Summary of Martin, “Interests, Power, and Multilateralism”

Overview: Article considers what game theory models can be used to characterize the constraints that lead to variation in patterns of international cooperation.

- Definition of multilateralism (IM): indivisibility, nondiscrimination, and diffuse reciprocity.
  - Indivisibility=an attack on one considered an attack on all
  - Nondiscrimination=all parties are treated similarly
  - Diffuse Reciprocity=”states do not rely on quid-pro-quo exchanges, but on longer term assurances of balance in their relations.”

- Martin defines 4 types of games to which this definition might apply.
  A) Collaboration games – The Prisoner’s Dilemma game. Equilibrium outcomes are suboptimal. Both players have to forsake their dominant strategy in order to reach the optimal outcome. 3 factors identified in helping states overcome collaboration problems: using the proper strategy, extending the shadow of the future, and reliance on centralized mechanisms, like formal international organizations.
    --Because collaboration games have large incentives to defect from cooperation, monitoring compliance becomes important.
    --The shadow of the future becomes important in order to ensure that long-term benefits are seen as superior to short-term gains.
    --This means that formal multilateral organizations (MOs) will play a strong role in monitoring and information supply, but that the norms of multilateralism (IM) will be less central, since diffuse reciprocity, with its reliance on broad norms instead of punishment for cheating, and indivisibility, which likewise discourages singling out one country for punishment, do not help to ensure monitoring and compliance necessary for the system.
    --MOs are also able to delegate decision-making for a large number of actors to a smaller group. Ex: the UN Security Council, which makes it more effective in crisis situations.
    --2 other solutions to collaboration problems also exist: hegemony and self-enforcing agreements among a smaller number of players.

  B) Coordination games – this is based on the battle of the sexes game. 2 possible equilibrium outcomes, one of which is preferred by each player. The dilemma is deciding which equilibrium will prevail, so bargaining becomes crucial. Once an equilibrium is established, neither player has a major incentive to defect.
    --Unlike collaboration games, coordination games do not require strong institutions for monitoring and enforcement. However, the norms of multilateralism (IM) may play a crucial in the negotiation stage.
    --Ex: creating formal organizations may help some transaction costs. Players choose radio frequencies. There are enough frequencies for everyone, but we need to be sure none overlap. The norms of IM improve communication and a centralized clearinghouse can be set up to handle the issue. The organization will not need powers of surveillance, b/c there is no incentive to defect from one’s radio frequency.
    --States need prospective information about future plans, not retrospective info. On compliance. Hence, IM more important than MOs.

  C) Suasion Games – Parties have asymmetric interests. The hegemon has a dominant strategy regardless of the strategy of the smaller states. However, its payoff will increase if smaller states cooperate.
    Hegemon must persuade or coerce others to cooperate. Ex: COCOM (Coordinating Committee on Export Controls): US inspired control of technology sales to Soviet bloc.
    --2 ways of persuasion:
      1) Hegemon could threaten to act irrationally, leading to other player’s least favored outcome. This makes it necessary for hegemon to bear high short-term costs.
2) Linking cooperation on this issue to threats or side payoffs on unrelated issues.
--Maintaining the appearance of multilateralism is important to save face for smaller states. However, the actual norms of multilateralism don’t really come into play, insofar as the hegemon is acting unilaterally to coerce. Actual decision making is usually secret.
--IM suffers, but MOs have a role in trying together the issues for linkages and in providing hegemon with information on other states’ behavior.

D) Assurance games – the preferred outcome is mutual cooperation. Ostensibly institutions have little role to play.
--2 types of uncertainty over outcome may necessitate organizations:
   1) uncertainty about others’ payoffs
   2) suspicion that others are not rational unitary actors. Preferences could be result of domestic battle between factions with different agendas.
--problem becomes assuring all players that one won’t defect and that the state is in control of the policymaking process.
--this gives some role for the norms of IM to facilitate communication among states.

• Martin analyzes the benefits to the hegemonic state from multilateralism with the case of the US after World War II. Multilateralism allowed for:
   1) lower transaction costs
   2) deflection of challenges to institution by weaker members: smaller states have some say in decision-making
   3) increased stability with changes in relative power: a long-term world order

• Martin also analyzes the effects of bipolarity on multilateralism, concluding that bipolar distribution of power makes exit from multilateral institutions less of a credible threat. Bipolarity encourages the hegemon to treat its allies with an eye to the future of the system, encouraging multilateralism.

• Institutional changes: 2 types of changes can increase temptation to defect:
   1) developments that decrease the shadow of the future
   2) changes that decrease states’ ability to remain informed about others’ behavior.