

THE POWER AND PERIL OF INTERNATIONAL REGIME COMPLEXITY

Daniel W. Drezner
The Fletcher School
Tufts University
February 2007

In recent years there has been a proliferation of international rules, laws and institutional forms in world politics. This has triggered attention to the role that forum-shopping, nested and overlapping institutions, and regime complexes play in shaping the patterns of global governance.¹ The memos by Alter and Meunier, Hafner-Burton, Kelley, Helfer, and Davis all move the discussion forward on the political implications of international regime complexity. This memo considers the effect that regime complexity has on world politics – in part by connecting the current debate with past discussions about the significance of international regimes in world politics.

Back to the future

To understand how increasing institutional proliferation can affect global governance outcomes, it is worth reflecting why international institutions are considered to be important in the first place. In the debate that took place between realists and institutionalists a generation ago, the latter group of theorists articulated in great detail how international regimes and institutions mattered in world politics. The primary goal of neoliberal institutionalism was to demonstrate that even in an anarchic world populated by states with unequal amounts of power, structured cooperation was still possible.² A key causal process through which institutions facilitate cooperation is by developing arrangements that act as “focal points” for states in the international system.³ Much as the new institutionalist literature in American politics focused on the role that institutions played in facilitating a “structure induced equilibrium” within domestic politics, neoliberal institutionalists made a similar argument about international regimes and world politics.⁴ Robert Keohane and Lisa Martin argued that, “in complex situations involving many states, international institutions can step in to provide ‘constructed focal points’ that make particular cooperative outcomes prominent.”⁵ By creating a common set of rules or norms for all participants, institutions help to intrinsically define the

¹ Shanks, Jacobsen and Kaplan 1996; Goldstein et al 2001; Raustiala and Victor 2004; Aggarwal 2005; Alter and Meunier 2006.

² Keohane 1984; Oye 1986; Baldwin 1993; Keohane and Martin 1995; Hasenclever, Mayer and Rittberger 1996; Martin and Simmons 1998. Though often conflated, the institutionalist paradigm is distinct from liberal theories of international politics. On this distinction, see Moravcsik 1997.

³ Schelling 1960.

⁴ On structure-induced equilibrium, see Shepsle and Weingast 1981. See Milner 1997, and Martin and Simmons 1998, for conscious discussions of translating this concept to world politics.

⁵ Keohane and Martin 1995, p. 45.

substance of cooperation, while highlighting instances when states defect from the agreed-upon rules.

By creating focal points and reducing the transaction costs of rule creation, institutions can shift arenas of international relations from *power-based outcomes* to *rule-based outcomes*. In the former, disputes are resolved without any articulated or agreed-upon set of decision-making criteria. The result is a Hobbesian order commonly associated with the realist paradigm.⁶ While such a system does not automatically imply that force or coercion will be used by stronger states to secure their interests, the shadow of such coercion is ever-present in the calculations of weaker actors.⁷

Most institutionalists agree that power also plays a role in rule-based outcomes as well.⁸ However, they would also posit that the creation of a well-defined international regime imposes constraints on the behavior of actors that are not present in a strictly Hobbesian system. Institutions act as binding mechanisms that permit displays of credible commitment. In pledging to abide by clearly-defined rules, great powers make it easier for others to detect noncooperative behavior. These states will incur reputation costs if they choose to defect. If the regime is codified, then they impose additional legal obligations to comply that augment the reputation costs of defection.⁹

In a world thick with institutions, the central problem for institutionalists is no longer surmounting the transaction costs of policy coordination, but selecting among a welter of possible governance arrangements.¹⁰ As Duncan Snidal and Joseph Jupille point out: “Institutional choice is now more than just a starting point for analysts and becomes the dependent variable to be explained in the context of alternative options.”¹¹ It is an unexplored question whether the proliferation of laws, rules, and organizational forms undercuts or augments the institutionalist logic articulated above.

Regime complexity as amplifier

Many scholars and practitioners have welcomed the proliferation of international institutions. The editors of *Legalization and World Politics* observe approvingly that: “In general, greater institutionalization implies that institutional rules govern more of the behavior of important actors—more in the sense that behavior previously outside the scope of particular rules is now within that scope or that behavior that was previously regulated is now more deeply regulated.”¹² Policymakers have issued calls for ever-increasing thickness of regimes, laws, and international institutional forms.¹³

⁶ Waltz 1979; Mearsheimer 1994/95, 2001; Wendt 1999, chapter six.

