

Chapter 1

Explaining International Cooperation

How do we as international relations (IR) scholars explain international cooperation? Given that cooperation and peace are commonly associated with one another, and that the search for explanations of peace and war have largely driven the discipline's development, it would seem reasonable to assume that we had developed a relatively good understanding of this important phenomenon. The central contention of this book, however, is that we still do not adequately understand or explain international cooperation. In fact, the theories of cooperation which dominate its study obscure more than they reveal about the subject.

The problem is rooted in a common reliance on interdependence as *the* permissive condition for international cooperation. This reliance is ubiquitous within the cooperation literature and yet, amazingly, its causal connection to cooperative outcomes has never been sufficiently tested. If the causal chain which supposedly links the condition of interdependence to international cooperation is mapped out and then tested against empirical events, three very interesting conclusions emerge. First, while most explanations for international cooperation adopt a systemic orientation, the pivotal causal link in the interdependence-cooperation chain involves national decisionmakers learning to perceive their policymaking situations in new ways. Yet despite the fundamental role this causal link plays in explanations for cooperation, the importance of decisionmaker cognition and learning, as well as the assumptions regarding what it is that decisionmakers are suppose to learn, are insufficiently acknowledged and considered.

What makes this lack of acknowledgment or consideration particularly disturbing is that embedded in almost every existing theory of cooperation is

the assumption that national decisionmakers will want to pursue the functionally efficient course of action within their assigned policy spheres more than they will want to fulfill any number of role-related, domestic institutional, and daily practical demands which conflict with functionally efficient outcomes. According to the cooperation literature, the phenomenon results because as policymakers interact transnationally they come to recognize that all of these other demands are in the way of a more efficient and hence desirable means of obtaining goals derived from their assigned issue area. Ultimately this efficiency can only be achieved through multilateralism.

While there are considerable dangers with deriving explanations from such a presumption, not the least of which is that it produces expectations for which there is no empirical evidence, what makes this conclusion particularly interesting theoretically is that explanations for cooperation have generally developed within the liberal IR paradigm. The practitioners of this paradigm have consistently claimed that its explanatory parameters allow systemic, domestic, and individual level variables to be simultaneously combined in a deductively coherent manner. In fact, however, domestic institutional variables, and the cognitive roles associated with them, do not play any independent causal role in explanations for cooperation derived from an interdependent basis. This point has been missed by proponents and critics alike, largely because most scholars have tended to take at its word the liberal claim to alternative level-of-analysis inclusiveness.

The second conclusion which emerges from a more careful consideration of the interdependence-cooperation connection is that explanations of cooperation have too often taken the existing correlation between post-World War II increases of interdependence and cooperation among the major industrials as confirmatory evidence that the first phenomenon caused the second. The connection is treated as though it were a self-evident reality in the cooperation literature, rather than a potential subject of empirical inquiry in its own right. Yet it is important to remember that correlation is not causality. In this context it is worth underscoring the fact that this study does not deny relations among the major industrials since 1945 may be characterized as interdependent, however problematic attempts have been to define, measure, or identify that condition. Nor does it deny that these relations, and capitalist economic relations in particular, have involved a great many cooperative efforts with the United States being a regular, sometime enthusiastic participant in those efforts. It does not even deny that the phenomenon of interdependence and cooperation are linked in some way.

What it does seek to challenge is the particular causal chain by which the cooperation literature presumptively connects these two empirical phenomena. As with Gilpin, "I thus accept economic interdependence as a 'fact' or 'condition,' but do not accept many of its alleged economic and political

consequences" (1987: 18; see also 1996b). Once the presumed causal chain linking interdependence and cooperation is sufficiently revealed and the empirical record examined, what becomes obvious is that there is little empirical evidence to support the posited causal chain, largely because policymakers do not behave according to liberal theoretical expectations. They either do not learn the lessons anticipated by standard theories of cooperation, or they do not have sufficient political capacity and will to make the lessons stick institutionally. When one takes a closer look at why and how decisionmakers choose to cooperate with their counterparts transnationally, it is clear that while interdependence may have many effects, a capacity to engender cooperation on the basis of elite learning about functional institutional efficiency is not one of them.

In fact, a closer look reveals the third startling conclusion. There may indeed be a link between interdependence and cooperation, but it is not a link in which the first encourages the second and in so doing the two phenomena mutually reinforce one another. The link is instead that cooperation can be pursued as a means to *deflect* the interdependent demands for functionally more efficient strategies and institutions. Its track record for achieving this goal within the American international monetary policymaking context has been particularly remarkable. Even as the condition of interdependence frequently imposes the necessity for action upon American monetary policymakers, international cooperation has been one of the instruments they have utilized to *avoid* making the types of structural adjustments anticipated by the cooperation literature.

Multilateralism has done so by taking on the form of adjustment necessary to assuage critics and markets alike, while simultaneously containing none of the institutional substance. Since 1971 American policymakers have become particularly adept at nodding in the cooperative direction during a monetary crisis, but making none of the structural or behavioral adjustments actually required in order to obtain more efficient monetary outcomes in economic interdependent conditions. The result is that cooperation with their transnational counterparts has allowed American policymakers to ensure that the business of monetary policymaking continues as usual. This means that decisionmaking remains autonomous relative to the institutions of other nation-states and responsive to domestic political and social demands that continue to contradict the more efficient course for international monetary policymaking. The ability to make unilateral decisions within the issue area relative to the decisionmaking units of other nation-states has continued unabated as a result. Far from being the mutually exclusive antithesis of unilateral decisionmaking, as it is represented in the cooperation literature, multilateralism can instead reinforce unilateralism.

