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Rethinking the Costs of International Delegations

Daniel Abebe*

A prominent criticism of U.S. delegations to international institutions – or international delegations – focuses on agency costs. The criticism begins by drawing a stark contrast between international delegations and domestic delegations. For domestic delegations to agencies, U.S. congressional, executive and judicial oversight mechanisms are present to try and maintain the agency’s democratic accountability. Since the agency is democratically accountable, the agency costs are low. For international delegations of binding authority to international institutions, however, the conventional wisdom is that oversight mechanisms are absent and the U.S. cannot monitor the international institution to ensure it acts within its delegated authority. In the international context, agency costs are high. The fear of high agency costs through the loss of democratic accountability, so the argument goes, justifies constitutionally inspired limits on international delegations. This Article challenges the conventional wisdom. It argues that the agency costs claim rests on weak foundations as agency costs will likely vary depending on the type, scope, and nature of the delegation; that the U.S. has actually implemented many of the domestic oversight tools in the international context, ensuring a surprisingly high level of accountability to American interests; and that the potential costs and benefits of international delegations are not meaningfully different from those in domestic delegations. In other words, there is little systematic difference between domestic and international delegations with respect to the efficacy of oversight mechanisms or the balance of costs and benefits. The Article concludes that constitutionally inspired limits on binding international delegations are probably unnecessary because they will increase the costs for the U.S. to participate in potentially beneficial international cooperation.

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INTRODUCTION

Congress and the President currently delegate effective decision-making authority to federal entities and to international institutions. Although most accept domestic delegations to federal entities as part of the modern administrative state, some fear the prospect of international delegations to distant, unaccountable and supposedly anti-American international institutions and propose strict limits on them. In other words, they claim that international delegations pose a distinctive democratic accountability dilemma that domestic delegations do not. To frame the problem, consider two stylized examples.

*Example One.* Congress and the President have long delegated authority to the Federal Reserve, a domestic entity, to manage the U.S. financial system. In 2010, in response to the financial crisis, Congress and the President empowered the Federal Reserve to develop new regulations for banks. The Federal Reserve, through its Board of Governors, has since issued some forty-seven regulatory measures with neither open meetings nor public discussion of its rulemaking. Congress and the President cannot monitor the Board of Governors’ activities, participate in the debate, or block any rule inconsistent with their interests.

*Example Two.* Congress and the President have long delegated authority to the United Nations, an international institution, to maintain international peace and security. In 2011, in response to the Libyan uprising, Congress and the President sought to use the United Nations as a tool to implement a plan of military action against the Muammar Gaddafi regime. Acting through the Security Council, the U.S. sponsored and obtained successful passage of a resolution after holding open meetings and debate of the issue. At the same time, a non-permanent member of the Security Council introduced a resolution condemning the actions of a U.S. ally in the Middle East. Since the U.S. is a permanent member of the Security Council and holds a veto, the executive branch was able to monitor this effort, and eventually block the proposed resolution that was inconsistent with American interests.

Based upon these two examples, it is unclear which species of delegation, domestic or international, creates greater democratic accountability problems for Congress and the President. In other words, it is worth considering carefully and closely whether delegations of authority to international institutions such as the United Nations indeed create what are called greater “agency costs” than domestic delegations of authority to bodies such as the Federal Reserve. The conventional wisdom, which is critical of international delegations, mistakenly suggests that the answer is obvious: international delegations almost always create higher agency costs than domestic delegations. According to critics, for domestic delegations U.S. congressional, executive
and judicial oversight mechanisms are present to monitor the agency to try and ensure accountability and democratic legitimacy. Here, agency costs are low. But for international delegations of binding authority to international institutions, critics contend that the U.S. oversight mechanisms are absent, leaving the U.S. unable to ensure that the international institution will act within the bounds of its delegated authority. Moreover, international institutions are neither representative of U.S. interests nor accountable to the American public. Therefore, agency costs are high for international delegations and binding international delegations should either be disfavored or avoided.  