⁷ Carr 1939 [1964]; Drezner 2003.

⁸ Indeed, Oran Young made this point in an early article about international regimes. See Young (1980), p. 338.

⁹ Abbott and Snidal 2001; Goldstein and Martin 2000.

¹⁰ Krasner 1991; Drezner 2007a.

¹¹ Jupille and Snidal 2005, p. 2.

¹² Goldstein et al 2001, p. 3. See also Slaughter 1997, 2004.

¹³ For recent examples, see Ikenberry and Slaughter 2006; Daalder and Lindsey 2007.

All of the memos here strongly suggest that the growth of nested and overlapping institutions *could* lead to this outcome at times. Kelley points out the ways in which election monitoring groups can reinforce each other. Davis points out the way in which increasing institutionalization has a multiplier effect on reputation, thereby enhancing compliance with trade rules. Hafner-Burton shows how European Community used the Vienna Convention on the Law of Treaties (VCLT) to reinforce conditionality in trade agreements. Alter and Meunier discuss the role that “metanorms” can play as international regimes act to reinforce each other. Hoffman suggests that competition between NATO and ESDP has contributed to the development of the comprehensive security doctrine.

As regimes grow into regime complexes, however, there are at least four reasons to believe that the institutionalist logic for how regimes generate rule-based orders will fade in their effect.¹⁴ First, institutional proliferation can dilute the power of previously constructed focal points. Second, the existence of nested and overlapping governance arrangements makes it more difficult to detect opportunistic defections from existing regimes. Third, the creation of legal mandates that could potentially conflict over time can weaken all actors’ sense of legal obligation. Finally, the increased complexity of global governance structures places a disproportionate resource strain on less developed countries. All of these reasons create dynamics that favor the great powers more than would be expected under the institutionalist paradigm.

Each of these logics is at work in the cases discussed in the other memos. Helfer observes how the growth of forum-shifting in the intellectual property rights regime can lead to the creation of “counterregime norms.” The proliferation of norms leads to an inevitable increase in the number of possible focal points around which rules and expectations can converge.¹⁵ Hafner-Burton’s memo discusses the extent to which the European Community deployed the VCLT at different times to weaken or strengthen the human rights provisions contained in different regional trade agreements. Kelley discusses the ways in which non-democratic states can try to game different election monitors.¹⁶ Nested and overlapping regimes make it more difficult to determine when an actor has opportunistically defected from a pre-existing regime and when they are acting out of a sense of obligation to another regime.

Both Helfer and Alter & Meunier discuss the absence of international legal hierarchy in their memos. Hoffman discusses how Turkey has used its veto power within NATO to prevent high-level political consultations between NATO and the EU. The proliferation of international law can lead to overlapping or even conflicting legal

¹⁴ For a fuller discussion, see Drezner 2007b.

¹⁵ This is true even if newer organizational forms are created to buttress existing regimes. Actors that create new rules, laws and organizations will consciously or unconsciously adapt these regimes to their political, legal, and cultural particularities. Even if the original intent is to reinforce existing regimes, institutional mutations will take place that can be exploited via forum-shopping as domestic regimes and interests change over time. For empirical examples, see Raustiala 1997; Hafner-Burton, n.d.

¹⁶ For another example where actors have tried to game different NGOs and private orders, see Chatterji and Listokin 2007.

obligations. If one posits an evolutionary model of institutional growth, such an occurrence can take place even if actors are trying to adhere in good faith to prior legal mandates. Even if governments did not initially intend to act opportunistically when creating overlapping law, shifts in either the international environment or domestic politics can create political incentives for exploiting their existence. When states can bring conflicting legal precedents to a bargaining situation, the actor with greater enforcement capabilities will have the bargaining advantage.

Finally, several of the memos refer to the “spaghetti bowl” problem of overlapping international trade agreements.¹⁷ This institutional proliferation increases the complexity of legal and technical rules. In such a complex institutional environment, more powerful actors have the upper hand. Negotiating the myriad global governance structures and treaties requires considerable amounts of legal training and technical expertise related to the issue area at hand. Although these transaction costs might seem trivial to great powers with large bureaucracies, they can be imposing for smaller states.¹⁸

The growth of international regime complexity, therefore, appears to have an amplifying and oscillating effect on the institutionalist logic posited decades ago. On the one hand, if there are strong metanorms or a narrow distribution of interests among powerful actors, the growth of nested and overlapping regimes has the effects predicted by institutionalist scholars.

