



**Locating
the
Proper
Authorities**

**The Interaction of Domestic
and International Institutions**

Daniel W. Drezner, Editor

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Acknowledgments

The idea for this book started with the observation that Robert Putnam's pathbreaking work on two-level games has led to an unbalanced development in research about the interaction between domestic and international institutions. A great deal of work has built on Putnam to show how domestic politics can constrain the ability of states to cooperate internationally. However, there has been much less work on the flip side of Putnam's argument—that foreign policy leaders can use international institutions as a means of circumventing or co-opting domestic opposition.

From this idea came a three-day conference in Boulder, Colorado, in June 1999 entitled "The Interaction of Domestic and International Institutions," where eight papers were presented and the larger points debated. Six of these papers, thoroughly revised, along with Duncan Snidal and Alexander Thompson's concluding chapter, make up the present volume.

From the origins of the idea for the book to its publication, the contributors and I have accumulated several debts. Steve Chan was instrumental in turning my idea into a tangible conference proposal. Funding for the 1999 conference was provided by grants from the University of Colorado at Boulder's Council on Research and Creative Work and its Institute for International Relations. Jana Murphy and Nicole Wittenstein made sure that the trains ran on time at the conference, which allowed the contributors to focus on the larger themes. The contributors were fortunate to have an able corps of discussants—Steve Chan, Kathryn Hochstetler, Helen Milner, and Dimitris Stevis. Their advice proved indispensable in our later revisions. Two other participants presented papers but later withdrew from the project because of other obligations. We are grateful to Delia Boylan and Stephen D. Krasner, whose papers and critiques were both constructive and stimulating.

In the process of turning the conference papers into this edited volume, the contributors are grateful to Jeremy Shine, political science editor at the University of Michigan Press. Jeremy's tenacity and

made the Non-Aligned Movement very angry" (1998, 13). This is an interesting and exceedingly rare public admission of sharp differences between China and other developing states on nuclear disarmament issues.

66. In some cases, when I followed up with questions specifically on the role of image concerns, my interlocutors would quickly downplay what they had just said, since this implied that China was indeed susceptible to external pressure.

67. This is not dissimilar to Johnson's (1993) argument that cheap talk, in the context of persuasion whereby interests and identities converge inside a social relationship, establishes focal points that are necessary to reduce the strategic indeterminacy of bargaining games.

68. These motivations parallel the three that James Q. Wilson (1973) identifies: material incentives, purposive incentives (persuasion), and solidarity incentives (social influence).

International Commitments and Domestic Politics: Institutions and Actors at Two Levels

Duncan Snidal and Alexander Thompson

In the last two decades, international relations (IR) scholars have responded to the parsimony of systemic theory, with its exclusive focus on interactions among states, by looking both above and below the level of states. Thus international cooperation and institutions, on the one hand, and domestic politics and institutions, on the other, have assumed important positions as both independent and dependent variables. However, surprisingly little attention has been paid to the interaction of international and domestic institutions, although there is no theoretical reason to presume that the two should be analytically separated. The primary exception is the two-level games literature (Putnam 1988; Evans, Jacobson, and Putnam 1993) and related work on how domestic political constraints shape international cooperation (Milner 1997) and the ability of states to make credible international commitments (Cowhey 1993; Martin 2000). Much less effort has been devoted to the reverse channel of influence—how international institutions constrain domestic politics.¹

This volume investigates how actors use international institutions to overcome domestic political obstacles. It addresses two principal impediments that may confound the pursuit of political goals. On the one hand, highly centralized states are plagued by commitment problems: When government power is not checked, then other actors, both within the state and internationally, cannot be sure that the policy will be maintained over time and so may be unwilling to take actions desired by the policy initiators. Decentralized states, on the other hand, face domestic veto problems because the consent or participation of key actors ("domestic veto points") is required for policies to succeed. The involvement of international institutions can potentially solve both of these political dilemmas.

In his introductory chapter, Daniel W. Drezner provides a framework for exploring the conditions under which actors use supranational institutions to pursue policies, as well as when they will be successful and what the long-term implications might be. He eschews state centrism by dividing the relevant actors into policy initiators (who have the power to propose change and may be internal or external to the nation-state in question) and policy ratifiers (who have the ability to veto policy initiatives). The number of necessary ratifiers defines the degree of centralization in the relevant polity. Drezner's framework then helps us understand how international institutions shape the interaction of initiators and ratifiers through a variety of influence mechanisms—including contracting, coercion, and persuasion.

The empirical chapters explore how international institutions influence these interactions. They are diverse in terms of both subject matter and methodological approach. The authors address a broad array of substantive issue areas, including humanitarian intervention (Schultz), trade dispute settlement (Reinhardt), economic development (Blanchard), democratic transition (Pevehouse) and security cooperation (Johnston). This broad case selection has the virtue of incorporating developing countries, which are too often ignored in IR, as well as less prominent international organizations (IOs). This helps correct a potential bias in the literature, namely that repeated studies of the usual suspects—in terms of states and IOs—will lead to conclusions that are not representative of the universe of countries and institutions. The potential for generalizability is thus great.

The authors specify and assess their arguments using game theory, quantitative analysis, and qualitative case studies, often in combination. Although the empirical chapters lie generally in the rationalistic tradition of treating actors as purposive and instrumental, they show how international institutions also shape the interaction of domestic and international politics through other influence mechanisms more commonly identified with constructivist approaches.² Thus IOs allow policy initiators to establish credible commitments and to contract more effectively; they provide information, resources, and expertise; and they help to persuade, legitimize, and transmit norms to domestic actors. This causal eclecticism, encouraged by Drezner's analytic exploration of contracting, coercion, and persuasion, is virtuous in its inclusiveness: There is no a priori reason to expect any one paradigm to dominate in this domain.

The volume adds considerably to our understanding of interac-

tions between international and domestic institutions while retaining nuance at both levels. The state is broken down in terms of structure (centralized versus decentralized) and through the identification of individual actors (initiators versus ratifiers). International institutions are problematized in terms of their design and their multiple sources of influence. Indeed, one reasonable criticism is that the volume attempts too much in embracing such complexity. This critique is misplaced insofar as the project sets the stage for an expanding research program; its greatest contribution lies in generating new hypotheses and probing their plausibility.

Drezner's introductory chapter provides a rich set of theoretical propositions to guide the empirical analysis. We have distilled these propositions into five general hypotheses (see table 1). These have been selected because they capture the essential elements of Drezner's argument and are addressed by the empirical case studies. In this concluding chapter, we will synthesize the volume's results with an eye to deepening their theoretical implications and identifying further paths of inquiry.

The first section of this chapter advances Drezner's theoretical agenda beginning at the domestic level. We expand on the concept of centralization and then develop a simple game theory model to clarify the different relations between state structure and the demand for international institutional involvement. The second

TABLE 1. The Volume's Hypotheses

State Structure

- H1 Initiators from decentralized states use international institutions to overcome domestic veto points in order to implement and lock in policies.
- H2 Initiators from centralized states use international institutions to establish credible commitments.

Long-Term Implications

- H3 Repeated interactions enhance the power of policy initiators at the expense of ratifying institutions.

International Institutional Structure

- H4 Institutional design matters. Whether and how initiators use international institutions is partly a function of their design features.

Initiator Location

- H5 External initiators have less success in their interactions with domestic institutions than domestic policy initiators.

section surveys the evidence from the volume with regard to hypotheses H1, H2, and H3. The cases strongly support H1—that initiators from decentralized states use international institutions to overcome domestic veto points. Some support is found for H2—that centralized states use international institutions to make credible commitments—but the more important conclusion concerns the need to refine our understanding of centralization and to identify more precisely the underlying commitment mechanisms. Finally, H3—that repeated interactions favor initiators over ratifiers—has some validity but needs to be refined in terms of the identities of the initiator and ratifier and to incorporate learning and persuasion into the analysis.

The third section turns to the international level and discusses the findings with regard to H4 and H5.³ The empirical evidence on H4—that international institutional design matters—indicates a need to develop more fine-grained propositions and to distinguish more carefully between the qualitatively different roles of formal versus informal institutions. Furthermore, the Drezner framework portrays IOs as excessively passive and thereby overlooks their important role as agents of interaction and change. Finally, the volume offers insufficient evidence to reach a definitive conclusion regarding H5—that external initiators will be less successful than domestic initiators—but the limited evidence presented suggests that it is incorrect as stated. A speculative but plausible revision is that external initiators need domestic allies to succeed.