How would critics solve this apparent problem? Most want to limit, but not entirely oust, international delegations. Some suggest that U.S. courts should adopt “super-strong” clear statement rules or non self-execution default rules when considering whether the U.S. has made a binding international delegation. Others suggest that the U.S. should require that all binding international delegations go through the Article II treaty process, making them much harder to enact. In the end, the specter of high agency costs, so the argument goes, justifies modification to constitutional processes in ways that impose limits on international delegations.

To examine the merits of the agency costs claim, this Article focuses on two important questions: First, are the oversight tools to manage international delegations and domestic delegations systematically different in efficacy? Second, is the balance of costs and benefits for international delegations systematically different from that of domestic delegations? For the reasons outlined below, I argue that the answer to both questions is no.

I challenge the key claim that international delegations create high agency costs because domestic oversight mechanisms are unavailable in the international context. To the contrary, many of the oversight mechanisms common to domestic delegations are already present, in different forms, for international delegations as well. The U.S.’s economic, political and military power makes it uniquely well-placed to influence ex ante the design and structure of the international institutions to which it might choose to delegate binding authority, and shape ex post the product of those international institutions. Because of this influence, the U.S. can replicate some of the domestic oversight tools—procedural constraints, appropriations, and agenda-setting, for example—in the international context as well. Indeed, the U.S. has a number of tools unique to the international environment, ranging from side-payments and foreign aid, to

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weighted voting and veto powers, to try to align the international institutions with U.S. interests. From this perspective, international delegations and domestic delegations are not categorically distinct on any democratic accountability or agency cost metric: oversight mechanisms exist in both contexts to reduce agency costs.

I contend that the critics are wrong to conclude that the balance of costs and benefits from international delegations is systematically different from the balance in the domestic delegation context. An initial problem is that it is unclear how critics define agency costs, measure them, and determine when agency costs are high enough to justify limits on international delegations. Agency costs, moreover, will likely vary depending on the type of delegation, the scope of the delegation, the issue area and the frequency with which the international institution is likely to exercise delegated authority, among other factors. Any strong claim about the level of agency costs must, at the very least, provide a more nuanced analysis of the interactions between the U.S. and international institutions. In addition, critics don’t specify how high agency costs must be to warrant constitutional redress. If agency costs are lower than they assume—the claim is underspecified—then making international delegations more difficult to enact may very well be a solution in search of a problem. Agency costs are problematic if they outweigh the potential benefits from binding international delegations. The mere existence of agency costs, without greater specification, seems insufficient to warrant specific changes in constitutional process solely to limit international delegations.

In fact, the President and Congress are already fully incentivized to consider carefully the wisdom of binding international delegations and will take steps to ensure accountability and reduce agency costs without any modification of constitutional process. This is reflected in the pattern of U.S. design, control and influence over international institutions for non-binding international delegations and, given the U.S.’s incentives to protect American political processes, it is even more likely for binding international delegations. Since the U.S. would in the vast majority of cases would only delegate binding authority to an international institution that it could influence, additional constitutionally inspired limits would be superfluous.

In the end, proposals to raise the enactment costs of all binding delegations create a crude rule of national constitutional design that will likely limit the ability of Congress and the President to conduct foreign affairs. A careful analysis of the costs and benefits of binding international delegation will depend on international political considerations properly within the national government’s foreign affairs prerogatives. Since international delegations are given effect by treaty or statute, Congress and the President

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clearly participate in the enactment process, ameliorating some of the accountability and legitimacy concerns. And of course, if a later Congress and President conclude that the international delegation is problematic, they can abrogate the delegation through subsequent legislation without offsetting democratic costs.

This discussion suggests that agency costs in international delegations might not be higher or categorically distinct from those in domestic delegations. The U.S. has tools to reduce agency costs in both contexts. If so, the adoption of constitutionally inspired design rules to raise the enactment costs of all binding international delegations is unnecessary and probably counterproductive, as such rules will limit the national government’s flexibility to participate in and delegate to international institutions that might create benefits for the U.S.

The Article proceeds as follows. Section I describes domestic and international delegations to set the framework for analysis. Section II evaluates the problems with international delegations and the proposals to raise the enactment costs of international delegations. Section III argues that many of the domestic oversight tools are available in the international context and that the U.S. is particularly well situated to influence the international institutions exercising delegated authority. The Article concludes with a discussion of the possible benefits of binding international delegations and suggests that constitutional limitations on international delegations are unnecessary.

