CHAPTER X

ROBERT KEOHANE: THE PROMISES OF COOPERATION

Robert O. Keohane, *After Egemony, Cooperation and Discord in the World Political Order*, Princeton (NJ): Princeton University Press, 1984

1. *Introduction*

Any student who approaches the study of International Relations is one way or another introduced to the work of Robert Keohane. He is one of the most quoted authors in the discipline and amongst the few scholars, perhaps the only one, who has been able to significantly affect the debate in this field of social science inquiry consistently throughout half a century. In fact, Keohane has more than any one else contributed to the emergence of the new sub-discipline of International Relations, now widely known as International Political Economy (IPE). While many of his earlier writings have also significantly contributed to lay the foundations of this important field of inquiry, *After Hegemony* represents the piece of research that most contributed to making him the leading figure of the founding generation of modern IPE. Furthermore, Keohane was a fundamental scholar for the revival of liberal theories, which had been obscured after the Second World War and mainly relegated to the analysis of specific issues (such as Haas' functionalism and European integration).

Three factors converged between 1970 and 1985 to account for the emergence of this important new field of inquiry and for the singular foundational importance of Keohane's theoretical insights culminated with the publication of *After Hegemony* [Moravcsik 2009, 257]. For one, this period witnessed a number of critical junctures in the world political economy – growing inflationary pressures, the collapse of the Bretton Woods international monetary system, and the oil crisis to name just a few – which brought the question of economic interdepend-

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ence to the attention of the mass public and at the top of the political agenda of Western industrialized countries.

In addition, Keohane's work needs to be understood in a dialectical relationship with theoretical developments taking place within realism, the then dominant paradigm in international relations theory. Indeed, in the background of the crucial empirical developments mentioned above, Keohane's work could emerge as the hold of realists on the discipline started eroding, paradoxically largely as a result of Kenneth Waltz's success in advancing a systematic and powerful reformulation of realism with his *Theory of International Politics* [Waltz 1979]. While earlier realists' almost exclusive focus questions of military power and inter-state conflict had left much space for new theoretical contributions to grasp the international political dynamics connected to the growing international economic interdependence, it was the power and parsimony of Waltz's neo-realist theory of international politics that provided the intellectual basis for Keohane to be able to develop an equally powerful and elegant theoretical alternative.

Finally, his temperament and training as a political philosopher made him particularly well suited to address "big questions" in international relations theory, rather than focusing on detailed methodological or empirical issues. In sum, Keohane's rather unique mixture of creativity and rigor made him remarkably well suited to draw inspiration from the tectonic shifts in both the global political economy and international relations theory, and to produce the theoretical breakthroughs that have earned him a unique spot in the history of international relations theory [Moravcsik 2009].

After Hegemony represents the end point of an intellectual enterprise that dates back in the early 1970s. Already in the late 1960s, immediately after obtaining his PhD at the University of Harvard under the supervision of Stanley Hoffmann, his work started to set the ground for a research agenda that would soon get to the forefront of the theoretical discussion in international relations. After a few incursions into the study of political influence within international organizations [Keohane 1967; 1969], Keohane and his colleague Joseph Nye started out a strand of research that aimed at challenging the foundations of realism and ultimately led to the (re) emergence of liberalism

as a paradigmatic alternative to the analysis of world politics.

Keohane's first major breakthrough thus consists of the body of work himself and Nye developed together on the broad question of how the increasing economic interdependence that characterized relations among Western industrialized nations had affected the nature of international politics [Keohane and Nye 1972; 1975]. This body of work, since then labelled by almost all IR textbooks as the liberalism of transnationalism/interdependence, questioned a number of fundamental assumptions upon which traditional realist arguments had been developed up to that point. What Keohane and Nye saw evolving among industrialized nations was a more complex pattern of actions and issues than claimed by realists, one in which various types of trans-national actors (e.g. trans-national corporations and transnational non-governmental organizations) and trans-governmental networks composed of bureaucratic subunits acquired a substantive capacity to act autonomously of the political authority of the state. Simple balance of power logics and security dilemmas could still be found in adversarial relations such as those between the superpowers, but among Western allies, and in increasingly large areas of the world as capitalism spread, military affairs where not as dominant as in realist models, and it was necessary to take other – mainly economic – issues, into account.