An important implication of the theory and evidence is that international institutions work both through the manipulation of rational incentives (by withholding benefits or sanctioning, by facilitating signaling and commitment, and by providing information and resources) and through sociological and normative mechanisms (such as persuasion and collective legitimation). Indeed, the same institution may perform these functions at different times or even simultaneously. This illustrates that rationalist and constructivist approaches often are complementary and provide different lenses through which to view the same phenomena and outcomes. We proceed in this spirit.

The concluding section refines several of the hypotheses and discusses how the framework might be extended along several theoretical and empirical avenues. We consider how the state structure and international institutional design variables might be modified to produce novel insights and how an expanded analysis might treat the roles of initiator and ratifier as endogenous. In particular, ratifiers may

adopt some of the same strategies as initiators to capture first-mover and agenda-setting advantages. We end by asking several questions, inspired by the volume, about the broader role of international institutions—and especially formal organizations—in world politics.

State Structure and International Commitments

The central explanatory theme of this volume is that states use international institutions to solve commitment problems and to overcome domestic veto points. But they do so in different ways, depending on their state structure. State structure determines the type of commitment or veto problem a state faces and how it uses international institutions to solve it.

Drezner defines “state structure” in terms of the centralization of decision making. A centralized state can be viewed as a single, cohesive decision-making body unencumbered by the need to achieve agreement from other decision-making bodies. This corresponds to the classical IR conception of the state as a unitary actor, although here it is taken as a reasonable approximation of domestic politics rather than as a “black box.” However, whereas traditional IR takes the unitary actor assumption as a license to ignore domestic politics, Drezner argues that even centralized states need to worry about the response of domestic actors to their policies. By contrast, a decentralized state structure has multiple independent decision points, and there is no central actor that can act on its own. Here state action requires overcoming potential domestic veto points directly. The veto points are not limited to formalized institutional arrangements (for example, voting); ratifiers may include actors such as firms or unions whose active support is essential to policy success.

Of course, there is considerable variation along a continuum from decentralization to centralization—some states are only somewhat decentralized because they have a few veto points, whereas others are highly decentralized because they include many veto points. Moreover, the degree of centralization often varies across issue areas even within the same state. For example, states are typically highly centralized on security issues but more decentralized on issues such as trade or the environment, where different actors play key roles and political motivations are distinct. This more nuanced centralized-decentralized distinction captures refinements in the traditional “strong” versus “weak” state categories and recognizes variation both across states and within the same state.⁴ Drezner’s framework allows us to cast

these considerations in terms of the strategic interrelation between initiators and ratifiers and an analysis of the commitment problem, as we show later.

This very general theoretical conception of (de)centralized state structure has the virtue of bringing together the wide range of substantive cases analyzed in the volume. Two chapters—Eric Reinhardt's analysis of WTO trade disputes and Kenneth A. Schultz's examination of U.S. humanitarian intervention—use centralization to refer to the relationship between the executive and legislative branches. Here centralization is defined in terms of formal institutional rules such as ratification. These analyses show how international institutions strengthen the advantage that the president enjoys over Congress in obtaining trade liberalization and in deciding on the use of force abroad, respectively.

Jon C. Pevehouse's focus on newly democratizing states offers a quite different view of centralization. These regimes are decentralized not so much because of their formal structure but because of their dependence on other actors.⁵ Domestic business and international investors are each in a position to scuttle the government's plans if they do not find them suitable. More ominously, opposition groups and the military may veto government policies, or even the government, when they oppose policies. This dependence on other actors is exacerbated by the fluid nature of the posttransition setting: The government may not be sure which actors will pose a threat and under what institutional rules or power relationships they will interact. The result, Pevehouse argues, is that democratizing regimes turn to international institutions to credibly commit to policy reform.

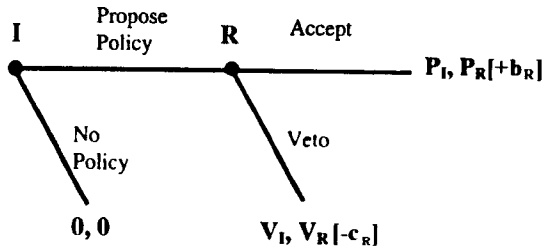
Finally, a comparison of the two chapters involving China shows how different cuts at the "same" case may lead to different conceptualizations of centralization. Jean-Marc F. Blanchard investigates efforts by subnational and supranational actors to promote a multinational development project along the Tumen River involving the bordering states of China, Russia, and North Korea. In doing so, he defines centralization in terms of relations between the central government and its provinces, where the provinces are the key initiators in his analysis. Alastair Iain Johnston's study of how other states use persuasion and social influence to convince Chinese policymakers to join regional security regimes does not focus on centralization as a key variable, but it still provides an interesting contrast. Military policy formulation is generally a centralized state activity, as it is in

China. But a more microscopic view of interagency relations within the security bureaucracy begins to reveal these processes as somewhat decentralized—even though defense policy is highly centralized from a more macroscopic perspective. Thus in both cases—and even in an authoritarian system—some degree of decentralization becomes apparent according to how we define the problem and units of analysis. This flexibility of the centralization concept suggests both its potential power and the dangers of stretching it too far.

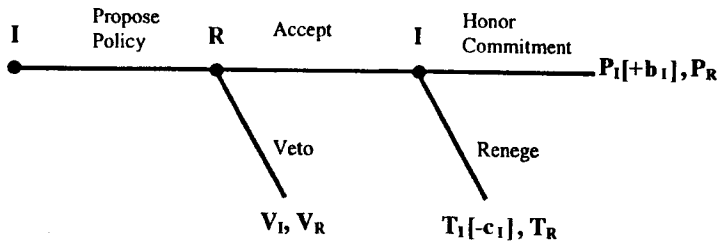
Such fine-grained differences are important in the empirical studies, but for theoretical purposes it is often more insightful to begin with comparisons between the endpoints of the continuum—as we do in the remainder of this section. The importance of centralization is reflected by its fundamental role in Drezner's theoretical arguments. Drezner develops what could be labeled a paradox of centralization: Highly decentralized states are so weak domestically that they cannot implement coherent policies, whereas highly centralized states are so strong domestically that they cannot credibly commit to policies. International institutions help both types of states solve these problems by increasing the costs of changing policies. But they do so in different ways that are worth clarifying.⁶

A decentralized state confronts a domestic veto point when a domestic ratifier can block its policies. The game tree in figure 1a represents this situation by showing the state initiator I with a choice to propose a policy (P) or not, followed by a choice for the domestic ratifier R to accept or veto the policy (V). The ordered pairs at each terminal node refer to the payoffs to the initiator and ratifier, respectively, as indicated by the subscripts. (The b_R and c_R terms reflect the impact of an international institution and are in brackets to indicate that they are initially equal to zero and should be ignored for now.) The domestic veto problem arises because, while the initiator benefits from the policy ($P_I > 0$), the ratifier prefers to veto the policy ($V_R > P_R$) after it is proposed. The result is that the initiator's policy goals will be frustrated. They may only be partially frustrated if I finds it useful to propose the policy and accept the veto (which it will do if $V_I > 0$, perhaps because some compromise results), or they may be completely frustrated if I declines to even propose the policy because of the political damage it suffers by being defeated (if $0 > V_I$).⁷

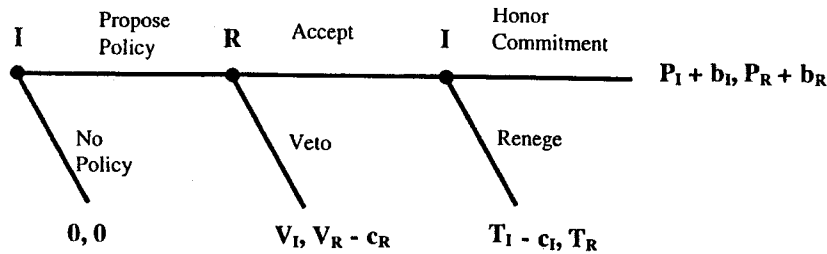
Drezner argues that the initiator state can resolve the problem by working through an international institution to change the incentives of domestic ratifiers, as indicated by the bracketed payoffs in figure 1a. International institutions can reward domestic ratifiers for accepting



(a) Decentralized state facing a veto problem



(b) Centralized state facing a commitment problem



(c) Synthesis

Fig. 1. The dilemmas of state structure

government policies ($+b_R$)—perhaps by providing outside resources to offset any losses caused by the policy. They can also impose costs on the exercise of domestic vetoes ($-c_R$)—perhaps because states that do not fulfill commitments made through international institutions will be ineligible for subsequent programs that benefit the ratifiers.⁸ If this combination of carrots and sticks is strong enough (that is, $c_R + b_R > V_R - P_R$, where $V_R - P_R$ is the gain that domestic ratifiers make from vetoing rather than accepting the policy), the initiator's policy can be made effective. We postpone a fuller elaboration of how inter-

national institutions create costs and benefits—the substance behind the terms used here—until a later discussion.