I. DELEGATIONS: DOMESTIC AND INTERNATIONAL

A. Domestic Delegations

The regulatory structure governing domestic delegations to administrative agencies provides the framework through which scholars generally evaluate international delegations. Although the administrative law literature on domestic delegations is enormous and a review is beyond the scope of this Article, it is important to sketch an outline of them to compare and contrast with international delegations. The comparison will shed light on the type of problems common to domestic delegations and attempts to address them, and provide background on the critiques for binding delegations as well.

In the U.S., domestic delegations were tools borne out of the increasingly complex and technical regulatory apparatus of the modern administrative state.³

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³ This development, combined with the Supreme Court’s loosening of the non-delegation doctrine, opened the door to the expansion of domestic delegations. See JOHN HART ELY, DEMOCRACY AND DISTRUST: A THEORY OF JUDICIAL REVIEW, 132-33 (Harvard 1980) (concluding the non-delegation doctrine is dead); see also Cass R. Sunstein, Nondelegation Canons, 67 U. CHI. L. REV. 315 (2000) (arguing that although the non-delegation doctrine is no longer recognized, different canons of construction operate as a type of non-delegation principle to oversee the administrative state); Eric A. Posner & Adrian Vermeule, Interring the Nondelegation Doctrine, 69 U. CHI. L. REV. 1721 (2002) (arguing there is not a nondelegation doctrine and that agents acting under a statutory grant are exercising executive, not legislative, power).
Congress, lacking the necessary expertise and resources to address the new regulatory demands, began to delegate broad authority to executive agencies to issue rules, directives and regulations in their specified issues areas.\(^4\) The benefit is twofold: Congress can take advantage of agency expertise, producing socially desirable outcomes, and Congress can focus its resources on issues for which it is better-suited to legislate.\(^5\)

Despite the potential benefits, delegations create a principal-agent problem,\(^6\) namely that Congress and the President\(^7\) could not perfectly control their agent, the domestic agencies exercising delegated authority. After the delegation, neither Congress nor the President could ensure that the agencies would consistently act within the bounds of their delegated authority. The agent might deviate from the interest of the principals, leading to legitimacy and accountability concerns. This is an ongoing problem and the legal and political science literatures on administrative agencies are filled with examples of Congress and the President’s difficulties in ensuring the accountability of agencies.\(^8\) Agencies shirk, sabotage, develop their own agendas, and engage in other activities that produce agency costs.\(^9\) The greater amount of agency costs, the greater concern that the agencies are operating independent of Congress and the President’s wishes, reducing the value of the delegations and potentially leading to bureaucratic drift.\(^10\) In light of these

\(^4\)See DAVID EPSTEIN & SHARYN O’HALLORAN, DELEGATING POWERS: A TRANSACTION COST POLITICS APPROACH TO POLICY MAKING UNDER SEPARATE POWERS (1999).


\(^7\)The coalition of Congress that created the agency may be more directly the principal than Congress as a whole. See McCubbins, Noll, & Weingast, id at 255 ([T]he coalition that forms to create an agency—the committee that drafted the legislation, the chamber majorities that approved it, and the president who signed it into law—will seek to ensure that the bargain struck among the members of the coalition does not unravel once the coalition disbands.”).


\(^10\)See McCubbins, Noll, & Weingast, supra note 7 at 443-44 (noting the structure of an agency must be designed to be responsive to the constituencies the delegation was meant to satisfy to prevent policy drift);
problems, scholars have proposed various monitoring and oversight mechanisms to constrain agencies and more closely align them with the interests of the principal (Congress or the enacting coalition in Congress). For my purposes, I will simplify and treat Congress as the principal.

In light of this principal-agent problem, scholars have identified and evaluated several mechanisms of agency control. One common tool for Congress and the President is the appointment process. Since the President and Congress act together to nominate and confirm potential appointees, they can coordinate and “arrange for appointees who more nearly share the political consensus on policy [as] a self-enforcing mechanism for assuring realiable (sic) agency performance.” With appointees in power who share a common approach serving as agency heads, the agencies might be less likely to deviate from the interests of Congress and the President, presumably reducing agency costs and increasing accountability.