What is wrong, then, with the causal chain posited by the cooperation literature is not simply that within the parameters of interdependence a much

wider latitude for policymaking choice exists. It is instead that because the standard theories of cooperation misread what the phenomenon is all about to begin with, they have no capacity to recognize why and how policymakers actually make the decisions they do. The result is that each act of cooperation is misread by IR theorists as confirmatory evidence that decisionmakers have learned to value multilateralism over unilateralism in an interdependent world, when in fact they typically have learned nothing of the kind. What they appear to have learned instead is that unilateralism is just fine if one occasionally “toasts,” as Volcker has put it, “the god of international cooperation” (Volcker and Gyohden 1992: 144). Theories which continue to ignore what decisionmakers and national populations want or do socially and politically, and choose instead to derive explanations from the abstract condition of interdependence itself and the institutional imperative that condition implies, will remain incapable of explaining why cooperation occurs and what it means for global world order.

These arguments and the nuances their development require will be explored in the pages which follow, as will the delineation of connections these arguments have to existing theories of international relations. Much of the existing literature on cooperation has been developed within the liberal IR paradigm, where the assumption that a condition of interdependence will demand a functionally efficient institutional response has a considerable pedigree. It may be found in the original formulation of functionalism by Mitrany, itself inspired by the evolutionary functionalism of “in-use” inheritance proposed by Lamarck.¹ It may be traced through all subsequent liberal cooperation theories and approaches including neofunctionalism, transnational relations, complex interdependence, and neoliberal institutional regimes. The pervasiveness of this assumption has effected explanations for cooperation from other approaches as well, so that even many constructivist accounts have relied upon it.

There is nothing about constructivism which demands it tow the liberal cooperative line however. Indeed in the context of the arguments presented here “Wendtian” constructivism serves as a link between the phenomenon of cooperation, domestic political institutions and social practices, and the realist paradigm. Realism has remained the odd-man-out in the cooperation literature, due in part to the choices its own practitioners have made about the subjects they wish to study, and in part because immediate post-Cold War events have not conformed to some of realism’s better-known expectations. Yet the realist-constructivist combination has a great deal to offer the study of international cooperation. Not only does it have no investment in the interdependent functionalism of prior cooperation theories, but it can also provide a framework for understanding why the policymaking commitment to unilateralism would remain institutionally and cognitively dominant even as systemic conditions appeared to warrant new commitments.

In developing an alternative theoretical perspective on cooperation, realism brings to the table its long-standing insights into inter- and intragroup behavior in anarchic conditions, while constructivism brings an understanding of how social practices create and reinforce identities and preferences. Such a combination produces a direct challenge to the pivotal causal assumption in liberal cooperation theories that national decisionmakers learn from interdependent conditions to value multilateralism over unilateralism and change their behaviors and institutions accordingly. It explains why interdependence has no capacity to engender cooperation on such a basis and why American monetary policymakers then continue to care more about the next presidential election than how transnational cooperation could maximize national economics. It also explains how the choice of cooperation may be derived from and reinforce the preference for unilateral decisionmaking, and why the American commitment to multilateral efforts is characterized by such a high degree of recidivism. In other words, a realist-constructivist combination explains everything that the field's dominant theories of cooperation cannot.

This chapter begins to lay the groundwork for these assertions by first establishing just how pervasive the assumption of interdependent functional efficiency has been in our explanations for international cooperation and to our approach to the subject in general. It demonstrates how little attention has been paid to the implicit causal chain linking interdependence to cooperation in these explanations, and it takes a second look at this chain in order to reveal the centrality of subsystemic variables to it. In so doing it highlights the striking paucity of studies which empirically examine or test cooperation theories along lines that their own assumptive frameworks would suggest. Thus the chapter seeks to underscore why this book, as both an examination of liberal cooperation theory's explanatory powers and the proposition of an alternative perspective on the cooperative phenomenon, is necessary.

THE "NEW" INTERNATIONAL ORGANIZATION

Since the end of the Cold War, the literature on "governance without government" has burgeoned in both scope and proportion. It has become routine for scholars and policymakers of IR to declare the dawning of a new age in global politics. Held claims, for example, that "the development of international and transnational organizations has led to important changes in the decisionmaking structure of world politics" (1996: 411).² Fliers for professional conferences baldly assert that "dramatic transformations in the global order pose serious challenges for educators, as power shifts from nation-states and superpowers to subnational, international, and nongovernmental entities."³ And much of this

literature is in accord with Zacher that “there are grounds now for thinking that there are significant changes occurring in the growth of international cooperation or regimes—consequently in the strength of governance in the international system” (1992: 59).

If, as Kratochwil has argued, “the study of international organization . . . can be conceived of as the investigation of the various organizational forms that populate the international arena” (1994: ix), then much of the IR theoretical community appears to share a common assumption about post-Cold War organizational forms. The system’s organization differs in fundamental ways from other, prior, and even coexisting International Organization (IO) forms and principles, because cooperative interaction is in ascendance. While cooperation had been a subject of extensive study throughout the Cold War, the end of bipolarity has given impetus to the assertion that cooperation is now *the* dominant organizational principle in many geographic and issue-specific sectors of the present international system. This means that it now dominates at the expense of prior IO forms.

