

Life, Death, or Zombies?
The Vitality of Regional Economic Organizations

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DRAFT: PLEASE DO NOT CIRCULATE.

August 20, 2013

Abstract

Since the 1960s, regional economic organizations (REOs) have proliferated, not least in the developing world. Yet many of these agreements are among countries with few factor complementarities and little to trade, and recent research shows that many of them do not live up to their own goals. I propose that most organizations end up in one of three situations. They might die off altogether, though this is infrequent, since politicians are usually reluctant to exit from or disband agreements. A large group of them become “zombies,” where they exist in name alone, particularly if they are unable to attract and retain talented staff. A third category includes organizations that are alive and functioning. I demonstrate this proposition using a new measure of the vitality of regional economic organizations. Around 30% the organizations in the sample are alive and functioning; around 20% are essentially dead, and nearly 50% are zombies. The ability of the secretariats to attract and retain talented staff (as proxied by hardship compensation associated with the secretariat’s location) as well as to autonomously enact policy are associated with whether organizations truly stay active, or whether they simply endure or die off. Economic predictors, such as levels of wealth, trade, or trade potential in a set of economies, also play a role.

1 Introduction

Regional organizations — particularly regional economic organizations (REOs)¹ — have proliferated in the past few decades (Mansfield and Milner, 1997; Solingen, 1998; Farrell, 2005; Baccini and Dur, 2009; Goertz and Powers, 2012; Feng and Genna, 2005). But for all their longevity and proliferation, the many regional economic agreements in the world today vary widely in terms of their performance (Hettne, 2005; Gray and Slapin, 2012; Haftel, 2012). Scholars of comparative regionalism have noted particular problems with economic organizations within the developing world (Soderbaum and Sbragia, 2010). Many of these arrangements are among countries that have similar factor endowments and thus little chance of promoting intraregional trade in a sustained manner. Even among those agreements that do manage to promote commerce in the short-term, the gains from trade can be difficult to sustain over time, as bigger countries within those agreements tend to focus their attentions to the broader world market after realizing whatever potential lies within their immediate neighborhood.

This leads to a situation where many regional economic arrangements lie all but dormant. This phenomenon is particularly common among agreements in the developing world. “South-South” arrangements are in fact among the oldest regional organizations in the world today; the Association of Southeast Asian Nations dates from 1967, and the Caribbean Community (Caricom), established in 1973, took over from the Caribbean Free Trade Association (CARIFTA), which was formed in 1965. Many of these agreements came into being after the end of colonialism, as newly independent states attempted to form new identities and close ties with their neighborhood. But many of these organizations have been persisting despite relatively little tangible progress made toward economic integration: with little to trade, constant political turmoil, and poor infrastructure, there are often few gains from trade to be realized (Bourenane, 2002; Gray, 2014). But it can

¹I use the term “regional economic organizations” in place of the commonly used regional trade agreements or preferential trade agreements (PTAs) because the theory refers specifically to organizations that have a secretariat and staff. Many of the world’s 400-odd PTAs are simply paper agreements, which also may become obsolete, but through different mechanisms than those advanced in this piece.

be politically costly to disband agreements; countries are often reluctant to sink organizations altogether, as doing so could effectively be an admission of failure. As one former secretary-general put it, “Governments find it very difficult to take a silver bullet and kill off organizations that they themselves created.”² More frequently, the organizations simply persist in stripped-down form, holding fewer, increasingly lower-profile meetings and facing rising staff vacancies. Yet researchers in the social sciences rarely acknowledge the possibility that some of the agreements that should be promoting cooperation may be all but defunct.

This paper argues that we should think specifically of regional economic organizations in three categories: those that are alive and functioning; those that are effectively dead, through exit or abandonment; and those that remain “zombies,” where their offices stay open and some minimal activity persists, but few meaningful advances in cooperation are made. I focus on REOs because a benchmark for effective activity is somewhat easier to establish than in other IOs where the targets are more ill defined. Once we categorize REOs as existing in those three states of vitality, we can see that nearly half of them turn out to be zombies.

It is clear that moribund or obsolete organizations should not be included — or at least should be included separately — in studies of the effects of international organization on cooperation. Yet from a distance, it can be difficult to tell which organizations are active and which are dormant. We often rely on self-reporting from the organizations themselves to form our impression of their activities. States infrequently observe exit from organizations as a referendum on their performance.³ Yet the secretariats of most organizations consistently claim that cooperation is occurring and that their goals are within reach, and most founding treaties give only indications of bright futures ahead. Thus, a strict reading of the founding documents or the promotional materials from secretariats can give the impression that every organization on the books is doing great

²Author interview, Riyad Insanally, OAS, 9 March 2012.

³There are exceptions, usually following violent conflict: in the area of REOs, Honduras left the Central American Common Market after its war with El Salvador, and Georgia left the Commonwealth for Independent States in the wake of war with Russia.

things.

But assuming that every organization proceeds apace from the time that it is established, and including those organizations into our estimations of the effects of IOs over time, can actually lead researchers to underestimate the potential impact of IOs on cooperation. If our models of IO membership include organizations that exist in name alone, that would attenuate the effects of organizations that were actually active. Thus, we may be undermining the cooperative powers of IOs if we are lumping in legitimate organizations with ones that are essentially walking dead.

Furthermore, if we recognize that many organizations are operating at a low level of capacity, we would need to investigate the factors that might increase an organization's chances of being more or less effective. Most agreements are signed with good intentions, and it is only over time that their ability to solve cooperative problems becomes revealed, through a combination of exogenous and endogenous factors. To understand what gives an organization better odds of being effective, we must first acknowledge the real operative state of the many international organizations that exist in the world today. Doing so will also lay the foundation for understanding the motivations of member states to remain party to organizations that have outlived their initial use. I show that, in the context where no feasible gains from trade can be realized, the geographic pull of the location of the headquarters and the autonomy of the secretariat can explain whether a given REO stays alive or effectively dead.

This is an important line of inquiry for the study of international cooperation, which has recently turned to studies of IO performance and the role of bureaucracies in the day-to-day functioning of those organizations (Gutner and Thompson, 2010). Simply looking at features of an institutional design or of the scope of the organization may be insufficient to predict its effects on cooperative outcomes. Plenty of organizations may seem impressive on paper, but if their bureaucracies are not empowered to make decisions or if they cannot attract good staff, they may persist as zombies or simply die off.

The rest of the paper proceeds as follows. I first draw from literature in international

cooperation, theories of regional trade, and studies in comparative regionalism to show the disagreement among existing research on regional organizations. The next section discusses data on the effectiveness of the world’s REOs. Using coding metrics from three different studies, I show that looking at the degree of vitality of those organizations relative to the number of meetings they hold gives a sense of which organizations are alive, dead, or zombies. I use the US State Department’s rates of hardship pay associated with the cities in which the secretariats are located, as well as flights into and out of the city, as a proxy for the organization’s ability to attract high-quality staff; this is a good predictor of whether the organizations remain functioning in some limited form or dead altogether. I then illustrate the theory with a focus on trade agreements in the Caribbean — a region where standard gravity models predict very little trade. Despite the relatively similar factor endowments and low potential gains from trade, that region has seen examples of arrangements at all three points in the lifespan of REOs: the failed West Indian Federation; the low-functioning Association of Caribbean States (ACS) and the slightly more effective Caribbean Community (Caricom); and the relatively well-functioning Organization of Eastern Caribbean States (OECS). Firsthand interviews with policymakers and government officials — including former Secretary Generals of both the ACS and Caricom — illustrate some of these patterns. The final section concludes.