For one, such an analytical focus on processes of transnational and transgovernmental cooperation explicitly questioned realists' assumptions about the centrality of the state in world politics, its ability to act in a rational and unitary way, and the possibility to analytically separate the spheres of domestic and international politics [Suhr 2005]. Most importantly, *Transnational Relations and World Politics* [Keohane and Nye 1972] questioned the traditional realist view of international politics as a zero-sum game (typical of security affairs), showing how new forms of transnational interactions might impose new constraints and opportunities for state behaviour and could thus contribute to transforming state preferences over the management of world politics in a potentially positive-sum variable, as in the mutual advantages arising from trade [Moravcsik 2009].

These analyses attracted much attention and sparked a lively paradigmatic debate between these newly formulated

liberal arguments and realists. It is important to briefly trace and outline the contours of this debate for two reasons. On the one hand, the influential research programme on international regimes that *After Hegemony* inaugurated represents the end point of a process of intellectual revision of Keohane's work on transnationalism and interdependence inspired by the reaction it engendered on the realist camp. On the other hand, the publication and subsequent influence of *After Hegemony* determined a convergence between realism and liberalism around a common set of epistemological premises, assumptions, and research questions which produced what is now widely known as the neo-neo synthesis [Wæver 1996].

The arguments developed by Keohane and Nye in *Transnational Relations and World Politics* were thus met with criticism in the realist camp. Indeed, realists held opposite views about the effects of economic interdependence, seeing it as multiplying the potential for conflict rather that diffusing it. As Waltz [1970, 205-222] exemplified roughly in the same period, "close interdependence means closeness of contact and raises the prospect of at least occasional conflict [...] the [liberal] myth of interdependence [...] asserts a false belief about the conditions that may promote peace." Far from generating greater chances for positive-sum cooperative dynamics in international politics, greater intensity of transnational and transgovernmental actors, and more generally economic interdependence, was seen as a potentially heightening international tensions.

Keohane and Nye's subsequent major piece of research, *Power and Interdependence* (1977), attempted to confront some of these theoretical challenges while maintaining their earlier implicit normative stance about the political effects of economic interdependence. On the one hand, the argument advanced in this book, which is nowadays widely referred to as the theory of "complex interdependence", explicitly acknowledged the centrality of power within interdependence relationships. On the other hand, Keohane and Nye maintained that in a world of complex interdependence characterized by both a multiplicity of issues specific interdependence relationships and the absence of a hierarchy among these issues, interstate military conflict would become largely obsolete as power could no longer be effectively exercised through the use of military means but would rather

stem from asymmetries in issue-specific interdependencies. In other words, unlike in realist accounts, power is not fungible.

This second major theoretical contribution also came, explicitly or implicitly, under attack from realists. While *Power and Interdependence* suggested that factors such as economic interdependence and issue density might be contributing to the creation of a largely cooperative political order, realists argued in favour of reversing the causal logic. According to a number of important realists, "complex interdependence" in the very first place could exist, and should therefore be explained on the basis of, the existence of a dominant military and/or economic power capable to enforce cooperation on the other states and stability in the system as a whole [Kindleberger 1973; Gilpin 1975; 1981; Krasner 1976] (see chapter IX). These authors, later labeled as proponents of "hegemonic stability theory", did not deny the existence of intense dynamics of economic and political cooperation, but devised an explanation perfectly compatible with the main tenets of realism.