Intervention by the international institution is most compelling—on normative grounds that may also provide a positive basis for international intervention—if the initiator policy represents a broader social good that some narrow constituency or special interest is seeking to block. If the initiator instead represents a narrow interest (for example, a self-serving or predatory elite), whereas the ratifier incorporates a broader social interest (for example, interests of economic development in general), intervention is less compelling.⁹ In either case, however, international intervention will be contested when domestic interests are opposed.

An important variation of the veto problem occurs when the interests of the initiator and state are not strictly opposed. Even if the ratifier is a beneficiary of the initiator's policy ($P_R > 0$) so that both are better off at $\{P_I, P_R\}$ than at the $\{0, 0\}$ status quo, R may still have an incentive to act opportunistically by vetoing the proposed policy ($V_R > P_R$). This might be the case if significant political gains accrue from opposing the policy and outweigh the gains from the policy itself. But if this leads the initiator not to propose the policy (because $0 > V_I$), both sides are worse off than if the domestic ratifier did not have a veto. In these highly contested political situations—where the veto is costly to the initiator and therefore a self-defeating threat for the ratifier—both sides may welcome the role of the international institution in resolving the veto problem. Finally, note that this situation can now be thought of as a commitment problem from the perspective of the domestic ratifier. If the ratifier could commit to working with the government's policy—for example, by forswearing its veto alternative before the government announces the policy—the government could propose the policy, the ratifier would accept it, and both sides would be better off.

Figure 1b presents the alternative case, where the ratifier supports the policy ($P_R > V_R$) but the centralized state is so strong that it cannot credibly commit to its policy. The game tree begins with initiator I announcing a policy after which ratifier R must decide whether to trust the government by accepting the policy. If R trusts I by accepting the policy and I honors its commitment, they each benefit from the policy ($P_I > V_I$ and $P_R > V_R$). (Again, bracketed terms b_I and c_I refer to outcomes when the commitment is made through an international institution and so initially equal zero.) Unfortunately, I receives a higher payoff ($T_I > P_I$) by not honoring its commitment, while R receives less than if it had not trusted I ($T_R < V_R$).¹⁰ Thus R

will not trust I , the policy will be ineffective, and the outcome will be $\{V_P, V_R\}$.¹¹ The dilemma is that both actors are worse off because I cannot make a credible commitment to its policy P (if it could, R would trust I and the payoff would be $\{P_P, P_R\}$).

This commitment problem can be resolved if an international institution either imposes costs on initiators who break commitments ($-c_I$ in fig. 1b) or provides benefits ($+b_I$) to initiators who honor their commitments. Provided the combination of punishments and rewards is sufficiently powerful (that is, $b_I + c_I > T_I - P_P$, where $T_I - P_P$ is the benefit the initiator gets from renegeing), then the commitment to the policy is credible; R can trust I , who will honor the policy.

Note that in both figures 1a and 1b, it would be preferable from the institution's perspective to promote the policy by threatening punishments rather than by providing benefits. Benefits are costly (that is, an amount b has to be provided to one or both actors), whereas effective punishments never have to be administered since the threat is sufficient to induce appropriate behavior.¹² But if the ability to threaten punishment provides a cheaper way of solving commitment problems, it raises the question of whether international institutions can do so credibly. Are the "forum" effects of being condemned rhetorically in an international setting, the "compliance pull" of international agreements (Franck 1990), or the costs of being viewed as a rule violator sufficiently powerful incentives to change an actor's behavior? And even when IOs have the capacity to impose punishments (for example, IMF cutoffs), can they solve their own commitment problems to make credible threats? In the case of the IMF, for example, Randall Stone's (2002) research shows that the IMF can credibly threaten smaller countries such as Bulgaria and Poland but not large countries such as Russia and the Ukraine. This is especially true when, for geopolitical reasons, the latter receive support from the United States that further undermines IMF credibility. Some of these effects, and the ability of institutions to punish and provide benefits more generally, depend on the details of institutional design. We will return to these substantive issues subsequently.

Although the simple model does not include uncertainty—the actors, their choices, and their payoffs are completely known to all—it can be introduced informally by considering the impact of uncertainty regarding payoffs. In figure 1b, for example, the problem may be that, although the initiator prefers to honor its commitment, the ratifier is unsure whether this is the case (that is, $T_I ? P_P$). In this circumstance, the international institution may serve as a screening de-

vice if, for example, only states that prefer to honor their commitment would accept the requirements of the institution or be allowed into it. Alternatively, in a more dynamic setting, the institution might perform monitoring functions that reduce incentives to renege by providing early warning of any change in policy.

Figure 1c combines the two problems into one interaction, reflecting the possibility of domestic veto and commitment dilemmas occurring together. After I proposes the policy, it is subject first to a veto by R (if $V_R > P_R$) and then to renegeing by I (if $T_I > P_P$). Either possibility is sufficient to cause the policy not to be offered in the first place. Working through an institution can resolve the problem only if the incentives of both initiators and ratifiers are altered (that is, so that $b_I + c_I > T_I - P_P$ for I and $b_R + c_R > V_R - P_R$ for R).

Pevehouse's discussion of newly democratizing states is an instructive example of such complicated interrelations. On the one hand, the opposition often wonders whether a new democratic regime is truly committed to reform or will renege on its policies at some opportune time. On the other hand, the new regime depends on other actors (such as domestic business and international investors) to accept its policies to succeed. Moreover, when the simple static model is placed in the context of a turbulent world of uncertainty and ongoing choices, Pevehouse points out how the problems feed on each other. Doubts regarding the credibility of the initiator's commitment to the policy make ratifiers increasingly hesitant to accept the policy, which leads the initiator to partially renege on the policy, which in turn reinforces the ratifier's doubts. A vicious cycle ensues.

Drezner makes a useful analytic simplification when he separates the two problems, as in figures 1a and 1b. He argues that decentralized states cannot abandon their commitments unilaterally because of the same domestic veto actors that make it hard for them to change policies in the first place.¹³ Conversely, he argues that the strength of centralized states, which makes it hard for them to credibly commit, also means they do not face domestic veto players who can block their policies. However, many real-world problems lie in the middle such that both forms of commitment problems emerge. A speculative bright side is that the symmetry of the problem may ease its solution. Thus even if neither side understands why it cannot be trusted and why external intervention is needed, each may be willing to engage an international institution to deal with the problem "caused by the other."

Three further limitations of this stylized framework should be

noted. First, these arguments make sense in terms of formal institutional rules but may be less compelling when we consider the implementation of policies. Decentralized states may be unable to change policies unilaterally, but they may well have a capacity to renege on their implementation. Similarly, even the strongest centralized states depend on other actors participating in their policies and so are subject to some type of domestic implementation “vetoes.” Second, international institutions are not the only way to solve commitment and veto problems. We discuss the use of domestic institutions for these purposes below; reputation staking provides an alternative mechanism. Finally, veto and commitment problems are hard to distinguish empirically because both predict the same outcome—that states will use international institutions. Of course, states differ in their motivations for doing so, and the roles of the international institutions differ in terms of which actors’ payoffs are affected. These issues are best resolved empirically in terms of specific case studies, as reflected in the design of the overall project.

As a final note, while this discussion has been developed in rationalist terms, Johnston’s social influence argument can also be represented through the payoffs. Insofar as interaction within international institutions creates social rewards and pressures for the actors, these can be reflected in the benefits (that is, b_P, b_R) and costs (that is, c_P, c_R) imposed through the institution. Persuasion, on the other hand, changes private values, not just costs and benefits. Since persuasion results in new conceptions of interests, its impact will be reflected in the preferences of the actors and only thereby in the payoffs. This allows the substantive analysis to distinguish other ways that international institutions affect the choices of states beyond creating costs and benefits. Of course, these representations do not fully capture the actual social process involved any more than the payoffs fully capture the underlying rational decision processes. But the framework can still be useful provided the underlying “calculus” is interpreted broadly.