2 Organizations and their Discontents

Regional agreements have been on the rise, and lauded for their positive effects (Balassa, 1961; Mattli, 1999; Mansfield and Milner, 1997; Whalley, 2008; Gowa and Hicks, 2012) on cooperative outcomes as well as other externalities, such as democracy (Pevehouse, 2002), foreign direct investment (Büthe and Milner, 2008), human rights (Hafner-Burton, 2005) and transparent elections (Donno, 2010). But others are more skeptical. The number of overlapping agreements that constitute a “spaghetti bowl” (Bhagwati, Greenaway and Panagariya, 1998), the degree to which rules contradict one another, and the lack of

enforcement or institutional strength of these agreements has prompted many to question the efficacy of these agreements. Things often look worse once the individual records of agreements in the developing world are held up to scrutiny, and much of the literature on comparative regionalism calls attention to the shortcomings of regional institutions. Africa hosts “a veritable organizational junkyard” of ineffective and contradicting agreements (Herbst, 2007); East Asian regionalism has been described as “thin gruel” (Friedberg, 1993); and Latin American integration has been stymied by “entrenched rejection of supranationalism” (Sanahuja, 2012).⁴

This comes in the context of an ongoing strain of research within the IO literature about compliance with international agreements, the effectiveness of agreements, and the bureaucratic elements associated — possibly for ill — with international organizations.⁵ Much of this work raises concerns about the ability of agreements to fulfill their mandates when member states fail to follow rules.⁶ The literature on compliance overlaps with recent studies of IO performance more generally (Gutner and Thompson, 2010), where it is acknowledged that substantial variation in the degree to which IOs meet the goals they set out for themselves.

On a more systematic basis, some researchers have tried to produce data that systematically compares the actual implementation and the effectiveness of agreements. These efforts are particularly prevalent in the study of regional economic integration (Gray and Slapin, 2012; Haftel, 2012; Baccini and Dur, 2009). Part of the reason for this may stem

⁴For a more sanguine view on agreements in Latin America, see Alter and Guerzovich (2009); in Asia, see Hicks and Kim (2012).

⁵Positive views on compliance assume that many of the obstacles to cooperation are sorted out in the bargaining and design stage (Koremenos, Lipson and Snidal, 2001; Abbott et al., 2000; Raulstala and Slaughter, 2002; Keohane, Moravcsik and Slaughter, 2000) or in the dispute settlement stage (McCall Smith, 2000; Rosendorff and Milner, 2005; Johns and Rosendorff, 2009; Davis, 2012). The management school of compliance argues that the desire of states to maintain good standing in organizations ensures compliance even in the absence of enforcement mechanisms (Chayes and Chayes, 1993, 1998; Chayes, Chayes and Mitchell, 2000). Others note that compliance is not binary; states may comply with some parts of an agreement but not others, or meet some requirements only partially (Underdal, 1998). Still others are more skeptical, noting that states are happy to sign agreements but not comply with them (Tallberg, 2002), or that states only sign agreements that reflect behavior in which they would have otherwise engaged (Downs, Rocke and Barsoom, 1996; VonStein, 2005).

⁶On noncompliance in the EU, see Boerzel (2001, 2005); Jensen (2007), but for an opposing view, see Levitz and Pop-Eleches (2010). On noncompliance in Asia, see Ravenhill (2008); on Africa, see Bourenane (2002).

from the fact that economic organizations offer some benchmark for evaluation. Unlike many international organizations that may have more nebulous or broad targets for co-operation, regional economic organizations have targets and timelines for liberalization of specific products and the reduction of tariffs. Thus, it is easier to evaluate whether or not these organizations have achieved their goals. This exercise reveals a significant implementation gap in many agreements. Haftel’s 2012 coding of regional economic organization’s actual and formal levels of integration shows that, while about 70 percent of all organizations are either intermediately or highly legalized, only the EU can be described as scoring high in terms of implementation of their goals. Seventy percent of those organization fall into the low coding category for implementation. Researchers on individual agreements often note the failure of the language of agreements to translate into anything substantive on the ground (Baldwin, 2008; Soderbaum and Sbragia, 2010; Gray, 2014).

Taken together, many different strands of literature in international cooperation and economic integration question the performance and the consistency of international organizations.⁷ Yet these concerns have not been systematically applied to the study of international organizations on the whole. The large-N literature simply records the existence of an organization once it is formed and acknowledges if new members joins. But it rarely discounts organizations for ceasing to be active or for even falling off the books altogether. For example, Pevehouse (2002) includes in an analysis of the effect of regional organizations on democracy the Organization of Central American States (ODECA), an organization that folded after 1973 during the war between El Salvador and Honduras. The organization was then resuscitated as the Central American Integration System (SICA), but not until 1993, and yet this organization appears in the dataset as a single organization in continuous existence from 1951 to 1992 (the upper limit of time in the dataset). Many other papers do not include a list of the agreements that they count in their estimates, but it is certainly the case that very different agreements — from the

⁷See Carranza (2003); Barnett and Solingen (2007); Axline (1994).

European Union to the Mano River Union — receive the same binary treatment, implying that they have the same levels of activity and performance.⁸

Despite widespread anecdotal and single-region studies that demonstrate that organizations might not be effective, there is little systematic acknowledgement that many international organizations may simply be lingering on without much meaningful activity. Similarly, there has been little theorizing about why these organizations survive in the first place. Bernholz (2009) lists 12 reasons why organizations might organizations that have outlived or failed to fulfill their original mandates might persist. Most of these have to do with the incentives of individual staff workers to retain their job or the political difficulty of dissolving an organization that countries have previously constructed. Disbanding an organization altogether is an admission of failure and would take the agreement of all parties involved. More frequently, key countries might divert their attention elsewhere, while poorer countries in the agreement may struggle to uphold their contributions to annual budgets. Intergovernmental meetings may become less frequent, and attended by less important representatives from member states. Over the years, the organization would persist in only a skeletal form. These agreements may persist for reasons of regional identity (Anderson, 1991; Duina, 2008), prestige and recognition (Chayes and Chayes 1995, Hutchinson 2002), or simply out of bureaucratic inertia. This is in line with an argument made by (Olson, 1984), who posits that sclerotic bureaucracies that persist over time can cause economic trouble in a country.

Of course, depending on the type of cooperation problem, many organizations can thrive and be effective with no bureaucratic structure whatsoever (Koremenos, 2001; Abbott and Snidal, 1998; Stein, 1982). A simple agreement or a minimal level of organizational machinery may be sufficient to ensure cooperation on a particular issue, if the cooperation problem is simply one of coordination. But there are more complicated cooperative problems, and loftier ambitions, that lead states to form agreements with

⁸See, for example, Hafner-Burton (2005) whose empirical models include binary measures of around 200 PTAs that are not listed, or Mansfield and Reinhardt (2008), who use binary codings of the WTO's listing of around 400 PTAs for their models.

secretariats, permanent staff, and regular budgets. Because these cooperative problems are more difficult to solve by mutual agreement alone, it is perhaps understandable that the organizations would fail to meet their goals. Thus, acknowledging that some organizations exist only as zombies is less a criticism of those organizations and their capabilities, and more of a recognition of the difficulty of the cooperative problems that they were designed to address.

2.1 A Typology of Regional Economic Organizations

In light of the widely acknowledged variation in performance and even operational levels of international institutions, I propose that researchers think about these organizations in more nuanced categories. By acknowledging the difference among the functionality of international organizations, we can have a greater understanding as well as more realistic expectations of their effects. These categories refer primarily to organizations that at one point in their existence had an actual secretariat with a permanent administrative office, an annual budget, and permanent employees; different criteria would be necessary to evaluate the life cycles of international cooperation efforts that simply exist as treaties or agreements. Those may also fail to be effective, but their persistence would take a different form than the ones described below. Since treaties have no operational costs — buildings do not need to be maintained and staff do not need to be paid — their option value is different than agreements that require membership dues. For the purposes of this paper, I focus on regional economic organizations, largely because they tend to have measurable targets for economic liberalization and trade promotion, and thus the degree to which their goals are implemented is more easily identified.

The first category includes organizations that we can consider to be “alive.” These organizations hire staff, hold meetings, and maintain a workable operating budget. There is, of course, wide variation in the effectiveness of international organizations within this category. But classifying organizations as living ones has less to do with their performance and more to do with their actual operating capacity. It is important to note that the

majority of the literature on international organizations assumes that most international organizations fall into this category, including studies of cooperation purportedly address IO questions more broadly but actually focus on functional organizations such as NAFTA (Chase, 2003), the WTO (Rosendorff and Milner, 2005), or the EU (Gray, 2009).

