

Odell,

American sanction threat to EC and Brazil turned out to have very different outcomes. It is amazing since EC seemed to be in a much stronger bargaining position than Brazil. This article comes to solve this puzzle focusing on US credibility and target states' domestic structure.

American's choosing Brazil and its information industry as sanction lacked credibility. This action surprised American industry. Those computer enterprises operating in Brazil, such as IBM, were at best neutral towards this action. And one expert believed that it was not winnable at all. American's sanction toward EC was quite credible and EC officials generally believed that US would carry out their threat if agreement failed. EC's most recent policy proved to be a major new blow to US grain farmers who had been worsened already by EC agriculture policies. Interest group pressure was very strong in US.

Win-sets in EC were much larger than in Brazil. Since US had explicitly named a hit list, including many agriculture exports to US from major EC states, had vast amount money, the cost to EC states other than France and Portugal greatly increased and they would favor to settle this issue peacefully. There were quite weak forces in Brazil for concessions. Part of the reason was that US did not explicitly announce a hit list of Brazil goods and specific interest was not aroused as in EC. What's more, to develop an indigenous computer industry was part of the market reserve principle in Brazil. It enjoyed vast popular support, including strong industries, banks and military service. Those who would benefit from breakdown of information technology regulation like telecommunication industry or ministry of commerce who feared possible US sanction was much weaker.

Actually the only significant Brazil concession concerning software copyright achieved only when US domestic computer industry united to support government position and Brazil electronic industry expressed concern of reform to the government, thus making US threat more credible and Brazil win-set larger. Multinational could play a significant role in such negotiations. The issue linkage worked well in EC's case but not so well in Brazil. The ratification rule and win-set size were quite important and authoritarian Brazil did not necessarily had larger win-set than supranational democratic EC. Weak Brazil president might have contributed to this

problem. Finally US ratification rule( hearing for hit list ) reduced US credibility.

American's choosing Brazil might be a kind of misperception but it also benefited GATT negotiation since this showed US seriousness in Washington's new issues. The broad theoretical claims are: 1) less credibility in US makes target state more firm, 2) target state would not comply if domestic cost of complying is too high.

Kahler,

Two similar states, Jamaica and Somalia, both dependent on int'l economy and external finance, both have ties with US foreign policy, got different results concerning IMF loan.

We first analyze IMF's internal structure. The Fund has a formal 'acceptability-set' policy, though actual application is various. It should be qualified by its organizational and political dynamics. Different departments and managing director in the Fund have different check and balance functions. The final approval should come from the executive board which represents interest of G-5. IMF also has to coordinate with World Bank and other private aid donors and creditors.

As to the domestic politics of developing countries the prescriptions of IMF often aroused ideological, nationalist and cost-induced resistance. Those who might benefit may find short-run cost unbearable, and they might not organize to support the policy. Transnational technocratic core can help to adopt and implement IMF policy. The degree to which a regime will face election or other test can substantially influence the win-set and make weak government reluctant to take risk. COG's own win-set is also important, especially when it is a political maximizer instead of a economic strategist who at least has certain broad economic goals.

Despite their similarities, these two states have very different political economies that would shape their negotiating stance and their respective win-sets in ratifiable agreements with IMF. In Somalia, state control was prevalent. Clan politics was decisive. Government structure was a complicated mixture reflecting delicate balance between clans. Jamaica is a middle-income developing country, having an urban economy and

democratic institutions, though the power is centralized. Interest groups were well-developed.

The strategies IMF and developing states play are various. For IMF, they try to foster compliance by forcing the government to commit to the policy, possibly through some sunk-cost. They also try to design their agreement in such a way to give incentive to domestic coalitions and improve their positions. IMF does not want to play the role of forcing the government to adopt certain policies. For governments, their strategies are to divide IMF from other potential creditors such as World Bank, and to delay and decline their implementation.

The negotiation with Somalia began with some former success and IMF was happy to offer the EFF, a prize to sound states. A comprehensive liberalization plan was agreed upon but it failed to get passed because it threatened the president's political survival and deprive government's essential tool of foreign exchange regulation. The negotiation with Jamaica, had hard time in 80's due to worsening economic situations, though IMF viewed the new president as market-orientated. A stand-by was finally approved in 87 when economy was beginning to recover and Jamaica's bargaining position was strengthened due to collapse of oil prices and its huge debt owned already.

Conclusions: pattern of domestic interest narrowed the range of win-sets. Rule of ratification was unclear for foreign states and complicates the issues. The role of the COG was critical in either cases. The strategies we pointed out above was not successful for either parties. Issue linkage was difficult to achieve since IMF has limited role. Uncertainty and crisis did not necessarily push the foreign states to comply. The contrary is true. The surrounding int'l economic environment was central to agreement of non-agreement in these negotiations.

Evans,

This book offers a nested design to 'test' two-level game theory, while selection bias can not be avoided. This essay focuses on two points: autonomy of COG and domestic ratification of threats.

Autonomy means state-centric, though not in the realist sense. 1) tying hands seems not to be so effective. 2) in the beginning the COG enjoyed strong position to formulate policies but when domestic interest is aroused by the policy he/she should have very limited policy room. This is especially true for economic issues than security issues. 3) doves can form transnational coalition and enjoy more negotiation room. But doves also have more threat delivery ability. 4) uncertainty is so prevalent that COG knows no better its domestic affairs than foreign affairs. Interpretation of information is another issue. Both parties may come to totally incompatible conclusions. And increased information only enhances agreements in certain coordination problems. Generally there is systematic and consistent variation in the balance of autonomy and constraint that shape the COG's pivotal role.

The structure of domestic interest is highly related to agreement possibility. 1) when gains diffuse but cost is highly concentrated, the agreement will be unlikely, especially when cost bearers are enfranchised in a privileged way. 2) the enfranchisement structure determines who could participate. 3) COG might want to use international agreement to achieve domestic restructuring. This means a new game. IMF explicitly has this as its goal. In many cases it involves transnational ties. 4) transnational ties come to play mainly in economic arena instead of security arena. Powerful int'l interests may favor their own private accord instead of inter-governmental agreement. But we are still interested in such problems as how governmental agreements influences such private multinational interest. The complicated issue might be simplified if we try to differentiate the private interests at play. Agreements tend to favor those able to pursue transnational interests, and they may not favor an uncertain governmental agreements. Wannabe actors may favor government intervention.

The changing globe situation sees more synergistic issue-linkage as a shift to economy occurred. There may be fewer zero-sum negotiating situations.

The project offers opportunity for adding systematic longitudinal comparisons into consideration. The challenge is that the assumption of COG as unitary actor can be relaxed.