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International Organizations and Institutions

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International institutions have become an increasingly common phenomenon of international life. The proliferation of international organizations (IOs) (Shanks et al., 1996), the growth in treaty arrangements among states (Goldstein et al., 2000) and the deepening of regional integration efforts in Europe all represent formal expressions of the extent to which international politics has become more institutionalized.

The scholarship on international institutions has burgeoned in response. Moreover, in the past decade theories devoted to understanding why institutions exist, how they function and what effects they have on world politics have become increasingly refined and the methods employed in empirical work more sophisticated. The purpose of this chapter is to draw together this divergent literature, to offer observations on the development of its various theoretical strands and to examine progress on the empirical front. We predict that a broad range of theoretical traditions – realist, rational functionalist, constructivist – will exist alongside one another for many years to come, and offer some suggestions on research strategies that might contribute to a better empirical base from which to judge more abstract claims.

The chapter proceeds as follows. The first section is concerned with defining international institutions.¹ The second section sketches four general clusters of institutional theorizing and characterizes how each views the questions of institutional creation, issues of institutional choice and design, institutional change and institutional effects. We do not offer these approaches as either exhaustive or mutually exclusive, but rather as representative, semi-permeable frameworks that share certain assumptions and diverge elsewhere. Indeed

a number of institutional scholars straddle or draw selectively from more than one approach.

The third section is devoted to an examination of the empirical literature on the effects of international institutions. Empirical research has developed significantly over the past decade as scholars have turned from the question of why institutions exist to whether and how they significantly impact governmental behavior and international outcomes. We examine these questions with respect to international cooperation generally and rule compliance specifically. We note, too, the few studies that have looked for broader institutional effects, some of which have been unanticipated.

The final section delineates some recent developments and directions for future research. We tentatively suggest that the study of international institutions might benefit from a close look at the general theoretical work on institutions that has been developed largely in the domestic context. We also suggest a research program that locates mechanisms for institutional effects at the transnational and domestic levels, opening up 'unified' state actors to a host of political influences.

INTERNATIONAL INSTITUTIONS: DEFINITIONS AND CONCEPTUALIZATIONS

Organizations

The term 'international institution' has been used over the course of the past few decades to refer to a broad range of phenomena. In the early post-war years, these words almost always referred to formal IOs, usually to organs or branches of the United Nations System. This is hardly surprising. Such

organizations were the most 'studiable' (if not necessarily the most crucial) manifestations of what was 'new' about post-war international relations (see Martin and Simmons, 1998).

The best of the early work in this genre looked at the interplay between formal IOs, rules and norms, domestic politics and governmental decision-making – themes we would recognize today as being near the cutting edge of international institutional research. On the other hand, researchers focusing primarily on purely internal and formal aspects of the UN were travelling down roads increasingly removed from the central problems of world politics. The most clearly identifiable research program in this respect was that devoted to voting patterns and office seeking in the UN General Assembly (Alker and Russett, 1965; Ball, 1951; Keohane, 1967; Volgy and Quisgaard, 1974).² This literature chose to focus on difficult to interpret behavior (what did these coalitions signify, anyway?) and imported methods uncritically from American studies of legislative behavior. Studies of the UN that focused on bureaucratic politics with links to transnational actors made more progress, since they opened up a research program that would ultimately lead to more systematic reflection on non-governmental actors (Cox and Jacobson, 1973: 214; Keohane and Nye, 1974).³

Formal organizations remain an important focus of research, especially in the post-Cold War setting. This is partially because organizations have agency; they make loans, send peacekeepers, inoculate babies. They have long been viewed as actors providing international collective or redistributive goods (Gregg, 1966; Kindleberger, 1951), but recently they have also come to regulate many of the social, political and economic problems traditionally within nation-states' purview (Smuts, 1993). Organization theorists point out that through the development of specific competencies, organizations can potentially transform agendas and goals (Cohen et al., 1972; Cyert and March, 1963). Moreover, these entities can function as creators of meaning and of identities (Olsen, 1997). Some have urged far greater attention to the sociology of IOs, as well as the ways in which intergovernmental organizations interact with nongovernmental organizations (De Senarclens, 1993; Jönsson, 1993). In a critical vein Barnett and Finnemore (1999) draw attention not only to IO autonomy, but also to the potential for pathological behavior when IOs become bureaucratized. These efforts represent a synthetic look at international organizational structures, normative standards, transnational actors and governmental decision-making.

In short, IOs deserve attention at least in part because they have agency, agenda-setting influence and potentially important socializing influences. Events in the early 1990s have lent plausibility to this assertion, although some periodicity to the

centrality of IOs to world politics should be kept in mind. After all, it was the apparent irrelevance of formal organizations that gave rise to an alternative conception in the 1970s: the study of international 'regimes'.