The second category of operation is the “zombie” category. Zombie organizations manage to maintain some level of semi-regular operation; they still hire and retain staff and hold occasional meetings. But the gains from trade are few, and they consistently fail to advance their goals. They may accomplish some of their goals — as Chayes and Chayes (1998) note, compliance can be a matter of degree, and can vary across issue area — but they largely fall short of their stated ambitions. Despite this, the organizations persist in some form or another rather than disband altogether.⁹ Often they will rename or rebrand themselves in an attempt to rejuvenate — the various Central American integration schemes took on three separate names¹⁰ despite minimal changes in membership or mandate, and efforts in Central Asia saw five similar transformations over a 20-year period.¹¹ But the goals remain for the most part unimplemented.¹²

The final category is simply dead organizations. Organizations that at one point had formal secretariats and bureaucracies but never meet and have no visible level of activity

⁹“Zombie” organizations may also simply lie dormant until they are needed, but this is more common for security organizations than for economic ones. For example, the Regional Security System in the Caribbean was founded in 1982, prior to the invasion of Grenada in 1983. (Initially Barbados took on nearly half the cost of the operation as well as the coordination. Quoted in Lewis (2002), pp 64-66.) The organization has been relatively inactive since then, except for sending troops in the occasional military exercise.

¹⁰*La Organizacin de Estados Centroamericanos* (ODECA), from 1951 to to 1973; the Central American Common Market (CACM) from 1960, and *La Sistema de la Integracin Centroamericana* (SICA) from 1993 to the present

¹¹The Central Asian Cooperation Organization (CACO) from 1991 to 1994, the Central Asian Economic Union (CAEU) from 1994 to 1998, Central Asian Economic Cooperation from 1998 to 2002, Eurasian Economic Community (EAEC) from 2001 to the present, and Eurasec from 2008 to the present.

¹²Occasionally, REOs grow out of existing ones as a sign of their success or expansion. For example, the Common Market for Eastern and Southern Africa (COMESA) grew out of the PTA for Eastern and Southern Africa. Similarly, the West African Economic and Monetary Union formed from the West African Economic Community (CEAO) which itself grew out of the Customs and Economic Union of Central Africa (UDEAC); the GATT evolved into the WTO, with new members and a higher degree of institutionalization, and the EEC gave way to the European Union. More generally, organizations may change their missions as previous ones become obsolete; the Bank for International Settlements is a classic example, as is the evolution of the IMF and its mission over time. But “zombie” organizations will persist in similar forms — albeit with slightly different names — despite stagnation.

can be considered effectively dead. It is rare for organizations to disband formally, but organizations in the “dead” category often only exist in name alone. This often occurs because they cannot meet their stated ambitions and subsequently become starved of funding. Member states stop paying their dues and send fewer delegates of lesser import to meetings. This can result in a complete inability of organizations to hire staff or hold meetings that attract member-state delegates of authority. But organizations that die off altogether are somewhat rare — just as member-state exit from international organizations is infrequent. Nonetheless, some percentage of organizations in the world do disappear altogether, as can sub-organizations within organizations. For example, the Caribbean Association of Industry and Commerce (CAIC), a sub-unit of Caricom, is currently “just functioning through laptops and Blackberries. No one answers the phone at the [CAIC] secretariat, and occasionally the line is disconnected altogether.”¹³

2.2 Hypotheses for Organizational Vitality

What factors are associated with organizations ending up in one place or another on this spectrum? Identifying a precise chain of causation in this situation is difficult. Many organizations start out with good intentions — the Mano River Union, which has barely been functional since the 1990s, was originally borne from a “deep friendship” between Liberian President William Tolbert of Liberia and Sierra Leone’s President Siaka Stevens.¹⁴ But even if organizations start out with a foundation of optimism, this may erode over time. Once an organization begins to perform poorly for whatever reason, the factors that led to its stagnation may compound, as member states focus their attentions elsewhere and the secretariats cease to be attractive focal points for cooperation.

That is, an organization’s functioning arises from factors that are endogenous as well as exogenous to the entity itself. In terms of the latter, we can imagine that a region that has low trade potential in the first place, due to similar factor endowments, may

¹³ Author interview, Riyad Insanally, OAS, 9 March 2012.

¹⁴ “Conflict and Collaboration: Sierra Leone and Her West African Neighbours, 1961-1980.” *Africa Spectrum* 15.2, 1980.

never manage to deliver gains from trade to its members.¹⁵ Thus, we might anticipate that where standard economic models predict minimal *potential for trade*, agreements will either tend to die off or become zombies.

Another exogenous factor to consider is *conflict* among members, which lead to the freezing or death of many organizations. Take, for example, the Arab Maghreb Union (AMU), an agreement among Algeria, Libya, Mauritania, Morocco and Tunisia. Established in 1989, its activities had long been frozen as a result of longstanding political and economical disagreements between Morocco and Algeria over Western Sahara. For decades it had not met at Heads of State level since 1994.¹⁶ Similarly, the Central American Common Market (CACM), which seemed to be successful in encouraging interregional trade. Honduras pulled out from the CACM in the late 1960s as a result of the 1969 so-called Football War between Honduras and El Salvador.¹⁷

But organizational vitality is also a function of the inner workings of a secretariat. At some point, the ability of an organization to address the cooperation problems for which it was created will impact the staff it draws and the level of meetings that it is able to encourage. Thus, sorting out cause and effect in the functioning and life cycle of organizations is complicated. Nonetheless, for any organization to stay alive, they must be able to attract and retain talented staff. There is a substantial literature in American politics about the relationship between bureaucracy and the effectiveness of policymaking. For example Lewis, Krause and Douglas (2006) examine the relationship between political appointments and policy effectiveness. Ting's bureaucratic redundancy theory (2008), building off Landau (1969), argues that principals choose multiple agents

¹⁵This raises the question of why these organizations are formed in the first place. Frequently, geopolitical circumstances play a part — such as the collapse of the Soviet Union and the subsequent scrambling to preserve economic ties among former republics, or the enthusiasm in developing countries for regional autonomy in the post-colonial era and the subsequent search for identity and legitimacy (Joliffe and Jupille, 2011)

¹⁶That organization had its first meeting in 20 years subsequent to the Arab Spring and is currently announcing further integration plans. “Arab Maghreb Union States Establish Investment Bank,” *Tripoli Post*, Jan 12, 2013

¹⁷That said, the causal process that would potentially link these conflicts and REO functioning bears consideration. It is unlikely that wars would break out among countries that already had a profitable economic arrangement among them; thus, wars may be a consequence rather than a cause of preexisting dysfunctional relationships between members of a given agreement.

in a bid to increase the effectiveness of an organization. These theories acknowledge the crucial role that the quality of bureaucrats, who are often tasked with implementing or even initiating and designing policies. The field of international relations has only recently begun incorporating the importance of bureaucrats into the study of IOs (Johnson, 2013; Haftel and Thompson, 2013).

We can imagine that the bureaucracies of REOs would be influential in two key ways. First, qualified staff would need to be drawn to work at the organization. In the developing world, brain drain erodes the potential workforce, as talented workers tend to leave their home regions in search of a better standard of living and quality of life, as well as more competitive salaries, access to superior technology and more stable political conditions. If an organization cannot offer reasonably good working conditions, its prospects for success may be limited. As will be discussed below in the example of the Association of Caribbean States, even institutional reforms could not attract the staff needed to

Second, organizations should have the ability to initiate policy on their own. Many recent studies have noted that organizations can become stymied when signatory countries then delay or fail altogether to ratify that organization's treaty in their domestic parliaments (Chapman and Chaudoin, 2013; Kelly and Pevehouse, 2013). Even if ratification occurs, if bureaucrats do not have the independent authority to enact the policies with which they were entrusted, we would anticipate very little chance that the organizations would then be able to fulfill their mandates. Organizations will at times reform to grant more autonomy to their

These propositions can be framed as testable hypotheses:

- H_1 Organizations are more likely to be healthy if there is high trade potential among members.
- H_2 Violent conflict among members is negatively associated with the health of an organization.
- H_3 The ability of an organization to attract and retain talented staff is positively

associated with the health of an organization.