The most obvious prior alternative is the realist model of IO, with its anarchic environment, aggressive behaviors, and balances-of-power. Even its critics usually acknowledged that the realist model of IO provided a relatively accurate description of nation-state interaction before the latter half of the twentieth century. But according to the new model of IO, realism’s anarchic demands have been, or are in the process of being, transcended in portions of the globe and/or in particular issue areas. Lebow asserts, for example, that

The allegedly inescapable consequences of anarchy have been largely overcome by a complex web of institutions that govern interstate relations and provide mechanisms for resolving disputes. These institutions reflect and help sustain a consensus in favor of consultation and compromise that mute the consequences of power imbalances among states (1994: 269).

In a similar vein, Goldgeier and McFaul argue that “balance-of-power politics will not be the defining feature of interactions among great powers in the coming decades, since the nature of states and the nature of the international system differ fundamentally from those described by structural realists.” Instead, “the collapse of communism will continue to move the world closer to an international order governed politically by collective action among the great powers,” and such an order may be characterized as “a great power society” (1992: 486, 477).

One of the reasons why a cooperative model of IO has been achieved among the major industrialized societies is because these societies share a common set of Western values, norms, preferences, and institutions which are

assumed to have peace-inducing qualities. So, for example, Jervis describes the major industrial states as “stable, democratic governments that have learned to cooperate and have developed a stake in each other’s well being” (1991/92: 56). Biersteker argues that “a limited degree of transnational convergence of foreign and domestic economic policies is likely to facilitate governance (or a change in the nature of governance) in the international political economy” (1992: 104). Zacher asserts that it is because the world “is becoming sufficiently homogeneous (especially at elite levels among many countries) that higher levels of coordination are becoming more feasible” (1992: 98). And Goldgeier and McFaul claim that because the major industrialized societies have similar economic and political processes, they will choose to “settle conflicts and enhance their security through negotiation and compromise rather than through the use or threat of force” (1992: 468). In fact, Rasler and Thompson point out that it is a common feature of “endism” arguments to presume that homogeneity of political, economic, and social institutions leads to peace (1994: 186).

Homogeneity means not only that the major industrial states find violent behavioral patterns among themselves unattractive, but they have also developed a preference for transnational policy coordination, particularly in the sphere of economics where their societies share the common capitalist-market motivation for profit. This preference for coordination was produced by a process begun during the Cold War in which, as their economies became increasingly intertwined via trade and monetary transactions, degrees of autonomous decisionmaking had to be relinquished in order to obtain economic and social benefits. As Jessop puts this, changes involved “a movement from the central role of official state apparatus in securing state-sponsored economic and social projects and political hegemony towards an emphasis on partnerships between governmental, para-governmental and nongovernmental organizations in which the state apparatus is often only first among equals” (1997: 574–575). While this form of IO is clearly not global, there is a presumption within the IO literature that it will become generalizable as more states adopt capitalist and democratic reforms.

Much of what is asserted and predicted in the “governance” literature should sound familiar to IO scholars acquainted with the liberal IR theoretical tradition. In fact there is an overwhelming sense of *déjà vu* in the presumptions and descriptions of the brave “new” IO with which we are now supposedly faced. What is being asserted is, in essence, that with the end of the Cold War earlier models of IO based on liberal theorizing about transnational relations in conditions of interdependence have finally achieved empirical and theoretical salience. The theoretical insights, arguments, hypotheses, and predictions of David Mitrany, Ernst Haas, Leon Lindberg, Karl Deutsch, Joseph Nye, Robert Keohane, James Rosenau, and Wolfram

Hanrieder (to name only a few of the most obvious) are being resurrected in order to characterize, explain, and make predictions about the present and future international system. This resurrection is occurring despite the fact that many of the prior liberal theoretical perspectives were abandoned by their own proponents for having been, as Haas put it earlier, theoretically “obsolescent.” Much of this earlier theorizing about cooperation was associated with the study of the European Union (EU), and in her review of these alternative perspectives Webb arranged them chronologically precisely because “each is an attempt to correct the omissions of earlier theories”(1983: 10).⁴

What the contemporary IO literature appears to assume, on the other hand, is that far from being obsolete or rife with omissions, much of this liberal theoretical tradition was actually ahead of its time. Present international conditions apparently warrant a reclamation of what could now be considered liberal “pre-” theorizing.⁵ Such claims remind one of the doctor in Hitchcock’s film *The Lady Vanishes* who asserts, when confronted with falsifying evidence, “My theory was a perfectly good one. The facts were misleading.” This assertion may actually be quite consistent with the fundamental tenets of liberal IR theory itself. Liberalism purposely adopts an evolutionary perspective which means, according to Keohane, that it “believes in at least the possibility of cumulative progress” (1990: 174) or, as Zacher and Matthew have put it, that “the possibility of progress is constant but its realization . . . vary over time and space” (1995: 121). It may be legitimate to argue then, as Keohane and Nye did in their preface to the second edition of *Power and Interdependence*, that while events subsequent to the 1970s had not entirely supported their model of IO, “the real questions are not about obsolescence, but about analytical cogency” (1989: xi). A brief review of what is old about the “new” IO is pertinent not only to the issue of analytical cogency but also to the counterarguments made in this book.

