials little flexibility to work together.[27] In this environment, institutions can do little to foster or upgrade common international interests.

Two processes produce this pattern.[28] First, international institutions remain weak because states control the only real leverage in world politics. States have authoritative control over all behavior on their territories, which means that international institutions are weak trustees of state purposes. These institutions have little political or legal life of their own. Since at least the seventeenth century, anything approaching supranational authority outside of the European Union has been summarily rejected. Because the United States has refused to pay millions of dollars in assessments, the UN

is insolvent; even the International Monetary Fund, regarded as one of the most capable institutions, is tightly dependent on the wealthy states for contributions.

The failure to implement a collective security system in the League or the UN can also be seen, from a Realist perspective, as a reflection of states' determination to remain autonomous. Aside from the way it is institutionalized, collective security is prone to serious collective-action problems: even states that would prefer a strong regime capable of deterring aggression are often tempted to let others supply the forces or take the casualties that the commitment requires. But a strong distrust of powerful intergovernmental bodies puts the objective even further out of reach. The standby military forces that UN Security Council members pledged to commit for enforcement purposes have never been put at the organization's disposal. As a result, to fight the Gulf War, a coalition had to be constructed largely *ad hoc* by the United States.

Realists also highlight a second constraint on international institutions: a tendency for state officials to define their international interests competitively. As Kenneth Waltz put it,

> When faced with the possibility of cooperating for mutual gain, states that feel insecure must ask how the gain will be divided. They are compelled to ask not 'Will both of us gain?' but 'Who will gain more?' . . . [T]he impediments to collaboration may not lie in the character and immediate intention of either party. Instead, the condition of insecurity—at the least, the uncertainty about the other's future intentions and actions—works against their cooperation.[29]

By Waltz's reasoning, this problem constrains states from cooperating more powerfully than the first, since nothing about sovereignty *per se* requires that its present meaning remain fixed. If all that was at stake for states was their status as autonomous actors, they could decide that realizing complementary interests across societies was of prime importance and pursue this objective by delegating some authority to IGOs. But according to Realists, the competitive logic of self-help is a tight constraint on states that care about their security; it inhibits any cooperation that could create more capable state rivals down the road. From this vantage point, any mutual restraint that is evident has little to do with institutional rules or norms, and is simply a byproduct of competitive power considerations. Beyond this,

cooperation is likely to be much less frequent than Liberals believe. Realists thus conclude that "what is most impressive about international institutions . . . is how little independent effect they seem to have on state behavior."[30]

Conversely, Realists contend, when we *do* see extensive institutionalization it tends to reflect the interests of a dominant state. Hegemonic states are able to shape international relationships in such areas as security, trade, and monetary affairs; in return, such states subsidize or protect their junior partners. They tolerate uneven burdens, surmounting collective action problems by indulging free-riding.[31] For example, the United States fostered extensive institutionalization in Western Europe in the 1950s as a way to harness German military and economic resources in the cold war. The geopolitical situation in East Asia made it less crucial for Japan to become a regional military power at that time, so Asian relationships were less formally institutionalized.[32] If institutionalized relationships have taken on a life of their own, particularly in Western Europe, one may need Liberal insights to explain contemporary behavior. But even Neoliberal analysts agree that uneven power resources are crucial at an institution's early stages as a way to reassure vulnerable states, subsidize poor ones, and guarantee key commitments.[33]

Social Identities, Norms, and International Institutions Unlike Liberals and Realists, adherents of sociological approaches assume that policymakers' objectives are malleable, not largely fixed, and that they are affected by the transnational society in which they and their states are nested. This society (or the parts of it with which officials and domestic groups identify) shapes the ideas, norms, and identities that resonate with decisionmakers.[34] Just as Kant assumed that republican states would constitute a society with values quite different from those in a monarchical society, contemporary discussions of democratization and human rights could be interpreted to reflect transnationally defined (and often hotly contested) notions of how "the public good" should be defined. Values, from this point of view, are "constructed" out of a dynamic process of social learning and interaction.

The issue of how social groups politically shape individual actors politically lies at the heart of this approach. What people want depends on whom they interact with, how attached they are to those groups, what they learn from the interaction process, and how they legitimate their preferences and knowledge claims to others. Social structures, such as the Indian caste system or the hierarchy of elites that manages the international mon-

etary system, embody particular norms, and the actors that operate within those structures learn preferences through socialization into the group. Two propositions follow from these assumptions. First, the more attached people are to group-defined notions of legitimacy, the likelier they are to accept policies and decisionmaking procedures they might otherwise reject on grounds of individual self-interest. Second, as people's understanding of legitimacy or the nature of their community change, so will their fundamental preferences.[35]

From a Constructivist perspective, international institutions play two roles in these processes. Because these institutions often embody shared causal and prescriptive meanings, what counts as a legitimate rationale for behavior within them must be justified in terms of those meanings.[36] An official trying to explain behavior inconsistent with World Trade Organization rules cannot say her government dislikes the rule at issue; some extenuating circumstance or countervailing norm must be offered. To understand state behavior, the analyst therefore takes note of what is being justified and how others interpret it. Out of such dialogue, international institutions become forums within which norms are applied, interpreted, and evolve.

