

Foundations:  
Interests, Interactions, and Institutions

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*Actors*: individuals. . . or groups with common interests

Levels of Analysis:

- ▶ Individuals
- ▶ State
- ▶ Transnational actors
- ▶ System (Not usually an actor, but is a level of analysis)

What do we typically think are the interests of these actors?

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Commonly theorized interests:

survival, prosperity, power, status, normative commitments

- ▶ Motivations, dispositions, pathologies of individuals explains international affairs
- ▶ “Human nature” matters
- ▶ Quest for power/status essential because that is what individuals care about

Associated with scholars like Thomas Hobbes, Rose McDermott, and (sometimes) me.

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- ▶ If human nature is a constant, how does it explain changes in international affairs?

*“Human nature may in some sense have been the cause of war in 1914, but by the same token it was the cause of peace in 1910” (Waltz)*

- ▶ Real foreign policy decisions are made by groups, with standard operating procedures, not individuals with individual pathologies.

The first critique is easy to dismiss: individual variation in “human nature” explains variation in outcomes.

The second critique often applies.

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Domestic political structures (“institutions”) or ideological commitments determine foreign policies, which then drive foreign relations.

- ▶ Relevant actors in these theories are typically *not* the state! Executive, Legislature, the public, the military, firms, societal groups.
- ▶ Commonly theorized interests: survival, prosperity, power, status, normative commitments

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Example: political structure may change incentives for states to go to war.

- ▶ In democracies leaders want to get re-elected (interest: power)
- ▶ In autocracies, leaders don't want to get killed in a coup (interest: power/security)

Can lead to incentives for:

- ▶ the “Democratic Peace” (Democracies rarely fight each other)
- ▶ diversionary war
- ▶ resource grabs to satisfy coalition keeping leader in power

Associated with scholars like Immanuel Kant and Bruce Bueno De Mesquita.

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- ▶ Perhaps the personalities of individuals leading states matter.
  - ▶ If domestic system stays the same but war happens sometimes and not others, what explains this?
  - ▶ Does the domestic system stay fixed when survival is at risk?

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Anarchic system determines relations between states

- ▶ Relevant actors in these theories *are* states
- ▶ Commonly theorized interests:  
survival, prosperity, power, status, ~~normative commitments~~

Different system configurations cause different outcomes.

- ▶ Multipolar vs. Bipolar vs. Unipolar systems

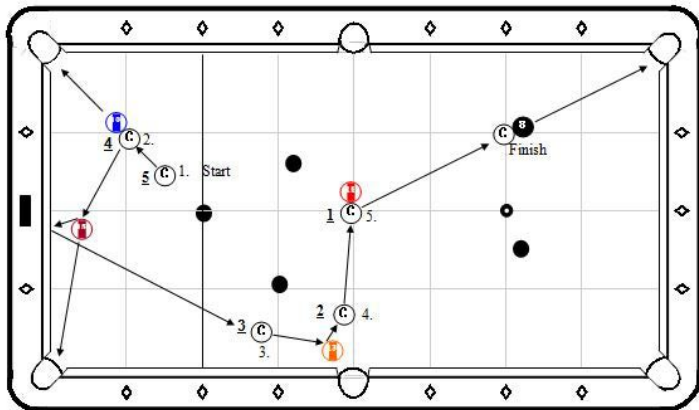
Key variables: alliances, shifting power (e.g., another country getting nuclear weapons)

Associated with scholars like Thucydides and Waltz



# System-level explanations

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Example: Is Bipolarity or Multipolarity more dangerous?

If system is anarchic and interactions are zero-sum:

- ▶ Information will be important (to know other's intentions) but hard to get from your enemies.
- ▶  $\rightsquigarrow$  Less likelihood of systemic wars in bipolar world
  - ▶ only one spot of friction
  - ▶ information is only withheld between two sides
  - ▶ only need to reassure one side

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- ▶ “Anarchy is what states make of it” (Wendt)
  - ▶ Not all states are equivalent (e.g., “failed states”)
  - ▶ States aren’t the only actors

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Overlooked by many traditional IR theories yet increasingly important.

- ▶ Relevant actors: firms, social movements, activist networks, terror groups, . . . and states.
- ▶ Commonly theorized interests:  
survival, prosperity, power, status, **normative commitments**

Associated with scholars like Martha Finnemore, Kathryn Sikkink, and (sometimes) me.

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**Interactions:** the ways in which the choices of two or more actors combine to produce political outcomes.

