Chapter 9

Justice, Power, and International Organizations

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International organizations have become a critical arena for justice. As the global economy has become increasingly integrated and technology has rendered the sustainability of human communities ever more interdependent, the number of problems that require international solutions has proliferated. The number of international organizations has risen sharply in response, to the point that almost every issue of broad international concern is covered by a treaty or convention and presided over by at least one intergovernmental organization. The body of international law is growing at an exponential rate, and a growing number of international courts and quasi-judicial bodies sit in judgment on a wide range of international disputes. The memberships of many important international organizations have become almost universal. In some cases, these organizations command impressive resources, and their policies reach deeply into the politics of their member states. If justice consists of fairness concerning the basic institutions of society,[1] justice in the contemporary period is intimately concerned with international organizations.

I do not attempt to articulate a complete theory of international justice.[2] Instead, I propose that certain broad principles should be included under that rubric, including efficiency, legitimacy, democracy, and distributive justice. In what follows, I argue that practical considerations ensure that these desiderata are generally in tension in an international system composed of nation-states.

EFFICIENCY

International organizations are created in order to solve problems, so the first criterion for evaluating them is their ability to do so. Efficiency, in this sense, means the achievement of joint improvements in welfare for two or more communities through coordinating national or sub-national policies. This kind of efficiency gain does not necessarily improve global welfare since gains for two states could be made at the expense of a third; for example, preferential trade agreements create trade opportunities for their members but also divert trade flows from non-participants. However, this kind of efficiency is a necessary condition for international organizations to improve global welfare and to achieve acceptance in a world governed by nation-states. Furthermore, in an increasingly interconnected world economy, the externalities for other countries of national policies loom ever larger, making effective coordination necessary to address important issues.

Many important policy problems, for example, take the form of attempting to coordinate efforts to provide global public goods—benefits that are non-excludable, so that all countries benefit from their existence, and non-rival, so that their enjoyment by one individual or community does not reduce their enjoyment by others. Public

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goods, such as environmental protection, public health, reduction in common security threats, control of crime, and so forth, can generally be provided more effectively, if at all, only through international cooperation. Unfortunately, since it is possible to benefit without paying the costs of contributing, there are incentives to refuse to cooperate, so public goods are generally underprovided. Numerous international organizations are designed to facilitate mutual commitment by clarifying rules, monitoring national policies, and adjudicating disputes. A few prominent ones incorporate a degree of enforcement power, although most international cooperation relies on decentralized enforcement, if any.

LEGITIMACY

A necessary condition for international governance to be effective is that national authorities voluntarily participate. This represents a minimalist definition of legitimacy.[3] It refers only to the interests of the politicians who hold the political authority to represent their national communities, whose preferences may diverge from those of the citizenry. It is distinguished from democracy and distributive justice in that it does not presuppose any particular decision-making procedures or outcomes. It does require that national leaders receive enough benefits on average from participating to outweigh the costs of doing so, however, and this generally means that there must be some sharing of governance rights within the organization. The principle of legitimacy is generally in tension with efficiency. For example, numerous examples of institutional design, such as escape clauses, sunset provisions, and non-binding or non-enforceable rules, are incorporated in order to accommodate fluctuations in domestic political pressures.[4] This makes it less risky for political authorities to make cooperative commitments but undermines the value of those commitments to other partners.

DEMOCRACY

A limited definition of democracy implies that decisions are made by formal procedures that are generally recognized to be fair, that the members either vote or choose agents to represent them, and that enough information is available for the constituents to hold the representatives accountable. Although almost all international organizations incorporate some form of democratic decision making, they feature a wide range of institutional forms, and fairness, representation, and transparency vary widely. The UN General Assembly uses a one-country-one-vote system but gives special privileges to powerful countries in the Security Council; the international financial institutions weigh voting power according to contributions; the European Union has employed various weighted voting schemes and now uses a double-majority voting system requiring a majority of countries and of country populations. Democracy is a more demanding standard than legitimacy, and in general, institutions that are more democratic will also find broader acceptance and be accorded greater

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legitimacy. However, there are several ways in which the compromises necessary to achieve legitimacy undermine democracy.