International institutions can also serve a more active role, as propagators of norms. Sociologists have long noted how organizations such as schools, hospitals, and business firms socialize students, medical personnel, and employees; the organizational culture becomes a part of their value-set. Martha Finnemore has shown similar processes at work in the interaction among international organizations and states. IGO officials have socialized governments to accept new goals and values in areas such as governmental organization of science policy and the choice of appropriate development strategies for poor states.[37] Of course, IGOs have limited leverage in these situations, since governments remain free to reject any such advice. But from a Social Constructivist perspective, it may be hard to understand why they would accept it—especially, as Finnemore argues, when at times there were important practical reasons not to do so—unless the institutions involved were seen as carriers of persuasive and legitimate standards.

As we have seen, there is an extensive body of theoretical work on the role that international institutions play in fostering cooperation. In examining whether this work can help decisionmakers, we begin by exploring its instrumental relevance. If international institutions operate in the ways just discussed, how could policymakers use them? We then discuss whether the conditions necessary for these instrumental relationships to operate are in

fact likely to exist, which opens up the possibility that the work just discussed might have contextual relevance.

Instrumental Relevance: International Institutions as Direct Facilitators of Cooperation

Although they have not focused very explicitly on policy implications,[38] Neoliberal Institutionalists have implicitly explained the existence of international institutions in instrumental terms. In their account, these institutions are useful because they can minimize incentives to defect from agreements and provide incentives that make cooperation more likely. They do this by helping officials monitor and enforce their commitments and by facilitating efficient, productive bargaining across various sets of issues. In both ways, institutions help to lengthen what scholars call the "shadow of the future"—the degree to which future benefits from cooperation are taken into account when decisions are made about honoring present commitments. When governments take this seriously, they sacrifice immediate benefits in the expectation that others will reciprocate over an indefinitely long future. Effective regimes thus institutionalize a set of practices based on long-term restraint and reciprocity, making it easier for states to achieve their complementary interests.

Institutions as Tools for Monitoring and Enforcing Agreements

SIR emphasizes three ways in which international institutions facilitate monitoring and enforcement. First, they establish rules that define permissible behavior. In so doing, institutions help stabilize people's expectations, reducing the uncertainty that may foster instability in a relationship or become a source of decisionmaking stress for the participants.[39] As a result, behavior becomes more predictable.

These benefits appeared during the long truce that separated the 1956 and 1967 Arab-Israeli wars. After the 1956 war, a tacit security regime prevented a conflict that neither Egypt nor Israel wanted. It was implicitly agreed that Egypt would not blockade the straits of Tiran at the tip of the Sinai peninsula, and that its offensive forces in the Sinai would remain limited. Egypt also agreed to accept UN peacekeepers on its territory. From

Israel's perspective, any change in these arrangements, and especially any redeployment of the Egyptian army, would have signaled a dangerous change in Egyptian intentions. But as long as the Israelis could monitor those forces, they believed they could detect key changes in Egyptian behavior. Over an eleven-year period, these arrangements allowed expectations on both sides to stabilize, making it easier to manage the truce.[40]

Second, institutions provide significant information to its members. In areas where the parties understand important implications of their own actions, their behavior may be modified in desired ways. For example, international institutions established to slow the proliferation of weapons of mass destruction house substantial technical expertise, much of it dealing with the dangers that accompany the transfer of dual-use technologies. States often use this data in formulating their export-control policies. Likewise, governments may need mechanisms to share and discuss intelligence about how well an institution's rules are working. Similarly, the extent to which the procurement policies of threshold nuclear-weapons states are constrained by export restrictions is a key concern. For example, the elaborate foreign procurement network Iraq built to obtain weapons technology went undetected until the International Atomic Energy Agency (IAEA) and the UN Special Commission on Iraq (UNSCOM) combined their data. This suggested that the controls and the information about them that had been collected up to that point had been inadequate.[41]

Information about members' compliance can be vital when there are temptations to cheat. In the case of nonproliferation regimes, exporting prohibited items may be attractive: to help defense producers (and thus domestic employment) and to strengthen ties with recipient governments (thus increasing the exporting nation's influence in a particular region).[42] Former British Trade and Industry Secretary Nicholas Ridley framed the problem bluntly. Speaking about his government's exports of sensitive materials to Iraq, he claimed that restraint would only benefit Britain's commercial competitors, "since we have no evidence that they take as restrictive a view [of export restrictions] as we do."[43] Especially if the chance of detection seems slight, it may hard to dissuade states from acting on such temptations.

Mutual restraint under these conditions is possible only if behavior can be monitored closely enough. A lack of high-quality information about others' capabilities and behavior raises suspicions that some parties will cheat or otherwise gain unfair advantage. For example, many industrial states will follow dual-use export-control rules only as long as they believe that most

others are doing so. To this end, requiring dual-use technology suppliers to furnish information on their nuclear, chemical, and missile-component export policies may deter some violations or lax internal control procedures,[44] perhaps by encouraging domestic bureaucracies to police the situation better themselves to avoid embarrassment. By collecting the relevant data and furnishing it to all members of a regime, an international institution can help address these concerns.[45]

Third, international institutions help enforce rules (another function emphasized by SIR), although this function is performed less directly than the other two. These institutions typically have no power over their members other than a capacity to foster mutually beneficial behavior and, if the right information about compliance is collected, a capacity to identify defectors. Yet therein lies their enforcement leverage, according to Neoliberal scholars. All else being equal, if governments value others' cooperation on other issues down the road or value their own reputations as trustworthy partners in future agreements, they will tend to comply with their commitments today, even if they have incentives to cheat.[46] Of course, decisionmakers must believe in the possibility of future benefits and believe that violations today are likely to be detected, putting future benefits at risk. Neoliberal analysts take the first belief as common, if not a given. They see a complex world consisting of many interconnected issues, offering many opportunities for joint welfare to be improved through mutual restraint and cooperation. Whether decisionmakers also hold the second belief depends significantly on how international institutions are designed. To the extent that clear standards for behavior are identified and pertinent information about compliance is pooled, states' reputations for compliance should become common knowledge.