Variation in State Structure: Findings and Extensions

The cases provide empirical evidence on the two hypotheses (H1 and H2) captured in figure 1. The first hypothesis—that initiators from decentralized states use international institutions to overcome domestic veto points—fares very well. All four cases with internal initiators from decentralized states show them using international institutions this way.

Schultz provides very strong support for this hypothesis with respect to humanitarian intervention by the United States. He does it theoretically by elaborating the hypothesis in the important case of president-Congress relations and by connecting this argument to the well-known parallel commitment devices at the domestic level. Schultz confirms the hypothesis empirically in the cases of Haiti (1994) and Bosnia (1995), where presidential commitments through IOs “create a momentum that members of Congress are unwilling to stop.” Conversely, he shows that when the president did not establish clear international commitments in Rwanda (1994), Congress was able to block any substantial humanitarian initiative. Indeed, among the strongest evidence Schultz provides about the validity of the “overcoming veto points” hypothesis concerns congressional efforts to act before the president is able to make a commitment. It may be bad for public policy if the executive and legislative branches must race to be precipitous, but this race does confirm the power of commitment through international forums.

Pevehouse provides strong quantitative support for the proposition by showing that recently democratized states, which are especially subject to veto points in the wake of transition, are much more likely to join IOs—presumably as part of a strategy of locking in democracy against domestic opposition. However, Pevehouse argues that this tendency “may have little to do with international outcomes.” We disagree, since the power of an international institution to lock in democracy comes through its ability to provide benefits or costs to the ratifiers (as in fig. 1a). Also, while Pevehouse correctly points out the need to investigate the issue of enforcement by IOs, it is valuable to remember that one important form of enforcement comes through the (potential) withdrawal of the benefits of membership. This is especially relevant because states are often reluctant to join institutions that have a significant capacity to coerce and enforce. Thus, while Pevehouse is correct that the impetus to join the institution may come from domestic sources, the impact of IOs in the domestic realm implicitly rests on their ability to be consequential and effective in the international realm.

Blanchard’s analysis of the Tumen River Area Development Programme (TRADP) shows the importance both of China’s Province of Jilin as a subnational initiator and its reliance on the facilitating role of the United Nations Development Programme (UNDP). The UNDP provided research funding for the project both initially and at key junctures and set the agenda for the development

of the project. Its role was not centrally one of overcoming domestic veto points, since Blanchard does not indicate any significant opposition to the project within China. However, the UNDP did play a valuable role in reassuring the Japanese and Americans and thus in avoiding *international* veto points. (This suggests a mild broadening of H1 to include external “ratifiers” of domestic policies.) Finally, the limitations of the role of the international institution are clearly demonstrated in the slowing progress once the TRADP became embroiled in broader PRC-Russia diplomacy.

Reinhardt’s chapter offers an interesting extension of H1. Although he supports the basic argument that international institutions help overcome domestic veto points, he shows that these relations are not always as simple or straightforward as the hypothesis implies. In his analysis, the initiator (the president) uses its informational advantage regarding an international organization (the WTO) to tie the hands of the ratifier (Congress).¹⁴ The possibility of an adverse ruling from the WTO and the resulting sanctions make protectionism too costly for Congress. Because the cost of vetoing ($-c_R$) is too great, Congress prefers ratifying the liberalization policy over vetoing it ($P_R + b_R > V_R - c_R$).

Although Reinhardt captures essential elements of how U.S. trade politics are shaped by the threat of WTO litigation, his “tying hands without a rope” logic is a specialized argument that applies when a ruling is pending, when certain assumptions about asymmetric information and transactions costs apply, and when there is the possibility of enforcement by the institution. This is a narrower and different version of the commitment problem than the one presented by Drezner.¹⁵ The lesson is that specific cases need more detailed investigation and theoretical guidance than that offered by the hypothesis. On the other hand, as a way to summarize the central dynamic of the case, the argument of “using international institutions to overcome domestic veto points” does very well.

While the empirical support for H1 is strong, some caution is appropriate. First, this conclusion is based on a small number of cases even if it is strengthened to the extent that the details of the commitment mechanism are elaborated in each. Second, there is always the danger of an unintentional selection bias if cases were chosen because they were instances of commitments through international institutions. Finally, as we noted earlier and will discuss again later, the very definition of centralization versus decentralization is at play according to how analysts define their objects of study. For these rea-

sons, the findings on H1 should not be taken as a test of the theory in any but the weakest sense. What they do provide, however, is a rich playing out of the hypothesis in different settings that suggests an important mechanism is at work.

By contrast, the cases offer limited evidence regarding H2—that initiators from centralized states use international institutions to establish credible commitments—because they contain little treatment of centralized states as initiators. The exception is Reinhardt’s analysis of unified government, that is, a situation in which the president and Congress have identical (protectionist) preferences. He finds that as the transaction costs of working through the institution increase, the result is increased liberalization of trade policy proposals, despite the unified preference to the contrary. It is difficult to interpret this finding in light of H2, however, since Reinhardt does not discuss his results with respect to the centralized-decentralized variable. When initiators and ratifiers have the same preferences in a decentralized state (a unified government), should we expect the same commitment strategies and outcomes as with a centralized state? Nevertheless, Reinhardt adds another useful dimension to the state structure variable by looking at actor preferences in addition to formal structures.

In his introduction, Drezner suggests that Pevehouse’s analysis of newly democratizing states also bears on H2. Although Pevehouse offers some relevant evidence, his more important contribution is to show how the hypothesis might be reworked in a broader way. The nascent democracies in Pevehouse’s analysis face a credibility problem not because they can do as they want (as with the centralized states of H2) but because it is unclear what they want or what they can do. Since the government is new to power, other actors do not know yet if it is controlled by true reformers or by imposters. The government has no track record that either answers this question or creates a reputation that the government would have incentives to preserve. Finally, the difficulties of transition and the short time horizons of a fragile government may create severe time-inconsistency problems (that is, incentives to quickly renege on commitments) that make their policy pronouncements unbelievable. Thus they face a commitment problem of convincing other actors that they will stay whatever course they announce. In such circumstances, international institutions can help transitional governments establish the durability of their commitment to reform and thereby increase their capacity to achieve policy goals.

The other contributors deal almost exclusively with decentralized states and so provide little evidence for or against H2.¹⁶ This may simply be a result of the failure to include initiators from centralized states among the empirical cases. It is not because centralized states never use institutional arrangements to limit their power—as the examples of central banks (Broz 1997; Maxfield 1997), independent judiciaries (North and Weingast 1989), federalism (Weingast 1995), separation of civil and military authority, and separation of powers illustrate. But these examples further suggest that centralized states can often find *domestic* institutional means to make self-limiting commitments if they are so inclined. We can speculate that, when domestic means are available, states will not grant such substantial authority to an external agent for “sovereignty cost” reasons (Abbott and Snidal 2000). An important exception is the growing emergence of currency board arrangements among less developed countries otherwise unable to manage their monetary affairs effectively.

An alternative explanation for such strong support for H1 and relative silence on H2 is the elasticity of the concept of centralization discussed earlier. If even highly authoritarian states begin to look quite fragmented under sufficiently close examination (as in Blanchard’s and Johnston’s chapters), then the “observed” level of centralization or decentralization may depend primarily on the power of our analytic microscope. The observed level of centralization may also depend on the types of decisions being examined. Top authority has to delegate some decision-making powers to lower authority in any regime, but that may vary as much by issue area as by regime type. Such measurement problems need not be problematic for longitudinal studies of one case or for comparisons across cases where the same operationalization of centralization is employed. But they confound comparisons across cases that employ different conceptions of centralization. For example, Blanchard sees both China and Russia as decentralized in the sense that provincial subunits have some autonomy in conducting international affairs. But is this degree of decentralization greater or lesser than the decentralization modeled by Reinhardt or Schultz, who divide a Western democratic regime into executive and legislative branches? And, following Reinhardt, what difference should we expect it to make if the legislature and executive are from the same party and/or have the same preferences? Does decentralization only matter contingent upon policy differences?

These difficult questions do not impair the project’s central goal of examining how domestic politics lead states to use international

organizations. What the measurement problem does impair is a clear identification of which of the two mechanisms—overcoming veto points or making commitments—should be operative in a given case. One way to resolve this empirically is by identifying the actual channels through which international institutions exert influence in a given case. We have begun to clarify those channels in figures 1a–c in terms of theoretical predictions as to when international institutions will have their primary impact on initiators or ratifiers.

