THE DOMESTIC POLITICS OF INTERNATIONAL COOPERATION

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SUMMARY AND KEYWORDS

How does domestic politics affect international cooperation? Even though classic work on international relations already acknowledges the central role of domestic politics in international relations, the first generation of scholarly work on international cooperation focused almost exclusively on the international sources of cooperation and theories that explicitly link domestic politics and international cooperation did not take a more prominent place in the scholarly work on international cooperation until the late 1980s.

This paper reviews and analyzes recent research on how interests and institutions at the domestic level affect the cooperation of governments at the international level. My analysis is structured along a political economy model, which emphasizes the decision-making calculus of office-motivated political leaders who find themselves under pressure by different societal groups interested in promoting or hindering international cooperation. These pressures are conveyed, constrained, and calibrated by domestic institutions, which provide an important context for policy-making, and in particular for the choice to cooperate at the international level. I embed this standard political economy model of domestic politics within models of international cooperation, which
entail decisions by governments about (a) whether to cooperate (and to comply with international agreements), (b) how to distribute the gains and costs from cooperation, (c) and how to design cooperation as to maximize the likelihood that the public good will be provided.

The review highlights the significance of domestic politics to explain all aspects of international cooperation. The likelihood that governments engage in international cooperation does not only depend on international factors, but is also and sometimes predominantly driven by the demands of societal groups and variations in institutional structures across countries. Domestic factors can explain how governments behave in distributive negotiations, whether they can achieve advantageous deals, and if negotiations succeed to produce an international collective action. They also contribute to our understanding about whether and how governments comply with international agreements, and consequently, with the design of international institutions to maximize compliance. More recently, scholars have become more interested in the democratic responsiveness of governments when they cooperate at the international level, and whereas research is still sparse, emerging evidence points to responsive conduct of governments particularly when international cooperation is politicized at the national level.

Keywords: domestic politics, international cooperation, international organizations, enforcement, compliance, democratic responsiveness, differentiated integration
1 INTERESTS, INSTITUTIONS, AND INTERNATIONAL COOPERATION

On December 12, 2015, representatives of 195 countries adopted the Paris Agreement on Climate change to deal with greenhouse gas emissions mitigation, adaptation, and finance. Many observers herald the agreement, which is the world’s first comprehensive climate agreement, as a “historic turning point” in the battle against global warming. The Paris agreement is a perfect example for the opportunities and challenges that international cooperation entail: governments “adjust their behaviour to the actual or anticipated preferences of others, through a process of policy coordination” (Keohane, 1984, 51). International cooperation facilitates the provision of international public goods – such as a reduction in global warming, the improvement of economic welfare, or the establishment and maintenance of international peace – that countries cannot achieve unilaterally, or only at great cost. But international cooperation is surprisingly difficult to achieve and maintain. It took the members of the United Nations decades to develop a comprehensive agreement on climate change, and the agreement is far from perfect. Critics assert that the current country pledges are too low to lead to a temperature rise below the Paris Agreement temperature limit. Some even believe that the lack of binding enforcement mechanisms to measure and control CO₂ emissions, and the inability to sanction countries for behavior that is not consistent with their pledges, will provide little incentives for countries to impose economically and politically costly measures at home.

The serious challenges that governments face in the collective battle against climate change

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illustrate the problems that governments have to overcome when they cooperate in other issue areas as well. Two problems are central to explain the dilemma of cooperation. First, international cooperation is hampered by enforcement problems. Even though governments (and their countries) may benefit from international cooperation in the long-term, they may face political or economic costs in the short term that limit their incentives to cooperate. Since there is no actor that can enforce cooperative behavior at the international level, governments are very likely to defect from international cooperation. Second, international cooperation can be impeded by distributional problems. Governments want to cooperate but they cannot agree on the distribution of benefits and costs amongst themselves. The inability to solve the distributional problem can in itself lower governments’ incentives to engage in international cooperation to begin with.