First, there is a tension between decision making at the international level and domestic democracy. The lengthening of the chain of delegation to include international agents who are difficult to monitor makes it difficult for publics to exert control.[5] As more public policies are devolved to international organizations, the accountability of elected officials to their constituents is strained. Responsibility for policy outcomes becomes harder to assess, so electoral control is diminished.[6] This very lack of transparency has been seen by some scholars as an incentive to turn to international organizations, which can be used as scapegoats for unpopular policies that politicians prefer.[7] The "democratic deficit" in the European Union and the overriding of domestic politics by IMF conditionality are frequently cited examples. Arguably, democracies must be allowed to delegate authority to insulated agencies and blue-ribbon panels in order to pursue policies that would not otherwise be credible but which are necessary in order to achieve objectives that are widely held to be essential.[8] For example, voters might find it impossible to commit to protecting stable property rights or pursuing balanced macroeconomic policies, so they benefit by delegating some of their sovereignty to independent courts and central banks. The same can be true at the international level, and there are many countries that can provide stable investment climates only because they are able to rely on international agreements to tie their hands.[9] Nevertheless, there is a tension between delegation and representation.

Further, there can be a tension between the features of international organizations that render them legitimate and the features that allow for representation of domestic publics in decision making. The international system is increasingly an arena of law, rather than decentralized bargaining, where disputes are settled by referral to international courts and where the bargains that are struck reflect the legal merits of the disputants' cases.[10] International trade law has grown prodigiously since the creation of the WTO in 1995 and has embraced ever more extensive areas of public policy. European law has preeminence over domestic law in Europe. Hundreds of bilateral trade and investment treaties delegate arbitration of disputes to ICSID, the international investment court at the World Bank. Democratic countries appear to systematically prefer legalized methods of dispute resolution to ad hoc decision making or power-based bargaining because it is easier to explain a concession to one's domestic constituents when one can refer to a legal judgment by a neutral authority.[11] For example, the George W. Bush administration imposed duties on steel that were illegal under WTO rules and carried West Virginia in the 2004 election, only to concede that the duties were illegal after the election when a dispute resolution panel ruled against it. Legalization makes international regulation more palatable and legitimate but takes decision making further from voters.

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This concept applies to citizens rather than to states and includes at least three distinct principles: equality of allocation, equality of opportunity, and equal distribution of risk. Representative institutions that satisfy the participation constraints of all of their member states are severely constrained in the degree of redistribution that they can implement. When solidarity is sufficiently valuable to all of the members, however, some redistribution may occur. The European Union manages to redistribute approximately 1% of its members' GDP annually, and the euro project appears likely to redistribute considerably more of European real wealth. On the other hand, there is substantial evidence that international organizations can improve equality of opportunity. However, many of the liberalizing reforms that international organizations pursue have the consequence of increasing the exposure of the world's poorest people to risk.

POWER AND LEGITIMACY

International organizations reflect a fundamental tension, rooted in the anarchic nature of world politics, between the preferences of strong and weak countries.[12] Participation by powerful countries is more necessary for cooperation to take place and offers greater collective benefits. At the same time, powerful countries generally have better options in case cooperation breaks down. In the case of trade, for example, countries with large internal markets can impose optimal tariffs, shift the terms of trade in their favor, and negotiate bilateral deals with their major trading partners if multilateral negotiations fail. Small countries have no such leverage because they lack market power. Since there is nothing to compel countries to participate in international organizations, powerful countries will typically do so only if the terms are slanted in their favor, and the trade regime is no exception to this rule.

On the other hand, powerful countries must be careful not to demand too much. Effective international cooperation requires the participation of sufficiently large coalitions of countries, and heterogeneity of preferences generally assures the existence of a trade-off between the depth and breadth of cooperative arrangements. Broad framework conventions can often obtain almost universal consent, but costly investments and intrusive policy coordination restrict the sets of voluntary participants.[13] Weak states will participate voluntarily only if they expect to obtain net benefits from participating on average, so the size of the cooperating coalition shrinks further as powerful states shift the benefits in their own favor. This need for legitimacy tempers the effects of power.

