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The Theory of Overlapping Clubs

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In *The New Great Power Coalition: Toward a World Concert of Nations*, pp. 221-234. Edited by Richard Rosecrance. New York: Rowman & Littlefield Publishers, Inc., 2001.

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Order in the present international system is provided by a set of overlapping clubs: institutions with varying functional and geographic bases that constitute various designs for collective action. Arthur Stein and Richard Rosecrance examine this system of overlapping clubs, how they are formed and how they evolve, to see if they could eventually form the basis of an encompassing coalition. a concert of Great Powers. They conclude that the prestige and status, not to mention economic incentives, conferred on club members do indeed bring nations together in the absence of any world organization, but that for this club structure feasibly to evolve into an encompassing coalition, more must be done to draw China and Russia into it as participating members.

Whether an encompassing coalition (a concert of Great Powers) can be created and perhaps even formalized in the next few years is in part a function of current relationships among major states. If powers are divided into competing alliances, as they were in 1914 (Triple Alliance vs. Triple Entente), the creation of a single coalition will be difficult, perhaps even impossible. On the other hand, as this chapter will seek to show, if the alliances or clubs in which the Great Powers are ranged are overlapping in character, there is a greater prospect of bringing them together. Even in the United Nations Security Council, some of the Great Powers are missing (notably Japan and Germany), and there is no current organization or club which includes the Great Powers and no one else. This chapter asks the question whether greater overlapping club structures can come to approximate an encompassing coalition or concert. This calls for an inquiry into the nature of present-day clubs and the bases of their operation and membership.

The international system currently consists of a set of overlapping clubs: institutions of varying size and membership that deal with different issues. These clubs are created as needed by member states concerned with collective action to deal with particular problems. These clubs are extremely heterogeneous, differing

in form as well as function, by degree of institutionalization as well as membership. Another distinguishing feature is that these clubs have histories; they do not emerge in one fell swoop with a fixed structure and membership but rather grow and evolve, both in function and size. Almost invariably the initial founders are a small subset of what eventually emerges as a larger stable membership. Finally, overlapping clubs constitute a basis for global organization between universalism and regionalism and thus avoid the dangers of both, as well as that of nationalism. As a result, international order is best seen not as a product of global legislation but rather of clubs dealing with functional or geographic areas. The origins and development of clubs are thus central to understanding the requisites for international cooperation and order.

Institutional Design: Property Rights and the Nature of the Good

International agreements and clubs are designed to provide some good. Although scholars often talk as if the nature of the good is fixed, most goods are malleable in character. One element of institutional design, therefore, is defining the nature of the good to be provided.

The classic distinction is between private and public goods. Private goods are ones whose costs and benefits are internalized by some party with ownership rights in the good. Commercial transactions are an example. Someone owns something and transfers title and complete use to someone else in exchange for something. The goods exchanged are private. But there are also public or quasi-public goods (and bads). These are ones for which the costs and benefits are not fully internalized (that is absorbed) by one party. Smoking is a public bad, for example, wherein the person who smokes does not bear the costs of the secondhand smoke inflicted on others. As a result the benefits and costs of smoking as calculated by the individual smoker do not reflect the true social costs of smoking.

Providing International Goods

Some of the goods associated with international relations are private goods. Such goods are exchanged in private transactions between parties in international trade, for example. When prices capture the costs and benefits associated with private goods, market exchanges are efficient and reflect supply and demand conditions. Most commercial transactions, whether within a country or across borders, involve private goods.

There are some goods that are public in character. Such goods are characterized by nonrivalness and nonexclusion. *Nonrivalness* means that consumption of the good by one actor does not reduce its availability for

consumption by another. *Nonexclusion* implies that if the good is available to one, it is available to all. These elements make goods collective or public in character rather than private. Since private goods are consumed by one party and are not available to another, the latter can be effectively excluded from its consumption. Public goods are generally underprovided in the marketplace and require some form of governmental action to ensure supply.

Finally, there are club goods, ones which have a public character within a certain club, but from which nonmembers can be excluded. Those who are members in the club jointly produce and consume a good that is public within the club.