International Regimes

The centrality of IOs to the study of international relations has waxed and waned. As the study of IOs progressed after the Second World War, the gulf between international politics and formal organizational arrangements began to open in ways that were not easy to reconcile. The major international conflict for a rising generation of scholars – the Vietnam War – raged beyond the formal declarations of the United Nations. Two decades of predictable monetary relations under the purview of the IMF were shattered by a unilateral decision of the United States in 1971 to close the gold window and later to float the dollar. For some, the proper normative response seemed to be to strengthen IOs to deal with rising problems of interdependence (Gosovic and Ruggie, 1976; Ruggie, 1972). Those writing from a public-choice perspective argued that the extension of property rights, under way in areas such as environmental protection, rather than a formal extension of supranational authority was the answer to solving problems of collective action (Conybeare, 1980). It became apparent that much of the earlier focus on formal structures and multilateral treaty-based agreements, especially the UN, had been overdrawn (McLain, 1979; Strange, 1978).

The events of the early 1970s gave rise to the study of 'international regimes', defined as rules, norms, principles and procedures that focus expectations regarding international behavior (Krasner, 1983; see Haggard and Simmons, 1987). The regimes movement represented an effort to theorize about international governance more broadly (e.g., Hopkins and Puchala, 1978: 598). It denoted the study of IOs as actors and began instead to focus on rules or even 'understandings' thought to influence governmental behavior. Research in this vein defined regimes for specific issue-areas (for which this approach had been criticized: see Hurrell, 1993; Junne, 1992; Kingsbury, 1998) and viewed regimes as focal points around which actors' expectations converge. Principles and norms provide the normative framework for regimes, while rules and decision-making procedures provide more specific injunctions for appropriate behavior.⁴ The definition led to some debates that were of questionable utility, such as what exactly counted as a norm or a rule. But while the consensus definition offered by Krasner and his colleagues has been harshly criticized as imprecise and tendentious (De Senarclens, 1993: 456; Strange, 1983), efforts to improve on it have been marginal (see for example Levy et al., 1995: 274).

In spite of definitional problems, the study of international regimes made an important contribution by supplementing the technical aspects of formal IOs with the norms and rules governing state behavior. This move allowed a more unified framework for the analysis of formal and informal institutions.

International Institutions

The regimes literature gave rise to such definitional confusion that scholars in the 1990s have sought a simpler conception as well as a new label. The word 'institution' has now largely replaced 'regime' in the scholarly IR literature (but see Hasegawa, et al., 1997). Though a range of usages exists, most scholars have come to regard international institutions as sets of rules meant to govern international behavior. Rules, in turn, are often conceived as statements that forbid, require or permit particular kinds of actions (Ostrom, 1990: 139). John Mearsheimer (ironically a neorealist who does not believe that institutions are effective) provides a useful definition of institutions as 'sets of rules that stipulate the ways in which states should cooperate and compete with each other' (Mearsheimer, 1994/95).

This definition has several advantages. First, it eliminates the moving parts that lent so much confusion to regimes analysis. Underlying principles, while perhaps of analytical interest, are not included in the definition of an institution itself. Rules and decision-making procedures, referring respectively to substance and process, are both simply 'rules' in this conception. Not are organizations included in this definition, since some informal institutions may not have organizations associated with them; and some organizations (such as the UN) may embody multiple institutions.

A second advantage of this definition is that it separates the definition of an institution from behavioral outcomes that ought to be explained. Regularized patterns of behavior – frequently observed in international relations for reasons that have nothing to do with rules – are excluded. Contrast this approach with other well-accepted definitions. Robert Keohane (1989: 3) defines institutions as 'persistent and connected sets of rules (formal and informal) that prescribe behavioral roles, constrain activity, and shape expectations', which makes it impossible to test for the impact of institutions on activities and expectations. Volker Rittberger (1990) has argued that an arrangement should only be considered a regime if the actors are persistently guided by its norms and rules, making inquiry into the effects of regimes on behavior tautological. Similarly, Krastner posits that '[t]he greater the conformity between behavior and institutional rules, the higher the level of institutionalization' (1999: 58), precluding institutionalization as a testable constraint on behavior. While it may be problematic in any given case to tell whether

particular patterns are rule-driven, such a project should be the subject of empirical research and not the result of an overly generous definition. The narrow definition strips institutions from posited effects and allows us to ask *whether* rules influence behavior.

Finally, this definition is relatively free from a particular theoretical perspective. There are no qualifying criteria about the social construction of rules, nor about whether rules are explicit or implicit, nor about their efficiency-enhancing characteristics.⁵ This definition thus allows theorists writing from a range of perspectives to devise their own conditional statements as theoretically driven hypotheses. For example, it should be possible to test claims to the effect that rules are most effective when actors share intersubjective interpretations of what the rule requires, or that rules influence behavior if they lead to improved outcomes for governments. It therefore allows for the systematic evaluation of a broad range of theoretical claims using a single definition of institutions.⁶

In short, this definition allows for the analysis of both formal and informal sets of rules, although the difficulty of operationalizing informal rules is unavoidable. Institutions are viewed as explicitly normative – they specify what states *should* do. On the other hand, the definition we propose does not insist that institutions are effective; it leaves this question, as well as the mechanisms through which we might expect rules to operate, to empirical analysis. In the rest of this chapter we refer to institutions as sets of rules without drawing a distinction between institutions and regimes. While we recognize the distinction between institutions and organizations, many of our arguments apply to both. In the actual practice of research, the distinction between institutions and organizations is usually of secondary importance, unless the institution under study is especially informal.