Another tool to constrain agents is through ex ante procedural controls. Federal agencies are already subject to procedural constraints through the Administrative Procedures Act but the language is general and not specifically tailored to the different administrative agencies. The President and Congress, however, could force agencies to adopt specific decision-making processes, use certain methodologies or engage in agenda-setting to narrow agency authority. Still others have suggested that Congress and the President can consider the institutional design of agencies to reduce agency

11 See Elena Kagan, Presidential Administration, 114 Harv. L. Rev. 2245, 2255-69 (evaluating informal controls on agency action such as “fire alarms”, reliance on experts, and interest group influence).
13 Id.
15 President Reagan was the first executive to require the U.S.e of cost-benefit analysis in agency decision-making. Exec. Order No. 12,291 § 3, 3 C.F.R. 127, 128-30 (1981). For a discussion on cost-benefit analysis, see MATTHEW ADLER & ERIC A. POSNER, NEW FOUNDATIONS OF COST-BENEFIT ANALYSIS (Harvard University Press 2006). At times, administrative agencies have been required to conduct a feasibility analysis, instead of a cost-benefit analysis. See e.g., Occupational Safety and Health Act of 1970 § 6, Pub L No 91-596, 84 Stat 1590, 1593, codified at 29 U.S.C. § 655(b)(5) (requiring the agency to ensure “to the extent feasible” that exposure to hazards in the workplace does not harm workers’ health). For a discussion of the merits of feasibility analysis, see Jonathan S. Masur & Eric A. Posner, Against Feasibility Analysis, 77 U. CHI. L. REV. 657 (2010).
16 In some circumstances, the agenda setting may be broad. See e.g., Exec. Order No. 13563 (2011) (directing agencies to consider values such as equity, human dignity, fairness, and distributive impacts). In contrast, Congress may try to control an agency by limiting its discretion. David Epstein & Sharyn O’Halloran, A Theory of Strategic Oversight: Congress, Lobbyists, and the Bureucracy, 11 J.L. ECON. & ORG. 227, 229 (1995).
costs by creating institutional structures that shape the way the agencies operate and provide greater transparency and limit agency discretion.\(^\text{18}\)

Scholars have also examined the ex post tools available to ensure that the agencies continue to function within their delegated authority. Judicial review is one option but, as discussed earlier, it is unlikely to reduce agency costs. But on an ongoing basis, Congress can use “police-patrols,”\(^\text{19}\) empower congressional committees to directly monitor agencies, or authorize individuals, corporations or other parties subject to agency rulemaking to act as “fire-alarms”\(^\text{20}\) and report agency misbehavior back to Congress. In theory, once the Congress observes bureaucratic drift or other problems, they could threaten to cut agency funding\(^\text{21}\) or conduct oversight hearings\(^\text{22}\) to question and embarrass agency heads.

Similarly, the President has tools to limit agency discretion.\(^\text{23}\) The President can issue directives by Executive Order regarding the breadth or agency authority in a particular area,\(^\text{24}\) engage in intra-executive review of agency actions and even informally appropriate authority over agency function.\(^\text{25}\) The President could threaten to terminate or otherwise pressure agency heads to act within their delegated authority.

A final, weaker mechanism to control agencies and reduce agency costs is judicial review.\(^\text{27}\) Individuals, companies and other parties affected by agency decisions could

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\(^{18}\) Jacob E. Gersen, *Designing Agencies*, in *RESEARCH HANDBOOK ON PUBLIC CHOICE AND PUBLIC LAW* 339 (Daniel A. Farber and Anne Joseph O’Connell eds. 2010).


\(^{20}\) Id at 166; Kagan, *supra* note 11, at 2258.


\(^{22}\) Id.