Goods are not inherently of one kind or another. Institutions can be constructed to change the character of goods, creating privateness in something that is public and creating publicness in goods that would otherwise be private.

A classic example of a public goods problem is that of environmental pollution. The problem lies in the fact that polluters do not internalize the costs of their activities. Instead these are borne by society as a whole. One solution therefore is to regulate and impose permissible pollution levels. An alternative is to use market principles and create a market in pollution. This ingenious solution has been proffered for environmental issues and is discussed below.

One aspect of institutional design, therefore, is configuring the goods that are to be provided. There are international examples of constructing both private goods and public ones.

Marketizing the Public: Emissions Trading

The classic example of a public good, as already mentioned, is the provision of clean air. Pollution arises because those who generate it are not forced to internalize the cost of it. Cleaning it up then becomes a public good.

The most recent solution to environmental problems has been not to negotiate regulations and mandates but to create a market in pollution rights. The idea is to force polluters to pay the costs of pollution and to choose between cleaning up their act and purchasing pollution rights from others.

At the Kyoto Conference in 1997, the Clinton administration proposed an international version of a policy successfully adopted in the United States. Under the Clean Air Act, the United States had instituted an emissions trading system to reduce sulfur dioxide emissions. Emissions trading has also been used in phasing out leaded gasoline and in reducing the production of chlorofluorocarbons (CFCs).

Emissions trading is a way of using the efficiency of the marketplace to achieve environmental objectives at lower cost. Rather than simply mandating some level of pollution, countries or firms would be given emissions reduction targets but could also buy and sell pollution reductions. Thus, a country or firm that could reduce pollution below its target amount could sell its remaining pollution

rights to others, acquiring an incentive to exceed reduction targets. Countries or firms needing to reduce to the target level could buy excess reductions from others if that proved cheaper than reducing their own pollution levels to the targeted amounts.

Emissions trading creates a market where none would otherwise exist by creating rights in pollution and allowing them to be traded. It marketizes a good that is not private and indeed one for which there is no market except for the created one.

Collectivizing the Private: Most-Favored-Nation

Some institutional designs take goods that are private and transform them into collective goods. The classic example is trade policy. There is much talk of free trade as a public good and the public goods character of trade. These blithe descriptions are accurate in a way but miss the fundamental transformation that has occurred in trade policy.

Trade is inherently private. It constitutes private transactions between buyers and sellers as in any other market. Governments interfere because they control cross-border transactions. But even governmental trade policy is not collective. Governments can and historically have and continue to sign bilateral trade treaties. They can discriminate among other nations by granting concessions to some and not others. They can discriminate by categories of goods, imposing different tariffs or quotas or prohibitions across sets of goods. They can discriminate by particular producers.

Trade treaties were seen by the liberal economists of the late eighteenth and early nineteenth centuries as classical mercantilist instruments. They were instruments of discrimination across trading partners and categories of goods. Even though trade treaties typically stipulated categories of goods that could enter a country at lower than posted rates, they were not seen as liberalizing instruments. Liberals wanted free trade, trade free of restrictions that discriminated between nations.

In the middle of the nineteenth century, bilateral trade treaties shifted from being discriminatory instruments and became the tools of trade liberalization, reducing both tariffs and discrimination. The key to this transformation was the insertion of an unconditional most-favored-nation (MFN) clause in the Cobden-Chevalier trade agreement between Britain and France in 1860. The clause meant that the parties to the treaty guaranteed one another that they would pass along any reductions they subsequently negotiated with others. Thus when Britain went on to negotiate trade treaties with others, the concessions it made in that treaty were automatically extended to France, for Britain had guaranteed France that it would always be a most-favored nation no matter what Britain subsequently negotiated.¹ Nations developed two-tier tariff codes, the standard

tariff rate which was applied to goods from countries without MFN status and the reduced rate available to states with which there were negotiated agreements and MFN status.