On the other hand, if there is a wide divergence of interests between significant actors, then the proliferation of rules, laws and organizational forms can undercut the adherence to coherent regimes. Paradoxically, after a certain point institutional and legal proliferation can shift global governance structures from rule-based outcomes to power-based outcomes. Although all actors will engage in forum-shopping, only the great powers will possess the capabilities necessary to enforce, implement or resolve inter-regime disputes.

Twenty-five years ago, Stephen D. Krasner labeled international regimes as “intervening variables.”¹⁹ It would seem that the same label applies to international regime complexes. Perhaps the existence of nested and overlapping regimes creates a new style of global bargaining, but the underlying causal determinants of international cooperation remain the distribution of power and interest. It might be, as Betts suggests in his memo, that complexity has stronger effects by altering the prevalent ideas and identities in world politics.

Variables to consider for the future

In their introductory memo, Alter and Meunier state that their goal is to treat the issue of overlap and complexity as an independent variable. As we have seen, however, the mere existence of regime complexity can have contradictory effects on governance

¹⁷ Sutherland et al 2005.

¹⁸ Stiglitz 2002, p. 227; Jordan and Majnoni 2002; Reinhardt 2003; Drezner 2007a, chapter five.

¹⁹ Krasner 1982.

outcomes. It might be more appropriate to consider whether there are particular attributes of overlap and complexity that vary over time – and from regime complex to regime complex – that determine whether nested and overlapping regimes reinforce or undercut each other.

In other words, different regime complexes have different degrees of degree of *viscosity*. In fluid mechanics, viscosity is the resistance a material has to change in its form. High levels of viscosity imply a material that is slow to change. In global governance, high levels of viscosity would mean lots of internal frictions within a single regime complex, creating barriers to the costs of exit. It is worth contemplating whether some regime complexes suffer from higher rates of viscosity than others – and also whether some regime complexes grow more or less viscous over time. When are the costs associated with switching fora too prohibitive?

One possible determinant of viscosity is the degree to which powerful or particularistic interests can *capture* an individual regime. Some international organizations are the creature of powerful governments; others are a haven for particular interests, be they material or ideational. Edward Mansfield has posited that the “capture” of international institutions by powerful state or interest group could spur the creation of countervailing organizational forms.²⁰ The more that particular regimes are vulnerable to capture by interest groups, the more likely that regime complexity would lead to opportunism rather than adherence to metanorms.

Another possible determinant is the *degree of regime dysfunction*. Regime complexes will become more fluid and less viscous when components of the complex develop reputations for dysfunction. A dysfunctional IGO generates policy outcomes that are either persistently at odds with great power interests or are so inchoate that edicts cannot be implemented or enforced. In numerous issue areas the United States has switched tracks from what it perceived to be a dysfunctional regime to a club regime inhabited by like-minded states.²¹ This relates to issues of path dependence. Early policy successes or failures can foster expectations in powerful actors, leading them to feedback effects when these actors choose to buttress or defect from these regimes.

²⁰ On this possibility, see Mansfield 1995.

²¹ For more on this phenomenon, see Drezner 2007a.

REFERENCES

- Aggarwal, Vinod. 2005. "Reconciling Institutions: Nested, Horizontal, Overlapping, and Independent Institutions." Working paper, University of California at Berkeley, February.
- Alter, Karen J., and Sophie Meunier. 2006. "Nested and Competing Regimes in the Transatlantic Banana Trade Dispute." *Journal of European Public Policy* 13 (March): 362-382.
- Carr, E.H. 1939 [1964]. *The Twenty Years' Crisis*. New York: Harper and Row.
- Chatterji, Aaron, and Siona Listokin 2007. "Corporate Social Irresponsibility," *Democracy: A Journal of Ideas* 3 (Winter): 52-63.
- Daalder, Ivo, and James Lindsey. 2007. "Democracies of the World, Unite!" *The American Interest* 2 (January/February): 34-44.
- Drezner, Daniel W. 2003. "The Hidden Hand of Economic Coercion." *International Organization* 57 (Summer): 643-659.
- . 2007a. *All Politics Is Global: Explaining International Regulatory Regimes*. Princeton: Princeton University Press.
- . 2007b. "Institutional Proliferation and World Order." Unpublished MS, Tufts University, Medford, MA.
- Goldstein, Judith, and Lisa Martin. 2000. "Legalization, Trade Liberalization, and Domestic Politics: A Cautionary Note." *International Organization* 54 (Summer): 603-632.
- Goldstein, Judith, Miles Kahler, Robert Keohane, and Anne-Marie Slaughter, eds. 2001. *Legalization and World Politics*. Cambridge: MIT Press.
- Hafner-Burton, Emilie. n.d. *Coercing Human Rights*. Ithaca: Cornell University Press, forthcoming.
- Hasenclever, Andreas, Peter Mayer, and Volker Rittberger. 1996. "Interests, Power, Knowledge: The Study of International Regimes." *Mershon International Studies Review* 40 (October): 177-228.
- Ikenberry, John, and Anne-Marie Slaughter. 2006. *Forging A World Of Liberty Under Law: U.S. National Security In The 21st Century*. Princeton: Princeton Project for National Security.