A problem arises when cooperation requires states to make commitments that they may wish to revoke in the future.[14] In general, powerful countries have attractive outside options, so it is difficult for them to commit to following rules when they have intense incentives to disregard them. In contrast, weak countries lack such options, so it is more credible for them to commit to international law. Efficient organizational design, consequently, tends to make an inter-temporal transfer between strong and weak states: the strong obtain special rights that they may

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exercise when their preferences are intense, and the weak obtain a share of control rights over the organization in ordinary times that is out of proportion to their resources. For a variety of practical reasons, this exchange is generally effected through informal governance mechanisms, rather than through formal treaty provisions.

Informal governance refers to a range of mechanisms that powerful states can use to exercise influence over the decision-making process in international organizations, which might range from overtly bribing other states to providing information that influences the judgment of international bureaucrats. For example, the United States routinely uses its foreign aid to buy votes in the UN General Assembly and UN Security Council but is able to exercise much deeper control over World Bank lending without resorting to bribery.[15] Such mechanisms do not generally have to be provided for explicitly; states with the resources and motives to do so are inventive enough to create them if they are not explicitly prevented. The designers of organizations are able to influence the degree of informality, however, by creating governance mechanisms of various types. The form of decision making most insulated from informal influence is judicial delegation because it is normatively (and perhaps legally) impermissible to influence judges, decisions are public, and they can be reviewed on the basis of legal reasoning. At the other extreme, delegation of executive powers maximizes the opportunities for informal influence because providing advice to the executive is not a violation of legal norms, decisions involve a range of discretion and specialized expertise, and decisions are not necessarily public. The World Trade Organization makes extensive use of judicial delegation and very limited use of executive delegation because it presides over issues of intense controversy.

In contrast, the International Monetary Fund was designed to maximize opportunities for powerful countries—particularly, the United States—to exercise informal influence. The IMF has a very weak executive board, which is charged with making decisions about lending to member countries, so initiative is effectively delegated to management and staff. Almost anything that is proposed will pass unanimously. This means that controlling IMF lending is simply a matter of influencing the staff, or going over their heads by influencing the management. Doing so is less costly than attempting to lobby states, so informal influence is rampant in the institution. This is acceptable to the leading members of the Fund because they do not anticipate frequent conflicts of interest with the United States—rich countries generally agree about the desirable policies for poor countries to pursue—and allowing the United States to use the IMF periodically to influence borrowers is a necessary price for strengthening the institution.

The WTO and the IMF represent extreme ends of the spectrum of international organizations: one is highly legalized and involves minimal executive delegation, while the other makes no legal claims on its members except repayment of debts but entails extensive delegation of authority to international bureaucrats. Both legalization and delegation are in tension with democracy. Legalization, however, is consistent with a higher degree of legitimacy than delegation of executive power because

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executive delegation is susceptible to much greater exercise of informal influence by great powers.

A closely related implication of informal influence is a general weakening of credibility and, therefore, of efficiency. If powerful countries can easily intervene in the workings of an international organization, they can hardly commit to avoid doing so, and the regular functioning of the organization will be compromised to some degree. In the case of the IMF, the consequence is that lending to countries of particular importance to U.S. foreign policy comes with few credible conditions attached and, consequently, is less convincing to capital markets and less effective at stemming capital flight. Most of the notable failures of IMF programs have taken place in countries, such as Russia, Ukraine, and Argentina, where the United States was actively lobbying the Fund to lend against its better judgment.[16]

DEMOCRACY AND JUSTICE

If states were somehow able to agree to create democratic international organizations that were effective and commanded widespread compliance, another serious obstacle to justice would remain: there is no necessary connection between democracy and distributive justice. Both are desirable features of social institutions, but there is no guarantee that improvements in one will lead to more of the other. This is true even if we leave aside thorny questions about whether distributive justice has different meanings within state borders than across them.[17]

Philosophers are coming to terms with the implications of theoretical and empirical work that suggests that democracy does not guarantee very much in substantive policy terms.[18] The fundamental result is contained in Arrow's theorem, which shows that there are no social choice mechanisms other than dictatorship that satisfy a variety of desirable rational properties (transitivity, for example, or not cycling endlessly through a series of contradictory majority votes).[19] This implies that if social choice mechanisms succeed in reaching stable outcomes, they do so by constraining choices in some way that contradicts the preferences of the electorate. The constraints come from electoral rules, legislative institutions, and political parties that aggregate preferences in ways that are relatively stable but not optimal from the point of many voters. It has subsequently been shown that a majority of voters choosing policies that vary in two dimensions can rationally vote for almost any point in the policy space depending on how the agenda is designed.[20] This suggests that the degree to which democratic decision making can actually represent the interests of voters is distressingly weak.