It should be noted that some states continued to pursue discriminatory policies by signing agreements with conditional MFN clauses, which allowed them to extend MFN treatment to, some and not others. The United States, for example, retained a conditional interpretation of MFN until 1922.

Ironically, the great liberalizing tariff reductions of the post-World War II years came as a reaction to the exceptionally high rates set by the Smoot-Hawley Tariff of 1930. Goods from nations without MFN status from the United States are subject to very high tariffs. For this reason, obtaining MFN status was exceptionally important to the Soviet Union in the 1970s and to China in the late 1980s and early 1990s.

The insertion of an unconditional most-favored-nation clause transforms the private good of trade into a public one. It adds the notion of nonexclusion. States who have MFN status cannot be excluded from lower levies negotiated with others. States bound by trade agreements with unconditional MFN clauses are members of a club. They cannot be excluded from the benefits obtained by membership. The existence of a higher standard tariff rate means that those without MFN status are excluded from the benefits of lower rates available to members.

Regime Creation by Accretion: Most-Favored-Nation

MFN made possible trade liberalization by slow accretion. Every trade treaty negotiated by any state already a party to trade agreements with MFN with other states expanded the scope of free trade in the international system. The impact of every bilateral agreement was amplified through the web of agreements containing unconditional MFN clauses. Every tariff reduction offered to one trading partner was automatically extended to all other trading partners with MFN status. Every new nation with which one signed an MFN agreement was extended the reductions already given to others.

Free trade did not come to the system at once, and it was not negotiated multilaterally. Rather, the impact of every bilateral agreement was multilateralized through MFN clauses. Trade agreements with MFN provisions magnify and leverage any tariff reduction negotiated because each such reduction is generalized to all members.

MFN is an example of institutional design, creating a structure for a good that does not occur naturally. MFN creates a club good out of a private one. Creating a collective good among a subset of nations did away with the discriminatory quality of mercantilist trade and provided the incentive for others to join, exchanging their own tariff concessions for the lower rates obtained by club members.

Alliances as Agglomerations

Even alliances display an agglomeration property. The North Atlantic Treaty (the basis for NATO) was signed on April 4, 1949, in Washington D.C., by representatives of twelve countries. But the treaty was not negotiated by twelve countries. Its origins lay in France's recurrent requests for security assurances from Britain and the United States, which had been pressing France to agree to merge its zone of German occupation with the others and allow German recovery. Britain had signed a security treaty with France, but France wanted further reassurance. In 1948, Britain, France, Belgium, Luxembourg, and the Netherlands signed the Brussels Pact in which all the parties agreed to aid each other militarily in case of attack. This treaty was aimed in part at the prospect of future German aggression, but was also intended to allay the increasing Western European concern with the threat of Soviet aggression. Then these nations looked to the United States to ally in some form with the Brussels Treaty powers. Pressed to enter such security talks, the United States first balked and then agreed.

Yet, even though the nation most insistent on an alliance (and for whom the alliance was needed) was France, the initial talks about an Atlantic alliance were three-power talks between Canada, Britain, and the United States. These "Pentagon Talks" were held in Washington, March 22–April, 1948. A second round of talks was held July 6–September 10, 1948, and included France, Belgium, and the Netherlands. A third round of talks, December 10–24, 1948, added Luxembourg. Each of these rounds resulted in draft papers, and the last in a draft treaty. The final set of talks was held January 10–March 28, 1949, adding Norway on March 4. This last round led to the final text of the treaty, as well as to agreement on which additional states to invite to join, and to agreed interpretations of the text.

Discussions about additional members had been under way for some time. Seven nations negotiated the North Atlantic Treaty and then offered membership in the alliance to others. These others had to take or leave its terms and could only negotiate particular exceptions in the form of understandings. Iceland, for example, desired to join but wanted it understood that it had no intention of creating an army or of allowing bases on its soil except in times of emergency. Ireland was invited, but added conditions it knew the others would not accept. Denmark preferred an alternative Nordic security arrangement, but opted for NATO once Norway did.