2. *After Hegemony*

Why was the international order not destroyed, and why did international cooperation prevail in monetary and trade issues, while United States' hegemony vanished? More generally, why does cooperation sometimes persist among states even in the absence of a hegemon? These are the central questions addressed by Keohane in *After Hegemony*, as the title suggests. The starting point of his analysis is the fundamental mismatch between the theoretical propositions developed by realist theories of hegemonic stability and the empirically observable patterns of the cooperation in the world political economy

> After the mid-1960s United States' dominance in the world political economy was challenged by the economic recovery and increasing unity of Europe and by the rapid economic growth of Japan. Yet economic interdependence continued to grow, and the pace of increased US involvement in the world economy even accelerated after 1970 […] the persistence of attempts at cooperation during the 1970s suggests that the decline of hegemony does not necessarily sound cooperation's death knell [Keohane 1984, 9].

Keohane thus used theories of hegemonic stability as a theoretical baseline to push forward an original and parsimonious argument about the conditions under which international regimes can promote cooperation among states with pre-existing complementary interests [Herbert 1996].

Central to Keohane's theoretical construct is the conceptual distinction between cooperation and harmony [Keohane 1984, 51]. While he defines harmony as any situation in which one actor's policies automatically facilitate the attainment of others' goals, he conceives of cooperation as a situation in which actions of separate individuals or organizations are brought into conformity with one another through a process of negotiation and/or coordination. Cooperation therefore should not be understood as the absence of conflict but as a successful effort to overcome conflict, real or potential. Such a definition allowed Keohane to attain two objectives. On the one hand, he could fruitfully draw on the insights developed within various strands of social science research on the politics of collective action [Olson 1965; Axelrod 1981; Schelling 1960] to grasp the immense variety of situation in world politics characterized by a combination of conflicting and complementary interests, i.e. in which despite the existence of potential common interests discord and conflict can prevail because of the presence of powerful incentives for actors to try and ripe the benefits of unilateral action (see chapter IV). On the other hand, with such a conceptual choice Keohane aimed "not to relegate cooperation in the mythological world of relations among equals" and hoped "to convince readers of a realist orientation to take cooperation in world politics seriously, rather than to dismiss it out of hand" [Keohane 1984, 55]. Yet, and here is one crucial distinction between realism and liberalism, Keohane could in this framework conceive conflict as a "political market failure", which means that at least some conflict can be averted through appropriate behaviour and institutions, whereas for realist conflict is an unavoidable feature of relations among states.

For Keohane cooperation was not to be seen as a function of the mere existence of common interests but as a goal that state can pursue [Herbert 1996, 6]. Keohane identifies international regimes as the main instruments through which states

can use to pursue such a goal, and they can therefore explain why cooperation, so defined, can persist in the face of fading hegemonic power. To define international regimes Keohane relied on the influential consensual definition proposed by Krasner [1983, 2], which conceives of regimes as "set of implicit or explicit principles, norms, rules and decision making procedures around which actors' expectations converge in a given area of international relations".

Keohane recognized some of the difficulties related to this definition, particularly those concerning the conceptual differentiation between its different elements, but he maintained that it is precisely the linkage between these different elements that provides regimes with legitimacy and allows grasping whether changes of regime are taking place.[1] Indeed, according to Keohane, principles, norms, rules, and procedures should all be considered necessary components of a definition of regime because they all contain injunctions about behaviour, although these obligations are not enforceable through a hierarchical legal system [Keohane 1984, 59].

Keohane argued that these regimes facilitate states' ability to enter into mutually beneficial processes of cooperation in the absence of a hegemon. Before turning the precise causal links between regimes and cooperation however, the assumptions underlying Keohane's analysis need also be specified. Indeed, one of the most important innovations of the theoretical construct developed in *After Hegemony* with respect to Keohane's previous works is the deliberate choice to set aside previous claims about the obsolescence of traditional realist conceptions of international politics and to subscribe to the fundamental premises of Waltzian realism [Suhr, 2005]. As Keohane [1984, 63] argues,

> International regimes should not be interpreted as elements of a new international order beyond the nation-state. They should be comprehended chiefly as arrangements motivated by self-interest: as components of systems in which sovereignty remains a constitutive principle [...] Far from being contradicted by the view that international behaviour is shaped largely by power and interests, the concept of international

[1] For instance, Keohane [1984, 58] notes "the rules of a regime are difficult to distinguish from its norms; at the margins they merge into one another".

regime is consistent both with the importance of differential power and with a sophisticated view of self-interest.