PRIOR PERIODS OF LIBERAL COGENCY

Even a cursory comparison of present and prior liberal descriptions of the international system reveal striking similarities. In a precursor to *Power and Interdependence*, Keohane and Nye argued for a “world politics paradigm” which would “transcend the ‘level-of-analysis problem’ both by broadening the conception of actors to include transnational actors and by conceptually breaking down the ‘hard shell’ of the nation state” (1971: 380). They argued that as interdependence increased, the developed countries were experiencing a “loss of political and economic autonomy” and that this “loss of control is probably most acute . . . in regard to welfare objectives” (393–394). The policy

option which would yield “optimal results” was argued to be the adoption of “cooperative policies involving joint coordination of policy through international institutions.”

Yet even as Keohane and Nye were proposing “transnational relations” as a new perspective, the ideas upon which it were based could be traced back to functionalism and neofunctionalism. In his vision of post-World War II Europe, Mitrany had argued for the “functional selection and organization of international relations” which meant “the binding together [of] those interests which are common” (1943: 32). While it remains unclear in much of the early functionalist literature whether interdependence was a new phenomenon or had always existed and human beings were only just becoming cognizant of it, functionalist proponents argued that interdependence was an environmental condition that demanded institutional innovation if commonly-shared interests were to be fulfilled. Reinsch provides a typical example in claiming that “recognizing interdependence with other civilized nations of the world,” meant recognizing that “there is a broader life; there are broader interests and more far-reaching activities surrounding national life in which it must participate in order to develop to the full its own nature and satisfy completely its many needs” (1911: 8, 4).⁶

Functionalism’s proponents were also firmly convinced that the nation-state was *the* problem that prevented common interests from being obtained. Mitrany argued, for example, that “fidelity to outgrown administrative divisions and instruments” was “hamstringing the new goals” and that, although this “clamors for their being linked together in the most suitable practical way” and that “we are favored by the need and habit of material cooperation,” the problem was that “we are hampered by the general clinging to political segregation” (1945: 10; 1948: 351). The only answer to this problem was the transcendence of national institutional structures themselves. Institutional form would instead follow function because “the organizational component of each functional unit is intimately related to the need which it is to satisfy” (1943: 35), and the new institutions would be “functionally efficient” because they matched a set of pre-given collective interests to demands for how to best obtain them in an interdependent environmental context. As Sewell later noted, the functional approach was hopeful rather than “debilitating” in this regard, because “the separation of functional needs into specific tasks and their reassignment to new structures will itself presumably ease the strain wrought by the present disparity” between “functional assignments and ‘outgrown administrative divisions and instruments’” (1966: 33).

This perspective quickly ran into empirical trouble, however, in that it had all along assumed a relative ease in the ability “to breed a new conscience” in “nonpolitical” tasks once the functional way revealed that it “would promise

something for the purse of necessity" (Mitrany 1943: 40, 29). By the early 1960s, functionalism had spawned a neofunctionalist variant which recognized the difficulties in defining an interest as "nonpolitical," as well as the necessity for persuading "political actors in several distinct national settings . . . to shift their loyalties, expectations, and political activities toward a new and larger center" (E. B. Haas 1961: 366–367). Yet even with its greater sensitivity to these issues, neofunctionalism continued to assume that once the cooperative regional effort began to reap greater benefits, loyalty to the regional institutions would gradually develop. E. B. Haas argued, for example, that integration was to be "conceived not as a condition but as a process" which "relies on the perception of interests . . . by the actors participating in the process" so that "interest will be redefined in terms of regional rather than a purely national orientation."⁷ Loyalty-shifting and interest-redefinition would occur first among national elites who would find themselves "sucked in" to cooperative efforts and "would transfer their support and loyalties away from national authorities towards the Community institutions in return for the satisfaction of vital interests" (Webb 1983: 17–18).

The continued reliance on functional assumptions about interests, institutions, and identity led neofunctionalists to overestimate the degree to which elite identities and loyalties could be changed by strategic interaction. Webb observed that neofunctionalism continued to assume that "the staking of claims and demands in return for exchanges of political loyalties reinforced the authority of the system as a whole," and it "regarded this pattern of political activity as directly transferable to an international setting" (1983: 17). In other words, it never strayed far from Mitrany's original assumption that "each of us . . . is in effect a collectivity of functional loyalties; so that to build up a world community . . . is merely to extend and consolidate it also as between national sections and groups" (1959: 647). By the mid-1960s, neofunctionalism was having an increasingly difficult time explaining empirical events in the region for which its explanatory scope and focus had been developed, and Haas tactfully suggested that the pursuit of other theoretical approaches might be more fruitful.⁸

The first stab at a new theoretical approach was Keohane and Nye's study of "transnational relations" which was again premised on the notion that interdependent conditions demanded cooperative institutions for conducting intrastate business and obtaining common interests (1971: 375, 395). This approach was quickly superseded by their 1977 *Power and Interdependence*, which proposed an IO model of the "world political structure" that finally placed the condition of interdependence front and center in its theoretical framework. In doing so Keohane and Nye expressed their belief that "many of the insights from integration theory could be transferred to the growing and broader dimensions of international economic interdependence" (1989:

247–248). In this endeavor they were encouraged by E. B. Haas himself, who suggested that neofunctionalism be “both included in and subordinated to the study of changing patterns of interdependence” (1975: 86).

Not surprisingly then, the IO model which would be relevant under conditions of “complex” interdependence contained most of the theoretical assumptions that could be found in functionalism and neofunctionalism before it. In order to cope with growing interdependence, nation-states would have to accept responsibility for both collective leadership and policy coordination. This responsibility would involve “mutual surveillance of domestic and foreign economic policies, criticism of these policies by other governments, and coordinated interventions in certain international markets” (Keohane and Nye 1989: 232). The model’s salience was contingent on higher levels of complex interdependence which, Keohane and Nye argued, had increasingly come to characterize “trends in the conditions of world politics over the past half century” (161). And they predicted that the IO world political structure “will frequently be needed for understanding reality and framing appropriate policies” while “traditional theories of world politics . . . are becoming *less useful*” (161, their emphasis; see also 223–229).

