1 Chapter One: Introduction

What happens to international organizations (IOs) over the course of their lifespans — particularly if they outlive or fail to achieve their original mandates? This is a question that nearly every organization in every issue area must face at some point. In fact, IOs rarely stay the same over the course of their lifespan, and only a very few remain as active as the day they were formed. Some agreements die off altogether; others find ways to adapt, but often far afield of their initial mandate. This problem is especially acute in the area of economic cooperation, where countries tend to sign several agreements with overlapping mandates and even among the same groups of countries. This means that many organizations, over time, fail to meet their initial aims. And yet for as many that fall dormant, others find ways of remaining relevant — but often through very different avenues than what their original founders intended. What explains their differing trajectories over time?

Existing theories give us little purchase on these questions. Within all the debate about whether and how institutions matter, researchers have paid far more attention to the formation and design of agreements than in how these agreements actually remain active over the duration of their existences. Much of the literature on whether international organizations promote cooperation does not acknowledge that there can be variation in those organizations’ vitality over time. The research that does take variation into account usually only looks at differences in design across organizations, not changes in organizational vitality over time; that is, it assumes that organizations stay the same over their lifespan unless there is an explicit amendment of organizational structure.1 And literature

1But see Haas 1990; Young 1992; Colgan, Keohane and Van de Graaf 2012; Keohane and Green 2004.
that focuses on power politics simply assumes that organizations will serve as conduits for member-state interests.

The answer to the above questions lies in combining two important strands of research: the literature on bureaucratic politics and that on state preferences. I argue that in order for organizations to remain vital over time, and to adapt when circumstances demand it, they need two things. First is a *member-state entrepreneur* who is willing to be an activist in shaping the organization’s fortunes. The role of entrepreneurs in international organizations has already been delineated — but it most commonly refers to individuals, not states (Young, 1991; Moravcsik, 1999). In turn, realist approaches might assume that this state would need to be the most powerful actor — but I argue that this is not necessarily the case. Many organizations have had powerful external actors such as the EU or the US attempt to shape their trajectories, to little avail; similarly, the most powerful member states in an organization have often lost interest in the grouping. It is only necessary for one of the member states to try to breathe life in the organization — and indeed, it is often the less-powerful states that have a greater interest in doing so (Abbott and Snidal, 1998).

The second is a *competent and empowered bureaucracy*. Drawing from principal-agent literature (Rees, 1985; Holmstrom and Milgrom, 1991), studies on bureaucracy (Carpenter 1991, Olsen 1994) and the IR studies of the ability of international bureaucrats to shape domestic politics (Pollack, 1997; Finnemore, 1993; Hawkins et al., 2006; Elsig, 2007; Abbott and Snidal, 2010; Fang and Stone, 2012; Biermann and Siebenhner, 2009), I argue that many IOs exist in an environment of competition for talented bureaucrats — particularly in middle-income countries, where talented bureaucrats are few and countries are often members of multiple, overlapping IOs. Given scarce bureaucratic talent, talented staff will tend to pool in the better organizations, where they can have an impact on policy (Finnemore, 1993; Johns, 2007; Fang and Stone, 2012). The other IOs will tend to revert to becoming outlets for patronage and cronyism, feeding into their inefficiency.

Both these elements — at least one member-state entrepreneur, and an empowered
and competent bureaucracy — must be present to make international organizations resilient to changes in the geopolitical environment or to economic shocks. If the secretariat has the conditions to attract talented staff but those staff face pushback from member states, the organization may well persist. However, it is likely to drift into irrelevance or, worse, a hive for patronage and inefficiency. If a member state’s initiative cannot find traction at the supranational level, that initiative is likely to die off or to be funneled into a different organization with better competencies.

These insights shed light on important research questions in international relations. For decades, scholars have circled around whether international organizations can shape the world around them. But agreements only matter in the extent to which they are implemented, not just in terms of whether they exist. This book studies not just the proliferation of IOs but takes a broad comparative sweep in investigating how IOs perform, are sustained and change, and decline. There is much at stake in these questions. IOs can have big impacts on the welfare of countries and the stability of the international system; economic organizations that actually work well can increase and stabilize trade and foster economic growth. This calls for a focus on the extent to which and the mechanisms through which some institutions adapt and survive while others fail.

