

- Definitions: remember that for cooperation to occur, there must be some combination of conflicting and shared interests. Cooperation is distinct from harmony, where there is a total identity of interests between states. Anarchy is the absence of common world government, but it does not imply that the world is devoid of organizational forms.
- Three dimensions of structure impact the incentives for states to cooperate: the mutuality of interests, the shadow of the future, and the number of players. The mutuality of interests—is determined by an objective structure of material payoffs, as well as upon actors’ perceptions of that structure. Changes in beliefs about other players, as well as about the most optimal policy, may cause state leaders to prefer unilateral action. This is true of both political-economic and security issues.
- The longer the shadow of the future, the more the costs of defection offset the short-term incentive to defect. This is more true of political-economic issues, where there is a greater likelihood of extended interaction, than of security issues, where a successful preemptive war would seriously advantage one of the players. Also important is the ability of states to identifying defection, which Axelrod and Keohane believe does not distinguish political-economic issues from security ones.
- Once defection has been identified, the next problem is sanctioning the cheater. This becomes significantly more difficult when there is a large number of actors. Defection can be costly, so there must be enough incentive for states to punish defectors. One way to facilitate punishment is to “privatize” external benefits and costs, via bilateral discussion. A more multilateral way (and a possibly more effective means of sanctioning) is to construct an international regime that not only establishes standards, but also designates responsibility for sanctioning. The implication is that the responsibility will fall to a powerful state with a disproportionate share of resources and information.
- Having described some of the aspects of interaction, RA & ROK turn to the context of interaction. They first consider multi-level games, in which states relate bargaining on one issue to others. Two possible strategies in this context are back-scratching (making costly promises) and blackmailing (making costly threats). The latter illustrates the dangers of issue linkage (a state can threaten no deal on one issue to the point of extorting high prices on another).
- So how you deal with pesky uncooperative states? As Axelrod has found, there is no strategy superior to reciprocity, whereby you do just what the other player did in the last iteration of the game (and the other player knows that you will do this, so neither one of you should defect in the first place). Of course, in an arena of uncertainty, it is also possible that one-time defection will engender the “echo effect,” or a string of alternating defections. Bargain outcomes can become reified with value even if their material value disappears. Finally, previous bargains can be called into question if subsequent arrangements change the value of concessions that have already been made.
- RA & ROK appear to think that bargains first worked out among a small number of major powers, and then extended to smaller powers for participatory (not alteration) purposes (when the incentive to participate and the costs of not have already been increased).
- International regimes (definition in summary of *After Hegemony*) appear to facilitate bargains, insofar as they reduce transaction costs and reduce uncertainty by providing information to participants. They institutionalize reciprocity. Regimes often represent conscious efforts of states to alter the strategic environment in order to facilitate cooperation. Sometimes, they engender new norms, but the norms have rarely been consequential.