However, there are several reasons why it will remain difficult to sort out commitment and veto problems. First, beyond the general difficulty of measuring benefits and costs in the model, problems of credible commitments and deterring vetoes necessarily depend on benefits and/or costs that are never observed if the institutional arrangement is effective (that is, they lie off the equilibrium path). For example, if a domestic opposition group is deterred from exercising a veto in figure 1a because of a (potential) cost that can be imposed through an international institution ($-c_R$), we never observe the cost being imposed and so cannot (directly) measure it. Second, some institutional effects may simultaneously solve both the commitment and the veto problems. For example, in figure 1c, an effective institution will likely raise both b_I and b_R , and so the two effects will be difficult to sort out. Finally, as our theoretical integration of the model suggests, these mechanisms are not necessarily as mutually exclusive as the centralized-decentralized dichotomy suggests. In reality, states often face both types of problems, and therefore they turn to international institutions for both reasons (fig. 1c).

To consider these issues more carefully, we need to bring international institutions into the analysis directly. Before doing so, however, we assess the evidence in light of H3, which addresses the long-term implications of two-level interaction for initiators and ratifiers.

The Long-Term Effects of Interaction

Speculating on the long-term effects of interactions between domestic and international institutions, Drezner hypothesizes that longer time horizons “should inevitably enhance the power of policy initiators at the expense of ratifying institutions.” His intuition for H3 is that any transfer of authority from the national to the international level should on average benefit policy initiators at the expense of ratifiers since initiators usually have closer relations with international institutions. This leads to greater influence—including

superior access and formal voting power—and knowledge in the realm of IO affairs. A complementary logic is that, as a state's relationship with an IO deepens and becomes more valuable over time, the influence and constraining effect of working through the organization may be enhanced. In other words, the values of the *b*'s and *c*'s in figure 1 increase, making the IO strategy more effective for the initiator.¹⁷ The empirical chapters provide some support for this proposition. However, the hypothesis ignores other processes that also take place over time—such as updating, learning, and socialization—that may support or challenge the power balance between initiator and ratifier.

Pevehouse's case provides the clearest support for H3. When the "winners" of democratization use IOs to consolidate their hold on power and create stability, they clearly gain at the expense of the "losers." However, the other two commitment stories—by Reinhardt and Schultz—leave open the possibility that the ratifier (Congress) might learn over time and counter moves by the initiator (the president). Schultz explicitly recognizes this possibility and finds evidence that Congress began opposing humanitarian missions at earlier stages to preempt the president before he was able to establish a costly commitment. Similarly, although Reinhardt does not discuss the possibility, Congress could respond to the executive's manipulation of the WTO dispute settlement process by using its oversight and lawmaking capacities to counter the power of the president. For example, Congress can pass protectionist trade laws that constrain the executive,¹⁸ and it can threaten to cut the budgets of relevant agencies. Thus we should not always expect the initiator (the president) to gain power over time at the expense of the ratifier (Congress).

The Blanchard case is indeterminate with regard to H3. The initiators (the UNDP and Province of Jilin) succeeded in their policy effort at the expense of the ratifiers (the Russian state and especially the Primorskii region). However, beyond the outcome in this episode, there is no reason to assume any cumulative effect. The UNDP and Jilin will not necessarily be more powerful actors in future policy conflicts—at least there is no logic outlined for why this might be the case. On the other hand, a possible path-dependence argument is that an initiator's early gains from interactions with an international institution may generate self-reinforcing changes in state bureaucracies, in the interests of nonstate actors, or in asset-specific investments that promote the goals of the initiator. Alternatively, the path-dependence effect could operate through the inculcation of new or stronger

normative commitments to the initiator's policies or policy-making processes—especially after their validation at the international level.

The effects of social influence and persuasion are particularly interesting in light of H3. In Johnston's case, the external initiators—other states that wish to bring China into the relevant regimes—clearly benefit from the outcome. At least in the case of persuasion within the ASEAN Regional Forum (ARF), however, this does not come at the *expense* of China since China's interests themselves change. Some officials in the Chinese policy process developed a normative commitment to multilateralism, and this internalization of norms entails a redefinition of interests such that membership in the ARF is viewed as desirable. When interests are endogenous to the analysis, as in the case of persuasion or socialization, H3 is either incorrect or irrelevant. But since Johnston argues that social pressure involves acquiescence without private acceptance, it is reasonable to conclude in the CTBT case that the external initiators have institutionalized their policy preference at the expense of China, offering support for H3.

A possible explanation for why the hypothesis does not consistently make accurate predictions is that it implicitly assumes that the initiator is the state and thus also the gatekeeper for IO-related activities inside it. However, Drezner clearly recognizes that initiators need not be executives or "centers of government" but could include other governmental actors or even (we would add) nonstate actors. The cases illustrate this possibility: Subnational actors such as the Province of Jilin and external actors, including other states and IOs, may also be policy initiators. This indicates a need to refine H3: If the initiator controls access to IOs, repeated interactions through international institutions will enhance the power of the policy initiator at the expense of the ratifiers. But if the initiator does not control access—perhaps because the initiator is not the state or because the IO is an independent actor—this conclusion should not hold. For example, domestic human rights initiators will not be strengthened by their government's interactions with international institutions that are strictly state based. But if nonstate initiators are able to invoke IO support (for example, a human rights group able to secure outside international legal support), H3 again applies. Similarly, external initiators—such as other states and IOs themselves—are typically more active at the international level than are subnational actors and so benefit at the expense of ratifiers when international institutions influence domestic politics over time. In short, the impact of repeated

interaction is contingent on the relationship between the initiator and the international institution.

Therefore an important strategy for ratifying actors is to insert themselves as initiators to influence the agendas and behavior of states and IOs. Vigorous NGO participation in international environmental institutions is an example (Raustiala 1997b; Clark, Friedman, and Hochstetler 1998), as are the activities of norm-based entrepreneurs such as the International Campaign to Ban Landmines, which mobilized public concern on the road to establishing the 1997 Convention on the Prohibition of Anti-Personnel Mines. Activists, who typically relied on reacting to and blocking policies emanating from states and IOs in the past, now increasingly focus on actively pursuing their agendas (Keck and Sikkink 1998). For example, antiglobalization protesters sought direct access to the 1999 WTO meetings in Seattle to increase their influence on policy at the initiation stage rather than simply to react to WTO policies later. These are examples of learning by groups that attempt to capture the benefits of being an initiator when it comes to interactions between international and domestic institutions. H3 would need significant refinement to accommodate the shifting identities of initiators (and hence of ratifiers) over time.

Taking International Institutions Seriously

This volume makes an important contribution to a fledging literature on the relationship between domestic politics and international institutions (Cortell and Davis 1996; Martin and Simmons 1998), thereby helping to correct a state-centric bias in regime theory and neoliberal institutionalism. Moreover, parallel with recent calls to incorporate formal IOs into the theoretical study of IR (Abbott and Snidal 1998), the authors shed light on the complex relationship between IOs and domestic political processes. We are presented with both an analytical framework for understanding the variety of roles IOs play in their interaction with internal politics and an important set of empirical illustrations. As the study of domestic-international interactions moves forward, students of IR and comparative politics should be equally sensitive to the role of international institutions as intervening variables that shape political strategies at the domestic and international levels.

Drezner and his collaborators go beyond merely showing that international institutions matter. As discussed in the previous section,

they theorize and adduce evidence for a variety of causal mechanisms—from rationalist contracting and commitment to ideational processes such as persuasion and legitimation—by which policy initiators and ratifiers interact through IOs. In addition, several authors explicitly discuss variation in institutional design and its impact on behavior and outcomes. As Drezner states in the introduction, “IOs vary according to structural dimensions, making them useful in different situations.” In other words, the framework explicitly argues that institutional design matters.

Despite this orientation, the volume does not sufficiently explore the complexity of institutional design. The impact of different international institutional features—including various levels of informational, operational, adjudicative, and enforcement capacities—is not adequately distinguished. More important, IOs are treated as largely passive; insufficient attention is given to their role as active actors that may even initiate policies. With these critiques in mind, we turn to the findings on H4 and H5.

Variation in Institutional Design: Findings and Extensions

The volume contains a number of interesting conclusions with regard to the “institutional design matters” proposition (H4).¹⁹ Since the hypothesis is cast at a very general level, it offers no testable implications. Instead it prompts an analysis of how certain design features shape the interaction of domestic and international institutions. These insights are worth clarifying and extending, and we address two questions in particular. How does institutional design matter for whether initiators can use international institutions to influence domestic politics? How does institutional design affect the influence mechanism through which the institution operates? Three of the empirical contributors—Pevehouse, Reinhardt, and Johnston—discuss international institutional design issues explicitly; Schultz and Blanchard provide evidence that is implicitly relevant.