Following its founding, NATO added members a number, of times, in some cases proving flexible in its membership conditions, sometimes demanding more from new members than was ever expected of earlier entrants. The most recent additions of Poland, Hungary, and the Czech Republic, for example, included political conditions not applied previously.

In short, even security arrangements display the agglomerative properties described above. Small sets of states negotiate the essential components between one another and then allow or deny to others the ability to share those components.

Organizational Growth and Development

Clubs grow and develop over time. Some take on new purposes, assuming an ongoing structure and life never envisioned at the founding

Some international clubs start out informally and become institutionalized, both in the sense of being regularized and in the sense of developing organizational structure. G-7 economic summits began as informal exercises and quickly became regularized and routinized. When ten nations signed the North Atlantic Treaty in April 1949, they created NAT but not NATO—the O, the organization, was initially merely an overarching council. Article 9, the basis under which an organization was created, reads as follows:

The parties hereby establish a Council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The Council shall be so organized as to be able to meet promptly at any time. The Council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of Articles 3 and 5.

In addition, point six of the interpretations and understanding states:

The Council, as Article 9 specifically states, is established “to consider matters concerning the implementation of this Treaty” and is empowered “to set up such subsidiary bodies as may be necessary.” This is a broad rather than specific definition of functions and is not intended to exclude the performance at appropriate levels in the organization of such planning for the implementation of Articles 3 and 5 or other functions as the Parties may agree to be necessary.

In short, the states signing the alliance thought they would have to discuss implementation and establish an open-ended basis for whatever would subsequently be deemed necessary. Subsequent events led to the establishment of an organizational structure unlike any seen in previous international alliances.

Changing Purposes and Changing Conditions: The IMF

International institutions also grow and take on new tasks. The classic example provided in the study of organizations is that of the March of Dimes, which was founded to fight childhood polio, but instead of disbanding when the disease was conquered, found a new disease to fight (birth defects).

International organizations can similarly adapt to new conditions and take on new tasks. The International Monetary Fund (IMF) provides an excellent example (see also chapter 12). Created in 1945 to deal with balance-of-payments problems, it found little to do initially as the needs of the postwar reconstruction dwarfed its

resources and were managed with direct American support. In the 1950s and 1960s, it fulfilled its functions as envisioned at the founding. Then, when the major states left the system of fixed exchange rates, the organization had to shift to new tasks. It immediately became the key institution for dealing with the international debt crisis and has more recently been the key institution for dealing with international financial problems and the East Asian crisis. The transformation in its mandate and the scope of its resources has been dramatic. Indeed, as new problems emerged, the IMF created additional sets of funds and rights never originally envisioned.

Changing Tasks and Roles: The IMF

International clubs also grow in tasks and roles. At the founding of the IMF, there was a debate between those who wanted conditions set on borrowing from the fund and those who wanted maximum national flexibility and sovereign autonomy. Over time, fund conditionality grew and grew and became intrusive in a fashion that would have surprised the founders. Yet the reasons for this are also embedded in the nature of the organization established. The IMF was a bank created with members' contributions whose purpose was to lend to members in short-term emergencies. But like any bank it could not function unless it was repaid, and assuring repayment became a cornerstone of its policy. Thus, beyond what was originally stipulated as a members' automatic right to withdraw, the fund established conditions for its lending. Like any lender, the conditions the fund imposed on borrowers were intended to have the borrower demonstrate both need and a subsequent ability to repay.

The Bank of International Settlements (BIS) also evinces this developmental logic. Its members, central bankers, see themselves as having a duty to maintain the stability of the financial system. They decry the venality of private bankers who make stupid loans, and they bemoan the slowness of national governments and international organizations. They are thus sometimes the ones who must step in an emergency while governments whose currencies are under siege work out broader, deeper, and longer-term arrangements. Yet they too must worry about being repaid. The BIS thus made critically important loans during the crises of the 1980s, but all were short-term bridge loans that were heavily collateralized. The need to be repaid dominated the BIS's sense of duty despite its central role in stabilizing the world financial system.