This book looks specifically at economic organizations where the basis of the commitment is freer trade among members. One might be concerned that an agreement’s success or failure is built into the design of these agreements — that is, that member states will empower organizations that they want to be successful and will gut organizations in which they have no interest. But frequently, the initial shape of these agreements is overtaken by events, and the original purpose for which the agreement was formed may not prove useful. For example, many of the world’s regional economic organizations came into existence at a moment when many developing countries were attempting to redirect their economic activity inward rather than to their formal colonial masters. The ideas of economic independence gained traction both theoretically (Hays, 1964; Cardoso, 1977) and practically, as nearly every region in the southern hemisphere adopted some form of
inward-looking economic development. Over time, those strategies proved unsuccessful\(^2\) — but the organizations set up in good faith to promote those strategies tended to persist. And the accounts of their persistence have little to do with their initial design per se.

This book is the first to study the full variation of functionality in economic organizations — including living and active ones and ones that are adrift. Many studies employ large-scale quantitative studies of hundreds of organizations, without going into great substantive detail about any of them. At the other extreme, many prominent books that seek to explain the inner workings of IOs may choose to focus in great detail on a single, usually well-known and relatively effective organization such as the European Union or the World Trade Organization. They tend, then, to ignore in practice the full scale of international organizations, many of which are not successful.

Examining the full spectrum is important because even repurposed and near-defunct IOs can, somewhat surprisingly, play big roles in world politics. For example, the Andean Community had little luck in promoting trade among Peru, Ecuador, Venezuela, and Colombia, as was its original intent. But its court — initially conceived as a way for member countries to settle trade disputes — now has turned into a prominent arbiter of intellectual property cases in Latin America (Alter, Helfer and Guerzovich, 2009). The Economic Community of West African States failed in its goal of trade promotion but later became the continent’s leader in peacekeeping initiatives (Voeten 2011). Somewhat surprisingly, even economic agreements that are not particularly operative can be a force in geopolitics: Ukraine’s decision in 2013 to stay out of a barely functional customs union among Belarus, Russia and Kazakhstan prompted a back-and-forth that ended in a massive political crisis and war over the Crimea.

This book focuses on trade-based economic organizations — in part because they have an output that is relatively easy to measure (increased trade and lowered barriers to commerce) and it is thus possible to track the results of their efforts. But the implications

\(^2\)On this topic, see Frieden 1991.
extend far beyond IOs designed to promote trade. There are repurposed, defunct and drifting IOs in most issues of global importance, including security, development finance, and the environment. NATO has been retooled for new missions post-Cold War; it has been very important in uses of force in places such as the Balkans and Libya. The International Monetary Fund adapted its mission to balance-of-payments financing after the Marshall Plan superseded its original role in the reconstruction of post-war Europe. The International Labor Organization, set up in the shadow of the Bolshevik revolution to provide labor movements with means of achieving their goals short of violence, evolved after World War II to tackle social reforms more broadly. Thus, organizations of all varieties face evolution, irrelevance, or extinction at some point in their history, and the insights to the area of economic organization can be drawn to other organizations as well.

Furthermore, this book applies the dynamics of agency evolution discussed in literature in management theory as well as American and comparative politics, particularly principal-agent models. This approach has occasionally been applied in the study of international organizations (Hawkins et al., 2006; Johns, 2007; Elsig, 2010; Fang and Stone, 2012) but has never been systematically deployed in the study of IO evolution over time.

This book also gains unprecedented leverage on a broad number and range of international economic organizations, with firsthand fieldwork performed at 11 different economic organizations, in nearly every region of the world, complementing a large-N analysis of a broader set of international economic institutions. This comparative breadth is unique among studies of international organizations, which usually either only focus on one or two organizations or, at the other extreme, lump hundreds of organizations into one empirical analysis. The combination of insights and detailed, original data and interviews from a subset of organizations, along with a broader perspective afforded by larger scale statistical analysis, allows a general test of the theory as well as a detailed explication of the mechanisms. This book offers a rich variety of empirical resources in terms of both the outcome of interest (variation in organizational vitality) as well as the factors that drive that vitality.
2 Trajectories for International Organizations

The international landscape is full of economic agreements — over 55 treaties, and of those some 55 that have dedicated secretariats and bureaucracies. But the actual vitality of these agreements varies widely.\(^3\)

Some of these agreements, such as the European Union (EU), the Association of South-east Asian Nations (ASEAN), and the North American Free Trade Agreement (NAFTA) on the whole perform relatively well in terms of economic liberalization and trade promotion (cite). Many others, like the Mano River Union, the Association of Caribbean States, and the South Pacific Regional Trade and Economic Cooperation Agreement have poor implementation records and indeed are largely unknown, despite having been around for years and continuing to meet on a regular basis — and, crucially, despite sharing many of the design features and legalized language as many of the more successful agreements (Allee and Elsig, 2014; Baccini, Dur and Haftel, 2014).