Impressed by the parsimony of Waltz's work, Keohane thus sought to anticipate possible realist objections by showing how realists assumptions about world politics – states as self-interested utility maximizers acting in an anarchical system – could be consistent with a parsimonious theory about the role of international regimes in promoting cooperation [Moravcsik 2009, 254-255].

But how do exactly international regimes support cooperation among rational, egoistic states? To specify the causal links connecting international regimes to cooperation, Keohane draws on rational choice theory to develop a "functional theory of international regimes", that is an explanation that accounts for the existence of international regimes in terms of their rationally anticipated effects [Haggard and Simmons 1987]. The next logical question is therefore what types of functions do international regimes perform. To answer this question Keohane draws inspiration from both theories of collective action and theories of "market failure" developed within transaction-cost economics [Coase 1960; Olson 1965; Williamson 1975]. In a first stage Keohane relies on game theoretic models, particularly the Prisoners' dilemma, and collective goods theory to offer a first-cut plausibility probe of the logical consistency of the argument that cooperation can emergence among egoists even in the absence of a common government. Indeed, he notes that while these theories shed light on the problems that plague situations of strategic interdependence in which unilateral incentives for defection constrain actors' ability achieve mutually advantageous agreements, they implicitly suggest how properly designed institutional devices can help overcoming these problems. In this, he draws on the work of Robert Axelrod [1981; 1984] who had shown how to "solve" the irony of the Prisoners' dilemma, in which individual rationality brings about a collectively suboptimal outcome, by lengthening the "shadow of the future", a process akin to institutionalization. If the dilemma is repeated, players realize that the opportunity costs of not cooperating rise while the risk of being double-crossed once decreases in importance. Reiteration therefore incentives

states to cooperate, adopt strategies of reciprocity, and to value their reputation which can be useful in future interactions. Reiteration, reciprocity and reputation are the three mechanisms through which institutions can induce states to cooperate for their mutual gain [Axelrod and Keohane 1985].

In a second stage, Keohane develops a more detailed examination of this argument by drawing an analogy between the market and the uncoordinated actions of states. The basic premise of Keohane's line of argumentation is that "like imperfect markets, world politics is characterized by institutional deficiencies that inhibit mutually advantageous cooperation" [Keohane 1984, 85]. The Coase theorem posits that the presence of externalities does not necessarily prevent effective coordination among independent actors, showing how under certain conditions, bargaining among these actors could lead to solutions that are Pareto-optimal regardless of the presence of a central authority. However, the theory suggests that three conditions need to be met for markets to produce such efficient equilibria: a legal framework establishing liability for actions, presumably supported by governmental authority; perfect information; and zero transaction costs. In the absence of these criteria, or in the presence of "market failures", cooperation will be thwarted by the dilemmas of collective action [Keohane 1984, 87]. The conditions under which states operate in international politics, Keohane [1984, 87] argues, largely approximate actors' conduct within imperfect markets: "World government does not exist, making property rights and rules of legal liability fragile; information is extremely costly and often held unequally by different actors; transaction costs, including costs of organization and side-payments, are often very high".

An inversion of the Coase theorem thus allows Keohane to think of international regimes as performing three main functions that help states overcoming the deficiencies of a self-help-based international system and cooperate. First, international regimes create patterns of interaction that approximate legal liability, whereby states conform to agreed rules, because costs of reneging on mutual commitments are increased and the costs of working within the existing set of rules decreased. In other words, international regimes produce converging expectations that operate as a form, albeit weak, of enforcement.

