

The Political Logic of Strange Coalitions: International Organizations as a Commitment Device for Activists in Pro-trade Coalitions

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Abstract

Why do governments delegate environmental linkages in trade agreements to international organizations (IOs)? This paper presents a framework that views issue linkages as the proposing governments' attempt to broaden and stabilize pro-trade coalitions by adding non-trade issue stakeholders at home. Focusing on environmental clauses in U.S.-related trade agreements, I argue that governments delegate environmental clauses in an attempt to resolve commitment problems between pro-trade businesses and activists and form durable coalitions. The framework highlights how governments use an *Multilvel Delegation Strategy* as costly signals to make credible commitments to activists. Using this strategy, governments seek to gain activists' support for trade agreements by delegating environmental components in trade agreements to IOs that are amenable to activists' influence. Additionally, the theoretical framework explains how governments indifferent on environmental issues are more likely to comply with environmental clauses once the clauses are delegated to IOs with ties to activists, as enhanced monitoring by IO-activists increases the fears of retaliation on the part of pro-trade businesses. This paper provides two sets of evidence. First, I test the theory based on an original data set of activists' ties

to IOs and find a positive correlation between activist-IO ties and IO delegation in the trade agreements. Using a comparative case study of NGOs since the May 10th 2007 Agreement, I show that activists with ties to the seven environmental IOs in the Agreement were more likely to support trade agreements.

1 Introduction

Starting in the 1990s, an increasing number of trade agreements in advanced democracies began including provisions on the environment or human rights. Ranging from the environmental and labor clauses added to the North American Free Trade Agreement (NAFTA) to civil rights clauses in European Union-related trade agreements, contemporary trade agreements increasingly cover issues with non-trade values. Specifically, Preferential Trade Agreements (PTAs) ratified since World War II include approximately 5,600 clauses on these three non-trade issues.¹

Upon closer examination, non-trade concerns in trade agreements tend to share a unique trait: they are increasingly delegated to international organizations (IOs) by the signing governments. Delegation in international agreements occurs when parties pledge to rely on outside entities that do not have any stake in the aforementioned agreement to commemorate their existing obligations, interpret the legality of the parties' actions, or consult and adjudicate. For instance, governments often rely on IOs for interpretation of provisions in trade agreements. The U.S.-Panama Trade Promotion Agreement provides that the parties shall “defer to interpretive guidance” of the environmental IOs regarding the select Multilateral Environmental Agreements (MEAs) designated by the parties. Another example is the chapter on the environment in the Trans-Pacific Partnership (TPP). The agreement indicates that the parties shall address cases of non-compliance through a consultative procedure under the Convention on the International Trade of Endangered Species (CITES).²

Why do governments invoke supranational authority in designing non-trade components in trade negotiations, and delegate those linkages?

¹Lechner 2016.

²Article 20-17-2 on Conservation and Trade in the TPP provides that “If a Party considers that another Party is failing to comply with its obligations under this paragraph, it shall endeavour, in the first instance, to address the matter through a consultative or other procedure under CITES.”

Views in the literature on the linking of policy issues fall largely into two camps, depending on how scholars view policymakers. Scholars with a focus on international dynamics tend to view policymakers as solvers of international bargaining problems. As such, these scholars consider issue linkages as a solution to cooperation or distribution problems in bargaining settings.³ The second camp instead focuses on policymakers' office-seeking interests. Studies from these scholars show that office-seeking politicians link issues in order to enhance their chances of political survival. As such, policymakers attempt to build a broader domestic consensus for international cooperation by adding relevant issues, thereby gaining support for international cooperation from those with a stake in the added issues.⁴ One core assumption underlying this line of reasoning is that policymakers' defection on an international issue may lead to punishment of the government by its domestic audiences with a stake in the added issues.

While these perspectives have provided a useful analytical platform, a systematic understanding of the origins of non-trade clauses in trade agreements remains elusive. Contrary to the predictions from the international perspective, some linkage attempts hinder rather than facilitate international cooperation, as linkage proposals are not always well received by partner countries.⁵ Linking environmental or human rights issues, for example, may reduce the chances of cooperation on trade. As partner countries expect transnational activists to monitor and publicize their compliance behavior, partner countries may find it difficult to accept linkage proposals. On the other hand, the domestic political perspective does not explain an important missing

³See Fearon 1995; Koremenos, Lipson & Snidal 2001; Poast 2012. For instance, Fearon argues that even inter-state disputes over non-divisible issues can be resolved if the issues are bundled with a divisible issue. Another example is Poast 2012. Poast finds that linkages of economic benefits and alliance negotiations raise the chances of international cooperation.

⁴Lohmann 1997. Lohmann's 1996 study provides a theoretical framework to explain conditions in which domestic-international linkages facilitate cooperation. Here, one important assumption is that "a government that failed to respect its international commitment is punished by losing the trust of its domestic constituency (page.27)." As such, the availability of domestic audience costs is an important pre-requisite for the effectiveness of issue linkages.

⁵For instance, the EU's proposals for civil rights clauses in its trade agreement with the Gulf Cooperation Council and Australia sabotaged the trade negotiations respectively. Similarly, Japan withdrew from the talk to renew its currency swap deal with the Republic of Korea, as Korea refused to relocate a "comfort women" statue.

link.⁶ If chief negotiators devise non-trade linkages primarily to build a pro-trade winning coalition, it is unclear how the two strange bedfellows—pro-trade businesses and environmental advocacy groups—manage to retain a lasting coalition despite the inherent lack of trust between them. Would third parties’ involvement make coalitions of strange bedfellows more stable? Further, how would environmental audiences with diffuse interests be able to hold governments accountable to their commitment to a linked environmental issue?

In this paper, I present a framework that views issue linkages as the proposing countries’ attempt to broaden pro-trade coalitions by adding new audience groups at home, rather than as tools to resolve various enforcement and distributional problems with partner countries at the international level. In constructing such a framework, the paper also explains governments’ decisions to delegate certain functions of environmental clauses to IOs. I argue that governments delegate those clauses in an attempt to form durable coalitions between pro-trade businesses and moral advocates. Coalitions of economic interest groups and moral advocates are prone to dissolution, because the two groups face a commitment problem.⁷ The commitment problem arises because pro-trade industries have positive incentives to include environmental clauses to attract activists’ support in the pre-ratification stage and negative incentives to enforce social provisions in the post-ratification stage, due to the social clauses’ disruptive effects on trade flows. The theory presented here highlights how governments use IOs to mitigate environmental activists’ fears of defection by governments. I show that environmental components of trade agreements that rely on IO delegation can incentivize activists to join and remain in a pro-trade coalition, and governments benefit from a wider domestic base of support as a result.

Linkages to IOs create an organizational incentive for IOs that are not parties to

⁶Rare exceptions include Davis 2004, and Eichengreen & Frieden 1994. Particularly, Davis’s research on the Uruguay Round and issue linkages sheds light on the role of international trade institutions in enhancing the credibility of issue linkage. As the *take-it-or-leave-it* structure of the negotiations increased the credibility of governments’ commitment to the issue linkage during the Uruguay Round, the influence of domestic protectionist interest groups was weakened. If the trade institution in Davis’s work enhances the credibility of issue linkage and weakens the protectionist influence, international environmental institutions in this project embolden the resilience of free trade-environment issue linkages by providing policy access via alternative supranational channels to advocacy groups that may potentially ally with protectionist interest groups.

⁷Shepsle 1979, 1986, 1989; Pollack 1997.

trade deals to monitor government parties' compliance with the environmental clauses in trade agreements *in coordination with activists*. When these outside allies such as IOs are made available, activists' support for trade agreements increases as their fear of defection decreases. Even when non-compliance is likely, activists may join pro-trade coalitions if they can work with IOs to mobilize and publicize governments' violation of the environmental clauses. When IO delegation serves as a commitment device in this way, coalitions tend to be more durable.⁸

More specifically, this paper contributes to literature by explaining why governments increasingly adopt what I term *Multilevel Delegation Strategy* (MDS) in designing non-trade issue linkages. MDS arises when parties to a trade agreement unilaterally incorporate an existing contractual relationship between a principal to an environmental agreement (environmental principal) and the environmental IO established via the environmental agreement (agent) into the trade agreement. MDS is a category distinct from traditional delegation in two important respects: the principals in trade agreements may not coincide with the principals of environmental agreements, and the trade agreements do not seek the explicit consent of the environmental IOs they include. I show how governments increasingly use this unique delegation strategy to send costly signals to convince activists of the credibility of their commitment to environmental issues.

Limiting the scope of research to U.S. government decisions regarding environmental clauses in trade agreements, I test the validity of the theory by investigating the sources of cross-IO variation. For instance, since the signing of NAFTA, the U.S. has consistently delegated conservation clauses to CITES, yet until recently, it has scarcely invoked the Food and Agriculture Organization (FAO) in designing conservation-related clauses in trade agreements.⁹ I conduct quantitative analyses based on an original data set of environmental linkages in U.S.-related trade agreements to explain the variation of delegation frequency across different IOs. In line

⁸That activists can be part of IO monitoring to prevent governments' non-compliance helps them to preserve their reputation as defenders of the environmental causes and yet also maximizes their influence via international political channels. As such, governments can lure activists into pro-trade coalitions by delegating environmental clauses to IOs that are amenable to the influence of activists.

⁹The FAO's fisheries codes and International Plan of Action to Prevent, Deter, and Eliminate Illegal, Unreported, and Unregulated (IUU) fishing are included in the TPP for the first time.

with the theory's predictions, I find that the governments is more likely to delegate environmental components to IOs when more U.S.-based activists have direct working relationships with the IOs, such that activists can be part of the IOs' monitoring activities. By contrast, I find that IOs are not as much likely to be chosen when industry actors' influence is salient within the IOs. These results indicate that the primary motivation for IO delegation is to consolidate activists' support for trade agreements, not industries'. I corroborate the findings based on a case study focusing on the Bush Administration's decision in 2007 to delegate trade-environmental linkages to seven environmental IOs. Here, I find that environmental activists with ties to the seven IOs remained more supportive of trade agreements than those without.

The paper proceeds as follows. First, I discuss the trend of IO delegation and some historical milestones regarding links to environmental issues in American trade politics. Second, I present the theoretical framework and develop testable hypotheses. Lastly, I present the empirical analyses and conclude.

2 The Trend: the Rise of Environmental Issue Linkages & IO Delegation

Three key milestones help clarify the development of environmental clauses in U.S.-related trade agreements: i) NAFTA, ii) the 2007 congressional-executive agreement between the Bush Administration and the Democratic Party, and iii) the TPP.

NAFTA is the first trade agreement that delegated environmental concerns to IOs. The North American Agreement on Environmental Cooperation (NAAEC), an environmental side agreement to NAFTA, commemorates the parties' obligations to the Rio Declaration on the Environment and Development and the Stockholm Declaration on the Human Environment. More importantly, NAFTA provides that CITES, the Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol), and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (Basel Convention) prevail over NAFTA in the event of inconsistency.¹⁰ As such, the trade agreement was designed to defer to

¹⁰NAFTA Art 104-1.

the higher interpretive authority of the three IOs.