The first generation of scholarly work on international cooperation, and its challenges, focused almost exclusively on the international sources of cooperation. The answer these approaches provide is invariably the same: reciprocal threats to punish deviations from the desired behavior can be used to coerce the cooperation of the actors (Snidal 1985; Oye 1986; Martin and Simmons 1998; Lake 2009). In this view, international cooperation is more likely when it entails credible monitoring and sanctioning mechanisms or when a hegemon monitors and enforces cooperative behavior. Even though classic work on international relations acknowledges the central role of do-

\textsuperscript{2}Both view points assume that there is a basic benefit from international cooperation. But governments may easily disagree about the desirability of undertaking the collective action since they can generate both positive and negative externalities. This splits the actors into supporters and opponents of that particular collective endeavor. Whereas problems of distribution and enforcement might still arise within each group, a third important problem is that of one group overcoming the opposition of the other (Gruber 2000; Schneider and Slantchev 2013; Schneider and Urpelainen 2013).
mestic politics in international relations (Thucydides 1954), theories that explicitly link domestic politics and international cooperation did not take a more prominent place in the scholarly work on international cooperation until the late 1980s. The lack of domestic politics explanations of international cooperation is particularly looming when analyzing the reasons for many cooperation failures. During the negotiations to the Paris Agreement, interests that were born out of national politics played a crucial role in shaping governments’ willingness to cooperate. Numerous such examples have led scholars to move away from the traditional realistic notion that the unitary actor assumption is sufficient for understanding international relations (Waltz 1959).

![An Analytical Framework for Regional Integration Research](image)

Figure 1: An Analytical Framework for Regional Integration Research

It is this question of how interests and institutions at the domestic level affect international coop-
eration that this article focuses on. By now there is an impressive body of scholarly work on international cooperation, and I cannot possibly do justice to the rich literature that examines the topic from various theoretical perspectives. My analysis is organized by the political economy model shown in Figure 1. This framework emphasizes the decision-making calculus of office-motivated political leaders who find themselves under pressure by different societal groups interested in promoting or hindering international cooperation. These pressures are conveyed, constrained, and calibrated by domestic institutions, which provide an important context for policy-making, and in particular for the choice to cooperate at the international level. In my analysis, I embed this standard political economy model of domestic politics within models of international cooperation.

International cooperation entails decisions by governments about (a) whether to cooperate (and to comply with international agreements), (b) how to distribute the gains and costs from cooperation, (c) and how to design cooperation as to maximize the likelihood that the public good will be provided.

Given the vast amount of research on the topic, and the limited amount of space in this article, I focus my analysis on a number of important theoretical aspects. First, my review centers around the domestic politics of international cooperation, taking the different dimensions of international cooperation as the *explanadum*. While without doubt important, it is out of the scope of this review to discuss the large literature on the effects of international cooperation on domestic politics, which includes changes in domestic political alignments, foreign policies, and the patterns of democratization ([Katzenstein, 1985; Gourevitch, 1978, 1986; Rogowski, 1989; Milner, 1988; Keohane and Milner, 1996; Pevehouse, 2002]). In addition, the most highly articulated body of work exploring the interaction between domestic politics and international cooperation has arisen from the field
of international political economy, and my review focuses on these approaches. I reference work on international cooperation in security-related policy issues where possible, but my initial review suggests that much more work needs to be done in this area.

2 WHY DO GOVERNMENTS COOPERATE?

The governments’ choice for international cooperation is central to the political economy framework. As with any deliberate choice, the analysis boils down to the government’s incentives to act, and this means identifying the actors who push for it, the actors who oppose it, the political institutions that mediate these demands, and the government’s own ideological and possibly opportunistic predilections.

2.1 THE STRUCTURE OF DOMESTIC PREFERENCES TOWARDS COOPERATION

The starting point for many demand-driven theories of international cooperation is the pressure from domestic groups that expect to benefit from it. These arguments typically focus on the domestic demand for international public goods and study the mobilization of economic and social interest groups. The general logic of preference-based arguments is that the interests within a country are differentially impacted by international cooperation and these interests lobby the government to get the policies that fit their preferences (Deutsch 1953; Milner 1997; Moravcsik 1998). This argument has been most developed in the area of free trade. Removing tariff barriers across countries has been shown to improve the welfare of countries under certain conditions. For example, free trade enables a more efficient allocation of production across countries, and thereby reduces consumer prices while at the same time improves the quality of products. But the im-