\(^{23}\) See Kagan, *supra* note 11, at 2285-2303 (discussing the President Clinton’s U.S.e of formal directives, OMB review, and personal appropriation to control agency discretion); Sidney A. Shapiro & Ronald F. Wright, *The Future of the Administrative Presidency: Turning Administrative Law Inside-Out*, 65 U. MIAMI L. REV. 577, 583 (2011) (describing presidents’ strategies to control agencies including increasing the size of the White House staff that oversees agencies, increasing the number of presidential appointees within agencies, and imposing reporting requirements).

\(^{24}\) For instance, Executive Order 12,580 designated federal agencies as the President’s response authorities under CERCLA for facilities under their “jurisdiction custody and control.” Exec. Order No. 12580, 61 FR 45871 (August 28, 1996).

\(^{25}\) See DeShazo & Freeman, *supra* note 21, at 2231-33 (arguing that inter-agency review and coordination may control agency action); Kagan, *supra* note 1 (describing presidential appropriation of agency action).

\(^{26}\) See Richard J. Pierce, Jr., *Saving the Unitary Executive from Those Who Would Destroy and Abuse It: A Review of the Unitary Executive by Steven G. Calabresi & Christopher S. Yoo*, 12 U. PA. J. CONST. L. 593, 597-98 (2010) (noting the president can fire an administrator and replace her with someone who shares his views).

bring suit challenging agency regulations in federal court, creating direct judicial oversight of agencies.\(^28\) In theory, the ex ante prospect of ex post legal invalidation of agency regulations would constrain agency behavior. But the Use of courts to rein in agencies led to a different issue: an increase of administrative law cases filling the docket of federal courts.\(^29\) Of course, courts lack the resources to adjudicate all administrative law cases and evaluate agency action, reducing its efficacy as a regulatory mechanism. If agencies know in advance that the legal system does not have the capacity to review agency rulemaking, the threat of legal invalidation will not seriously constrain agencies. The resource issue, combined with the Supreme Court’s decisions in Chevron,\(^30\) narrowed the grounds upon which parties could challenge agency decisions and in effect took one tool for agency review off of the table.\(^31\)

Despite the fact that no mechanism can fully eliminate agency costs, domestic delegations are generally uncontroversial\(^32\) because, in theory, politically accountable actors selected through the democratic process can generally review, monitor or

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\(^{32}\) Some people think that all delegations are invalid as a transfer of legislative authority to the executive. See generally \textit{David Schoenbrod, Power Without Responsibility: How Congress Abuses the People Through Delegation} (2002). Others seek to limit delegations or impose a higher level of judicial review on agency actions. See e.g. Alex Forman, \textit{A Call to Restore Limitations on Unbridled Congressional Delegations: American Trucking Ass’ns v. EPA}, \textit{Note}, 34 Ind. L. REV. 1477, 1497 2001) (“The Supreme Court should have adopted the nondelegation doctrine as a means of monitoring the regulatory power of agencies, because it is consistent with constitutional norms as well as the doctrine’s underlying principles.”).
invalidate agency decisions.\textsuperscript{33} Congress, acting with the President, delegates decision-making authority to an agency; the President nominates the people to staff the agency; the Senate confirms or rejects the nominee; and the courts are open for judicial review of agency action. In theory, each actor is representative of and responsive to the American public and the process is generally consistent with the Constitution’s formal requirements and structural limitations. For domestic delegations, the benefits of agency expertise come with agency costs, reduced by formal and informal review mechanisms.

The discussion here is certainly incomplete and does not provide an account of the entire suite of tools available to Congress and the President. Its goal is to provide a window into the formal and informal mechanisms and ex post and ex ante tools used to constrain domestic agencies. It develops the framework to compare of the domestic and international oversight mechanisms to reduce agency costs.

B. International Delegations

The relatively straightforward account about the costs and benefits of delegations changes, however, with respect international delegations. International delegations are the transfer of executive, legislative or adjudicative decision-making authority to an international organization, body, agency, panel or other entity.\textsuperscript{34} With the significant exception of the international component, they are conceptually identical to domestic delegations. Consider the following modified example of a delegation of adjudicative authority drawn from the North American Free Trade Area Agreement.\textsuperscript{35} The U.S., Canada and Mexico want to create a free trade zone encompassing each country and sign a treaty to that effect. Under the terms of the treaty, the states create an adjudicative body or appeals panel to hear potential claims regarding the treatment of companies operating within the free trade zone. In this example, the U.S. has delegated adjudicative authority to the international appeals panel created by the treaty to resolve claims arising under the treaty; this transfer of authority is an international delegation.