Variance in performance is not only found when comparing across agreements. Variation across time can take place as well, even within the same organization. For example, Mercosur — a trade agreement among Brazil, Argentina, Paraguay and Uruguay — was relatively active in the 1990s but faltered in the later part of that decade, with financial crises in the two larger countries, and subsequently lost its footing (Caetano and Vaillant, 2004). Thus, the same organization can go through periods where it performs quite well and others where implementation tapers off — and that organizations can even take on new mandates altogether that they may fulfill quite well even if they failed in their previous missions. What explains the differing trajectories that different organizations can

\(^3\)Definitions of effectiveness are notoriously tricky and are often issue-specific (Doyle and Sambanis, 2000; Fortna, 2004; Gutner and Thompson, 2010; Weaver, 2010; Mark A. Pollack, 2010; Graham, 2011). This book does not directly tackle the variants of IO effectiveness and its determinants. However, the central argument does spring from the starting point of whether the IOs under study have fulfilled their initial missions. The IO under study in this book are trade agreements that also have with them organizational structures, including buildings and permanent staff. Definitionally, then, there is some degree of organizational vitality that we can associate with both of these components. Briefly, I define vitality as having two components: a minimal level of activity at the organizational level (that is, a formal meeting at least once a year) and levels of trade that are not less than what would be expected by a group of states’ economic and geographic fundamentals. These definitions will be discussed in greater detail in Chapter Two.
take over the course of their existence?

So far the majority of IR literature has offered us two main explanations for these variations. One is the realist argument: that power politics and member-state attributes determine the inner workings of international organizations. A second argument, in the rational design tradition, would contend that the initial shape and language of the agreement predicts its success or failure. An extension of both of those arguments would contend that member states build in the success or failure of organizations at the design stages — that is, that bureaucratic functioning is endogenous to the preferences of member states. But these explanations fall short for several reasons.

First, member state power and capacity does not entirely determine agreement vitality. It is true that the better-functioning economic agreements, such as the European Union (EU) and the North American Free Trade Agreement (NAFTA) are usually made among richer countries. But to take just one example, the Organization of Eastern Caribbean States is one of the most active economic institutions in the world today, with a functioning currency union as well, and yet its member states are among the world’s poorest countries. It is also the case that similar groups of countries have a habit of forming multiple IOs that cover the same issue area — and some of those IOs work better than others over their lifespans. Latin America, for example, is home to several economic agreements that failed altogether (the Bolivarian Alternative for the Americas), some that managed to carve out particular areas of success (Andean Community), and others that enjoyed periods of relative success (Mercosur). Similarly, in Africa, the East African Community (EAC) and the South African Customs Union (SACU) both function quite well, compared with the Arab Maghreb Union (AMU) or the Economic Community of the Great Lakes Countries (CEPGL). In the Pacific, the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA), an agreement among Australia, New Zealand, and other Pacific Island countries, never even got off the ground since its formation in 1980, although Australia and New Zealand have since signed many other PTAs. This indicates that similar groups of states are able to form organizations that
perform in very different ways. So the fortunes of organizations also do not wholly rise and fall with the wealth of their own member states. That is, it’s not the case that economic organizations in developed countries work well and those in the developing world do not.

In terms of the second explanation, we know that the way an agreement looks on paper does not wholly explain its functioning. Many claim that, since the design of agreements reflects an intense period of bargaining among member-states (Koremenos, Lipson and Snidal, 2001), that agreement reflects how well the agreement will work down the road. Indeed, many researchers have written extensively on the design of all sorts of agreements, including economic ones (McCall Smith, 2000). But at the same time, others have observed that agreements are frequently copied from one another (Allee and Elsic, 2014). For example, the Common Market for Eastern and Southern Africa (COMESA) has strict language about the supranational character of the agreements — but that language was lifted almost exactly from the European Union’s charter. Indeed, many developing-country agreements have highly ambitious language and provisions that never come to pass (Haftel, 2012; Gray, 2014). Similarly, many have noted that the design features of many agreements — such as dispute-settlement procedures (Jo and Namgung, 2012) and flexibility provisions (Kucik and Reinhardt, 2008) — are infrequently used. Thus, design alone does not explain whether agreements work, and simply looking at the characteristics of the states that sign agreements — whether they are rich, democratic (Mansfield and Milner, 2012), or export-oriented — gives us an incomplete picture how those agreements work over the long run. That is, focusing on why states sign agreements does not tell us how those agreements will perform in the long run.

