

Choosing Cooperation:
The Incidence and Design of International Agreements

by

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A dissertation submitted in partial fulfillment
of the degree of Doctor of Philosophy
(Political Science)
at The University of Michigan
2010

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Acknowledgments

Many people made this dissertation possible. First, my thanks go to my committee members. Professor Barbara Koremenos took me under her wing in my earlier days of graduate school and taught me much of what I know about international cooperation. Her expertise on this topic was very helpful to making this project stronger theoretically and her creativity with respect to the scientific process challenged me in my own approach to research in social science. In addition, I greatly appreciated her enthusiastic mentoring. Professor Jim Morrow taught me a new paradigm for approaching the study of international politics in my first few years of coursework here. His ability to convey complex concepts with simplicity deepened my respect for this discipline. During the research process, I left my meetings with him in amazement of his ability to concisely address my concerns and guide me toward answers; his insightful comments made this dissertation a much better one. Professor Jana von Stein taught me in the classroom and hired me as a research assistant where she guided me firsthand through many of the intricacies of conducting research systematically. Her feedback through my own research endeavors was always detailed and proved vital to its improvement. Finally, my warm thanks goes to Professor John Ciorciari, who supported not just the scope of this project but my ambitions beyond this dissertation.

Outside of my committee, faculty members, scholars from outside the university and undergraduates helped me with my statistical methods, conceptualizations, data

collection efforts and professional development. I am grateful to Professor John Jackson for his guidance with my statistical problems at stages of this project and to Brady West for his help at the Center for Statistical Consultation and Research. Andrea Anstett and Isaac Swaiman helped gather and code data over the course of the last two years. I am appreciative of their help and cheer, which kept me going through parts of this project. UN Ambassador Dr. Susan Rice mentored me during my graduate school years, teaching me the role academic work plays in policy outcomes outside of academia. I am especially grateful for the opportunity she gave me to work for her. Professor Steven Weber at U.C. Berkeley and Dr. Ann Echols at Penn State University were important mentors to me during my undergraduate years and urged me to pursue graduate work. Finally, the support of Dr. Pat McCune, Dr. Ellen Meader and Dr. John Godfrey at the Rackham Graduate Student Success Office over the past year was especially important, as they were especially supportive and encouraging through the end of this project.

The financial support of the Horace Rackham Graduate School, the University of Michigan Department of Political Science and the Brookings Institution made graduate school possible for me. In addition to the generous support, grants from these institutions allowed me to hire research assistants and travel to conferences to present my work.

The friendships of many proved crucial to my completion of this project. Janna Bray, Ashley Jardina, Jennifer Miller-Gonzalez and Andrea Jones-Rooy provided daily support in the pursuit of this goal and my times shared with them were some of the best in graduate school for me. Kate Gallagher Robbins, Michael Robbins, Thomas Chadeaux, Huong Trieu, Gary Uzonyi, Shanna Kirschner, Mihwa Hong, Michelle Allendoerfer and David Smith reviewed conceptual ideas and commented on drafts for

me. More than that, they have been delightful friends and colleagues and were supportive of my dissertation on the best and worst days of this process. I am especially thankful for the friendship I found in Pam Clouser McCann, who read my work over and over again, walked through STATA outputs with me and encouraged me when being sent back to the drawing board was inevitable. In addition to her support as a colleague, she has inspired me with her graciousness and unflinching friendship. Finally, several others provided nurturing support for which I am enormously grateful: Priya Shastry, Claire Manneh, Laboni Asthana, Nisha Ramachandran, Sridhar Dronavalli, Jim Truitt and Shveta Basho.

Lastly, my heartfelt thanks go to my family. My mother and father raised me in a home where curiosity is pervasive, hard work is a way of life, community is defined by generosity and dreaming is foundational. My father not only showed us by example the success that could come with perseverance, drive and patience, but encouraged and supported me with tremendous vigor. Without my mother's kindness, strength and generosity, I most certainly would not have reached this point. Her support at every step has been unyielding and I am so grateful to have it. Together as a team, they have fostered in me a deep appreciation for science, a fascination for the effects systematic results can have for populations and through our travels as a family, a personal excitement for international politics.

My sister Pompa's care for me cannot be overstated. She finds ways to infect those around her with a spirit of joy and zest for life that is unmatched. Her work is driven by a pursuit for better outcomes for people, and her constant curiosity and bravery is inspiring. I am incredibly lucky to have her as my sister. This dissertation deservedly is dedicated to the three of them.

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Chapter 1

Introduction

Presenting the Puzzle

In the span of less than a decade, a number of international environmental agreements were brokered pertaining to the preservation of the North Sea. Each of these agreements addressed not just the environmental conservation of the Sea, but specifically sought to prevent the spillage of oil in this region. One of the first agreements, a 1969 Agreement, was signed by seven North Sea States (Bonn Conference 1969). It explicitly detailed the procedures for information exchange regarding pollution of the Sea and designated “zones” within which each state would be responsible for pollution cleanup. The agreement was explicit that such zones would not impinge on any individual states’ sovereignty.

Neither these zones nor issues of sovereignty were addressed in a 1972 convention in London that sought to accomplish the same goal: to preserve the ecological environment of the North Sea (London Conference 1972). As opposed to the earlier agreement, this agreement established bodies with specific tasks designed to ensure the environmental sanctity of the body of water. An Oslo convention was designed in the same year with a similar purpose, yet contained neither provisions for sovereignty, nor bodies to ensure cooperation (Oslo Conference 1972). Unlike the previous two

agreements, this agreement detailed what states would be required to do to aid the others in the event of a pollution incident.

The purpose of all of these agreements was the same. Yet, they came into existence at different times and their designs differed in important ways. Why?

Over time and cross-nationally, there is a great deal of variation in the design of agreements (Koremenos et al., 2001). While less than 50% of environmental agreements contained dispute resolution provisions between 1950 and 1975, over 70% of such agreements contained these provisions in the 15 years that followed. Similarly, while sovereignty provisions that limit the legal power of the agreement and explicitly detail the sovereign rights of the countries are included in less than 70% of environmental agreements between 1980 and 1990, they are included in over 85% of agreements in the decade that followed.¹ Additionally, the number of agreements created has not increased linearly over time. Rather, there is a great deal of variation in how many agreements are written in any given year. As demonstrated in Figure 1.1, more bilateral environmental agreements were written in the 1970s and the 1990s than in other decades. Similarly, more bilateral preferential trade agreements were written in the late 1990s than in the decades previous and in years since, as demonstrated in Figure 1.2.²

¹ These codings are from a random sample of environmental agreements drawn from Ronald B. Mitchell. 2002-2008. Data Accessed on August 1, 2008.

² Ibid.

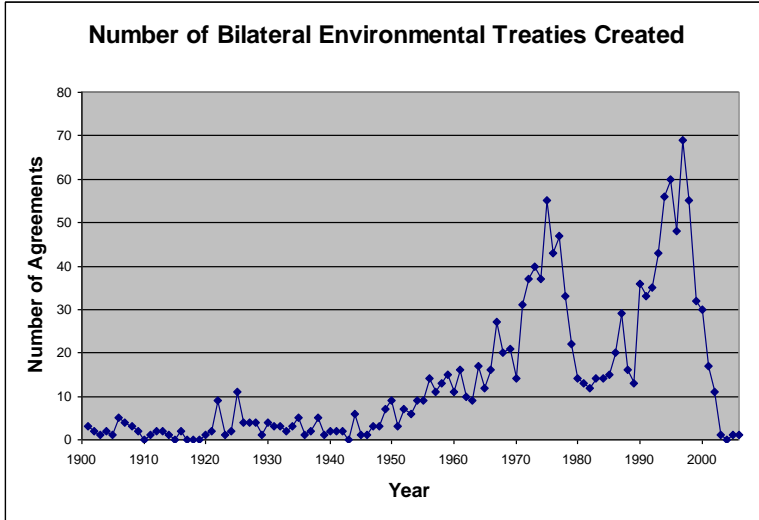


Figure 1.1: Number of Bilateral Environmental Treaties Created Per Year

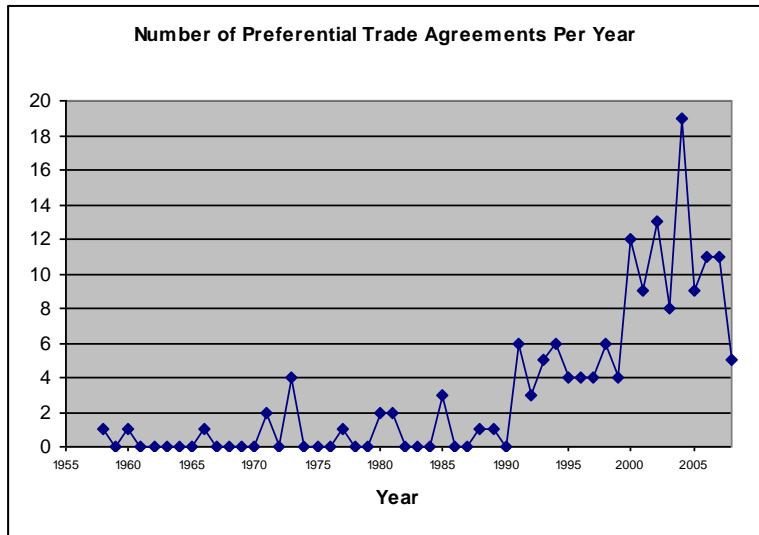


Figure 1.2: Number of Preferential Trade Agreements Created Per Year

Interestingly, the design provisions across issue areas differ quite significantly (Koremenos and Hong 2010). For instance, as Smith (2000) details, dispute settlement procedures are designed differently across trade agreements. He theorizes that the tradeoff between treaty compliance and policy discretion leads governments to design

different types of dispute settlement mechanisms: more legalistic procedures improve the value of the agreements by defining compliance and serving as an institutional commitment to the policy. Other design provisions differ across these agreements as well. As detailed in Figure 3, the design of agreements do not all contain termination, renegotiation or review provisions. Rather, as demonstrated below, agreements differ quite significantly in which provisions are included.

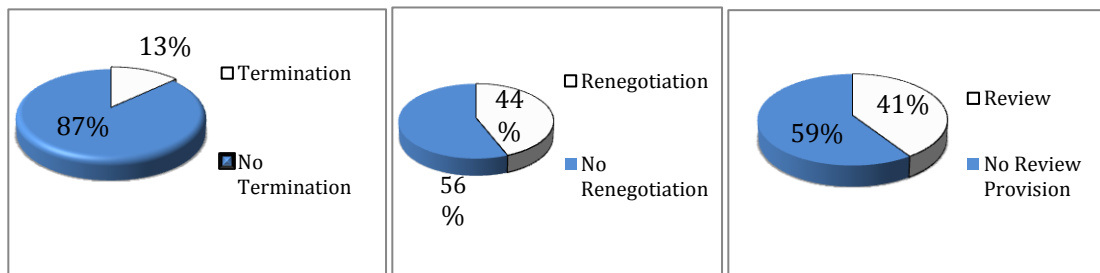


Figure 1.3. Percentage of PTAs with termination, renegotiation and review provisions

These differences in design are not trivial; they are an important determinant of the success of cooperation over time (Leeds 2003, Fortna 2004). For instance, Mitchell (1994) finds that the design of an oil pollution institution affected how successful compliance was. Whereas agreements with general limitations on pollution did not change the behavior of signatories, design provisions with explicit targets and equipment references dramatically changed success rates.

These examples beg the question: if the goals of these institutions are similar, why do states design them differently? There is also a significant difference in the number of agreements written over time. Why? What considerations entered the decision calculus of

these states that led them to design the terms of these agreements differently at the moments in history that they did?

As I will detail in this dissertation, explanations for these variations do not yet incorporate the strategic importance of executive preferences and domestic institutional constraints. States facing the same cooperation problems, as well as states with the same institutional constraints, often times design different institutions.

I present a theoretical framework that details a decision calculus focused on the incentives of leaders to provide goods by showing how the preferences of their winning coalition and the institutions that constrain them affect when they seek out agreements and how they design these institutions. I argue that when an executive seeks out an agreement is dependent on his executive preferences, interest group effects and the ability of partnering states to credibly signal their commitment to the goals of the agreement. In the aggregate, these decisions by leaders produce variations on when an agreement is created and the flexibility and monitoring provisions of these agreements.

Gaps in Current Literature

An international agreement is reached when partnering states find that the coordination of policy across states is in their best interest. Scholars explaining cooperative agreements detail how states' incentives determine cooperation (Koremenos et al., 2001). For instance, states facing an enforcement problem must overcome the incentives that exist for each state to defect (Axelrod 1984). They can do so through the creation of institutions with strict membership guidelines, or with incentives for specific states to join into an international regime. States facing a distribution problem agree that cooperation is a good outcome, but disagree over which actor should be given how much

of the 'pie' (Morrow 1994). By changing the time horizon of negotiations, actors can overcome this kind of cooperation problem. States facing an information problem must deal uncertainty about behavior (Koremenos et al., 2001). They can overcome these types of uncertainty through institutions that reveal information or from outside parties that monitor behavior. Uncertainty about preferences and uncertainty about the state of the world can be dealt with in institutions that increase flexibility for actors.

Another set of literature focuses on the provision of international cooperation by powerful states in the system. These states can change the incentives of other actors to make cooperation more likely (Gruber 2000). For instance, threats of sanctions or withdrawal of money to a state can force states to comply with an agreement. Powerful states need not always be the most economically powerful or militarily capable: states with overwhelming influence in an issue area can monopolize cooperation on an issue area by itself (Debrov 2009). For instance, cooperation on the issue of rainforest protection is unlikely without Brazil due to its sizeable rainforest, and cooperation on the issue of sugarcane pricing without India is unlikely due to its proportion of the world's production.

Others show that the incidence and design of cooperative international institutions is a function of domestic institutional differences across democracies and nondemocracies. Democracies are more likely to cooperate on trade issues (Mansfield et al. 2002) than non-democracies because cooperating signals information on a leader's position to voters. When defection from a stated position occurs, the leader may suffer experience audience costs. In addition to regime type affecting the incidence of cooperation, democracies will design agreements differently. Because democracies must

respond to the electorate, some scholars suggest that they will want flexible agreements so that they can deflect pressures that may arise to domestic groups. Goldstein and Martin (2000) explain that states may design agreements to be more flexible to adjust for uncertainty amongst states regarding other states' interactions. Tying hands can be costly in a political climate where states must confront the possibility of unexpected political shocks in the next time period (Koremenos et al., 2001). After all, governments also understand that parts of society will likely be affected by cooperation in ways that they cannot predict (Smith 2000).

In contrast to the expectations of this literature, other research posits that democracies will design legalistic frameworks to signal commitment and lock-in democratic principles when faced with domestic uncertainty (Moravcsik 2000). This suggests that democracies design agreements with less flexibility when there is weak domestic opposition so that they may lock-in their preferences over time such that prospects for domestic ratification are high (Pevehouse 2007). International institutions are one method by which domestic actors can make credible commitments on domestic policies. The likelihood that the commitment will be upheld is higher since breaking a commitment means that the leader is breaking the commitment to his domestic constituency as well as to the other signatories of the agreement (Pevehouse 2007, Milner 1998, Mansfield 1998).

In spite of these advancements to our understanding, these arguments do not explain the differences in the design of cooperative institutions across dyads. For instance, we see that pairs of states facing the same cooperation problem designed different international agreements altogether. As detailed in the literature above,

democracies do not always design institutions in the same way and with the same features. Similarly, non-democracies do not design identical institutions to all other non-democracies, nor do non-democracies and democracies. A more comprehensive explanation should detail how states design different agreements with different cooperating partners and that these design provisions are strategically oriented to the partnering state. The collective whole of these interactions is what results in the variation we observe in the aggregate.

In this dissertation, I focus on two key variables that affect the incidence and design of cooperation by studying how the effects of domestic executive preferences and institutional constraints affect dyadic attempts to achieve cooperation. A democracy negotiating with a non-democracy will face different constraints than an established democracy negotiating with another established democracy. Similarly, executives with preferences that differ across a dyad of states will face different constraints to achieving cooperation from dyads of states with similar executive partisanship.

I argue that to understand the design of international institutions, we need to understand how pairs of different states interact when designing such institutions, and more specifically, how executive preferences and domestic institutions can affect the design – and ultimately the success – of international agreements.

Overview of Dissertation

The dissertation proceeds as follows: Chapter 2 presents my theory, where I detail the incentives of leaders to cooperate, the expectations of when these leaders will seek out cooperative agreements and when the aggregation of these incentives yields the actual creation of agreements. In addition, I explain how these conditions also predict what

agreement design features are more likely to be included in an agreement. I specifically detail how interest groups and partisan influences affect a leader's choices in the pursuit of foreign policy goods. I explain how seeking these goods is more straightforward for some states than others due to their ability to credibly commit. In elaborating on threats to rule that non-democratic leaders face, I explain why military and personalist leaders are less capable of sending credible signals to potential partnering states. Ultimately, I argue that this lowered capacity to credibly signal leader incentives affects these states' abilities to provide foreign policy goods through international agreements. Further, these characteristics of these states also affect how partnering states design agreements with them. I draw out some testable hypotheses from these theoretical propositions and explain how executive partisanship alignment across states, interest group effects and regime type affect when cooperation is more likely, and how these variables affect how agreements will be designed with respect to features of flexibility and monitoring.

In Chapter 3, I test my hypotheses about when an agreement will be created on a new dataset of bilateral environmental agreements. After examining the literature on the incidence of environmental cooperation, I review the relevant hypotheses from Chapter 2 and present a research design to test them. The dataset I use to test these hypotheses is an undirected dyadic dataset with every dyad of states in the world between 1975 and 2000. In total, over 400 bilateral environmental agreements were created in this time period. I include independent variables measuring the partisanship of the executive, the type of regimes across states, trade relationships across the dyad, contiguity and alliance measures. In testing my theory, I demonstrate in this chapter that regime type strongly predicts when agreements get created, and executive partisanship and lobbying effects are

positive and significant predictors of environmental agreement creation. In presenting these results, I explain that the results from this chapter lend support to the first half of my theory about how these three variables affect the incidence of international cooperation.

In Chapter 4, I test my full theory in a population of preferential trading agreements. Using a research design that allows me to test the endogeneity of agreement creation and design, I test hypotheses about when states create agreements and how the flexibility and monitoring provisions of the agreement are designed. This chapter shows the important effects that regime type has on agreement design. States partnering with personalist and military regimes are much more likely to include greater flexibility in agreements with partnering state and include monitoring provisions than single-party states or democracies. In addition, these dyads were also much more likely to include monitoring provisions in these agreements than with partnering states that were democracies. This evidence demonstrates support for my theory that partnering states' credibility of commitment affect when states cooperate; it specifically shows how systematically different designs of flexibility and monitoring are when designed with partnerships including personalist and military regimes. Agreements with these states are significantly more likely to include greater levels of flexibility and monitoring provisions.

I elaborate on the mechanisms driving these conclusions in a case study in Chapter 5. I examine a bilateral relationship between Bolivia and the United States over more than fifty years. In doing so, I examine how the relationship evolves over different executive partisanship combinations and four distinctly different regime-types in Bolivia. The democratic regime in the U.S. remains stable while Bolivia experiences a single-

party, personalist, military and democratic regimes. The intricacies of the effects of increased corruption, decreased transparency, and credibility signals across these regimes allows me to examine how variations in these variables affect the United States diplomatic decisions about when to cooperate, and more intriguingly, how to design those cooperative agreements. I systematically review all agreements formed between these states from 1952-2000. The resulting findings lend support to the conclusions presented in previous chapters: these states designed agreements with more flexibility with personalist regimes and military regimes than with other single-party regimes and democracies. In addition, they also included more monitoring provisions with these kinds of non-democratic states.

In Chapter 6, I conclude by reviewing the results of the dissertation and discussing the implications of my findings for a larger literature on international cooperation. I discuss the limitations of this study as well and detail where this work could benefit from future study. I specifically highlight a much needed understanding of the effects of democratic transitions on cooperation, better research designs for studying dyadic and multilateral cooperation relationships between states, military and personalist regime behavior and systematic study of cooperation outside of institutions.

This dissertation contributes theoretically to a burgeoning literature on the effects of domestic politics on international cooperation. It presents strong support for the effects of regime type on cooperation, detailing differences in cooperation across different kinds of non-democratic regimes. While this dissertation shows support for many conclusions in the literature that democratic dyads are more likely to cooperate, it also demonstrates that there are systematic differences across non-democratic regimes. States partnering

with military and personalist regimes design agreements differently than single-party and democratic regimes. It shows some support for how executive partisanship alignment affects the incidence of agreement, and the lessened levels of flexibility and monitoring provisions in agreements across such dyads. I provide weaker support for my arguments about the role of interest groups in the creation and design of these agreements, though I provide a discussion for why these results may not be as strong as suggested in my theoretical argument.

In the chapters that follow, I present a theory about goods provision to explain why we should expect these empirical differences, and then test implications from this theory using a new datasets. I show that by analyzing these variables, we can improve our understanding of when and how cooperation occurs.