This line of argument suggests four variables, all of which can be manipulated, that affect how well international institutions monitor and enforce agreements. Officials can ask how cooperation problems might be mitigated by collecting and pooling certain kinds of information. Policymakers can try to craft rules that will be relatively easy to enforce. It may be possible to limit the number of participants so as to ease monitoring and enforcement problems. Finally, officials can determine how elaborate the rules and monitoring procedures must be to maximize the likelihood of compliance.

First, policymakers can take remedial action if they find that cooperation is likely to be inhibited because of inadequate information. For example, the right kind of information may be able to keep governments or firms from working at cross-purposes in cases where a lack of coordination would

quickly become counterproductive. By monitoring international oil stocks and developing contingency plans for emergencies, the International Energy Agency helps governments act together during an oil emergency. These procedures may have helped prevent panic buying by both governments and firms during the 1980 oil crisis.[47]

Scholars have also pointed out that the way information is collected may be open to choice, depending on the degree of intrusiveness the parties will accept and the available inspection technology. For example, whether the parties must submit regular evidence that they are complying with the rules or simply submit to inspections upon allegations of noncompliance is open to some discretion.[48] There would seem to be a tradeoff: the greater the damage a party would suffer quickly if another violated an agreement, the more transparent an inspection system would have to be. On the other hand, the more demanding the inspections, all else being equal, the less likely governments are to accept such procedures. As technology evolves, the degree of intrusiveness required for effective inspections might drop. Underground nuclear tests can now be detected reasonably accurately without on-site inspections, something that was much more difficult during the early cold war years. But detailed on-site inspections are still needed to verify compliance with the Chemical Weapons Convention, since prohibited materials can easily be stored in many places.

It may also be possible to craft rules in ways that induce compliance. When the type of behavior that is singled out for regulation is highly transparent, it is easy to detect violations. When governments or private actors they deputize have particular incentives to identify violators, more will be found. And when most violations can be prevented in the first place by effective monitoring, it becomes unnecessary to detect and punish them after the fact. In short, designing regulatory burdens so that the actors have incentives to comply will significantly enhance compliance. These principles were successfully implemented during the 1970s in an international regime designed to control discharge of waste oil at sea by tankers. Rather than sanction discharges after they had occurred, rules were crafted to require that tankers carry equipment that cleans the waste material on board. This made it easier to detect noncompliance before any violation occurred. By delegating the task of certifying the cleaning equipment to private actors who had incentives to report honestly, rather than leaving the reporting of discharges to ship operators or governments that have financial stakes in the oil or tanker businesses, violations dropped significantly.[49]

Of course, these lessons will not be applicable in every regulatory situation. In the waste-oil pollution regime discussed above, the key considerations for governments and firms were economic, and all of these incentives made it attractive to regulate the problem in one particular way. Where different types of incentives are simultaneously at work, it may be harder to devise regulatory procedures that line up the parties' costs and benefits so neatly in one direction. Depending on the issue, for instance, it may be difficult to write rules in ways that make violations highly transparent. Still, even a more limited application of these lessons would probably increase the likelihood of compliance.

Furthermore, since monitoring and punishing violators is easier when there are not many participants in an institution, limiting membership may increase the likelihood of compliance. There are two reasons for this. The larger the number of participants, the harder it becomes to identify violators. Even when violators are identified, free-riding often makes it difficult in large groups to punish those members who have defected, since there are strong incentives to let "the other fellow" bear the burdens of secondary economic sanctions or other costly actions designed to enforce international obligations.[50] It may be impossible to keep an institution's membership small, if the problem to be addressed is global in scope. But where membership can be limited, enforcement will usually be less problematic.

Finally, policymakers can select the kind of institutional structure appropriate to the problem they face. If governments seek simply to avoid a specific outcome, the desired behavior should be largely self-enforcing once a few simple rules are laid out. Since only modest regulation is necessary in these cases, it should be easy to build effective regimes. But if the goal is that the parties behave in certain ways where there are complex temptations to act otherwise, very precise rules, careful monitoring, and credible penalties for noncompliance are needed. In such cases the parties may have incentives to renege on their obligations in various ways, or particular aspects of the underlying bargain may be vulnerable to noncompliance. These sorts of problems typically require a formally institutionalized regime, serviced by an administratively effective IGO.[51] The difference between the kind of arrangements needed to reduce the risk that nuclear weapons can be launched without proper authorization (an objective presumably shared by every relevant government) and one needed to stem the flow of ballistic missile technologies to eager would-be buyers captures this point.

One general and important policy implication emerges from scholarship on bargaining and cooperation: Effective enforcement should be empha-

sized whenever a new institution is created or a new agreement is contemplated. Unless monitoring and enforcement problems are seen as manageable, the parties will expect an agreement to collapse, undermining their commitment to cooperation.[52]

Institutions as Facilitators of Efficient, Productive Bargaining

Aside from their value in policing agreements, many SIR theorists[53] agree that well-designed institutions can ease the procedural and political barriers that often inhibit bargaining, and thus the likelihood of reaching agreements in the first place. In this sense, international institutions give national officials efficient forums in which to negotiate solutions to ongoing common problems. Available scholarship suggests that these benefits are achieved in three ways. First, institutions can help officials reach agreements by providing mechanisms for dealing with a variety of issues under a single set of rules and bargaining procedures. Second, repeated use of particular institutions tends to create bargaining principles and precedents that make it easier over time to reach new agreements. Finally, by making the costs of "no agreement" high and salient, the use of valued institutions creates a bias toward cooperative solutions rather than discord.