- H_4 Organizations are more likely to be healthy if their secretariats have the autonomy to enact policy.

The following section operationalizes and tests these propositions.

3 Data Analysis

As a foundation for an initial test of the above hypotheses, I assemble a dataset to operationalize these concepts. Many of these operationalizations are broad first cuts at establishing the relationships I describe above. Regardless, these tests serve as a good baseline to establish both the actual condition of the organizations as well as exogenous indicators that might be associated with those conditions.

The first step is to categorize these organizations in terms of their stage of life. I do this in several ways. For the first set of analysis, to establish the dependent variable — whether an organization is alive, dead, or a zombie — I use Haftel’s (2012) coding data on regional economic organizations throughout the world. Haftel’s data codes 28 regional organizations in the developed and developing world alike¹⁸ across five-year periods starting from 1982 to 2007 across several issue areas, including aspects of the economic agreement itself (such as non-tariff barrier coverage, the presence of a common external tariff, and whether monetary policy is coordinated), dispute settlement (whether there is a standing tribunal where a third-party ruling is binding), the functioning of the secretariat, the scope of the agreement, and the actual record of implementation. This results in a total of 148 observations, since not all organizations receive codings for every five-year period.

I construct the dependent variable (*Organizational Lifespan*) through a combination of two variables. If an organization’s score for the meetings in practice (that is, whether the decision-making body meets on a regular basis) is below or equal to one standard

¹⁸The agreements are AMU, ASEAN, Andean Community, BANGKOK, CACM, CARICOM, CEFTA, CEPGL, COMESA, EAC, EAEC, ECCAS, ECO, ECOWAS, EFTA, EU, GCC, IOC, LAIA, MRU, Mercosur, NAFTA, OECS, SAARC, SACU, SADC, UDEAC, and WAEMU

deviation below the average (.22)¹⁹, *and* if their implemented scope and implemented institutionalization are also one standard deviation below average,²⁰ that organization is coded as dead. There may, of course, be organizations that are truly dead, to the extent that they did not even make it into the dataset, so this coding potentially underestimates the number of dead REOs in the world. Within this dataset, however, 18 percent of organizations emerge as dead, including the Arab-Maghreb Union, the Mano River Union, the Indian Ocean Commission, the South Asian Association For Regional Cooperation, and the Latin American Integration Association.

Organizations are coded as zombies — where their meetings persist despite a baseline of low implementation in scope and in institutionalization — if their score on meetings in practice are between one standard deviation below average and the average itself, but the level of implementation in scope and institutionalization is below average. This would indicate organizations that still straggled along in meetings and activities but with little effectiveness or implementation of their mandates. A full 49 percent of organizations in the time frame fall into this category, including the Common Market for Eastern and Southern Africa, the East African Community, Mercosur in 2002 and 2007, and the Economic Community of the Great Lakes Countries.

“Alive” organizations have implemented institutionalization and scope that is above or equal to average, regardless of the number of meetings held. This acknowledges that organizations can be effective without necessarily having a high number of meetings; thus, it is a relatively conservative coding strategy. This category comprises 33 percent of organizations in the dataset, including NAFTA, the EU, the South African Customs Union, Mercosur in the 1990s, and the Andean Community.

Figure One shows the distribution of observations in each category across time. Note that in 1992, the number of dead organizations went from four (the Bangkok Agreement, the Mano River Union, the Arab Maghreb Union and the Economic Community of the

¹⁹In Haftel’s coding, this variable ranges from 0 to 1, with a mean value of .67, SD .45

²⁰Implemented institutionalization ranges from 0 to 28, mean 8.07, SD 5.84; implemented scope ranges from 0 to 23, mean 5.63, SD 5.00.

Great Lakes) to three. As a function of increased meetings but persistently low implementation in the Mano River Union for that year, its coding changed from “dead” to “zombie.”

FIGURE ONE ABOUT HERE

Because organizations are coded with different levels of implementation, and have different numbers of meetings, the same organization can move from being a zombie to being dead, or from being alive to being a zombie. Mercosur, a trade agreement among Brazil, Argentina, Paraguay and Uruguay, is a good example of this phenomenon. Some credit the organization with increased trade in the 1990s (Vaillant and Lalanne, 2007), but the products that were liberalized were relatively low-hanging fruit in sectors that were not politically sensitive. Once the member states confronted more difficult issues, and after the financial crises in Brazil in 1999 and Argentina in 2001, the pace of liberalization stalled. The number of formal meetings also decreased, as heads of state began to spend less time with Mercosur affairs and more time either on their domestic situations or on opportunities abroad. This pattern in the data is confirmed by interviews; one representative from the Uruguayan ministry of foreign affairs asserted that “when there is anything to discuss with Mercosur, Cristina [Fernandez Kirchner] and Lula [da Silva] meet for coffee. They don’t bother with the formal procedures.”²¹ Thus, we see Mercosur moving from being categorized as “alive” in the 1990s to “zombie” in 2002 and 2007.

To operationalize the degree with which the secretariat can attract and retain talented staff, I use the percent of hardship pay associated with the city in which the secretariat is located (*Hardship Pay*). This is taken from the US State Department’s listing of hardship pay for specific cities over time. This measure shows the desirability of the secretariat’s location and serves as a proxy for the organization’s quality of staff, which in the long

²¹ Author interview, Cecilia Duran, Uruguayan Ministry of Foreign Affairs, 17 July 2009.

term would be associated with the organization's lifespan. A higher premium required to compensate for difficult or undesirable living conditions would be negatively associated with an organization's vitality.

For example, the South African Development Community (SADC) is headquartered in Gaborone, Botswana, which has no hardship premium associated with it and is in a relatively stable and prosperous African country. By contrast, the Common Market for Eastern and Southern Africa's (COMESA) secretariat in Lusaka, Zambia, where hardship pay ranged from 10% on top of existing salaries in 1997, to 15 % in 2002, to 20 % in 2007. Although Botswana is not in COMESA, both those organizations have largely the same member-state composition and would potentially be drawing from the same talent pool to staff their organizations. We can imagine that a qualified bureaucrat would, all else equal, prefer to work in a city and country that is more desirable. Hardship pay ranges from 0% for cities such as Brussels, where the EU is located; to 25% for cities such as Jakarta, the location of the ASEAN secretariat; to 50% for Freetown, Sierra Leone, where the Mano River Union is headquartered. The organizations themselves, of course, are not actually awarding their staff that hardship pay. Rather, State Department hardship compensation simply proxies for the desirability of the location in question.

I also use Genna's (2002) coding for the authority of an REO's bureaucracy to initiate policy (*Bureaucracy*). This captures the independence of the organizations as well as its ability to enact actual policy changes. The variable is coded as 0 if there are no supranational institutions (such as in ANZCERTA); 1 if the organization establishes nominal institutions (as does ASEAN, CACM, and COMESA); 2 if those institutions have an information-gathering and advisory role (SICA, APEC, ECOWAS); 3 if the organization has the ability to amend proposals (as does the Andean Community after 1993); and 4 if the organization has the ability to veto proposals (as in the EU). The category of 5 is reserved for cases where supranational institutions operate as primary decision node. Organizations can vary in their institutional scores over time; for example, the Andean Community underwent institutional reform in 1993, bringing its score from

a 2 to a 3. We would expect high values of this variable to be associated with living organizations; dead ones and zombies would rank at lower scores.

I also include expected values of trade (*Trade Potential*) from a standard gravity model, for each organization in the relevant coding year. I obtain this value by running a gravity model that includes any REO member and its trading partners, then taking residuals from this model, then subtracting the actual observed trade among REO members from their predicted values of trade with the rest of the world.²² The model includes both the residual (*Trade Potential*) This serves as an indication for the potential trade in a given region. For example, the EU has predicted trade of 13.04, averaged across the relevant years; Mercosur's are on average 8.05; and predicted values for the countries in the Mano River Union, an economic organization comprising Liberia, Guinea, and Sierra Leone, average at -2.16. If an organization's health is simply a result of material gains to be had, we would expect that higher predicted trade as a function of the gravity model would be associated with a better performing organization, since there are actually gains from trade that could be realized if cooperation is successful. I also include actual trade among nations (*Trade*), to control for the economic gains that are associated with members of a given REO. This variable is logged to normalize the distribution. I also include the natural log of the total GDP of member states in the agreement for each year (*GDP*) to capture overall market size and the capacity of member states. Finally, to operationalize conflicts among members, I use the Militarized Interstate Dispute (MID) data set from the Correlates of War project, using a count of the number of disputes in a given period (*Conflict*).