In the same decade, authors such as Rosenau, Hanrieder, and Morse were making similar arguments about the impact of interdependence on the international politics of the major industrial nations.⁹ Rosenau argued that “by their very nature interdependence issues tend to require multilateral cooperation among governments for their amelioration,” and predicted that, “as interdependence impinges ever more tightly, so may the adaptive capacities of states allow them to evolve a greater readiness for multilateral cooperation” (1976: 48–49). One could speak then of a “domestication” of international politics, in which interdependence as a “permissive context” encouraged “global political processes” to “approximate domestic political processes” (Hanrieder 1978: 1278–1279). While none of these authors dated the end-point at which Keohane and Nye’s IO model would become the dominant world political structure, all of them assumed that levels of interdependence among the major industrial nations were increasing so that a model along the lines specified by Keohane and Nye had the potential to be more relevant in the future.

The subsequent literature on international regimes in the 1980s took the condition of complex interdependence as a given in order to argue that “international coordination of policy seems highly beneficial in an interdependent world economy” (Keohane 1984: 49; see also Krasner 1983a). Yet it acknowledged that cooperation could be difficult to achieve initially and posited that existing regimes would be of assistance in the post-hegemonic transition to collective leadership and policy coordination. The regime literature, dubbed by Grieco in 1990 as “neoliberal institutionalism,” also adopted a presumption of future salience based on increasing levels of interdependence. Keohane

argued that “there is likely to be increasing demand for international regimes as interdependence grows” (1984: 79–80), and Krasner noted that “if, as many have argued, there is a general movement toward a world of complex interdependence, then the number of areas in which regimes can matter is growing” (1983a: 7–8). In discussing how to falsify his regimes theory, Keohane pointed out that its explanatory applicability would occur in the future and that “scholars may *later* be able to conduct a full evaluation of the theories of cooperation and international regimes put forward in this book” (1984: 219; my emphasis). Thus the theme of future analytic cogency, itself contingent on sufficiently high levels of interdependence among the major industrials, has been an ongoing presumption in liberal theorizing.

The post-Cold War “governance” literature continues this tradition in its universal reliance upon complex interdependence as a necessary or permissive cause (and regimes as one of the sufficient causes) for cooperative behaviors and outcomes among the major industrials.¹⁰ But what makes this literature so distinctive is the certain conviction expressed within it that the levels of interdependence necessary for Keohane and Nye’s IO model to gain analytic cogency have now been achieved. Adler, Crawford, and Donnelly claim, for example, that “complex interdependence is a model that is widely acknowledged to provide a fairly accurate account of large portions of contemporary [IR],” and that progress (defined as “changes in the policies and relations of states that reduce conflict or increase cooperation . . . that further human interests”) is relatively likely (1991: 23, 9). Held argues that “while a complex pattern of global interconnections has been evident for a long time, there is little doubt that there has recently been a further ‘multinationalisation’ of domestic activities and an intensification of decisionmaking in multinational frameworks” (1996: 414).

In a similar vein, Zacher claims that “it is clear to anyone who studies the development of the modern interstate system that states have sought to evade international constraints on their behavior,” but that “it was around 1990 that a good number of observers of the international system began to recognize that a network of formal and informal international regimes was developing to a point where states’ enmeshment in them marked the advent of quite a different type of international order” (1992: 62, 67). And Jessop notes that while “it is hard to discern a marked discontinuity in the organization of the capitalist economy during the 1970s to 1990s,” a number of factors including the Soviet communist collapse have produced “a trend which partly returns the world economy . . . to the levels of interdependence prevailing in 1913 but which nonetheless has a qualitatively quite different significance” (1997: 572, 571). One of these significant qualitative differences is “a shift from *government* to *governance* on various territorial scales and across various functional domains” (574; his emphasis).

Thus the end of the Cold War represents a disjuncture for the capitalist world economy which can be associated with a certain level of “maturity” from mere interdependence to a condition of complex interdependence. It is never made clear in this literature why it is such a disjuncture, but according to the new “governance” literature what *is* clear is that a world political structure approximating the IO model proposed in the 1970s by Keohane and Nye is no longer just a potential. It is now *the* dominant world political structure.

CONSTRUCTIVISM IN AN ERA OF LIBERAL COGENCY

There is perhaps no better proof of the firm grip which the assumptions of interdependence and functional efficiency have on our theories of cooperation than attempts within the constructivist literature to explain the phenomenon. The accumulated study of norms, ideas, learning, and identity-formation has produced what Checkel has called “the constructivist turn in IR theory” in which theorists open up “the black box of interest and identity formation,” in order to argue that “state interests emerge from and are endogenous to interaction with structures” (1998: 326).¹¹ This is important because, as Kratochwil and Ruggie put it, “social institutions, before they do anything else—for example, act as injunctions—express rule-like practices . . . that make routine social interaction possible by making it mutually comprehensible” (Ruggie 1998: 91). Thus constructivism is, according to practitioners such as Ruggie, Finnemore, and Wendt, about recognizing “the fact that the specific identities of specific states shape their perceived interests and, thereby, patterns of international outcomes,” that “interests are not just ‘out there’ waiting to be discovered; they are constructed through social interaction,” and “that through interaction, states might form collective identities and interests.”¹²

