

Gov. 2710 Notepool, Wk. 9

Axelrod and Keohane, "Achieving Cooperation Under Anarchy: Strategies and Institutions"

NB. (1) Definitions: Cooperation does not equal harmony, and anarchy means no common government (though some international society possible).

I. THE EFFECTS OF STRUCTURE ON COOPERATION

A. Payoff Structures: mutual/conflicting preferences affect level of cooperation. The greater the conflict of interest, the greater the likelihood that actors will choose to defect. -structures may depend on events out of actors control (ie. depressions, other actors) -payoff structures are not simply based on objective factors, but are grounded upon actors' perceptions of their own interests: the process by which interests are perceived and preferences determined (which for game theory is the process by which actors choose to play one game over another) is important and subjectively determined.

- ie. After a war, allies may value cooperation more and play Stag Hunt over PD
- ie. Oye (elsewhere) argues that 1930s monetary policy evinced a decay of common interests and a shift from PD to Deadlock ($DD > CC$)
- ie. Van Evera's study of beliefs learning to WWI suggested that the 'cult of the offensive' led Europeans to a payoff structure that rewarded non-cooperation.

B. The Shadow of the Future: the more future payoffs are valued relative to current payoffs, the less the incentive to defect today (fear of retaliation). Helpful factors include:

- 1- long time horizons
- 2- regularity of stakes
- 3- reliability of information about the others' actions
- 4- quick feedback about changes in the others' actions

(NB. More difference in military/economic issues here (esp. w/first two factors). In security affairs, the possibility of successful preemptive war can tempt a rationally timed surprise.) – Also, expectations are important here too (as are institutions shaping them).

- ie. 1914. Some Germans thought a continental war would permanently solve security problems, drastically shortening the shadow of the future.
- ie. contemporary bank negotiations (incl. Bank/debtor countries) are heavily affected by long time horizons. Poor countries can still leverage future markets.

C. Number of Actors and Sanctioning Problems: Cooperation is more likely when:

- 1-players can identify defectors: need enough decent information (in a timely fashion)
 - 2-they can focus retaliation on defectors: else, all are punished and escalation can occur
 - 3-they have sufficient LR interests to punish defectors: esp. a problem with many actors.
- One way of solving this may be to try to 'privatize' externalities, so that one actor can capture these and have an incentive to act unilaterally.
 - Another is to establish regimes (for monitoring, establishing standards, etc)
 - Create a hierarchy of responsibility for enforcing sanctions (ie. Creditor committees and hierarchies of banks to regulate the international lending regime), and so turn N-person games into multiple dyadic games.

II. THE CONTEXT OF INTERACTION

A. *Multilevel Games*

1. Issue Linkage: gain additional bargaining leverage by making one's own behavior on a give issue contingent on others' actions toward other issues. This has two sides:
 - (i) backscratching, entailing a welfare-enhancing promise (ie. The 1922 Washington Naval Treaty).
 - (ii) blackmailing, which is a welfare-reducing threat that can jeopardize cooperation even in areas of mutual interest.

It could also include 'contextual' issue linkage, in which nothing particular is promised/threatened but in which the general political-economic atmosphere plays a part (ie. Rising Nazi Germany made international monetary reform more feasible).

2. International Relations and Domestic Politics: negotiations involve bargaining not just between governments but also within societies, and this may affect the outcome. (ie. MacArthur is allowed to march toward the Yalu River in 1950, or outside support of one side in a domestic struggle in hopes of a more favorable regime).

3. Compatibilities and Incompatibilities Among Games: Sometimes the existence of another game makes it easier to attain cooperation (ie. Post. WWII economic cooperation facilitated by military alliances), but related games may also create difficulties (ie. Intra-alliance loyalty destroyed possibilities of cross-alliance cooperation).

B. *Reciprocity (or tit-for-tat) as a Strategy in Multilevel Games*

-Governments have an incentive to practice reciprocity in a multitude of non-zero-sum games (not just PD) – ie. Contemporary international trade cases.

-It is not a perfect strategy because of the 'echo effect' – there could be an echo of alternating defections, so reciprocity can lead to feuds (ie. US-Soviet détente collapse) as well as to cooperation.

-So for cooperation, actors must be aware of echo effects, bargaining deadlocks, and issue interdependence to combat this. Institutions can be helpful here.

III. CONCLUSION

1. Perceptions Matter: need to be aware how own actions affect and may be interpreted.
2. Set up international regimes, establish hierarchies, and attempt to gain acceptance for new norms to change context and structure of interaction:
 - provide incentives to award cooperation in the LR (and punish defection)
 - monitor behavior to identify defection, focus rewards/punishment accordingly
 - link issues in productive rather than self-defeating games
3. Beware of reasons for failure:
 - efforts to restructure relationships may never get off the ground/be sufficiently institutionalized
 - agreements are instituted that turn out to be self-contradictory (lead to the

problem of infinite regress). Negotiations may lead to chain reactions of other renegotiations that undermine initial goals.

- Even successful arrangements are subject to decay (ie. Through finding loopholes)
- changes having nothing to do with the agreement can make them obsolete.