The number of international institutions has mushroomed over the last few decades, presenting a puzzle to Realists, though not to Liberal thinkers. From the latter perspective, increasing economic, social, and strategic interdependence among states creates more distinct issues that need regulation. Interdependence also multiplies connections among those issues, such that solutions to some requires that others be dealt with as well. As contemporary Neoliberals see it, these trends often make it cost-effective for states to deal with interconnected issues within stable international institutions.

According to Robert Keohane, the greater the number of distinct issues within a given problem area, the more interconnected they tend to become. Few states can consider the economic implications of widths of territorial waters without also considering the military ramifications; as we saw above, the economic and security implications of various dual-use technologies are tightly linked. Thus, agreements on any issue increasingly imply agreement on others, as interdependence grows. A government may, for example, agree to limit its exports of missile guidance-system technologies only if others restrain exports in dual-use sectors where they have a comparative advantage. From this perspective, dealing with related issues under a common set of

norms and negotiating procedures is cost-effective in two ways. It obviates a need to reinvent the regulatory wheel for each new issue that arises. And in bringing negotiators together to deal with a set of issues, it allows them to trade concessions more easily than would be possible if each issue were handled separately. Thus, the more distinct issues there are in a given policy area, the more efficient it will be to handle them under a common set of norms and negotiating procedures.[54]

Institutions also facilitate bargaining by creating precedents that indicate how issues should be resolved. Since the mid-1980s, the Russian-American arms control regime has progressively chipped away at the strategic instability problem created by fixed-based, multiple-warhead ICBMs. With each successive round of negotiations, the presence of such weapons has diminished in both states' arsenals. Perhaps any repeated bargaining situation would create such norms and expectations. But the likelihood is higher within explicitly recognized institutions, since it is here that particular notions of legitimacy and order become codified.[55]

By raising the costs of failing to reach agreement, institutions foster mutually productive bargaining in a third way. If the above arguments are correct, regimes repay the investment made in their creation by providing a varied stream of benefits over time. But the other side of this coin is that they then become publicly valued assets whose reputations are at stake every time they are used. The implication for political leaders, whether in the context of the WTO, NATO, or any other high-profile institution, is that anyone who appears responsible for a breakdown in key negotiations is putting the institution's reputation, and thus its future usefulness, at risk. Especially during protracted rounds of trade talks, such pressure has helped to spur agreements.

As in connection with monitoring and enforcement, the preceding discussion suggests several instruments of policy. For example, different issues can be bundled together, so that they form a package within an institution.[56] Creating an international institution around some set of issues or broadening the scope of an existing issue-package makes sense when doing so carries fewer organizational or political costs than making *ad hoc* agreements for each separate issue. U.S. officials realized as long ago as the 1930s that individual trade agreements with one country could harm trade with many others. Their solution was a rule—unconditional most-favored nation trade status—that in principle would be applied to all states with which the United States has "normal" trade ties. Over time most commercial matters, includ-

ing exchange in areas as diverse as manufactured goods, commodities, and services, have been brought within the trade regime under this norm, largely for reasons laid out in the Neoliberal argument.[57]

How issues are organized internationally may also matter. Issues dealt with by different international institutions—such as trade and money among economic issues and nuclear proliferation and dual-use technologies among security issues—are often managed by different bureaus at home.[58] If a government believed its partners would handle certain issues differently were they managed through different domestic bureaucracies, repackaging the international arrangements regime might change the substantive results. The United States, for instance, might prefer that issues relating to host-nation support for its military forces be managed by foreign rather than defense ministries, under the premise that the former would emphasize the diplomatic stakes rather than the financial costs. That might suggest an effort to switch the international channels through which financial offsets are negotiated.

To some extent, one's choice of partners in joint undertakings can also be manipulated. Neoliberal scholars argue that keeping the number small facilitates monitoring and enforcement. But limiting participation can also promote agreement in the first place. In a world of divergent interests, few global institutions achieve ambitious goals.[59] Identifying a relatively small number of states that share important interests may be preferable to deadlock over the scope or terms of an agreement. To avoid legitimizing exclusionary practices, such arrangements should allow for the eventual inclusion of all interested parties.[60] But there may be advantages in bringing particular states inside a regime sooner than later. China's strong interest in joining the WTO has given Washington unusual leverage in pinning down many commercial commitments from Beijing, leverage that did not exist before Chinese leaders became committed to regime membership.[61]

This raises the issue of problems for which any effective regime would have to be broadly inclusive. In observing bargaining over a global-warming regime, James Sebenius inferred that participation in such arrangements is best broadened gradually. Agreement on basic principles should first be reached among a small, like-minded group of states. Then, Sebenius suggests, selected others can be induced through various incentives to accept the necessary commitments. The enlargement process would continue over successive rounds of bargaining until something near universal participation has been reached.[62] These suggestions harken back to the Neofunctionalist

idea that cooperation might "spill-over" to new problems and constituencies. What differs in this approach is more explicit attention to the contingent nature of the enlargement process and a careful bargaining strategy.