Table 1 shows the results of an ordered probit estimation of the effects of wealth, expected trade, and bureaucracy, where the dependent variable is an ordinal variable with a high coding (3) for alive organizations, middle (2) for zombies, and low (1) for

²²The model is the natural log of the GDP of the importing and exporting country; the natural log of the distance between capital cities; shared colonial heritage; whether the countries share a common language; and whether the countries share a contiguous border. Data come from the CEPII Gravity Dataset. I collapse dyadic data by sum for individual country pairs within an organization to come up with an overall score for the entire organization in a given year.

dead ones. Thus, positive coefficients indicate variables that predict organizational health.

TABLE 1 ABOUT HERE

Although it is substantive interpretation of these coefficients is difficult, we can see that the economic indicators — for an organization’s aggregate level of wealth, for the value of trade among them, and for the trade potential indicated by gravity models — do not have statistically significant effects. By contrast, the extra premium in hardship pay that a secretariat’s location commands — and thus, the difficulty of attracting good staff — has a negative and statistically significant relationship to the organization’s health. The independence of the bureaucracy is positively associated with organizational lifespan; this relationship is also statistically significant at the .01 level. Conflicts among organization also do not have a statistically significant relationship with organization health. This supports the view that wars are simply symptomatic of failed relationships among members of a given agreement and do not appear to be causal in the overall breakdown of an agreement.

Table 2 shows the effects of the same variables on each of the dependent variables separately. First, it is important to note the model fit for each of these different dependent variables; the pseudo- R^2 for predicting dead organizations is far greater than for the other two outcomes (.58 compared with .12 and .13). Trade potential and the lack of desirability of the secretariat location is positively and statistically significantly associated with dead organizations; as hardship pay increases, so does the association with dead agreements. Somewhat unexpectedly, this also holds true for trade potential; as the capacity for trade increases among an agreements’ members, so does the probability of death. This could indicate that agreements that actually have trade potential may suffer from overly ambitious plans that are subsequently not realized. Actual trade is positively associated with living organizations and negatively associated with zombie ones, though it has no relationship to dead agreements. The independence of the bureaucracy is positively associated with both living and zombie organizations. We can see how independence could

cut two ways: it might enable autonomous functioning in living organizations but insulate the secretariat from the needs of its member states in zombie ones.

TABLE 2 ABOUT HERE

To illuminate the nature of these effects, I generate predicted probabilities for each of the values of the dependent variable, based on the results in the first ordered probit estimation (as illustrated in Table 1. These are depicted in Table 3. Similarly, Figure 2 shows the predicted probabilities for all three values of the dependent variable — whether an organization is alive (3), dead (2), or a zombie (3), varying the degree of hardship payment for the secretariat’s home city from minimum to maximum values and holding all other variables constant.

TABLE 3 ABOUT HERE

FIGURE 2 ABOUT HERE

Once hardship pay begins to be associated with a secretariat, we see that the predicted probability of being a “living” organization — $pr(3)$ — drops off dramatically, going from .53 to .42 once there is even 10 % hardship pay in a location, and only a 30 % chance of being a living organization once hardship pay is an extra 25% of base salaries (the modal value in the dataset). Similarly, organizations headquartered in cities with no hardship pay have only a 12% predicted probability of being “dead,” while that probability jumps up to 45 % if the secretariat is located in a city with a 50 % hardship premium. Thus, there are strong effects of location — and by extension, the ability to attract and retain good staff — on the likelihood of an organization being alive or dead. The effects on zombies, however, are less strong; although hardship pay is associated with organizations ending up in the dead or live categories, it has less predictive power for when organizations become zombies. Interestingly, the variable indicating the autonomy of the bureaucracy has a negative and significant relationship to both dead

and zombie organizations. The sign switches, however, when it comes to living organizations. This is intuitive, since disempowered secretariats would probably die off or endure through inertia, while empowered ones actually live to be effective.

Note as well that the effects of the economic variables are in most cases not statistically different from zero. This indicates that material factors may not enable us to distinguish which organizations do well and which do not. If we consider the wide variety of organizations that often persist in the same region of the world, with some being effective at least for some time (Mercosur in its early days; the Southern African Customs Union) with many of the same member states and facing the same initial conditions as other ineffective organizations (the Latin American Integration Association, the Common Market for Eastern and Southern Africa), it is perhaps not surprising that factors outside of member-state capabilities would have a stronger association with the health of an organization.

3.1 Robustness Checks and Additional Operationalizations

For robustness checks, I take advantage of other coding metrics of regional economic organizations, many of which exist but all of which have limitations. Some researchers have coded the treaty provisions of organizations (Baccini and Dur, 2009; Hicks and Kim, 2012), but as mentioned, the treaty language does not necessarily indicate an organization’s vitality. Others have coded more performance-based metrics, but their coverage varies. Gray and Slapin (2012) use expert surveys to rank around 50 agreements on various dimensions, but those surveys do not have cross-time coverage. Feng and Genna (2005) calculate integration achievement scores for 19 agreements going up to the year 2000.²³

These latter two datasets have measures that score the performance of agreements. Genna’s coding ranks organizations on the degree of implementation (from 0 to 5, with 5

²³Since these metrics endeavor to capture similar concepts but vary in their time coverage, it would be ideal to use multiple imputation to estimate values for the missing observation. Unfortunately, the high degree of missingness requires too much of even aggressive imputation algorithms.

being the highest level of achievement) in the free movement of goods and services, free movement of labor, monetary coordination, and fiscal coordination.²⁴ The overall score is the sum of those components, ranging from 0 to 20. Gray and Slapin’s expert survey has a question that scores the agreement’s ability to meet its own goals, where experts scored each agreement on a scale of one to 10. Bringing these datasets into the analysis increases the number of organizations as well as the number of years.

I construct a different version of the dependent variable that draws on these latter two metrics as well as Haftel’s implementation variable. These operationalizations are dichotomous and do not vary over time.²⁵ REOs are coded as “dead” if they score in the lowest categories for implementation on Haftel (0-8), Genna and Fang (0-2), and Gray and Slapin (0-2). Additionally, if there is no entry for the organization in the Yearbook of International Organizations between 2009-2012, the agreement is automatically coded “dead.” Organizations are coded as “zombie” if they rank in the lower middle category of implementation on these metrics.²⁶, and as “alive” if they score at the top²⁷ These are relatively conservative categories for vitality, with anything from the median value upward being coded as alive. If all three sources agree on the lowest category for an organization, it takes on the value of that category; if even one source disagrees, the organization is coded in the next-lowest, and so on.²⁸

I also include a different operationalization of the attractiveness of the secretariat. Because the hardship pay data is only available from 1997 onward, we would want another measure that captures the attractiveness of a secretariat’s location. For this, I use

²⁴His overall “achievement score” also includes a coding for supranational institutions, but since this measure appears in the estimations as an independent variable, I exclude it from the analysis.

²⁵This will be improved upon.

²⁶9-15 (Haftel), 2-5 (Genna and Fang), 2-5 (Gray and Slapin)

²⁷16-28 (Haftel), 5-9 (Genna and Fang), 5-10 (Gray and Slapin).

²⁸I also recoded variables in both Haftel’s and Genna’s datasets to reflect occasions when the organization changed its name. For example, Haftel codes CEMAC and UDEAC as the same organization, even though the former superceded the latter; so too with COMESA and the Preferential Trade Agreement for Eastern and Southern Africa; and with the West African Economic and Monetary Union (UEMOA) and the West African Economic Union (CEAO). Genna’s dataset has the Eurasian Economic Community (EAEC) as existing since 1991, when in fact there were three such organizations (Central Asian Cooperation Organization, Central Asian Economic Union, and Central Asian Economic Cooperation) that came into being in quick succession, to be replaced by the EAEC in 2002. Genna’s dataset also conflates CEMAC with UDEAC, even though the former supplanted the latter in 1999.