THEORETICAL APPROACHES TO INTERNATIONAL INSTITUTIONS

Prelude to Institutionalism: Realist Schools of Thought

Theories of international institutions have had to contend with the dominant paradigm in international relations from at least the 1930s to the 1970s: realism. Traditional realists rarely referred explicitly to international institutions, but they did take explicit positions on the role of IOs and international law – the clearest example of what today we would consider to be an international institution – in foreign policy and international relations. Virtually all realists see the hand of power exerting the true influence behind the facade of international institutional structures. Hans Morgenthau attributed

apparently rule-consistent behavior either to convergent interests or prevailing power relations, arguing that governments 'are always anxious to shake off the restraining influence that international law might have upon their foreign policies, to use international law instead for the promotion of their national interests ...' (Morgenthau, [1948]1985; see also Aron, 1981; Boyle, 1980; Hoffmann, 1960). For traditional realists, international institutions are epiphenomenal to state power and interests (Carr, [1939] 1964: 170–1).

Realist skepticism pervaded much of the literature on international institutions following the Second World War. The UN (Claude, 1963; Hoffmann, 1956), the General Agreement on Tariffs and Trade (Gorter, 1954) and the International Monetary Fund (Kindleberger, 1951; Knorr, 1948) all were the subject of highly critical review. A more fully articulated realist account of institutions developed in the 1970s and 1980s. Stephen Krastner introduced what he referred to as a 'basic force model' of international regimes (Krastner, 1983). A sub-set of scholars in the realist tradition found hegemonic stability theory an especially fruitful way to think about linking power distribution with the creation and stability of international institutions (Krastner, 1983; Strange, 1983).⁷ According to this approach, international institutions were only likely to be established by dominant powers during periods of hegemony. Subsequently, empirical (Keohane, 1984; Rittberger, 1990; Young and Osbrenko, 1993) as well as theoretical (Snidal, 1985) criticisms of this approach have encouraged institutionalists to look beyond the systemic distribution of power to explain the rise and especially the survival of international institutions.

Neorealists' most recent role in institutional analysis has been that of forceful critic. On the logical side, Joseph Grieco (1988) and John Mearsheimer (1994/95) argue that relative-gains concerns prevent states from intensive cooperation: since the benefits of cooperation can be translated into military advantages, concerns about the distribution of the gains impede substantial sustained cooperation (but see Powell, 1991; Snidal, 1991). Downs, Rokeach and Barsorum (1996) embellish a familiar realist theme in their claim that *deep* cooperation – anything other than superficial policy adjustments about which states care little – requires enforcement. (However, they recognize that institutions are important in the process of enforcement.) Lloyd Gribner's work is a realist caution about assuming international institutions provide joint gains. Powerful states, in his view, often have the ability to present others with a *fait accompli* to which they are forced to adjust, sometimes making them worse off than they were before the agreement was made (Gribner, 2000).

In short, contemporary realist scholars of regimes would be reasonably comfortable with the

view of Aron (1981), who was prepared to admit that 'the domain of legalized inter-state relations is increasingly large' but that 'one does not judge international law by peaceful periods and secondary problems'. And as realists have noted for decades, institutions reflect and enhance state power: in Evans and Wilson's words, they are 'arenas for acting out power relations' (Evans and Wilson, 1992; see also Carr, [1939] 1964: 189).

The strength of realist theorizing has been its insistence that international institutions be rooted in the interaction of power and national interest in the international system. This basic insight cannot be neglected by any theoretical approach that purports to explain international politics. It does pose one important puzzle, however: if governments are not likely to be constrained by the rules to which they agree, why do they spend time and other resources negotiating them in the first place?

Rational Functionalism

Rational functionalism developed in the early 1980s in response to precisely this puzzle. By the mid-1980s explanations of international regimes became intertwined with explanations of international cooperation more generally. The work of Robert Keohane (1984) drew from functionalist approaches that emphasized the efficiency reasons for agreements among regime participants. This research sought to show that international institutions provided a way for states to overcome problems of collective action, high transactions costs and information deficits or asymmetries. This approach has produced a number of insights, which we will discuss and extend below. But its analytical bite – derived from its focus on states as unified rational actors – was purchased at the expense of earlier insights relating to transnational coalitions and domestic politics. Furthermore, the strength of this approach has largely been its ability to explain the creation and maintenance of international institutions. It has been weaker in delineating their effects on state behavior, an issue to which we turn later in this chapter.

This rational/functionalist research agenda originated with Keohane's *After Hegemony* (1984) and Krastner's edited volume on international regimes. Their work was informed by a fundamentally important insight: individually rational action by states could impede mutually beneficial cooperation. Institutions would be effective to the degree that they allowed states to avoid short-term temptations to renege, thus realizing available mutual benefits. In particular, institutions could help to focus expectations on a cooperative solution, reduce transaction costs and provide a greater degree of transparency, through which it was expected that reputational concerns would come

into play, thus rendering cooperative rules effective. In short, institutions could be explained as a solution to the problem of international collective action, providing a response to the puzzle posed by realism.