Contextual Relevance: Examining Actors' Preferences for Institutional Solutions

Neoliberals' conclusions about the purposes of international institutions ultimately assume that actors' goals coincide enough to produce cooperation, as long as the processes of making and verifying agreements can be facilitated. In this section, we ask whether these premises are justified and, if so, whether they suffice to generate policy-relevant understanding. We begin by unpacking the ceteris paribus clause in Neoliberal arguments, asking whether conflicts over the relative shares from cooperation are likely to spoil many efforts to achieve it. We then scrutinize some common assumptions about the key sources of support for international regimes. Do major states in fact have a large, continuing willingness to invest in international institutions, as this work contends? The answer to this question should shed light on whether the policy tools identified in the previous section will actually be available. We further unpack the ceteris paribus clause to ask a more fundamental question: What might institutionalized cooperation look like if the parties share a deep commitment to norms, identities, or shared knowledge? Following a discussion of each set of assumptions, we examine some of the major policy implications.

Are National Interests Really Complementary?

At some level, shared national objectives must exist if international institutions are to be useful. But what if this requirement cannot be taken for granted? What policy guidance would then follow? In arguing that national interests are essentially competitive, Realists reject as inapplicable the relationships discussed in the previous section. They force us to examine how much the Neoliberal *ceteris paribus* clause might qualify the link between institutions and cooperation. Depending on the impact of these variables, it might be useful to examine *their* causal antecedents.

For Realists, the "typical case" in international relations is one in which states seek gains at each others' expense. It follows that few international

security institutions exist, since "security" usually means being more powerful than an adversary. As the Concert of Europe and Russian-American strategic arms control arrangements suggest, it typically takes a strong and shared fear of war for even limited security regimes to emerge. Even so, as the Israeli-Egyptian regime illustrated, the behavioral restraints tend to be fragile. According to Realists, international issues reflect competition over the distribution of scarce goods, not the prospects for joint gains. In examining global communications issues, for example, Stephen Krasner found no evidence that joint gains were achieved through institutional means. In two issue-areas, radio broadcasting and remote sensing, there are no international regimes because powerful states have achieved their goals unilaterally. Telecommunications issues are regulated internationally, but the regimes in this area have evolved in response to changes in relative power.[63] To Realists the general point is clear: international institutions are arbiters of relationships that ultimately depend on the distribution of power; their instrumental value in fostering latent common interests is correspondingly slight.

This argument has prompted two major responses. First, there is no "typical" IR case, since a concern for relative gains does not follow simply from the existence of an international system based on self-help. Anarchy *per se* does not force states to be power-seekers. Whether they become so depends on specific features of their environment. For example, bipolarity is likelier to induce competitive behavior than multipolarity, since gains for one party in a two-power configuration come chiefly at the other's expense. Power also becomes an objective only to the extent that gains accruing to one party at some period can be used against others subsequently.[64] But these environmental characteristics represent only specific types of situational configurations, not any universal attributes. Absent some such condition, neither policymakers nor analysts would necessarily expect states to be motivated by relative power.

Does competitiveness define the "typical" IR case? If an official were willing to make this assumption—perhaps because in her experience, struggle has characterized important international relationships—she would follow the logic of Krasner's analysis. If not, she could seek policy guidance in the argument that what varies across situations are the particular environmental constraints under which actors operate, not any general preference for either relative power or joint gains. For example, geographic or technological conditions that make it easier to attack territory than defend it would put a premium on relative gains, since military investment would have direct

implications for one's coercive power or battlefield success. Conversely, when force is unlikely to be used offensively, perhaps because geography or technology makes it easier to defend than attack, there is no quick return to coercive potential. In that case, states would not compromise their security through cooperation, even if their partners gained relatively more from the bargain.[65] Such arguments could help Group III or Group IV analysts diagnose the strategic situations they face and assess at least one major risk of institutional participation.

A second response to the Realist critique focuses on the political purposes behind power. It assumes that actors pay attention not just to others' capabilities, but also to their goals and the presumed time-frame of the interaction. The logic here is that the strategic importance of power *varies* with the compatibility of actors' objectives. It is not a constant, as Realists assume. The more incompatible policymakers expect their substantive goals and norms to become over time, the more competitive their international strategy will be, and vice-versa.[66] By this logic, governments pondering whether to cooperate with others ask not just if others will gain more, but how *likely* it is that any such gains would be used against them.[67]

It follows, then, that a policymaker can accept the value of international institutions at low risk *if* she can assume that others' goals will be compatible over the long term (applying, perhaps, some discount rate to the future). Having made that assumption, officials may believe that investing in a regime can change others' preferences—or even the nature of their internal institutions or values—through the relationships fostered by the regime. This has been a key argument in favor of using regimes such as the WTO instrumentally to nudge China in a liberal direction.[68]

How Assured Is the Hegemon's Support for Institutionalized Order?

Even if policymakers accept Neoliberal premises about compatible interests, they may not want to pay, or be able to pay, the price of effective international institutions. Especially for large states, these institutions carry nontrivial "maintenance" costs. Even under the lower assessments the United States is seeking from the United Nations, it would still pay one-fifth of an annual UN budget of well over $ 1 billion. Objectively, this is a small sum in a U.S. Federal Budget of more than $2 trillion. In fact, the entire United Nations system has a smaller annual budget than the government of

a typical large city.[69] Nevertheless, the U.S. dues have never been less politically popular in Congress, nor has financial support for the IMF or discretionary peacekeeping operations ever encountered more resistance there. What then can be assumed about continuing American backing for international institutions?

