

Specific and Diffuse Reciprocity: Trade and Climate Change

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Stylizing Trade Politics

- Liberal trade has aspects of a public good
- So “conditional” most-favored nation treatment
- But the result: negating prior agreements
- Solution:
 - Unconditional MFN (diffuse reciprocity) but only to selected participants who meet standards
 - Enforcement through specific reciprocity

The Threefold solution:

- *Domestic coalitions* that preferred adherence to a liberal trade regime to being excluded from such a system;
- A leading state that sought to create a liberal trade regime on the basis of generalized norms (*diffuse reciprocity*);
- An enforcement system involving *specific reciprocity and adjudication*.

Analogies: Trade and Climate Change

- Free-riding easier on climate change; conditional MFN not an option
- *Domestic coalitions* favoring action will be crucial
- *Diffuse Reciprocity* – acting in accord with a generalized norm of low emissions – will be essential
- But an enforcement system is also needed. How?

Specific Reciprocity and Climate Change

- Specific reciprocity essential for enforcement
- The trade system will probably be employed as an enforcement mechanism
- Implication: “Border Tax Adjustments.”
- Necessary corollary: a legalized Dispute Resolution System.

Lessons for IPE Scholars

- Students of IPE should study how such a system of linkage could:
- Encourage effective action on climate change
- Avoid trade wars
- Help to reinforce pro-climate change domestic coalitions

Thank you!