**Strategic** interactions: Each actor's strategy depends on the anticipated strategy of the others

- ▶ Two assumptions:
  - ▶ Actors are purposive
  - ▶ Actors adopt strategies that are the best response to anticipated strategies of others (a "best response" strategy)

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What are the best response strategies?

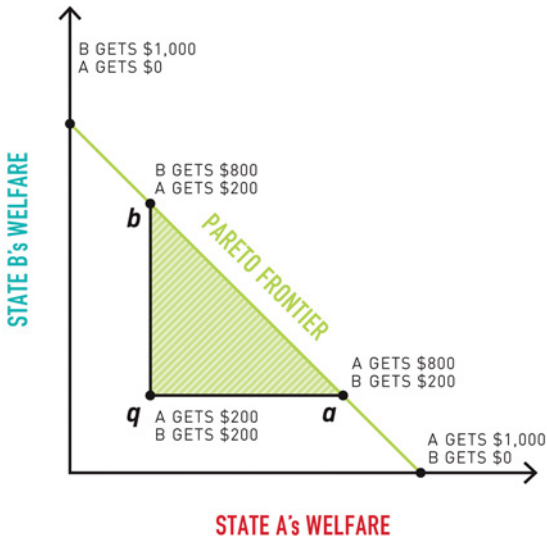
- ▶ rock, paper, scissors
- ▶ to an adversary developing weapons
- ▶ to trading partners using the metric system to measure goods
- ▶ to other countries committing to protect the environment

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Strategic interactions can be grouped into two broad categories:

- ▶ **Cooperation:** occurs when two or more actors adopt policies that makes at least one actor better off than it would otherwise be.
- ▶ **Bargaining:** describes an interaction in which actors must choose outcomes that make one better off at the expense of another.

**FIGURE 2.1 Cooperation**



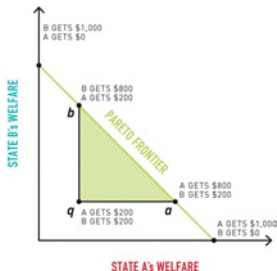


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- ▶ Left of diagonal line are possible outcomes produced by different combinations of policies chosen by the two actors.
  - ▶ Diagonal line is called the *Pareto frontier*
    - ▶ Named after Italian economist Vilfredo Pareto (1848-1923)
    - ▶ On the Pareto frontier, one player cannot become better off without making the other worse off



Jeffrey Frieden, David Lake and Kenneth Schultz. *World Politics: Interests, Interactions, and Institutions*. 5th ed. Norton, 2021. © Norton. All rights reserved. This content is excluded from our Creative Commons license. For more information, see <https://ocw.mit.edu/help/faq-fair-use/>.

- ▶ At status quo (*q*) actors are not doing as well as they could.
- ▶ Any policy combination that leads to an outcome in the area *qba* makes both actors better off
- ▶ Any policy combination on the Pareto frontier between *b* and *a* makes the actors as well off as possible



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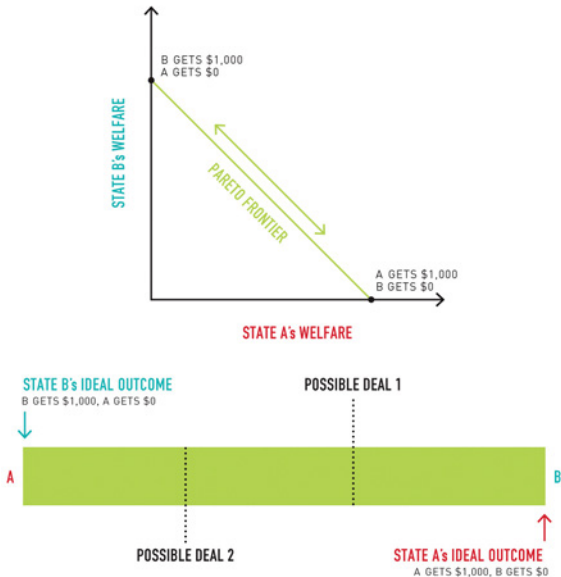
What could push the Pareto frontier outward?