The question matters because Neoliberals and Realists agree that a hegemonic state (under foreseeable conditions, the United States) often has long-term reasons to subsidize key international institutions. As discussed earlier, hegemonic states appear willing to pay for the public goods on which many regimes depend. They open their markets more than do those they trade with, subsidize others' security, and in general invest heavily in international order. They do so not for altruistic reasons, but because the benefits—the prosperity that comes from trade, the stability and the deference from allies that accompany military protection—accrue largely to them. Some of these costs need be paid only intermittently. Heavy institutional startup costs must be paid only once, and effective institutions can repay that initial investment over a long period of time, especially if, as in NATO, attractive new goals can be found when the original ones disappear.[70] But startup costs are not the only major expenses involved. Institutions require a constant flow of resources to keep them running. Consensual, multilateral institutions also require a hegemon's continuing willingness to live by the rules to which it holds others, even when inconvenient. In short, none of these institutional obligations is cheap or easy, even for a very strong state. If international order depends significantly on such hegemonic commitments, and those commitments are seemingly made on a contingent, instrumental basis, are they indefinitely sustainable?

In an important theoretical argument, John Ikenberry, an SIR scholar, answers in the affirmative. In return for supporting the web of contemporary international institutions, he argues, a hegemonic state gets a commitment from others to embrace the essential principles and rules of the existing international order. For their part, small and weak states understand that security and economic institutions lock larger states into predictable courses of action, reducing the possibilities of coercion and the hegemon's ability to act unilaterally. Although NATO, the IMF, and the WTO all have their roots in the 1940s, they persist, from this point of view, because they limit and channel the behavior of all parties in mutually predictable, beneficial ways. Moreover, since these institutions have become embedded in the domestic structures of the key member states, they have become more durable

over time. The bargain—powerful states agree to act within institutional norms in return for similar restraint from others—is thus dependable over the long term. Ikenberry concludes that core U.S. commitments to contemporary international institutions are really *not* contingent, so long as they yield these benefits.[71]

Yet even if this fundamental bargain is durable, the terms on which the hegemonic state subsidizes others may be less so. Even as the United States has fostered closer economic, social, and technological ties with the rest of the world, its opposition to institutionalizing these relationships in expensive or constraining ways has hardened. The end of the cold-war consensus on foreign policy has made it difficult to justify international institutions in terms of stark U.S. national interests, and sharper partisan divisions have made it more difficult to fashion a renewed consensus. Foreign resentment at these developments jeopardize U.S. ability to organize multilateral foreign-policy coalitions in cases where U.S. leaders cannot act unilaterally.[72] In 1999, U.S. officials were brought up short when, after proposing an extension of a peacekeeping project, the reply was "What do you care? You don't pay anyway."[73]

This assessment suggests two policy implications. For the foreseeable future, U.S. officials will want to act abroad when they cannot act alone, and will need to attract foreign coalition partners. To be enticed, potential partners must see Washington make reasonable contributions to joint projects and abide by the norms to which it holds others. To that end, U.S. domestic politics cannot pose a high bar to multilateral cooperation. Former UN Ambassador Richard Holbrooke thus tried to reframe the rationale for UN participation to domestic audiences, chiefly Congress. He justified U.S. contributions to UN peacekeeping efforts in cost-effective security terms: because the U.S. will not be the world's policeman, yet has a large stake in effective conflict management, the UN needs effective peacekeeping capabilities. Such capabilities require American support. Even if the presence of American soldiers in such contingents is smaller in the future than it used to be, it must be visible and dependable.[74] Unless such an appeal can succeed the United States cannot credibly bind itself to international institutions.

Over the longer term, Holbrooke's successors would be in a stronger position to make this case domestically if the international system depended less on U.S.-supplied goods. If key regional states were to take over some security and economic responsibilities now borne largely, even within multilateral contexts, by the United States, free-riding might become less of a

problem, and create less resentment within the United States.[75] Europeans are now beginning to discuss creation of a local defense capability, housed within NATO, that would allow Europeans to act alone when the United States did not want to be involved. The U.S. has complained for decades about the lack of a single European defense partner with whom to share burdens and coordinate policy. Based on the above reasoning, it should now support Europeans' apparent efforts to create one.

International Institutions as Carriers of Common Norms, Identities, and Knowledge

The Realist-Liberal assumption that national interests are formed by states more or less on their own, with little discussion with other states, may provide a reasonable first approximation. But if, as Constructivists argue, actors shape the context in which they operate through their social relationships, then international institutions come to reflect the norms, identities, and shared knowledge they acquire via those institutions. Under certain conditions, according to this perspective, international communities can be built out of such relationships. While this challenges the Realist view that communities exist only *within* nations; it is at odds with Liberal arguments that see institutions *simply* as means to attaining autonomously formed state goals.

Much SIR scholarship would suggest that institutions transform the context of international interaction in three ways. One is by codifying and augmenting legal norms. The UN has accomplished much in this area by making explicit a good deal of customary international law and by sponsoring multilateral treaties in new areas of the law. Second, as Constructivists note, the norms institutions embody empower certain actors to make legitimate claims with respect to others.[76] For example, as the UN's human rights organs have become more assertive, nongovernmental organizations (NGOs) have been empowered to make claims against governments that were ruled out of order several decades ago. Even if the UN cannot enforce those norms, they may become a standard by which future behavior is assessed. Third, as Constructivists emphasize, if international issues are defined through a process of interaction, preferences may evolve through confrontation with other points of view. This suggests that what political leaders want to achieve, how they define their reference group, and what they assert to be causally true

about the world might be influenced through conversations that occur within international institutions.