Additionally, we see different trajectories even if organizations have very similar-looking designs. For every international organization that is relatively successful at promoting trade, there are scores that that look similar and might even be signed among similar groups of countries but that work far less well. Consider, for example, the European Union (EU). This agreement is held up by many as one of the better-functioning
organizations in the world. Many other organizations have emulated its design and structure, including its supranational court of justice (Jetschke and Lenz, 2013; Phelan, 2014). But the way the EU’s legalization design features play out in other parts of the world varies tremendously. The Andean Community — originally a trade agreement among Peru, Venezuela, Ecuador, and Colombia — managed to adopt a similar court structure with some degree of success. Yet the South African Development Community adopted an almost identical court and then dismantled it only a few years after it was first set up. And despite those successes, neither agreement has managed to promote trade to anywhere level of the EU. Thus, a focus on agreement design only tells us part of the story.

2.1 Synthesizing IO Trajectories with Bureaucratic Capacity and Member-State Entrepreneurship

The argument advanced in this book is that organizations are only able to be vital in the presence of two conditions: a competent bureaucracy and member-state initiative. If IOs have these two things, they will most likely fulfill their objectives. This is not just a matter of endogenous design. Many organizations outlive or fail at their initial purpose, often due to no fault in the original setup. Exogenous economic shocks in the global economy, a design inappropriate to the cooperation problem at hand (adopted, perhaps, due to external pressure (Lenz, 2012) or as a result of emulation of one particular kind of model (Henisz, Zellner and Guillen, 2005)), political unrest in or between the member-state countries (Braithwaite, Kucik and Maves, 2015), or an economic crisis in one of the member states can all upend cooperation and make an organization fall short of — or even ill equipped to deal with — cooperation problems. However, I argue that member-state initiative and bureaucratic competence can surmount these difficulties — and in the absence of those two elements, those problems will only be exacerbated.

The rational design literature would predict that at these moments of crisis, states would either make use of flexibility clauses in the treaty — so that they can temporarily
Table 1: Vitality in IOs

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<th>Member-state Entrepreneurship</th>
<th>Bureaucratic Capacity</th>
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<td>Low</td>
<td>Defunct</td>
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alter their behavior without exiting the organization (Rosendorff, 2005) — or that they would renegotiate the agreement altogether (Haftel and Thompson, 2014). However, empirically this does not always occur. In the case of economic agreements, organizations sometimes — albeit rarely — fade away altogether.\(^4\) Other times they are indeed replaced by new agreements, as might be predicted by the rational design literature — but often those new forms are no better able to handle cooperation problems than were the previous ones.\(^5\)

If member states push implementation, or changes to the agreement such that they cover new areas of competence, and if the bureaucracy established at the international level has the capacity to see those initiatives through, organizations can evolve — sometimes well past their original mandate — to effectively tackle problems of international cooperation. However, those that do not — and there are many — tend to exist in a skeletal state, or they maladapt to become sources of patronage for the elites in member states. Member-state initiative without a talented bureaucracy will fall short; in turn, bureaucratic capacity will go to waste if it does not have a mandate from the countries in an organization.

Table 1 summarizes the possible trajectories for organizations that come from the combination of member-state initiative and bureaucratic competence.

This two-by-two is helpful in thinking about both the possible outcomes that might befall IOs, as well as the factors that put them there. In terms of the outcomes, very

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\(^4\)For example, The Arab Maghreb Union, founded to promote cooperation in north Africa, has since 2003 been inactive due to entrenched rivalries between Morocco and Algeria.

\(^5\)Central American countries, for example, formed no fewer than five different successive economic integration agreement, all of which look remarkably similar and all of which have failed at their goals of supranational integration (O’Keefe, 2000).
little work in IR acknowledges these differing possible trajectories for IOs. Indeed, the majority of IR literature on this topic assumes that most organizations live in the bottom righthand cell; that they are at high levels of vitality and are achieving their goals.