Traffic by Flight Stage (TFS) data on annual flights to and from the city in question from the International Civil Aviation Organization (ICAO). This proxies the desirability and connectivity of the headquarters of an agreement. For example, among Caribbean agreement locales in the year 2000, CARICOM’s headquarters in Georgetown, Guyana saw only 1000 international flights, according to these data; the Association of Caribbean States’s home city of Port-of-Spain, Trinidad recorded 3851 flights; and the Organization of Eastern Caribbean States in St Lucia recorded 4637 flights in the same year. The more flights a city has, the better the organization would be able to attract quality staff, and thus the greater probability of vitality.

One additional concern is the question of how REOs decide where to put their headquarters. It could be the case that REOs that are likely to die off are the ones that are located in undesirable cities in the first place. The case studies help address this concern, but for these estimations, I address that critique by including REO fixed effects in the logit models. I also include a variable for the age of the agreement.

Table 4 shows the results of these estimations.

TABLE 4 ABOUT HERE

The number of observations has increased as a function of adding organizations as well as years. The coefficients for the attractiveness of the locale and by extension the ability to attract good staff (hardship pay and flights) as well as the autonomy of the bureaucracy remain significant predictors of vitality (positive effects on life, negative on zombie and death). GDP and predicted trade are also positively associated with life.

The next section illuminates some of these dynamics with a brief case illustration.

4 Life, Death and Zombies Among Caribbean Regional Agreements

This section provides a brief description of the health of four organizations in the same region of the world: the failed West Indian Federation (WIF); the struggling Association of Caribbean States (ACS) and the more functional but still-beleaguered Caribbean Community (Caricom); and the better-performing Organization of Eastern Caribbean States (OECS), which has a working monetary union and has recently established a new charter. The Caribbean is a good testing ground for these theories for several reasons. First, those four organizations cover every point on our scale: one dead organization (WIF), two zombies (Caricom and ACS), and one organization that is still alive (OECS). Second, there is a high degree of overlapping membership among these organizations; every single country in the OECS is also a member of Caricom and the ACS, for example. This means that there must be variables that are not a function of member state participation alone that help determine the differing lifespans of these organizations. Third, this is a region where there should not be much expectation that economic organizations would actually have much impact on trade in the region. Factor complementarities within the Caribbean are rare, and gravity models usually predict relatively little trade among Caribbean economies, most of which are small island states with similar comparative advantages (Egoum-Bossogo and Mendis, 2002; Sandberg, Jr and Taylor, 2006).²⁹ Thus, the expectation for actual gains from trade would be similar across all of these organizations, and any variation we observed in the vitality of organizations would have to come from factors other than the potential benefits of economic cooperation. These help address potential concerns about the endogeneity of the relationships at play.

The first example was the West Indian Federation, which was actually intended as a political federation of ten Anglophone Caribbean territories after the period of decol-

²⁹There is some degree of differentiation among Caribbean markets; Jamaica, Trinidad & Tobago, and Barbados are larger and more industrialized economies that have a history of exporting products throughout the region, but for the most part the factor endowments in the Caribbean are relatively similar.

onization. Along with its headquarters, several institutions emerged as a result of this federation, such as a now-dissolved federal parliament as well as the University of the West Indies, both located in Port-of-Spain, Trinidad (the same location as the Association of Caribbean States, discussed below). However, the Federation itself only existed from 1958 until 1962; the island nations' insular geography had led to competition and division within the Caribbean, with most countries having strong bilateral relations with Britain and wary relations with one another. Thus, "few if any of the territories were moved by the broader vision of West Indian unity or were prepared to make sacrifices for it" (Wallace, 1962). This was particularly true for Jamaica and Trinidad, both relatively large and industrialized nations that saw few economic advantages in federation. The federation faced what could be described as a staffing problem from the very outset: it was difficult to find a qualified prime minister for the federation. The only serving prime minister was Grantley Adams of Barbados; it had been anticipated that representatives from the two most powerful island states, Jamaica and Trinidad, would run. But the heads of state of those two most important provinces did not run in election and opted instead to remain in control of their respective nations. This sent a strong signal that the leaders of the two most important territories in the federation did not view the entity as viable, and the Federation dissolved nearly as soon as it got off the ground.

Two other organizations are widely considered to be "zombies" of varying degrees. Most extreme is the case of the Association of Caribbean States, located in Port-of-Spain in Trinidad. Hardship pay for this city is relatively low — only 5 % on top of base salaries. But nearly from its outset, the organization — which comprises 25 countries in the Caribbean as well as in the northern part of South America — was criticized for duplicating commitments already undertaken by other regional organizations as well as for lacking a track record of tangible gains from cooperation since its establishment (Serbin 2004).

This view is echoed even by former staff members. One representative I interviewed said, "I was one of the first members of the ACS staff; I led the technical negotiations on

Guyana's side. That's why I can tell you unhesitatingly that it is going nowhere. I left in 2003 because of that, and nothing's really changed since then." He added, "it was a real job trying to maintain the sense of relevance to the countries which had high expectations at the outset — but people began to doubt the value added of the organization, and whether or not it simply duplicated other commitments."³⁰

Norman Girvan, who was secretary general of the organization in the 1990s, describes the problem as follows:

It was a real job trying to maintain the sense of relevance to the countries which had high expectations at the outset — but people began to doubt value added of the organization, whether or not it simply duplicated other commitments. I tried to carve a niche for the ACS that was not being satisfied by any other organization — first of all, we had to reimage, redefine the nature of ACS as an organization of functional cooperation rather than of integration. That distinction was important - integration normally implies an economic dimension, and it was clear that the ACS wasn't going to go in that direction. Once the FTAA was launched, it became clear that ACS common market wasn't going to happen — and that was just six months after the ACS was formed. So no free trade and no formal political integration. So I said, "Okay, let's just take four focal areas - trade, transportation, disasters and tourism — and let's jettison the three other special committees — science and technology, education and culture, and the environment. Not that they're not important, but we don't have the resources to cover them. Let's just add value to [the existing institutions] of CARICOM and SICA." So we ended up with, in trade, meetings of businesspeople, an annual business forum, sharing of trade data, an annual meeting of secretariats. ... But it was an uphill task. I found that ... each country and each subgroup was more interested in integration activities relevant to its subgroup or country. OECS and CARICOM countries were

³⁰ Author interview, Riyad Insanally, OAS Representative 9 March 2012

more interested in OECS and CARICOM and just didn't have time or money to send delegates to all those meetings. ... So the bigger countries especially kept the ACS kind of limping along, and the smaller countries just stopped coming. ... Someone said early in game that countries are much better at creating organizations than in killing them off. There seems to be an iron law of inertia.

These quotes highlight the importance of autonomy as well as delegation to meetings. However, they also point to the potential endogeneity of the relationship. If member states perceive an organization as being not worth their time, they will not send their best people to meetings or will not show up at all. We can imagine that the problem is duplicated in terms of staffing. This could then turn into a self-fulfilling prophecy, where toothless organizations that cannot attract quality representatives then slide into even further irrelevancy.