Once a basic functionalist explanation for international institutions was in place, researchers began to refine their conceptions of the strategic conditions that give rise to cooperative arrangements. Some authors, recognizing that the prisoners' dilemma was only one type of collective action problem, drew a distinction between collaboration and coordination problems (Martin, 1992a; Snidal, 1985; Stein, 1983). Collaboration problems are exemplified by the prisoners' dilemma. Coordination games are characterized by the existence of multiple Pareto-optimal equilibria. The problem states face in this situation is not to avoid temptations to defect, but to choose among equilibria. Choice may be relatively simple and resolved by identification of a focal point, if the equilibria are not sharply differentiated from one another in terms of the distribution of benefits (Garrett and Weingast, 1993). But some coordination games involve multiple equilibria over which the actors have divergent preferences. Initially, most authors argued that institutions would have little effect on patterns of state behavior in coordination games.

Some work in the rational functionalist vein has recognized the need to incorporate notions of bounded rationality and 'rules of thumb' (Keohane, 1984), sometimes based on normative expectations, in order to make meaningful empirical predictions. Thomas Gehring (1994), studying environmental regimes, brings together a rationalist model and attention to the role of norms in shaping expectations and behavior. He observes the complex reality of international affairs and the limited information-processing capacities of individuals. When governments interact in a complex situation, they will develop norms that shape ongoing expectations. These norms, as collective standards of behavior, then form the core of international institutions. Gehring's work attempts to bring together the insights of rationalist and constructivist models, discussed below, suggesting that a focus on the choice and influence of norms could provide a bridge between the two approaches.

German scholars have contributed to the further refinement of the basic functionalist logic. Rittberger and Zürn (1990) have argued that issue areas should be differentiated according to 'problem structural typologies'. One such typology distinguishes between 'dissensual' and 'consensual' conflicts. Consensual conflicts are ones in which every actor desires the same valued object but cannot fully be satisfied because there is not enough for everybody. Dissensual conflicts include conflicts over both values and means (Rittberger and Zürn, 1990: 1). Regime development will depend on whether the

problems regimes address are dissensual or consensual in nature (see also List and Rittberger, 1992).

Closely related to the problem-structural approach is a situation-structural approach. This approach distinguishes among different types of games. Michael Zürn argues for an approach focusing on 'problematic social situations' which he defines as those in which the Pareto optimum on the one hand and the individually rational Nash equilibrium on the other are not congruent (Zürn, 1997: 295; see also Wolf and Zangl, 1996: 358-61). The logic is functionalist: states build institutions in order to achieve collectively desirable outcomes. These authors have emphasized that in order to identify the impact of institutions, it is important to understand the constellation of interests that underlie regime formation. Some constellations of interests are conducive to regime formation, while others are not. These logics have been explored empirically in the issue area of East-West relations, using case studies as well as quantitative analyses (List and Rittberger, 1992; Rittberger, 1990).

One of the major drawbacks of the approach, however, lies in accurate *ex ante* specification of games and interests. Empirical researchers wanting to test functional explanations often find it difficult to determine precisely what games are being played without observing the outcome of state interactions, leading to a lack of refutability and loss of explanatory power. While recognizing the need for independent measures of interests, researchers have found it difficult to construct them.

Rational functionalism has also made pioneering forays into an area that has received relatively little attention: explaining the *form* that institutional choice will take. While arguments linking problem structure with institutional form are not wholly new (Lipson, 1991; Little, 1949; Martin, 1992a; Oye, 1992), a number of scholars have recently placed rational functional explanations of institutional form at the center of their intellectual agenda. Koremenos, Lipson and Snidal (2002) explore how five dimensions of institutional design – membership, issue scope, centralization of tasks, rules for controlling the institution, and institutional flexibility – vary across institutions. The explanations for particular choices over form are hypothesized to be a response to distributional and enforcement problems arising from the number of actors relevant to the provision of joint-gains, as well as uncertainty about behavior or the state of the world. While findings to date are only suggestive, this research program rounds out the range of rational functional theorizing with respect to international institutions, their form and their development.

Others have located rational explanations for the choice of institutional form in domestic politics. Drawing from economic models of industrial organization, David Lake (1996) argues that the choice of institutional form⁸ is driven by states'

desire simultaneously to reduce the risk of opportunism and governance costs. The risk of opportunism generally decreases as the level of hierarchy in an institution increases; however, governance costs increase as the level of hierarchy increases. States will choose an institution that balances these two dynamics. So, for example, the Soviet Union faced lower governance costs within its sphere of influence during the Cold War than did the United States, leading it to choose institutions that had a higher level of hierarchy.

Rational institutional approaches have also been applied to questions of the level of governance – should we expect institutions to develop at the regional, national or supranational level in particular issue areas? Drawing from classic theories of subsidiarity (Oates, 1972; Tiebout, 1956), recent works have tried to match expectations about levels of governance with the degree of heterogeneity of tastes, with respect to the provision of public goods, often combining these explanations with attention to the nature and degree of externalities associated with a particular policy area (Seabright, 1996; Treisman, 1999). These approaches lead rational institutionalists to anticipate that the development of more integrative centralized governance structures should increase with externalities and decrease with heterogeneity.