Second, international regimes help reducing uncertainty in bargaining processes. For one, they can reduce asymmetries of information through a process of upgrading of the general level of available information and therefore increasing the odds that agreements based on misapprehension and deception may be avoided. In addition, a set of mutually agreed rules of conduct reduce concerns about moral hazard and irresponsibility by introducing mechanisms for the monitoring of actors' behaviour and through linkages among issues.

Third, international regimes alter the relative costs of transactions among states. On the one hand, they perform this task both by establishing injunctions that make legitimate bargains less costly and illegitimate ones more costly, and by making it easier (or more difficult) to link issues and facilitate (obstruct) side payments. On the other hand, they decrease transaction costs in the more mundane sense of decreasing the bureaucratic costs of transactions, thus making it less costly for governments to bargain within them than outside them.

In sum, international regimes sustain cooperation even in the face of a change in the structural conditions that facilitated their creation because they help overcoming the "market failures" that characterize an anarchical system inhabited by rational, egoistic states international regimes. As Keohane [1984, 97] summarizes,

> international regimes are useful to governments. Far from being threats to governments […] they permit governments to attain objectives that would otherwise be unattainable […] They thrive in situations where states have common as well as conflicting interests on multiple, overlapping issues and where externalities are difficult but not impossible to deal with through bargaining.

After all, even in realist models states under a common threat form alliances, since they tend to believe that an explicit agreement reduces the likelihood of free-riding.

Finally, and quite importantly, Keohane adds the critical assumption that the marginal costs of dealing with new issues within existing regimes are lower than those associated to the creation of a new regime [Haggard and Simmons 1987], allowing him to account for why regimes persist even if the underlying interests that gave rise to them shifted [Moravcsik 2009].

These broad sets of propositions altogether contribute to composing a rigorous and coherent theoretical construct that demonstrates how international regimes can be conceived as means that render it possible for states to enter into mutually beneficial agreements. In terms of the level of analysis problem, the "functional theory of regimes" developed in *After Hegemony* should clearly be characterized as a systemic theory. Indeed, the central theoretical innovation of Keohane's analysis is to highlight how variation in the quantity and quality of the information available to states in particular situations of strategic interdependence is key to determine the likelihood of cooperation among them. In Keohane's theoretical construct preferences of states are exogenously given and international regimes do not affect them, but rather change the structure of incentives and constraints they face in their mutual interactions [Moravcsik 1997]. The logic underlying Keohane's argument is therefore similar to that of systemic forms of realist theory while adding to the picture the emphasis on the effects of international institutions and practices on state behavior [Keohane 1984, 26]. The deliberate choice to develop a systemic theory of international regimes shows with great clarity of much influential Waltz's work had been on Keohane's own intellectual enterprise. As Keohane [quote in Moravcsik 2009] himself will explicitly acknowledge later on:

> Waltzian realism was a powerful intellectual construction […] once I realized that institutions serve principally to reduce uncertainty and provide information and credibility it was clear how the institutions fit into the missing part of Waltz's theory. A rebel against orthodoxy is always greatly in debt of the people who can express the dominant view with utter clarity and logic.

3. *Reception of the book*

There is little doubt that few books have been able to generate a richer progressive research agenda in IR theory than *After Hegemony*. Indeed, one of the most important contributions of Keohane's book was to suggest an easily expandable research programme based on the premise that key insights

developed within the field of institutional economics could be usefully employed to study cooperation in world politics. The development of what is now widely know as rational-choice institutionalism in IR theory should therefore traced back the influence that *After Hegemony* exerted on the discipline. As the term "institutionalism" suggests, Keohane's research agenda on "international regimes" was soon reframed as an institutionalist research programme [Suhr 2005]. While the functionalist logic and the key assumptions underlying this strand of literature are largely identical to those employed by Keohane in his functional theory of "international regimes", the perceived need to overcome existing problems connected to Krasner's consensus definition of international regimes led to a conceptual reframing of this literature in institutionalist terms. More specifically, immediately after the publication of After Hegemony, Keohane rejected the consensual definition, recognizing the inherent difficulties in reconciling the strong elements of intersubjectivity of such definition with a positivist epistemology [Keohane, 1989; 1993]. The solution proposed by Keohane, and then largely accepted within this literature, was to define the ontological status of international regimes in terms of explicit rules and procedures. Thus regimes came to be largely understood as "institutions with explicit rules, agreed upon by governments, that pertain to particular sets of issues in international relations" [Keohane 1989, 4]