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pact of free trade on domestic economic groups varies. Among the domestic groups that benefit from free trade are export-oriented firms (Milner, 1997) and multinational corporations (Manger, 2009); within those groups highly productive companies appear to benefit disproportionately (Baccini, Pinto and Weymouth, 2016; Osgood et al., 2017). For example, European export companies joined forces with the European Commission to lobby EU member governments in favor of the Single European Market and the European Monetary Union (Moravcsik, 1991; Frieden, 2002). Similarly, American businesses lobbied the US government in favor of the NAFTA and APEC agreements (Milner, 1995; Cameron and Tomlin, 2002). Import-competing firms, on the other hand, are likely to oppose multilateral free trade because the removal of trade barriers increases competition from oftentimes more productive firms (Grossman and Helpman, 1995).

While the scholarly work on domestic pressures for international cooperation is much more sparse for other issue areas, existing work demonstrates that preferences of influential domestic groups do play a role. Decisions about international cooperation are influenced by domestic groups in a number of policy areas, including international finance (Broz, 2005; Broz and Hawes, 2006), multilateral aid (Milner and Tingley, 2010; 2011a; McLean, 2014), environmental cooperation (Bernhagen, 2008; Holzinger, Knill and Sommerer, 2008), and cooperation on international security issues (Snyder, 1991; Fordham, 1998; Milner and Tingley, 2015). The work outside of the area of trade is largely influenced by the notion that domestic pressures toward international cooperation arise from potential economic losses or benefits of international cooperation. Economic actors that benefit from free trade with a country are more likely to pressure their governments to secure military alliances or other forms of security relations than economic actors that are harmed by free trade with that country (Fordham, 1998; Narizny, 2007). The emphasis of economic in-
terests and interdependencies is particularly glaring when analyzing cooperation on security or environmental policies where non-economic factors should play a role as well. For example, Bar-nett (1996) argues that states with different ethnic or cultural majorities find it more difficult to identify as friends. Ethnic lobbying could thereby affect the likelihood of cooperation (Rogers, 1993), but we have very little research to prove it.

Existing research typically gives the pride of place to firms and organized special interest groups, based on the idea that concentrated interests are more influential than diffuse ones (Schattschneider, 1953; Olson, 1982). But transnational actors and general public could also affect the demand for international cooperation. Scholars have recently begun to study the determinants of preferences in the general public towards different policies. These include preferences toward free trade (Scheve and Slaughter, 2001; Hainmueller and Hiscox, 2006; Sattler and Urpelainen, 2012; Hahn et al., 2017), but also preferences toward foreign aid (Milner, 2006; Milner and Tingley, 2011a), climate change (Tingley and Tomz, 2013; Bechtel and Scheve, 2013; Bechtel, Genovese and Scheve, 2016), and international financial cooperation (Bechtel, Hainmueller and Margalit, 2014). Whereas the research on public opinion on international cooperation is generally still sparse, there exists a wealth of public opinion research on cooperation in the European Union, summarized by Hobolt and de Vries (2016). This research indicates that (a) publics may have very strong opinions about international cooperation in a number of policy fields, (b) public opinion is not only driven by economic concerns, but also deeper “cultural” concerns and (c) that they are increasingly likely...

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3 de Vries (2017), for example, finds that European public opinion on immigration is less driven by economic concerns (i.e. the left behind hypothesis) and more by demographics, as well as fears of migration and a loss in sovereignty. Similar non-economic sources of public opinion have been found outside of the EU context (Barnett, 1996; Saidemann, 2001).
to hold their governments accountable for their actions at the international level, at least when the
decisions are politicized at the national level. In addition, transnational groups have been increas-
ingly involved in decisions about international cooperation (Risse, 2010; Tallberg et al., 2014), but
we still know very little about how they form their preferences.