Pevehouse argues that joining IOs provides a contracting mechanism for policy initiators in new democracies. It allows the winners of political transition to credibly commit to liberal reform, thereby assuring would-be domestic opponents who are naturally suspicious of the new regime. However, not all IOs are able to perform this function. The ability to credibly commit by joining IOs is enhanced when the organization has precise conditionality rules, when fulfilling this

conditionality is costly, and when the IO can monitor and enforce reform. Pevehouse posits that “democratic” IOs—those whose members are democracies—perform this function best since they are most likely to impose democracy-related conditions on membership and because “more homogeneously democratic IOs are more likely to enforce the conditions imposed on membership.” The special role played by “democratic” IOs is a potentially important elaboration of the general claim of H4 that institutional design matters.

The analysis raises questions about how exactly “democratic” IOs are different than others. Pevehouse is not clear why his three design features—precision of conditionality rules, costly fulfillment of conditionality, and capacity to monitor and enforce—are necessarily characteristics of IOs with democratic members. His empirical analysis does not resolve this issue since democratic membership, not the underlying features it is intended to capture, is used as the independent variable. Moreover, “democratic” IOs seem to matter not so much because of their membership but rather because of how they operate: They impose conditions and pressure members who do not fulfill them. The WTO, for example, is a nondemocratic IO but still serves as a device for committing to liberal reform since it operates in a similar manner. These points show that a fuller treatment of H4 requires a more fine-grained analysis to explore specific design features and thorough process tracing to establish the causal link between “democratic” IOs and the ability of newly democratized regimes to commit.

The chapter by Johnston lends strong support to the proposition that institutional design matters when IOs influence actors through sociological mechanisms. Using Rogowski’s (1999) typology of domestic political institutions, he argues that the conditions that facilitate persuasion and/or social influence are more likely to hold in some institutions than in others.²⁰ For example, the ARF has relatively few members, is weakly institutionalized, and makes decisions by consensus, features that make it ideal for persuasion. As Johnston notes, “the ARF is almost explicitly designed to accentuate ‘persuasion’ through social interaction.” By contrast, back-patting and opprobrium—the two mechanisms by which social influence operates—are more influential under a different set of design conditions. For example, Johnston argues that a large audience is conducive to social influence, as in the case of the CTBT negotiations. The result is a clear prediction regarding institutional design: Initiators should pursue persuasion strategies when IO membership is small and should prefer social influence when members are more numerous.²¹

Johnston’s analysis suggests that notions of “efficient” institutional design employed in rationalist institutionalism must be complemented by analyses of the sociological processes by which institutions shape actor preferences. Consistent with his constructivist approach, he recognizes that institutions vary not only according to formal design features but also in terms of less tangible processes, internal cultures, and “working philosophies.” In other words, they are social environments as well as incentive structures.²² This leads Johnston to consider institutional dimensions such as whether the “authoritativeness” of members is equally or unequally allocated (what he calls the “franchise” dimension). Although his case studies can provide only suggestive evidence for his institutional design hypotheses (a limitation he recognizes), Johnston generates several useful and plausible propositions that are amenable to further testing.

Reinhardt shows that the impact of IOs on domestic politics is contingent on institutional design, arguing, for example, that IOs can serve as commitment devices for presidents only if the transaction costs of working through them are sufficiently high. In his case of trade dispute settlement, high costs of litigation are a necessary component of his “tying hands without a rope” equilibrium. In contrast to the neoliberal institutionalist literature, this implies that executives might want international institutions that generate rather than mitigate transaction costs. Moreover, even by modestly increasing the potential for enforcement, an IO can fundamentally change the dynamics of domestic political relations, especially when domestic actors hold information asymmetrically.

Schultz asks if the involvement of IOs helps the U.S. president overcome congressional opposition to humanitarian intervention. The mechanisms by which IOs aid the president combine constructivist and rationalist logics: IO approval increases public support by bestowing legitimacy on the operation while increasing the costs of turning back. This increases the president’s obligation to proceed, as well as the expected value of proceeding, and thus decreases the likelihood of successful resistance. However, Schultz does not directly explore issues of institutional design. Since NATO is less independent of U.S. power and interests than is the UN Security Council (where four other members have veto power), we might expect the latter to be more effective in the legitimation and commitment roles (Thompson 2001). Yet these quite distinct institutions, the UN Security Council and NATO, play similar roles and are used by the same initiator, somewhat defying the “institutional design matters” hypothesis—or

at least challenging us to refine it. One possibility, for example, is that Congress considers NATO a more like-minded source of information than the UN Security Council and so it constitutes a more effective institutional device for the president.²³

Blanchard's chapter on the TRADP finds that the UNDP played a variety of roles consistent with both rationalism and constructivism. The UNDP provided resources and facilitated contracting between the policy initiators and ratifiers (rationalist mechanisms), but it also legitimized the initiative and provided a setting for persuasion (ideational mechanisms). Like Schultz, Blanchard does not explore the institutional design implications and draws no direct implications for H4. Since only one international institution is involved, and since it plays a wide variety of roles—as Blanchard writes, “the UNDP influenced the course of the TRADP through its involvement in interest and policy formulation, agenda setting, agreement development, negotiation, ratification, and project implementation”—it is difficult to map particular design features onto particular influence mechanisms. Nevertheless, the UNDP clearly derived authority and influence from its combination of expertise and political neutrality, neither of which the primary initiator (the Province of Jilin) possessed. One implication is that some IO characteristics simultaneously generate both material and sociological influence effects. Thus by convening meetings the UNDP both reduces the transaction costs of negotiation and creates a setting for persuasion. By backing the project and sharing knowledge about its potential benefits, the UNDP transmits information that changes actors' incentives and lends legitimacy to the project's goals.

Based on these findings, we can draw some preliminary conclusions about the conditions under which initiators will choose certain institutions. When initiators rely on rationalist mechanisms such as tying hands and contracting, we should expect them to turn to more formal and bureaucratic organizations such as the EU, the WTO, the UN, and NATO. Commitments to such organizations are more explicit and more difficult to reverse. Among the sociological or ideational mechanisms for influencing ratifiers, if an initiator simply wants to legitimize a policy with an external endorsement, a politically independent IO with a large and diverse membership represents the best avenue for channeling its actions. On the other hand, if the initiator's success depends on changing the interests or values of its opponents, then a more functionally focused institution with expertise and authority in a particular issue area might be more effective.

Moreover, direct contact and discussion are important in these cases, as in the ARF meetings that influenced Chinese thinking and the conferences sponsored by the UNDP during the Tumen River project. This finding is consistent with recent theorizing on the dynamics of public deliberation (Risse 2000; Lynch 1999).

In summary, the same or similar institutions may perform a variety of influence functions. This indicates some fungibility in the roles played by a given institution so that their causal impact depends on the needs of the initiator in a given case.

Formal versus Informal Institutions

Although institutions in IR “may take the form of bureaucratic organizations, regimes (rule-structures that do not necessarily have organizations attached), or conventions (informal practices)” (Keohane, Haas, and Levy 1993, 5),²⁵ the volume does not analytically distinguish among institutional forms. This conflation is explicit in the introduction—where IOs, regimes, institutions, and even epistemic communities are included in the same framework—and Drezner recognizes that it entails a loss of precision. Similarly, while Pevehouse, Blanchard, and Schultz expressly distinguish formal organizations from other institutional forms, the implications of this distinction are not addressed in depth in the empirical chapters.

All of the institutions addressed in the empirical chapters are formal IOs with independent resources and decision-making capacities. The evidence points repeatedly to IOs as the key intervening institutions, and in many cases the internal logics of the arguments seem to apply exclusively to IOs. This suggests that even if informal and more decentralized institutions can help overcome obstacles to policy-making, there may be added benefits to working through formal IOs. Thus an important extension of the volume would be to examine the validity of recent theoretical claims that formal or legalized institutions play a qualitatively different role in IR than do their less formal counterparts (Lipson 1991; Abbott and Snidal 1998; Goldstein et al. 2001).