Since NAFTA, there was a hiatus in IO delegation until 2007. Before 2007, the Bush Administration was cautious to not delegate linkages to environmental issues to outside actors, relying for most of the environmental clauses that it designed on national laws and domestic regulations as benchmarks. Once the pro-trade Republican Party lost control of the Congress, however, the Bush Administration had to make concessions to ratify trade agreements under negotiation. The concessions included the 2007 congressional-executive agreement with the Democratic Party. In it, the Bush Administration pledges to include seven MEAs in future trade deals that the U.S. negotiates. These seven MEAs are CITES, the Montreal Protocol, the Ramsar Convention on Wetlands of International Importance (Ramsar Convention), the International Convention for the Prevention of Pollution from Ships (MARPOL), the Inter-American Tropical Tuna Convention (IATTC), the Convention on Conservation of Antarctic Marine Living Resources (CCAMLR), and the International Whaling Convention (IWC). Consistent with this 2007 agreement, the trade agreements that were ratified after 2007 contain a variety of delegation clauses to the seven IOs.

While the post-2007 agreements prior to the TPP had methodically delegated environmental components to the seven IOs, the TPP broke with the norm. For the first time, this agreement delegated fisheries-related clauses to the FAO rather than the IATTC or the IWC. Further, CITES' presence has become more salient in the TPP. For instance, CITES was the most widely cited convention in the travaux préparatoires for the TPP. In addition, the final agreement delegates consultation and interpretation of conservation-related matters to CITES. By contrast, three of the seven IOs chosen in the 2007 agreement are absent from the TPP. That is, the Ramsar Convention, CCAMLR, and IATTC are not mentioned at all in the final text of the TPP. Figure 1 shows the patterns in delegation to IOs by trade agreement.

The variation in governments' choice of IOs is puzzling: some IOs have continued to leave a strong mark on American trade agreements, whereas other environmental IOs have been completely absent. Three stylized facts speak to this variation.

First, IO delegation is more common regarding conservation-related issues than climate change or air pollution issues. Most IOs brought into American trade agreements have a specific focus on the conservation of endangered species (i.e. CITES,

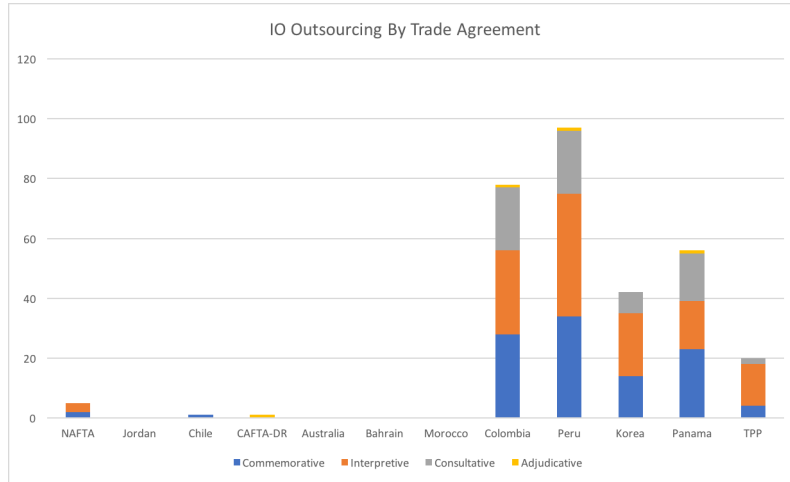


Figure 1: IO Delegation across Trade Agreement

IATTC, CCAMLR). By contrast, delegation to IOs with a specialty in climate change or air pollution has been minimal, despite the fact that the U.S. is party to many of these IOs. For example, the TPP does not make any reference to the United Nations Framework Convention on Climate Change (UNFCCC), despite the fact that all TPP countries are parties to UNFCCC.¹¹ Similarly, the TPP makes only one reference to the Montreal Protocol for legal interpretation, even though the Montreal Protocol is among the seven IOs in the 2007 congressional-executive agreement.

Secondly, even within the issue scope of conservation, variation exists in governments' choice of IOs. While the U.S. has had the option of delegating conservation issues to numerous IOs such as CITES and the FAO, it has exclusively chosen CITES. As CITES and the FAO's mandates over the conservation of aquatic and freshwater species overlap,¹² it is unclear why the U.S. has been drawn to the former.

Lastly, the propensity for IO delegation is higher regarding aquatic species-conservation issues than either plant or forestry-related issues. For instance, three IOs with specialties in the conservation of marine species were included as "important agreements" in the 2007 congressional-executive agreement. This is in stark contrast to the Administration's approach to the conservation of plant species. While the U.S. was party to the International Tropical Timber Organization (ITTO) and the International Plant

¹¹Climino-Isaacs & Schott 2016.

¹²Jinnah & Young 2014.

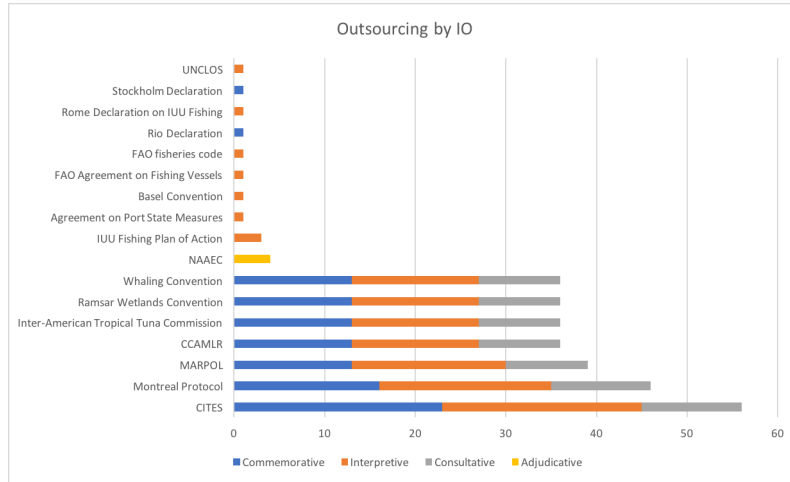


Figure 2: Delegation to Environmental IOs

Protection Convention (IPPC), forestry-related concerns during the Bush Administration were delegated to CITES. While marine species-specific IOs have made inroads into American trade agreements, the same has not been true for plant species-related IOs. Figure 2 illustrates the patterns of MDS by environmental IO.

These three stylized facts are not readily explicable. Why do governments choose certain IOs over others in designing trade agreements? The next section sets out the research problem in view of the current literature’s understanding of trade politics.

3 The Research Problem: A Commitment Problem in Forming Strange Coalitions

Why do governments delegate to certain IOs more than others? To answer this question, one needs to understand governments’ motivations for delegation. One primary objective of governments in trade negotiations is to design an agreement that satisfies its domestic constituents. To understand the process, it is thus imperative to understand domestic interest groups’ demands. Accordingly, literature on trade politics provides analytical tools to understand how governments aggregate diverse demands from interest groups in order to pass trade agreements at home.

The extant scholarship tends to focus on revealing economic interest groups’ pref-

erences.¹³ In the traditional framework, the coalition-making process is not problematized because actors with homogeneous economic preferences can form a strong bond without additional political engineering. For instance, it is unproblematic to assume that the losers from free trade form an anti-trade coalition against a free trade agreement, while the winners from trade liberalization develop a pro-trade coalition in support of trade deals. Since these coalitions are bound tightly together by common economic preferences, they tend to be relatively resilient.

The traditional understanding is not readily applicable to coalitions between business interest groups and activists, for two reasons.

For starters, a fundamental mismatch exists in the two groups' goals in their support of free trade. Interest groups support a trade agreement in the hope that the agreement will better their business prospects. In this sense, they are genuine supporters of the trade agreement. By contrast, strategic supporters such as environmentalists do not support or oppose a free trade agreement based on its effect on their incomes; trade agreements are but an instrument that can help them accomplish their ideational objectives. Therefore, strategic supporters of trade agreements may change their views on trade agreements depending on the agreements' instrumental value in enhancing their non-material objectives.

Because of this mismatch, commitment problems between the two groups arise. Even if environmental clauses are included in a trade agreement, strategic supporters have ample reason to doubt whether the clauses will be enforced in the post-ratification stage, as enforcement of the environmental clauses will necessarily disrupt trade transactions and effectively function as non-tariff barriers. Since this is not in keeping with the pro-trade group's economic interests in the post-bargaining stage, activists have reason to suspect the former's motive during the negotiation stage. Activists' fear of their partners' defection intensifies the commitment problem, making it difficult to lend support to trade agreements during the bargaining stage.

Secondly, commitment problems are felt more acutely by activists than by pro-trade interest groups. Pro-trade businesses have privileged access to domestic political institutions in charge of executing environmental clauses. By contrast, activists

¹³Schattschneider 1935; Milner 1988; Rogowski 1989; Irwin & Kroszner 1999; Schonhardt-Bailey 1991; Hiscox 2002; McGillivray 2004.

do not have easy access to domestic political institutions with trade jurisdiction. For instance, the U.S. Trade Representative (USTR) and the Department of Commerce—two bureaucratic organizations whose main constituents are economic interest groups—usually serve as contact points for matters regarding environmental clauses in trade agreements. When activists have to operate in a completely new issue domain filled with traditionally influential interest groups, their agenda-setting power is limited.¹⁴

In addition, business organizations have better agenda-setting power compared to activists because of the salience of trade issues compared to environmental concerns. In interviews, one source with close ties to pro-trade businesses and environmental advocacy groups noted that while the environment was on the Democratic Party’s platform, politicians were aware of the fact that the environmental issue did not carry weight either during elections or on the floor. Another source with close ties to environmental advocacy organizations stressed the difficulty of getting the USTR’s attention regarding environmental issues, not to mention the enforcement of environmental clauses. The source noted, “it is rare that the Secretariat of the Commission for Environmental Cooperation (established as part of the NAAEC) recommends a factual record, and the government has been passive in enforcing these rules.”¹⁵ When social issues such as the environment are of secondary concern to politicians, activists need a device to hedge the risk of supporting trade agreements. Without a commitment mechanism, the transaction—trading their support for a trade deal in return for the promise of future enforcement of environmental provisions in the trade agreement—may be too risky for activists.

Due to the fundamental mismatch of interests held by activists and pro-trade businesses, agreements often require a third party that can stabilize the strange coalitions. Oftentimes, these strategic coalitions are a product of political engineering. Existing research notes this tendency, showing that politicians add non-trade issues such as

¹⁴Traditionally, environmental activists in the U.S. have had a difficult time accessing and producing innovative outcomes due to the weak political output structures even within the environmental issue domain. See Kitschelt 1986.

¹⁵For the purpose of this paper, it does not matter whether governments are responsive or not. To the extent that activists’ perceptions are such that governments are not responsive, the fear of defection is still a big obstacle to the formation of a coalition.

the environment to trade agreements when they are faced with domestic political impasses to trade agreements in Congress.¹⁶ In particular, Hafner-Burton's research shows that labor concerns in U.S.-related trade agreements is a byproduct of political logrolling initiated by moderate left-leaning politicians. She shows that neither activists nor losers from free trade supported labor rights provisions in the trade agreements. Rather, it was moderate Democrats who brought together the two groups in support of trade agreements.