For its part, the segment of the principal-agent literature that focuses on the inefficiencies of bureaucracies would argue that many organizations end up in the top righthand corner, with high levels of bureaucratic control leading to pathological outcomes. Such a claim would typically be based on the idea that the agents in an organization would have drifted away from the principals. I modify this argument to include the possibility that those pathologies may be intentional — that is, that member states may intentionally let failed organizations persist so that they can be used for patronage. Indeed, in these cases IOs are like many pedestrian bureaucracies in the domestic sphere: they are hosts of and venues for parochialism, which tends to warp the organization’s mission as well as propping them up even when they are not filling their original purpose. Where the principal literature would argue that bureaucratic inefficiency is a result of agency drift stemming from the principals’ inability to exercise full oversight, I argue that sometimes it is optimal for principals to allow pathologies in IOs.

A smaller segment of the literature considers the circumstances under which organizations die (Strange, 1998; Eilstrup-Sangiovanni, 2014) — but this, again, is not a possibility that is not considered by much of the IR literature. This book looks at the dynamics of organizational death, which is a rare but still interesting phenomenon and one for which existing mainstream IO frameworks has no real explanation.

It is important that we understand these three other pathways for IOs short of full-functioning (the default assumption of much of the literature). Re-purposed IOs are important to comprehend because they can often play pivotal roles in world events, filling a niche that otherwise would have been left empty — including peacekeeping, functional

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6Indeed, organizational death poses something of a challenge to liberal institutionalism as well as rational design: why would states bother to devote the bargaining time and subsequent resources to setting up an organization if they were subsequently willing to let it die altogether? This question is not the main focus of the book, but I do assume that states usually have good intentions when they set up organizations, and that unexpected shocks — not member-state sabotage — render those organizations moribund.
cooperation, and adjudication. For their part, defunct IOs are worth studying because often nothing in their setup, in the membership configuration, or in the cooperation problem would automatically predict failure, and the fact that they upended is a hard test of our standard prediction for international cooperation. Inert or pathological IOs, finally, merit study because often on paper they look very similar to the well-functioning ones, but it’s important to know what role they truly play in the domestic politics of member states.

2.2 State Entrepreneurship and Bureaucratic Capacity: Explaining the 2x2

What processes drive whether IOs end up as vital, repurposed, inert or dead? As depicted in Table 1, I argue that member-state entrepreneurship as well as bureaucratic capacity are the key drivers of IO fortunes. Variation in each of these factors can put an IO in one of those four states of vitality. This argument builds off prominent theories about the bargains that states reach to ensure international cooperation (Koremenos et al 2001) while incorporating insights from bureaucratic politics (Olson, 1984) and principal-agent theory (Rees 1989). Each of those literatures on their own provide an incomplete answer to the question of implementation of international agreements. Brought together, however, they offer a unique explanation for the performance of international agreements over time. In an environment of competing organizations, when economic complementarities may not be enough to generate and sustain trade over the long run, the odds tend to be stacked against economic cooperation between countries. Organizations survive, and even thrive, when a member state can identify an area where cooperation might work, and if preexisting bureaucratic capacity is sufficient to see that cooperation through. This confluence of circumstances can result in “governance against the odds,” when organizations that fail to implement the terms of their initial bargains can reorient toward more successful goals.

This focus on both member-states as well as bureaucracies helps resolve longstanding
disagreement about the effects of international organizations on international cooperation. Existing theories that stress the importance of IOs assume that most agreements will stick to their initial mandates — even though anecdotal evidence tells quite a different story. This book sheds light on many aspects of this puzzle. It offers an account of why some states have multiple overlapping agreements while others do not, as well as why some states can easily add on to existing agreements while others feel the need to form new ones. This account of governance against the odds plays an important role in our broader understanding of organizations. It implies that the same factors that play out at the domestic level hold at the interstate level, and that we need to take the venal interests of domestic actors into account when looking at agreement vitality.

Thus, this book bridges disconnected strands of the literature in several ways. First, it provides a general theory of IO performance, with a specific application to economic organizations. For decades, scholars have argued that bureaucracies drive the policymaking process (Downs 1967) and that bureaucratic entrepreneurs can play a pivotal role in policy implementation (Carpenter 2001), particularly given bureaucracies with overlapping mandates (Shickler 2008, Zegart 2007). However, these insights are infrequently applied in the field of international relations, which tends to focus on the role of the state in international politics. This book advances a theory of IO performance based on the conditional relationship among the states that form IOs, the people tasked to implement the policies of those organizations, and the opportunities presented to those individuals.