Because functionalism could not be more antithetical to the constructivist approach, most constructivists explicitly seek to distance their accounts of cooperation from it. It is because constructivist explanations rely on a “logic of appropriateness,” rather than on a “logic of consequences” that they supposedly avoid the demand-driven trap that neofunctionalism and neoliberal institutionalism (as well as realism) fall into.¹³ In addition, neoliberal institutionalism has consistently been one of the targets of constructivist ire because it, along with neorealism, attempts to hold identity constant and treat interests as exogenously-given. States are assumed to be self-interested actors seeking to maximize utility functions which are theoretically designated prior to the strategic interaction and behavior under inquiry. In other words, actor preferences and values “become inputs into the analysis rather than the subject of analysis.”¹⁴

However within the interdependence literature which grounds the concept of regimes itself, there is some confusion on this score. Keohane and Nye, for example, frequently referred to changes or transformations in “how states define their interests,” in “perceptions of self-interest,” and to the possibility that “interactions facilitate learning” (1989: xi, 35, 241). Conceptual clarity on this point was provided in their later-published afterword, where they acknowledged that although they had assumed “interests as formed largely exogenously, in a way unexplained by our theory,” in fact “changes in definitions of self-interest . . . kept appearing in our case studies . . . without adequate explanation”(256).¹⁵ Ultimately it is the constancy of exogenously-premised interests which allows for predictable outcomes in complex interdependent issue areas. Because one can assume, as Hanrieder does, that “one of the central functions of state activity” has become “the improvement through state intervention of the material (and perhaps even psychological) well-being of its citizens,” it is also possible to posit the existence of “powerful incentives to cooperate with one another” (1978: 1278–1279).

Given this earlier confusion, most regime theorists were particularly careful to specify their assumptions regarding exogenous interests. According to Stein, for example, it is necessary to emphasize strategic interaction among states because while “structure and sectors play a role in determining the constellation of actor preferences . . . it is the combination of actor preferences and interactions that result from them that determine outcome” (1983: 140). Thus the analysis of regimes begins with the “different patterns of interest that underlie the regimes themselves,” which Stein argues must be distinguished from the structural bases for regime formation “as constituting the determinants of those different patterns of interests” (135). Keohane also specified his assumptions that “rationality and conceptions of self-interest are constants rather than variables,” and that among the “advanced market-economy countries” one can assume the “existence of mutual interests as givens” (1984: 27, 6).¹⁶ Again, it is this constancy which allows neoliberal institutionalism to predict the post-hegemonic continuation of regimes while avoiding the criticism that it is suggesting a “beyond the nation-state” thesis.

One of the more important implications of the assumption of exogenous interests is that it excludes from the analysis of cooperation any concern with identity formation issues. This was, in fact, the theoretical attribute which distinguished the complex interdependence and the regimes literature from prior strands of liberal cooperation theory. Although all of these strands share the assumption of interdependent functional efficiency, functionalism and its neo-variant had assumed that changes in elite loyalty and identity would have to be an important part of the cooperative institution-building process. Complex interdependence and neoliberal institutionalism, on the other hand, attempted to avoid this assumption (and the various problems it had caused

for their theoretical predecessors) by positing that interests, and as a logical corollary identities as well, could be treated as given.

Thus the interdependence and regimes literature argued that while the nation-state was still the primary barrier to effectively obtaining collective interests in interdependent conditions, it now remained so only because its decisionmaking elites had failed to recognize the ineffectiveness of the strategies they continued to employ. Their strategic judgment was clouded by an unquestioned reliance on unilateralism held over from the days when the nation-state could obtain its interests autonomously. The offending perceptions were treated as byproducts of behavior, rather than of identity or interest, so that Keohane and Nye could argue that this “illusion” of “total control” reproduced “well-entrenched patterns of governmental behavior” which would “have to be discarded” (1989: 232, also 161).¹⁷ As with functionalism, neoliberal institutionalism derived a hopeful prescription from its analysis of these dysfunctions based on the nature of interdependence itself, which it argued would promote a process of interaction and simple learning among state elites about the greater efficacy of multilateralism.

Since many constructivists have criticized neoliberal institutionalism for its failure to understand how interaction might change not just behavior but identity as well, the notion that they are fundamentally different approaches has generally been accepted within the field. In fact, however, a closer examination of many (although by no means all) constructivist accounts for cooperation reveal a reliance on both the assumption of interdependence and the functional efficiency of cooperation in its context.¹⁸ For example, in order for cooperation to develop in a world of survival-seekers, Wendt asserts that “a necessary condition for such cooperation is that outcomes be positively interdependent in the sense that potential gains exist which cannot be realized by unilateral action” (1992: 416). This assertion grounds his “pretheory” of collective identity formation, which identifies two systemic processes as the necessary incentives to adopt collective identities—interdependence and the transnational convergence of domestic values. Neither is sufficient to produce collective identities without reinforcing strategic practices, yet the reason why both remain incentives is because national institutions no longer efficiently obtain a list of pre-given “corporate needs.” The result is that

As the ability to meet corporate needs unilaterally declines, so does the incentive to hang onto the egoistic identities that generate such politics, and as the degree of common fate increases, so does the incentive to identify with others. As interdependence rises, in other words, so will the potential for endogenous transformations of identity (1994: 389; my emphasis).