In Pevehouse, for example, the conditionality of joining an international institution represents a costly signal of reform, since monitoring and some enforcement powers are delegated to a third party. Such forms of supranational authority are typically associated with formal IOs. Although Reinhardt's model could certainly apply beyond the GATT and WTO, it is driven by an impending ruling by a

supranational court and thus assumes that a highly legalized institution is involved. Schultz makes the interesting and valid point that post-Cold War humanitarian missions conducted by the United States "had not just a multilateral cast but the explicit blessing of an international organization." This is an implicit recognition of important qualitative differences between multilateralism as a generic institutional form and formal multilateral IOs.²⁶

Johnston's findings are more mixed. Formal IOs are clearly important in his cases, but he does not distinguish them analytically and sometimes conflates IOs with other institutional forms in his theoretical discussion. The ARF and CTBT negotiations addressed by Johnston were not themselves independent and formal bureaucratic organizations, yet they were held under the auspices of ASEAN and the UN Conference on Disarmament, respectively. His typology of international institutions includes some features that might well apply to less formal institutions, and he focuses on informal social processes to show the causal influence of persuasion and social influence. It is not clear to what extent formality is a necessary condition for his arguments to operate.

For the most part, the theoretical arguments and conclusions of the volume apply to formal IOs rather than to international institutions more generally. This is not a weakness of the volume; rather, it is a finding that should be highlighted. A closer examination of the cases might reveal that various informal institutions—such as epistemic communities, transnational activist networks, and legal norms—are playing equally important roles. Further analysis could then be aimed at determining whether these informal sources of governance influence international and domestic politics in qualitatively different ways.

Of course, formality itself is not what makes institutions more effective at performing functions such as contracting and persuasion—it is the underlying capacities and features of formal organizations that make them politically important. For example, formal IOs tend to be more centralized and independent from state influence than other institutions. Initiators need institutions that can affect the *b* and *c* terms as represented in figures 1a–c, and those that allow states to make clear and public commitments and to stake their reputations should be the most effective at this. Characteristics of formal IOs such as centralization and political neutrality—in establishing rules, monitoring behavior, and collecting information—facilitate the vari-

ous influence mechanisms outlined in this volume, which helps explain why initiators choose formal organizations.

International Organizations as Agents

Despite the important role granted to formal IOs in the volume, international institutions are treated as almost entirely passive rather than active agents. The introduction portrays IOs as instruments that are "used" by initiators to influence politics. This characterization is contradicted by recent theorizing²⁷ and by the empirical chapters themselves, which provide considerable evidence that IOs can be active and even strategic. At the very least, IOs often supply valuable goods to states and cannot be easily manipulated at the whim of governments.

For example, IOs only serve as commitment devices (as in Pevehouse, Reinhardt, and Schultz) if they provide benefits to a state that can be forfeited or withdrawn if ratifiers veto or initiators renege (as in the c_R or c_I terms in fig. 1c).²⁸ Otherwise, violations of the commitment are not costly and the commitment would not be credible. In the Pevehouse chapter, democratizing regimes benefit from joining IOs that allow them to signal sincere preferences for reform. However, while signaling may reveal preferences, it does not solve the time-inconsistency problem, as Pevehouse recognizes when he raises the issue of policy reversals. Only a credible commitment can perform this distinct function.²⁹ Formal IOs that have the power to expel or punish a state in response to violations of conditionality are the most effective vehicles for commitment, since violating the commitment comes at a high cost.

Thus IOs must have either carrots (internationally provided benefits) or sticks (punishment for rule violation) in order for states to use them as commitment devices. Treating them as passive tools to be manipulated for domestic political gain ignores the fact that IOs often actively "supply" membership and benefits in order for the "demand" from states to be met (see Mattli 1999). The UN and NATO must endorse humanitarian intervention in the first place for the president to reap the legitimation benefits described by Schultz, yet congressional support is treated as problematic in his chapter, whereas the origins of IO support are not explored. Even Johnston's institutions, which perform the passive role of establishing "social contexts," interact with other actors in a sense, since "social structures and agent characteristics are mutually constitutive." In fact, the ARF

was quite active, moving issues onto the agenda without all member states on board and thereby exercising considerable agenda-setting power.

The most striking example of an active and strategic IO is Blanchard's analysis of the UNDP. Blanchard recognizes that IOs are distinct from "regimes" in that the latter can only work passively and goes on to show that the UNDP was far more than a passive instrument of states during the formulation of the Tumen River project. The UNDP convened meetings, provided funding for studies and reports, and lobbied in capitals to stimulate support. UNDP officials even reached out to Japan and the United States—potential veto players—to head off any possible objections. The agency thus played a critical agenda-setting role. In fact, the UNDP was a policy initiator (along with the Province of Jilin), revealing that IOs can be important and active agents for change.

This finding has direct implications for H5—that external initiators will have less success in their interactions with domestic institutions than will internal initiators. We cannot draw robust conclusions since there are only two examples of external initiators in the volume, the UNDP in Blanchard's chapter and other member-states of the ARF and CTBT in Johnston's study. Nevertheless, in both cases outside initiators were successful in creating policy change. This casts some doubt on H5.³⁰ We also see, however, that external initiators were dependent on subnational actors for support: the Province of Jilin in Blanchard's cases and China's foreign affairs bureaucrats in Johnston's. This suggests that external initiators may only be successful when they have an ally at the domestic level.

Extending the Framework

The volume taken as a whole provides strong support for its central premise that policy initiators use international institutions to influence domestic politics. The most important message with regard to the individual hypotheses, however, is that they need substantial refinement to explain real-world situations, both in the case studies presented and beyond. Here we briefly consider some avenues along which the theory could be extended.

The framework uses the dimension of centralization as a simplifying yet widely encompassing concept to characterize domestic politics. This provides a powerful way to see the similarity between, for example, the decentralization of federal systems and the decentraliza-

tion created through domestic checks and balances. As we outlined in the first section, however, identifying the relevant state structure—centralized versus decentralized—depends on the level of analysis: A state may appear centralized from a macroperspective but decentralized when decision making is scrutinized more closely. This is why authoritarian China may appear centralized from the outside but somewhat decentralized when we look at its internal politics or bureaucracy. States are also more or less centralized depending on the policy issue at stake. Military-security policy may be formulated in a fairly centralized manner while trade policy allows for decentralized input from various other governmental and private actors. These considerations require a more contingent conceptualization of the centralized-decentralized dimension and detailed qualitative work to specify the texture of state structure in a given case.

The relation between centralization and decentralization is interesting in other ways as well. Drezner argues that centralized states sometimes turn to IOs because they cannot make credible commitments on their own. However, an alternative is for the state to create this capacity to make credible commitments by establishing more decentralized institutions. Historically, tying hands has been accomplished domestically, through constitutional design such as internal checks and balances and independent judiciaries and through the establishment of autonomous agencies such as central banks. The availability of an international alternative raises an important question: Under what conditions do states seek domestic sources of commitment, and when do they seek international sources? Internal and external sources of commitment may be more or less effective for different substantive issues and for different types of states. They also impose different types of costs in terms of how they impinge on the domestic and international autonomy of decision makers. Further analysis could thus build on Drezner's framework to explore which sources of commitment are most common and effective for given properties of states and issue areas.

Although states typically have an advantage in dealing with IOs, ratifying domestic groups also need to consider the impact of IOs. This is especially the case with respect to interactions over time (H3), which add an additional strategic dimension regarding how ratifiers respond to the internationalization of issues by policy initiators. Do ratifiers learn to respond effectively to the strategic advantages gained by initiators who work through IOs? Schultz raises this possibility in the context of Congress's responding to the president's

desire to conduct humanitarian intervention, and yet overall there is little evidence in the empirical chapters of ratifiers learning over time. This puzzle requires further analysis. Another strategic response by ratifiers is to change the game by becoming initiators themselves. NGOs are actively pursuing such strategies in areas such as human rights and the environment. In other cases, ratifiers relinquish much of their control over international agreements—a congressional grant of fast-track, or “trade promotion,” authority to the president is an example—to solve their commitment problem (as discussed earlier with regard to H1). Here change within a domestic institution (that is, the rules for approving the agreement) is used to augment the role of the IO. Such considerations open up a range of questions as to how ratifiers learn, when they will seek to become initiators, and when they will agree to restrict their powers.

With regard to international institutional design issues (H4), more fine-grained hypotheses linking design features to influence mechanisms follow from the case studies. For example, we speculated that rationalist influence mechanisms are most effective when the most formal IOs are involved; that policy legitimation and social influence require a politically independent IO with a large and diverse membership; and that persuasion (involving the internalization of new preferences and interests) requires an IO with authority in a particular issue area to generate direct contact and discussion among members. The complementarity of these different roles also shows how IOs can operate through—and be understood in terms of—both rationalist and constructivist mechanisms.