## 3 Operationalizations

What gives a fuller picture of the performance of international economic agreements? To answer this question, we need to understand not just who signs these agreements and how they get set up. Rather, we need also to know about the level of involvement of member states on a day-to-day basis; how well the bureaucracy surrounding the agreement functions; and whether countries actually have the technical and legal resources to make
an agreement work. In other words, even if international agreements are signed with the best of intentions, a lot is needed to keep them vital. And yet many organizations manage to adapt even in the face of daunting odds of implementation at the domestic level.

I test my argument through original data on 75 economic organizations throughout the entirety of their lifespans — covering every single international trade agreement established with a secretariat and permanent staff. These data record the number and topic of meetings in the organization as well as the level of representation at those meetings. From these data, we can more closely discern the circumstances under which meetings were postponed; when the same topics are brought to the table with little resolved; and whether the attendance of higher-level officials tapers off, and if the most relevant ministers and officials are at the meetings discussing the initiatives that they are supposed to implement. These data afford the opportunity to track the inner workings of the world’s international economic organizations over time, affording insight into the bureaucratic processes of implementation.

I supplement the large-N data analysis with original field research conducted at economic organizations across the world. Between 2008 and 2011, I conducted staff interviews and gathered data from 15 economic organizations. In Asia, the fieldwork consisted of the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC). In Latin America, the organizations under study are the Andean Community, the Common Market for the Southern Cone (Mercosur), and the Latin American Integration Association (LAIA). In Europe, I did fieldwork at the European Union (EU), the Central European Free Trade Agreement (CEFTA), the European Free Trade Agreement (EFTA), and the Black Sea Economic Cooperation (BSEC) as well as the World Trade Organization (WTO) for a multilateral perspective. In Africa, the organizations include the Common Market for Eastern and Southern Africa (COMESA) and the South

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There are, of course, many economic agreements that simply exist on paper; most of the world’s bilateral agreements are simply contracts. These agreements also have varying levels of implementation within them, but I argue that different dynamics are at play in those agreements. Since they lack a bureaucracy, implementation has more to do with the motivation of member states as well as trade potential among member states.
African Development Community (SADC). In North America, site visits were conducted at both the US and the Mexico headquarters of the North American Free Trade Agreement (NAFTA); in the Caribbean, at the Organization for Eastern Caribbean States (OECS), the Caribbean Community (CARICOM), and the Association of Caribbean States (ACS). This broad scope of organizations is unprecedented for original field research in the study of international organizations, and it allows for distinctive insight into the functioning of economic institutions on a global level.

4 The Importance of International Economic Organizations

These theories could no doubt apply to many different types of international organizations, of which there are hundreds. But among international agreements, international economic organizations are a particularly good testing ground for these questions. First, economic agreements have potentially big impacts on the countries that join them. Countries form economic organizations with the aim of liberalizing their markets for trade. High levels of trade openness have been linked to greater levels of wealth, income growth, and economic development, although the causality in that relationship is unclear. Additionally, economic agreements are often central components of countries’ foreign policy (Mansfield and Gowa, 1993; Mansfield and Bronson, 1997). And many have argued that their benefits can extend beyond the gains from trade to include areas such as improvements in human rights (Burton, 2005) and democratization (Pevehouse, 2002). Thus, from a substantive perspective, we have good reason to expect that economic organizations have the capacity to impact greatly the fortunes of the countries that sign them. This warrants a closer look at how these agreements actually operate in practice.

Second, these organizations touch every region across the globe, from the Americas to Europe to Africa and Asia. Nearly every country in the world is or has been a member of at least one, and sometimes many, of these organizations. Thus, almost every one of
the world’s government has chosen to form or join one of these agreements — and even if they were not part of the initial arrangement, nearly every head of state in recent decades has had to decide how best to use the organizations whose memberships they inherited. Thus, these organizations have been part of the policymaking process across nearly all countries in the past several years. No matter what their ideology or what their regime type, governments and ruling parties across the world have had to make choices about the ways in which they engage in economic organizations.

Third, economic organizations usually set to achieve very concrete, measurable objectives, such as the reduction of tariffs and the promotion of trade in goods and services. Countries regularly record these statistics and make them publicly available. These data are far easier to track on a consistent basis than many of the other topics over which countries sign international agreements, such as respect for human rights or environmental measures. Of course, it is difficult to establish firm links between gains from trade and a given international agreement; countries may simply be signing agreements that reflect what they would have done regardless (Downs, Rocke and Barsoom, 1996; VonStein, 2005). But trackable data at least makes it easier to approach the question of whether these agreements have actually been implemented, unlike agreements with more vague goals or relatively diffuse outputs.