Chapter 2

The Provision of Foreign Policy Goods

Introduction

As detailed in the introduction, the existence of a cooperation problem does not always lead states to solve the problem with international institutions. I present a theoretical framework in this chapter that explains when it is in the incentive of a leader to solve a cooperation problem and design an international agreement. I focus on the preferences of those who influence him or her and the ability of potential partnering states to signal credibility of commitment. In drawing out how these two important factors affect the pursuit of international cooperation, I demonstrate how the aggregation of these factors affects the incidence and variation in design of international agreements.³

In presenting this theoretical framework, I make several assumptions about key actors. First, state leaders seek to maintain their position in office (Mayhew 1974). Second, states are not unitary actors but rather myriad domestic actors who influence how preferences get aggregated to yield the positions of negotiating executives (Putnam 1988).

³ Indeed some of this logic applies to our understanding of agreement ratification, but for the purposes of this project, I intend to focus on decisions to design and become signatories to agreements.

In this chapter, I first elaborate how the preferences of a leader's winning coalition affect an executive's choices about which policies to pursue internationally.⁴ A winning coalition's preferences alone do not dictate when cooperation will happen. Institutional constraints within a leader's state affect his ability to credibly commit to preferences in the form of international agreements, and these constraints differ significantly across democratic and different types of non-democratic regimes. I explain how these conditions – the preferences of a winning coalition and institutional setting – affect how partnering states will design a cooperative agreement. Finally, I draw out implications from this theory and explain how I plan to test this framework empirically in the chapters that follow.

The nature of foreign policy goods

All leaders must build a support coalition to keep themselves in power (Bueno de Mesquita et al, 2003). For leaders of large winning coalitions (large W), the provision of public goods in a consistent and regular manner over time allows them to satisfy the coalition so as to maintain the seat of power. In contrast, leaders with smaller winning coalitions can focus attention on the provision of private goods and still maintain their position in office (Bueno de Mesquita et al., 2003). Internationally, these constraints limit what policies leaders pursue in foreign policy. For instance, a leader of a large W state will be selective in which wars he chooses, as such a policy choice bears huge costs on a large proportion of his winning coalition. In a small W state, a leader is less worried

⁴ A leader's selectorate in his country is the group of people in a society with the power to put a leader in office; a leader's winning coalition is the size of the selectorate whose support the leader needs to maintain to remain in office.

about the same proportion of the population when deciding to enter war, as his winning coalition can be bought off more easily through the provision of private goods.

While domestic conditions foster the acquisition of public goods in states with large winning coalitions, in reality, very few foreign policy choices can be defined as a distribution of a pure public good. On the spectrum of foreign policy goods that can be distributed to the citizenry, there exist many goods that are “impure:” goods that qualify somewhere on the spectrum between being an absolute private good and an absolute public good. Which impure good a leader pursues is dependent on whose domestic preferences the executive chooses to promote internationally. Whereas with security issues an executive may be more likely to gauge mass public opinion due to the high costs associated with these issues, an executive is unlikely to weight each voter’s opinion equally on economic and environmental issues.

Not all foreign policy goods that a leader provides to its citizenry are of such a pressing nature as a decision about whether or not to enter conflict. While certain types of environmental goods or economic goods could be defined theoretically as pure public goods, their pursuit leaves some domestic constituencies with more than others. For instance, though clean air is a public good, certain groups in society are almost certain to have to pay a higher cost for this good than others: manufacturing businesses that pollute the air are likely to have to pay a higher cost than industries focused on the production of capital goods. Similarly, though free trade is generally found to increase national income, competition, and access to innovations, it does not benefit everyone domestically: some groups inevitably lose (jobs, market monopolies, etc.) as a function of the policy (Rogowski 1989, Hiscox 2001).

A leader's decision to solve a cooperation problem is effectively a decision to provide a good to his society. By achieving cooperation in the form of an international agreement, the leader will be able to provide his constituency with an economic, environmental, security or other kind of good. What determines which goods a leader will pursue in foreign policy? The pursuit of goods satisfies the policy needs of a portion of a leader's population. Thus, an understanding of the preferences of this constituency is crucial to understanding when these goods will be pursued. In the next section, I discuss how leaders decide which policies to pursue when seeking an impure foreign policy good via an international agreement.

Preference of executives on foreign policy issues

A leader assesses his stake in an agreement when negotiating it: is there a good to be gained for his constituency in this agreement? To whom are the benefits distributed, and is this the most efficient way to produce the good? Theoretically, scholars have detailed different ways to understand which preferences within society will be adopted by the executive to become foreign policy. Some scholars focus on a pluralist framework that positions the state as an actor that referees among different societal interests (Frieden 2002, Bearce 2003). This perspective argues that those who have strong interests on that issue will lobby their governments for their preferences to be realized in policy outcomes (Krosnick and Telhami 1995). Along similar lines, Rogowski suggests that interest groups will compete for political influence as a function of their wealth and income (1989). Frieden (2002) suggests that the competition amongst groups with different preferences will yield a "winner" whose preferences will be realized in the policy outcome. As such, the largest, wealthiest societal groups tend to achieve their preferences

in policy outcomes. This theory explains how international financial policies in advanced industrial democracies are increasingly consistent with the preferences of the export and international investors (Frieden 2002).

The gap in theories of group-based competition is that they minimize the role of the government in producing policy outcomes. Not all governments represent the interests of the wealthiest members of society. In addition, while identifying the core interest groups in international finance may include a relatively small subset of groups within society, identifying the relevant and influential groups with interests in foreign policy outcomes more broadly who can influence the state is difficult as the number of firms, organizations, lobbying groups, parties and outside groups is vast and largely unknowable.

Another literature studies preferences differently as part of a party-as-an-agent framework. This framework accounts for the role of political parties and their preferences in foreign policy outcomes (Bearce 2003). These scholars argue that policymakers identify the preference of the majority who elected them and pursue those particular policies to maintain their positions in power (Krosnick and Telhami 1995). This suggests that the government's partisanship dictates whose preferences will get realized, as once a party is in office, their goals are to promote the achievement of the collective choice of their constituency. Partisan leanings dictate that leaders should pursue the policy outcomes that are most closely aligned with the members.

Scholars find empirical support for this line of argument. In advanced industrial economies, leftist parties are identified as proponents for the interests of labor groups in society, whereas rightist parties are agents of capitalist interests. Hibbs, in his partisan

theory, suggests that left- and right-wing governments pursue policies in accordance with the economic interests of their core constituencies (1977). Alesina et al. (1989) find in their Rational Partisan Theory that economic fluctuations are triggered by changes in policies of the government because of elections. Right-wing governments are more likely to propagate policies favoring low inflation while left-wing governments are more likely to support policies promoting a low unemployment rate (Alesina et al. 1989). This line of argument is found to be true internationally as well: conservative leaders in states with independent monetary institutions are found to be more likely to maintain currency stability (Simmons 1994).

Partisanship is important largely because citizens are rarely well-informed about the issues at stake in the negotiation of any one agreement. As such, members of the citizenry can align with a party which functions to make appeals to the executive on the preferences of its citizenry. The partisanship of government matters since each party has a different program that appeals to a different electorate. As a result, partisanship is an important variable given that to win or retain office requires keeping one's core constituents in the winning coalition of the leader in power (Chhibber and Noorudin 2004). Literature shows that a rational partisan model is a powerful predictor of policymakers' behavior (Alesina et al. 1989).

Yet, the position of the government on each issue is not always clearly defined. While the party-as-an agent framework is informative of preferences, it can be further illuminated by the pluralist framework. More specifically, party preferences are partly defined by how interest groups push for certain policies over others. While it is true that leftist governments are associated with different interests than are right governments, the party as an agent framework cannot currently account for how competing interests within

a party may get their way in policy outcomes. For instance, while leftist groups are identified as pushing forward the interests of labor groups in society, they are also associated with promoting policies that push forward higher environmental standards (Hibbs 1977). These interests can sometimes be at odds with one another: a leftist group may want lower environmental standards to help the labor groups at times and at other times may advocate higher environmental standards to please the environmental groups within their party. Thus, the party as an agent framework does not allow us to understand fully whose preferences the executive will advance internationally.

In spite of the importance of partisanship, each member of the party is unlikely to have equal voice with respect to which international commitments are negotiated, and what terms are included in such agreements. As Olson (1982) points out, most citizens are “rationally ignorant of state policy” and depend on other outlets to make decisions about for whom to vote. Thus, groups organize to push for their interests in these commitments. Lobbying groups communicate to leaders the salience of policy issues, and the positions on policy issues to benefit the “more popular” side of an issue (Kollman 1998). In international negotiations, some qualitative work suggests that these influences can be especially strong, as shown in case studies of environmental negotiations (Ismer and Neuhoff 2006). While it is possible for domestic groups to organize into efforts of spontaneous collective action, it is unlikely. Olson (1982) suggests that instead, smaller groups – such as labor unions – are more likely to organize and push for goods-acquisition than large, more diffuse groups – such as taxpayers. As a result, whose preferences are adopted and propounded in international negotiations differ. Ultimately,

how the preferences of the leader are pursued in international policy is determined partly by the posturing of lobbying groups inside of the leaders winning coalition.

Those groups inside the party of the executive who will be affected by the terms of the international agreement with respect to their economic and political goals will likely seek to influence which goods an executive should seek internationally. Groups suspecting that they will be affected adversely by international agreements will likely mobilize to pressure their leader into agreements in their favor (Hiscox 2001, Rogowski 1987). The executive will consider not just the partisan preferences of his winning coalition, but also the positions of interest groups within that group with the greatest influence.

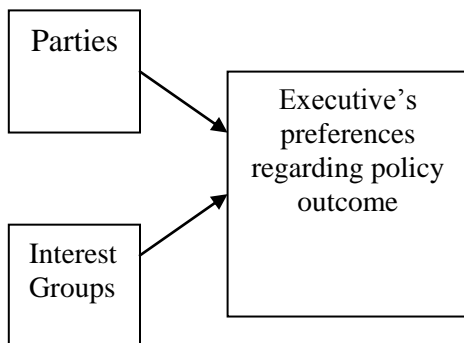


Figure 2.1

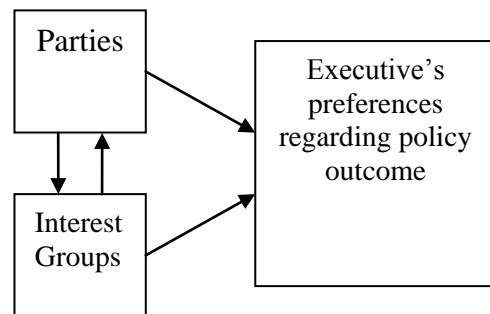


Figure 2.2

I reconcile these two perspectives by arguing that two things guide leaders. First, executive decisions are colored by the partisan preferences of those in their winning coalitions. Second, leaders are influenced by the most powerful interests that align with

their core constituency. Ultimately, these two variables affect which preferences an executive will pursue in international agreements. When there are powerful interest-groups and strong partisan leanings affecting one another and pursuing a good, an agreement is more likely. Thus, rather than Figure 2.1 depicting preference formation of the executive, I argue that Figure 2.2 above is more representative. In the next section, I explain how institutional constraints vary across regime type and how this affects when states will cooperate with each other.

Institutional Constraints that affect signaling

A winning coalition's demand for the provision of an international good is just a first step. To successfully deliver the good to a winning coalition, leaders must align with other leaders who want to deliver a similar good to his winning coalition. In addition, these leaders must also signal that they are capable of delivering on a possible commitment. As much literature over the past two decades details, the ability of states to credibly signal this ability to a partnering state differs quite significantly across regimes (Gaubatz 1996, Leeds 1999, Martin 2000, Bueno de Mesquita et al 2003). Democratic regimes are able to signal this credibility much more strongly than non-democratic leaders.

Democratic leaders are more likely to provide their winning coalition with higher levels of accountability and competition within the political institutions of the country.⁵ This is because institutionally, democracies are better able to convey information about leader incentives than other types of regimes. For instance, Fearon shows that democratic

⁵ These features of a democratic society are considered public goods. Because of the size of the selectorate in relation to the winning coalition in a democracy, it is in the incentive of a leader to assure that he provides these goods to his winning coalition.

leaders incur audience costs when they make threats they do not follow through with (1994). As Schultz (1998) details, the presence of political parties with opposition groups provides opposing states valuable information about the incentives and resolve of political leaders. When both parties are aligned, the information signal to opposing states is stronger than when both parties are not aligned. A free press in a democracy sends a similar signal (Baum and Potter, forthcoming), as the press is able to indicate the incentives of the government better in a democracy than non-democracy. These sources of information allow democracies to send more credible signals about leader incentives and behavior than non-democracies.

Non-democratic leaders have a lowered ability to credibly signal commitment with transparent information than democratic leaders. This affects their international cooperation prospects. I explain why this is the case by focusing on the incentives of non-democratic leaders. Because non-democratic leaders face different kinds of threats to the retention of power than democratic leaders, one of their primary tasks involves combating these threats.⁶ To thwart these threats, many of these leaders engage in behavior that lowers their ability to credibly signal their intentions on policy issues to both domestic and international audiences. I explain why this is the case by elaborating on the type of threats non-democratic leaders face, and detailing how these leaders combat these threats to their power. Ultimately, this affects when and with which states they can partner.

There are two main threats that face a non-democratic leader: threats from within his winning coalition and threats from outside his winning coalition. Some leaders are

⁶ Indeed though not all executives are only rent-seeking and though they do entertain goals other than reelection – such as policy oriented goals and goals for the advancement of career – reelection remains a proximate goal upon which their other goals depend.

able to develop institutions to combat these threats so they can remain in power for decades, while other leaders are unable to do so and remain in office for just days (Geddes 1999, Gandhi and Przeworski 2007). The leaders who do remain in office do so by building institutions that provide goods to both his winning coalition as well as basic goods to those outside his winning coalition (Gandhi and Przeworski 2007).⁷ Unfortunately, the manner in which they maintain these institutions is sometimes very corrupt.

Leaders must focus on minimizing these threats to their power. Tactics for doing so vary across different non-democratic regimes. As I detail below, the manner in which the leader combats these threats sends different signals to potential partnering states which affect their ability to pursue international agreements. I distinguish between threats and leader responses to these threats across three types of non-democratic regimes: single-party, personalist and military regimes, and explain how this affects their ability to partner with other states internationally.

One party dominates a single-party regime though other parties exist within the state and may even compete in elections (Geddes 1999). Unlike personalist and military regimes, single-party regimes establish large networks and draw mass support. They preside over legislatures within their government and receive party support for their policy choices. However, other parties are at a clear disadvantage due to institutional disadvantages or the behavior of the selectorate. For instance, a leader in a single-party

⁷ Such institution-building leads to a question: why don't these leaders push for democratization? After all, they are already developing institutions to extract goods and re-distribute goods to society. These leaders, though, are unlikely to democratize because their preferences are not in line with a winning coalition large enough to support their preferences in policy matters. Thus it is in a leader's best interests to develop the institutions and resources necessary to maintain a winning coalition that will not threaten the leader from within and will provide enough resources to those from without that they will not rise up in rebellion. In addition, autocratic leaders are residual claimants of more resources.

system may raise the cost of collective action for any internal groups outside their winning coalition by proliferating more organizations and effectively dividing adversaries so that none are strong enough to form an effective opposition (Haber 2006). By doing so, he lessens the threat that any one organization will be capable of unseating him. In spite of the stronghold the leader usually has on power, the presence of other political parties – however weak – suggests that leaders cannot totally ignore those outside of his electorate. Given that he must gain resources and then re-distribute them to society, his incentives to engage in active policymaking that fulfill the needs of his winning coalition are high.

As such, the single-party regime is able to send information signals to an international community about the transparency of its behavior. Yet, because opposition parties are weak, they are unable to send signals about government resolve on an issue; because the free press is generally weaker in single-party regimes, they are less able to signal leader incentives on policy issues. As a result, the signal of the credibility of commitment that a single-party leader sends potential partnering states is not as strong as that sent from a democratic state.

In relation to the single-party regime, the personalist regime is less capable of successfully signaling credibility internationally. Personalist regimes are very different from other types of authoritarian regimes (Bratton and van de Walle 1997, Geddes 1999, Linz and H.E. Chehabi 1998) and vary largely depending on the personality of the ruler in control. While many personalist regimes have legislatures (Wright 2008), rulers tend to use them for clientelistic purposes. Leaders draw support from their winning coalition but limit these groups' influence in policy matters, as their winning coalition generally is

drawn from small groups characterized by familial, ethnic or regional ties to whom the leaders are sure to distribute material benefits (Geddes 1999). Leaders selectively provide access to goods within society by rewarding those elites within this body who are in compliance with his regime. He does so by providing diverted resources and punishing those who challenge his rule (Wright 2008).

In many cases of personalist regimes, the leader is able to provide these goods through resource extraction (Chang and Golden 2009). For example, in the Gulf States of Saudi Arabia, Kuwait and the United Arab Emirates, royalties from oil exploration and the sale of oil provide a steady source of income to the governments (Gause 1994). The wealth of these states also allows the government to provide its public with a vast array of goods and services taking the form of subsidized education, health care, consumer goods and services. The provision of goods at such high levels allow governments to use patronage to reduce pressure on governments to be accountable to their citizenry and in turn, exert a great deal of control over the public (Waterbury 1997, Ross 2001).

In those states where the resource endowment does not allow the personalist regime to buy off those not in his winning coalition, he engages in behavior to suppress opposition forces. For instance, Algeria's leader Abdelaziz Bouteflika came to power in 1999 and his personalist regime took on tactics of torture, arrests to prevent protest, military suppression and secret detention to suppress political participation. Unarmed demonstrators took to the streets in 2002 and Bouteflika government's security forces killed and injured dozens. Unofficial counts suggest that more than a hundred civilians have been killed over a five-year period by government security forces and local state-armed militias. Groups from opposition parties are reported to have been arrested and

threatened with imprisonment and accusations have been made that members of opposition groups have been tortured while in security force detention (Amnesty International Reports Algeria, 2000, 2001). This repression within society by the leader is not unique to this case. In Zimbabwe, Robert Mugabe restricted the freedom of the press by arresting and torturing journalists who published on topics such as Zimbabwe's intervention in the Democratic Republic of the Congo. Human Rights Watch reported that the government used systematic criminal charges against press members whose criticized the government. In addition, opposition groups were suppressed with the use of force against peaceful protest (Human Rights Watch, Zimbabwe).

This level of repression signals strong information to potential partnering states: lack of freedom of the press and organizing abilities for opposition groups demonstrates a lack of transparency in leader incentives on issues. Such behavior detracts from a leader's ability to credibly signal to potential partnering states his ability to domestically implement an international commitment because his internal actions to implement the terms of an international commitment are unclear to outside parties. Personalist regimes are not unique in this respect; a similar signal gets sent from military regimes as well.

Though military regimes' winning coalitions are similarly small to personalist regimes, these leaders' support draws from a completely different sector of society: the officer corps whose values focus largely on the hierarchy and cohesion of the military unit. Their support from larger society is generally weak. The ability of the regime to respond to the public's desires is low given their use of the military as a mode of maintaining peace and order in society. The military leader must have policy goals that align with the preferences of the military, generally embracing goals that allow the

military to become more unified and supplied at the best possible levels, in effect allowing the military to permeate all parts of society (Geddes 1999). In Burma, military leader Thein Sein drew up Fundamental Principles to serve as the basis for a future constitution. The document is focused on ensuring that the military will serve a primary role in Burmese politics. For instance, Article 2 (f) allows “for the Tatmadaw (Burmese armed forces) to be able to participate in the national political leadership role of the State.” Article 10 (d) states that “necessary law(s) shall be enacted to make citizens’ freedoms, rights, benefits, responsibilities and restrictions effective, firm and complete” (Human Rights Watch, Burma). Government suppression includes the banning of public assemblies and curfews between 9pm and 5am. Those activists, journalists and labor activists who were arrested in protest were forced to be tried in secret trials and closed court hearings, where they were convicted and sentenced to imprisonment (Human Rights Watch, Burma).

As is the case in personalist regimes, military regimes are unable to credibly signal to a potential partnering state the ability of the leader to follow through on promises to a partnering state. Because of the nature of his domestic threats, military leaders use different tactics of suppression to control opposition groups from taking power. His tactics usually involve highly corrupt political behavior.

By engaging in this behavior, he lowers his transparency level about his intentions and internal domestic behavior. This in turn lowers his credibility to potential partnering states. Ultimately this affects a military and personalist regime’s ability to provide foreign policy goods such as international agreements. The inability to credibly signal transparency of behavior affects partnering states’ willingness to commit to agreements.

I explain how this affects the incidence and design of agreements at the aggregate level in the next section.

Negotiating a Bilateral Agreement

While it is possible for every state to form international agreements with every other state internationally, in reality there are resource constraints mediating to what extent a state is willing or able to engage in international agreement negotiations. In this section, I explain the intricate association between a leader's pursuit of a foreign policy good and the design of the terms of an agreement.

Both partnering states will want to assure their domestic coalitions that the distribution of gains they receive from the agreement will remain constant over time. Shocks could alter a distribution of gains, as could a change in preferences, or change in an institutional landscape domestically. As such, states will be strategic not just about which states they partner with, but also how they design these agreements. These design features can shield states from unexpected shocks with partnering states, particularly those that exhibit low levels of information about domestic behavior. Even in cases where information is readily available, these designs can allow leaders to recalibrate expectations of partnering states.

For instance, the institutions of a state could affect how partnering states design monitoring provisions into the agreement. When there are two democracies partnering with one another, the need for monitoring may be lower. This is because the higher transparency domestically of both societies allows partnering states to gain information about leader incentives and his commitment to the agreement due to the higher levels of openness in political procedures and in the press. When a state is unable to provide this

information through its institutions, it must be able to demonstrate that it will follow through on the commitments it makes to partnering states. This suggests that any potential partnership with a small W state will likely include higher levels of monitoring than a potential partnership with a large-W state.