Contemporary IR scholarship points to scenarios that illustrate these processes, especially the third. One set of examples focuses on community building at the regional level. The Organization for Security and Cooperation in Europe (OSCE), a successor to the cold war–bred Conference on Security and Cooperation in Europe, is now being used to build a deeply rooted European community. The OSCE has fostered many face-to-face interactions among private and public groups in technical, political, and practical areas. In this way, the "we-they" feeling already shared by many European political and professional elites has penetrated more broadly throughout civil society. Outside of a shared aversion to war, the glue that is creating a common identity out of many disparate national societies is the belief that "Europe" is an inclusive community of democratic societies. To the extent that policymakers take this common bond seriously, they are acting on the basis of the Kantian Idealist notions discussed above. Seen through Constructivist eyes, the OSCE's community-building practices have been important beyond Europe; they have influenced regional integration schemes in the Asia-Pacific region, Africa, and even in the multilateral Arab-Israeli peace negotiations.[77]

Another set of cases involves the impact of shared knowledge on international policy coordination. Trans-state groups of scientific specialists can become influential in policy circles by virtue of their professional agreement and the legitimacy it imparts to their recommendations. Known as "epistemic communities," they are most influential when policymakers are uncertain about how to deal with a technical problem, there is a strong technical consensus, and technical advice is highly institutionalized. Under these conditions, technical expertise can help frame issues for public and elite debate, spread knowledge throughout the relevant technical communities, and help officials cut through complex issues in making policy choices.[78] Thus, groups of policy specialists may create a seamless web across the lines separating Groups II, III, and IV, as discussed in chapter 3. This argument has been applied to areas as diverse as nuclear arms control, stratospheric pollution, and the convergence of regulatory ideas among central bankers.[79]

One might ask what this formulation adds to Functionalist thinking, since the conclusions are so similar. From a Constructivist perspective, it clarifies how social knowledge affects ends and means. When technical specialists clarify causal linkages in a problem area, decisionmakers may discover new goals or new ways to solve old problems. Anticipating these results in their

concept of spillover, functionalists remained unclear about why experts' opinions are validated in some problem areas rather than others. The epistemic communities argument helps plug this gap. It suggests that when a technical consensus is convincingly married to policy objectives, certain technical solutions acquire a special legitimacy. The result is a socially coherent group of experts with a stake in solving particular problems. As this consensus broadens, an important kind of community may be built or reinforced across borders.

When international institutions become carriers of strong norms, identities, and knowledge, the political effects can be significant. Leaders may use relevant knowledge to think through problems at the national level and to conform to prevailing international standards when the social or material costs of noncompliance are high.[80] Institutions that embody community norms and knowledge can therefore be used to do important things. By discussing issues such as human rights and environmentally sustainable development, inclusive bodies such as the UN General Assembly draw markers around legitimate state conduct. The International Court of Justice and the Special Tribunals formed to investigate and prosecute war crimes committed during the 1990s can be used to educate governments and concerned private groups about the incidence of unacceptable behavior and strengthen the underlying norms.[81] Even more ambitiously, as the OSCE example suggested, institutions might be used to nurture new international communities. But even the most committed policymaker must have raw material with which to work. In world politics, shared norms and identities are typically weak *relative* to national values and identities. Unless there is evidence of some common normative structure across states—whether it derives from a shared objective, such as sustainable development, or a commitment to broader values, such as pluralism and democratic rule—one might begin by assuming that community standards are weak.[82] Thus, caution in using institutions in this way is warranted; only if a strong normative seed has been planted can institutions incubate and represent community values.

The Costs and Consequences of Acting Through International Institutions

SIR can also clarify the costs and consequences of using international organizations for national policy purposes. For poor states, the scarce funds spent on dues and official representation in international bodies may matter

most. Consequently, policymakers in such nations may ask whether institutional participation yields them more—in resources transferred to their societies or in expanded opportunities for international coalition-building—than they spend. Scholars agree that poor states on balance tend to be well served by their involvement in international institutions. They are often able to use their voting power in plenary IGO bodies to secure agreements and create international programs they could not achieve through non-institutionalized diplomacy.[83]

Wealthy states typically focus on different kinds of costs. The money they spend on participating in IGOs is small relative to their overall government budgets, and they depend less than poor countries on international institutions as a source of bargaining power. What at times irks political and policy elites in rich states is the loss in national discretion that accompanies international commitments. This has been true in the United States, and particularly so within Congress. Woodrow Wilson's inability to convince the Senate to ratify the Versailles Treaty stemmed mainly from concerns about the perceived curtailment of national autonomy that membership in the League of Nations would imply for the United States. Fear of this sort of consequence are behind much opposition to the United Nations. As Edward Luck has documented, the United Nations is, "a favorite target of those [U.S.] legislators concerned about threats both to American sovereignty and to congressional prerogatives."[84] As the protests directed toward the International Trade Organization, IMF, and the World Bank suggest, fear of unanticipated constraints on national autonomy and sovereignty fuel distrust of other multilateral institutions as well.