Similar results hold for electoral control of representatives. If the electorate agrees on its objectives, it can use retrospective voting to discipline elected officials by voting them out of office when it observes undesirable outcomes. The degree of electoral control is never perfect, even in this case, and depends on the degree to which the voters are able to observe the representative's behavior. Indeed, the effort to exert control may create perverse incentives that lead elected officials to take

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undesirable actions. However, if the electorate has heterogeneous preferences, electoral control breaks down entirely because the elected official is able to play alternative coalitions off against each other.[21] These results suggest that the ability of representative democracy to reflect the interests of the population is rather limited and have led some political scientists to conclude that the most cogent defense of democracy is a more limited one: it is a political system that provides a peaceful means of replacing leaders who are widely disliked.[22]

A widely cited theoretical argument in favor of the idea that democracy promotes redistribution is a model by Meltzer and Richard,[23] which simplifies the problem to a single policy dimension, the tax rate, with the proceeds of the tax being redistributed evenly to the population. High-productivity citizens prefer a low tax rate because they are net losers from redistribution, low-productivity citizens prefer a high one, and the policy is set by the median voter. The median prefers redistribution if her wage is less than her per capita share of GDP, and since this is true whenever there is inequality, democracies generally redistribute income. Redistribution creates disincentives to work in the model, which limits the optimal degree of redistribution from the median's point of view, a result similar to Rawls's difference principle. The Meltzer model immediately ran into empirical difficulties, however. It predicts that democracies with more inequality should redistribute more of GDP than democracies that are more equal, which turns out to be untrue. In addition, it implies that democracies should redistribute more than autocracies, which also turns out to be untrue, although it is an assumption that is widely used to explain social revolution.[24] The reason the model does not work is probably that its fundamental assumption is not met: there is no single dimension of policy that voters can agree on, and in the absence of that condition, electoral control does not apply. In much of Latin America, for example, redistribution tends to be regressive rather than progressive, favoring middle-class pensioners rather than the poor, and voting cleavages tend to pit the old against the poor.[25]

In short, there seems to be no compelling argument to be made that democracy promotes distributive justice, even in the abstract world of formal models. In the real world of gritty politics there are additional reasons for skepticism. All democratic political systems require institutions, and those institutions reflect the balance of power prevailing in society at the time of their creation—witness the rural bias in representation in the United States today, or the three-fifths compromise that prevailed until the Civil War. Democratic institutions voluntarily entered into would surely be designed to protect the interests of the rich societies. Furthermore, whatever their formal rules, democratic institutions provide entry points for powerful interests to exert informal influence. In the American context, concentrated interests can lobby for policies from which they benefit, and they have a natural advantage over the dispersed citizens who are harmed as a result.[26] The wealthy always have advantages at this game, so their preferences carry disproportionate weight.