This means that identity is a function of whichever institution and set of social practices best obtains a set of exogenous interests in interdependent systemic conditions. In making this argument Wendt clearly adopts the same assumptions about institutions and identities which prior functional theorizing about cooperation had relied upon as well.

Fellow constructivist Ruggie also takes the condition of interdependence as *the* general model of IO and hence the starting point for his explanations of international cooperation. Ruggie argues that nation-states face a tradeoff between the efficacy of organizing multilaterally in economic interdependence and “the general desire to keep that dependence to the minimum level necessary” (1998: 48). That tradeoff does not favor the continuation of autonomous national policymaking, however, because the “generic forms of international ‘collective action problems’” which confront the nation-state are in reality “the ‘social defects’ that inhere in the modern construction of territoriality” (266, 195). That is, because the collective action problems confronting nation-states derive from their own construction as territorially-based entities, nation-states are incapable of addressing the “nonterritorial functional space” (191). This space demands institutional forms consistent with it, which is why the “negation of the exclusive territorial form has been the locale in which international society throughout the modern era has been anchored” and why a “multiperspectival polity” such as the EU has emerged (195). While the constructivist terminology utilized to describe multilateral efforts may sound different, Ruggie’s approach manages to replicate the explanatory content and form of functionalist accounts which proceed it.

Finnemore provides another example of replication in arguing that “states are embedded in an international social fabric that extends from the local to the transnational,” thereby creating an international society that looks like “the world of complex interdependence or turbulence described by liberals” (1996: 145). Because this society remains inexplicable if interests are held constant, a constructivist approach is required in order to explain “why groups or individuals want what they want” as well as “changes in collectively shared social values or definitions of what is good and appropriate” (147). Ultimately, however, nation-states want what they want according to Finnemore because enough other nation-states want it too. It is because “the driving force behind adoption of . . . innovation” is “a new understanding of necessary and appropriate state behavior,” that the pregiven desire to simply *be* appropriate to international society produces norms and behaviors which conform to that society (65). While Finnemore insists that this “logic of appropriateness” avoids the “logic of consequences” upon which functionalism relies, in reality the two logics have simply been merged so that the functional consequence of causal import is whatever has become appropriate socially. As the definition of what constitutes “being appropriate” changes systemically, social practices

which are more efficient at obtaining this exogenous collective interest (and hence are more appropriate to the new systemic circumstances) will be supplied.

Although it would be inaccurate to generalize from these examples to all constructivist accounts of cooperation, the examples cited represent a strand of mainstream American constructivism which has been consistently touted as a new theoretical approach to the study of IR. Closer examination reveals this claim to be erroneous. In addition, the extent to which neoliberal institutionalism should be differentiated from constructivism on the basis of its exogenous interests assumption is also highly questionable. While this is an argument that is developed in chapter 6, it is pertinent here because it again underscores the firm grasp which functionalism retains on our theoretical explanations for international cooperation. In order to explain regime creation the regimes literature does indeed initially bracket interests and identities, but in order to account for subsequent regime maintenance an implicit elite identity transformation is inserted into the argument's causal chain. Thus contrary to the accepted wisdom, neoliberal institutionalism does not exclude the possibility of collective identity transformation and must actually rely on such an eventuality in order to complete its stories of the cooperative phenomenon.

One of the reasons why neoliberal institutionalism and constructivism have more in common than not is because they share a process-based ontology which anticipates the transformation of identity through interaction with others. Certainly the two approaches may differ with regards to their explanatory ambitions and the interactive processes they identify as most pertinent to identity transformation, but constructivist accounts of cooperation simply make explicit an assumed but unexplored step in situationally-strategic neoliberal arguments. When their assumptive structures and contents are closely examined, it becomes difficult to differentiate functional-constructivist accounts of cooperation from prior theorizing on the subject. Far from being a step in a new explanatory direction, many constructivist accounts have been about retracing steps along a well-trodden path while proclaiming that the terrain covered is all new. Constructivism threatens to become just another strand of liberal cooperation theory in the process, and the stranglehold which the mechanisms of interdependence and functional institutional efficiency have on our explanatory imaginations is reinforced.

The relationship between liberalism and constructivism may be even cozier when one considers the fortifying effects which each approach may have on the other's assumptive framework. The liberal assumption that many states in the post-Cold War system have common interests and are engaged in collective problem-solving paves the way for an acceptance of constructivist subjects as legitimate areas of inquiry in a way that realist assumptions of unending anarchy producing zero-sum interests and competition would not. As Haggard notes, constructivist approaches require the existence of common

norms (1991), and Wendt echoes this in asserting that in order to explain cooperative outcomes with constructivism, joint gains must be assumed (1992: 416-418). This latter assertion is not entirely correct if one is careful *not* to equate the concept of common norms with the concept of joint gains when developing constructivist explanations for cooperative outcomes.

Yet the theoretical space necessary for the exploration of constructivist subjects such as norms, ideas, learning, and identity-formation may have been made possible only because vast portions of the American IR theoretical community already share the certain conviction that something approximating Keohane and Nye's IO model of complex interdependence is now an accurate description of global affairs. The ready acceptance of constructivism within that community could owe much to the dominance of the liberal perspective in the study of IO, even as many of constructivism's practitioners would hope to distance themselves from the theoretical straitjackets of either liberalism or realism.