2.2 THE NATURE OF NATIONAL DOMESTIC INSTITUTIONS

Demand for or opposition to international cooperation can only be meaningful if the government
is responsive to such pressures. Office-motivated political leaders are more likely to react if their
political survival depends on what they do with respect to international cooperation (Milner, 1997;
Moravcsik, 1998). They might be more willing to accommodate domestic market actors when the
economy is in the doldrums (Mattli, 1999), or when they hope that the positive consequences of
international cooperation could serve as a signal that their policies are generally sound (Haggard,
1997). In addition, even though governments are office-seeking, and therefore susceptible to inter-
est group pressure, they also tend to have ideologically pre-disposed preferences over international
cooperation that may vary across policy fields (Hooghe, Marks and Wilson, 2002; Milner, 2004;
Grieco, Gelpi and Warren, 2009). Coming down from this level of abstraction requires one to study
carefully how domestic institutions translate societal and economic pressures into the leader’s po-
litical odds of political survival.

Since politics is much more densely and formally institutionalized in democratic societies, it is
perhaps not surprising that most work has focused on the mediating role of institutions in democ-
racies. The fundamental principle in these polities is that voters exercise some sort of influence on
policy through the leaders they elect, particularly compared to their influence in autocratic polities
Bueno de Mesquita et al. (1999, 2002). By equating democracy with increased influence of voters on the likelihood of a leader’s political survival and ascribing certain policy preferences (e.g., favoring free trade) to these voters, scholars have found that more democratic polities are more likely to cooperate internationally (Mansfield, Milner and Rosendorff, 2002; Mattli and Plümper, 2002). For example, a democratic government’s decision for free trade would be rooted in the preferences of the public (Milner and Kubota, 2005).

The central role reserved for the public in these studies is perhaps surprising given the paucity of empirical knowledge we have about the distribution of preferences among its members. Much of the empirical work in this area almost exclusively focuses on the influence that firms exert on political leaders’ decisions about international cooperation (Milner, 1988; Fordham, 1998; Broz, 2005; Broz and Hawes, 2006). In fact, when scholars initially attempted to relate public opinion to international cooperation, they found no effects. This was explained by voters facing severe collective action problems (Gilligan, 1997) or being rationally ignorant (Gabel and Scheve, 2007), and so unable to mount effective pressure in favor of policies they might prefer. In contrast, further careful scrutiny found that greater public support for free trade is associated with lower tariffs, and that this correlation only holds for democracies (Kono, 2008). Furthermore, (Milner, 2006) demonstrates that public opinion affects governments’ willingness to cooperate on economic development finance.

There are several plausible reasons for these mixed results. One factor that might be at play is the salience of the international collective action among voters. International cooperation is often not salient domestically, in part because leaders deliberately de-politicize or obfuscate these actions. Office-minded politicians should only have incentives to act responsive to public opinion if
particular policies are politicized in the national political arena. Another potentially relevant factor is the ability of institutions to channel diverse interests. For example, democratic systems with a greater number of veto players would be more likely to permit opposing preferences to bubble up through the political hierarchy, which could give contradictory incentives to policy-makers and make them less likely to cooperate (König and Finke 2007; Milner and Mansfield 2012). This argument is also relevant for analyses that focus on autocracies, but we still have very little knowledge about these effects within autocracies. Unlike democracies with much studied institutions and public opinion surveys, non-democracies tend to be opaque with murky institutional channels of influence and publics that might intentionally falsify its preferences. While we do have some impressionistic results – personalistic authoritarian leaders appear to be both less willing and less able to commit and adapt to international cooperation (Haas 1961; Nye 1987) – we are on much shakier ground both theoretically and empirically.

3 HOW DO GOVERNMENTS COOPERATE?

The previous discussion demonstrates that domestic politics plays an influential role in explaining political leaders’ decisions over international cooperation. But rather than simply discussion whether domestic politics matters, I now focus on the question about how it matters. Domestic politics may explain the positions that governments take in international negotiations and how they decide over the distribution of joint gains (i.e. the distributional or bargaining problem). It may also influence whether governments are willing to comply and enforce any international agreements that they may have struck (i.e. the commitment or enforcement problem). For cooperation to succeed, governments have to find solutions to both problems (Fearon 1998).
3.1 The Bargaining Dilemma