This work on institutional form is notable because the method of analysis treats institutions both as environmental constraints and as objects that are consciously chosen and manipulated by actors, an assumption that has been challenged by most directly by scholars working from sociological assumptions.

From the English School to Social Constructivism

Rational functionalist approaches have been roundly criticized by theorists that place prime analytical importance on the social context of state behavior. While rational functionalism focuses on explaining cooperation under anarchy, social constructivists have questioned the primacy of anarchy. They have sought to reassert social context into the understanding of international relations. While rational functionalism explains international institutions in terms of various forms of market failure, constructivists situate international institutions in their intersubjective social context.

Social explanations for international institutions have a venerable intellectual pedigree. The idea of an 'international society' is rooted in the classical legal tradition of Hugo Grotius, and his notion that an international community could be understood to exist among states participating in the international legal order. A number of scholars, frequently associated with English scholarship, have emphasized the

importance of international society in maintaining international order. Bull and Watson (1984b: 1) define international society in state-centric terms, as a group of states that have 'established by dialogue and consent common rules and institutions for the conduct of their relations, and recognize their common interest in maintaining these arrangements'. International society, in this conception, is the legal and political idea on which the concept of international institutions rests (Buzan, 1993: 350). Martin Wright's work emphasized the role of cultural unity in the identity of an international society (Wright, 1977: 33). Bull on the other hand saw the possibilities of international society for any group of states that shared coherent goals, such as limits on the use of force (Bull, 1977: 4-5). Others offer a subjective interpretation of international society that is echoed in contemporary constructivist assumptions: international society exists because those who speak and act in the name of states assume that it does (Evans and Wilson, 1992: 332).

The English School has offered a definition of institutions that is much broader than that of regimes in the American context, and that eschews reference to specific issue-areas. Institutions in this view are a cluster of social rules, conventions, usages, and practices ... a set of conventional assumptions held prevalently among society-members ... [that] provide a framework for identifying what is the done thing and what is not in the appropriate circumstances' (Suganami, 1983: 2365). Theorists in this tradition have been concerned with 'institutions' as broad as the balance of power and the practice of diplomacy (Evans and Wilson, 1992: 338). The concern of the English School has traditionally been the problem of international order, and a central concern has been to investigate how shared purposes contribute to order (Bull, 1977). This school has clear organic links to international legal traditions, and draws especially from Grotian conceptions of law as constituting a community of those participating in a particular legal order. Regime theory in the United States, on the other hand, for the most part self-consciously shunned explicit connections with legal perspectives, and only recently has been willing to acknowledge international law as an important kind of international institution (Goldstein et al., 2000).

Scholars working from this perspective have urged researchers to analyze the social and political processes that underlie international society. Their work has tended to de-emphasize formal organizations (Crawford, 1996: 7), viewing these as important only to the extent that they 'strengthen and render more efficient the more basic institutions of diplomacy, international law, and the balance of power' (Evans and Wilson, 1992: 341). On the whole, scholars in this tradition have been less interested in economic issues and rather less taken by

dilemmas of interdependence than have American scholars working in a more functionalist vein.

John Ruggie and Friedrich Kratochwil have done the most to advance the central insights of the English School and adapt them to the institutions that have been central to the American research agenda. At the center of their approach to institutions is their intersubjective meaning that explains the role that they play in international life. In a critique of the regimes literature as it was developing in the United States, these authors noted the inconsistencies of trying to describe a subjective world of norms and beliefs with a positivist epistemology based on observed behavior (Kratochwil and Ruggie, 1986). In Kratochwil's view (1988: 277), 'interpretations of actions by the actors are an irreducible part of their collective existence. We as observers therefore can go only as far as looking "at the facts" of their overt behavior; beyond that lies the realm of intersubjective rules which are constitutive of social practice and which an interpretive epistemology has to uncover.' It is crucial in this view to understand the ways in which specific institutions are embedded in larger systems of norms and principles, such as the liberal economic order of the post-war period (Ruggie, 1983).

Constructivist approaches are highly attentive to the framing of rules and norms as clues to a deeper understanding of their intended meanings. When a rule is embedded in the context of international law, for example, governments have to forgo idiosyncratic claims and make arguments based on rules and norms that satisfy at a minimum the condition of universality (Kratochwil, 1988: 279; see also Hurrell, 1993; Kingsbury, 1998). Indeed, most constructivist theorists would go further and insist on the mutually constitutive nature of institutions and actors' identities. International institutions define who the players are in a particular situation and how they define their roles, and thus place constraints on behavior. Constructivist scholars emphasize that international institutions can alter the identities and interests of states, as a result of their interactions over time within the auspices of a set of rules (Arend, 1999: 142-47; Onuf, 1989: 127). This gives rise to an analysis of international institutions that takes nothing for granted: the relevant actors, their interests and their understandings of the rules are all open to interpretation.