\textsuperscript{34} See Bradley & Kelley, \textit{supra} note 2, at 1 (describing the various types of international delegations); Guzman & Landside, \textit{supra} note 2 (questioning the proper definition of international delegations).

International delegations are either non-binding or binding.\textsuperscript{36} Nonbinding international delegations assign decision-making authority to an international body, but do not make the decisions of that body automatically enforceable within the delegating state’s (the principal’s) legal system.\textsuperscript{37} Using the highly simplified example above, the appeals panel could issue judgments regarding claims brought under the treaty but, if the delegation were nonbinding, the appeals panel’s judgments would not be immediately enforceable or provide a rule of decision in U.S. courts. Some political branch action (Congress and the President) would be necessary before those judgments have legal effect in the U.S.

Nonbinding international delegations are generally not the source of the most serious constitutional concerns because some political branch action is necessary before any decision, judgment, or regulation becomes binding in the U.S.\textsuperscript{38} In other words, Congress and the President would have to act before anything becomes enforceable in the U.S. Presumably, the constitutional problems are minimal and the agency costs are low, or at least similar to domestic delegations.

For some, the concerns about international delegations rise dramatically when the U.S. transfers binding decision-making authority to an international entity.\textsuperscript{39} To illustrate the point, imagine that the NAFTA appeals panel in the example above could hear claims and its decisions would presumably be immediately enforceable in the U.S. After the appeals panel issues its judgment, Congress and the President would not have the option of noncompliance by refusing to act – the judgment would have immediate legal effect. This resembles the operation of the NAFTA’s Article 19 Arbitration Panels discussed below. For this reason, critics argue that binding international delegations are constitutionally problematic and exacerbate agency costs.

The formal and structural constitutional problems are relatively straightforward. Binding international delegations of legislative authority may conflict with Article I procedural requirements for lawmaking\textsuperscript{40} and appointments.\textsuperscript{41} Typically, binding

\textsuperscript{36} See Guzman & Landsidle, \textit{supra} note 2, at 1697-1701; Bradley & Kelley, \textit{supra} note 2, at 4.
\textsuperscript{37} See Bradley & Kelley, id (concluding international delegations exist even when states give only nonbinding power to issue resolutions, proposals, and opinions).
\textsuperscript{40} U.S. \textsc{Const.} art. I, § 7; see \textit{Medellin v. Texas}, 552 U.S. 491, 511 (2008) (rejecting that the ICJ decision was binding based on the principle that “[t]he conduct of the foreign relations of our Government is
international delegations are part of Article II treaties or congressional-executive agreements that, by their terms, create an international body. Imagine the U.S. signs and ratifies a multilateral treaty through the Article II treaty process (with the advice and consent of a two-third’s majority of the Senate). The treaty creates an international body that has binding authority to set minimum capital requirements for banks. The U.S., as party to the treaty, has delegated the determination of capital requirements to an international body. Subsequently, the body acts and determines that all parties to the treaty must set the capital requirements for their domestic banks at 10 percent. Thus, the U.S. has a binding obligation to comply with the new capital requirements.

For critics, this binding international delegation of legislative authority permits the international body to create new “law” with respect to capital requirements in violation of the Constitution’s bicameralism and presentment requirements. The international body’s “legislation” would be automatically enforceable as U.S. law without further political branch action, circumventing the House of Representatives, Senate and President.

Similarly, a binding international delegation to an international agency would implicate the Constitution’s Appointments Clause and potentially Article II requirements for treaties. Imagine that the U.S. joins a multilateral treaty that creates an international agency with the authority to set binding regulations for the permissible amount of carbon emissions for each state party to the treaty. Therefore, the international agency’s director and staff would have the authority to regulate the amount of carbon emissions in the U.S. and their determination would have immediate legal effect in the U.S.