That said, the logrolling motivation alone does not explain one important theoretical question. Considering the low salience of environmental issues on the floor, it is not clear why environmental-trade linkages have been relatively stable over time. As the literature on the U.S. Congress indicates, multiple possible equilibria can emerge in the context of majority rule, unless there is an agenda-setter or agenda-setting institutions.¹⁷ This implies that activists who would potentially trade their trade agreement votes for pro-trade businesses' support for an environmental bill have reason to fear defection by politicians.

Despite the high likelihood of defection and the low salience of the environment as a political issue, environmental-trade linkages have remained resilient since NAFTA, with environmental provisions constituting a part of all trade negotiations since then. How can we explain the persistence of these strange coalitions despite the commitment problem?

To get a better grasp of the research problem, it is necessary to restate the research questions from the standpoint of the major actors, activists and government. Why do some activists join a pro-trade coalition even when environmental clauses in trade agreements are rarely enforced? How do governments alleviate activists' fear of non-compliance and enforcement failure?

4 Theory

The main contention of this paper is that governments create issue linkages in order to broaden pro-trade coalitions by gaining support from activists. I argue that

¹⁶Destler 2007; Hafner-Burton 2013.

¹⁷Shepsle 1979, 1986, 1989.

activists tend to join a pro-trade coalition and remain in the coalition when the trade-environment issue linkage is delegated to existing IOs. Delegation of linkages incentivizes activists to join pro-trade coalitions despite the possibility of non-compliance, when delegated IOs are expected to coordinate with activists on monitoring tasks and share the credit of monitoring with activists. As governments delegate certain components of environmental linkages to IOs with ties to activists, activists can coordinate with the IOs in monitoring the governments' compliance. Thus, the availability of linkages with IO delegation gives activists a means to enhance environmental outcomes with better monitoring. When activists can expect to play a role in monitoring government's compliance with the linkage clauses, they can insure against the risk of losing their reputation. Sharing the credit for monitoring confers to activists an international profile and business opportunities, hence a fail-safe, face-saving measure.

In this section, I lay out the incentives of three key actors in the framework: IOs, activists, and government. Next, I propose multilevel delegation strategy as a new concept to understand the policy practice of issue linkage making. Lastly, I develop the theoretical framework and present three testable hypotheses.

4.1 Interests of Three Key Actors

IOs

For one to understand how linkages facilitate pro-trade coalitions, it is essential to recognize that IOs have unique organizational interests that are analytically separate from member states' preferences. The core assumption of this paper's framework is that IOs, particularly international bureaucrats, vie for organizational survival.

Recent studies emphasize international bureaucrats' private incentives to enhance their organizations' standing.¹⁸ In particular, organizational competition can be important when the international regime complex is loosely coupled across numerous organizations. The loose coupling of multiple organizations has been known to be one of the defining characters of international cooperation in this issue area.¹⁹ When the environmental regime complex consists of multiple environmental IOs, international

¹⁸Avant et al. 2010; Johnson & Urpelainen 2014; Jinnah & Young 2014; Barnett & Finnemore 1999.

¹⁹Victor & Keohane 2011; Abbott & Snidal 2015.

bureaucrats representing these forums are likely to feel the acute need to prove that their organizations are effective in order to stand out in the crowd.

Linkages to trade agreements offer tempting opportunities for IOs to stand out among many similar environmental IOs. The primary source of IOs' payoff from involvement in a trade agreement is the reputational gains they enjoy as effective monitors. IOs want to be seen as effective defenders of the rules that they promote. When state parties to trade agreements violate environmental clauses and if delegated IOs fail to notice and punish violations, the trade-environment linkages would tarnish the IOs' reputations as effective monitors. This is important to IOs, because enforcement failure may cause member states to question the authority of the IOs. Therefore, IOs attempt to maximize their reputations as effective monitors and to punish the non-compliance of parties to trade agreements to the extent that the cost of monitoring does not exceed the reputational benefits.

Certainly, monitoring can be costly. For effective monitoring, IOs are expected to collect information about member states' policy behaviors, and in the environmental issue area, this task can be costlier in that understanding policy changes requires a certain level of expertise.²⁰ Hiring experts equipped to understand the policy implications and the science behind them can be costly for IOs competing with other similar IOs, as organizational competition is likely to be associated with stricter resource constraints. Therefore, not every IO can afford to offer the same level of monitoring. These concerns for costs compel environmental IOs to rely on activists for effective monitoring, though to varying degrees.²¹ As will be discussed in the section on activists, IOs gain compliance information from activists and enhance activists' political influence in return by allowing activists to claim credit for monitoring activities.

Activists

The payoffs to activists have two sources: environmental improvement, and reputational costs from making bad coalition decisions.

Intuitively, environmental advocacy organizations vie for environmental improvement. To the extent that linkages to trade agreements improve environmental out-

²⁰For general discussion about the costs of monitoring, see Alchian & Demsetz 1972, 781-782.

²¹Dai 2002, 430-34.

comes, activists prefer to support trade deals with environmental linkages over the status quo.

That said, activists' payoff from environmental improvement alone does not completely explain activists' utility. Activists may adopt different coalition decisions in order to enhance environmental outcomes.²² An additional source of utility explains the variation in activists' coalition decisions: the perceived costs to their reputations as moral advocates. Then, why are some activists more willing to take the reputational risks by joining pro-trade coalitions than others? I contend that their various approaches can be attributed to their different relationships with IOs. When issue linkages are delegated to IOs that are amenable to activists' influence, the linkages can enhance activists' political influence. As explained above, IOs can reduce the cost of monitoring if there is a working relationship with activists with expertise in certain member countries.^{23,24} In exchange for activists' input in monitoring, IOs grant activists agenda-setting power such that activists can report compliance (or non-compliance) behavior of specific countries of their interest.

²²Reflecting this conjecture, some activists have stayed out of pro-trade coalitions on the grounds of weak enforcement while others have supported trade agreements. Specifically on the TPP, environmental organizations formed a coalition against the trade agreement demanding stronger enforcement clauses in a letter from 13 U.S. environmental organizations to Congress, October 29, 2015. The thirteen organizations include 350.org, Center for International Environmental Law, Center for Biological Diversity, Food & Water Watch, Friends of the Earth, Earthjustice, Green America, Greenpeace USA, Institute for Agriculture and Trade Policy, Oil Change International, Natural Resources Defense Council, Sierra Club, and SustainUS. Similarly, environmentalists have pointed out that even the U.S.-Peru trade agreement with a markedly detailed chapter on forestry failed to clamp down on illegal logging.

²³Dai 2002. In these circumstances, IOs need activists' input in monitoring the compliance of delegating governments. Activists are thus an essential part of IO monitoring in the environmental issue domain. Because the victims of environmental degradation often face difficulties in reporting non-compliance due to their lack of expertise, and because governments' incentives for compliance are not always aligned with those of the victims, activists' involvement is crucial to ensure effective monitoring. In addition to Dai's research, other research finds that the connections of IOs and activists can effectively change state behavior when they coordinate. See Sikkink 1993, 416-417; Slaughter 2009. Specifically, Sikkink maintains that IGO-NGO networks can take the form of informal coordination (i.e. the exchange of reports, telephone calls, and attendance at conferences and meetings), or the formal granting of consultative status in IOs. Thus, transnational issue networks can shape states' incentive to adjust their human rights or environmental policies.

²⁴Dai 2005. Specifically, Dai's research finds that the coordination between environmental IOs and NGOs can enrich information that domestic audiences hold on their governments' compliance behavior and mobilize green voters during elections.

The symbiotic relationship between IOs and activists can mitigate activists' fear of tarnishing their reputation in making decisions to support trade-environmental linkages. When activists do not have any ties to IOs, joining a pro-trade coalition can be potentially costly for activists if governments violate environmental clauses. If non-compliance ensues, activists who had lent support to the trade agreement will later be criticized for compromising their conviction for short-term material benefits. However, activists that are able to gain political influence through linkages are expected to join pro-trade coalitions despite the risk of tarnishing their reputation as moral advocates if governments violate environmental clauses, because they can minimize the reputational costs by widely reporting non-compliance and pressure non-compliant governments via their connections to IOs.

Government

The framework in this paper assumes that government's primary goal is to pass trade deals at home, and preserve the benefit from an increase in international trade. As such, the government in this framework is indifferent on non-trade issues such as the environment.²⁵

In these circumstances, a dilemma arises when the government cannot form a pro-trade winning coalition at home. In these cases, in order to form a winning coalition, the government attempts to attract strategic supporters. Strategic supporters are those who do not have a stake in trade agreements, while they may lend support for trade to the extent that it helps them accomplish their goals.²⁶ Environmental activists can be one of them. However, forming this strange coalition can be costly: if the government were to comply with environmental clauses in trade agreements, compliance could diminish trade benefits in the future. Therefore, when the government complies, the trade benefit is reduced to a portion of the trade benefit without compliance as compliance incurs regulatory adjustments.²⁷ On the other hand, if the

²⁵As chief negotiators are drawn from trade ministries with a mandate to invigorate international trade, the governments in trade negotiations tend to prioritize trade issues.

²⁶Haas 1980. See Haas's definition of fragmented linkages.

²⁷For instance, compliance with the Basel Convention would have incurred some costs for chemical industries of industrialized countries, as the Convention was "to make the movement of hazardous wastes so costly that industry will find it more profitable to cut down on waste production and

government violates environmental clauses and gets caught, it incurs some risk to pay the cost of violation in the future. Substantively, this cost may take the form of retaliation on exporting industries. To understand the nature of the cost of violation, it is imperative to understand that the principle of negative reciprocity makes contemporary international trade laws enforceable. The availability of retaliation mobilizes exporting industries to lobby against protectionist trade policies, as well as rendering the threat of retaliation credible as protectionist interest groups in an injured state have a strong reason to support retaliatory measures if an opportunity arises.²⁸ Literature shows that the availability of pro-trade industries that will fight against protectionist policies in a scofflaw state and protectionist industries in an injured foreign state that will support retaliation makes trade agreements self-enforcing. In the context of environmental linkages, violation of environmental linkages can be seen as a potential cost to exporting industries in the the U.S., while protectionist industries benefiting from retaliation based on U.S. violation of linkages will make the resolve for retaliation credible. Retaliation based on violation of environmental linkages is a possibility, as the protectionist industries in foreign partner countries closely monitor the government's compliance.²⁹ Therefore, the government incurs the risk of retaliation by deciding to violate environmental linkages in trade agreements.

Taken together, trade-environmental issue linkages are costly for government that is indifferent on the environment. Linkages will incur either compliance costs or risks of violating the commitment for linkages. The next section shows how the government indifferent on environmental issues makes its commitment to environmental linkages credible to activists, when activists are aware of the government's preferences.

re-use and recycle what waste is produced.” At the time of negotiating the Convention, an industry expert noted that “the profits are vast for the waste traders,” noting that “the cost of dumping hazardous wastes in Africa can be as little as 1,000th of that in the more ecologically conscious West.” See Thomas Land, June 5 1989. “TOXIC WASTE EXPORTS FACE BAN: Companies step up shipments to beat coming restrictions.” *The Financial Post (Toronto, Canada)*. Retrieved from LexisNexis. Available [here](#).

²⁸Nzelibe 2005, 217-18; Davis 2004. For a discussion on the effectiveness of financial compensation as an alternative enforcement mechanism, see Mercurio 2009.