Social constructivist approaches have been especially appropriate for appreciating the ways in which international institutions create and reflect intersubjective normative understandings. Finnemore (1993, 1996) and Legro (1997) study specific examples of norm promotion in international politics, finding that institutions can play a crucial role in the systematic dispersion of beliefs and standards of appropriate behavior. Finnemore and Sikkink (1998) sketch out various stages of the norm 'life cycle' and note that international institutions

(understood primarily as organizations) contribute to norm 'cascades' by 'pressuring targeted actors to adopt new policies and laws and to ratify treaties and by monitoring compliance with international standards'. In this way IOs can be 'chief socializing agents' pressuring violators to conform (Finnemore and Sikkink, 1998: 902).⁹ Jeffrey Checkel (1999) has attempted to specify the domestic political structures that might prove differentially susceptible to such international normative diffusion.

Another body of work reverses the causal arrow, analyzing how domestic norms shape international regimes. A prominent example of such work is David Lumsdaine's (1993) examination of foreign assistance policies of OECD states. He argues that it is impossible to explain foreign aid policies since 1940 without considering normative change. In Lumsdaine's view, 'national self-interests emerge from a social process of choice and self-definition whose character and objectives are influenced by people's basic values and views of life' (1993: 21). Because these social processes differ across countries, we see different sets of norms being transferred to the international arena: countries with generous domestic social welfare programs will also be generous foreign aid contributors.

As constructivism emphasizes feedback effects and the complexity of social interactions, it lends itself naturally to the view that institutions cannot be treated as simply exogenous or purely objects of choice. In a volume edited by John Ruggie (1992), a number of scholars argued explicitly for a normative understanding of multilateral regimes, based on a normative commitment among major states to multilateralism. Prevalent norms of collective action, in this view, account for the pervasive choice of multilateralist institutions in the post-war world. However, taking this constructivist insight to the empirical realm highlights the research-design issues it creates. Admitting numerous feedback effects and complex, iterative interactions makes the design of positivist research nearly impossible. The tendency has been to rely heavily on individual case studies and counterfactual analyses. While such work has contributed to our understanding of the varied roles that institutions play, it could usefully be supplemented by more traditional positivist research.

In short, the English School and the work of social constructivists have drawn attention to the intersubjective nature of international institutional arrangements. The former insists on understanding institutions in the context of the broader purposes of the major actors in world politics. Constructivists have incorporated the importance of social meanings into their analysis of institutions, and have more fully developed the notion that institutions and interests are mutually constitutive. Both approaches have provided ways to think about the links between norms and institutions. It is to

institutional effects on state behavior that we turn in the following section.

INSTITUTIONAL IMPACT: EMPIRICAL STUDIES OF COOPERATION AND COMPLIANCE

The theories of international institutions reviewed above address both issues of institutional design and of the effects of institutions on state behavior. However, systematic empirical work in international relations has concentrated on the latter of these questions. In this section we survey empirical work on institutions. We identify areas where substantial empirical work exists, areas of active ongoing research, and suggest a few ideas about future directions for empirical studies of institutional effects.

Empirical studies of international cooperation, while subject to certain research-design flaws, have done much to establish that institutions can enhance cooperation.¹⁰ Empirical research has found instances in which institutions led states to behave in a more cooperative manner than they otherwise might have. In many cases, researchers strive to establish a baseline pattern of state behavior in the absence of institutions. For example, Duffield's (1992) study of military force levels within NATO controlled for changes in the level of external threat. NATO has enhanced cooperation among its members, and between those states and democratizing Central and Eastern European states

(Halfondorn et al., 1999). Martin's (1992c) research on cooperation on economic sanctions demonstrates that cooperation increases when sanctions are imposed in an institutionalized environment. Mitchell (1994) has shown that control of international oil pollution at sea took place only after institutional rules and technology changed. Wallander's (1999) work suggests that the existence of overarching institutions such as the OSCE has enhanced Russian-German cooperation even in the face of vastly changed circumstances after the end of the Cold War. The central methodological problem these studies face is how to identify regime effects. Rittberger offers a partial solution: he suggests that we ask whether regimes continue to influence behavior once overall relations have deteriorated between parties (Rittberger, 1990: 48). So, for example, the Baltic environmental regime was not affected by the downturn in US-Soviet relations in 1979-84 because of the presence of institutions.

Large collaborative projects offer broader opportunities to examine the impact of international rules on cooperation. Haas, Levy and Keohane (1993) offer specific causal mechanisms that they and their collaborators examine across a number of environmental case studies. Institutions are hypothesized to enhance cooperation by raising concern for the issue, improving the contractual environment as

prescribed by functionalist theories; and improving domestic capacity for implementing agreements. Cases examining protection of the ozone layer, acid rain, water pollution and fisheries find general support for the efficacy of these causal mechanisms, although they also find that in general levels of cooperation are quite low. Some successful instances of cooperation do not seem to be explained by these mechanisms, instead relying on the power of 'shaming' or peer pressure (Levy, 1993). One mechanism often used to enhance cooperation with environmental institutions is the transfer of financial aid, and the dynamics of this mechanism have also received extensive analysis (Keohane and Levy, 1996, on factors that increase the effectiveness of environmental institutions see Sand, 1990).