The immediate consequence of this conceptual shift was that the term "regime" came to be replaced by the term "institution", and yet the questions addressed by this emerging strand of literature continued revolving around the broad questions whether, and in what ways, could international institutions foster cooperation among states. The basic insights developed in *After Hegemony* were henceforth refined in three broad directions, each of which is still very much alive nowadays. For one, a strand of literature started focusing on developing explanations for the empirically observable variety of international institutions. Starting from the observation that cooperation problems such as those identified by Keohane in *After Hegemony* do not exhaust the problems states face in their reciprocal interactions politics, this body of work has relied on a similar functionalist logic to explore how differences in international institutional

design features can be causally linked to different problems of strategic interdependence [Snidal 1985; Martin 1992; Abbott *et al.* 2000; Koremenos, Lipson and Snidal 2001]. Largely in the same vein, others have sought to micro-found such a functionalist perspective, rejecting the fundamental assumption that states are unitary actors and highlighting the political-economy that underlies the functional demand of international institutions [Mattli 1999; Rosendorff and Milner 2001; De Bièvre, Poletti and Thomann 2014].

A second broad strand of literature instead has focused on the question what the effects of different international institutions are. On the one hand these works have focused on the effectiveness of international institutions, both in terms of fostering compliance with commonly agreed upon rules and with respect to their effects on states' propensity to deepen and or expand their cooperative efforts [Stone Sweet 1999; Goldstein and Martin 2000; Poletti 2011; Zangl 2008; Poletti and De Bièvre 2015]. On the other hand, others have sought to identify the conditions under which international institutions can serve the public interest or end up being captured by special interests [Mattli and Woods 2009].

Third, a wide array of analyses have started to investigate the political dynamics engendered by the existence of the so-called regime complexes, that is the increasing nesting and overlapping of international institutions within and across issue areas [Raustiala and Victor 2004; Gehring and Oberthür 2009]. This strand of literature has started out from the empirical observation that international regimes or institutions largely do not operate in isolation and that their increasing density is raising important questions regarding the political causes and effects of overlaps between regimes with, at least partially, similar functional scope.

The publication of *After Hegemony* and the institutionalist agenda it engendered were of course also met with criticism. Two broad sets of critiques have been advanced to Keohane's argument. The first was developed within the realist camp and questioned the causal logic of such an institutionalist argument by introducing the concept of relative gains. More specifically, realists argued that liberal institutionalism had misunderstood their analysis of the impact of international anarchy on the pref-

erences and action of states and thus failed to identify a major constraint on states' willingness to cooperate. The important point noted by some realists was that in an international anarchical system, the main obstacle to cooperation not only lies in the existence of powerful incentives to defect from mutually advantageous agreements, but also in states' preoccupation for their relative capabilities [Grieco 1988; 1990; Mearsheimer 1994]. As Grieco [1988, 487] nicely summarizes,

> neoliberalism's claim about cooperation are based on its belief that states are atomistic actors […] that states seek to maximize their individual absolute gains […] however realists find that states are positional, not atomistic in character […] For realists a state will focus on both on its absolute and relative gains from cooperation, and a state that is satisfied with a partner's compliance in a joint arrangement might nevertheless exit from it because the partner is achieving relatively greater gains.

This important realist challenge spurred an intense controversy and ultimately led to a further convergence between realism and the liberal institutionalist research agenda. Indeed, Grieco's contribution in focusing attention on issues underemphasized by liberal institutionalists was soon acknowledged [Keohane 1993, 283], and proved useful in making distributional and bargaining issues more central within the institutionalist literature [Krasner 1991; Snidal 1991]. Thus, far from leading to the conclusion that institutions are not significant in world politics, the relative-gains debate ultimately enriched the institutionalist literature inaugurated by Keohane by shedding light on new causal pathways through which institutions can influence cooperation in international politics [Keohane and Martin 1995].