The design of these monitoring provisions can vary. Whereas some states may just see the need for reporting on prescribed behavior by partnering states over given periods of times, other states may require that internal bodies study the behavior of other states from time to time. As a result, some monitoring provisions are weak, such as this one in an agreement between Jordan and the United States,

“In order to further the administration of this Agreement, the Parties agree to assist each other in obtaining information for the purpose of reviewing transactions made under this Agreement in order to verify compliance with the conditions set forth in this Agreement” (USA-Jordan FTA).

Other monitoring provisions are much stronger in scope, creating bodies of independent reviewers to monitor the behavior of parties. For instance, in this agreement between the UK and Israel, Israel was required to produce invoices for every given period and “the said invoices shall be verified by the designated body” (UK-Israel FTA).

In addition to oversight of the agreement itself, actors will seek flexibility in the design of the agreement so that when circumstances change domestically or internationally, they can adjust the distribution of domestic gains accordingly. Examples of flexible mechanisms that actors might include are amendment provisions, escape clauses, renegotiation provisions and possible withdrawal provisions. Incorporating these

designs into an agreement allow for actors to cope with sudden changes to their circumstances (Koremenos 2001).

The same variables that predict the decision to cooperate may affect the flexibility of the agreement: when preferences do not align across actors, they may be more likely to design flexibility into an agreement as when preferences do align across actors. This is because when preferences are similar, leaders will prefer to lock in their preferences for their winning coalitions over time. Because of the higher levels of uncertainty in this situation, states are more likely to design greater levels of flexibility into an agreement.

Implications

Testable implications follow from this theoretical framework. The pursuit of foreign policy goods should be affected by the preferences of those in the winning coalitions of the leader. The institutional signaling capabilities of partnering states should affect when agreements are successfully negotiated and signed. And, these variables should also predict the flexibility and monitoring provisions in the design of an agreement.

First, I argue the partisanship of the executive as well as special interests in the winning coalition affect whether or not a leader seeks out a foreign policy good in the first place. These pressures on the executive are more likely to materialize into an international agreement when the partnering state has an executive with a similar partisan leaning. As a result:

H1: Executives will be more likely to seek agreements with states exhibiting similar executive partisanship.

In addition, following from the combined pluralist and party-as-an-agent framework, strong domestic interest-group influences affect the posturing of executives.

H2: Executives will be more likely to seek out agreements when there is a strong domestic interest group coalition positioning for the good.

I also argue that the ability of a partnering state to credibly signal commitment to a partnering state will affect the likelihood that two states will successfully complete an agreement. Because democracies are better able to signal commitment than non-democracies, I expect the following:

H3: Democratic dyads are more likely to create agreements than dyads of states including non-democracies.

It follows from the discussion that partnerships will also be more likely with certain non-democratic regimes than others. Because single-party regimes are better able to credibly signal commitment than other types of non-democratic regimes, they should be more likely to form agreements than personalist or military regimes. The implication that follows is below:

H4: Dyads of states with single-party regimes will be more likely to create agreements than dyads of states with military or personalist regimes.

In addition to my hypotheses about when states will be more likely to create agreements, I argue that these domestic influences also affect the design of the institution. They influence how flexible the agreement will be, as well as how the monitoring of the institution will take place. Once states have acknowledged they have a cooperation problem worth expending political will to solve, they will design agreements with specific design features to effectively account for a partnering state's preferences and

institutional constraints. Current literature suggests that when partnering states must overcome a great deal of uncertainty about the behavior of their partnering state and when it is difficult to gauge whether the opposing state is cooperating or defecting, they will be more likely to include monitoring provisions in the agreement. This is because monitoring provisions can provide states with the necessary information states need to determine if their partnering state is actually cooperating (Koremenos et al., 2001).

Similarly, the ability to cope with changes in states' circumstances is especially important when states face cooperation problems where there is uncertainty about the state of the world, or when states are facing difficult distribution problems. As such, designing agreements to be flexible is in the interests of both states (Koremenos et al., 2001).

I specify when states will seek out these design provisions with respect to domestic political variables by suggesting that states are more likely to design flexibility given certain features of the opposing states' political landscape. Specifically, when two states have similar executive partisanship, they will be more likely to design agreements with flexibility to assure their constituencies a similar distribution of gains over time. Along similar lines, states that can monitor the behavior of the other state easily – due to higher levels of transparency – may be less likely to include monitoring provisions in the agreements they create.

H5: Dyads of states with executive partisanship alignment will be more likely to design less flexibility into the agreement.

H6: Dyads of states including personalist, military and single-party regimes will be more likely to include monitoring provisions in the agreement than democratic dyads.

In the empirical chapters that follow, I operationalize these implications further and test them in the context of environmental and economic goods provisions as well as a larger context.

Conclusions

In this chapter, I argue that the existence of a cooperation problem does not imply that states will automatically solve it with the creation of institutions. In addition to an underlying cooperation problem, the political will must exist within the state to carry out the bargaining process of creating an agreement and designing an agreement. I detailed here how the decision to create an agreement is inherently intertwined with how the agreement is designed: depending on the way preference aggregation takes place within the state, different interests will be pursued by leaders when seeking foreign policy goods. Similarly, these interests will likely also determine how the agreement is designed. For instance, when partnering states have similarly high credible institutions and have similar executive partisanship they may be less likely to monitor each other's behavior as closely as when the partnering state is of a less credible institutional make-ups and preferences. This is because the partnering state will not be able to assure that his behavior internally will correspond to international promises, and because it may be in the incentive of the other leader to implement domestic policies closer to his ideal point. I argue similarly that when leaders have coalitions with similar interests they will want to assure their domestic constituencies that they will receive a similar distribution of gains

from the agreement over time. Hence, they may design agreements with more flexibility. In Chapter 3, I subject the first section of hypotheses to test on a population of environmental agreements and then test the full scope of the hypotheses in Chapter 4 on a population of preferential trade agreements. In Chapter 5, I examine these hypotheses in a systematic case study that allows me to explore the mechanisms detailed here further.

Chapter 3

The Incidence of Environmental Cooperation

Introduction

In the negotiations for an international agreement to establish protocols on biosafety, a range of actors played an active role from the start. The negotiations involved developing transparency procedures for imports and exports of genetically modified organisms and lasted for close to five years. Seeking to affect the outcome of the agreement were diplomats from states around the globe as well as actors from biotech industries, environmental non-governmental organizations (ENGOs) and a range of domestic politicians with different stakes in the outcome of the negotiations.

Assessing the impact of any individual actor on the ultimate outcome – the Cartagena Protocol on Biosafety – is difficult. At each individual meeting, registered organizations classifying themselves as ENGOs or Industry groups ranged from 30 at one session to 114 at another (Betsill et al, 2008). Each meeting was open in the early stages of negotiations and these groups issued statements and position papers to state officials and working groups through all stages of the process.

In the United States, the White House consulted with the U.S. Environmental Protection Agency, U.S. Department of Agriculture, U.S. Food and Drug Administration,

members of Congress and Industry Officials to determine its positions on different parts of the negotiation that were in consideration. The USDA wanted a hardened stance on regulation of exports. Rep. Dennis Kucinich and Senator Barbara Boxer introduced legislation that would require labels on genetically engineered food. While ultimately the U.S. did not ratify the Protocol when it was first open for signature, 88 other countries did. It is clear that over the course of negotiations, the positions of industry interests, politicians and other groups did not go unnoticed in the negotiations of the final version of the Protocol.

This example is like many others in international cooperation. Executives negotiating an agreement must account for the preferences of many different actors domestically when negotiating an international regime and deciding to participate. However thus far, explanations for environmental cooperation focus on variables that do not adequately capture the domestic preferences and institutional constraints facing executive leaders. In this chapter, I demonstrate how these two factors affect the incidence of international cooperation in the environment.

Explanations for agreement formation in the environmental domain focus largely on how actors approach the tragedy of the commons: a mixed-motive game where states would like the problem to be solved but want to defect on any contribution to solving the problem (Mitchell 2003). This problem becomes more profound when there are upstream and downstream problems whereby one state overwhelmingly contributes to a problem but a different state falls victim to that problem (Mitchell and Keilbach 2001). States cooperate when they can overcome the problems presented by that type of “game.” Whereas enforcement problems oftentimes require that states monitor behavior, an

upstream/downstream type of cooperation problem often requires that rewards get offered by the polluter for compliance (Hardin 1968, Mitchell and Keilbach 2001).

Other explanations for environmental cooperation focus on the importance of crises and the role of powerful states in the system. The first line of argument explains environmental agreements as responses to accidents that cause alarm across countries (Kingdon 1984). As experienced with nuclear accidents such as Chernobyl, the awareness of the public to these issues forces politicians to respond to these issues, which in turn encourages them to create international environmental regimes. Other scholars focus on the importance of power in imposing environmental regimes on smaller states (Gruber 2000). Threats from more powerful states and coalitions of states have proved effective in the international whaling regime, for instance.

Yet, environmental crises cannot account for the creation of many environmental cooperative regimes: crises cannot explain agreements that protect animal species that have never entered the public's radar. Similarly, powerful states' influences cannot explain the creation of fishing agreements between two smaller states. Regardless of the type of environmental cooperation and the underlying typology of cooperation problem, partnering states must have executives that exhibit the political will to create an agreement.

In this chapter, I detail some of the key causal factors that foster environmental agreement creation. Specifically, I determine the systematic effects of regime type and domestic preferences in the creation of a population of bilateral environmental agreements. I argue that the interests of an executive's winning coalition and interest groups, as well as characteristics of states that are captured in its regime type affect when

negotiations between partnering states are likely to yield environmental agreements. Specifically, when executive partisanship aligns, when there are lobbying efforts that affect executive preferences and when transparent institutions exist across a dyad, bilateral environmental agreements are more likely to form. After laying out my hypotheses of interest, I focus on subjecting my theoretical framework to empirical testing. I first propose hypotheses to test the first half of the theoretical framework from Chapter 2, then detail a research design to test these hypotheses and finally present results to support the effects of executive partisanship alignment and regime type on the incidence of environmental agreements.

Hypotheses

The role of interests in world politics does not suffer from a lack of exploration (Milner 1997). The hypothesis that states with similar interests are less likely to enter conflict, and more likely to cooperate is discussed in the literature (Gartzke 2000). As Gartzke details, democratic states with similar interests as measured by roll call votes in the UN are less likely to enter militarized disputes. However, measuring and testing this hypothesis in its different contexts is tricky for the simple fact that underlying interests and preferences are not observable. Rather, deducing preferences requires an understanding of the uncertainties, institutions and strategic setting within which actors make choices (Frieden 1999).

As laid out in Chapter 2, we assume that the executive is largely concerned with providing goods that reflect the preferences of those in his winning coalition. However, not all preferences align within a winning coalition. The role of partisanship in formalizing preferences for the executive on international issues is largely unexplored in

this context. In a general sense, theories of partisanship emphasize their purpose in the context of uncertainty. Citizens rely on parties because the cost of being fully informed about politics is high. As such, parties choose positions and the competition between parties force them to be responsible to the greater public (Downs 1957). Because an executive leader is responsible to those in his winning coalition who have similar preferences to him, the positions of this group are likely to be pursued in foreign policy.

To capture the preferences of the executive, I follow suit from previous literature and measure the partisanship of the executive (Garrett 1998, Grieco et al. 2009). If partisanship plays a role in dictating the preferences a leader will adopt in international negotiations, I expect this will be reflected in my empirical analyses. Specifically, I can test the hypothesis I presented in Chapter 2:

H1: Dyads of states with similar executive partisanship will be more likely to form agreements than dyads of states with dissimilar executive partisanship.

Also, given that the environment is the population of cases of interest in this chapter, these types of international agreements are more likely to be on the agenda of left leaning parties, as these parties are more likely to include environmental goods on their agenda than other parties (Andersen et al., 1997). In addition, some evidence indicates that green and left libertarian parties preside over periods of time with lower pollution levels (Neumayer 2003). Thus, I can also expect the following:

H2: Dyads of states with executives with left-leaning partisanship are more likely to form agreements than dyads of states with executive right-leaning partisanship or dissimilar executive partisanship.

A growing literature on environmental negotiations details the importance of groups outside of government in both agenda setting and in the actual negotiation process of international agreements (Raustiala 1997). Indeed non-governmental organizations (NGOs) with interests in the environment include a spectrum of groups: they are both domestic and international and have a wide range of goals. Some focus on awareness, others lobby governments to affect policy decisions and still others actively play a role in the monitoring and implementation of international agreements. While grouping together these organizations is difficult, I focus on the role of NGOs which are interested in the agenda-setting of the executive and which actively play a role in the actual negotiation process. For instance, Greenpeace played an active role in agenda setting for an international regime to monitor and implement standards to prevent nuclear and chemical waste in the oceans. Over the course of two decades, the organization lobbied governments to refrain from dumping or burning their waste at sea by implementing a multilateral framework: its lobbying efforts led to the successful implementation of a multilateral agreement formalizing this policy (Greenpeace 1987). Other groups have played a larger role in the actual negotiation of the agreements. For instance, the International Committee of the Red Cross was invited to, and played a large part in the active writing of humanitarian law on landmines and the International Criminal Court (ICRC 2002).

Because of the role these groups play in the agenda setting and the negotiation of the text of agreements, I expect to see a significant difference in the presence of cooperative international agreements across countries with and without a strong presence

of environmental interest groups. To systematically test the role of interest groups in the creation of international agreements, I test the following hypothesis:

H3: Those dyads with an active presence of environmental interest groups will be more likely to form agreements than those without.

Next, I review and elaborate expectations that arise from my theory in Chapter 2 about the effects of institutions.

As detailed in Chapter 2, the size of the winning coalition is important to understanding the executive's credibility of commitment. The constraints facing a leader of a large W state are high. The leader must face regular elections that could remove him from office, the leader must justify his decisions to a free press, and he must engage active opposition groups. As a result, the leader's intentions and behavior are transparent to both domestic and international audiences. This transparency of incentives and behavior makes partnering with large-W states much more attractive.

In contrast to this, leaders of small-W states do not face similar constraints or information dissemination networks within their systems. In addition, providing public goods is not as crucial to a small-W leader and thus ensuring transparent behavior is less crucial to maintaining a position of power. As detailed in Chapter 2, because of threats they must combat, these leaders are more likely to engage in corrupt behavior that impedes their ability to signal credibility to potential partnering states. Internationally, this should affect others states' willingness to participate in cooperative agreements. As freer partners worry about whether these states will live up to their obligations.

While it is generally true across small-W states that there is a lowered credibility of commitment in comparison to democracies, there is important variation with the small

winning coalition states that affects each non-democratic state's ability to credibly commit internationally. Single-party regimes are better able to signal transparency and leader incentives to partnering states than personalist and military regimes. As detailed in Chapter 2, single-party regimes exhibit greater capacities for opposition groups and free press than military or personalist regimes. As such, it is easier for potential partnering states to understand leader incentives in single-party regimes than other types of non-democracies. In contrast, because leaders suppress this kind of activity in personalist and military regimes, leader incentives are less clear. In addition, the uncertainty of political institutions that surrounds these regimes fosters a lower credibility of commitment.

This characteristic of regime type should result in systematic variation in how states partner with one another. Two testable implications are as follows:

H4: Democratic dyads will be more likely to form agreements than dyads of non-democracies.

H5: In non-democratic regimes, executives of single-party regimes will be more successful in creating bilateral agreements than executives of personalist regimes or militaristic regimes.

Finally, I test one alternate hypothesis to my theory that could potentially explain when environmental agreements are created. Other domestic level factors could affect when states create agreements. For instance, economic development may affect a leader's pursuit of goods and a state's ability to commit to an agreement. First, many consider environmental goods to be luxury goods (Martínez-Alier 1995). As such, they may be more likely to be on the agendas of states with higher incomes. In addition when a country is far behind others in development, its ability to follow through on commitments

is weakened: domestic level bureaucracies are less likely to be able to implement international commitments than states with a higher level of development. As such, the following relationship could be true:

Alternate H1: As economic development increases, dyads may be more likely to form environmental agreements.

In the next section, I present a research design to subject these hypotheses to testing.

Research Design

I explore my hypotheses by using a cross-national time-series dataset of all states with a population greater than 300,000 from 1975 until 2000. Because the nature of cooperation that I study in this chapter is mutual between two states, I choose to do a nondirected dyad year analysis. For this kind of analysis, my dependent variable – the creation of an environmental agreement – captures the following information:

1. New Zealand Australia 1983

Because I do not expect the outcome to be different directionally (ie: Australia's agreement with New Zealand is not different from New Zealand's agreement with Australia), I do not need to conduct a directed dyad year analysis. My dependent variable simply states that a bilateral environmental agreement was created between New Zealand and Australia in 1983. While this type of analysis does not allow me to study the initiation of negotiations for the agreement by one state with the other, this information is unnecessary for the purposes of subjecting my theory and hypotheses to empirical testing.

My dependent variable is coded from the International Environmental Agreements Database Project housed at the University of Oregon under Ron Mitchell's direction (Mitchell 2010). For the purposes of my project, I follow his definition of an

international environmental agreement as being “an intergovernmental document intended as legally binding with a primary stated purpose of preventing or managing human impacts on natural resources.” In the database is a listing of agreements, the year the agreement was signed, and information about which states are members to the agreement. In addition to agreements, the dataset lists supplementary agreements, articles, conventions, exchange of letters, as well as provisions.

Using the data from the International Environmental Agreement database I was able to code my dependent variable. For each agreement year, each dyad in my dataset was assigned a 0 or a 1. A 1 signifies that an agreement was signed between the states in that year. For agreement-years where a dyad negotiated more than one agreement, I code that year as a 1. The dataset includes 409 cases of bilateral environmental agreements created between 1975 and 2000 according to this measure.

Next, to set up my model, the independent variables for my analysis require the conversion of individual-level variables into a nondirected form. The theoretical drivers of my transformations differ. I explain the transformations I employ in my descriptions of the variables below.

Key Explanatory Variables.

To test my hypotheses about interests, I employ two variables. First, I need a measure of the preferences of the executive. To capture executive preferences, I use a measure of partisanship of the executive from the World Bank Database of Political Institutions (DPI). The dataset codes executives in countries as Right parties when they were conservative, Christian democratic or right-wing. Left-wing executives were coded as such when they were communist, socialist, social democratic or left-wing. Center

leaning executives are coded when there is a centrist party – not when there are positions that get averaged out (ie: a party of right wing and left wing cancel each other out).

This is certainly not a perfect measure of preferences of the executive. Many actors within parties take on preferences outside of their party lines. An even larger point is that parties by the same name do not necessarily have similar preferences across countries and time. Parties evolve over time, as do their agendas, key actors and constituencies. Similarly, comparing parties by the same name across countries is difficult. Whereas the Democratic Party in the United States may be considered centrist by some on a straight scale in relation to many European parties (Erikson et al., 1989), it is left of the Republican Party in the United States and is thus coded as a leftist party by the DPI. Because this data provides the most in-depth and comprehensive data source on partisanship across time and countries, I use it in my analysis for these purposes despite its shortcomings.

To measure how interest groups' lobbying efforts affect the preferences of a leader in negotiations, I study the role Greenpeace plays at both levels of negotiation. I use data on membership in the organization to determine if Greenpeace has an active membership in these countries. Though this serves as an imprecise measure of interest group involvement, it serves as a reasonably proxy: Greenpeace is the largest cross-national environmental organization of its kind, and the data provides the most thorough representation of involvement for the purposes of a cross-national study. I code this data by creating a variable that measures whether both countries had active Greenpeace membership in that year, whether just one of the two countries in the dyad had active

Greenpeace membership in that year, or whether neither of the countries in the dyad had active Greenpeace membership in that year.

Arguably due to limited resources, NGOs are less likely to pursue their agendas in the environmental realm of smaller issues: many of the agreements in this dataset do not gain the international attention that issues like Kyoto and the Whaling Convention receive. Yet findings suggest that higher levels of NGO influence are likely when the political stakes of the negotiations are lower (Betsill et al., 2008). Thus, I expect that there will be a positive effect of lobbying groups on the creation of environmental agreements when states have a strong presence of interest groups.

I also employ two measures to test my institutional hypotheses. First, I use *Polity_i* and *Polity_j* as measures of democracy. These variables take on a value of -10 for an extremely non-democratic regime, and a value of 10 for extremely democratic regimes. Because my theoretical considerations suggest that the lower polity score should drive my results, I include a measure of the lower polity score in my analysis.

Second, to understand how different types of non-democratic regimes affect the likelihood of environmental agreement creation, I also include measures of personalist, military and single-party regimes. These measures are taken from Geddes (1999), who classified all states as being either democratic, a personalist regime, military regime or single-party regime. I gathered this data from Reiter and Stam (2003), who included dummy variables to indicate when a dyad included two democracies, two military regimes, two single-party regimes or two personalist regimes.