Surprisingly, studies of military alliances have been more optimistic about the effect of institutions on patterns of cooperation (Halfondorn et al., 1999; Noehrenberg, 1995; Risse-Kappen, 1995), as have studies of East-West regimes during the Cold War. East-West regimes served to stabilize relations in particular issue-areas such as arrangements regarding Berlin by 'immunizing' them against repercussions from the deterioration of overall relations between superpowers (Rittberger, 1990: 6). These case studies also point to factors that enhance cooperation that lie outside the functionalist framework, such as the embeddedness of institutions (Petters, 1999).

Finally, one strand of research has concentrated on the constraining effects that international institutions can have on the development of new institutions. Vinod Aggarwal (1998) and others have examined the ways in which new institutions must be reconciled with the pre-existing institutional structure. When actors agree that a substantive case can be made for nesting one arrangement within a broader set of principles, appeals to existing norms and rules can be especially persuasive. Pre-existing institutions can facilitate the creation and maintenance of new institutional arrangements, as Steven Weber (1998) argues the EU did for the survival of the EMS when it was under stress. But in other cases, institutional innovation can be stymied by incompatible structures, as Benjamin Cohen (1998) has argued the IMF did in the case of the proposed OECD oil facility during the crisis of 1973-4. Aggarwal's (1998) work suggests that the nesting of specific agreements within a broader framework of principles (such as that of the Multifibre Agreement within the context of the GATT) helps to ensure a high degree of conformity among institutions and may contribute to their strength.

International institutions may also have effects because they facilitate learning, a point that Ernst Haas made in his pathbreaking work on regional integration in Europe (E. Haas, 1958). Many environmental regimes, for example, contain

decision-making procedures that facilitate rule revision and therefore are likely to foster learning at the international level (P. Haas et al., 1993). Learning can also be facilitated in institutions that rely on the involvement of non-state actors (P. Haas, 1992). Learning may be either through the generation of new facts or through the reassessment of values and resulting redefinition of actor interests (Nye, 1987). These cognitive or ideational approaches emphasize how institutions diffuse information and values that can have the effect of enhancing international cooperation.

Compliance with the prescriptions and proscriptions of international institutions is a new research growth area (Chayes and Chayes, 1995; Simmons, 1998; Victor et al., 1998; Weiss and Jacobson, 1998. See Rausstala and Slaughter Chapter 28 of this volume for a thorough review.) The explanatory work informing studies of compliance is virtually identical to that informing studies of cooperation. However, empirical studies of compliance have done somewhat more to uncover the conditions conducive to compliance (see, for example, Haseenlever et al., 1996; Levy et al., 1995: 295–308).

Just what constitutes compliance is an enduring conceptual and methodological difficulty (see Simmons, 1998b). Given actors' capacity to interpret the exact meaning of rules, and frequent existence of multiple sets of rules, determining the meaning of compliance in any given situation is not straightforward. As Nicholas Onuf (1989: 261) states, '[I]njust situations are bounded by a number of rules. At choice then is not just to follow a rule, but which one, to what extent, and so on.' Onuf's critique is related to a broader constructivist critique of the study of compliance (see Hurrell, 1993; Kingsbury, 1998). Kratochwil has articulated this critique most forcefully, as summarized above. Moreover, the problem of identifying compliance in a systematic manner has been compounded by possible conflicts between legal and political definitions of the term.

Unsurprisingly, empirical compliance studies suffer from some of the same threats to inference that have plagued the cooperation literature. A state may be legally 'in compliance' with an agreement, but this may tell us nothing about the impact of the agreement on state behavior. Downs, Roche and Barsom (1996) argue that studies of compliance are conceptually flawed for reasons like this. Focusing on the 'managerial' approach to compliance adopted by legal scholars such as Chayes and Chayes (1993, 1995), they note that research-design problems of selection bias and endogeneity make the results of many existing empirical studies of compliance highly suspect.

Some studies try to address these methodological difficulties by examining rule compliance under 'difficult' conditions. Harald Müller (1993) studies the role of the ABM treaty and finds that, in the face of pressure to 'break out' of treaty commitments in

response to the Soviet radar at Krasnoyarsk, American decision-makers decided to abide by treaty arrangements. Beth Simmons (2000) adopts a similar strategy with a quantitative test of compliance with international monetary rules. Controlling for a range of pressures on the balance of payments, she finds that states that commit to keep their current account free from restrictions actually do so more often, even when facing unanticipated economic crisis.

While these empirical studies of cooperation and compliance contribute to the institutionalist research agenda, they suffer from a number of methodological flaws that lead skeptics to challenge their validity. When researchers look at only one or a few cases, analysis of what happens in the absence of institutions necessarily requires counterfactual reconstruction of events (this is noted explicitly by Weststad and Andersen, 1991). Young and Levy (1999) suggest the use of 'thought experiments' (the use of counterfactuals) as well as 'natural experiments' (controlled comparisons across cases) to try to ferret out the causal effects of institutions. The latter strategy allows researchers to observe variation, rather than postulating it. Some studies of cooperation do not control adequately for alternative explanations, particularly changes in patterns of interests. Few empirical studies specify the conditions under which institutions should have the predicted effects. Few studies take the problem of institutional endogeneity seriously.