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- ▶ **Bargaining:** an interaction in which actors must choose outcomes that make one better off at the expense of others.
  - ▶ When actors bargain, they move along the Pareto frontier.
  - ▶ Any improvement in A's welfare comes at the expense of B's welfare
  - ▶ A *zero-sum game*:
    - ▶ Gains for one side perfectly match the losses of the other

FIGURE 2.2 *Bargaining*



FIGURE 2.2 *Bargaining*



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- ▶ *Power*: the ability of Actor A to get Actor B to do something that it would not otherwise do
  - ▶ The more power an actor has, the more it can expect to get in the final outcome of bargaining
  - ▶ Three basic ways of exercising power:
    - ▶ coercion
    - ▶ outside options
    - ▶ agenda setting

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*Coercion*: the threat or imposition of costs on others to reduce the value of the reversion outcome and thus change their behavior.

- ▶ Means of international coercion include:
  - ▶ Military force and economic sanctions



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*Outside Options:* When an actor receives acceptable payoffs if they refuse to bargain.

- ▶ Examples:
  - ▶ Developing countries can seek development aid from multiple donors
  - ▶ Forum shopping in international dispute resolution
  - ▶ A militarily strong state bargaining over disputed territory

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*Agenda setting:* When an actor can influence which options are considered when.

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## How do institutions matter in world politics?

- ▶ setting standards
- ▶ monitoring compliance
- ▶ adjudicating disputes
- ▶ enforcement (but with difficulty)
- ▶ reducing transaction costs

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Clear standards of behavior help reduce ambiguity and enhance cooperation.

- ▶ Identifying violations
- ▶ Allowing enforcement procedures to function

Establish what is and is not acceptable (Constructivism?).

Crucial for the operation of any legal system.

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## Example: UN Convention Against Torture

▶ Article 2 (of 33):

1. Each State Party shall take effective legislative, administrative, judicial or other measures to prevent acts of torture in any territory under its jurisdiction.
2. No exceptional circumstances whatsoever, whether a state of war or a threat or war, internal political instability or any other public emergency, may be invoked as a justification of torture.
3. An order from a superior officer or a public authority may not be invoked as a justification of torture.

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But standards still face politics

Example: Agricultural interests face foreign competition. Claim that imports are unsafe.

- ▶ The WTO Sanitary and Phytosanitary agreement establishes some scientific criteria for allowing a country to exclude the importation of a product based on safety concerns.



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The availability of information affects the likelihood of cooperation.

- ▶ May be easy to observe whether a partner cooperates or defects
- ▶ May be hard to observe or distinguish

Example: emissions hard to monitor in climate change agreements.

Example: IAEA scientists touring nuclear facilities in Iran

Cooperation may fail because of uncertainty and misperception.

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Institutions provide mechanisms for resolving disputes between parties by:

- ▶ Increasing actors' expectations that others will uphold their commitments
- ▶ Preventing retaliation from escalating
- ▶ Resolving ambiguities in agreements



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Several International Institutions sanctioned South Africa as a punishment for apartheid.

- ▶ United Nations Security Council passed an arms embargo against South Africa in 1963.
- ▶ In 1968 the IMF refused to purchase gold from South Africa at prices in excess of \$35 per ounce.
- ▶ OPEC countries implemented an oil embargo in 1973. Iran refuses to comply.

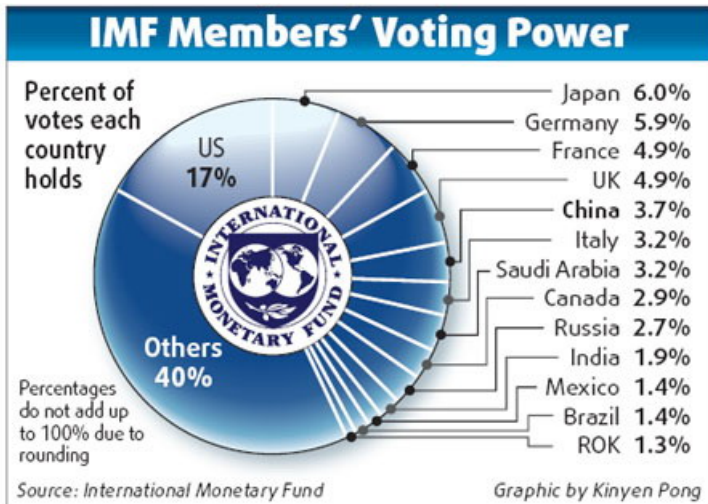
Full timeline here:

<https://www.piie.com/commentary/speeches-papers/case-62-2-and-85-1>

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- ▶ bias towards past winners of bargaining.
  - ▶ Example: why are some states permanently on the UN security council?  
(UK, France, US, Russia, China)

# Whom do institutions benefit?

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