The second, and more fundamental critique to the research agenda inaugurated by *After Hegemony* has focused on its ontological underpinnings. The core insight of the so-called cognitive approaches to the study of international regimes is that cooperation cannot be truly understood without taking into account the role of ideas, values, and cognitive frames, as actors' "interests" only emerge within particular normative and ideational contexts and cannot be understood outside them [Haggard and Simmons 1987]. In the case of these critiques thus the problem is not the consistency of the causal logic

underlying the research agenda inaugurated by Keohane, but rather its largely positivist orientation, which failed to capture that "the ontology of regimes rests upon a strong element of intersubjectivity" [Kratochwil and Ruggie 1986]. Cognitivists have thus criticized both so-called neo-liberal institutionalists and realists for treating actors' preferences as exogenously given rather that endogenously constructed within institutions.

It is widely accepted that these approaches can be distinguished in two broad categories: weak and strong cognitivism [Hasenclever, Mayer and Rittberger 2000]. Weak cognitivism has sought to complement the positivist research agenda of the so called neo-neo synthesis by highlighting the conditions under which particular sets of ideas and values embedded in international institutions may have a causal effects on the politics of cooperation. These works have to a large extent revolved the question how uncertainty about causal relationships may enhance the probability that actors' behaviour will be guided by ideas, values, ethical motivations and other cognitive factors [Goldstein and Keohane 1993; Haas 1992].

Strong cognitivsts of the constructivist school have taken a more radical stance and have emphasized even more strongly the intersubjective character of international institutions, which are "socially constructed", noting how states are as much shaped by international institutions as they shaped them [Hasenvclever, Mayer and Rittberger 2000]. For these authors thus it is important to understand how international institutions change self-understandings of actors, views of the others, and conceptions of legitimacy and standards of moral appropriateness [Wendt and Duvall 1989] (see chapter XIII). As this brief overview evolution of the scholarly debate engendered by the publication of *After Hegemony*, Keohane's influence of the discipline can hardly be overstated. His ability to successfully import concepts and theoretical ideas from institutional economics allowed him to open up a research agenda that has greatly increased our ability to comprehend the politics of cooperation in an increasingly interdependent global economy and has contributed to giving international institutions a central place in International Relations theory. More generally, Keohane's theoretical breakthroughs have crucially determined the emergence and development of modern IPE as a sub-discipline in International Relations.

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Study Questions

1. Which factors converged between 1970 and 1985 for the singular foundational importance of Keohane's theoretical insights for the emergence of modern international political economy?
2. In what ways is Keohane's work on international regimes different from his previous theories of interdependence?
3. In what sense theories of hegemonic stability represented a theoretical baseline that helped Keohane to develop his argument about the role of international regimes?
4. What is the difference, according to Keohane, between cooperation and harmony?
5. How does Keohane define international regimes in *After Hegemony*?
6. In what ways does Keohane's functional theory of international regimes accept the fundamental assumptions of realism?
7. What does it mean that Keohane develops a "functional" theory of international regimes?
8. According to the Coase theorem, which conditions need to be me for markets to produce efficient equilibria in the absence of centralized and hierarchically organized authority?
9. According to Keohane, what functions do international regimes perform that help states overcome the "political market failures" generated by a self help-based international system?
10. Why should Keohane's theory of international regimes be characterized as a "systemic" theory?
11. What does it mean that the research agenda on "international regimes" inaugurated by Keohane was soon reframed as an institutionalist research programme?
12. What does the concept of "regime complex" refer to?
13. What is the fundamental objection raised by realists against Keohane's argumentation?

14. How was Keohane's work critized by cognitivists?
15. What is the difference between "strong" and "weak" cognitivist approaches to international regimes and institutions?