Control Variables

I control for three explanations that could explain the creation of a bilateral environmental agreements. First, I control for geographic contiguity. Especially because the agreements I am studying in this chapter focus on environmental goods, it is more likely that geographically contiguous states would be more likely to create international environmental agreements than non-contiguous states. Second, I control for trade power: I measure the total imports and exports of both countries and take the ratio of the state with the higher trade volume to the total volume of trade between the two states. A ratio measure that is closer to 1 indicates that the state has more trade power; a measure closer to 0.5 indicates that the relationship between the two states is more equal. Third, I measure the military power using the Composite Index of National Capability (CINC) measures for both states. Similar to my trade measure, I create a ratio between the two states to indicate the level of military power of one state over the other; a measure closer to 0.5 indicates that the relationship between the states is more equal whereas a measure closer to 1 indicates that one state has a great deal of power over the other state

Finally, my dependent variable of interest in this chapter – the decision to create bilateral environmental treaties – has only 409 incidents in more than 350,000 cases across 25 years (1975-2000). In turn, estimating the effects of my independent variable on my dependent variable suffers from one of the main problems detailed in King and Zeng (2001). A simple logistic regression underestimates the probability of rare events. There is a small level of variation on the dependent variable and generally few explanatory variables to explain this variation. As a result, I control for this problem by estimating my model with a rare events logit.

I present the summary statistics for these variables in Table 3.1 below.

Table 3.1: Summary Statistics					
Variable	Observations	Mean	Standard Deviation	Minimum Value	Maximum Value
Bilateral Environmental Agreement Created	366497	0.00	0.04	0	1
Both Left Executive Party	366497	0.10	0.30	0	1
Both Right Executive Party	366497	0.04	0.20	0	1
Mixed Executive Party	366497	0.58	0.49	0	1
Higher polity	184691	3.38	7.38	-10	10
Lower polity	255072	-3.64	6.79	-10	10
Democratic Dyad	214503	0.01	0.11	0	1
Personalist Dyad	214503	0.03	0.18	0	1
Single Party Dyad	214503	0.00	0.05	0	1
Military Dyad	214503	0.09	0.29	0	1
Trade Power	334371	0.85	0.15	0.5	1
Contiguity	366497	5.88	0.71	1	6

Results

I estimate the model presented in Equation 1 below.

$$(1) \quad Creation_{ij} = \beta_0 + \beta_1 Democracy_{ij} + \beta_2 Lobbying_{ij} + \beta_3 Partisanship_{ij} + \beta_4 TradePower_{ij} + \beta_5 Power_{ij} + \beta_6 Contiguity_{ij} + e_{ij}$$

In doing so, I subject my hypotheses to test on over 300,000 dyads. I present the estimates for equation 1 in the first column of Table 3.2 and for individual hypotheses in the columns that follow.

The results lend firm support to my hypotheses about the effects of executive preferences and dyadic institutional relationships. I break down these conclusions across the different models presented in Table 3.2.

Table 3.2: Estimates of the Effects of Partisanship, Lobbying and Institutions on Creation of Bilateral Environmental Agreements, 1975-2001

Variable	(1) Full Model		(2) Executive Preferences and Interest Groups				(3) Regime Type	
	Model A	Model B	Model C		Model D		Model E	Model F
<i>Partisanship_{ij} Both Left Exec Party</i>	0.787 ** (0.245)	0.674 * (0.330)	0.612 ** (0.234)					
<i>Partisanship_{ij} Both Right Exec Party</i>	0.873 ** (0.322)	0.657 * (0.358)	1.036 *** (0.277)					
<i>Partisanship_{ij} Mixed Exec Party</i>	0.155 (0.253)	- 0.002 (0.289)	0.317 (.176)					
<i>Lobbying_{ij} Presence in either country</i>	0.089 (0.147)	0.505 (0.189)	0.670 *** (.073)		0.753 *** (.068)			
<i>Militaristic_{ij}</i>		0.459 (.957)						0.658 (0.954)
<i>Single Party_{ij}</i>		0.199 (.489)						-0.125 (0.424)
<i>Democracy_{ij}</i>		0.441 *** (.236)						1.482 *** (0.246)
<i>Lower Democracy_{ij}</i>	0.057 *** (0.015)						0.066 *** (0.016)	
<i>Lower GDP_i</i>		0.001 *** (0.000)						
<i>Higher GDP_j</i>		0.001 ** (0.000)						
<i>Contiguous_{ij}</i>	0.728 *** (0.060)	0.742 *** (0.059)	0.673 *** (0.041)		0.675 *** (0.041)		0.686 *** (0.058)	0.648 *** (0.059)
<i>Trade Power_{ij}</i>	-1.779 ** (0.727)	-1.523 ** (0.792)	-1.520 *** (0.474)		-1.465 ** (0.550)		-1.779 ** (0.727)	-1.496 * (0.699)
<i>Power_{ij}</i>	2.428 ** (0.891)	2.721 ** (0.987)	1.482 ** (.561)		1.465 ** (.550)		2.399 ** (0.878)	2.699 ** (.839)
<i>Constant</i>	-8.916 (0.874)	-10.336 *** (.927)	-8.383 *** (0.571)		-8.046 *** (0.530)		-8.620 *** (0.817)	-9.266 *** (0.791)
<i>n</i>	240806	138581	334167		334167		240806	206234

Rare Events Logit (Huber standard errors are in parentheses). +p<.10. *p<.05. **p<.01. ***p<.001

First, the results about the role of interests show some promising results for the hypotheses presented in the previous section. The role of executive partisanship is supported across all of the models, showing that similar partisanship across a dyad affect the incidence of environmental agreements. Models A, B and C suggest that when the dyad has executives of similar partisanship, there is a greater likelihood that an agreement will form between states. This is true when executive left partisanship aligns and when executive right partisanship align and is robust to different controls across these models. The variable representing mixed dyads also finds positive support in comparison to the center-partisanship dyads (which serve as a baseline) in two of the models while it shows negative support in one of the models. The variable does not reach a level of statistical significance, lending little support to an argument that mixed dyads are similarly likely to left-dyad and right-dyad states to create environmental agreements.

The role of interest groups does find some support in Table 3.2m though it is not very strong. Specifically, Models C and D, controlling for alliances, trade and power relationships, suggest that interest group presence of Greenpeace affect the incidence of environmental agreement creation in a positive direction. This result does not hold up however when variables measuring the institutions within the dyad are included in the analyses. As a result, conclusions about this variable's effect on the incidence of environmental cooperation is not overwhelming.

The support for my institutional hypotheses is strong. Democratic dyads are more likely to create bilateral environmental agreements than any other kind of dyad. This is true across models and with controls for trade power, military power and contiguity. Models A, B, E and F suggest that the higher the lower-polity score, the more likely the

partners to create an agreement; Model F shows that democracy-democracy dyads are more likely to create agreements than single-party-single-party dyads and military-military dyads. The results amongst the non-democracies do not reach traditional levels of significance. The results lend support to my hypothesis that democratic dyads are more likely than other kinds of dyads to form agreements.

My expectations about my control variables from previous literatures are mostly met. An increase in the trade power relationship between two states leads to a decreased likelihood of bilateral environment agreements between states, suggesting that states with a trade relationship of relative parity has a greater likelihood forming than where one state has more power over the other. An expected result is consistent across almost all the models in Table 3.2: the further the partnering states the less likely the partnering states will create a bilateral environmental agreement. Finally, while the power ratio variable is in the expected direction, it is not significant in most of the models.

I present the predicted probabilities of bilateral environmental agreement creation based on Model 1 in Table 3.3. The first set of results shows the baseline probability that an average dyad would create an environmental agreement. The probabilities I report are low, as expected, since the data represents rare events. The next column shows the probability of an agreement forming based on an absolute change in the probability of agreement creation across various conditions. This allows me to parse out the influence of each explanatory variable on agreement creation. Finally, in column 3, I show the relative risk of agreement creation as a function of the absolute change in the probability.

Table 3.3: Effects of Covariates on the Predicted Probability of Bilateral Environmental Agreement creation			
<i>Variable</i>		<i>Change in Probability</i>	<i>Relative Risk</i>
Baseline		0.0048	
<i>Partisanship_{ij}</i> <i>Both Left Exec Party</i>	Median	0.0057	2.1927
<i>Partisanship_{ij}</i> <i>Both Right Exec Party</i>	Median	0.0070	2.3794
<i>Partisanship_{ij}</i> <i>Mixed Exec Party</i>	Median	0.0006	1.1513
<i>Lobbying_{ij}</i> <i>Presence in either country</i>	Median	0.0008	1.1602
<i>Lower Polity_{ij}</i>	Min	0.0014	1.4266
	Max	0.0057	2.1711
<i>Contiguous_{ij}</i>	Min	0.0004	1.0885
	Max	0.1207	26.7046
<i>Trade Power_{ij}</i>	Min	-0.0045	0.5457
	Max	-0.0013	0.7654
<i>Power_{ij}</i>	Min	0.0023	2.2490
	Max	0.0020	1.4702
Predictions fall within a 95% confidence interval			

Two of my domestic variables in this table are especially notable: the influence of democracy and partisanship alignment effects. When the partnering states are both democratic, the probability that an agreement will be created is two times greater than under average conditions. Similarly, when both states have similar executive partisanship influence, the probability that an agreement will be created is two times greater than average conditions. Along these lines, when the partnering states are non-democratic and have no lobbying presence, the probability that an agreement will be created is smaller than average. These results suggest that democracies are more likely to

initiate bilateral environmental agreements with other democracies than other types of states.

The results in this table also suggest that the contiguity of the partnering states matters in the creation of agreements. States that are further from each other are less likely to create bilateral environmental agreements with each other. My results suggest that the probability that an agreement will be created when one of the partnering states has a great deal of power over the other – in either the trade market or militarily – is smaller than average.

Table 3.4:
Estimates of the Effects of Partisanship, Lobbying and Institutions on Creation of Bilateral Environmental Agreements, 1975-2000. With Missing Values Analysis

<i>Variable</i>	<i>(1) Full Model</i>	
<i>Partisanship_{ij} Both Left Exec Party</i>	0.808 (0.229)	***
<i>Partisanship_{ij} Both Right Exec Party</i>	0.778 (0.255)	**
<i>Partisanship_{ij} Mixed Exec Party</i>	0.368 (0.172)	*
<i>Lobbying_{ij} Presence in either country</i>	.748 (.147)	***
<i>Lower Polity Score_{ij}</i>	0.057 (0.010)	***
<i>Contiguous_{ij}</i>	0.674 (0.040)	***
<i>Trade Power_{ij}</i>	-1.703 (0.484)	***
<i>Constant</i>	-7.832 (0.560)	***
<i>n</i>	138657	

A concern about the results I report in Table 3.2 is that that there is a great deal of missing data and as such, valuable information is not being included in the results. As

such, the parameters are estimated after listwise deletion of cases and could therefore lead to inefficient and potentially biased results. I thus re-estimated the core model in Table 3.2 in Table 3.4 above, supplementing the missing variables via multiple imputation. By using multiple imputation, I create five completed data sets. I can then run my models on each of the datasets and employ the standard procedure to combine the results of the different datasets. This allows me to use all the information that's available in these datasets. Using Amelia, I could re-estimate the models with over 366,000 observations rather than approximately 250,000 cases. As you can see in Table 4, the results are remarkably similar: across the five imputations of each of the models, the results from my findings in Table 3.2 are robust, and in fact lend strong support to my hypotheses. Dyads with partisanship alignment, a lobbying group presence and democratic partnerships are more likely to create environmental agreements.

Conclusions

Literature over the past decade in the field of international relations focuses on how domestic politics influence international political outcomes. The results from this chapter shed some light on what dimensions of domestic politics matter, and when. My contribution here demonstrates that the alignment of executive partisanship, strong lobbying effects in conjunction with democratic institutions across dyads are more likely to yield a successful cooperative environmental agreement than otherwise. Specifically, these results demonstrate support for the argument that domestic interest groups and partisanship, in combination with the institutions of a democratic regime, play an independent and significant role in the decision of executives to create bilateral environmental agreements with other states.

This details with more specificity when cooperation is more likely over space and time: while cooperation problems may exist, the political will to solve them may not. In empirically testing when interests and institutions align, the results here demonstrate that certain conditions are more likely to foster a successful cooperative attempt than others.

This chapter empirically tested only part of the theory I put forth in Chapter 2: how do interests and institutions affect when states create cooperative international agreements and how they are designed? To understand whether these variables also matter in a realm outside of the environment, and how they may affect institutional design, I expand on a research design and hypotheses in the next chapter. I expect that these results will remain robust empirically outside of the environmental domain, and that the variables of interest here should also affect how design elements are written into such international agreements. I subject these hypotheses to test in a population of economic agreements and thus widen the scope of empirical study to understand how domestic partisanship, interest groups and institutions affect the creation of agreements and ultimately, may be endogenous to the design of international agreements.

Chapter 4

The Incidence and Design of Preferential Trade Agreements

Introduction

In this chapter, I subject the theoretical framework I laid out in Chapter 2 to testing in one population of treaties: Preferential Trade Agreements. Specifically, I study how executive preferences and regime characteristics affect when states create agreements, and how these variables also affect these agreements' design. I focus on two specific design elements of these agreements: their monitoring provisions, as well as their flexibility provisions.

I overview existing explanations for the incidence and design of preferential trade agreements and then detail the hypotheses I subject to testing in the first part of this chapter. Next, I draw out a research design and descriptions of my key variables of interest. I then present the results of my analyses and finally detail what conclusions can be drawn from this chapter to support my theoretical framework: Non-democratic regimes behave differently from democratic regimes both in the creation of agreements and the design of agreements. Single-party, military and personalist regimes are less likely to create agreements and when these agreements do form, agreements with military and personalist regimes are more likely to include flexibility and monitoring provisions than agreements between democratic regimes and single-party regimes.

Background Literature on Preferential Trade Agreements

The flood of preferential trading agreements over the past few decades has led scholars to question when and why partnering states cede sovereignty to create these institutions. States have various reasons for cooperating via trade agreements. Economic arguments explain the formation of free trade agreements such as PTAs to be a function of various different factors that promote trade gains between states. When trade flows between two states are heavy, authors argue that the creation of PTAs is a natural choice: it reinforces the trading patterns and assures that trade diversion effects are minimal (Wonnacott and Lutz 1989).

Other economic arguments focus on the size of economies and level of development as predictors of PTA creation. Empirical evidence suggests that free trade between a larger economy and a smaller economy results in losses for the larger economy. Michaely (1998) and Krishna (1998) both find that countries of equal economic size will be more likely to conclude PTAs. Economic development is also found to be an important variable. Given the assumptions of a Ricardo-Viner model or a Heckscher-Ohlin model, countries seek out agreements with states that can provide them with a comparative advantage on the global market. As such, states seek out agreements with other states that do not boast the same capital-labor ratios. Empirically, this manifests itself as a greater proportion of developing and developed countries establishing free trade agreements: they both achieve greater gains than if they were to partner with states of similar economic foundations. Ethier (1998) finds that this is especially true for developing countries, which can use the opportunity to enter a

multilateral system of trade to lock in the gains they receive from the more regional agreements.

In addition to economic determinants of PTA creation, there are important political drivers as well: authors argue that democracies are more likely than dictatorships to create PTAs (Mitra, Thomakos and Ulubasoglu 2002). Because democracies are more concerned about providing welfare-enhancement to its citizenry than dictatorships are, they are more likely to engage in the pursuit of free trade agreements. Mansfield, Milner and Rosendorff (2002) find similarly that democracies are more likely to cooperate on trade policy.

Yet, these explanations do not account for an important dimension of the creation of these agreements. Establishing an agreement does not achieve full efficiency for these states. Rather, changes in the environment domestically, and future shocks to the system can have an impact on any initial agreement. As such, the decision to cooperate is inherently intertwined with the design of the agreement for the partnering states: while sharing an interest in cooperation is a first step in creating an agreement, heterogeneous preferences about an institutional contract are almost a certainty amongst potential partnering states. Indeed, trade cooperation is a mixed motive game (WTO 2007, B.5). Especially given that there is uncertainty for all parties involved with respect to future gains in the area of economics, the design of these institutions must account for the inevitable transaction costs and incompleteness of the contracts. Literature in international relations details that when states are resolving heterogeneous preferences, they will use strategies such as issue linkage, information gathering and information distribution to broker agreements (Koremenos et al 2001, Thompson and Snidal 2005).

Explanations for the design of these agreements focus on categorizing the type of 2x2 game the states face: for instance, when states face conditions of domestic uncertainty, they may include escape clauses (Milner and Rosendorff 2001). Though escape could arguably reduce credibility and dampen the effects of trade liberalization, they increase the flexibility of the agreement allowing states to revisit the terms of the agreement in future time periods. Other authors have detailed how creating a neutral body or utilizing an already existing one can reduce transaction costs and improve transparency to disseminate information to participating states (Abbott and Snidal 1998, North 1987).

A few authors delve further into explaining what domestic political factors affect trade liberalization institutional design. Smith (2000) elaborates on the design of trade institutions by suggesting that political leaders weight possible diminished policy discretion over their economic policies against benefits for his constituency from the treaty. In doing so, the leader assesses his stake in the intrapact trade, his relative economic power and the depth of proposed liberalization. In weighing a trade off between treaty compliance and policy discretion, the leader designs a dispute trade settlement mechanism given his assessment of these variables and chooses legalistic procedures when they improve the value of trade agreements by providing greater policy stability.

Aggarwal and Fogarty (2004) explain how interest groups affect state trade strategies: these groups' resources, preferences and cohesion can affect agendas of states in negotiations. In the European context, while unions exhibit the abilities to organize as a coherent economic actor to advocate for protectionist policies, internationally

competitive actors representing the financial sectors, automakers and telecommunications advocate for liberalization, though by different means. The effects of these competing interests for and against protectionist policies, Aggarwal and Fogarty explain, are especially pronounced with respect to how binding institutional rules will be over time.

The strategic decision to employ liberalization policies is one weighed seriously by leaders as there will inevitably be winners and losers from the implementation of the policy. In considering the level of policy gains the leader will achieve, he considers his country's relative economic power, and the interests of the most powerful groups within society, as well as his partisan position when assessing his stake in the intrapact trade. I add other dimensions to the leader's strategic calculus: the time of the agreement reflects whether executive preferences on liberalization are aligned across states. Additionally, these preferences also get reflected in the design of the agreement with respect to the flexibility and level of monitoring included in the design of the institution.

Hypotheses

Leaders responding to winning coalitions with a stake in a foreign policy issue will signal their commitment to their constituencies' foreign policy preferences by seeking out agreements that formalize this commitment internationally. Leaders will want to align their preferences on commitments with those of their winning coalitions and ensure that a distribution of gains will be constant over time. As such, we can expect the following relationship:

H1: Dyads of states with similar partisanship are more likely to create PTAs.

In addition, because leaders do not know who will rule in time $t+1$, they will lock in their preferences for their winning coalitions in time t by lowering the capacity of future leaders to change a distribution of gains. As such, I expect the following:

H2: Dyads of states with similar partisanship will design agreements with lower levels of flexibility.

The organized interest groups within states that lobby for their positions are likely to have an effect on which states will seek out PTAs with other states. For instance, those states with a high percentage of capital to labor (k) may be more likely to seek out agreements with those states that have a low percentage of capital to labor. In doing so, each state is capitalizing on its comparative advantage.

H3: Dyads of states with high difference in k (C-L ratios) are more likely to seek out PTAs than states that have a similar k (C-L ratio).

Drawing from economic theory of incomplete contracting, the institutional makeup of the state affects the design of agreements between states. Domestic institutional constraints affect when, and what kinds of partnerships leaders seek out. Leaders would like to shield supporters from any alteration in the distribution of gains from these agreements to their supporters over time. As a result, those leaders who have interests in partnering with a leader of a small winning coalition will design agreements that allow them to monitor the behavior of states that are less transparent. This is so that they can assure their constituencies that the distribution of gains reflects in reality what was proposed in the negotiations. For these reasons, these leaders will also seek increased flexibility in situations that are marked by uncertainty about the state of the world (Koremenos et al., 2001). In the cases where the gains at time t to their winning

coalitions are not what were proposed at time t-1, they have the flexibility to change the agreement.

As detailed in Chapter 2, domestic regime type affects a leader's ability to signal his incentives to potential partnering states. Signals from domestic society affect a leader's capacity to credibly commit. Whereas information revealing incentives can raise a partnering state's willingness to enter an agreement, low levels of transparency can lower the likelihood of agreement formation.

A vast literature studies democratic institutions and their effects on foreign policy outcomes. I focus on key dimensions of the institutions of a democratic society for my purposes. Democratic institutions promote freedom of the press and higher levels of information about leader incentives through the presence of active opposition political groups, an independent judiciary, legislative behavior and elections. These characteristics of democracies advance higher levels of transparency in democracies than non-democracies. In addition, because of competing political interests and active power in a legislative branch, the levels of corruption in a democracy are lower than in non-democratic regimes (Persson et al, 2003). As such, I expect the following:

H4: Democracy-Democracy dyads will be more likely to form PTAs than dyads including a non-democracy.

H5: Democracy-Democracy dyads will design institutions with lower levels of monitoring than dyads including a non-democracy.

H6: Democracy-Democracy dyads will design institutions with lower levels of flexibility than dyads including a non-democracy.

A growing literature in comparative politics shows that the institutional variation within non-democratic regimes is important for understanding various policy outcomes within these states (Geddes 1999, Boix 2003, Wright 2008, Gandhi and Przeworski 2008). Across regime types, states experience leader survival, democratization efforts and legislative behavior very differently. As Reiter and Stam (2003) show, various types of authoritarian regimes approach foreign policy decisions such as war-initiation differently. The authors find that personalist regimes are more likely to initiate wars against democracies because the leaders are more immune to overthrow in the case of an unsuccessful foreign policy than other types of authoritarian regimes.

