

Week 2

Understanding Interests, Interactions, and Institutions

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POLI 150: International Relations and Global Politics
Recitation Session

► Logistics for the Class & Syllabus

- ▶ Expectations and Policies
- ▶ Office Hours
- ▶ Recitation Structure - Attendance and Participation Policies
- ▶ Main Textbook: [World Politics: Interests, Interactions, and Institutions \(5th Edition\)](#) by Frieden, Lake, and Schultz
- ▶ Use of AI

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► Quick Introductions

▶ Who am I?

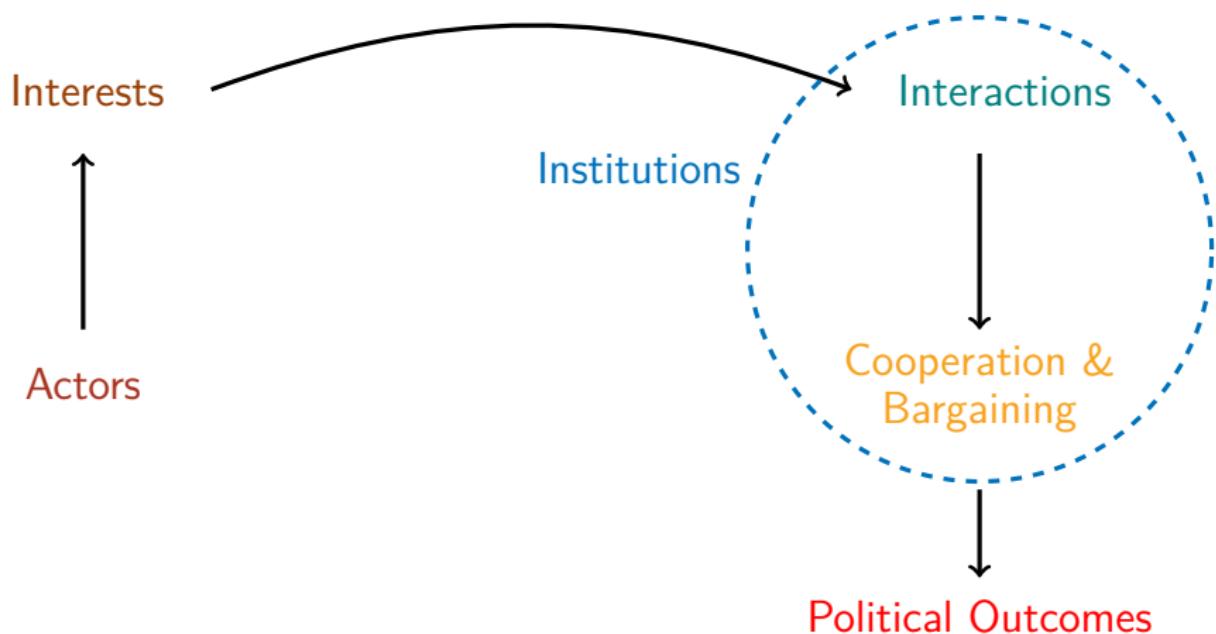
- ▶ 2nd-year PhD student in the Political Science Department
- ▶ I work on International Relations, Comparative Politics, and Political Methodology
- ▶ Specifically interested in Political Economy and Authoritarianism/Democratic Backsliding

▶ Who are you?

- ▶ Your name
- ▶ The topic/subject you find most interesting in international politics
- ▶ Name an app you like the most OR
- ▶ Name a non-fiction book you loved reading during the summer

Interests, Interactions, and Institutions

► “All models are wrong but some are useful...”



Actors

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- ▶ States → the United States, China, Vietnam
- ▶ Governments → the Trump Administration, the regime of Xi Jinping
- ▶ Private actors within countries → Firms, Business Associations
- ▶ International Organizations → the UN, ASEAN, the WTO

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- ▶ Individuals are the most basic political actors such as Trump and Xi.
- ▶ State is a central authority that has the ability to make and enforce laws, rules, and decisions within a specified territory.
- ▶ Related key concepts: Sovereignty, Anarchy, National Interests

Actors II

TABLE 2.1 *Key Categories of Actors and Interests in World Politics*

ACTOR	COMMONLY ASCRIBED INTERESTS	EXAMPLES
States	Security, power, territory, wealth, ideology	United States, Canada, China, Switzerland, India, Uruguay
Politicians	Reelection/retention of office, ideology, policy goals	President of the United States, prime minister of India, Speaker of the U.S. House of Representatives
Firms, industries, or business associations	Wealth, profit	General Motors, Sony, the pharmaceutical industry, National Association of Manufacturers, Business Roundtable
Classes or factors of production	Material well-being, wealth	Capital, labor, land, human capital
Bureaucracies	Budget maximization, influence, policy preferences; often summarized by the adage of “where you stand depends on where you sit”	Department of Defense, Department of Commerce, National Security Council, Ministry of Foreign Affairs
International organizations	As composites of states, they reflect the interests of member states according to their voting power. As organizations, they are assumed to be similar to domestic bureaucracies.	United Nations, International Monetary Fund, Universal Postal Union, Organisation for Economic Co-operation and Development
Nongovernmental organizations, often transnational or international in scope and	Moral, ideological, or policy goals; human rights; the environment; religion	Red Cross, Amnesty International, Greenpeace, the Catholic Church

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- Power/security
 - Economic/material
 - Ideological
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Realism
Liberalism
Constructivism

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Question

Why is it important for policymakers and scholars to figure out what interests motivate an actor ?