²⁹The so-called “fire-alarm” methods of monitoring lowers the cost of monitoring as victims of free trade now have a stronger incentive to use environmental clauses as grounds for retaliation and monitor and report violation. McCubbins & Schwartz 1984; Miller & Whitford 2016.

4.2 The Practice of Multilevel Delegation Strategy as a Costly Signal to Activists

Multilevel delegation is an important part of linkage designing that can alleviate activists' fears. How, then, is multilevel delegation different from traditional delegation? Clarifying its differences from our traditional understanding of delegation will prove its usefulness in analyzing non-trade issue linkages.

The delegation literature is centered around clarifying the relationship between principals and agents, defining delegation as “a conditional grant of authority from a principal to an agent that empowers the latter to act on its behalf.”³⁰ Further, principals' decisions to empower agents are borne out by contracts, either formal or informal. Through mutually agreed upon contracts, principals proclaim their intention to delegate authority to agents, and the agents express their intention to act on behalf of the principals. Third, principals can monitor and constrain agents in order to minimize agent slack and slippage.³¹

MDS, as I define it, represents a context in which a group of actors delegates its authority to a pre-existing agent, not a new agent. The pre-existing agent exists by virtue of its pre-existing contract with another group of actors, a principal of the original contract. For instance, 12 countries in the TPP negotiation delegated the environmental components of the trade agreement to the FAO, which was established based on a pre-existing contract between FAO member states and the FAO Secretariat. Here, the old principal (or environmental principal) may or may not overlap with the new principal (or trade principal). In this sense, MDS can be adopted only when there is an existing delegatory relationship.

Despite its analytical dependence on delegation, MDS is a distinct category of traditional delegatory relationships in two respects. Figure 3 visualizes the differences.

First, there is almost always a mismatch between old and new principals, which I have labeled a *principal mismatch problem*. The mismatch can generate tensions. As

³⁰Hawkins 2006, 7.

³¹Certainly, not all parties constituting a principal may have similar levels of control over an agent. After all, preference heterogeneity of a principal and power differentials across them is what some recent IR research focuses on. For example, see Copelovitch 2010. That said, the discipline's general understanding of delegation is such that a principal altogether, at least formally, holds the right to constrain an agent.

a new principal creates a linkage to a pre-existing or old agreement in designing a new agreement, the new agreement grants legitimacy and authority for the old principal to pressure the new principal into compliance. The availability of these outside actors without a direct stake in the new trade agreement increases the pressure for compliance on the new principal. Therefore, MDS increases the chances of mobilization from the outside if the new principal does not follow through on its commitment to linkages to the old agreement. Furthermore, the risk of mobilization against non-compliance can be higher, as the mismatch of old and new principals becomes larger.

For example, consider the fact that a mismatch exists between the parties to the TPP (twelve Asia-Pacific countries) and the parties to CITES (183 countries). Due to the TPP members' decisions to delegate interpretation and consultation regarding certain conservation-related issues to CITES, the CITES countries that are non-members to the TPP can affect the TPP members' environmental policies. Specifically, politicization of any non-compliance behavior by the TPP countries is more likely in CITES—171 member states whose preferences may not be aligned with those of the TPP states—than within the TPP itself. Compare this to an alternative scenario where the members of NAFTA delegate water-related clauses in that agreement to the U.S.-Mexico International Boundary and Water Commission. Since the environmental preferences of the NAFTA members and the members of the Commission are not vastly different, the chances of mobilization against non-compliance are limited.

Second, MDS is distinct from traditional delegation in that an agent does not grant formal consent regarding their linkages to a new agreement. Layering a new agreement on an old agreement is rather a unilateral process by new principals, in this case trade parties. This means that the agent is not formally and legally bound to ensure the new principals' compliance with the old agreement. Instead, agents have complete autonomy regarding the extent to which they want to invest their resources in monitoring a new principal's policies. For instance, even if the parties to the U.S.-Peru Trade Promotion Agreement (Peru Agreement hereafter) delegate interpretation of Peru's environmental policies to CITES, the CITES Secretariat does not have legal obligations to enforce the rules on U.S. behalf.³²

³²CITES or other environmental IOs in trade agreements do not sign the trade agreements.

The unilateral nature of MDS engenders *uncertainty problems*, as new principals are uncertain about the extent to which agents will enforce linkage clauses.³³ However, the uncertainty problems that new principals face in MDS are qualitatively different from those in traditional delegatory relationships, because the new principals do not have formal means to monitor and constrain the agents.³⁴ The unavailability of monitoring mechanisms between new principals and agents generates extremely high uncertainty regarding the agents' behavior. On one extreme, agents can take full advantage of the authority from new principals and invest their resources disproportionately into enforcing environmental-linkage clauses. At the other extreme, agents may ignore linkage clauses in new agreements and focus on their original mandates. As such, designers of new agreements may want to gauge the probabilities that the agents of their choice are either slackers or overachievers. Depending on the type of agent, linkage clauses may have vastly different impacts. If an environmental IO falls into the category of overachievers, the IO may attempt to influence other IOs' agendas, especially trade-related IOs based on the authority granted by parties to trade agreements. If an IO is a slacker (for financial or other reasons), linkages in new agreements may not have any effect. As such, governments in trade negotiations may strategically choose the IOs to whom they delegate, depending on the goals they want to accomplish through linkages. If the primary goal of governments is to send a costly signal regarding their environmental commitment and to attract activists' support for trade, they would be more likely to choose an overachiever. If their goal is to create ineffective linkages and save face, they would likely choose a slacker as their agent.

For example, by choosing to delegate to an IO such as CITES that frequently coordinates with activists in order to monitor member states, new principals are risking agency loss and confer some level of control on activists. By contrast, in delegating to an IO whose ties with activists are limited, new principals are minimizing the risk

³³Admittedly, one may argue that traditional delegatory relationships are prone to the similar uncertainty problems. The uncertainty about agents' willingness (slippage) and ability (shirking) to act on principals' behalf has widely been discussed in literature.

³⁴For example, new principals cannot design procedural requirements to gain information on agents, and check and balance the agents' behavior. For general discussions on procedural check-and-balances on agents, see McCubbins, Noll, and Weingast 1987.

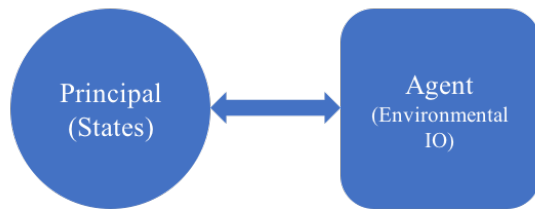
that trade-environmental linkages can affect the costs of violating linkages in the future. For instance, delegating to a bilateral IO such as the U.S.-Mexico International Boundary and Water Commission with limited ties to activists would fall into this category.

Taken together, these two traits—principal mismatch and uncertainty problems—represent important components as we analyze governments' choice of IOs to whom they delegate.

As illustrated, there is neither formal nor legal connection between new principals and agents. Environmental IOs do not participate in trade negotiations, or sign trade agreements as parties. Then, the next question one might ask is, what do governments gain when they insert delegatory clauses without binding effects on IOs?

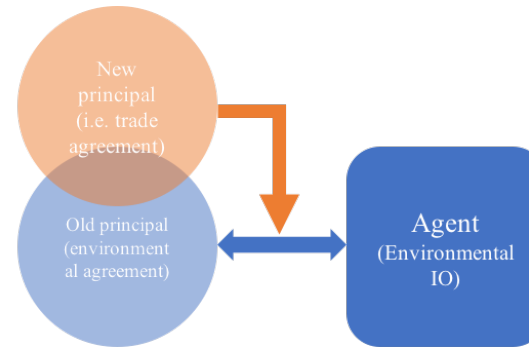
I argue that activists are the key to understanding government's motivations to design trade agreements with loose connections to environmental IOs. Primarily, I posit that the government's motivation for IO delegation is to attract activists' support for a trade agreement at home. For the government to attract activists into pro-trade coalitions, it needs to mitigate activists' fears of non-compliance. Therefore, the government will choose IOs that are best equipped to alleviate activists' fear and to give them what they want.

When it comes to coalition decisions, activists have two incentives. First, they may consider trade-environment linkages as an opportunity to enhance their international political influence. Simultaneously, they may be wary of joining pro-trade coalitions despite the environmental linkages, if non-compliance is likely. Non-compliance would diminish the activists' reputations as moral advocates. For government to attract activists' support through linkages, it thus needs to provide activists with a commitment device to enhance their ability to monitor government and preserve their reputation in case of violation of linkages.



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- Empowering agents via conditional grant of authority
- Form an agreement to ensure mutual consent between principals and agents
- Agency loss is possible –But, principal can monitor and punish agents in case of slippage & slack



- Empowering a pre-existing agreement by embedding it in a new agreement
- Principals of the two agreements are different (*Principal mismatch*)
- Agency loss is always a possibility because agents do not grant their consent to the new agreement (*Agency uncertainty problem*)

Figure 3: Differences between delegation and Multilevel Delegation Strategy

Linking trade agreements on pre-existing environmental agreements can serve as a costly signal to activists. First, if U.S.- based activists have close ties to the IOs, it is most likely that the activists will participate in monitoring U.S. compliance with linkage clauses in coordination with the IOs. Therefore, delegation to IOs with ties to activists can enhance the activists' ability to enhance environmental outcomes. Second, when activists can share the credit of monitoring with IOs, activists with ties to IOs have better chances to protect their reputations in the case of non-compliance, because they can be seen catching and reporting the cases of non-compliance.

Delegation to IOs that will increase activists' influence would thus increase the chances for attracting activists into pro-trade coalitions. All else equal, therefore, the government is expected to choose an IO with stronger ties to U.S.-based activists.

Main hypothesis: Governments tend to delegate trade-environment linkages to IOs with stronger ties to U.S.-based activists.

4.3 Alternative Hypotheses

Along with the main hypothesis, I test two alternative hypotheses: 1) the protectionist lobbies hypothesis, and 2) the bargaining leverage hypothesis.

First, I test whether the pattern of delegation decisions can be better explained by protectionist motivations. As existing scholarship has viewed social provisions as non-tariff barriers, the motivation to include these provisions has been understood to originate from protectionist lobbies.³⁵ Partially in line with this reasoning, a recent study on non-trade issues in trade agreements shows that issue linkage is more likely when there is a large difference in wage levels between home and negotiating countries.³⁶ In other words, these studies find that import-competing industries push for stricter labor rights provisions and/or environmental provisions.

In order to test the protection hypothesis, I include the levels of industry access to environmental IOs. An increasing number of environmental IOs allow non-governmental actors to participate in the law-making processes. The scope of non-governmental actors with access to these IOs varies; some environmental IOs are more likely to solicit participation from industries than from activists. If the protec-

³⁵Bhagwati & Hudec 1996.

³⁶Lechner 2016.

tion hypothesis is valid in the context of delegation decisions, governments will be more likely to delegate to IOs with more ties to industry actors than to activists.

The protection hypothesis: Governments tend to delegate trade-environment linkages to IOs with more ties to industry actors.