As I detailed in Chapter 2, personalist, military and single-party regimes must all respond to threats from within and outside of their winning coalitions. However, their methods for combating these threats are quite different. I argued in Chapter 2 that understanding these threats is a crucial component to understanding when and how they form partnerships with other states.

Personalist regimes selectively provide access to goods within society by rewarding those elites within their winning coalition who are in compliance with his regime through the provision of diverted resources. He punishes those who challenge his rule (Wright 2008). Though the average tenure of a personalist leader is long, the future for these regimes is usually unpredictable beyond the current leader: the winning coalition is entirely defined by the leader and when the leader falls from power, the winning coalition is likely to fall completely out of favor. Future goods distributions beyond the current leader are thus uncertain.

While a personalist leader is concerned about potential adversaries outside his winning coalition, most personalist leaders are most threatened by the Army. As such, the personalist leader tries to incorporate the top ranks of the military institutions into his networks. In doing so, he uses them to actively suppress threats to his regime. The methods he uses are marked by high levels of corruption and low transparency of behavior (Golden et al. 2010).

Inevitably this affects how partnering states approach relations with these personalist regimes. This should affect the regime's likelihood of partnerships with other states, as well as the way partnering states approach designing institutions with these states. Specifically, states will be less likely to partner with these states because of these institutional constraints: the way the personalist leader is likely to combat threats to his regime signal low transparency of behavior to potential partnering states. When partnerships do occur, partnering states will likely design these institutions with higher levels of flexibility and higher levels of monitoring because of their lower levels of transparency and higher levels of corruption.

H7: Dyads with personalist regimes are more likely to design agreements with higher levels of monitoring than democratic dyads.

H8: Dyads with personalist regimes are more likely to design agreements with higher levels of flexibility than democratic dyads.

Military regimes' winning coalitions are similarly small to personalist regimes but are driven less by a patronage network than by a strong officer corps. These regimes use the institutions of the military to suppress opposition groups from outside the winning coalition from rising against the leader. When opposition groups do arise, the response

from the government can be violent and extremely corrupt. Military regimes are similar to personalist regimes in that through this behavior they display low levels of transparency, with far lower levels of information and free press than in democracies. As a result, it is difficult for outside states to understand the incentives of leaders. I therefore expect the following to be true:

H9: Dyads with military regimes are more likely to design agreements with higher levels of monitoring than democratic dyads.

H10: Dyads with military regimes are more likely to design agreements with higher levels of flexibility than democratic dyads.

Amongst authoritarian regimes, single-party regimes have the largest winning coalitions. One party within the regime has a monopoly on power within the state. However, unlike personalist and military regimes, single-party regimes establish large networks and draw mass support. They preside over legislatures within their government and receive party support for their policy choices. These regimes are more likely to be ideologically driven than other non-democratic regimes. They are also the most transparent of the non-democratic regimes. They boast higher levels of information and freedom of the press than military and personalist regimes (Peceny et al, 2002). As a result, I expect the following to be true empirically.

H11: States will design agreements with lower levels of monitoring with single-party regimes than other types of non-democracies.

H12: States will design agreements with lower levels of flexibility with single-party regimes than other types of non-democracies.

In the following section, I detail how I subject these hypotheses to testing.

Research Design

I use an undirected dyadic dataset of all states with a population greater than 300,000 in the world from 1975-2000, following suit of recent work studying the formation of trade agreements (Mansfield and Reinhardt 2003, Tobin and Busch 2010). In selecting a model, I must account for the selection process inherently at work here: monitoring and flexibility provisions are present only when a PTA is created. The logic of a two-stage empirical analysis fits with this theoretical framework nicely. The specification is below:

$$\text{Outcome Equation: } y_{ijt}^* = \alpha X_{it} + \varepsilon_1$$

$$\text{Selection Equation: } z_{ijt} = \beta_1 Y_{ijt} + \varepsilon_2$$

In the first stage, I endogenize a state's decision to join a PTA. The selection equation thus has the dichotomous dependent variable $z_{ijt} = 1$ for a PTA creation and zero otherwise. I then use the estimated probability of selection as a regressor in the second stage to analyze how the dyads of different institutions affect the levels of monitoring and flexibility included in the trade agreement. The mechanisms detailed in the hypotheses sections above suggest that which kinds of states are partnering together will affect the design of the PTAs. Because I am theorizing that the predictors of monitoring and flexibility have an impact on the likelihood of agreement creation in the first place, if I were to exclude countries that do not create a PTA, it would cause estimation bias due to the selection effects which would overestimate my result. Thus, the outcome equation estimates the impact of covariates on the levels of monitoring and flexibility denoted as y_{ijt}^* . X is a vector of variables that influence the level of monitoring and flexibility included in the agreement, and Y is a vector of variables that affect the decision to create

an agreement. Modeling the selection process this way is important because there are likely many instances of failed cooperation where parties tried to reach an agreement but could not because they could not reach terms of an agreement that were satisfactory to both parties. A selection model allows me to incorporate the conditions that foster cooperation in the first place into my understanding of how states design agreements.

In the first stage, I estimate the probability of a PTA forming using a rare events logit model. In the second stage I estimate the outcome model and include the selection parameter ($\lambda \equiv$ inverse Mill's ratio) from the first stage. In each first stage dependent variable ($j \in (\text{NoPTA}, \text{PTA})$) I can estimate the equation for the second stage with λ .

In addition to the selection effect problems inherent to the data, there is another problem with my dataset that I must address. The data is temporally dependent and thus running a standard logit model would violate the independence assumption of the ordinary model and likely result in an incorrect estimate of my standard errors and could possibly bias estimates of my coefficients. To correct for autocorrelation, I include a natural spline function to account for temporal dependence (Beck, Katz and Tucker 1998).

Variable Descriptions

Dependent Variables

Of the PTAs formed in the period of study, all are restricted with respect to which states may join. Many states are party to several agreements. I include all PTAs in my dataset, including free trade agreements, custom unions, common markets and economic unions that have been reported to the World Trade Organization. To operationalize this measure, I use a binary measure of state membership to a PTA: dyad i - j will take on a

value of 1 if the states became signatory to the same PTA in that year, and will take on a value of 0 if that state did not become signatory to that PTA that year.

To measure the design of the agreement, I focus my study on flexibility measures and monitoring provisions. To operationalize monitoring, I code each PTA to see if the agreement has a system of compliance monitoring and a review process in place. The setup of these systems varies: whereas the vast majority of the agreements that do set up compliance monitoring systems establish the system within the member-states through an internal body, some choose to delegate to an outside body. For the purposes of my study here, I focus simply on whether or not the agreement specifies a system for compliance monitoring and whether or not there is a review of behavior of the partnering states.

To measure the flexibility of the agreement, I read each agreement to see whether it includes amendment provisions, renegotiation provisions, dispute and termination provisions. Drawing from economic theories of incomplete contracts, Koremenos (2001) details how diplomats use these mechanisms to increase flexibility, ultimately allowing them to reach an agreement on the Nuclear Proliferation Treaty. Each agreement receives a binary code for each of these provisions: a 1 if there is an amendment provision and a 0 if there is not, a 1 if there is a renegotiation provision and a 0 if there is not, and so on. These agreements are then included in the undirected dyadic dataset for each pair of countries that have signed the agreement.⁸

Explanatory Variables

⁸ Each Preferential Trading Agreement in the dataset was coded for variables measuring the monitoring provisions, amendment, renegotiation, termination, review, withdrawal and number pages of each agreement. These codings were done by myself and another coder to ensure intercoder reliability. Our intercoder reliability was high: after an initial training process, our codings were marked by over 85% match rate across 75 agreements. In those cases where there were disagreements, we met and discussed differences in codings and determined the correct coding for the variable of interest.

Several of my key explanatory variables are similar to my previous chapter: I measure executive preferences with a measure from the Database of Political institutions. To test my institutional hypotheses about regime-type, I use the Geddes (1999) measure for non-democratic regimes. If the dyad represents two democracies, it gets coded as a 0. This serves as my baseline. A dyad receives a coding of 1 if both states in the dyad are a single-party regime or if one of the states is a single-party regime and the other is a democracy. The same codings follow for the other types of regimes: the coding receives a 2 if it is a personalist-personalist or a democracy-personalist regime, a 3 for the same but with military regimes and a 4 for the same but with hybrid regime.^{9,10}

The measure I use to capture the effects of economic interest groups is the capital-labor ratio within the country. I gather this data from the Penn World Tables. It is calculated as the ratio of the estimated capital stock to total number of workers. Because industries with a comparative advantage will likely benefit from trade liberalization policies implemented in PTAs, I can expect that those industries will lobby for the agreement. As such, high capital-labor ratios are more likely in high- income countries and lower capital labor ratios in low income countries. Agreements should be more likely between states with different comparative advantages. I measure the log of the difference

⁹ Theoretically, the results are driven by the lowest common denominator. For instance, all states partnering with a military regime should view the regime similarly regardless of their own regime type. As such, this coding is conservative because it avoids double-counting dyads (for instance, a single-party/military dyad could not be included in such a coding as it would receive a 1 and a 3 coding, which is not possible). In another set of analyses, I coded this variable more conservatively in another set of results whereby I included a dummy for dyads of the same type (D-D, SP-SP, P-P, M-M and Hybrid-Hybrid). I get very similar results.

¹⁰ I do not specifically discuss hybrid regimes in this chapter. The codings in the dataset reflect various combinations of single-party/personalist/military regimes and as such are expected to display lower levels of transparency and higher levels of corruption than democracies. However, conclusions beyond this are not possible given the blunt measure of this variable.

between two states' capital labor ratios as a proxy as this can capture how different each states' comparative advantages are from one another.

I include a number of variables to control for alternative explanations in the literature: I include a variable to measure trade dependence between states, as states will be likely to form PTAs with those trading partners that are most important. I measure the total imports and exports of both countries and take the ratio of the state with higher trade volume to the total volume of trade between the two states. A ratio measure that is closer to .5 indicates that the trading relationship between the two states is equal.

I control for alliances within dyads, as research suggests that trading relationships are intertwined to security relationships (Gowa and Mansfield 1993; Mansfield and Milner 1999). This suggests that states that have allied with one another are more likely to experience externalities that increase trade between the states. Because increased trade is found to increase the likelihood of PTA creation, I include a variable that measures the alliance relationship between two states in a dyad. It is coded as 1 if the dyad has entered a formal military alliance in that year, based on data from the Correlates of War project. I present the summary statistics below in Table 4.1:

Table 4.1: Summary Statistics

Variable	Observations	Mean	Standard Deviaton	Minimum Value	Maximum Value
Preferential Trade Agreement	366497	0.001	0.036	0.000	1.000
Both Left Executive Party	366497	0.097	0.296	0.000	1.000
Both Right Executive Party	366497	0.039	0.196	0.000	1.000
Mixed Executive Party	366497	0.578	0.493	0.000	1.000
Higher polity	184691	3.380	7.380	-10.000	10.000
Lower polity	255072	-3.640	6.790	-10.000	10.000
Trade	334371	0.845	0.149	0.500	1.000
Contiguity	366497	5.882	0.712	1.000	6.000
Democracy-Democracy	337096	0.184	0.387	0.000	1.000
Single Party	244043	0.151	0.358	0.000	1.000
Personalist	244043	0.103	0.304	0.000	1.000
Military	244043	0.041	0.197	0.000	1.000
Hybrid	244043	0.451	0.498	0.000	1.000
Log Difference in Capital Labor Ratios	188279	9.548	1.543	0.000	12.109

Results

First, I study the creation of PTAs using a rare events logit for the same reasons detailed in Chapter 3. I test the hypotheses about preferences and regime type affecting PTA creation and present these results in Table 4.2. I find some support for my hypotheses about preferences in Model 1, but it is not very strong. When both states in the dyad have left executive partisanship, an agreement is more likely to be created than when a mixed dyad is in place. The coefficient is not significant on the right executive partisanship though it is in the correct direction. This provides some support for H1. I find little support for H3, as my variable measuring the effect of capital-labor ratios is in the incorrect direction given the hypothesis. In addition, the significance on all of my preferences variables fall away with the controls in Model 2, as well as on one of the variables in the full model in Model 6. As such, it is hard to form any conclusions about the role of preferences in the creation of PTAs.

It is possible some of these results do not find good support for my hypotheses because some of these measures are rough operationalizations of my concepts. For instance, Capital-Labor ratios is serving as a proxy for interest group power in this chapter, but is not a direct measure of the concept at hand. Additionally, the Database of Political Institutions measure is rough because a universal coding of partisanship across space and time is inherently difficult (a left party in the US is ideologically quite different from a left party in Germany, for instance).

Table 4.2: Creation of Preferential Trade Agreements

Dependent Variable: Creation of Agreement	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	Partisanship	Partisanship	Regime-Type	Regime-Type	Controls	Full Model
<i>Partisanship_{ij} Both Left Exec Party</i>	.771 ** (.236)	0.115 (.229)				-0.137 (.304)
<i>Partisanship_{ij} Both Right Exec Party</i>	.187 (.227)	0.188 (.254)				0.391 (.237)
<i>Partisanship_{ij} Mixed Exec Party</i>	baseline	baseline				baseline
<i>Ln(difference in capital labor ratio)_{ij}</i>	-.241 *** (.038)	-0.034 (.055)				-.027 (.059)
<i>Democracy-Democracy_{ij}</i>			baseline	baseline		baseline
<i>Single Party</i>			-0.686 ** (.218)	-0.889 *** (.208)		-1.084 ** (.414)
<i>Personalist</i>			-2.034 *** (.457)	-2.359 *** (.454)		-3.304 ** (1.017)
<i>Military</i>			0.149 (.241)	-0.129 (.239)		0.381 (.248)
<i>Hybrid Partnership</i>			-0.614 *** (.159)	-0.823 *** (.151)		-0.815 ** (.251)
<i>Alliance_{ij}</i>		2.213 *** (.213)	1.399 *** (.179)		1.769 *** (.149)	1.657 *** (0.249)
<i>Contiguous_{ij}</i>		0.293 *** (.048)	0.417 *** (.041)		0.371 *** (.036)	.363 *** (.054)
<i>Trade_{ij}</i>		-1.268 ** (.510)	-1.209 ** (.390)		-.896 ** (.319)	-1.684 ** (.562)
<i>Spline1</i>	-.207 *** (.048)	-0.189 *** (.050)	-0.179 ** (.0421)	-0.167 *** (.041)	-.222 *** (.037)	-.149 *** (.054)
<i>Spline2</i>	.688 *** (.147)	0.655 *** (.149)	0.632 *** (.117)	0.574 *** (.119)	.804 *** (.104)	.577 *** (.158)
<i>Spline3</i>	-2.337 *** (.511)	-2.234 *** (.519)	-2.152 *** (.398)	-1.959 *** (.403)	-2.678 *** (.350)	-2.260 *** (.551)
<i>Constant</i>	401.283 *** (94.963)	366.933 *** (98.799)	347.540 ** (82.327)	323.025 *** (82.647)	430.990 *** (72.568)	289.154 ** (106.020)
<i>n</i>	151681	144911	228043	244042	334369	123986
<i>Rare Events Logit ***<.001 **<.01 *.05</i>						

The institutional model to measure the effects of regime-type is presented in Model 3 of Table 4.2. This model suggests that dyads with non-democracies are less likely than democracies to form these agreements. These results are true across the board for all types of non-democracies except for military regimes, though this result is not significant across the institutional model as well as the full model. These results are robust to different controls and variables in the model. These results provide strong support for the hypothesis I presented in H5.

I find good support for other arguments in the field: states that have allied are more likely to create PTAs, states that are contiguous are more likely to create PTAs and states that trade heavily with one another are more likely to create PTAs.

I use these three variables – alliances, contiguity and trade - in the first stage of the selection model I present in Table 4.3 to test my second stage argument about how institutional constraints and domestic preference variables affect the design of the agreement. That the coefficient estimate on the inverse mills ratio is positive and significant in each result suggests that the selection bias is quantitatively important, and that a two-stage model is an appropriate model.

Table 4.3: Cross Tabs - Flexibility variables versus Regime type

	Democracy- Democracy	Single Party	Personalist	Military	Hybrid	Total
No Amendment	19	0	0	0	6	25
Amendment	143	31	5	19	96	294
Total	162	31	5	19	102	319
	Democracy- Democracy	Single Party	Personalist	Military	Hybrid	Total
No Dispute	50	0	0	0	4	54
Dispute	112	31	5	19	98	265
Total	162	31	5	19	102	319
	Democracy- Democracy	Single Party	Personalist	Military	Hybrid	Total
No Renegotiation Provision	97	8	0	0	70	175
Renegotiation Provision	65	23	5	19	32	144
Total	162	31	5	19	102	319
	Democracy- Democracy	Single Party	Personalist	Military	Hybrid	Total
No Termination	147	17	1	0	16	181
Termination	15	14	4	19	86	138
Total	162	31	5	19	102	319

Flexibility Provisions: Dispute, Amendment, Termination and Renegotiation

First, I address the regime type hypotheses about flexibility. Specifically, I look at when partnering states include provisions in an agreement that allow the partnering state to amend, renegotiate, address disputes and terminate these agreements. I expect that states partnering with non-democratic regimes will shield themselves from the greater uncertainty that exists within these regimes: they will design agreements with greater flexibility by including these provisions so that their partners can revisit these agreements and alter the distribution of gains over time.

I present a series of cross tabs in Table 4.3 that suggest that my expectations about the flexibility of agreements made by states partnering with non-democratic

regimes are met. States retain a great deal of flexibility when negotiating with non-democratic regimes. The baseline category here is democratic dyads, and the categories that follow measure partnerships with single-party regimes, personalist regimes, military regimes and hybrid regimes. As demonstrated in this data, agreements designed between states partnering with single-party, personalist and military regimes include amendment, renegotiation and dispute provisions in every single instance in the dataset. In contrast, partnerships between democracies display wide variance in when these states include these provisions. There are a few cases where hybrid regimes do include these provisions, but the evidence suggests that the variation on when these provisions are included far greater amongst democratic regimes.

This data does not allow me to run a model due to the lack of variation in my dependent variable in the amendment, dispute and renegotiation provisions. This cross-tab does suggest that the evidence in favor of my hypotheses about the effects of regime type is strong. Partnerships with non-democratic regimes retain enormous flexibility: each of these flexibility provisions of amendment, dispute and renegotiation is included in every instance of cooperation with a non-democratic regime.

Table 4.4: Flexibility of Agreement								
<i>Second Stage: Flexibility of Agreement</i>	Model 1		Model 2		Model 3		Model 4	
	Termination		Renegotiation		Termination		Renegotiation	
<i>Partisanship_{ij} Both Left Exec Party</i>					.272 (.428)		.631 (.330)	*
<i>Partisanship_{ij} Both Right Exec Party</i>					-1.482 (.993)		-.480 (.410)	
<i>Partisanship_{ij} Mixed Exec Party</i>					baseline		baseline	
<i>Ln(difference in capital labor ratio)_{ij}</i>							-.486 (.110)	***
<i>Democracy-Democracy_{ij}</i>	baseline		baseline					
<i>Single Party</i>	2.052 (.489)	***	1.418 (.529)	**				
<i>Personalist</i>	1.107 (1.182)		--					
<i>Military</i>	--		--					
<i>Hybrid Partnership</i>	0.432 (.424)		-.411 (.289)					
<i>Inverse Mills Ratio</i>	-0.162 (.138)	*	.617 (.125)	***	.011 (.126)		.432 (.141)	**
<i>Constant</i>	-1.406 (.826)	*	-4.119 (.800)	***	-1.921 (.726)	**	1.888 (1.123)	^
<i>n</i>	292		317		320		185	
<i>First Stage: Creation of PTA</i>								
<i>Alliance_{ij}</i>	1.770 (.149)	***	1.770 (.149)	***	1.770 (.149)	***	1.770 (.149)	***
<i>Contiguous_{ij}</i>	.371 (.036)	***	.371 (.036)	***	.371 (.036)	***	.371 (.036)	***
<i>Trade Power_{ij}</i>	-.899 (.319)	**	-.899 (.319)	**	-.899 (.319)	**	-.899 (.319)	**
<i>Spline1</i>	-.222 (.037)	***	-.222 (.037)	***	-.222 (.037)	***	-.222 (.037)	***
<i>Spline2</i>	.803 (.104)	***	.803 (.104)	***	.803 (.104)	***	.803 (.104)	***
<i>Spline3</i>	-2.673 (.350)	***	-2.673 (.350)	***	-2.673 (.350)	***	-2.673 (.350)	***
<i>n</i>	334369		334369		334369		334369	

Next, I examine the institutional hypotheses with respect to two of these design provisions: termination provisions and renegotiation provisions. Table 4.4 tests my hypotheses about how regime type affects the design of the agreement in Model 1 and Model 2. Model 1 demonstrates that partnerships with single-party, personalist regimes are more likely to include termination clauses than democratic dyads. The results in Table 4.5 which present the Factor Change in Odds suggest that

the odds of a termination clause being included are seven times larger if states are partnering with a single-party regime than a democratic dyad, and more than three times greater if the state is partnering with a military regime than a democratic dyad, holding other variables constant. This suggests that partnering states are far more likely to include this provision when partnering with a non-democratic state than when two democracies are partnering.