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- ▶ Two important assumptions when studying interactions;
 - ▶ Actors behave with the intention of producing a desired result.
 - ▶ Actors adopt strategies according to what they believe to be the interests and likely actions of others. Actors develop strategies that they believe are their best response to the anticipated strategies of others.

Interactions

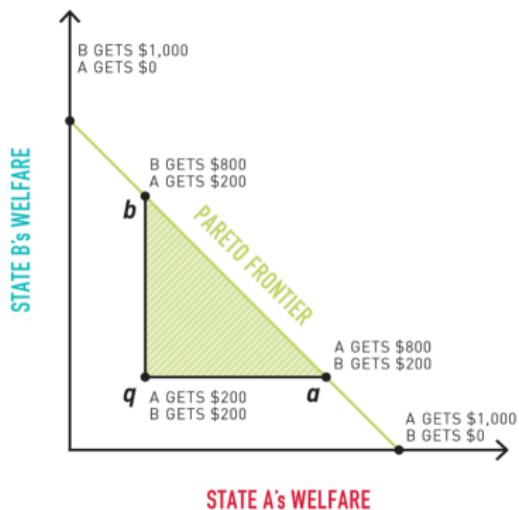
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- ▶ Interactions can take various forms but most can be grouped into two broad categories: Cooperation and Bargaining

Interactions | Cooperation

- ▶ **Cooperation** → An interaction in which two or more actors adopt policies that make at least one actor better off relative to the status quo without making others worse off.



Now, the question is ...

Question

If cooperation makes actors better off, why do they sometimes fail to cooperate?

Barriers to Cooperation | Coordination vs. Collaboration

- ▶ **Coordination**, a type of cooperative interaction in which actors benefit from all making the same choices and subsequently have no incentive not to comply.
 - ▶ While it is hard to achieve because of *coordination problems*, once coordination is achieved, no one can benefit by unilaterally defecting. Example → Which side of the road to drive on

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- ▶ **Collaboration**, a type of cooperative interaction in which actors gain from working together but nonetheless have incentives not to comply with any agreement.
 - ▶ Actors have a unilateral incentive to defect → Prisoner's Dilemma
 - ▶ A specific type of collaboration problem arises in **public goods**. **Public goods** are products that are nonexcludable and nonrival in consumption.
 - ▶ Examples → National defense, Roads, Clean air and water, and etc.

Public Goods

- ▶ Efforts to produce public goods always face **collective actions problems** because of **free ride**.

Question

What are the factors that can facilitate cooperation ?

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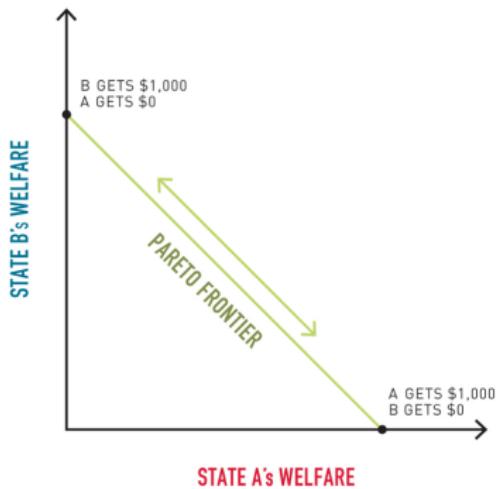
Question

What are the factors that can facilitate cooperation ?

- ▶ Institutions → We will come to this later
- ▶ Numbers and Relative Sizes of Actors
- ▶ Iteration
- ▶ Linkage
- ▶ Information

- ▶ **Bargaining** → An interaction in which two or more actors must decide how to distribute something of value. In bargaining, increasing one actor's share of the good decreases the share available to others.
- ▶ Whereas cooperation has the potential to make actors collectively better off, **bargaining ends up with winners and losers**.
 - ▶ The more one actor gets from a bargain, the less others can have.

Interactions | Bargaining II



Question

What happens when two or more actors want the same good?

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- ▶ **Power** → The ability of one actor to compel another to act in certain ways.
 - ▶ *Reversion Outcome*, the outcome that when no bargain is achieved.
 - ▶ The actor that would be more satisfied with the reversion outcome generally has less incentive to make concessions in order to reach a successful bargain.
 - ▶ Example - Car Deal

- ▶ To shift the *reversion outcome* in their favor, actors have three basic ways of exercising power;
 - ▶ Coercion
 - ▶ Outside Options
 - ▶ Agenda Setting
- ▶ Even though bargaining creates winners and losers, *bargains can be made as long as they give all parties more than, or at least as much as, they can expect to get in the reversion outcome.*

Institutions

Sets of rules, known and shared by the relevant community, that structure interactions in specific ways.

- ▶ International institutions facilitate cooperation by at least four ways;
 - ▶ Setting standards of behavior
 - ▶ Verifying compliance
 - ▶ Reducing the costs of joint decision making
 - ▶ Resolving disputes

Question

Why do actors follow rules?

- ▶ The value of cooperation is high
- ▶ Costs of making a brand new institution is high