A similar story to a lesser degree emerges with Caricom. Established in 1973 with 15 member states, it is one of the world's oldest still-functioning regional economic organizations; it continues to print out annual reports, hold conferences and summits, and recently appointed a new secretary general. But this bureaucratic activity stands in the face of sustained criticism of the organization's lack of accomplishments. One recent panel convened on the subject concluded that "We have passed the stage of diminished returns. It is time to cut our losses. All the energy, finance, time and emotion that is placed in Caricom or regional integration must stop, because it is being wasted."³¹ At the organization itself, a Jamaican Prime Minister's keynote address to heads of state said that "Above all, we will have to address the persistent concern that CARICOM is not working ... not working out. It was almost a generation ago that the West India Commission provided a clinical assessment of our deficiencies. Ten years later, Professor Norman Girvan highlighted what he called our implementation deficit. The people of the Caribbean — our constituents, the people who ultimately matter — continuously lament

³¹ "Panel: Caricom not serving its original purpose," Guardian, July 3, 2011

the ‘benefit-deficit.’ ... They want to see results, results that they can feel, count and enjoy.”³²

These criticisms occur despite constant meetings, press releases, and new goals put forward by the Secretariat itself. Such activity gives the impression that the organization is alive and functioning, but many of these meetings address the same failed cooperative goals again and again. A former diplomat involved with CARICOM said that “When I heard about [CARICOM’s current] five-year plan that lays out a road map for implementation, I have to say *deja vu*. We’ve had those before — one I was involved in putting together in 2007, called the Single Development Vision. There was a road map there, we identified priorities — the first phase was to address the single market — and almost as soon as they adopted it, they forgot about it.”³³ This is indicative of something of a zombie state within Caricom, where bureaucratic activity persists despite low implementation.

A recent report commissioned by Caricom itself highlighted the state of crisis in which the organization has long found itself, attributing this not only to contractions in the member-state economies but also to “longstanding frustrations with its slow progress ... [and] a serious weakening in its structure and operation over a number of years.”³⁴ This report elaborated as to the staffing difficulties:

The Secretariat has had difficulties attracting applicants to higher]level posts in recent years. It is understood that entry-level professional posts are filled but that young staff at that level tend to stay only long enough to get an impressive entry on their CVs. We were told that the Secretariat used to attract the ‘cream of the crop’ but that this is no longer the case. As we have already noted, there is a core of highly committed but ageing staff at the top of the Secretariat — many of whom are beyond retirement age — but only a

³²Address delivered by the Hon. Bruce Golding, Prime Minister of Jamaica, to the 22nd inter-sessional meeting of the CARICOM conference of heads of government, 25 February 2011, St. Georges, Grenada.

³³Author interview with Norman Girvan, 28 March 2012

³⁴Landell Mills report, “Turning Around CARICOM: Proposals to Restructure the Secretariat,” January 2012.

limited pool of talent in the following generation to replace them.

This is due in part to the Secretariat's location in Georgetown, Guyana, one of the poorest countries in the organization and a city with a high rate of violent crime as well as theft and armed robbery in business and residential districts. The violence associated with the drug trade is rampant, and the per capita murder rate in Guyana is three times higher than that of the United States.³⁵ The secretariat was initially located in Guyana for political reasons, to acknowledge the contributions of Guyanan Prime Minister Forbes Burnham in the establishment of Caricom. But the undesirability of the location has created problems for Caricom that have persisted over its existence. Hardship pay for Georgetown was 25 % in 2007, which is one standard deviation above the mean values for all REOs.

These problems are compounded by the inability of the secretariat itself to draft autonomous policy or to monitor behavior. Lacking supranational status, the secretariat cannot implement policy or sanction misbehavior. This problem was highlighted by one former secretary general, who served from 1992 to 2010:

By definition we were going to have a problem with implementation because there were no sanctions, and the secretariat had no authority to impose them ... When the treaty was drafted [in 1973] no one even raised the idea. The sentiment at the time was all about Caribbean fraternity and brotherly love. The notion [of enforcement] has only been raised in the last four or five years. In January [2012] [Jamaican Prime Minister Bruce] Golding said, 'Where are the sanctioning provisions? Where is enforcement? Are we going to discuss this?' But no one wanted to follow up.³⁶

These two zombie organizations stand somewhat in contrast to the OECS. Created in 1981, this trade and economic cooperation agreement comprises Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the

³⁵Guyana 2012 Crime and Safety Report, OSAC, 5 November 2012.

³⁶Author interview, Sir Edwin Carrington, 10 March 2012

Grenadines, with an implemented monetary union and a relatively homogenous membership base. The OECS is currently undergoing several major institutional changes in a bid to become more effective and to expand its scope, including the implementation of free movement of persons. Heads of state signed a Revised Treaty of Basseterre in 2009 to establish an economic union, as well as established five new organs. These include a Heads of Government of OECS Member States (which holds primary responsibility for policy-making); a Council of Ministers, consisting of representatives from relevant member-state ministries (e.g. Trade, Education, Tourism Council); an Economic Affairs Council, which is tasked with the OECS economic union; an OECS Commission for provides administrative support; and a cross-national parliament set to convene in Antigua at least twice per year, which consists of representatives from both ruling and opposition parties in member states.

Supranationality is one of the key elements of the revised treaty, which allows the OECS to draft supranational legislation concerning the areas covered by the economic union, and provides for representatives from both ruling-parties and oppositions to take part of the process through the parliament. “We really wanted to avoid this situation of being a ‘paper tiger,’ which can be quite common in organizations,” says one OECS staff member. “Legal authority was key in this.”³⁷

Furthermore, the secretariat is located in Castries, St Lucia, a city with no hardship pay associated with its location. The same is true for other member-state capitals in the OECS, which tend to be small and relatively stable islands. But unlike Georgetown, where member-state nationals would have to accept a lower standard of living and overall quality of life, employment at the OECS would not require a major concession from a staff members’ previous living conditions. This helps the OECS in respect to other Caribbean organizations, where vacancies are usually filled and staff turnover is relatively infrequent.³⁸

These brief anecdotes of the successes and failures of various organizations within the

³⁷Author interview, Elma-Gene Isaac, OECS Economic Unit, 3 March 2012.

³⁸Author interview, Naula Williams, OECS, 4 March 2012.

same region point to the importance of both an ability of an organization to draw in good staff, and autonomy for those staff to exercise authority in policymaking once they arrive. However, they also point to the interactions among and simultaneous effects of many different factors in determining the overall health and longevity of an organization, which should be studied in further detail.

5 Conclusion and Future Research

This paper has argued that although much research assumes that any international organization on the books has some base level of functionality, the reality looks quite different. If we look at an organization's level of effectiveness along with its level of activity, we see that about a third of regional economic organizations are "alive" in any meaningful sense. About 10% are effectively dead, and the remainder are "zombies" with some minimal level of staffing and operation, but little actual output. The ability of the secretariat to attract and retain good staff — as proxied by the level of hardship pay allotted for the city in which the secretariat is located — along with member states' ability to continue to pay membership dues, as well as the actual gains in trade as a result of the agreement, are associated with a given organization's endurance.

We could hardly expect such organizations to have the cooperative effects that are claimed in the IO literature. Ineffective organizations that persist through inertia alone would likely not have adequate governance capacities or oversight over member states to ensure cooperative outcomes. In fact, including such organizations in an attempt to estimate the effect of international organization on cooperation would tend to attenuate the actual impact of functional organizations. It is possible that a more careful evaluation of the world's hundreds of international organizations and a recoding that reflected their actual state of life would reveal a similar pattern of underfunctioning institutions. Appropriate coding would then enable researchers to have more realistic expectations of the anticipated effects of each type of organization, such that the vitality of organizations

would impact the degree to which cooperation occurred.

It is beyond the scope of this paper to explore fully why countries sign on to economic organizations whose costs seem at first glance to eclipse their benefits. But once we recognize that many organizations are persisting only in a skeletal form, we must investigate why these organizations do not die off altogether. Broadly, we might expect that there is some benefit to keeping the organization alive that exceeds the cost of financing. Other work for this project explores the role of patronage and clientelism in these organizations; preliminary evidence shows that many dysfunctional organizations serve as vehicles for rents for member states.

We would also want to know why countries sign onto agreements that they then do not empower to make decisions. The Grossman and Helpman (1994) framework argues that economic agreements emerge as a result of lobbying from owners of a specific factor that would benefit from increased trade. But since so many organizations appear to be formed with the deck stacked against their success — either with crippled bureaucracies or with unattractive locations, or both — this assumption bears revisiting. Heads of state might be motivated to sign agreements for other, more abstract reasons such as prestige or peer pressure, and then abandon the agreements once formed.