Table 4.5: Factor Change in Odds (Flexibility Provisions)

Factor Change in Odds	Termination	Renegotiation	Termination	Renegotiation
<i>Partisanship_{ij} Both Left Exec Party</i>			.428 (.748)	2.180 (.342)
<i>Partisanship_{ij} Both Right Exec Party</i>			.429 (.330)	.397 (.331)
<i>Partisanship_{ij} Mixed Exec Party</i>			baseline	baseline
<i>Ln(difference in capital labor ratio)_{ij}</i>			.986 (.975)	.615 (1.743)
<i>Democracy-Democracy_{ij} Single Party</i>	baseline 7.783 (.299)	baseline 4.130 (.302)		
<i>Personalist</i>	--	--		
<i>Military</i>	3.036 (.130)	--		
<i>Hybrid Partnership</i>	1.540 (.471)	.663 (.474)		
<i>Inverse Mills Ratio</i>	.850 (1.273)	1.852 (1.267)	1.458 (1.151)	1.541 (1.150)

This result supports some conclusions in the literature about how states design agreements, while adding more nuance to our understanding. For instance, Milner and Rosendorff (2001) suggest that unanticipated shocks are more damaging to democracies which make them more likely to be proponents of design provisions that give them the ability to shirk from responsibility if necessary. However, what my results demonstrate is that what matters is the partnership: all states partnering with

non-democratic regimes are more likely to design agreements that allow them to shield against these shocks. This result supports the argument made by Fearon (1998) that in the face of the shadow of the future, bargaining can be difficult and design elements can help states conclude agreements. These mechanisms allow states to partner with non-democratic regimes and reach agreements in the first place.

Next, I turn to my hypotheses about how executive partisanship of states affect how states design flexibility into their agreements with one another. The results of the regressions in Table 4.4 lend mixed support to my hypotheses about partisanship. The results in Model 3 suggest that aligned left and right executive dyads are less likely to include termination provisions than mixed dyads, though these results do not reach traditional levels of significance. This direction is correct – it suggests that leaders lock in their preferences across future time periods – but the result does not reach traditional levels of statistical significance. My measure of capital-labor ratios is not in the expected direction and does not reach traditional levels of significance either. Model 4 examines how these variables affect the inclusion of renegotiation provisions in an agreement. This does not lend support to expectations presented in H2. It shows instead that left executive dyads are more likely to be willing to renegotiate than mixed dyads, as are states with greater differences in capital-labor ratios.

Results in Table 4.5 present a sense of the strength of these results. The effects of partisanship on the dispute and termination design of the agreement are not strong, though left dyads are two times as likely as mixed dyads to include renegotiation provisions in their agreement designs. As a result, though there is some

evidence to suggest that partisanship does affect how states design agreements with one another, the evidence is weak.

Generally, the results indicate that partisanship has less of an effect on the design of flexibility provisions in agreements than the regime variables. There is strong evidence that institutional political variables affect states' agreement designs with one another; specifically, partnerships with military and personalist regimes are more likely to include higher levels of flexibility and monitoring than partnerships between democratic regimes.

Results on Monitoring and Review Provisions

The hypotheses I proposed about the inclusion of monitoring provisions expected that states partnering with non-democratic regimes will be more likely to include these provisions and will be more likely to review the behavior of one another than democratic dyads. I examine this hypothesis first by looking at these effects on the inclusion of monitoring provisions and review in these agreements. The cross-tabs of this data are presented in Table 4.6 below.

Table 4.6: Cross-Tabs - Regime Type and Monitoring Provisions						
	Democracy-Democracy	Single Party	Personalist	Military	Hybrid	Total
No Monitoring Provision	96	18	0	4	20	143
Monitoring Provision	66	13	5	15	82	176
Total	162	31	5	19	102	319
	Democracy-Democracy	Single Party	Personalist	Military	Hybrid	Total
No Review	81	0	0	0	35	116
Review Provision	81	31	5	19	67	203
Total	162	31	5	19	102	319

As demonstrated in Table 4.6, all partnerships with single-party, personalist, or military regimes include review provisions. Table 4.7 presents the results of the regression on these dependent variables. All partnerships with personalist regimes thus drop out of any analysis due to the lack of variation on these dependent variables demonstrated in Table 4.6. As expected in the hypotheses I present, the results in Model 1 of Table 4.7 suggest that military and hybrid regimes are significantly more likely to include monitoring provisions than democratic dyads.

Table 4.7: Monitoring Provisions in Agreement							
Second Stage: Monitoring Provision	Regime-Type Hypotheses				Interests Hypotheses		
	Model 1		Model 2		Model 3	Model 4	
	Monitoring		Review		Monitoring	Review	
<i>Partisanship_{ij} Both Left Exec Party</i>					-1.320 ** (.541)	.392 (.508)	
<i>Partisanship_{ij} Both Right Exec Party</i>					-0.327 (.499)	-0.787 (.563)	
<i>Partisanship_{ij} Mixed Exec Party</i>					baseline	baseline	
<i>Ln(difference in capital labor ratio)_{ij}</i>					-0.150 * (.089)	-.408 ** (.122)	
<i>Democracy-Democracy_{ij}</i>	baseline		baseline				
<i>Single Party</i>	0.104 (.402)		--				
<i>Personalist</i>	--		--				
<i>Military</i>	1.573 ** (.616)		--				
<i>Hybrid Partnership</i>	1.187 *** (.337)		1.057 ** (.320)				
<i>Inverse Mills Ratio</i>	.246 ** (.098)		.944 *** (.148)		0.263 * (.134)	.563 *** (.140)	
<i>Constant</i>	-1.826 ** (.604)		-5.611 *** (.953)		3.146 ** (1.093)	1.113 (1.207)	
<i>n</i>	306		258		185	185	
First Stage: Creation of PTA							
<i>Alliance_{ij}</i>	1.770 *** (.149)		1.770 *** (.149)		1.770 *** (.149)	1.770 *** (.149)	
<i>Contiguous_{ij}</i>	.371 *** (.036)		.371 *** (.036)		.371 *** (.036)	.371 *** (.036)	
<i>Trade Power_{ij}</i>	-.899 ** (.319)		-.899 ** (.319)		-.899 ** (.319)	-.899 ** (.319)	
<i>Spline1</i>	-.222 *** (.037)		-.222 *** (.037)		-.222 *** (.037)	-.222 *** (.037)	
<i>Spline2</i>	.803 *** (.104)		.803 *** (.104)		.803 *** (.104)	.803 *** (.104)	
<i>Spline3</i>	-2.673 *** (.350)		-2.673 *** (.350)		-2.673 *** (.350)	-2.673 *** (.350)	
<i>n</i>	334369		334369		334369	334369	
<i>Instrumental Variables Regression</i> ***<.001 **<.01 * .05							

The substantive effects of this are shown in Table 4.8: while partnerships with single-party regimes are slightly more likely than average to include monitoring provisions, partnerships with military regimes are almost five times as likely and

partnerships with hybrid regimes are almost nine times as likely as democracies to include monitoring provisions.

Table 4.8: Factor Change in Odds (Monitoring Design Provisions)

	Monitoring	Review	Monitoring	Review
<i>Partisanship_{ij} Both Left Exec Party</i>			.805 (.342)	1.481 (.342)
<i>Partisanship_{ij} Both Right Exec Party</i>			1.502 (.331)	.459 (.331)
<i>Partisanship_{ij} Mixed Exec Party</i>			baseline	baseline
<i>Ln(difference in capital labor ratio)_{ij}</i>			.909 (1.743)	.665 (1.743)
<i>Democracy-Democracy_{ij}</i>	baseline	baseline		
<i>Single Party</i>	1.031 (.293)	--		
<i>Personalist</i>	--	--		
<i>Military</i>	4.819 (.241)	--		
<i>Hybrid Partnership</i>	8.905 (.466)	2.878 (.485)		
<i>Inverse Mills Ratio</i>	1.278 (1.260)	2.571 (1.258)	.764 (1.151)	1.913 (1.151)

Graphically, I represent the predicted probabilities in Figure 4.1 below. This graph suggests that partnerships with single-party regimes look more similar to those with democracies than with other types of non-democratic regimes. This supports my hypothesis that states will behave differently as a result of the signal the regime-type is capable of sending partnering states and specifically lends support to the argument that single-party regimes are able to send a more credible signal than hybrid or military regimes, which leads to a lessened need for monitoring provisions in their international legal commitments.

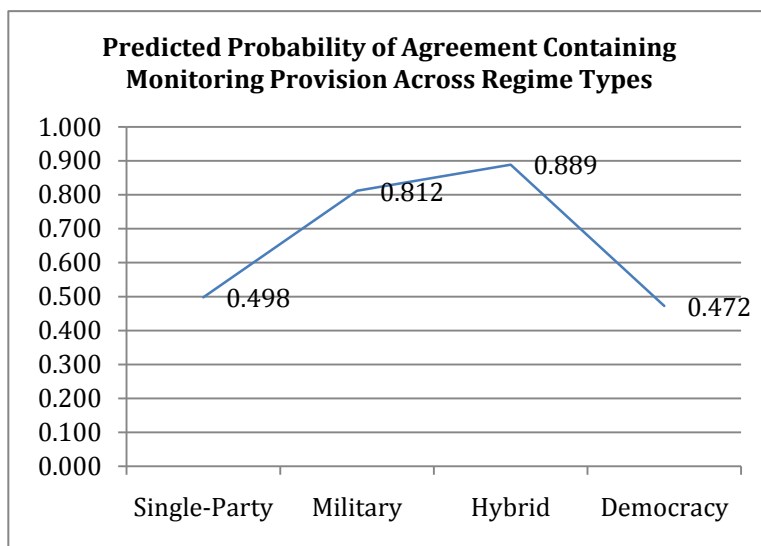


Figure 4.1: Predicted Probability of Agreement Containing Monitoring Provision Across Regime Types

Finally, I expected that states of similar partisanship would be less likely to monitor one another than mixed dyads. The substantive results are presented in Model 3 and 4 of Table 4.6, as well as Models 3 and 4 in Table 4.7. The results suggest that left dyads are more likely to review one another than mixed dyads by a factor of 2 (see Model 4 of Table 4.7). However, results about my other hypotheses are mixed and not statistically significant across the board. These hypotheses about the effects of partisanship on the monitoring provisions find little support in the data.

Conclusions

The results here lend support to the argument that which states cooperate and how they design an international agreement is affected by states' regime characteristics. It lends mixed support to how partisanship affects the incidence of preferential trade agreements and weak support to how capital-labor ratios affect the design of PTAs.

Agreements designed with non-democratic regimes are more flexible, especially with personalist and military regimes. As demonstrated here, agreements designed with these regimes are also significantly more likely to include monitoring provisions, lending support to the argument that the institutional constraints about these states are what causes their partners to design flexibility and monitoring provisions into these agreements. Interestingly, partnerships with single-party regimes behave more similarly to democratic dyads than other types of non-democracies. This lends support to my theoretical framework arguing that the credibility of commitment signal differs significantly across non-democratic regimes and that this signal is stronger in single-party regimes than military or personalist ones.

I did not present a theory to explain how agreements designed with hybrid regimes differ from other types of non-democratic states. Further work can uncover how characteristics of various hybrid regimes may systematically alter how others design agreements with these states. Additionally, a more nuanced dependent variable could have better explained how variation within these regimes affect the design: for instance, a dyadic measurement of renegotiation would explain whether both states have the capacity to renegotiate with one another, or whether just one states has that

ability. The measures presented here do not capture this information. Uncovering this would be helpful to further understanding the implications of institutional constraints.

In the next chapter, I present a case study to unpack the mechanisms that affect when states cooperate and how institutional characteristics of states affect how they design their agreements. I specifically look at how corruption levels and transparency affect states' decisions about when to partner, and how to design a potential partnership.

Chapter 5

The Case of Bolivia-US Relations: Agreement Design Across Non-Democratic Regimes

Introduction

In this chapter, my goal is to investigate how the mechanisms detailed in my theory in Chapter 2 operate. I show how threats facing various types of non-democratic rule affect perceptions of partnering states and ultimately, the creation and design of agreements between cooperating partners. I begin by introducing the case and explaining why it presents a useful set of assumptions for understanding the mechanisms I draw out in my theory.

To shed light on whether – and how – the domestic politics of states affects the creation and design of international institutions, I focus on the international institutional commitments made between one state that has experienced democratic rule for more than the past century, the United States, and one state that has experienced single-party, personalist, military and democratic regimes over the past few decades, Bolivia.

First, I outline some characteristics of each regime and the U.S. position towards each regime. In doing so, I demonstrate how different non-democratic leaders combated threats to his regime differently, and how the U.S. perception towards these regimes changed depending on the actions of the ruling leader. I show

the differences in the ways leaders suppressed threats across a single-party regime from the suppression of threats in military and personalist regimes. In doing so, I demonstrate the overwhelming corruption and transparency displayed by leaders of military and personalist regimes. In the second half of this chapter, I focus this study by systematically examining the variation in the design of bilateral institutional agreements between Bolivia and the United States between 1952 and 2000. Given that the United States was a democracy over this entire time period, this case offers leverage in understanding how regime type and executive partisanship may affect the design of international institutions, as it demonstrates how levels of corruption affected U.S. positions on cooperation and flexibility of commitments. I begin this case study by elaborating on the intricacies of this bilateral relationship, beginning in the years following the end of World War 2.

Relations between the U.S. and Bolivia: 1952-1964

The years leading into the Revolutionary Nationalist Movement (MNR) revolution in 1952 were a dark period for Bolivia, as many were persecuted, killed and driven to exile. Violence was rampant throughout the country and some considered that the state had effectively entered a civil war (Malloy 1970, 127). In addition, in the early 1950s the United States announced that it would rollback its payments on tin and reduce its stockpiles of tin since the end of the war, fostering economic uncertainty across the country (Malloy 1970, 155). The ruling government was falling out of favor quickly. The MNR staged a coup and came to power by taking control of governmental outposts and police duties around the country. Armed miners controlled the biggest mine camps and the towns surrounding these camps and

took control (Malloy 1970, 167). Hernana Siles Suazo took over the presidency in the capitol of La Paz.

The government introduced universal suffrage and focused its efforts on fostering stability across the country. The makeup of political actors changed in significant ways, as labor advanced and organized across the country. The military remained an important institution of the government, especially given its role in the revolution in the first place. Its primary functions changed though: rather than serving as an institution to repress strikes, the government began to use the military as an “instrument of national development.” (Malloy 1970, 181).

U.S. diplomatic relations with Bolivia at this time were directly related to the tin industry. In the year before the revolution, Bolivia sold 66 percent of its mineral exports to the United States, and 31 percent to Britain (Arganaras 1992). However, the United States grew cautious after the revolution in 1952. United States negotiators at the time went so far as to include a statement during tin negotiations that they needed “to dispel strong suspicions, still held by some sectors of American opinion, that the Bolivian government is dominated by communist influence...to reach a prompt and just final settlement of claims arising from the nationalization of mining properties...” (Memorandum, Cabot to Dulles). As a result, the United States delayed recognition of the government until the status of the mining industry under the new administration was clear. When it became clear that there would not be a nationalization of the mines, U.S. Secretary of State Dean Acheson recognized the government (Kofas 1995).

Over time, the U.S. government's stance on the MNR government became increasingly positive. One lawyer in the U.S. embassy wrote that the leadership of the new regime was "attempting to accomplish a real and profound revolution which has as its stated objective a material improvement in the standard of living of the country's proletarian groups and the incorporation into the social, economic and political life of the country of the Indian masses which constitute 90% of the total population," (Zunes 2001, 33). Over the first ten years of the regime, Bolivia shifted from being a possible revolutionary regime to a model for progress in the eyes of the American government (Blasier 1976). By the early part of the 1960s, the United States was providing Bolivia with a third of the government's total budget (Dunkerley 1984, 82).

However, the softened stance of the United States toward Bolivia was tied to expectations: Bolivian economic agreements were almost all tied to social and political development in the country, aimed in part at improving the standard of living in the country (Wood 1969, 10). One United States negotiator, George Eder made it clear to Bolivia that the country had to work towards a more stable political environment, a stronger currency and better labor conditions (Eder 1969, 87-88). In fact, the United States indicated that aid to Bolivia would continue contingent on a stabilization program suggested by the U.S. representative to the IMF. The IMF plan would require that there be a freeze on wages and a return to principles of a free economy (Malloy 1970, 237). The MNR pledged its government support to the principles of democracy (Malloy 1970, 177) and continued to show strides in its political development.

The United States position toward Bolivia under the MNR leadership reflected cautious optimism for a possible democratization process under the MNR and concern for U.S. interests in the region. The position it took was largely reflective of the line it walked with many others: while it backed a shift toward democratic regimes, it did so while pursuing economic interests that could have clashed with maintenance of popular support for democracy.

Personalist Regime under Barrientos

Bolivia's politics changed dramatically in 1964 when the MNR party was overthrown by General René Barrientos in a military coup. Barrientos continued the economic policies of the MNR, continuing progress made by the MNR with the IMF stabilization plan and improving the growth rate at an average of 6.5 percent per year. However, while economic growth continued, civil society experienced some major changes. Barrientos drew his support in a typical personalist fashion by rewarding patronage with jobs and other goods. He ignored the legislature and focused on assuring the key support groups in the military command that their needs would be met. The role of the military in society grew enormously as Barrientos struck a pact with the head of the military and began using the force of the military to enforce his rule.

One of the primary groups that contended with Barrientos' power during this time period was the mining industry. Staffed largely by indigenous people, the mining industry began organizing into trade unions during this time period. Barrientos' government actively suppressed these efforts: one campesino leader, Genaro Flores was abducted by secret police and shot and paralyzed because of his activities.

Barrientos imposed costs by force, cutting the pay of labor workers and seeking to destroy labor unions. They did so by invading mining camps, declaring them military zones where battles broke out between miners and troops and taking on miners with the Bolivian Air Force through the use of bombs to support the ground troops. From within the bureaucracy of the government, Barrientos' regime cut wages by half and removed subsidies, effectively raising prices for workers. Unions suffered greatly and the sociopolitical changes these groups had been working for within the country were largely suppressed during this time period ("Bolivia: No room for compromise").

Outside of the mining industry, the government exhibited short-term vision: its policies were for specific problems and as one author puts it were "designed to buy the regime breathing space," (Malloy and Gamarra 1988, 14). Corruption was rampant. The regime was known for accepting bribes from Gulf Oil and for embezzlement, as Officers in the military were found drawing two salaries and escaping import taxes on luxury goods from other countries (Malloy and Gamarra 1988, 27). The President interfered in the affairs of other branches, commanding police to interrupt court sessions and haul citizens out of testimonies being given in court (Malloy and Gamarra 1988, 29).

Bolivia's dependence on the United States did not lessen during this period, and amongst its neighboring countries, its dependence on the U.S. was far greater. From the point of view of the United States, they had plans to increase and expand its development strategy in South America. The U.S. found it was necessary for its aid to Bolivia to be tied to developmental advancements to further political development within the country. While there was some support for this regime, the skepticism of

both parties grew. The regime began to splinter and with increasing unrest amongst the labor groups within the country, the military rule became harsher so as to maintain political control (Library of Congress, 4). The United States increased pressure on the regime to liberalize and democratize.

As more information about the nature of the regime came to light, the United States began the process of restructuring and lessening its aid to the country. This caused “moments of tension between Barrientos and the U.S. embassy in La Paz.” (Malloy and Gamarra 1988, 36). Along with West Germany and the Inter-American Development Bank, the U.S. cut off the third phase of funding for a \$38 million mining program in the country (“Bolivia: No Room for Compromise”).

Military Regime of Banzer

Short-lived governments came to power after the fall of the Barrientos regime but none stayed for long, and the political positioning of the country became less stable. In 1971, Army Colonel Hugo Banzer Suarez came to power. His winning coalition was made up of many different groups and factions which exhibited different interests and goals for themselves and Bolivia. One group consisted of the private sector from which he drew many appointments to his cabinet, another was the military establishment, and finally a third group consisted of an alliance of groups from within two of the largest political parties in Bolivia, the MNR and Bolivian Socialist Falange (FSB). As such, the winning coalition was inherently unstable: threats were almost constant from within his coalition and managing the struggles these groups presented to him took much of Banzer’s time. All the while, the military’s presence in the coalition grew and the party factions lessened as they

drained resources and actually fueled opposition. The military faction suffered from organizational problems as well. Banzer replaced the head of the Army and reorganized the structural line of command several times while bringing in other military officers into his cabinet where they exerted great influence. The military groups attacked the political parties with corruption charges and began to call for a stronger military government (Malloy and Gamara 1988, 85). The government came to clash with the private sector more and more.

Banzer sought to shield himself from a coalition that was made up of a majority of military personnel so he tried to bring in other political figures from other parties and instituted a set of policies that affected the prices of consumer goods by as much as 100% at some times. Civilians reacted strongly by mobilizing across the country, and Banzer's reaction showed little sympathy to their demands. When confrontation broke out in 1974, the military government responded with air raids and bloody battles. Many died and the government arrested hundreds (Malloy and Gamara 1988, 86). Banzer then banned political and union activity. Banzer sought to diffuse the internal tension by shifting focus to international issues and opened negotiations with Chile in hopes to build nationalist sentiment within his country (Malloy and Gamara 1988, 88).