Much of the literature on the distributive negotiations of international cooperation has emphasized state- or system-level factors to explain the distribution of joint gains. Domestic politics received a more prominent place in this literature when Putnam (1988) published his seminal work on “two-level games.” The idea is that governments are playing a game both at the international and the national level. At the international level, they negotiate with a number of other governments, all of whom seek to find an agreement that is mutually beneficial. Governments know that any deal struck at the international level needs to be approved domestically. The greater the ratification hurdles at the national level, the smaller the set of deals that the government is able to accept at the international level. Domestic ratification hurdles therefore increase a government’s ability to strike advantageous deals at the international level (the idea is based on Schelling (1960)’s famous conjecture).

Putnam’s work generated an avalanche of theoretical and empirical research that applies different variants of the basic argument, with a focus on the influence of domestic ratification constraints. The findings imply that an increasing number of veto players at the national level indeed reduce the number of acceptable deals at the international level (Milner, 1997), but do not necessarily lead to a break-down of negotiations unless the bargaining constraints of states lead to situations where no agreement is possible anymore (König and Finke, 2007). Uncertainty about which deals will pass at the domestic level poses an additional risk to international cooperation, whereby cooperation can fail even though mutually acceptable agreements exist (Iida, 1993; Schneider and Cederman, 1994; Milner and Rosendorff, 1997). The ability of governments to strike advantageous deals
based on domestic ratification constraints is also not unlimited: if the government’s preferences over the policy diverge greatly from the domestic veto players then agreements may become disadvantageous or fail altogether (Mo, 1994; Milner, 1997; Tarar, 2005). Empirically, scholars find evidence that domestic ratification constraints matter. Cooperation is affected by the existence of partisan or institutional veto players at the national level who participate in the ratification process (Mansfield, Milner and Rosendorff, 2000, 2002; Hug and König, 2002; Hug and Schulz, 2007; Mansfield, Milner and Pevehouse, 2007; Milner and Mansfield, 2012). In addition, the heterogeneity of preferences between the veto players and the government puts further constraints on the international negotiations (Milner, 1997; Pahre, 1997; Tarar, 2005).

3.2 THE ENFORCEMENT DILEMMA

The success of international cooperation does not only depend on the ability of governments to conclude mutually beneficial deals, but also on their ability and willingness to comply with the agreements once they are in place. The enforcement dilemma arises from the insights of repeated games (Stein, 1982; Axelrod, 1984; Keohane, 1984). This cooperation theory typically assumes that the underlying preferences of governments have the structure of a Prisoners’ Dilemma (PD), which makes defection from any agreement the dominant strategy, and then shows how cooperative behavior can be sustained in the long run despite the absence of an agent that can enforce agreements.\footnote{Although there has been some work on problems of coordination and mixed-motive situations, most research is based on PD-like situations (Rhodes, 1989; Martin, 1992; Fearon, 1998; Downs, Rocke and Barsoom, 1998; Gilligan, 2004; Voeten, 2005; Svolik, 2006).}

The answer this theory provides is invariably the same: reciprocal threats to punish deviations from the desired behavior can be used to coerce the cooperation of the actors (Snidal, 1998; Hug and Schulz, 2007; Mansfield, Milner and Pevehouse, 2007; Milner and Mansfield, 2012).
Scholars who study solutions to this problem at the international level have emphasized the role of international institutions, such as regimes and international organizations. Interaction between governments in international organizations is frequent, regularized, and provides ample room for reciprocal arrangements that help reduce the costs of compliance. International organizations can also foster cooperation by providing credible monitoring and enforcement mechanisms to punish governments for non-compliance.

Institutional solutions at the international level invariably rely on coercion and long shadows of the future, both of which are arguably problematic empirically (Rosendorff, 2006). One possible venue is to shift the enforcement mechanism to the realm of domestic politics (Johns and Rosendorff, 2009). The reason for why domestic politics becomes particularly important for problems of enforcement are obvious: a government’s responsiveness to their domestic constituents and organized interest groups are a central reason for why governments comply or fail to comply with international agreements (Milner, 1988; Dai, 2005; Simmons, 2009; Chaudoin and Urpelainen, 2015). For example, the lobbying efforts of export-oriented firms and multinational companies with relatively liberal preferences explain the US commitment to free trade (Milner, 1988, 1997). Others show, however, that many governments still seek protectionism to please domestic constituents. Rickard and Kono (2014), for example, find that governments use non-tariff barriers to trade such as a discrimination in public procurement to please domestic economic groups.