Fourth, many have noted the world of economic agreements is full of overlapping and competing organizations (Bhagwati, Greenaway and Panagariya, 1998). Countries tend to be members of many economic agreements at any given time, especially in the developing world (the typical African country, for example, belongs to around seven organizations with extremely similar goals of economic liberalization and cooperation). This means that multiple agents potentially serve the same principal. This makes for a good testing ground for theories of delegation. When organizations with similar mandates and membership configurations rival one another, slight variations in bureaucratic structure or member-state involving may end up determining which organizations succeed.

All these factors make economic organizations a worthy area of study from both the-
oretical and practical perspectives. Economic agreements have part of the international landscape for nearly all of human history — in fact, the first recorded trade agreement was signed 4,000 years ago by the Assyrian Kingdom in Mesopotamia.¹ These agreements continue to play a major role in both foreign and domestic policymaking, and it is important to understand the role that states and bureaucracies play in their success or failure.

5 Definitions and Concepts

The literature on institutions has many overlapping concepts and terms. It is important to keep these concepts distinct, since they encompass many similar concepts but are often invoked to mean different things in different contexts. Here I lay out working definitions of each of the terms that appear throughout the book.

First, it should be noted that the book does not directly deal with the effectiveness of international organizations. As many scholars have noted, effectiveness is a notoriously difficult concept to tackle, although this concept is implicit in many of the canonical works in not just the literature on international organizations but also the literature on bureaucracies. Defining and measuring effectiveness is very complicated (Graham, 2011). How do organizations actually perform in terms of implementing their own mandates? What type of outputs do they produce? Are the outputs actually appropriate to the policy environment to which they are deployed? Although the argument certainly has implications for organizational effectiveness, it by necessity focuses on more narrowly defined measures.

The first concept that this book delineates in the context of international economic organizations is outputs. This concept is relatively easy to define in strict terms with respect to trade agreements. All of these agreements at their core purport to encourage some level of trade liberalization, including the reduction of tariffs on goods in various

¹ “Tablets of 4,000-yr-old trade agreement found in central Turkey,” Anatolia News Agency, 30 August 2010.
sectors, and ultimately the promotion of trade among signatory countries. Even though many economic agreements have additional elements in their mandates, including functional cooperation in social issues such as education and health, their primary goal was to increase trade among their members and to decrease tariff levels. We can think of those two indicators as the most basic form of output of economic organizations.

Of course, two issues arise here. The first is overlapping and often duplicating international economic commitments. As noted, many countries have multiple agreements in force at once, which makes it difficult to link particular policy changes to specific agreements. That is, if a country sees an overall reduction in tariffs but has signed on to a half dozen agreements calling for tariff reductions, it is hard to know which agreement is the motivating force behind any particular tariff reduction that we might observe. Additionally, even if we observe lowered tariffs and increased trade in countries, it is hard to know whether those changes happened thanks to the influence of an international organization, or if countries simply sign the agreements that reflect the activities that they planned on doing whether or not the agreement was present. This is the problem of selection that has been observed in studies of the effects of IOs on cooperation (Vreeland 2001, von Stein 2004). Both of these issues will be addressed in the empirical chapters.

The second is the vitality of these organizations. This refers to the frequency and intensity of activity in the organization, distinct from its actual output in terms of economic indicators such as trade and tariffs. This book introduces a new dataset of organizational activities over time, which charts on an annual basis how many times an organization meets, who comes the meetings, and what they talk about. This allows us to monitor over time whether, and how quickly, organizations discuss a particular goal and the headway they make on it. These meetings can help us measure the length of time it takes for organizations to implement a decision once they reach it, as well as what the possible barriers to cooperation might be. For example, for five years in a row the Commonwealth of Independent States scheduled and subsequently canceled a meeting on improving transportation measures, because none of the ministers of transportation actually bothered to
show up despite being invited. Similarly, at its annual summit the Common Market for Eastern and Southern Africa announced the formation of a customs union every single year for eight years, but actual implementation of the common external tariff never occurred. These data on meetings and their contents and attendees cover 55 organizations for the entire duration of their lifespan.