The United States' relationship with Bolivia during this government shifted greatly from past governments as Jimmy Carter came to office as president in 1976. Banzer and the State Department increasingly conflicted. As the Banzer regime began to splinter with increasing unrest amongst the labor groups within the country, the military rule became harsher so as to maintain political control (Library of Congress,

4). As the United States became aware of the situation, it increased pressure on the regime to liberalize and democratize.

The most important development in this respect was President Carter’s focus on human rights during this era, which he brought to bear on Bolivia. The United States listed the Banzer government as one that regularly violated human rights, news that the Under Secretary of State for Latin American Affairs broke to the Banzer government in 1977. Banzer’s government was forced to respond. Given the turn for the worse in economic progress, Banzer began to focus on presenting a plan that would signal political progress to encourage greater participation of the population in the political process. This forced Banzer to unveil a plan to return to civilian rule by 1980 (Malloy and Gamara 1988, 95). However, this wasn’t enough: the pressure just continued to grow from Carter’s administration when Banzer traveled to Washington to sign the Panama Canal Treaty. Ultimately, Banzer was forced to call elections in 1978. I present a summary of relations across the non-democratic regimes in Figure 5.1 below.

Figure 5.1: Summary of regimes and relations with U.S.

Government	Regime Type	Key Features of Regime	Relationship with U.S.
Siles 1952-1964	Single-Party	Post Revolution; efforts toward democratization; poor economic growth; winning coalition is the political party	U.S. is cautious, focused on negotiations surrounding tin industry
Barrientos 1964-1969	Personalist	Suppression of domestic opposition, especially in mining industry; rampant corruption, winning coalition driven by patronage system	U.S. promise of aid is tied to development in the country
Banzer 1971-1978	Military	- Policy not driven by ideology; Very unstable winning coalition; Continued military suppression of groups; strong role of military	U.S. largely focused on cocaine production; President Carter issues strong diplomatic efforts to democratize, rectify human rights violations

Democratic Transition

The years after 1978 were marked by turmoil. An economic crisis grew when petroleum reserves became exhausted and commodity prices declined further leaving the state in a precarious situation, unable to service its foreign debt. The state-centric economic model was clashing greatly with the possibilities of opening the political system (Malloy and Gamarra 1988, 119-120).

The United States had firm goals for progress in Bolivia during this transitory period: it sought to control cocaine production and trade, promote democratization efforts in the country, and further privatization of the economy with less control by the state and development of an organized private sector (Malloy and Gamarra 1988, 150). The United States responded very favorably to the democratization process during the years when Siles was in power. The U.S. embassy especially encouraged the movement of the private sector and rollback of the state-centric market plans that had been in place. To achieve the other goals, the U.S. tied aid to Bolivia to strong goals with respect to coca production within the country. It enforced its position as well: when the Bolivian government was unable to reach the stated goals, the United States under President Reagan withdrew its money (Malloy and Gamarra 1988, 177).

By 1982, Hernan Siles Suazo was sworn in as President, the military's role in the government lessened greatly, and a coalition political party backed the president. The new regime brought with it a series of policies to stabilize the economy. Though there were implications in the short term, the market for tin and other commodities within the state improved drastically. The democratization of the country improved

relations with the United States over time as well. Yet, the constitution was weak and the economy was still in crisis.

Siles, who had governed the country decades before, would have to depend on international actors to help survive the economic state of affairs. Parts of the government still exhibited displays of corruption similar to those of past regimes: Siles' Head of National Council was accused of having met with the alleged kingpin of the drug trade in Bolivia to discuss borrowing \$2 billion to alleviate the nation's economic problems (Malloy and Gamarra 1988, 178). When protests to economic strife erupted around the country, Siles mobilized forces against strikes and miners and commanded the air force to fly over the capitol.

Bolivia continued to be plagued by economic problems. After the democratic transition, many workers found themselves out of a state-centered economic system and in private sector positions where benefits were low and long-term prospects were uncertain (Barr 2005, 71). Civil protest continued throughout the country through demonstrations, protests and strikes. The discontent was widespread across classes and professions.

Three political parties have been active in forming pacts to create governments since the transition in 1982, but the various alliances made it difficult for any one party to make a successful ideological appeal to the electorate (Cott 2003, 758). While each government implemented a range of reforms from government to civil society, the parties had problems establishing legitimacy and credibility across the society (Barr 2005, 70). The majority of Bolivians believed corruption contributed to the country's lack of credibility abroad, and in a recent survey, only 16

percent of Bolivians professed satisfaction with their democracy, down from 25% in 1996 (Latinobarometro 2004, 23). Confidence in political parties declined, as did voter participation (Payne et al. 2002, 59).

When elections were called in 1985, Paz Zamora came to power and issued a decree to restructure the economic state of affairs in the country: it reduced the size of the state, increased the efficiency and gave policy tools to the executive to control resource extracts from society (Malloy and Gamarra 1988, 196). It moved the direction of the economy toward further privatization and emphasized a decreased role of the state in the economy.

Though U.S. relations with Bolivia improved over this time period, in recent years, U.S. relations with the country took a turn for the worse when U.S. Ambassador Manuel Rocha announced in a speech before the 2002 elections that “I want to remind the Bolivian electorate that if they vote for those who want Bolivia to return to exporting cocaine, that will seriously jeopardize any future aid to Bolivia from the United States,” (Cott 2003, 773). President Bush did recognize the regime in spite of Morales’ policy decisions in his first few years to nationalize the hydrocarbon industry, halt the mandatory eradication of coca and host three visits from Hugo Chavez (Dunkerley 2003, 134). Though the Bush administration expressed irritation, the Obama administration has taken a more hands-off approach to the regime.

The tumultuous decades of politics for Bolivia yielded various responses from the U.S. government. The U.S. has used various types of information from the political affairs of Bolivia to determine how it would approach institutional

commitments to the state. I examine this relationship with respect to the hypotheses set forth in this dissertation systematically in the next section.

Expectations about formal commitments between the U.S. and Bolivia

The theoretical framework laid out in Chapter 2, and the subsequent chapters, detail expectations about how executive partisanship and regime type affect when states will create agreements. These chapters also detail how these conditions are inherently related to how states will design flexibility and monitoring provisions into these agreements. This case provides a unique natural set of circumstances to study these expectations.

First, the expectations about when states will create agreements suggest that an agreement is more likely to be created between democratic dyads, because of higher credibility of commitment. I also argued that dyads of similar executive partisanship will be more likely to create agreements.

Second, the expectations about the design of the agreement suggested that the United States will design agreements with Bolivia that are more flexible with the non-democratic regimes – the Siles, Barrientos and Banzer regimes – so as to control for shocks to anticipated gains over time. In contrast, the United States would be expected to design agreements with less flexibility with Bolivia’s democratic regimes. In addition, the expectations suggest that the United States will design more monitoring provisions into an agreement with the Bolivian regimes under Siles, Barrientos and Banzer so as to ensure that the prescribed behavior is implemented in the country.

In the next section, I conduct a systematic analysis of the agreements signed between Bolivia and the United States between 1952 and 2000. I do so using both quantitative examination of the agreements and further exploration of the text of the agreements designed during this time period.

Systematic Evaluation of Agreements signed between 1952-2000: Research Design

To determine whether or not the monitoring provisions in agreements with the United States differed across Bolivia's regimes, I gathered data from all bilateral agreements signed between the United States and Bolivia across the different regimes as registered with the United Nations between 1952 and 2000. In total, there were more than fifty separate agreements created. For each agreement, I gathered data on the flexibility of the agreement, and the monitoring provisions within the agreement. Specifically, I gathered data on whether the agreement contained an amendment provision which would allow states to modify behavior in the future, a withdrawal provision that would legally allow one state to extract itself from agreement expectations and a renegotiation provision which would allow the states to revisit terms of the agreement over time. Each of these codings received a 1 if the provision is present in the agreement, and a 0 if the provision is not present. Also, to capture how specific the agreement is with respect to the behaviors expected of each state, I gathered data on the length of the agreement. This is a proximate measure of how detailed the specifications of the agreement are. There are obvious cases where such a measure does not capture the concept at hand, but overall it serves as a proxy for the specification of behaviors in the agreement (Huber and Shipan 2002). There are some constraints with this measure as a measure of flexibility: is not a fine-grained

measure of the flexibility of the agreement, but it does suggest that there are more provisions in the agreement.

Next, I measured the monitoring provisions in the agreement. The types of monitoring provisions ranged from the creation of bodies, the delegation to existing bodies to monitor behavior to reports on behavior from state agencies. Thus, if the agreement stipulated that the state(s) must monitor behavior – whether by an outside group, a group from the opposing state, or by self-reporting – the agreement was coded as a 1. Otherwise, the agreement was coded to be a 0.

My two key independent variables capture the partisanship of the executive and the regime type. I employ the use of the Database of Political Institutions to measure the partisanship of the executive. This measures whether the President of the United States was of Left, Right or Center orientation and whether the President of Bolivia was of Left, Right or Center orientation. I construct a variable from this data to measure whether or not the executives of the two states were of similar partisanship or not. This is constructed as a variable with three values: a value if the states were of opposite partisanship (mixed), a variable for whether they are the same left partisanship and a variable for the years when they are both of right partisanship.

I use the Geddes codings to classify the non-democratic regimes within Bolivia between 1952-2000. The Siles regime is coded as a Single-Party regime, the Barrientos regime a personalist regime and the Banzer regime a military regime. I code all Bolivian governments between 1982-2000 as democracies, in spite of variations in the Polity IV measure of the level of democracy of the regime.

In addition, I control for two factors that may affect the design of the agreements. First, some authors suggest that an asymmetry of power is an important determinant of international cooperative efforts and as such, could affect how monitoring and flexibility provisions are designed: the greater the asymmetry of power across the states, the greater the likelihood that the state will include a monitoring provision. Wendt (2001) suggests that the relative power of the states is an important variable for understanding institutional design that is not considered with due weight in the Rational Design framework. He suggests that states that are powerful have undue influence in the design of international institutions. His argument is reinforced in Duffield's (2003) argument as well. If relative power is important in the design of agreements, we should expect to see differing levels of monitoring across differing power relationships between states. As such, I include it as a control variable in my analyses. I measure the relative power between the two states with a measure of the relative military capabilities of the two states to capture the difference in power across the two countries. The CINC measure from the Correlates of War dataset aggregates 6 measures of domestic capability: total population, urban population, iron and steel production, energy consumption, military personnel, and military expenditure. I take the log of this measure.

I secondly also control for the trade relationship between the states to account for economic power disparities. I measure the total volume of exports and imports between the states and take a ratio of these total volumes. When the trade ratio is closer to 1, the states have equal dependence on one another. In contrast, when the ratio is closer to 0.5, the states have less dependence on each other.

Results and Discussion

I present summary statistics for all the variables of interest in Table 5.1. Some of the variables of interest do not exist in the dataset: for instance, the measure of partisanship I use from the Database of Political Institutions is only available for the years 1975 onwards. As such, there are no instances where both Bolivia and the United States experienced left executive parties. Also notable is that there is very little variation in the symmetry of power between the two states and the trade ratio between the two states over the years of interest. As a result, the variation in power and trade levels cannot account for the variation in my dependent variable.

Table 5.1: Summary Statistics

	Number of Observations	Mean	Standard Deviation	Minimum Value	Maximum Value
<i>Single Party-Democracy_{ij}</i>	60	0.483	0.504	0	1
<i>Personalist-Democracy_{ij}</i>	60	0.333	0.475	0	1
<i>Military-Democracy_{ij}</i>	60	0.116	0.324	0	1
<i>Partisanship_{ij} Both Left Exec Party</i>	16	0	0	0	0
<i>Partisanship_{ij} Both Right Exec Party</i>	16	0.438	0.512	0	1
<i>Partisanship_{ij} Mixed Exec Party</i>	16	0.563	0.512	0	1
<i>Trade_{ij}</i>	51	0.995	0.001	0.99	0.998
<i>Log Power Ratio_{ij}</i>	51	5.507	0.187	2.194	2.78
<i>Number of pages</i>	60	8.65	7.208	2	28
<i>Renegotiation provision</i>	60	0.267	0.446	0	1
<i>Amendment Provision</i>	60	0.4	0.494	0	1
<i>Withdrawal Clause</i>	60	0.183	0.39	0	1
<i>Monitoring Provision</i>	60	1.5	0.791	0	3

To analyze the hypotheses presented in the previous section, I present cross tabs in Tables 5.2 and 5.3. Table 5.2 observes the inclusion of flexibility and monitoring provisions across different regime types. The most number of agreements

created between the U.S. and Bolivia are during Bolivia’s Single-Party and Personalist regimes. There are also more agreements created during the notably shorter military regime than during the democratic regime. This result contrasts findings in the field that suggest that democratic regimes are more likely to cooperate with one another.

The diplomatic relations with between the two countries suggest that the U.S. recognized that though democratization efforts were occurring within the country, there was still rampant corruption – as demonstrated by various political acts of Siles administration – and that the transparency of leader incentives was still low. Some literature suggests that democratic transitions are periods of greater uncertainty within the society than periods of non-democratic rule (Hadenius 2007). It is possible that the transitioning society is what is captured in the data: the U.S. backed away from creating agreements with Bolivia while the democratization efforts were still underway.

Table 5.2: Cross Tabs - Regime Type and Design Provisions

	Democracy	Single Party	Personalist	Military	Total
No Renegotiation Provision	3	21	15	5	44
Renegotiation Provision	1	8	5	2	16
Total	4	29	20	7	60
No Amendment	4	13	14	5	36
Amendment	0	16	6	2	24
Total	4	29	20	7	60
No Withdrawal	4	24	15	6	49
Withdrawal	0	5	5	1	11
Total	4	29	20	7	60
No Monitoring	3	15	11	3	32
Monitoring	1	14	9	4	28
Total	4	29	20	7	60

Table 5.3 presents the cross tabs between the flexibility provisions and monitoring provisions across executive parties in the U.S. and Bolivia. The dataset does not include any agreements created when the U.S. and Bolivia had partisan aligned leaders. It is possible that the partisanship of the executive has less weight in non-democracies than in democracies in the decisions to create and design an agreement between states. However, the lack of variation within this variable makes it impossible to run a statistical analysis of the effects of executive partisanship on the flexibility and monitoring provisions of the agreements created between these two states. It is also therefore not possible to examine the questions formed from results in earlier chapters that executive partisanship has a greater effect in democracies than in non-democracies.

	Both Right	Both Left	Mixed Parties	Total
No Renegotiation Provision	0	0	11	11
Renegotiation Provision	0	0	5	5
Total	0	0	16	16
Amendment				
No Amendment	0	0	6	6
Amendment	0	0	10	10
Total	0	0	16	16
Withdrawal				
No Withdrawal	0	0	12	12
Withdrawal	0	0	4	4
Total	0	0	16	16
Monitoring				
No Monitoring	0	0	5	5
Monitoring	10	0	11	11
Total	0	0	16	16

However, from examination of diplomacy between the two states over this time period as detailed above, while the partisanship of the executives were certainly

taken into consideration from time to time (this is particularly noteworthy during the 1950s when the US was concerned about the spread of communist influences), the economic interests of the U.S. in the region were almost always brought to bear above other considerations. The tin trade, as well as the exports of coca and cocaine production in the country, drove considerations for relations between the states in many instances. This variable – economic interest - is hard to capture in a systematic fashion: Bolivia’s exports to the U.S. are small in comparison to many other states that export to the U.S., and yet dictate a large part of what drives the relationship between the two states. As such, this concept is hard to capture in a large-N study.

Table 5.4 presents the results of a logit to understand how regime type affects the likelihood that the bilateral agreements between these regimes will contain monitoring provisions. The logit analysis results suggest that there is greater likelihood that monitoring provisions are written into the agreements when the United States was signing agreements with the single-party, personalist and military regimes than when designing agreements with another democratic regime. Power also shows the stated effect. Overall then, there is support that the size of the winning coalition affects the inclusion of monitoring provisions across agreements.

Table 5.4: Dependent Variable: Monitoring Provision in Agreement		
<i>Democracy-Democracy_{ij}</i>	baseline	
<i>Single Party</i>	3.828 (1.590)	**
<i>Personalist</i>	7.242 (2.742)	**
<i>Military</i>	6.328 (2.361)	**
<i>Trade_{ij}</i>	239.266 (438.04)	
<i>Log Power Ratio</i>	-12.180 (5.800)	*
<i>Constant</i>	(442.302)	
<i>n</i>	51	

Finally, Table 5.5 presents an ordinary least squares regression of the regime type variables on the length of the agreement. The hypotheses from the previous sections suggest that the longer the agreement, the more flexibility there is to it, as it is more likely to contain the provisions that allow states to cope with shocks and changes to the domestic political situations. The results from the OLS in Table 5.5 lend support to this conclusion. Agreements with the single-party, personalist and military regimes are all substantively and significantly longer than agreements created between the democratic regimes.

Table 5.5: Dependent Variable: Number of Pages in Agreement		
<i>Democracy-Democracy_{ij}</i>	baseline	
<i>Single Party</i>	10.031 (4.034)	**
<i>Personalist</i>	11.806 (60114)	*
<i>Military</i>	9.035 (5.472)	^
<i>Trade_{ij}</i>	-32.159 (14.162)	**
<i>Log Power Ratio</i>	-845.083 (1106.859)	*
<i>Constant</i>	921.247 (1125.7)	
<i>n</i>	51	
OLS. ***<.00, **<.01, *<.05, ^<.1		

As such, the expectations about design as a function of the regime type are largely met in this case. During the MNR regime, the relationship between the states came to be largely defined by the market for tin as tin exports accounted for almost 70% of Bolivia’s foreign exchange earnings during this regime (Rabe 1988, 79). However, these economic interactions did not stand alone: United States diplomatic efforts with Bolivia were almost universally tied to quid pro quos. The United States pushed for reforms within the country in these agreements, though not with explicit measures to do so. For instance, they prescribed that Bolivia “use their best endeavors to develop and expand continuous market demand for agricultural commodities,” but did not make more specific claims about how the states should do so (UNTS 6557 United States, Bolivia 1961).

The agreements signed between the two states under the Barrientos rule were different than those signed under MNR rule previously. Whereas all the agreements under the MNR rule were infinite in nature, 75% of the agreements signed under Barrientos rule were finite, lasting for 1-2 years. Many agreements were tied to

specific political development measures: for instance, the United States specified in one agricultural commodities agreement that Bolivia must “improve the technical competence of the Ministry of Agriculture” and in another, that it must “expand its network of capital agricultural service centers” (UNTS 10154) and “intensify efforts to develop small farmer organizations and village infrastructure,” (UNTS 11965).

The specificity of the demands and the linkage to further assistance with such precision suggests that though the U.S. would cooperate with the regime, they made expectations of Bolivia clear, and the added flexibility to agreements ensured that the U.S. could recede if they were not receiving expected payoffs.

This trend of increased precision, strict monitoring and flexibility continued in agreements formed under the Banzer regime in the 1970s. One agricultural commodities agreement between the two states signed in 1972 specified a program to “vertically integrate projects on marketing and production” (UNTS 13449). For the cereals program in the country, the U.S. specified that it expected the program achieve “a specific goal of increasing wheat production to 102,000 metric tons” by 1975 (UNTS 13449). In one agreement, Bolivia’s government would be required to submit everything from an organizational plan, financial plan and maintenance plan, to an alternative use plan for four buildings whose purposes were being changed under the agreement (UNTS 19853). The Bolivian government was given 90 days to achieve certain tasks or was threatened with termination of the agreement.

The number of agreements reached, as well as the content of the agreements during the democratic Bolivian governments differed from previous regimes. While many of the agreements in the economic realm between the two states still included

ties to development in the country, the nature of obligations differed. When agreements were listed in finite terms, the United States still included provisions stating that their intent was less finite in nature. As in the case of UNTS 38198, the United States and Bolivia designed a one year time span, but also explicitly stated that “it is the intent of the United States to provide similar funding in subsequent years.” Since Bolivia’s democratization in 1982, the United States and Bolivia have become signatories to very few original bilateral agreements. Of the agreements that I was able to access, the average page length differed quite significantly from previous regime types: it was significantly lower – at 7 pages – than the other regime types which were much longer.

Overall then, the results here lend some support to the theoretical framework set forth: agreements with military and personalist regimes incorporated more flexibility than agreements with democratic regimes. The terms of agreements also reflected a higher level of precision and obligation than those created with single-party and democratic regimes. Similarly, monitoring provisions were more likely to be included in agreements with the non-democratic regimes than the agreements with the democratic regimes.

Conclusions

The case presented demonstrates how the domestic politics of a country affected relations between the states over time. Specifically, this case demonstrates how the regime type of one country, Bolivia, affected its partnering state’s expectations over time.

Diplomatic correspondence between the two countries reveals how corruption, transparency of activities and human rights violations affected the U.S. position toward the country. The numerous coups over the past few decades in Bolivia each time fostered uncertainty and caution in the U.S. about how to proceed with new governments. In turn, over time as individual governments established their course of action, the United States responded in kind: when Siles' first regime under the MNR in the 1950s began to establish credibility amongst the people, the United States responded by recognizing the regime and opening negotiations over a range of issues. In contrast, when Barrientos' regime demonstrated increased corruption and lack of transparency in his bureaucracy, the United States responded with more explicit obligations and stricter timelines for reaching obligations set forth by the United States.