The second hypothesis concerns international bargaining dynamics. Hafner-Burton's research finds that the inclusion of human rights provisions to trade agreements was made feasible due to the end of the Cold War.³⁷ With the end of the Cold War, advanced economies in the West were able to push developing and underdeveloped countries to accept social provisions that are more closely aligned with western interests. While the U.S. and the European Union had stronger incentives to forego those social agendas during the Cold War in the hope of consolidating the anti-Communist bloc, the change in the distribution of power in the international system allowed the U.S. and the European Union to force the Global South to accept these provisions after the Cold War.

Following this line of reasoning, one would argue that the inclusion of social provisions is an attempt to tip the balance of bargaining power in the environmental domain in favor of the U.S. by linking to IOs to which partner countries are not parties. By linking to U.S.-ratified IOs that negotiating partners did not ratify, the U.S. can pressure their trade negotiating partners to ratify the linked agreements. In so doing, the U.S. can level the playing fields for U.S. businesses competing with foreign rivals.

The international bargaining hypothesis: Governments tend to delegate trade-environment linkages IOs that the U.S. has ratified and that its partner(s) has not ratified.

³⁷Hafner-Burton 2013, Chapter 3.

5 Evidence on Activist-IO Ties' Effect on IO Delegation

5.1 Quantitative Analysis

I use two data sets on environmental clauses in eleven select trade agreements that involve the U.S. These are the U.S.-Jordan agreement (2000), the U.S.-Singapore agreement (2003), the U.S.-Australia agreement (2004), the U.S.-Bahrain agreement (2004), the U.S.-CAFTA-DR agreement (2004), the U.S.-Morocco agreement (2004), the U.S.-Colombia agreement (2006), the U.S.-Peru agreement (2006), the U.S.-Korea agreement (2007), the U.S.-Panama agreement (2007), and the Trans-Pacific Partnership (2016). I limit the scope of the data to the post-2000 agreements, because the 2000 Jordan agreement represents a turning point at which environmental issues made their way into trade discussions.

Because the paper's goal is to explain the propensity of the U.S. government to delegate to environmental IOs, I select twenty environmental IOs that are relevant to trade agreements.³⁸ As such, the data structure is trade agreement-environmental IO.

The primary quantitative analyses are based on the first data set of environmental linkages in the eleven trade agreements. In this data set, I code environmental clauses

³⁸I select the IOs based on their relevance to trade, as indicated in secondary literature and the USTR's policy reviews. For instance, I include an IO in my data set, if the USTR participated in any of an IO's negotiations or meetings organized by the IO. The twenty environmental IOs are the Vienna Convention on the Protection of the Ozone Layer, Montreal Protocol, Basel Convention, Cartagena Protocol on Biosafety, Convention on Biological Diversity (CBD), CCAMLR, CITES, Convention to Combat Desertification, FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (FAO Compliance agreement), FAO Code of Conduct for Responsible Fisheries, Inter-American Tropical Tuna Commission (IATTC), International Whaling Commission, International Tropical Timber Organization, International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (IPOA-IUU), MARPOL, Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat, Minamata Convention on Mercury, Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, Agreement on the International Dolphin Conservation Program, and Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

in the final texts of the trade agreements, drawing from the environmental chapters in the agreements and environmental side agreements attached to the trade agreements whenever available. In so doing, I code the count of delegatory clauses to each of the environmental IOs.

I also test the hypotheses using a second data set I created based on environmental review documents issued by the USTR, as a supplementary test of the argument. The USTR has conducted written environmental reviews since NAFTA, and the practice has been formalized through a series of laws since 2000. Accordingly, the Office of the USTR conducts environmental reviews in consultation with advisory groups at two stages, before the signing and before ratification. The Office then issues a report based on the results of each review, whose contents I exploit to determine delegation to environmental IOs. This data set is distinct from the first, in that it captures the range of IOs considered by the government. Although these documents show the scope of environmental IOs considered by the U.S. government, however, they do not explain the final outcome. That said, additional tests based on this data set can strengthen the argument on the domestic origins of environmental issue linkages. Because this data set is based on the pre-bargaining strategies of the U.S., similar results across the two data sets—one on the pre-bargaining phase and the other on the post-bargaining stage—would suggest that U.S. domestic concerns are the main driving force behind environmental issue linkages. Given that the sources of the two data sets differ, different units of analysis are required: the first is based on the final texts of the agreements, so the unit of analysis is the legal provision. The second derives from policy reviews, so I code the number of mentions of the chosen IOs in each environmental review document. The summary statistics of and results from the supplementary data will be reported in Appendix 1.

The main explanatory variable in the analysis is U.S.-based activists' ties to IOs. Activist ties to IOs are measured by the number of U.S.-based advocacy organizations that participated in the annual conferences of the IOs in the year prior to each trade agreement's signing. The data on IO-activist ties is drawn from annual reports of the environmental IOs within the scope of this research. Since environmental advocacy groups tend to have transnational networks, it is not always clear whether they operate in the U.S. I thus measure advocacy groups' ties to the U.S. based on their tax

status in the U.S. If an advocacy group falls into the category of tax-exempt organizations under 501(c)(3) or 501(c)(4) as defined in U.S. tax laws, the organization is coded as U.S.-based.³⁹

The *Industry ties* is measured by the number of commercial interest groups that participate in the annual conferences of the environmental IOs as observers. For example, commercial interest groups in this category range from the International Fertilizer Industry Association and the International Federation of Fruit Juice Producers to the World Federation of Agricultural and Food Workers.

As controls, I include information on U.S. and trade negotiation partners' membership status in the environmental IOs, which is coded 1 when each party has ratified the MEAs that establish the IOs. When trade negotiating parties include more than one country such as in the TPP, I calculate the proportion of IO membership among negotiating partner countries. The summary statistics of the data set are reported in Table 1.

Table 1: Summary statistics of the main data set

Statistic	N	Mean	St. Dev.	Min	Max
IO delegation (DV)	210	1.22	3.40	0	24
U.S.-based activists' ties to IOs (H1)	210	9.21	10.04	0	41
Industry ties to IOs (Alternative H1)	210	12.97	17.05	0	107
US membership to IO (Alternative H2)	210	0.84	0.37	0	1
Partner membership to IO (Alternative H2)	210	0.64	0.46	0.00	1.00

In the analysis, I use negative binomial regressions, as the outcome variable is highly zero-inflated. I include partner country fixed effects, because my goal is to estimate the probability of IO delegation holding partner country-specific features constant.

Table 2 reports the incident risk ratios of IO delegation. The first model tests the

³⁹Organizations that fall into 501(c)(3) are “organizations for any of the following purposes: religious, educational, charitable, scientific, literary, testing for public safety, fostering national or international amateur sports competition (as long as it doesn’t provide athletic facilities or equipment), or the prevention of cruelty to children or animals.” 501(c)(4) organizations are “Civic leagues, social welfare organizations and local associations of employees, created to promote community welfare for charitable, educational or recreational purposes.” Access dates are January 20-25, 2018.

international bargaining hypothesis, one of the alternative hypotheses. If the alternative hypothesis is valid, one would find that U.S. ratification has a positive correlation with IO delegation, whereas partner ratification has a negative correlation with delegation decisions. In line with the conjecture, the coefficient on *US ratification* comes out highly significant across all the seven models. By contrast, the coefficients on *Partner ratification* are not statistically significant at any conventional levels in all the seven models. Substantively, my model predicts that the U.S. government delegates 1.4 more linkages to an IO when the U.S. is a member of the IO compared to when it is not, holding partner membership status constant at its mean. These results may indicate that the U.S. preferences override those of its partner countries when it comes to environmental concerns in trade negotiations.

The second model tests the first main hypothesis on the relationship between activists' ties to IOs and IO delegation. The coefficient on *Activist-IO ties* is statistically significant at the 1% significance level. According to the results, the predicted number of IO linkages increases as the number of activists' ties to IOs increases. Figure 4 visualizes the relationship. Substantively, the model predicts that 0.4 delegation is expected to an IO, when there is not any U.S.-based advocacy organization with ties to the IO. When 10-20 advocacy groups have ties to an IO, the government is expected to make close to one delegatory clause to the IO. If 30-40 U.S.-based advocacy groups have ties to an IO, the predicted number of linkages increases to 2.4. When 40-50 advocacy groups have ties, the predicted number of linkages goes up as high as 3.1.

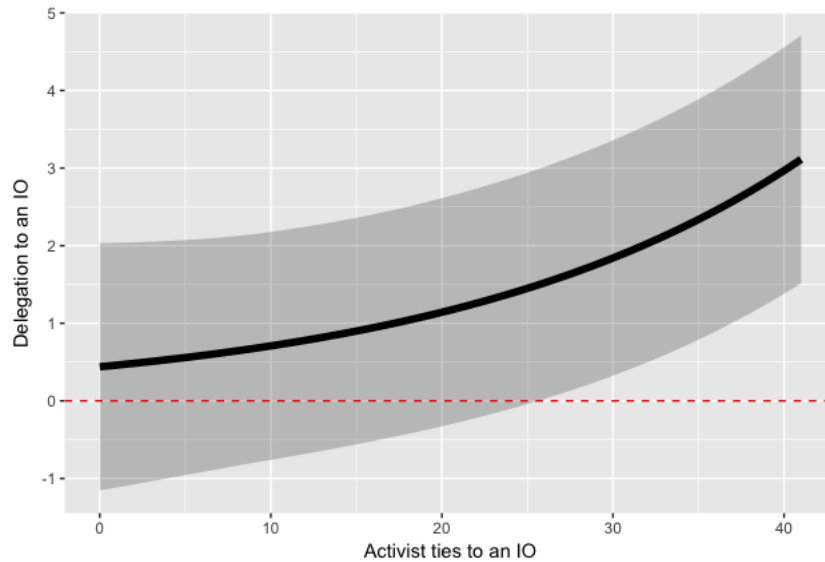
The next model (M3) is designed to test an alternative hypothesis on the effect of IOs' ties to commercial interest groups on linkages. In this alternative hypothesis, I test whether delegation decisions are more likely when commercial interests wield strong influence on IOs. The alternative hypothesis on protectionism do not have empirical support. The coefficient on *Industry ties* is not significant at any conventional significance levels. This is in line with my conjecture about the government's motivation for IO delegation. According to my theory, the government's main motivation for IO delegation is to assuage the fears of activists, not businesses'. Confirming this, I find that the coefficient on *Activist-IO ties* is still statistically significant ($p < 0.001$) when *Industry ties* is added, and its effect is larger than *Industry-IO ties*, while the

Table 2: Likelihood Ratio Test of Negative Binomial Models on Delegation Clauses in Trade Agreements Negotiated by the U.S.

	<i>Dependent variable: IO Delegation</i>		
	(1)	(2)	(3)
US ratification	31.13*** (0.53)	34.21*** (0.54)	34.29*** (0.61)
Partner ratification	0.61 (0.37)	0.23 (0.36)	0.22 (0.36)
Activist-IO ties		0.03*** (0.01)	0.03*** (0.01)
Industry-IO ties			0.002 (0.004)
Constant	-63.10*** (1.22)	-68.68*** (1.24)	-68.79*** (1.34)

Note: SEs clustered at the country level. *p<0.1; **p<0.05; ***p<0.01

Figure 4: Predicted Numbers of IO delegation: the Effect of Activists-IOs Ties



latter is not significant.