Alternative Designs and the Proliferation Problem

There are alternative institutional solutions to any particular problem. Competing institutional designs can be conceptualized as multiple equilibria in some tragic

setting. Particular institutional arrangements select out particular solutions. The area of proliferation is one in which there are two institutions established to deal with similar problems but pursue dramatically different approaches (see chapter 9).

During the Cold War and after, the Great Powers confronted the problem of proliferation. Initially, the United States realized that it would not forever be able to retain its nuclear monopoly. In the late 1940s, the United States thus drew up a plan that would both make possible peaceful nuclear development and constrain the growth of nuclear arsenals.

The eventual solution was the Non-Proliferation Treaty (NPT) of 1968. The signatories to this treaty included both the suppliers and the purchasers of nuclear technology. Buyers agreed not to develop nuclear weapons and to abide by a set of intrusive reporting and inspection requirements in exchange for access to nuclear technology. Sellers agreed not to sell nuclear plants to nonsignatories. These constraints on the nuclear trade replaced any bilateral requirements imposed by specific sellers.

This arrangement is striking in its large initial membership, use of a formal treaty, and devolution of power and authority to an international agency, the International Atomic Energy Agency, to oversee a system of international inspections.

The Missile Technology Control Regime (MTCR) to control delivery systems began in 1982 with secret negotiations between the United States and the United Kingdom that expanded to include the five other members of the G-7, who eventually established the regime through a set of diplomatic notes in 1987. Members agree to a set of export controls on missile technology.

The two regimes have similar objectives. They both seek to restrain the export of advanced weapons technology. Both regimes prohibit such exports without adequate safeguards that recipients will only use them for peaceful purposes.

Their roughly comparable success has been achieved in strikingly different ways. The regime created to control the spread of missile delivery systems stands in stark contrast to that constructed to deal with nuclear proliferation. The NPT is a club that combines buyers and sellers; the MTCR is a sellers-only club. The NPT started out with a very large membership; the MTCR began with a small subset of states and grew by accretion. The NPT is an official international treaty whose operation is institutionalized in an international organization; the MTCR includes no treaty and no international organization.

In its own way, each regime intrudes on national sovereignty. The NPT requires reporting information and on-site inspection and verification. The MTCR requires that member states incorporate into their own domestic laws provisions to assure the regime's objective. Moreover, the MTCR has in some case entailed intrusive inspections by members.

Functional Clubs

The global order created by overlapping clubs is an order along functional and geographic lines. Rather than one multipurpose international institution, states have created a multiplicity of institutional arrangements, most of them functionally and/or geographically specific. They operate more along the lines of functional executive agencies rather than overarching legislatures. This means that international issues are treated disparately and the prospects for issue linkage minimized. Log-rolling requires issue-dense institutional settings, such as those in a national legislature. In such settings, representatives of districts can trade votes across issues. But such issue linkage is difficult when different sets of nations interact in institutional settings with limited particularistic foci. A world of overlapping clubs is a world of functional and geographic institutions that limit the possibilities for cross-issue linkage.

When new issues emerge on the international scene, states confront the choice of using established institutional arrangements or developing new ones. In the financial arena, for example, new international concerns have been met not with new institutions but with institutional reform of existing organizations. President Clinton, for example, proposed a new international facility for the IMF so that it could better deal with future crises such as the recent Asian financial one. International monetary reform throughout the postwar era invariably consisted of new financial facilities at the IMF.

In other arenas, new developments have meant new institutional arrangements. The recent proliferation of contact groups provides one example. Contact groups were created for the relevant subset of Great Powers interested in particular international trouble spots, leading to a different contact group for Cambodia than for Bosnia or Kosovo. Such arrangements provide both flexibility and focus, as they can limit the range of relevant participants and maintain a narrowly gauged set of concerns. Even in economic and financial matters, there has been a proliferation of "G-numbered" groups, from meetings of a G-2 (the United States and Japan) to G-7s, G-8s, and even G-22s, with each group representing a different number of countries deemed particularly relevant to the matter at hand.

