

Lisa L. Martin, "Interests, Power, and Multilateralism," **International Organization** 47:2 (Autumn 1992), pp. 765-92.

G W Bush summary: "Multilateralism matters."

Martin wants to explain why different types of cooperative dilemmas will require different multilateral institutional solutions. Variation in strategic interaction = variation in role of multilateral norms and organizations. Self-interested states turn to multilateralism when it suits their purposes.

Definitions and lists

Institutions of multilateralism (IM): three principles, indivisibility, nondiscrimination or generalized organizing principles, diffuse reciprocity (long term assurances of balance rather than quid pro quo).

Multilateral organizations (MO): formal org's with more than two members

Cooperation problems – collaboration, coordination, suasion, assurance

Cooperation process (where the norms of multilateralism may affect cooperation) –

1. Arriving at decisions
 - a. through multilateral discussions
 - b. through a series of bilateral agreements
 - c. unilaterally imposed rules
2. Scope of state decisions
 - a. apply to those directly involved in negotiation
 - b. decisions extended to other actors
3. Implementation
 - a. highly centralized mechanisms
 - b. completely decentralized mechanisms
 - c. everything in between

Types of cooperation problems

Collaboration games – Nash Equilibrium. is not the same as the Pareto efficient solution. (dominant outcome is suboptimal). Prisoner's Dilemma. Strong incentives to defect from any agreement, so cooperative mechanisms should focus on maintenance of agreements. MO's can be effective in facilitating cooperation by providing monitoring and assessing compliance and by extending the "shadow of the future." Also, by delegating agenda setting powers to a centralized authority, MO's can solve decision-making difficulties. IM's will be less effective in these situations.

Coordination games – two possible equilibrium outcomes, each preferred by one of the players, no dominant strategy. Battle of the Sexes. Little incentive to defect from agreements, but agreements are difficult to broker. Monitoring and enforcing MOs will not be essential. IMs can facilitate bargaining and help identify a focal point. MOs will form only to reduce transaction costs for information collection.

Suasion games – asymmetrical interests exist among states. One state will unilaterally provide public goods, other states will have a strong incentive to free ride, first state will prefer others' cooperation. Public good providing state (hegemon) can threaten not to do so in an irrational act to coerce cooperation (has to be a credible threat)... more likely,

they will bribe others to cooperate with side payments, linking two issues. In these situations, MOs will frequently play roles as symbols to assuage domestic audiences and cloak the actual decision processes. They can also provide information about free riders and can provide states with credibility in linkage bargains. There will be little role for IMs to play, since agenda and decisions will belong to the public good providing state. Assurance games – Stag hunt. Sole preferred outcome is mutual cooperation. No gains to cheating. Problems – uncertainty about others' payoffs, suspicion of others not being unitary rational actors. Solutions require transparency in domestic arrangements and/or IMs to exchange information, thus reducing transaction costs for information acquisition.

Martin continues by examining these two solutions comparatively from the perspectives of hegemony and within bipolar systems.

For hegemony, multilateral institutions provide lower transaction costs for cooperation because they're cheaper than making many bilateral agreements, because it costs less to maintain IM than a more centralized organization. Also, MOs will deflect challenges to the institution by weaker members by transferring some decision-making powers to other states, and by distributing benefits in a more egalitarian fashion. Finally, MOs with IM will be more resistant to shifts in the balance of power than organizations with concentrated decision-making powers – no state is privileged by multilateral structures, therefore, states challenging for hegemony will not challenge the organization's structure. In bipolar distributions of power, exit from cooperative arrangements is a less credible threat when the other side is an unattractive partner.

These considerations for hegemony in bipolar arrangements (is this an oxymoron??) put into perspective their choices between bilateralism, unilateralism and multilateralism.

Finally, Martin tackles the question of institutional change, identifying the most likely causes of change in each type of cooperation problem. In collaboration, institutions will be endangered by crises that come from reductions of the "shadow of the future" and reductions in state's information on others' behavior. In coordination, when one significant state wants to change the equilibrium (for domestic reasons or as a result of technological change) cooperation will undergo a crisis. When the hegemon declines in a suasion game, they will be less likely to bribe (tactical issue linkage) others into cooperating. Assurance games can fall prey to crises when domestic instability or tech change lead to uncertainty about others' preferences.