5.2 Case Study

In this section, I present qualitative evidence on whether delegation has a positive effect on activists' support for trade agreements. The case of interest is the May 10th, 2007 congressional-executive agreement between the Bush Administration and the Democratic Party. In this agreement, the Administration pledged to delegate environmental clauses in trade agreements to seven environmental IOs. In so doing, the Administration's approach to delegation decisions varied across the issues of conservation of marine species and de-forestration. Regarding the former, the government delegated to the IOs that focused on narrow and specific issues such as the Inter-American Tropical Tuna Commission (IATTC) and the International Whaling Commission (IWC). By contrast, the government chose not to delegate to IOs specializing in deforestation (i.e. ITTO). Instead, the government generally used CITES as the main international platform to address de-forestration and trade.

Focusing on this case, I first show that the Bush Administration and the Democratic Party's decision can be explained by the variation in the chosen IOs' ties to U.S.-based advocacy groups. Second, I show that advocacy organizations with pre-existing ties to these IOs changed their stances on the four trade agreements under negotiation and supported the trade agreements since the government's delegation decision.

The Bush Administration's decision to delegate environmental clauses is a hard case. During his campaign for presidency, George W. Bush openly expressed his skepticism about linking trade to the environment.⁴⁰⁴¹ While his predecessor, President Clinton, and his competitor, Al Gore, supported trade-environmental linkages, Bush was opposed to the idea. Further, once President Bush was sworn into office, the USTR under his guidance sought to "re-adjust" the labor and environmental portions of the trade agreement with Jordan.⁴² Because the President was skeptical about the

⁴⁰Economist, October 21 1999. "Politics of trade". Retrieved from LexisNexis.

⁴¹Economist, September 28 2000. "Globalisation Blues". Retrieved from LexisNexis.

⁴²Mark Lacey, April 11, 2001. "Bush Seeking To Modify Pact on Trade With Jordan". *New York Times*. Retrieved from LexisNexis.

idea of linkage itself, it did not make sense for the USTR to delegate environmental linkages to IOs. As such, trade agreements negotiated by the Bush Administration before 2007 do not include any delegatory clauses. The environmental chapters in the trade agreements ratified in this period instead use national laws as their reference points. For instance, the U.S.-Jordan agreement provides that the parties ensure the “effective implementation of Jordanian environmental laws.”⁴³

However, the trend changed in 2006 as both the political and economic landscapes shifted. First, the Democratic Party secured a sweeping electoral victory in November 2006, taking control of the House by a thirty-seat margin and the Senate by a close margin. As the Republican Party lost multiple swing states such as Pennsylvania to protectionist Democrats, it was uncertain whether the Bush Administration could pass the four pending trade agreements under negotiation.⁴⁴ Second, it was feared that the political loss in the 2006 election would translate into an economic one, as the Bush Administration considered that the passage of these agreements would be essential to boosting the exports of U.S. products. Boosting international trade was considered especially important at the time, as the country ran a record trade deficit in 2006.⁴⁵ These developments in 2006 compelled the Bush Administration to recalibrate its strategy on linkages despite their initial skepticism.

The Administration made concessions to the Democratic Party on six issues in the May 10th Agreement of 2007, covering the issues of labor, environment, intellectual property, investment, government procurement, and port security. On each of those issues, the government invoked the authority of various outside parties. For example, on labor, multiple clauses in the agreement were designed based on the ILO Declaration on Fundamental Principles and Rights at Work. Similarly, the intellectual property issue used the TRIPS Agreement as a reference point. Regarding environmental issues, the government pledged to incorporate seven IOs—CITES, the Montreal Protocol, MARPOL, IATTC, the Ramsar Convention on Wetlands, IWC,

⁴³Article 7 of the United States-Jordan Joint Statement on Environmental Technical Cooperation.

⁴⁴The Presidential Trade Promotion Authority (TPA, or fast-track) was set to expire in June, 2007. As the Democratic Party gained control of Congress, House Democrats in House Ways and Means Committee demanded that the government include new language on the environment and labor.

⁴⁵Steven R. Weisman. “U.S. ran a record trade deficit in 2006” - Business - International Herald Tribune. *New York Times*, February 13, 2007.

and CCAMLR—in its trade agreements.⁴⁶

On the environmental front, it is not readily explicable why the government and the Democratic Party chose the seven environmental IOs that they did. As of 2006, the U.S. was a party of 112 environmental IOs.⁴⁷ These IOs include global IOs such as CITES, FAO, the Montreal Protocol, and UNFCCC. The U.S. was also a party of IOs that focus on narrower or regional issues, including the IATTC, IWC, the International Tropical Timber Organization (ITTO), and the International Plant Protection Convention (IPPC). While these options were available at the time of the May 10th agreement, only seven environmental IOs were chosen.

Particularly, I focus on the contrast in the government’s strategy on the issues of deforestation and marine species. While the U.S. was a party of IOs focusing on deforestation such as the ITTO, as well as aquatic species-conservation IOs, the government delegated linkages exclusively to the latter, not the former. This does not mean that deforestation was not an important issue in this period. In fact, the USTR under Bush paid special attention to illegal logging during the negotiations with Peru and Indonesia.⁴⁸ Despite the importance of the forestry issue, however, the Administration did not delegate forestry-related linkages to either the ITTO or the IPPC. Instead, the forestry annex in the Peru Agreement was widely delegated to CITES. This approach is in stark contrast to the Administration’s strategy on the conservation of marine species. While CITES also protects marine species via its animal committee, the government delegated marine species-related linkages to the IATTC, IWC, and CCAMLR despite their overlap with the CITES jurisdiction. In sum, the government over-delegated environmental linkages to multiple IOs regarding protection of marine species while under-delegating forestry-related linkages, despite

⁴⁶USTR, May 2007. Bipartisan Trade Deal, *Trade Facts*

⁴⁷The number is calculated based on the data drawn from Ronald B. Mitchell. 2002-2018. International Environmental Agreements Database Project (Version 2017.1). Available [here](#). Date accessed: 24 January 2018. The number does not count the amendments and protocols to existing international agreements that the U.S. ratified.

⁴⁸See 7. Environment in Bush Records, Policy memos: A Timeline (2001-2008) United States Trade Representative for Bush Administration’s understanding of illegal logging in the trade context. Deforestation was an important trade issue throughout the 2000s. Particularly, the countries with which the U.S. was negotiating trade agreements in the mid-2000s were prone to illegal logging. As such, environmental advocacy groups such as the Greenpeace and World Wildlife Fund (WWF) pushed for banning illegal trade in protected plant species.

its membership in IOs focusing on forest-related issues.

What explains the differential approaches? According to the theory presented here, the government delegated to IOs with more ties to U.S.-based advocacy groups in order to attract the support of activists for trade agreements.

Two sets of supporting evidence will be presented. First, I present a snapshot of the ties that CITES, the ITTO, and IWC had with advocacy groups in the years before 2007. In support of the theory, I find that CITES, and IWC had more ties to U.S.-based activists than did the ITTO. The ITTO was mainly dominated by industry actors and activists with bases in developing countries. Secondly, I show how the government's decision to delegate forest linkages to CITES, not the ITTO, had an influence on the activists with ties to CITES. I present evidence that activists with ties to CITES were more supportive of the trade agreements with Peru, Panama, and Colombia.

5.2.1 Delegation Decisions in 2007: Why IWC and CITES, not ITTO?

It is a well-known fact that environmental IOs work closely with non-governmental actors. The types of non-governmental actors working with IOs range from environmental advocacy organizations and scientists to economic interest groups. These actors mobilize relevant audiences and increase the political salience of environmental issues, supply expertise and information about environmental outcomes, and modify environmental policies in light of their impact on incomes. As the non-governmental actors' role is essential in formulating viable policy platforms, IOs maintain close working relationships with these actors.

Existing research shows how *each* of these groups influences international environmental cooperation. Haas's research on *epistemic community* shows how experts—a group of knowledge elites with shared causal and principled beliefs—play an important role in international environmental cooperation.⁴⁹ Other scholars pay more attention to the role of activists in international politics. Among others, Wapner's research posits that transnational activist groups utilize global civil society and operate “outside the province of state-to-state interaction.”⁵⁰ Others focus on how

⁴⁹Haas 1992, 16.

⁵⁰Wapner 1995, 316.

commercial interests strategically use environmental issues to promote their material interests. For instance, fishing industries frequently participate in global politics without direct representation by their governments.⁵¹ Taken together, these studies indicate that the interaction of IOs and a variety of non-governmental actors is key to understanding the development of international environmental politics.

Importantly, not all non-governmental actors can gain access to IOs to the same extent. In short, non-governmental actors can gain access to global political platforms when IOs allow them access. In this sense, IOs function as a gatekeeper with the power to empower select groups of non-governmental actors in international politics.⁵² As such, the extent to which each of these three groups (scientists, commercial interests, and moral advocates) have access to environmental IOs varies. Some IOs work more closely with advocacy organizations and empower transnational activists in the forums; others allow more room for economic interest groups such as trade associations specializing in forestry or fisheries. In more substantive terms, IOs review non-governmental actors' requests for observer status at their annual meetings and grant or decline those requests upon deliberation. By selecting non-governmental actors that can have agenda-setting opportunities in global political platforms, IOs shape the contours of global civil society.

Of course, even IOs with similar functions may have different visions about what an ideal global society should look like. In particular, supranational bureaucrats in IOs may have different ideas about who deserves opportunities to set the agenda at their forums. In line with this conjecture, the composition of ties that CITES, ITTO, and IWC had with non-governmental actors manifest differently across these IOs.

Figure 5 shows the number and proportion of non-governmental actors who had access to annual meetings in these IOs in the two years before the May 10th agreement in 2007. Three points are noteworthy. First, advocacy organizations, especially those in the Global North, were better connected to CITES and IWC than to the ITTO. CITES had the largest number of ties to non-governmental actors among the three, and upon closer examination, one notes that CITES had a disproportionately

⁵¹For example, the whaling industry in Japan is a big part of environmental IOs. For further information, see Blok 2008, 39-66.

⁵²For further discussion on the gate keeping role of international politics, see Carpenter 2014.

large number of ties to advocacy groups based in the Global North. This trend is more salient in the IWC. Activists with a focus on the Northern hemisphere or those with transnational networks were more likely to gain access to the IWC. NGOs operating solely in developing or underdeveloped countries did not have a presence in the IWC. By contrast, the ITTO tended to receive NGOs with an exclusive local focus on developing or underdeveloped countries.

Second, approximately 30% of these NGOs with ties to CITES operated in the U.S.⁵³ Similarly, this tendency is highly pronounced in the IWC. Close to 35% of the NGOs with ties to the IWC were operating in the U.S. This is in contrast to the ITTO, where only 15% of the NGOs are U.S.-based. Further, these U.S.-based advocacy organizations with ties to the ITTO are transnational organizations rather than locally focused on developed countries.