Functional clubs arrogate different functional realms: economic, political, environmental, and military. But functional clubs are not geographic. Many major states in Asia, Europe, and Latin America are left out of the MTCR. Asian, Middle Eastern, Latin American, and African states are left out of the world's strongest military organization: NATO. The G-7, perhaps the world's most exclusive economic organization contains just a few countries from North America and Europe and Japan; it has no members from developing countries.

Geographic clubs, then, are a necessary supplement to less than fully inclusive functional organizations. But even geographic clubs, cross-cut as they are by some functional groupings, do not solve the problem of necessary overlap. Indeed, the world has rarely experienced the creation of major overlapping clubs. Usually, as

with traditional alliances, these have been starkly defined in geographic focus. The Three Emperor's League (1873) did not include France or England. The Dual Alliance (1879) left out Russia as well as Britain and France. It is true that Bismarck participated in connections with all countries except France, even though no single alignment or alliance included the whole group. When Bismarck negotiated the Reinsurance Treaty with Russia in 1887, critics questioned the overlapping (and partly conflicting) obligations which Germany then undertook to Austria and Russia. After Bismarck's fall, however, alliances took on an exclusive and non-overlapping character, eventuating in the Triple Alliance and the opposed Triple Entente, which led directly to World War I. One can in part discern the background tenor of events by determining the degree to which military alliances are overlapping in character. Today Russia is a member of the NATO Council, but not of its rival organization. There is no longer an opposed and geographically exclusive Warsaw Pact aligned against NATO.

What is true of military relationships also holds for economics. If these are exclusive and underlapping, economic conflict is likely to rise. Exclusive economic blocs governed many relationships in the interwar period.² And there was a period in the 1960s and 1970s when it appeared that economic bloc conflict would once again determine major outcomes. The Soviet bloc linked Eastern Europe and a few countries in the Middle East, Africa, and Asia. The Western bloc comprised most of Latin America, Western Europe, and some states in Asia and the Middle East. Some Middle Eastern, African, and Asian countries stood aside from this contest and pursued a neutralist course. Yet in the 1970s it appeared that African and Middle Eastern nations were being forced to choose between Great Power sponsors, and it briefly appeared that the real estate of less-developed nations was gradually being divided up, economically and politically. This did not occur because the attractive force of Soviet Communism declined, and new models came to be admired. But the 1970s and early 1980s witnessed a clash of non-overlapping clubs in most functional and geographic realms.

Since the end of the Cold War, a new pattern of geographic (both political and economic) rivalry has been averted. We do not now confront Asia versus North America versus Europe. The United States is an important participant in European affairs through NATO, OECD, OSCE, and G-7. While ASEAN is a narrow geographic group in Southeast Asia, APEC brings in China, Japan, the United States, Canada, Australia, and New Zealand. NAFTA is being broadened to include other countries in South America and Central America. The EU is increasing its membership in Europe. While NATO provides a link between the two hemispheres, it is in the wrong functional field: the military. Ultimately as the euro moves forward and gains strength, there will be a need to fashion a North American relationship with Europe in the trade and financial field, extending another overlapping link.

The defense industry worldwide is also creating another overlapping club. For some period of time during the Cold War, major defense industries were

concentrated in Russia, the United States, and to a lesser degree Britain and France. Japan and China later developed their own industries. When the European Union first began to be formed, there were calls to integrate the European defense industry to provide an alternative to the United States's domination of Western defense technology. Japan also sought an independent industry. In the past few years, however, and particularly after Kosovo, the Europeans and to some degree the Japanese have come to realize that they cannot mount an onmicompetent military industry on their own. We now see European and Japanese efforts to combine with American defense firms to gain leverage on high-tech defense problems.

It is significant that this did not occur prior to World War I. Lenin contended that the Great War was caused by nationalist capitalist competition. Writing before the outbreak of war, Karl Kautsky believed that French, British, and German industry would amalgamate and become concentrated in a few international hands. These links would prevent conflict among capitalist states. In 1914 Lenin proved briefly to be right and Kautsky to be wrong. Kautsky's forecast, however, is now coming true. Even in the most sensitive of realms-national defense-defense agglomeration is occurring. The defense club has become overlapping.