These failings, particularly the last, allow skeptics to argue that since institutions are obviously endogenous – they do change in response to changes in structural variables, and often serve as agents of state interests – they are epiphenomenal. In other words, the causal significance of institutions remains open to challenge (see Mearsheimer, 1994/95; for a response see Keohane and Martin, 1995). This identification between endogeneity and epiphenomenality is a mistake, but better research designs are necessary. Future research should concentrate on examining variation in the major explanatory variable (international institutions), consider problems of omitted variable bias, and control for alternative explanations. Explicit comparison of observed variation in levels of cooperation, rather than counterfactual analysis of individual cases, will be helpful in drawing sound inferences about the effects of institutions. The institutionalist research agenda cries out for alternative approaches to analyzing institutional effects, which we consider in the following section.

RECENT DEVELOPMENTS AND FUTURE DIRECTIONS

Insights Across Levels of Analysis

To what extent can insights into international institutions derive from concepts and methods

developed in a domestic setting? Are there general approaches that might usefully inform our understanding of international institutions? We approach this issue cautiously, cognizant of the limitations of past efforts to borrow from the American literature on legislative behavior (discussed in Martin and Simmons, 1998). In this section, we briefly consider whether recent approaches are more likely to bear fruit.

One possibility is to draw on domestic conceptualizations of institutional stability to inform our studies at the international level. In his study of the Non-Proliferation Treaty (NPT), Roger Smith (1989) draws on Samuel Huntington's development of a measure of institutionalization in the domestic context (Huntington, 1968). Huntington proposed that institutionalization be conceptualized as having four dimensions: adaptability, complexity, autonomy and unity. Using this complex measure, Smith demonstrates that the NPT regime has gained in stability since its inception, despite the questionable behavior of a handful of states (Smith, 1989: 232). The regime has become more complex and its resilience has been enhanced by a fundamental unity of ultimate purposes. This approach shows promise for providing an alternative measure of regime stability to the problematic reliance on compliance.

Recent models of domestic institutions that have drawn on non-cooperative game theory may be useful for furthering a rationalist account of international institutions. The basic assumptions of non-cooperative game theory are that actors are rational, strategic and opportunistic, and that no neutral outside actor can be counted on to enforce agreements. Therefore agreements that will make a difference must be self-enforcing. These conditions are remarkably similar to the usual characterization of international politics as a situation of anarchy and self-help (Waltz, 1979). As long as models use the same basic assumptions about the nature of actors and their environment, the potential for learning across the level-of-analysis divide could be enormous.

As one example, consider what international relations scholars might learn from looking at current debates on the nature of legislative institutions.¹¹ These models treat legislators as self-interested actors whose mutual agreements cannot be enforced (Shepsle and Wittengast, 1995) and ask how legislators under these conditions might construct institutions (committees, parties) that will allow them to reach goals such as re-election.¹² Similarly, international relations scholars are interested in how states design institutional forms (organizations, procedures, informal cooperative arrangements, treaty arrangements) that assist in the realization of their objectives. The point is *not*, as much of the earlier literature assumed, that 'legislative activity' at the international level is interesting *per se*. The analogy is powerful to the extent that it

rests on actors' strategies to cope with similar strategic environments: notably, those in which actors have mixed motives and cannot turn easily to external enforcement.

The debate about legislative organization may provide a useful analogy. Informational models concentrate on the ways in which legislative structures allow legislators to learn about the policies they are adopting, thus avoiding inefficient outcomes (Gilligan and Kreibiel, 1990; Kreibiel, 1991). Informational models can be used to extend and clarify arguments in the international literature that stress the role of institutions in the provision of information and in the learning process. They lead to predictions about the conditions under which international institutions can effectively provide policy-relevant information to states; about the kinds of institutions that can provide credible information; and about the effects of such information provision on patterns of state behavior. Such a model might be applicable to an analysis of international arms control, environmental, or financial institutions, where credible information on activities and conditions may be key to the success of an agreement (Simmons, 1993). Within the EU, for example, the Commission's role as a relatively independent collector of policy-relevant information is a plausible explanation for its ability to exercise influence over policy outcomes (see Bernauer, 1995; P. Haas, 1989). Empirically, informational models lead us to expect the development and use of relatively independent experts in promoting cooperation, especially where such information is scarce, asymmetric and valuable to governments.

Distributional models, on the other hand, assume that information is not all that problematic. They concentrate on the heterogeneity of legislators' tastes (Weingast and Marshall, 1988). Achieving mutual gains, in this framework, means cutting deals that will stick across different issues. Since exchanges of votes cannot always be simultaneous, legislators have developed structures such as committees and agenda-setting rules that allow them to put together majorities on the issues of most intense particularistic interest to them. Distributional models may be especially useful in exploring in a rigorous fashion the role of international institutions in facilitating or hampering issue linkages (Martin, 1992b; Stein, 1980). Empirically, they predict that institutions will be most successful in allowing for credible cross-issue deals when those states with the most intense interest in any particular issue dominate policy-making on that dimension; and when institutional mechanisms inhibit states from reneging on cross-issue deals. Institutions that try to cope with environmental protection and development needs in the same package (for example, UNCED and the Agenda 21 program) provide a plausible example. Our point is that rational models of institutions can be enriched by