These two variables — vitality and outputs — combine to form a novel way of measuring the level of activity in international economic organizations. This is an unprecedented source of data on the inner workings of a comparative sweep of international organizations over time. These data serve as the foundation for this exploration of the evolution or stagnation over time. They can help us identify the points at which organizations face critical junctures in their functioning, and can identify the forces that made organizations take particular turns in their operations.

6 Chapter Outline

Chapter Two defines the theoretical domain for the argument. It goes into greater detail about the literature on bureaucracies, drawing on insights from and management theory and principal-agent logic, and combines that with the IR literature about agreement formation and delegation. I argue that it is only in combination that these literatures can explain the survival and vitality of international organizations. This chapter also provides some illustrations of the founding moments of many IOs, based on archival work and interviews from fieldwork, to alleviate concerns that member states might be designing some organizations to succeed and others to fail.

Chapter Three analyzes the vitality of international economic organizations over time. I use new, original data to operationalize the level of activity in organizations as well as their policy outputs. Using Keesing’s World Events, Lexis Nexis, and Factiva, I gathered data on the frequency, topic, and level of representation of meetings in 60 economic organizations over time, to measure how active the organizations were on a regular basis.
I also measure economic output by estimating predicted versus actual levels of trade for member states in a given agreement. These measures proxy for an agreement’s vitality as well as its effective output. I show that the quality and attractiveness of the bureaucracy (as operationalized not only by agreement design but also the living conditions in the city where the secretariat is located, and the centrality of that city) and the level of involvement of the larger member states in an agreement can help predict the functioning of an organization over the long run. This chapter introduces new data measuring both the functioning of organizations as well as characteristics of the bureaucracies of various organizations, and illustrates the central argument with large-N statistical analysis. I demonstrate the broad pattern of vitality and output (measured by organizational activities and increased trade) as contingent on member-state initiative and bureaucratic competence. I use a selection model to deal with the concern that organizations might only join organizations that mirror their original intentions, or that they purposefully build obsolescence into their organizations.

It is in keeping with our understanding of international organizations that design and involvement of member states can have an impact on their functioning. But what then determines whether organizations die off, grow dormant and inefficient, or adapt to some other purpose? The argument of the book is that organizations that persist need both member-state initiative as well as bureaucratic competence. As many other books examine organizations that are fueled by high levels of both attributes, the subsequent three chapters examine what happens when at least one of those categories scores low. The order of these chapters is structured to look at each of the three remaining cells of the 2x2. Chapter Four looks at the case when organizations have neither attribute, and they effectively die off. About 10 economic organizations have become obsolete, and this chapter explores the lack of capacity at the international level as well as the diverted attentions of member states that make organizational failure occur. In addition to historical research, I use evidence from detailed timelines as well as interviews from policymakers to examine organizations that have gone dormant or disappeared.
The subsequent two chapters examine when organizations remain alive, but adapt — but sometimes for better and sometimes for worse. Chapter Five looks at the positive manifestation of that adaptation, when organizations shift their focus on economic cooperation to other arenas. This can occur as the result of member-state initiative even without strong initial bureaucratic capacity at the international level (the bottom left cell of the 2X2 table). Crucially, the driving member state need not be the most powerful in the organization; it need only to have sufficient motivation to harness an organization for more profitable ends. I use case illustrations from the Economic Community of West-African States and the Organization of Eastern Caribbean States to illustrate this phenomenon.

Chapter Six looks at the instances where the factors to attract quality bureaucrats are in place, but when member states lose interest in cooperation (the top left cell of the 2X2 table). This chapter uses original detailed, budget data gathered from 11 economic organizations to examine the conditions under which organizations are kept alive despite underperformance. Particularly when conditions in member states do not offer opportunities for upper-level economic advancement, organizations often shift their spending for patronage purposes, such as inflated salaries and an increase in discretionary funding. This chapter builds off theories from American politics about bureaucratic insulation. I explore these dynamics with case illustrations from the Common Market for Eastern and Southern Africa and from the Association of Eastern Caribbean States.

Chapter Seven concludes by drawing implications of the findings for the study of international organizations more generally. The majority of the work on international organizations focuses on the bargaining stage and institutional design, but far fewer studies look at organizational vitality over time, or offer theories for why similarly designed organizations with similar purposes and even overlapping memberships might take different trajectories. Although this book focuses on economic organizations with established secretariats, there are implications for other types of organizations as well. This book is an inquiry into what happens to agreements after they are formed, with comprehensive
data on the inner workings of all the world’s economic organizations, and will thus offer lessons to many other types of international organizations in the world today.
References


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