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INTERNATIONAL ORGANIZATIONS AND DISTRIBUTIVE JUSTICE

International organizations do engage in a degree of redistribution. Multilateral development aid is channeled through a variety of UN agencies, through the International Development Agency of the World Bank, and through the European Union, which provides more aid than any single bilateral donor. In addition, bilateral development assistance is coordinated by a loose regime complex including the Development Assistance Committee of the OECD which sets standards, compiles data, and articulates best practices. Multilateral crisis responses are provided by conferences sponsored by the World Bank and the United Nations, where major donors make pledges to respond to acute need due to natural disasters or post-conflict reconstruction. The Highly Indebted Poor Countries (HIPC) initiative led to substantial reductions in the official debt of some of the world's poorest countries held by the World Bank and the IMF and redirected the programs of those institutions for the poorest countries to increase emphasis on promoting social spending, poverty alleviation, and growth. The norms of the development assistance regime are gradually developing and have increased attention to environmental sustainability, the rights of women, and public health challenges such as HIV/AIDS. The Kyoto Protocol institutionalized the Clean Development Mechanism, which allowed polluters in developed countries to offset their carbon emissions by providing aid to poor countries that would allow them to reduce theirs. Nevertheless, the degree of redistribution of resources is modest, and the effectiveness of all of these initiatives is marginal. Although the average sub-Saharan country receives over 10 percent of GDP in foreign assistance, and the aid-dependency ratio is much higher for some, the Millenium Challenge Goal of raising development assistance to 1 percent of GDP for the donor countries is far from being met. The aid literature concludes that most aid is tied to the donor's economic objectives or geopolitical ambitions and that most aid is fairly ineffective in achieving its nominal objectives of promoting development and alleviating human suffering.[27]

International organizations appear to be more effective at improving equality of opportunity. To varying degrees, almost all international organizations participate in the dominant ethos of our times, which is liberal market economics. This reflects both the dominant role of the leading states in the international system, all of which have now embraced liberalization in their rhetoric and in their public policies, and the overwhelming weight of elite opinion, which supports market solutions to social problems. As a result, the most influential international organizations in the developing world, the World Bank and the IMF, have shifted their stances. The IMF, which recruits the majority of its staff from top American economics departments, gradually abandoned the support of capital controls that it inherited from the Bretton Woods agreements and, by the 1980s, had embraced a project of liberalizing global capital flows one country at a time.[28] This policy shift was promoted sporadically by the United States but could not take full effect until Europe adopted a liberalization agenda.[29] Similarly, the IMF and the World Bank adopted much more ambitious and

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invasive reform objectives beginning in the 1980s, and the breadth, depth, and rigor of the conditions that they have attached to their loans have dramatically increased in the last three decades.[30] Meanwhile, the inauguration of the World Trade Organization in 1995 meant the extension of trade law into broad swaths of public policy, including intellectual property, trade-related investment policies, public procurement, and services, which had previously been the province of domestic regulatory agencies. The proliferation of preferential trade agreements (PTAs) in recent years has further extended the reach of international law into the domestic arena, most notably relating to the regulation of foreign direct investment and the environment.

One consequence of this explosion of liberalizing reform at the international level has been a leveling of the playing field in domestic economies throughout the developing world. Poor countries generally have weak governments that are easily influenced, so their economies are managed for the enrichment of local elites. Governments create a wide range of market distortions that allow elites to extract rents by trading in favors and exceptions—export and import controls, exchange rate controls, foreign exchange rationing, financial repression, credit rationing, state subsidies, regulatory favoritism. International organizations frequently intervene to break down these distortions. Reforms are expected to improve economic performance, and they are supported by international trading and financial firms that seek market access. The result is that transactions become possible that previously were not, and often this leads to new opportunities for employment or labor mobility. Structural reforms often cause losses to stakeholders in the developing world, the majority of whom are workers rather than wealthy investors, but the gains tend to go to workers who are even more disadvantaged. In Argentina and South Korea, it has generally been business interests that opposed opening markets to foreign investment, while labor unions recognized the benefits in terms of increased wages.[31] The effect of the opening of markets in China and throughout South and East Asia is dramatic evidence of the ability of removing barriers to economic activity to lift large numbers of people out of subsistence agriculture.

The flip side of opportunity is risk, however, and the globalization of risk poses a growing challenge to distributive justice. The dismantling of tariffs and non-tariff barriers to trade has led to a deep penetration of the international division of labor into economies around the world. On one hand, specialization dramatically raises returns to labor, capital, and natural resources, and the spread of multinational business brings with it technology, experience, and marketing ability that is complementary to existing factors of production. Particularly in heavily populated, poor countries, this means rising wages. On the other hand, being embedded in the global division of labor means being subject to external shocks over which one can have no control. Developing country economies are heavily dependent on commodity exports, and commodity prices vary dramatically with shifts in international supply and demand. When commodity prices fall, they cause unfavorable shifts in the terms of trade and steep declines in income, which can trigger a broader economic crisis if

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they destabilize the domestic banking system.