Jordan, Cally, and Giovanni Majnoni. 2002. "Financial Regulatory Harmonization and the Globalization of Finance." World Bank Policy Research Working Paper 2919, Washington, DC.

Jupille, Joseph, and Duncan Snidal. 2005. "The Choice of International Institutions: Cooperation, Alternatives and Strategies." Presented at the American Political Science Association annual meeting, Washington, DC.

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

Keohane, Robert, and Lisa Martin. 1995. "The Promise of Institutional Theory." *International Security* 20 (Summer): 39-51.

Krasner, Stephen D. 1982. "Structural Causes and Regime Consequences: Regimes as Intervening Variables." *International Organization* 36 (Spring): 185-205.

----- . 1991. "Global Communications and National Power: Life on the Pareto Frontier," *World Politics* 43 (April): 336-366.

Mansfield, Edward. 1995. "International Institutions and Economic Sanctions." *World Politics* 47 (July): 575-605.

Martin, Lisa L., and Beth Simmons. 1998. "Theories and Empirical Studies of International Institutions." *International Organization* 52 (Winter): 729-757.

Mearsheimer, John J. 1994/95. "The False Promise of International Institutions," *International Security* 19 (Winter): 5-49.

----- . *The Tragedy of Great Power Politics*. New York: W.W. Norton.

Milner, Helen V. 1997. *Interests, Institutions, and Information: Domestic Politics and International Relations*. Princeton: Princeton University Press.

Moravcsik, Andrew. 1997. "Taking Preferences Seriously: A Liberal Theory of International Politics," *International Organization* 51 (Autumn): 513-553.

Oye, Kenneth, ed. 1986. *Cooperation Under Anarchy*. Princeton: Princeton University Press.

Raustiala, Kal. 1997. "Domestic Institutions and International Regulatory Cooperation: Comparative Responses to the Convention on Biological Diversity." *World Politics* 49 (Summer): 482-509.

Raustiala, Kal, and David Victor. 2004. "The Regime Complex for Plant Genetic Resources." *International Organization* 58 (Spring): 277-309.

Reinhardt, Eric. 2003. "Tying Hands Without a Rope: Rational Domestic Response to International Institutional Constraints." In *Locating the Proper Authorities*, Daniel W. Drezner, ed. Ann Arbor: University of Michigan Press.

Schelling, Thomas. 1960. *The Strategy of Conflict*. Cambridge: Harvard University Press.

Shanks, Cheryl, Harold Jacobson, and Jeffrey Kaplan. 1996. "Inertia and Change in the Constellation of International Governmental Organizations, 1981-1992." *International Organization* 50 (Autumn): 593-627.

Shepsle, Kenneth, and Barry Weingast. 1981. "Structure-induced equilibrium and legislative choice." *Public Choice* 37 (January): 503-517

Slaughter, Anne-Marie. 1997. "The Real New World Order," *Foreign Affairs* 76 (September/October): 183-197.

------. 2004. *A New World Order*. Princeton: Princeton University Press.

Snidal, Duncan, and Kenneth Abbott. 2000. "Hard and Soft Law in International Relations." *International Organization* 54 (Summer): 421-456.

Stiglitz, Joseph. 2002. *Globalization and Its Discontents*. New York: W.W. Norton.

Sutherland, Peter, et al. 2005. *The Future of the WTO: Addressing Institutional Challenges in the New Millennium*. Geneva: World Trade Organization.

Waltz, Kenneth. 1979. *Theory of International Politics*. New York: McGraw Hill.

Wendt, Alexander. 1999. *Social Theory of International Politics*. Cambridge: Cambridge University Press.

Young, Oran. 1980. "International Regimes: Problems of Concept Formation." *World Politics* 32 (April): 331-356.