A SECOND LOOK AT INTERDEPENDENCE AND REGIMES AS EXPLANATIONS FOR COOPERATION

Yet does complex interdependence and its associated regimes produce cooperation in the manner specified by liberal theories? This is a fundamental question because as we have seen almost all liberal arguments rely upon interdependence as a permissive condition for the occurrence of cooperation among the major industrials. Economic relationships are consistently singled out as the issue area in which complex interdependence is most obvious and in which transnational coordination has been realized. The growth of economic interdependence is assumed to both reflect and reinforce the steady displacement of military-security interests by economic ones which can only be maximized via coordination. Existing economic regimes are routinely thrown into the explanatory mix so that the two concepts are assumed to work together in encouraging cooperative outcomes in economic issue areas. Given the causal centrality of interdependence and regimes to liberal explanations for major industrial cooperation from the 1970s on, it is startling how little work has actually been done on testing the causal chain for interdependence and regimes.

There is certainly a body of literature (much of which could be termed *realist*) which questions the assertion that interdependence produces cooperation and argues instead that it is just as likely to produce conflict.¹⁹ The interdependence argument has also been challenged on the grounds that its relationship with cooperation is spurious, since military-security alliances could potentially account for both phenomena.²⁰ And the regimes concept itself has

come under considerable scrutiny from a variety of quarters.²¹ What is striking about these critiques and counterarguments, however, is that most of them do not seek to test the interdependence and regimes argument on its own terms. The preferred mode of attack is at the systemic level-of-analysis rather than at the domestic or the individual levels. In other words, the relationship between interdependence, regimes, and cooperation has been challenged by alternative explanations that “account for state behavior on the basis of attributes of the system as a whole” and regard “internal attributes as constants rather than variables” (Keohane 1984: 25).

This systemic orientation initially appears to be consistent with the parameters specified by liberal theorists themselves. Keohane and Nye state in the first-edition preface to *Power and Interdependence* that they are attempting to develop a systemic-level explanation because it is “essential to know how much one can explain purely on the basis of information about the international system” (1989: vi). Keohane’s *After Hegemony* regimes argument adopts a systemic level-of-analysis and so does much of the subsequent regime literature.²² It would appear inappropriate, then, to argue that interdependence and regime arguments should be tested and critiqued at the domestic and individual levels-of-analysis instead. Yet any attempt to map out the cooperative causal chain for the interdependence and regimes argument quickly reveals that it is precisely at these alternative levels-of-analysis that measurement and testing should occur. What is this causal chain which claims to be systemic in focus but actually relies upon domestic and individual level variables to do the causal work for cooperation?

A central tenet of liberal cooperation theory is that the condition of complex interdependence has implications for the way in which national foreign policy is conducted. Keohane and Nye argue, for example, that when complex interdependence exists, “certain well-entrenched patterns of governmental behavior will have to change,” and that “the illusion that major macroeconomic policies can be purely domestic will have to be discarded, along with the search for total control over one’s own economic system” (1989: 232). National decisionmakers will, instead, have to “accept much more international participation in their decisionmaking processes,” and all economic policymaking (including fiscal, monetary, foreign trade, capital, and exchange rate) will “have to come under surveillance by the international community.” In a similar vein, Rosenau argues that “the declining capacity of governments to mobilize domestic support, and the technical, decentralized, fragmented, and accommodative structure of interdependence issues” means that there are “substantial changes in the capabilities that states bring to world politics” (1976: 43–44).

The implications of interdependence extend to the study of comparative foreign policy as well so that it is possible to argue, as Smith has, that “the

rise of interdependence and transnationalism poses a fundamental challenge to the basic assumptions of the discipline" (1984: 66). The reason for this challenge lies in the common distinction within the field between the domestic and international spheres, which is now supposedly rendered meaningless by a phenomenon that makes it impossible for the state to act as "a self-contained and a sealed unit" (68). A revamping of other fields of study is also required according to Keohane and Milner, since interdependence is a context in which "crossnational comparisons are meaningless without placing the countries being compared in the context of a common world political economy within which they operate" (1996: 257). Hence complex interdependence "should sound the death-knell of the anachronistic divisions, institutionalized in universities, between 'comparative politics' and 'international relations.'" Presumably American politics, public policy, and law as separate fields of study would have to undergo a similar melding. The study of complex interdependence may eventually be the only game in town.

The radical implications for domestic politics and the study of IR suggested by the condition of interdependence are consistent with a "second-image reversed" perspective. Such a perspective begins with the premise that a given external condition has a particular type of impact on the domestic politics and decisionmaking structures of states. Domestic politics and structures are then assumed to have a particular type of effect on the state's international behavior and hence the external condition in which it finds itself. Precisely what the relationship is between the first loop of causality (external's impact on domestic) and the second loop (domestic's impact on externals) is left unclear by Gourevitch, who argued that while "the environment may exert strong pulls . . . some leeway in the response to that environment remains" (1978: 900; also Almond 1989). In liberal cooperation theory, the leeway in response is largely circumscribed by the first loop of causality, though the second loop is where the actual cause for cooperation is ultimately placed.

What liberal cooperation theories assume is that interdependence encourages decisionmakers to make certain types of choices. In particular, it encourages elites to choose cooperation over other policy options and to induce a reworking of domestic decisionmaking structures and processes in order to facilitate this choice. As Rosenau puts this,

The fact that interdependence issues cannot be handled unilaterally, that foreign policy officials must engage in a modicum of cooperation with counterparts abroad in order to ameliorate the situations on which such issues thrive, means that the rhetoric, as well as the substance, of control techniques must shift toward highlighting the common values that are at stake. . . . That is, appeals to national