Similarly, economic development has been spurred by the globalization of capital flows. However, footloose portfolio flows have created bubble economies throughout the developing world, and a rapid loss of confidence can cause a sudden stop of financing that brings economic activity to a standstill. During the Mexican peso crisis of 1995 and the Asian crisis of 1997, contagion spread rapidly from country to country. In some cases, countries have struggled with the spill-over from financial events that took place halfway around the world. The consequences of these crises are devastating for poor countries, and the costs fall most heavily on the most vulnerable members of society. Capital controls could provide a degree of insurance against the effects of rapid changes in market sentiment, but these controls have largely been dismantled. The financial liberalization promoted by the IMF has dramatically increased vulnerability to international financial crises.

Rich countries are willing to provide modest amounts of financial assistance to poor countries and are eager to encourage them to reform their economies but have very different attitudes toward risk than poor countries. For the most part, events since 2008 notwithstanding, rich countries are insulated from the financial insecurities of their poorer neighbors because they can borrow relatively cheaply in their own currencies. As a result, exchange rate crises are not immediately translated into banking crises and vice versa, and there is much more flexibility in public debt markets. The Latin American debt crisis of the 1980s illustrates this asymmetric vulnerability. The groundwork for the crisis had been laid by improvident borrowing by authoritarian leaders in the 1970s, but the precipitating event was the combination of high U.S. interest rates and high U.S. budget deficits in the early 1980s, which drove up the value of the dollar along with borrowing costs. Countries that had borrowed in dollars at flexible interest rates that had seemed sustainable in the 1970s shortly found themselves insolvent. With local variations, the crises in Mexico in 1995, Korea and Indonesia in 1997, Russia in 1998, Brazil in 1999, and Argentina in 2001 illustrate the vulnerabilities of countries that borrow internationally and are not rich enough to control the value of their own currencies.

When risks are distributed asymmetrically, even democratic political systems will systematically under-invest in efforts to insure against them.[32] If we are risk averse, this means that we value our first dollar more than our second, the second more than the third, and so forth, which means that risks of losses are more important to citizens with fewer resources. If decisions about insurance have to be social choices and are made by majority vote, they will always provide an inefficiently low level of insurance, because the median voter has less risk exposure than the average level of risk exposure in the population. This is the mirror image of the Meltzer and Richard result, where democracies redistributed because the median had less than the average level of income. The problem becomes more severe when new risks arise, such as global climate change, and decision making includes veto players who can prevent movement away from a very low level of investment under the status quo. A just distribution of risk becomes still more unattainable when international cooperation

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is required, and the informal influence of powerful states has to be added to the list of obstacles.

CONCLUSIONS

International organizations have become an essential arena for shaping public policy, and choices made in the design and reform of these organizations are critical to constructing a just international order. In order to contribute to such an order, international organizations should be efficient, legitimate, democratic, and conducive to distributive justice. Each of these values, unfortunately, is in tension with some of the others. Legitimate institutions are not necessarily effective, and democratic institutions do not necessarily contribute to distributive justice. Furthermore, practical considerations ensure that the interests of powerful countries are prominently represented in the formal design and informal governance of international organizations.

Distributive justice, in turn, entails some degree of redistribution of resources, promotion of greater equality of opportunity, and just distribution of risk. While international organizations have made modest contributions to redistributing resources and are actively engaged in promoting economic reforms that contribute to economic mobility, they have increased rather than ameliorated inequities in the distribution of risk. Even under ideal circumstances, democratic international organizations would be expected to under-provide insurance against risks that are shared unequally. Under prevailing conditions, the dominant role of rich countries in their governance assures that risks are shifted to poor countries, whose populations are most vulnerable to economic shocks and dislocations. Incremental reforms can be introduced that would allow international organizations to reduce rather than increase the risks generated by the global economy, although this effort would have to overcome entrenched interests in the leading economic powers. However, it is unrealistic to expect reforms to change the fact that risk will always be distributed inequitably and that globalization will continue to create risks that fall particularly heavily on the most vulnerable poor populations.