A growing body of literature further suggests that democracies are more likely to comply with international agreements than authoritarian states (Gaubatz, 1996; Mansfield, Milner and Rosendorff, 2002; Rickard, 2010), and they depict more stable cooperation patterns in the event of leadership
Much of this theory rests on the assumption that voters punish political leaders who violate international agreements. Governments whose ability to remain in political power relies on their re-election at the national level are therefore less likely to free ride on international cooperation, because doing so proves costly (McGillivray and Smith, 2000). Others have argued, however, that voters’ incentives to punish leaders for non-compliance should depend on whether they benefit or lose from noncompliance (Dai, 2006). For example, whereas firms and constituents that gain from free trade should punish governments for breaching international free trade agreements, firms and constituents that lose from free trade should have no incentive to punish the government for such conduct. Unfortunately, it is not well explored yet whether (or to what extent) voters care more about governments’ commitment to international cooperation or about governments’ responsiveness to their specific policy preferences. These concepts, although closely related, may well explain why governments are sometimes punished for defection, independent of the costs involved for the audience, while sometimes there are variations in punishment, dependent on the costs involved for the audience.

Variations in the distribution of the costs and benefits from international cooperation at the national level may therefore not only explain the outcomes of distributional negotiations, but also the policies that seek to minimize the costs for the losers of cooperation. For example, governments have admitted flexible arrangements into the institutional design. “Escape clauses” or “differentiated integration” allow members to avoid especially burdensome contractual obligations, which makes international commitments more attractive initially and more durable afterwards (Downs and Rocke, 1995; Rosendorff and Milner, 2001; Rosendorff, 2005; Pelc, 2009; Schneider, 2009).
For example, the demand for flexible arrangements in the area of trade originates in the conflict between import-competing groups that stand to bear most of the costs from international cooperation and exporters that stand to reap most of the benefits (Kucik 2012). Leaders vulnerable to domestic protectionist groups are much more likely to agree on these international commitments to free trade when they contain escape clauses. There are, of course, limits to these arrangements since providing for too many will destroy the integrity of the international agreement and undermine its purpose. For example, Manger (2015) finds that international cooperation is deeper when the dominant trade between countries is intra-industry (and so the need for escape clauses is smaller).

3.3 **INTERNATIONAL COOPERATION AND GOVERNMENT RESPONSIVENESS?**

Historically, the design of many international organizations was grounded in the desire to insulate decision-making from domestic politics in order to reach decisions that overcome short-term political considerations (which are driven by their need to political survival in office) and that promote more efficient and effective outcomes in favor of societal interests. The potential benefits of such a strategy exist whenever the general social welfare considerations stand in conflict with short-term particularistic and politicized interests. Such conflicts arise in a large number of policy areas, including trade, peace-keeping, development, human rights, and the environment. The de-politicization of decision making, together with the expertise that international bureaucrats (with their claim to neutrality and to an a-political technocratic decision-making style) bring to the policy-making process has been a major contribution of international organizations to foster and promote international cooperation between states. The EU is a good example of an organi-
zation where such considerations played a central role in the discussions among the institutional designers. Following the vision of one of its main founding fathers, Jean Monnet, none of the major institutions of the European Coal and Steel Community were designed with direct democratic mandates. The idea was to speed up the European integration process by minimizing the politicization of negotiations at the European level (Moravcsik, 1994). Jean Monnet even used an “information obstruction policy,” and asked news agencies to not cover the European Coal and Steel Community because he was worried that increasing public saliency would derail further integration (Atikcan, 2015).