In terms of operationalization, the evidence presented here included relatively rough measures of organizational functioning and member-state capabilities. As part of this project, I am currently building an extensive dataset that has itemized budget data for several REOs, as well as timelines for their activities throughout the years. This endeavor codes 55 regional economic organizations on an annual basis in terms of their activities, including the number and topic of meetings, amount and number of grants received, the number of staff recorded, the operating budget, noted achievements, and noted setbacks. This will enable more rigorous testing of the propositions described above, as well as additional ones. For example, organizations must have a functional operating budget if they are to achieve their goals; this means that underfinanced organizations, where member states do not make their scheduled payments into the budget, will be more likely

to die off or become zombies. We might also expect that, for member states to continue to pay into the organization's operating budget, there must be some benefit to cooperation that exceeds the cost of their contributions. I am collecting data on budget arrears to explore this possibility.

For now, however, I hope to have demonstrated the need to look more closely at the workings of international organizations before making assumptions about their intended effects. If nearly half of the world's international organizations are running on fumes, we should reexamine our expectations of the proliferation of organizations around the world and what this might mean for cooperation.

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6 Appendix

Table 1: **Estimates of the Vitality of REOs**

Hardship Pay	-2.35***	(0.85)
Bureaucracy	0.49***	(0.19)
GDP	0.07	(0.09)
Trade Potential	-0.17	(0.11)
Trade	0.18	(0.16)
Conflict	.02	(.02)

Ordered probit estimations of the lifespan of REOs (life=3, zombie=2, death=1), by REO/year, for five-year increments between 1982 and 2007. Standard errors in parentheses. * indicates $p < .10$, ** indicates $p < .05$, and *** indicates $p < .01$. Number of observations = 133. Log likelihood = -126.72. Pseudo $R^2 = 0.10$

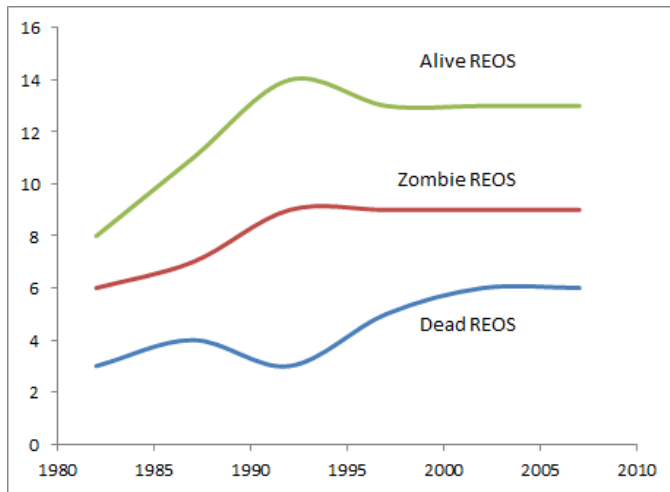


Figure 1: The Health of Regional Economic Organizations Over Time

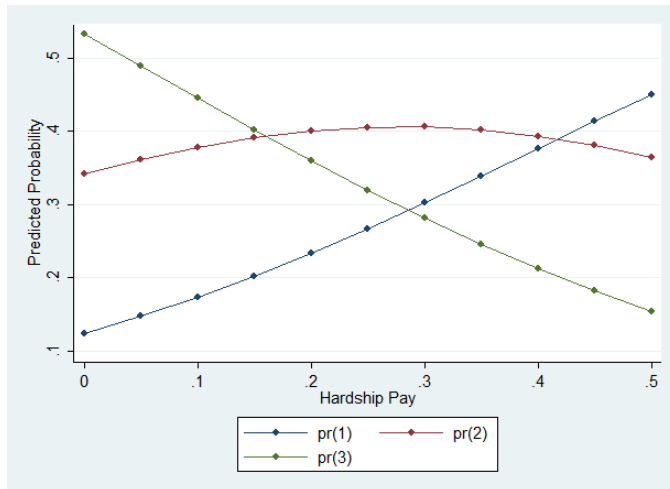


Figure 2: Predicted Probabilities for Life (3), Zombie (2), or Death (1) as Hardship Pay Varies

Table 2: **Estimates of the Vitality of REOs (Disaggregated DVs)**

	Life	Death	Zombie
Constant	0.92 (1.67)	10.12*** (3.39)	-6.60*** (1.55)
Hardship pay	-0.12 (0.85)	6.38*** (1.75)	1.18 (0.73)
Bureaucracy	0.86*** (0.21)	-1.05 (0.68)	0.62*** (0.21)
GDP	-0.12* (0.07)	-0.44*** (0.15)	0.24*** (0.06)
Trade potential	0.49 (0.30)	1.04** (0.49)	-0.17 (0.27)
Trade	0.15** (0.07)	-0.20 (0.20)	-0.27*** (0.07)
Conflict	.15 (.13)	.01 (.04)	-.28 (.24)
N	208	208	208
Log likelihood	-102.4	-26.32	-120.83
LR χ^2	31.28	69.84	32.5
Pseudo R ²	0.13	0.58	0.12

Probit estimations of the lifespan of REOs (life, zombie, death), by REO/year, for five-year increments between 1982 and 2007. Standard errors in parentheses. * indicates $p < .10$, ** indicates $p < .05$, and *** indicates $p < .01$.

Table 3: **Predicted Probabilities**

	Death		Zombie		Life	
Hardship Pay	0.31***	(0.12)	0.05	(0.04)	-0.40***	(0.12)
Bureaucracy	-0.22***	(0.09)	-0.13***	(0.05)	0.37***	(0.13)
GDP	-0.18	(0.22)	-0.10	(0.11)	0.30	(0.34)
Trade potential	0.43	(0.23)	0.07	(0.07)	-0.66	(0.32)
Trade	-0.37	(0.29)	-0.12	(0.11)	0.63	(0.44)

Predicted probabilities of the lifespan of REOs, based on moving each IV from its minimum to maximum value, holding other variables at their means. Standard errors in parentheses. * indicates $p < .10$, ** indicates $p < .05$, and *** indicates $p < .01$.

Table 4: **Robustness Checks**

	Vitality (Ordered)	Life	Death	Zombies
Constant	2.14*** (.32)	1.004*** (0.24)	2.116 (1.38)	-0.262 (0.35)
Flights	-0.000*** (0.00)	-0.000** (0.00)	-0.000 (0.02)	-0.000 (0.00)
Hardship Rate	-1.839* (0.72)	-4.712*** (1.00)	3.783* (1.04)	2.706* (1.06)
Bureaucracy	17.70*** (4.49)	18.54*** (5.13)	-12.93*** (3.22)	-13.82*** (3.56)
Market Size	0.000*** (0.00)	0.000*** (0.00)	0.000 (0.00)	0.000** (0.00)
Number of Members	-0.000*** (0.00)	-0.000*** (0.00)	0.991 (0.64)	-0.0001 (0.00)
Conflict	-3.25*** (0.39)	-3.51*** (14.61)	2.74*** (0.22)	-2.09*** (0.47)
Age	-0.005 (0.01)	0.004 (0.01)	-9.331** (0.03)	-0.034*** (0.01)
Trade	-0.001*** (0.00)	0.001*** (0.00)	-3.063*** (0.01)	-0.005*** (0.00)
Predicted Trade	0.002*** (0.00)	0.002*** (0.00)	-5.401 (0.16)	-0.002 (0.00)
Predicted vs Actual Trade	0.000** (0.00)	0.000** (0.00)	-0.002 (.)	-0.000*** (0.00)
Proposed Integration	-0.237*** (0.06)	-0.187* (0.07)	-8.421 (4.91)	0.028 (0.09)
Cut1	-3.222*** (0.26)			
Cut2	-2.559*** (0.24)			
Cut3	-1.111*** (0.22)			
N	538	538	538	538
LR χ^2	283.06	136.68	135.62	156.53
Prob > χ^2	0.00	0.00	0.00	0.00
Log likelihood	-543.62	-291.07	-94.86	-148.96
Pseudo R ²	0.21	0.19	0.46	0.24

Probit estimations of the lifespan of REOs (life, zombie, death), by REO/year, for five-year increments between 1982 and 2007. Standard errors in parentheses. * indicates $p < .10$, ** indicates $p < .05$, and *** indicates $p < .01$.