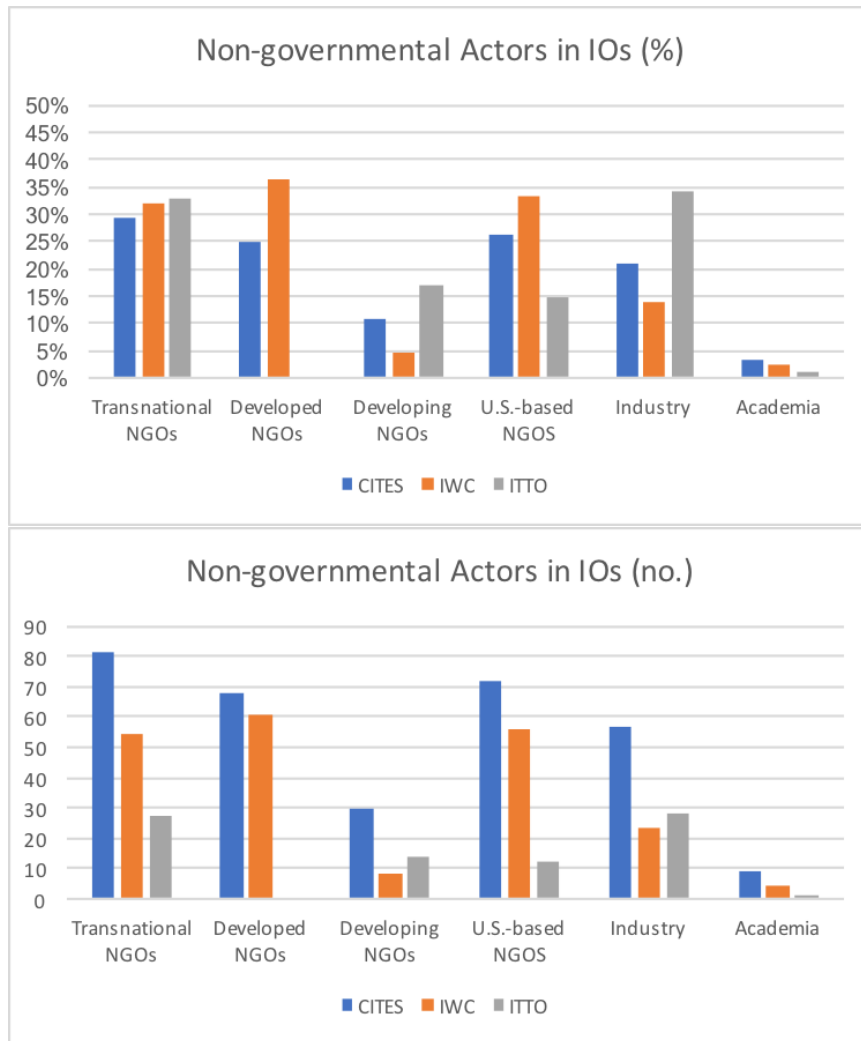
Lastly, the presence of commercial interests was more pronounced in the ITTO than in the other two IOs during this period. For instance, the ITTO gave observer status to numerous trade associations such as the Japan Forest Technology Association and the International Wood Products Association throughout the 2000s. The proportion of economic interest groups in the ITTO amounted to 35%, which constituted an almost equal representation of commercial and environmental interests. The presence of commercial interests is not as visible in the other two IOs, especially the IWC. Less than 15% of the non-governmental actors with ties to the IWC represented economic interest groups. Further, the government delegated to the IWC even when the whaling issue was not a big economic concern during the pending trade negotiations.⁵⁴

These three trends seem to suggest a pattern in support of the theory. The Bush Administration delegated prolifically to CITES, the IO with numerous ties to U.S.-based environmental advocacy organizations. Further, the government delegated to the IWC, another IO with disproportionate representation of U.S.-based advocacy

⁵³I code that an advocacy organization has a political base in the U.S., if the organization has a tax exemption status as a non-profit organization in the U.S. The measure is coded by the author based on the information on *ProPublica* accessed in January 2017.

⁵⁴See Epstein 2010. Epstein argues that the ban of commercial whaling and the persistence of the anti-whaling norm cannot be explained through economic interests. Especially in the case of the U.S., Epstein points out, “there was only one remaining whaling station, in Richmond, California” by the time Nixon banned whaling.

Figure 5: Non-governmental Actors in the CITES, IWC, and ITTO



groups such as the Environmental Investigation Agency, the American Catacean Society, and Humane Society International (HSI). The fact that the IWC does not have any ties to the American whaling industry, which by this point was almost extinct, is consistent with the theory's prediction that IO delegation is not primarily designed to placate commercial interests. Had U.S. advocacy groups not had ties to the IWC, the government might not have been willing to incur high sovereignty costs by delegating environmental clauses to the IWC. Similarly, the lack of delegating motivation for the ITTO is telling evidence that the government's delegation decision is a strategic move to galvanize moral advocates rather than business actors. Furthermore, the government delegated to IOs only when advocacy groups had an influence on U.S. politics. When advocacy groups were not expected to have any influence on the American audience at large as was the case for the ITTO, the government was cautious to not delegate to these IOs. In other words, the government selectively delegated only when moral advocates' support for trade outweighed the sovereignty costs of delegation.

5.2.2 Activists' Blessing for Trade Agreements

Certainly, correlation does not imply causation. If my theory is valid, I expect to find that the Bush Administration gained support for the pending trade agreements due to IO delegation. In this part, I present two pieces of evidence that support two predictions stemming from my theory. First, I show qualitative evidence supporting my conjecture that environmental advocacy groups across the board supported trade agreements when linkages were delegated to IOs via the May 10th agreement. In this part, I validate my claim by showing the temporal variation in activists' support for two trade agreements before and after the May 10th agreement. That said, secondly, I show that the level of support was more salient and durable among the organizations with ties to the seven IOs than those without.

The level of enthusiasm about the May 10th agreement was high and undivided in the environmental community. At the inception of the May 10th agreement, numerous advocacy organizations across the board issued a statement commending the agreement. Even the advocacy organizations known to have taken a cautious approach to trade-environmental linkages, such as the Sierra Club and Friends of the Earth! (FoE), initially took a positive stance on the government's decision to delegate

to the seven MEAs.⁵⁵

The unequivocal endorsement of the May 10 agreement was an exception rather than the norm. For instance, the environmental community had been divided on the merit of the environmental clauses in the Dominican Republic—Central America Free Trade Agreement (CAFTA-DR). Some viewed it as insufficient to ensure enforcement as the reference point for compliance was the parties' national laws. Particularly, the Sierra Club and FoE were unequivocally critical about CAFTA-DR for this reason.⁵⁶ Others, such as the Humane Society International (HSI), were more optimistic. Their differing stances on CAFTA-DR are attributable to their disparate views on the adequacy of the parties' national environmental laws. For instance, FoE claimed that the CAFTA-DR countries' environmental laws were weak to ensure sufficient protection of the environment. The then Director at FoE said, "CAFTA does not mandate any country to adopt or maintain a set of basic environmental laws, a serious omission given the weak environmental standards that are currently in place."⁵⁷ By contrast, the proponents of CAFTA-DR maintained that the parties' national laws included the MEAs such as CITES that the CAFTA-DR parties had ratified. In another congressional hearing on CAFTA-DR, the then President of HSI supported the agreement based on the fact that the CAFTA-DR countries were parties to CITES, and CITES constituted part of the countries' national laws by virtue of their ratification. She said, "Although some criticize DR-CAFTA on the basis it does not go far enough, I question this because there is clear language in Article 17.2 that the parties undertake to effectively enforce their laws. As I understand it, that also includes multilateral environmental agreements, MEAs, ratified by the parties. So CITES has to be effectively enforced as a result of the CAFTA agreement."⁵⁸

⁵⁵"Environmental chapter of the Peru trade agreement marks a significant step forward", *Statement by Center for International Environmental Law, Defenders of Wildlife, Earthjustice, Environmental Investigation Agency, Friends of the Earth, Natural Resources Defense Council, Sierra Club*. June 27, 2007.

⁵⁶Sara Zdeb, "One year and counting: Bush administration still no closer to passing anti-environmental Central American trade deal." *News releases and updates by Friends of the Earth*. Available [here](#).

⁵⁷David Waskow (Friends of the Earth), "Panel Three of a Hearing of the Subcommittee on Commerce, Trade and Consumer Protection of the House Energy and Commerce Committee Subject: Dominican Republic-Central America Free Trade Agreement," April 28, 2005. Available [here](#).

⁵⁸Patricia Forkan (Humane Society International), "U.S. Senator Charles E. Grassley (R-IA) holds hearing on United States-Dominican Republic-Central America Free Trade Agreement," *CQ*

The divisive sentiment on trade agreements was largely subdued at the inception of the government’s commitment to delegate environmental linkages to the seven IOs. As expected, advocacy organizations such as the HSI hailed the decision. For instance, President of the HSI stated on the Peru FTA, “We are very pleased that MEAs are specifically provided for.”⁵⁹ What is more surprising is that the advocacy organizations that had previously been cautious on trade-environmental linkages hailed the government’s approach. For instance, the Sierra Club, Defenders of Wildlife, and FoE issued a welcoming statement on the May 10th agreement as follows:

We commend the Democratic leadership for achieving important environmental progress in the Peru and Panama FTAs, particularly by requiring enforcement of certain environmental treaties and by addressing trade in illegally-logged timber, especially mahogany.⁶⁰

Also, following the release of the final text of the Peru agreement, the same group of organizations issued a welcoming statement, especially commending the decision to delegate certain clauses in the Annex on Forest Sector Governance:

Among others, the Annex on Forest Sector Governance includes innovative provisions to (...) [D]evelop systems to track CITES-protected tree species from harvest through transport, processing and export. These systems, if effectively implemented, could provide a model for legal chain-of-custody timber tracking worldwide.⁶¹

That said, advocacy organizations have increasingly taken different stances on trade agreements since May 10, especially depending on their ties to the delegated IOs. The divergence is clear when two advocacy organizations—the Environmental Investigation Agency (EIA) and Sierra Club—are compared. EIA had numerous ties

Transcriptions. April 13, 2005. Available [here](#).

⁵⁹Patricia Forkan (Humane Society International), “Hearing of the Senate Finance Committee; Subject: U.S.-Peru Trade Promotion Agreement,” September 11, 2007. Available [here](#).

⁶⁰States News Service, “Statement by Defenders of Wildlife, Earthjustice, Friends of Earth, Sierra Club regarding trade and environment deal,” May. 14, 2007. Available [here](#).

⁶¹“Environmental chapter of the Peru trade agreement marks a significant step forward,” *Statement by Center for International Environmental Law, Defenders of Wildlife, Earthjustice, Environmental Investigation Agency, Friends of the Earth, Natural Resources Defense Council, Sierra Club*. June 27, 2007. Available [here](#).

to the seven environmental IOs throughout the 2000s. The organization participated in the annual meetings of not only CITES, the IWC, and the Montreal Protocol regularly, but also some undelegated IOs such as CBD and the ITTO. By contrast, the Sierra Club was more domestically-oriented. On the international front, the Sierra Club only participated in the 1999 meeting held by the Ozone Secretariat for the Montreal Protocol and in the 2000 meeting at the IWC. If my conjecture is valid, I should find that EIA was more optimistic about the strategic value of environmental-trade linkages and take a more positive stance on the trade agreements due to IO delegation than the Sierra Club.

