

Downs, Rocke, and Barsoom 1996, "Is the good news about compliance good news about cooperation?"

Brief Summary:

Social scientists who are interested in cooperation have shifted more of their attention to the problem of compliance. The most important finding is that "those compliance problems that do exist are best addressed as management rather than enforcement problems." The preceding finding leads to the conclusion that "the management rather than the enforcement approach holds the key to the evolution of future regulatory cooperation in the international system." This article tries to challenge that finding on the ground that "evidence suggests that the high level of compliance and the marginality of enforcement result from the fact that most treaties require states to make only modest departures from what they would have done in the absence of an agreement." The evidence along with a further progress in international regulatory cooperation that will require the agreements that present far greater incentives to defect than those currently in place surely demands a better enforcement.

Main puzzle

- 1) Is there any implication underneath the fact that the record of state compliance in the environment of weak enforcement is quite satisfactory?
- 2) Is the argument of the managerial school stating that enforcement has played little or no role in achieving and maintaining a state compliance with international agreements correct?

Main answer

To question 1: The implication is that states decide to agree upon the contract that demands only modest departures from what they would have done anyway.

To question 2: It is incorrect based on game theoretical analysis and the recent empirical evidence. Countries tend to move to an agreement that has clearer enforcement rules such as WTO and EU.

The Managerial Thesis

- The main thesis of the managerial school is that when noncompliance cases occur, they should be viewed as "isolated administrative breakdowns, "
- In the managerial school, formal and informal enforcement measures, such as punishment, are not only inappropriate given the absence of any exploitative intent but also too costly, too political, and too coercive (DBR, 381).
- Instead, states should mutually consult to improve cooperation based on following strategies: 1) improving dispute resolution procedures, 2) technical and financial assistance, and 3) increasing transparency (DBR, 381).
- The overly optimistic managerial approach not only sharply contradicts with many realists and neorealists, but also runs counter to the rational-choice tradition.

The Endogeneity and Selection Problems

- The main question of this section is "[d]oes it mean that even in the absence of enforcement states will comply with any agreements that do not require much enforcement?" (DBR, 383) And the likely answer is no.
- The reason that compliance has been successful without enforcement is that "the depth of cooperation" is low; states choose to sign the treaties of which contents are more likely to be complied with.
- A treaty's depth of cooperation means "the extent to which it requires states to depart from what they would have done in its absence" (DBR, 383).
- In contrast to the managerial school, game theorists suggest that in a trade game that is represented by a prisoner's dilemma, states must resort to a punishment for defection.
- According to the game theory, the punishment must hurt the transgressor state at least as much as that state could gain by defection so that that state will shy away from breaking the deal.

Discussion

- This section attempts to evaluate the managerial theories VS the game theories on two grounds.
 1. *The assessment of the depth of cooperation and the level of enforcement connected with prominent regulatory agreements that involve the reduction of behaviors that states have*

concluded are collectively counterproductive but that contain few enforcement provisions. It is an ideal to examine the correlation between enforcement and depth of cooperation. But, such strongly enforced regulatory agreements are relatively rare. If the managerial school is correct, there should be numerous examples of states agreeing to alter dramatically the trajectory that they were following at the time a treaty was signed while paying little attention to enforcement. If the game theorists are right, any tendency of states to avoid committing themselves to punishing noncompliance is likely to be associated with either a world in which there are relatively few deeply cooperative agreements.

- The game theorists are right in a sense that most of the new regulatory organizations which aim at a deeper cooperation contains some strong enforcement measures such as WTO and EU.
2. *The examination of the managerial school's claim that rather than self-interest a combination of the ambiguity of treaties, the capacity limitations of states, and uncontrollable social and economic changes play a conspicuous role in the treaty violations.*
- Although the authors agree that managerial defections, such as ambiguity of the agreements, have partly caused some cases of compliance problems, most of noncompliance cases have a root from self-interested parties' incentives to defect.

Enforcement and the future of cooperation

- Cooperation in arms, trade, and environmental regulation may begin with agreements that require little enforcement, but continued progress seems likely to depend on coping with an environment where defection presents significant benefits.
- It is possible that deeper cooperation can be ensured without much enforcement. This can occur whenever the underlying game changes in such a way that there is less incentive to defect from a given agreement.
- It is true, particularly in the area of trade liberalization, that changes in technology, relative prices, domestic transitions, and ideas have inspired more international cooperation and regulatory compliance than have all efforts at dispute resolution and enforcement combined. However, for a well-specified strategies that instruct policymakers how they can increase the rate of compliance, we know much more about the impact of enforcement coupled with managerial variables such as transparency.