This very premise on which governments decided to delegate decision-making to international organizations has come under major criticism. Many commentators assert that international organizations are elitist and technocratic. They argue that decisions that are taken at the international level tend to be undemocratic and illegitimate because governments and bureaucrats are not accountable to domestic publics. They believe that international organizations suffer from a “democratic deficit” (Scharpf, 1992; Dahl, 1999; Hix and Follesdal, 2006; Moravcsik, 1994; Nye, 2001). Prominent concerns range from the increasing opportunities for executives to pursue their interests without domestic democratic scrutiny, the ability of corporate interests to influence the international policy making process unchecked, to the ability of international bureaucrats to exploit their independence and autonomy to pursue their own self-interested goals that may be in conflict with the broader interests of society (Frey, 1997; Barnett and Finnemore, 1999). This legitimacy crisis has afflicted many international integration projects around the world, including the EU, Mercosur, NAFTA, ASEAN, the WTO, the IMF, and even the UN (Malamud, 2008; Zweifel, 2006; Joseph, 2011; Dellmuth and Tallberg, 2015). The ever-spreading fear is that relocating political decisions
to international fora could make governments unresponsive to domestic concerns because voters have much less influence at these higher levels.

Consequently, there exists an important trade-off between the designing of international institutions that prevent wrongdoing by governors and exploitation by special interest groups and the international institutions’ ability of effective problem solving (Scharpf, 2003, 5). This trade-off is as old as the literature on international delegation, but the nature of the discussion has shifted. Whereas scholars mainly focused on the problems created by delegating decision-making powers to an international agency with potentially diverging interests (thereby focusing on the government-agency relationship) (Pollack, 1997; Nielson and Tierney, 2003; Hawkins et al., 2006), the increasing politicization of international cooperation has shifted the focus to the question about whether governments and international agencies reach decisions that are democratically responsive to the preferences of their citizens. For example, following the politicization of EU affairs in Europe (Van der Eijk and Franklin, 2004; Kriesi et al., 2012; Risse, 2015), voters are now more likely to vote for national parties with positions toward European integration that are similar to their own (Evans, 1998; Tillman, 2004; de Vries, 2007, 2010). Similar processes occur outside of the EU as well (the politicization of NAFTA or the IMF are just two examples), and scholars increasingly analyze citizens’ attitudes toward various aspects of international cooperation to account for these changes (see discussion above).

But despite the amassing evidence of a politicization of international cooperation, we still lack an understanding of how domestic politics affect the conduct of political leaders in international cooperation. Are governments responsive to the policy demands of their citizens when they cooperate at the international level? Schneider and Slantchev (2017) develop a formal model to
demonstrate how domestic politics affects the cooperation of governments before elections, when electoral accountability is the greatest. The model incorporates a cooperation problem between the governments, and an agency problem between the citizens and their government, and a signaling problem between the government and its citizens. The findings illuminate how the lack of transparency in international negotiations can create a “democratic deficit” that results in international cooperation that is unwanted by the citizens. Generally speaking, it is quite difficult for the citizens to incentivize the governments through an instrument as blunt as elections. For wide ranges of the parameters, the interaction must involve some sort of policy failure where the governments behave contrary to the wishes of the citizens. However, it also reveals that the presence of a competitive domestic electorate can enable governments to implement policies that the citizens want under circumstances when that would have been impossible had they been unconstrained. Whether for good or bad depends on what the citizens already believe, which in turn constrains how much the government can shift their beliefs.

The existing empirical work on government responsiveness in international cooperation provides some evidence for responsive conduct of governments in international negotiations. For example, the research on cooperation in the EU indicates that governments signal responsiveness by taking positions that are in their constituency’s interest and by defending these positions more fiercely during the negotiation process than what they would do outside of the electoral cycle. In addition to burnishing their populist credentials through their public stances, governments try to pull the international policy toward positions that clearly favor domestic interests so that they can claim credit for it (Schneider 2013, 2016a,b). Failing that, they will take dissenting positions or drag their feet as long as they can in order to delay the announcement of a policy that the domestic electorate
disapproves of (Konig and Finkel, 2007; Schneider, 2016). Aside from governments’ incentives to appear responsiveness to the specific policy preferences of their citizens, they also respond to the public attitudes toward the EU polity itself. For example, Hagemann, Hobolt and Wratwil (2016) analyze situations in which EU governments can unilaterally signal responsiveness. They show that pro- or anti-European sentiments in the population can affect EU governments’ willingness to dissent in the Council voting stage. Other authors have focused on whether attitudes towards the European Union affect the amount of legislative output (Toshkov, 2015) or the governments’ position on the scope of European integration (Koenig-Archibugi, 2004; Proksch and Slapin, 2010).