In line with my conjecture, EIA remained generally optimistic about the May 10th agreement five years after the 2007 May 10th agreement. The organization viewed that trade agreements could provide opportunities to “address the biggest global environmental issues in a globalized economy” if done in the right way.⁶² Recognizing that there were environmental NGOs that were going to “have a hard time ever being champions of a FTA for very good reasons,” the then director of EIA justified its pro-linkage position based on the May 10th agreement’s positive impact on U.S. environmental laws as follows:

Of the May 10th Agreement, the piece that was specifically looking at Peru, because there you had a country that was selling 90 percent of its wood to the U.S. and 90 percent of that was absolutely illegal based on the assessments of the government itself. That there was a direct addressing of the principle that we do not want to be undermining our trading partners’ governments and laws by accepting products that were cut down against the laws from whence they came. And it was that principle actually that then has since become a very powerful new force in the trading community and resulted in a U.S. law, a separate U.S. law called the Lacey Act Amendments in 2008. (...) And I think it has the potential now to be a new principle in global trade. (...) So, it’s an example where FTAs and the connection of the global economy can

⁶²Sacha Von Bismarck (Environmental Investigation Agency). “Democratic Members of the House of Representatives Hold a Briefing on the Five-year Anniversary of the “May 10 Agreement” on Trade,” *Financial Market Regulatory Wire*. May 10, 2012. Available [here](#).

be used in the service of better governance, better solving environmental challenges in a global economy.⁶³

EIA used the linkage clauses to mobilize international audiences in the delegated IOs against Peru's non-compliance. In 2012, EIA released its findings based on a two-year investigation on Peru's forestry sector. In this investigation, the organization found that the Peruvian logging operation involved fraudulent documentation and wood laundering. The illegal logging methods were used for both CITES-protected and non-CITES wood.⁶⁴ This means that EIA had two legal avenues, since the illegal logging practice was in violation of both CITES and U.S.-Peru trade agreement. As such, EIA decided to use both. On the one hand, it petitioned the USTR to carry out audits of shipments of bigleaf mahogany and Spanish cedar."⁶⁵ Also, EIA recommended to limit the scope of wood into CITES-protected species, bigleaf mahogany and Spanish cedar, as the organization thought it was impossible to get verifiable information on the transactions regarding non-CITES species.⁶⁶ It can be inferred that EIA found it difficult to convince the government to take meaningful action without fine-grained information collected under CITES. Also, the USTR would find it difficult to dismiss the U.S. commitment to CITES, especially when it had made an explicit commitment to use CITES as a benchmark to assess trade's impact on the environment. As illustrated, EIA did not simply support trade agreements unconditionally. The organization lent support because it expected to use the linkages to enhance environmental outcomes.

By contrast, the Sierra Club's view on trade agreements did not change dramatically since May 10, 2007. Although the organization welcomed the government's efforts to strengthen environmental clauses, its fundamental stance on trade agreements remained as was. For instance, the organization commented on trade-environmental and labor linkages as "less prescriptive and more aspirational" in 2009.⁶⁷ Particu-

⁶³*Ibid.*

⁶⁴Inside U.S. Trade, "NGO alleges illegal logging shipments from Peru; Will urge USTR to act," April 13 2012. Available [here](#).

⁶⁵The Office of the United States Trade Representative. "Review of 2012 EIA Petition Regarding Bigleaf Mahogany and Spanish Cedar Exports," Available [here](#)

⁶⁶Inside U.S. Trade, 2012 (fn64).

⁶⁷E&E News PM, "Trade: Agreements yield uneven environmental gains, need more oversight—GAO," August 11, 2009. Available [here](#).

larly, the organization questioned the government's commitment to enforcement of the linkages.⁶⁸

In June 2007, the Sierra Club formed an alliance called Blue-Green Alliance with the United Steelworkers (USW) under the banner of "Good Jobs, A Clean Environment, and A Safer World."⁶⁹ In this way, the Sierra Club consolidated its coalition with protectionist interest groups right after May 10 agreement. Unlike EIA, the Sierra Club's strategy was to target unfair trade subsidies that had harmful effects on the environment. The effect of this strategy was magnified due to its alliance with the USW. In 2007, for instance, the Blue-Green Alliance intervened in a case on the Indonesian government's subsidies on paper products. The Sierra Club pushed for the idea in an attempt to curb the trade of illegally logged timber and wood products, while the USW's rationale was protection of the related industries. In this vein, the Sierra Club demanded that the government authorize countervailing duties against companies that profit from illegal logging.⁷⁰

Taken together, the two organizations with different levels of ties to environmental IOs tend to develop different stances on trade-environmental linkages. EIA, an organization with numerous ties to the delegated IOs, was more optimistic about the effect of trade-environmental linkages, and used the ties to the IOs in order to publicize Peru's poor compliance behavior. On the contrary, the Sierra Club, the organization without those ties, allied with labor unions and demanded protectionist measures in order to protect the environment.

6 Discussion

This paper asks why governments delegate trade-environment linkages to IOs. I argued that certain IOs can serve as an commitment device to make isuse linkages credible by mitigating activists' fear of non-compliance and stabilizing strange coalitions. When activists have pre-existing ties to IOs, the activists can enhance environmental

⁶⁸ *Ibid.*

⁶⁹ "Sierra Club, United Steelworkers Announce 'Blue-Green Alliance'; Good Jobs, Clean Environment, Safer World Cited as Uniting Principles," June 7, 2006. Available [here](#).

⁷⁰ "News from USW: U.S. Department of Commerce Rules for Fair Trade; USW, Sierra Club Challenge Subsidies from Illegal Logging," *Business Wire*. October 18, 2007. Available [here](#).

outcomes with more intense monitoring and preserve their reputations even when enforcement failure remains a possibility.

In keeping with the theory's predictions, the results indicate that the government tends to delegate environmental linkages to IOs with more ties to activists. Further, organizational features of environmental IOs appear to be associated with their propensity for being used in delegation. By committing to IOs with a large number of monitors and potential veto players and unilaterally delegating environmental linkages to the IOs with connections to activists, chief negotiators can credibly commit to compliance with environmental provisions to the domestic environmental audience.

This paper makes two contributions. First, the theory highlights the inherent instability of coalitions between two actors with different preferences. Existing studies on coalitions do not delve into how politicians stabilize a hybrid coalition composed of actors with partially incompatible objectives.⁷¹ This paper instead explains some novel theoretical understanding regarding how the actors resolve the tension and mitigate the commitment problem using international organizations. Building on existing research on the credibility of issue linkages,⁷² it shows that IOs can serve as a substitute commitment device to reassure less powerful domestic audiences such as environmentalists, and that they can allow politicians to make credible commitments to suspicious audiences.

⁷¹Some exceptions include Solingen 2001 on hybrid coalitions and Kaufmann & Pape 1999.

⁷²Davis 2004.

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Appendix

I conduct additional analyses based on the second data set of environmental reviews issued by the USTR. The USTR conducts one or two environmental reviews in order to assess each trade agreement's impact on the environment. The assessments are largely based on the input by the Trade and Environment Policy Advisory Committee (TEPAC). The TEPAC is an advisory committee that "provides policy advice on issues arising in connection with the development, implementation, and administration of the trade policy of the United States that involve the environment."⁷³ The Charter provides that the Committee is to be composed of representatives from "environmental interest groups, industry, agriculture, academia, consumer groups, services, and non-governmental organizations" among others.⁷⁴ For instance, the members of the TEPAC as of 2018 include the Nature Conservancy, Environmental Investigation Agency (environmental NGOs), Bumble Bee Seafood (seafood industry), International Wood Product Association (forestry industry), and scholars (academia) among others. These actors collectively assess trade's impact on the environment, and make proposals on the legal languages that should or should not be included in final texts of trade agreements. As such, the environmental assessment is a phase during which important domestic actors bargain among themselves before getting into international bargaining. In Putnam's two-level framework, the data on the environmental assessment reflects the domestic bargaining at the societal level (Level 2), whereas the main data set used previously reflects the aggregate outcomes that came out of both international and domestic bargaining (Level 1 & 2).⁷⁵

For this reason, comparing the tests on the review documents and the final agreements can be useful in order to gauge if the domestic preferences during the assessment phase survive and make their ways into the final trade agreements without major modifications. This can be an indirect way to test whether environmental issue linkages are designed to resolve domestic concerns or international problems. If environmental linkages are devised as a policy tool to help the Global South narrow the gap on the environmental front (i.e. green aid), the results based on the main

⁷³Charter of the Trade and Environment Policy Advisory Committee.

⁷⁴*Ibid.*

⁷⁵Putnam 1988.

data set and this current data set would come out different as the main data set is a product of international bargaining. If we find similar results across the two data sets, this indicates that environmental linkages are more or less a function of proposing countries' preferences.⁷⁶

Table 6 reports the likelihood ratio test results from negative binomial models. I find two noteworthy patterns in the results. Primarily, IOs with more ties to U.S. activists are more likely to be considered during the assessment phase. These results are statistically significant throughout the models tested on this data set. According to the results from Model 2, for instance, I find that an IO without any ties to U.S.-based activists is mentioned fewer than once. This number increases to nine if forty U.S. advocacy groups have ties to the IO. The coefficient on *Activist ties* is statistically significant ($p < 0.01$). Substantively, this is an indication that the assessment and recommendations that the USTR gets are largely based on the IOs to which activists have connections. As shown in the main tests, this tendency survived the international negotiations. Thus, we can conclude that delegation decisions regarding the IOs with numerous ties to activists originated from activist groups' demands.

Second, my results indicate that IOs with more ties to business actors are less likely to be considered as benchmark. The results from Model 3 indicate that IOs' ties to commercial interest groups are negatively associated with delegation. The coefficients on *Industry ties* throughout the entire models are statistically significant ($p < 0.01$). Substantively, an IO without any ties to commercial interest groups is expected to be mentioned 1.3 times in the assessments. By contrast, if an IO has ties to a hundred commercial interest groups, this number drops to zero. Taken together, the robust significance and magnitude of *Activist ties* in both main and supplementary tests demonstrate that advocacy groups' demands are more important concerns when it comes to the designing of environmental linkages.

⁷⁶Admittedly, proposing countries might have to make concessions in different issue areas for gaining the upper hand on the environment.

Table 3: Summary statistics of the supplementary data set

Statistic	N	Mean	St. Dev.	Min	Max
IO delegation (DV)	224	1.92	5.72	0	40
U.S.-based activists' ties to IOs (H1)	224	9.15	10.88	0	41
Industry ties to IOs (Alternative H1)	224	10.35	15.25	0	107
US ratification of IOs (Alternative H2)	224	0.78	0.41	0	1
Partner ratification of IOs (Alternative H2)	224	0.74	0.42	0.00	1.00

Table 4: Likelihood Ratio Test of Negative Binomial Models on Delegation Considerations in USTR Environmental Reviews

	(1)	(2)	(3)
US ratification	2.10*** (0.72)	1.41 (0.89)	1.14 (0.76)
Partner ratification	2.21*** (0.61)	0.92* (0.50)	0.80** (0.39)
Activist-IO ties		0.08*** (0.02)	0.12*** (0.02)
Industry ties			-0.06*** (0.01)
Constant	-5.56*** (0.53)	-5.00*** (0.91)	-4.50*** (0.83)

Notes: Standard errors are clustered at the year level. ***p < .01; **p < .05; *p < .1