Of course, China, Russia, and India have not yet joined such a club, and it remains to be seen whether they will be able fully to sustain a major defense industry on their own.

Clubs and Order

A system of overlapping clubs is capable of providing global order in a world without viable universal institutions and without degenerating into regional arrangements. The attempts to establish enduring universal organizations, the League of Nations and the United Nations, resulted in weak organizations incapable of functioning in many domains and locations. A second line of institutional development has been that of regional organizations, exclusive and non-overlapping institutions focused on particular areas of the world. Many international problems transcend regional boundaries, and regional arrangements pose the danger of replacing conflicting nations with conflicting blocs. Overlapping clubs make possible collective solutions without the pitfalls of regionalism and absent universalism.

Conclusion

International order is provided by overlapping clubs. These international arrangements are both functional and geographic and vary in membership and focus. They constitute institutional designs for collective action. In order to assure the provision of international goods, international designs construct and reconstruct

the nature of such goods in order to assure their provision, in some cases privatizing collective goods, in other cases collectivizing private goods. Few successful clubs come into existence fully formed, containing their final membership and organizational structure. Most clubs grow through agglomeration and accretion; that is, they function as clubs. They begin with a small set of members capable of both reaching agreement and excluding nonmembers. They then grow as states prefer joining rather than staying out. Such growth in membership is also often accompanied by a growth in tasks and missions. Such institutional development generates outcomes superior to trying to do everything with everybody all at once. Although clubs are the prototypical institutional solutions to international problems, a multiplicity of designs remain and in some cases can actually be observed.

An encompassing coalition of major powers may be based on a structure of overlapping clubs. Note the overlapping membership in the international clubs in table 11.1. In the table one can observe an increasing degree of overlap among previously discrete geographic and functional clubs. The interpenetration of European and American clubs was a feature of the past. Japan also participated in quite a wide range of important clubs. Since the end of the Cold War, Russia and China have been admitted to a series of new groups (Russia to the OSCE, Council of Europe, Paris Club, G-8, and NATO; China to APEC, ARF, and the WTO). China will certainly eventually be admitted to the G-8.

Table 11.1. Organizational Membership of Great Powers

| | USA | Japan | Germany | Britain | France | Russia | China | Canada |
|--------------------|-----|-------|---------|---------|--------|----------------|----------------|--------|
| UNSC | X | | | X | X | X | X | |
| IMF | X | X | X | X | X | X | X | X |
| EU | | | X | X | X | | | |
| NATO | X | | X | X | X | X ^a | | X |
| APEC | X | X | | | | | X | X |
| WTO | X | X | X | X | X | | X ^b | X |
| NAFTA | X | | | | | | | X |
| G-8 | X | X | X | X | X | X ^c | | X |
| OSCE | X | | X | X | X | X | | X |
| ASEAN ^d | X | X | | | | X | X | |

^a Russia is a member of the Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation, but not the NATO Council

^b China will shortly be admitted to the WTO

^c Russia is a member of the political but not the economic part of the G-8

^d USA, Japan, Russia, and China attend expanded ASEAN meetings

Table 11.1, Continued

| Asia | America | Europe |
|------|---------|--------|
| ← | UNSC | → |
| ← | IMF | → |
| ← | G-8 | → |
| ← | WTO | → |
| ← | OSCE | → |

This pattern indicates how overlapping clubs bring nations together even in the absence of universal organization. The clubs above have considerable prestige and status and perform very important functions. It is easy to see why nations would like to become members. On the other hand, it is also clear that the world has to open this club structure more completely to Russia and China if it wishes to recruit them as members of a concert of Great Powers, creating an encompassing coalition in world politics.

Notes

1. This is akin to sports contracts in which a player is guaranteed to be the highest-paid player.

2. Kerry A. Chase, "Sectors, Firms, and Regional Trading Blocs: Building Blocks or Stumbling Blocks for the Liberalization of World Trade?" Ph.D. dissertation, UCLA, 1998.