Even fewer scholars venture into an analysis of government responsiveness in international cooperation outside of EU politics. Nevertheless, the existing evidence demonstrates that governments indeed try to signal responsiveness, especially when issues are politicized. Dreher and Vaubel (2004), for example, find that new net credits from the IMF are significantly larger in the pre-election period and that borrowing from the International Bank for Reconstruction and Development significantly declines after elections. And Caraway, Rickard and Anner (2012) and Rickard and Caraway (2014) argue that elections give countries’ more leverage in their negotiations with the IMF, thereby leading to less stringent labor market conditions in IMF loan programs. Chaudoin (2014) further shows for the WTO that trade disputes are more likely during election

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6 Of course, in the IMF and the World Bank where loans and grants are given to countries with economic difficulties and the very existence of a program could also signal domestic economic incompetence (Dreher and Vaubel, 2004). Governments can nevertheless signal political responsiveness if they are are able to receive larger loans with better conditions or if they are less likely to be punished if they interrupt the reforms (Dreher, 2003). In addition, ? show that citizens tend to interpret the receipt of World Bank projects as positive and often attributed it to their governments’ bargaining success in negotiations with the World Bank.
years when macroeconomic indicators suggest broader support for free trade.

4 CONCLUSION

The scholarship on international cooperation has moved well beyond the unitary actor assumption, and now includes a wide range of theories that highlight the domestic aspects of international cooperation. This paper reviews and analyzes recent research on how interests and institutions at the domestic level affect the cooperation of governments at the international level. Domestic politics explanations contribute to a better understanding of how governments navigate and solve the challenges of international cooperation; and when they fail to do so. The political economy approach advocated in my review has furnished a particularly useful organizing framework, which facilitates the identification of areas where more research needs to be done. Four avenues seem particularly useful.

First, by now we have a relatively good understanding of the domestic politics of international cooperation in democracies, but our knowledge about the domestic politics of international cooperation in autocracies is rudimentary at best. One potentially very fruitful venue for research here would be to use the growing literature on authoritarian political institutions and apply it to questions of international cooperation (Gehlback, Sonin and Svolik (2016) provide a review of this literature).

Second, more research is necessary to shed more light on the domestic politics of international distributive bargaining. Even though the basic intuition of two-level games seems straightforward, empirical analyses are largely hampered by the considerable demands that are placed on the amount and quality of information on various aspects of the negotiation and ratification stages (Hug and
To solve these problems, existing work on negotiations in the EU employs sophisticated methodological strategies to measure positions and constraints of the various actors involved. This research provides possible avenues for research in other areas of international cooperation as well.

Third, much of the research discussed above grants societal groups, including firms and citizens, an indirect influence on international cooperation through pressure they exert on their own governments. Increasingly, however, civil society groups and economic interest groups gain direct access to international negotiations (Tallberg et al., 2013, 2014). The ability to affect international cooperation directly through lobbying of all governments involved in the negotiations as well as potential organizational agencies opens up a number of questions that remain under-researched so far.

Finally, while the burgeoning research on international cooperation has highlighted the central importance of organized interest groups, especially firms, for governments’ incentives to cooperate, there has been relatively little work on the role of public opinion as a cause of international cooperation. With the increasing politicization of international negotiations at the national level, particularly in the area of trade, a better understanding of the causes and consequences public opinion on the various aspects of international cooperation is warranted. Whereas it is without doubt important to understand how publics shape their opinions on different topics, I would like to particularly highlight the need for more research on the question of how public opinion influences international cooperation. Whereas early work suggested that public opinion does not play any role, more recent findings indicate that the influence is conditional, for example on the existence of democratic institutions or a politicization of issues at the national level.
REFERENCES