International relations scholars over the last few decades have helped to clarify the real costs and tradeoffs here. Some national discretion *is* necessarily yielded in specific policy areas in the process of international collaboration. Whether the purpose of an international agreement is to achieve results that no state can achieve on its own, or simply to make the actions of other states more predictable, national officials cannot achieve the objectives unless they follow certain rules. In this sense, they cannot have their cake and eat it too.[85] But, most international relations scholars agree that contemporary international institutions do not represent a threat to sovereignty, understood as the final legal right of independent states to undertake or reject international commitments as political leaders see fit. Just the opposite seems to be true. International institutions are *not* designed to implement centrally enforced rules, as would occur if those bodies came to con-

stitute a genuine world government. Instead, they are designed to stabilize governments' expectations and coordinate their joint efforts, so that common *agreed-upon* state purposes can be served.[86] No piece of contemporary SIR has found evidence that IGOs might somehow gobble up sovereignty from national governments that are asleep at the switch, as the original Functionalists once hoped. If anything, the basic norm that states are legally responsible to no outside, supra-national authority is as strong as it was in the sixteenth and seventeenth centuries, when it evolved as a way to end internecine religious warfare in Europe. This norm, of course, might eventually decay. But it is hard to see how the exchange of specific pieces of national discretion for specific international agreements could bring about supranational institutions under anything resembling current political conditions.

What SIR cannot authoritatively address are matters of values. People may legitimately prefer that decisionmaking and implementation remain at the national level, even if an international institution could discharge some function more effectively. Decisions, here, must rest on a process of democratic aggregation of societal opinion, not on social science. What SIR can do is help responsible officials and opinionmakers separate the false questions and concerns from the real ones, and provide the empirical information on which value judgments sometimes rest.

International Institutions and the Policymaking Community

Immanuel Kant argued that "the opinions of philosophers on the conditions of the possibility of public peace shall be consulted by those states armed for war."[87] While this is unlikely to happen, some forms of consultation can be expected. During the cold war for example, scholars specializing in arms control and nuclear strategy had a real impact on U.S. defense-policy. More recently, as we saw in chapter 5, assumptions about an interdemocratic peace have influenced U.S. and European foreign-policy communities. Yet nothing this dramatic has happened in the area of international institutions and institutionalized cooperation.

The reasons are straightforward. Most of the ideas discussed in this chapter are more subtle those explored in chapter 5, and all of them are more controversial. Even if contemporary Neoliberal theorists are correct, the link between institutions and cooperation does not afford much policy leverage, being limited to situations wherein states already agree on ends. Compared

to the dramatic difference democracy apparently makes on the central issue of war, the policy effects produced by variables discussed in this chapter are fairly slight. The arguments examined here are also more controversial: unlike the empirical findings reported in chapter 5, which scholars have largely accepted, none of the generalizations discussed here enjoy full academic support. It is no surprise that theoretical work on international institutions has had less practical impact outside the ivory tower.

One partial exception has been Functionalism. Its influence is reflected in the specialized agencies of the United Nations, each designed to complement the main body's broad focus on peace, security, and development. More dramatically, Functionalist precepts shaped the design of the post–World War II Western European order. Jean Monnet, a French official and one-time League of Nations employee with extensive wartime experience in joint production and planning, found himself perplexed by the problem of Franco-German relations in the late 1940s. France was determined to constrain German power enough to ensure that no military threat would ever again surface; Germany, aided by the United States, was in the early stages of its postwar economic recovery. To reconcile these objectives and bind them to peace, Monnet reasoned that constraints on both states' industrial autonomy was necessary. He proposed to put their coal and steel firms under joint supranational control. As his one-time aide George Ball put it, the objective was to force gradual integration of the two economies:

> All of us working with Monnet well understood that it was quite unreasonable to carve a single economic sector out of the jurisdiction and subject it to the control of international institutions. Yet . . . Monnet recognized that the very irrationality of his scheme would compel progress and might then start a chain reaction. The awkwardness and complexity resulting from the singling-out of coal and steel would compel member governments to pool other production as well.[88]

Quite consciously, spillover was programmed into the EU's institutional design.

Beyond this, the practical influence of scholarly ideas in this area is hard to trace. As a one-time scholar of politics, Woodrow Wilson was probably influenced by Liberal Enlightenment thought, though the precise link is unclear. Today, at least some policy specialists interested in coordinated interstate action seem aware of the regimes literature,[89] though the impact

on policy choices or governmental bargaining positions is cloudy. What is clear from this chapter is that *if* officials want to work together, there is a long tradition of theoretical work—and some increasingly precise causal propositions—from which they can draw guidance.

Conclusions

Contemporary foreign-policymakers must manage extensive interdependence in a diverse, fragmented world. In principle, the literature on international institutions has a long pedigree, and it should shed light on this problem. Because this subject goes to the heart of war and peace, every major IR tradition has something to say about it.

Why, then, has this literature not had a larger impact on policy? Perhaps the practical payoff has seemed too low. Unlike the work on the democratic peace, there is no analytic "smoking gun" here—no single malleable variable affording high policy leverage. Instead, the work on international institutions is filled with qualifications and debates. Sorting through these is difficult enough for scholars, much less policymakers! Yet the instrumental knowledge offered by Neoliberals is impressive, provided one assumes that the underlying conditions are met. Among the industrial democracies at least, there are enough overlapping interests to view this work as a rough strategic guide for managing interdependence. When combined with other theoretical propositions that help unpack some of the key qualifications, it adds up to an impressive body of knowledge—even if it is a messier package than the democratic peace literature.

It is worth noting that the one intellectual argument that *has* resonated among policymakers and elites was specifically designed to be practically useful. For all its weaknesses, Functionalism identified core problems and key pieces of solutions to them. As scholars strive to understand international relations, they could do far worse than seek to emulate these objectives.