It is no solution to these problems to eschew international governance. International organizations are a permanent fixture of the landscape, and their role will increase rather than decrease as the international economy becomes more interconnected. Moreover, however inequitable the control and management of these organizations may be, they are vastly preferable to disorganized bargaining. Powerful countries will always achieve more of their objectives than weak countries, but institutionalization tends to restrain the use of power and subject the influence of great powers to consensual norms. The need to secure voluntary participation constrains the exercise of raw power, and the need to secure broad consent to rules guarantees most poor countries much more influence than they could have secured through their own efforts. Furthermore, the existence of international organizations provides a set of institutions and practices that can be subjected to criticism, that can be lobbied to

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change, and that can be reformed by the democratic publics that elect the officials who ultimately hold their reins.

NOTES

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1. John Rawls, *A Theory of Justice* (Cambridge, Mass.: Harvard University Press, 1971).

2. Even in abstract theory, justice is a difficult concept. As my first teacher on the subject writes, “Justice, like knowledge in the humanities, reflects the perceptions and interests of those defining it” (Ronald H. Stone, *Politics and Faith: Reinhold Niebuhr and Paul Tillich at Union Seminary in New York.* [Macon, GA: Mercer University Press 2012], 312). Reflecting on the views of Reinhold Niebuhr and Paul Tillich, he argues that they were united by their skepticism of particular conceptions of justice, which were inconsistent with their existentialist perspective (Ibid., Chapter 17). Articulating his own vision of justice, he touches on freedom and equality, and highlights equality of opportunity and of outcomes, but does not attempt to define a universal standard (Ronald H. Stone, *The Ultimate Imperative: An Interpretation of Christian Ethics.* [Cleveland, OH: The Pilgrim Press, 1999], Chapter 8).

3. Randall W. Stone, *Controlling Institutions: International Organizations and the Global Economy* (Cambridge: Cambridge University Press, 2011).

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11. Christina L. Davis, *Why Adjudicate? Enforcing Trade Rules in the WTO* (NJ: Princeton University Press, 2012).
12. This section draws heavily on Randall W. Stone, *Controlling Institutions* (2011).
13. The UN Framework Convention on Climate Change included almost every state in the international system and a number of pseudo-states, but subsequent efforts to embed real commitments in the Kyoto Protocol winnowed the number of signatories —and most signatories were allowed to make only symbolic commitments.
14. Time inconsistency arises when it is optimal to make a commitment ex ante but is optimal to break the commitment ex post. This might occur because preferences change, either because new information arises or a new government is elected; for example, Canada elected a conservative government that chose to withdraw from the Kyoto Protocol. However, it might simply arise because the fact that the commitment was believed leads agents to act in ways that create incentives to break the commitment. For example, a guarantee of property rights leads to foreign investment, which in turn creates incentives to expropriate the investors.
15. See, for example, David B. Carter and Randall W. Stone, "Democracy and Multilateralism: The Case of Vote Buying in the UN General Assembly," forthcoming in *International Organization* (2014); A. Dreher, J.-E. Sturm, and J.R. Vreeland, "Development Aid and International Politics: Does Membership on the UN Security Council Influence World Bank Decisions?" *Journal of Development Economics* 88, no. 1 (2009): 1–18; and Ilyana Kuziemko and Eric Werker, "How Much Is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations," *Journal of Political Economy* 114, no. 4 (2006): 905–30.
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19. More precisely, the result states that if voters have three or more possible outcomes from which to choose, no voting system can convert the preference rankings of individuals into a social ranking that is complete and transitive while also meeting criteria of unrestricted domain, non-dictatorship, Pareto efficiency, and independence of irrelevant alternatives (Kenneth J. Arrow, "A Difficulty in the Concept of Social Welfare," *Journal of Political Economy* 58, no. 4 [1950]: 328–346.).
20. Richard D. McKelvey, "Intransitivities in Multidimensional Voting Models and Some Implications for Agenda Control," *Journal of Economic Theory* 12 (1976): 1085–1112.
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22. 22 Adam Przeworski, Michael E. Alvarez, Jose Antonio Cheibub, and Fernando Limongi, *Democracy and Development: Political Institutions and Material Well-Being in the World, 1950–1990* (Cambridge: Cambridge University Press, 2000); William H. Riker, *Liberalism* (1982).
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