This is not to say that preferences did not play a role in relations between the states. The importance of the tin industry to both parties, as well as the coca trade, weighed heavily on all dimensions of relations with states over time, ranging from aid for education opportunities to military operations. The U.S. guarded its interests in the tin industry heavily in the years after the Second World War, and during the Korean War in the 1950s. Evidence indicates that the U.S. placed these interests above its concerns about the stability of the regimes and welfare of citizenry in the state. In more recent years, its interests in the coca trade have far outweighed its diplomatic stance supporting democratization efforts in the region.

These interests weigh outside of the partisanship of the executive, as they draw from economic interests of U.S. investors in the region. As such, though the

terms of these agreements varied over time – in part due to the executive in the U.S., as demonstrated under President Carter’s regime especially – they are not captured in a large-N study. In this regard, while the executive interests of the states impact negotiations, they are harder to capture in a time-series, cross national study.

Overall, this case lends support to the broad set of hypotheses set forth in this dissertation. The regime-type of potential partnering states affects the willingness of partnering states to create agreements, and also greatly affects how states design the terms of the agreement. In addition, executive partisanship affects how states detail terms within agreements as well.

Chapter 6

Conclusion

Purpose and Puzzle

Negotiations for a new international climate change regime in 2009 were highly anticipated in large part because of the ushering in of a new “era” of global leadership under President Obama. The promise of a new U.S. administration with starkly different policy preferences than the previous administration led many key negotiators to express renewed optimism that many of the important actors which had not ratified the Kyoto Protocol would formulate a new set of standards for cooperation. There was widespread agreement, as stated by key UK negotiator Jan Thompson, that “a deal needs to be done,” (Harris 2009).

The set of actors negotiating at Copenhagen for a new climate regime introduced varying plans to achieve this stated goal during this renewal of talks. Jonathan Pershing, the Chief Negotiator for the United States expressed interest in reframing a method for achieving a global plan. Rather than approaching a global regime en masse, he expressed enthusiasm for developing domestic plans within countries first and then amassing these plans at a global scale. Others brought different plans to the table. One of the primary concerns of the Chief Negotiator for

the G-77 and China bloc, Bernaditas de Castro Muller, was that a global plan must include a financing option for the lower income countries. Under such a plan, developed countries would in part be subsidizing their role during previous decades of industrialization.

In the end, in spite of gains made to produce a text that incorporated greater levels of flexibility through various membership obligations, conditional financing provisions and selective clauses in the agreement, the failure to reach an agreement on the terms and design of these provisions led to a breakdown of talks.

As noted in Chapter 1, our current literature does not adequately account for the failure to reach a negotiation in this case. The parties agreed that it was in their incentive to create an institution. Yet, their inability to agree to the design of an agreement led to the failure of an agreement to come to fruition. This climate change case challenged states to overcome a difficult enforcement problem: though each state would like climate change challenges to be solved, it is in the incentive to defect from an agreement because doing so allows them to reap economic gains. Agreeing that this enforcement problem should be solved is just one step. There is an inherent endogeneity problem that must be overcome as well – solving the cooperation problem requires designing an institution that satisfies the goals of each of the actors in negotiations. Cooperation does not occur every time a cooperation problem presents itself. Rather, successful attempts are rare. Given that some cooperation problems are constant over time, what explains when cooperation will occur, and how an institutional arrangement will be designed?

My dissertation demonstrates the crucial role that executive partisanship, interest groups and regime type play in the creation and design of an international institution. In the sections that follow, I summarize the key points to draw from this dissertation, detail the contributions it makes to a larger literature on international cooperation and discuss future lines of research.

Summary of dissertation

The theoretical framework detailed in Chapter 2 addresses two questions: First, when do states choose to solve cooperation problems by creating an international institution? Second, do the same factors that drive the decision to cooperate also determine institutional design? I survey the literature and refine a framework for understanding when cooperation will arise, and how it will be designed.

The production of an agreement at a specific point in time varies substantially (see Figure 1.1 and Figure 1.2, Chapter 1). Some periods in history experience a flurry of agreement activity, while other time periods witness very little. Thus far, much of the literature in the field explains these agreements as instances when states solved a cooperation problem that can be characterized with a two-by-two game. For instance, when states face an enforcement problem as detailed in the climate change case, each state agrees its in the benefit of all actors to cooperate, but it is in the incentive of each state to defect in the short term.¹¹ In such cases, actors can create international institutions or elongate the shadow of the future. When partnering states

¹¹ This is just one of many cooperation problems that are imminent in the climate change case.

face a distributional problem such that each state has different preferences over the outcome, states can introduce other issues to the negotiations.

However, some of these cooperation problems are constant over time; these characteristics of two-by-two games do not necessarily change in some of these issue areas. For instance, while uncertainty is almost constant in economics issues due to possibilities of domestic or international shocks to a distribution of gains, the formation of economic agreements only happens at specific times. Similarly, in spite of distributional and enforcement problems in the environment, the creation of institutions to overcome these distributional problems only happen at certain points in our history. What explains when states actually overcome these cooperation problems in the form of international institutions?

International agreements are one type of good that an executive can produce for his winning coalition. In Chapter 2, I drew out a theoretical framework of foreign goods provision based on the size and makeup of a state's winning coalition: when it is in the advantage of the leader to reward his winning coalition with foreign policy goods, he will seek out international institutions that can provide these goods. However, not all foreign policy goods are equally desirable to his winning coalition. Whereas some domestic coalitions may lobby for a specific good, others may not. As such, which preferences get realized in foreign policy negotiations will depend on the preferences of the executive and the interest groups which have sway over the direction of policy. When these interests align domestically, the executive will seek out an agreement with a partnering state.

At any point in time, the executive can – in theory at least – seek out a bilateral agreement with over 180 countries. For an agreement to come to fruition, his partnering state’s executive must have a winning coalition demanding a similar type of foreign policy good. In addition, each partner must be able to signal to a partnering state that he will be able to deliver the stated good. The executive’s ability to credibly commit through institutions that display transparency and lack of corruption are crucial to his ability to signal a commitment to a partnering state.

Thus, when the institutions of a state promote these characteristics, and the interests within each state are strong enough for an executive to seek out this good internationally, an agreement is more likely to be created. And yet, these conditions alone do not foster agreement creation. As detailed in the case of Copenhagen, states can have winning coalitions demonstrating need for the good across partnering states and still fail to achieve an agreement.

I thus argue that the same conditions that foster the creation of an agreement between two states also affect how an institutional cooperative agreement is designed. I specifically focus on the design provisions that promote monitoring and flexibility of commitment.

The first factor I identify as affecting how agreements are designed is the credibility of commitment of a state. If a state’s credibility of commitment is low due to institutions that demonstrate lower levels of transparency and higher levels of corruption, an agreement will be more likely to include monitoring provisions that allow one state to assure that ex ante prescribed behavior in an agreement comes to fruition ex post. Similarly, partnering states will want to assure their domestic

coalitions that should shocks to a distribution of gains arise, they will be able to revisit the terms of their commitments. As such, they will be more likely to include flexibility provisions such as amendments, withdrawal clauses, termination features and renegotiation provisions when cooperating with a partner whose credibility is questionable.

The partisanship of the executive should also affect how agreements are designed: when executive partisanship across a partnership differs, executives may want to maintain higher levels of flexibility so as to assure their winning coalitions that in the event of shocks or changes to the preference set of the opposing state, they will be able to extricate themselves from the terms of the agreement. The institutions of the state that demonstrate the transparency and corruption of executive behavior will also affect the monitoring provisions in an agreement and the flexibility of terms.

In the two chapters that follow my theory chapter, I draw out a series of hypotheses to examine this framework systematically. First, I examined my hypotheses regarding agreement creation by testing them on a population of bilateral environmental agreements in Chapter 3. Hundreds of environmental agreements were created between 1975-2000, on topics ranging from fishing and whaling to nuclear waste and animal protection. I use this population of agreements to test the hypotheses laid out in my theory in Chapter 2. To do so, I first operationalized my concepts from the previous chapter. Executive preferences were operationalized with measures of the executive's partisanship. Because of the population of agreements, I looked at the effect of Greenpeace lobbying on the creation of agreements cross-country. I measured the ability of a state to signal transparency and low levels of

corruption with regime type: whereas democracies exhibit higher levels of transparency and lower levels of corruption due to a large winning coalition size, personalist and military regimes could not (Geddes 1999, Peceny et al 2002). Rather, these states are likely to exhibit much lower levels of transparency of behavior and engage in corrupt behavior to maintain their winning coalitions.

The results lend a great deal of support to the influence of regime type, and some support for the role of executive partisanship and the effects of domestic lobbying groups. Democratic dyads are more than twice as likely to create agreements than non-democratic dyads. Non-democratic regimes – single-party, personalist and military – with a minimal lobbying presence are much less likely to create agreements than democratic dyads. In addition to finding support for the role of regime type, I find some support for my argument about the role of preferences of the winning coalition. Dyads with a strong Greenpeace presence are also twice as likely to create agreements. Executive partisanship alignment also makes it more likely that states will become signatories to an agreement.

In Chapter 4, I test the full argument. An agreement's creation and design are inherently an endogenous process for partnering states, and should be modeled similarly to other work in international relations that accounts for an endogenous decision-making process. For instance, a decision to enter war is inherently intertwined to the capability of a state to successfully attack at first strike. Similarly, the decision to enter into cooperation is inherently intertwined to decisions about how a cooperative agreement can be written. As such, testing the argument as laid out in Chapter 2 requires that a research design be implemented to successfully test whether

the conditions that foster an agreement also affect the flexibility and monitoring provisions written into an agreement.

I subject my hypotheses about this endogenous process to test on a population of preferential trade agreements. Specifically, I examine all preferential trade agreements created in the world between 1975-2000. I find some support for my hypotheses that the alignment of executive partisanship affects the design of agreements. More telling, the results about the effects of regime type are very strong. Termination clauses are four times more likely to be included in agreements with single-party and military regimes than agreements in democratic dyads. In addition, monitoring provisions are included in every agreement made with military and personalist regimes.

To flesh out the mechanisms I describe in Chapter 2, I present a case study in Chapter 5. By investigating Bolivia-U.S. relations between 1952 and 2000, I detail how executive partisanship and levels of corruption and transparency of executive behavior affect state negotiations and agreement design. Because Bolivia experienced three different non-democratic regimes as well as a democratic regime, this case provides an opportunity to see how characteristics of the regime affected when agreements were created, and how they were designed.

Findings from this study demonstrate how regime changes in Bolivia fostered uncertainty and caution for the United States in their dealings with the country. With each incoming regime, the United States' diplomatic correspondence suggests there was a period of caution while it waited for the policies and interests of the new government to be known. After this period, the United States approached cooperation

with the non-democratic governments with quid pro quos: Bolivians would have to respond to specific obligations in order to receive the stated promises from the United States.

What is especially interesting is that the nature of the quid pro quos differed across the non-democratic regimes. The United States responded to internal corruption, violence and human rights violations over time with diplomatic responses and withdrawals of promised aid for various projects within the country. When the personalist regime of Barrientos used the military forcefully to take over mines, causing violence to erupt around the country, the United States responded by withdrawing its third installment of promised money for projects within the country. When the military regime of Banzer repeatedly violated human rights within the country, President Carter's State Department officials reprimanded the government and brought enormous pressure to bear on the government to initiate a democratization process.

The United States incorporated its observations of non-democratic regimes' behavior into expectations included in agreements it signed with these regimes. For instance, while the terms of agreement with the Siles single-party regime were expressed in generalities, these expectations became much more specific with the Banzer military regime. In addition, the timelines appeared shorter and in some cases, the United States expressed that failure to reach the obligations would result in termination of the agreements. Indeed, at times the U.S. followed through on such threats. In addition, monitoring provisions were more likely to be included in the agreements with the non-democratic regimes than the democratic regimes.

Predictions about the creation of the agreement that are detailed in Chapter 2 did not prove to be true in this case. My theory predicted that more agreements get created between democratic regimes than non-democratic regimes, which was not the result here. This empirical result from the case study may actually reflect what other literature has said on the subject: democratic transitions are especially unstable periods in countries' histories. Literature on war suggests that democratic transitions are more conducive to conflict than non-democratic or democratic periods of stability (Epstein et al. 2006). It is possible that the volatility of economic growth due to the transition away from a state run economy, the uncertainty of the political institutions within the country, the wavering use of the military as an institution to promote the political goals of leaders that came into power, and general civil unrest within the country in the decade after the official transition fostered greater caution from the United States. Some evidence indicates that this is the case, as more agreements were created in the years after 2000 than in the years preceding that (which are studied in this example).

Finally, the systematic effects of executive partisanship on the design of the agreement are not studied in this case due to lack of variation in executive partisanship in the data. There is some evidence to demonstrate that executive partisanship can greatly affect a partnership as shown in this case between President Carter differences between President Reagan's stance. Whereas Carter's government focused on punishing the human rights violations within the country with aid withdrawals, Reagan's administration focused on military successes and failures within the country for aid withdrawal and dispensing promises.

Regardless, the findings from this study show that the regime type of the state affects when partnering states choose to enter international agreements. Blatant levels of corruption affect the credibility of commitment of the state in question, and when states do partner with these states, they systematically design agreements differently.

Contributions

A recent series of studies details how variations in non-democratic regimes affect security outcomes. Peceny et al (2002) find that some non-democratic regimes are peaceful toward one another; specifically they find that single-party dyads were less likely to participate in military disputes than mixed dyads, and that personalist-democratic dyads are more prone to conflict. Stam and Reiter (2003) refine the research design of the Peceny et al. (2002) study to show that while indeed personalist-democratic regimes are more likely to experience militarized disputes, personalist regimes are more likely to challenge democracies than democracies are to challenge personalist regimes. Further work in security studies uncovers some important mechanisms to help us understand how non-democratic regimes operate in conflict. Specifically, this work details the importance of understanding the signaling capabilities of non-democratic regimes, showing that these regimes have equal capabilities as democracies to generate credible threats (Weeks 2009). Yet, a regime's ability to credibly threaten outsiders does not translate to its ability to credibly commit to domestic internal behaviors over time. As Weeks (2009) points out, uncertainty is a key variable in understanding elite behavior within these non-democratic regimes. Empirical evidence suggests that this uncertainty is a key

variable for understanding outcomes as the ability to credibly commit over time is weaker in non-democratic regimes than democracies: work shows that non-democratic regimes whose supporting coalitions change are more prone to renege on alliance commitments prior to stated termination dates (Leeds et al 2009).

Although there is a growing literature on the effects of non-democratic regimes on international politics, little has been accomplished in helping us understand systematically how cooperation is different with non-democratic regimes outside of the security realm. This dissertation contributes to our understanding of how different non-democratic regimes signal credibility of commitment to potential partnering states, and how this affects the decision to cooperate with them, and the design of this cooperation. In separating the effects of single-party regimes from other non-democratic regimes, I systematically show that signals sent from within single-party regimes are different from those of personalist and military regimes.

The importance of interests and preferences in world politics is well fleshed out in theoretical models (Milner 1997, Frieden 1999) and some work has begun to operationalize executive preferences and study these effects on different outcomes. For instance, Grieco et al. detail the effects of shifts in national partisanship on treaty compliance (Grieco et al 2009). This dissertation focuses on the effects of partisanship alignment on when an agreement comes to fruition to solve a cooperation problem. In addition, I study how this alignment affects how flexible states are with one another and whether they are more or less likely to monitor each other as a result. Some results in this dissertation suggest that partisanship alignment across executives is a significant and positive predictor of agreement creation, but the robustness of the

result is unclear. Further work is needed, with better measures of national preferences, to understand how this variable affects agreement commitments and design.

A great deal of literature in comparative politics studies the effects of lobbying and interest groups on domestic policy outcomes (Kollman 1998, Hall and Deardorff 2006). I find that the empirical effect of these groups on international political outcomes is minimal in this study. Constructivist work identifies how interest groups affect normative shifts in world politics, arguing that these networks are an important mechanism to understanding these shifts over time (Keck and Sikkink 1998). While other case study work demonstrates their importance in many stages of the policy process (Grande 1996), very little systematic treatment is given to these groups in a cross-country manner in the international politics literature. In this dissertation I show some evidence that these groups can systematically affect international political outcomes. Though I find no support for my interest-group proxy in my chapter on economic preferential trading agreements, it is possible that this result is a function of a poor measure of my concept. I do find support that states with a large Greenpeace presence are more likely to create environmental agreements. Further work should demonstrate the effects these groups have on agenda setting as well as negotiation processes and also flesh out the endogeneity problems inherent in studying the effects of these groups on the policy making process.

Much work has uncovered the importance of democracy in promoting cooperation in international politics (Mansfield et al. 2002). Because of political parties, democracies are better able to credibly signal their positions to foreign

governments (Schultz 1998). Other work similarly finds that domestic audience costs enable democracies to better credibly commit in international politics: because leaders in democracies are held accountable for their decisions in elections, escalation of an international negotiation results in the accumulation of audience costs, backing down from which can cause a leader to suffer if he has to renege on an escalation (Fearon 1994). Putnam (1988) argues that because of higher levels of domestic constraints in democracies, democratic leaders have greater leverage in international negotiations.

My work here suggests that successful negotiations of international cooperation, and the formalization of them in the form of international agreements is not just a function of the institutional constraints within one state. Rather, the creation of agreements depends on the cooperation partner: understanding the outcome of an international agreement is a function of the domestic preferences and constraints within two different states. As a result, the findings here about the effects of domestic institutional constraints across non-democratic regimes provide a great deal of leverage in understanding how dyads function to foster cooperation over space and time.

Further Work

There are parts of this project that deserve further exploration to contribute to a literature on the domestic politics of international cooperation. I outline some of these possibilities below.

Further work could better uncover how executives form preferences on foreign policy issues. Specifically, whose preferences matter and how does an

executive choose amongst competing interests from within a winning coalition? Here, I begin to examine how domestic lobbying influences affect executive preference formation, but much more work is necessary to uncover the how lobbying interests affect the posturing of countries in international negotiations. The partisanship of the executive will often times be at odds with factions within a winning coalition, and in these cases, whose preferences are pursued, and does the fact that the competing interests collide affect how institutional cooperation is designed?

In addition, this process differs considerably within democratic regimes with different ratification processes, which needs further systematic consideration. Even less work has been done about effects of these lobbying groups and the effects of the preferences of an executive within non-democratic regimes. Special interest groups may have an even more pronounced role in these non-democratic regimes and their systematic effect on efforts and designs of international institutions could deeply effect international cooperation in coming years.

The Bolivia-U.S. relations case study demonstrates that domestic interests are key to understanding agreement negotiations. However, these interests are not captured systematically in the executive partisanship variables that I define in this project. Regardless of the inability of this operationalization to capture the effects of preference alignment across executives, the story this case tells is that while interests in Bolivia's tin exports and coca trade remained constant over time, executives in the United States approached these interests in differing manners with different types of punishments over time. As such, preferences affect the outcomes of interest, but are not necessarily captured in the partisanship variable. Further work could adopt a

measure that better represents the preferences of the winning coalitions within countries and systematically understand this hypothesis better.

In addition, the effects I uncover are in a bilateral research design. Important headways are being made in the field in the area of multilateral cooperation (Poast 2010) and a study such as this one could greatly benefit from these research design considerations. Especially given the increased number and importance of these multilateral institutions, formulating creative research designs to test the systematic effects of these variables can offer considerable leverage to our understanding of the conditions that foster international cooperation.

Better answers to these questions would also be possible with an undirected dataset design. For instance, in my data collection efforts, it became clear that much of this data is directional: the U.S. instituted monitoring provisions for Bolivia that were not required of themselves. This data is not captured in my codings right now. More information about which state initiates cooperation will allow researchers to conduct a more fine-grained analysis of these positions. In addition, further work could benefit from a nuanced coding of the dependent variables of interest here. For instance, monitoring provisions can be separated and coded differently across regimes that require self-reporting versus delegation to pre-existing international governmental organizations to creation of new bodies to monitor behavior. The same is true for the flexibility provisions; by expanding and separating their functions, scholars will have a better understanding of the strategic behavior of states.

Other lines of inquiry could focus on the effects of democratic transitions on international cooperation. An interesting finding from this study is that while

democratic regimes are systematically more likely to cooperate with one another across the environmental and economic realms studied in Chapters 3 and 4, this is not always the case, as demonstrated in the in-depth case study presented in Chapter 5. The effects of democratic transitions on cooperation are almost completely ignored in the literature. The work here demonstrates that the implications of transitions out of non-democracies for cooperation are important, change dynamics of cooperation and thus warrant further study. The case of Bolivia specifically suggests that the political uncertainty and corruption that surrounded the transition period had a profound impact on its international cooperation.

Finally, the effects of cooperative efforts in arrangements outside of bilateral international agreements are not captured in this dissertation. The case of Bolivia suggests that negotiations occur and exist outside of the agreements formed and are an important predictor of the behavior of the state. Terms of one agreement were contingent on IMF obligations which are only detailed specifically in diplomatic exchanges, not the context of the agreement. This is likely the case for many agreements that are being studied in the literature. A research design that captures the effects of these efforts would better account for “true” cooperation.

Conclusions

The literature on the domestic politics of international cooperation has substantially improved our understanding of outcomes in international institutional behavior. Uncovering dimensions of states’ interests, executive preferences, domestic institutional makeup, parliamentary versus presidential systems, variations in regime type and interest group effects allows us to better understand outcomes of

cooperation. In this dissertation I demonstrate how outcomes in the incidence and design of cooperation can be explained systematically by understanding dyadic relationships of executive partisanship interests and regime type.

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