The case studies further suggest that formal IOs have a special role in IR. But what features and capacities allow IOs to perform functions that less formal institutions cannot? Do IOs require an ability to monitor behavior, to provide access to domestic groups, or to sanction behavior to be effective? The need for specific design features might fruitfully be subjected to empirical testing both within the “interaction of international and domestic institutions” context and more generally. The analysis might be extended further to treat international institutions endogenously. Though it goes beyond the purview of this volume, the multiple roles for international institutions outlined in the various chapters have interesting implications for why they are created and how they are designed. In many cases, however, it is not so much a matter of designing an institution as of selecting one to handle a specific problem. Studies of “forum shopping,” where actors choose among alternative institutional venues, should provide

insight into the design features they seek when facing a given set of circumstances (Mattli 2001).

While this volume has focused on the initiation and ratification of policies, the framework could be extended to consider their subsequent implementation. This goes to the heart of the analysis since the credibility of commitments ultimately depends on the willingness and ability of actors to follow through on their agreements. By examining how IOs dampen incentives for states (or other initiators) to renege at the implementation stage, the research would directly engage the institutional details of how IOs affect state behavior. In some cases, it is not the initiator or ratifier who must implement but a third party (for example, firms, fishermen, soldiers), sometimes operating transnationally. This suggests that implementation may depend not only on the actions of the ratifier and the initiator but also on the role of the IO itself.

Finally, if states must operate through IOs to make their commitments credible or to lock in policies, IOs must acquire some capacity to constrain states. Credibility requires that this capacity be independent of the committing state, or else it will be meaningless. What then are the implications for IOs in their relations with states? Do IOs become independent sources of international authority? Or can states collectively constrain IOs even if they cannot do so individually? And does collective control become a means for some states to effectively constrain others? These questions are of great importance if the claim that actors use IOs to make commitments is credible.

Notes

We thank Dan Drezner, Jack Goldsmith, Jon Pevehouse, Eric Reinhardt, and Louise Steen-Sprang for their valuable comments on earlier drafts of this chapter.

1. Exceptions include Cortell and Davis 1996; Goldstein 1996; and Thompson 2000. Putnam's (1988, 446–47) discussion of “reverberation” recognizes that international bargaining could be used by leaders to influence domestic politics, but this possibility has gone largely unexplored.

2. Only the case study by Johnston is explicitly constructivist in orientation, but it is quite sympathetic to rationalist arguments. For example, many of his insights are similar to those discussed by Olson (1965) as “social incentives.” While Johnston's “social influence” mechanism operates in a similar way, the interesting difference is that Olson sees social incentives as less

significant in large groups, whereas Johnston treats them as more important. The other chapters draw on rational choice but, as we show later, allow an important role for constructivist insights. We emphasize the value of combining perspectives throughout this chapter.

3. Ironically, we separate the domestic and international levels in our discussion, defying the spirit of this book and the two-level games literature. This is done only for convenience, and at each stage we are sensitive to the interaction of the two levels.

4. Stephen Krasner (1978, 60) defines one dimension of the domestic strength of a state as varying according to whether it “can formulate policy goals independent of particular groups within its own society” and recognizes that it will vary across issue areas. For further refinements and critiques of the “state strength” variable, especially the need to move beyond a single dimension of state strength, see the contributions to Evans, Rueschemeyer, and Skocpol 1985.

5. See Katzenstein 1978 for a conceptual and comparative discussion of the (de)centralization of major Western states.

6. In focusing on these extreme cases, we are not implying a Goldilocks theory that some intermediate level of centralization is neither “too hot” nor “too cold” but “just right.” Although states often have a level of domestic centralization that is appropriate to particular problems they face, intermediate levels of centralization may sometimes leave a state vulnerable to both commitment and veto problems, as we discuss later.

7. Thus the consequences of a veto include not only the failure to obtain the policy—in which case the payoffs at $\{V_I, V_R\}$ would be the same as at the $\{0,0\}$ status quo point—but also any political and other consequences that accrue to the actors through their interaction.

8. These rewards or punishments may also affect the initiator government. For simplicity, we do not include those effects since they do not affect the analysis.

9. Of course, the utilitarian or other calculus implicit in this evaluation can be complicated. In practice, international institutions probably weight state initiator preferences more heavily than ratifier preferences—because they face their own veto problem in terms of needing state support to implement their policies, because states are the members of the IO, and because of geopolitical and other considerations.

10. Economists use the terms “dynamic” or “time inconsistency” to describe this problem, emphasizing the time sequence of play. The government “commits” to the policy at the outset of the game to encourage the compliance of the ratifiers, but once it obtains compliance it has an incentive to renege on its earlier policy. See Kydland and Prescott 1977 for an early exposition and Drazen 2000 for a recent overview.

11. Figure 1b does not include an option for the initiator not to propose the policy—thus implicitly assuming that $V_I > 0$. If $V_I < 0$ (with $T_I > P_I$), note that the initiator will not propose the policy because the ratifier will

veto it. This makes the situation appear to be a domestic veto problem even though the ratifier supports the policy; the “real” problem is one of commitment on the initiator’s side. Figure 1c integrates the two problems.

12. It may be costly to set up and maintain some punishment mechanisms, although others—such as a threat of expulsion from a cooperating group—may be inexpensive to put in place. See Drezner 1999–2000 for a discussion of limits to using inducements, although he focuses heavily on transactions costs, which we set aside here.

13. This is not true in all cases—that is, the existence of veto points in making policy does not always imply their existence in breaking policy. The U.S. president, for example, must obtain Senate ratification to establish treaties but can often modify or terminate them unilaterally. We thank Jack Goldsmith for this point.

14. Reinhardt’s “tying hands” language differs from standard usage in that the president is tying not his own hands but the hands of Congress. That is why we discuss his results under H1 even though “tying hands” would normally fall under the commitment logic of H2.

15. This difference is partly a function of empirical contexts: Whereas Drezner is concerned with how states use international institutions to commit, Reinhardt looks at compliance with commitments that are already made.

16. Johnston’s chapter is difficult to categorize according to the centralized-decentralized dimension since he does not explicitly identify or discuss the state structure of the initiators (which are other states trying to influence Chinese policy from the outside). We thus discuss Johnston only peripherally as we address H1 and H2.

17. This assumes either that the initiator’s and IO’s goals correspond (i.e., b ’s correspond with initiator’s preferences) or that the initiator can limit IO intervention to cases where they agree. This may not apply if IOs are relatively autonomous or are heavily influenced by third parties (e.g., the United States) to support policies contrary to the preferences of the initiator.

18. A classic example is the Omnibus Trade and Competitiveness Act of 1988, which required the president under certain circumstances to retaliate against foreign “unfair” trade practices (the so-called Super 301 and Special 301 amendments).

19. Complementary analyses of how institutional design matters include Mitchell 1994 and the articles in Koremenos, Lipson, and Snidal 2001.

20. Johnston defines persuasion as “the noncoercive communication of new normative understandings that are internalized by actors such that new courses of action are viewed as entirely reasonable and appropriate,” whereas social influence refers to the application of social rewards and social costs without private acceptance of new norms by the state being influenced.

21. One of Johnston’s assertions seems puzzling on its face. He argues that “[w]ithin international organizations and institutions the participating/cooperating audience is relatively large.” However, deliberating within a

given institution often *limits* the size of the audience if membership is restricted, an institutional feature that Johnston explicitly recognizes elsewhere in his chapter.

22. Johnston is careful to recognize that material and social interests influence actors simultaneously and thus that rationalism and constructivism are not mutually exclusive.

23. We thank Dan Drezner for suggesting this possibility.

24. For an additional example beyond this volume, see the role played by UNESCO in Finnemore 1993.

25. For further conceptualization of this variation, see Thompson and Snidal 2000.

26. On multilateralism as an institutional form, see Ruggie 1993.

27. Constructivist scholars in particular have shown that IOs can act as agents for change. See Finnemore 1996b and McNeely 1995. Less formal institutions, such as epistemic communities (Haas 1992a) and transnational advocacy networks (Keck and Sikkink 1998), may also perform active governance functions.

28. To include active IOs in our model, they might be modeled as having autonomous choices to make and receiving payoffs of their own. Alternatively, IOs could be conceived of as strategic actors that represent the collective choices of member states.

29. For a discussion on signaling and commitment as analytically distinct problems, see Morrow 1999.

30. There may be a selection bias problem with drawing any inference from this evidence: Potential external initiators who believe they cannot influence domestic politics effectively will not initiate policies in the first place and are also less likely to become objects of scholarly study.

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