In this example, the director and staff of the international agency would not be appointed by the President of the U.S. and confirmed by the Senate; she would be a

committed by the Constitution to the Executive and Legislative — ‘the political’ — Departments”) (citing Oerjten v. Central Leather Co., 246, U.S. 297, 302 (1918); Natural Resources Defense Council v. EPA, 464 F.3d 1, 8 (D.C. Cir. 2006) (noting that if the future agreements made under the Montreal Protocol are law then serious constitutional problems are raised by the delegation of Congress’s law making authority to an international body).


43 See footnote 41, supra.


representative of the international agency and appointed consistent with the terms of the treaty or the agency’s internal rules. This would seemingly violate the Appointments Clause. Moreover, since the international agency can make ongoing binding determinations regarding its area of regulatory authority—in this case carbon emissions—such determinations could be interpreted as creating a new international obligation for the U.S. And, if it is a new international obligation for the U.S., it might require a new treaty in conformance with the Treaty Clause.46

Perhaps the area of greatest concern for critics is binding delegations of adjudicative authority to international judicial bodies.47 The treaties creating that United Nations,48 the North American Free Trade Agreement49 and the World Trade Organization,50 among others, each include a quasi-judicial body to hear claims arising under each treaty. For example, NAFTA’s Article 19 Arbitration Panels51 hear claims and issue judgments. Article 19 judgments provide a rule of decision enforceable in U.S. courts, seemingly violating Article III limits on the delegations of judicial authority52 and the Appointments Clause.53 The WTO’s appeals panel54 hears cases and issue binding judgments, and the U.S. is party to several arbitral or claims agreements—for example, the Iran/United States Claims Tribunal55—can issue binding decisions.

\[\text{\footnotesize 46 Id at 8 (noting that if the future agreements created under the Montreal Protocol are law then Congress has “authorized amendment to a treaty without presidential signature or Senate ratification, in violation of Article II of the Constitution).} \]

\[\text{\footnotesize 47 In Sanchez-Llamas v. Oregon, 548 U.S. 331, petitioner argued that the United States was obligated to comply with the Vienna Convention as interpreted by the ICJ. The petitioner argued the Court should reconsider a previous holding because the ICJ had recently interpreted the Convention in the LaGrand and Avena cases and reached an opposite conclusion. The Court rejected this proposition, stating the ICJ’s interpretation deserves only “respectful consideration.” Sanchez-Llamas v. Oregon, 548 U.S. 331, 352-53 (2006). See Medellin, 552 U.S. at 510 (“If ICJ judgments were instead regarded as automatically enforceable domestic law, they would be immediately and directly binding on state and federal courts pursuant to the Supremacy Clause.”); see also Mark L. Movesian, Judging International Judgments, 48 VA. J. INT’L L. 65 (2007); Jenny S. Martinez, Towards an International Judicial System, 56 Stan. L. Rev. 429 (2003); McGinnis, supra note 39.}\]

\[\text{\footnotesize 48 U.N. CHARTER, art 92 (designating the ICJ as the principal judicial organ of the U.N.).} \]

\[\text{\footnotesize 49 NORTH AMERICA FREE TRADE AGREEMENT, art 19 (hereinafter NAFTA).} \]

\[\text{\footnotesize 50 AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION, art. IV, § 3. Notably, the Appellate Body that hears appeals from panel reports brought by WTO Members was established in 1995 under Article 17 of the Understanding on Rules and Procedures Governing the Settlement of Disputes.}\]

\[\text{\footnotesize 51 NAFTA, art 19.} \]

\[\text{\footnotesize 52 U.S. CONST. art III, §§ 1-2.} \]

\[\text{\footnotesize 53 U.S. CONST. art II, § 2.} \]


\[\text{\footnotesize 55 The Iran – United States Claims Tribunal was established in the Algiers Accords. Undertakings of the Government of the United States of America and the Government of the Islamic Republic of Iran with} \]
The International Court of Justice, the legal arm of the United Nations, can hear claims arising under the Charter and international law generally with the consent of the state parties. In a series of cases concerning the Vienna Convention on Consular Relations, the ICJ concluded that the U.S. was in violation of the convention for failing to provide foreign nationals in police custody with access to their respective consulates. Subsequently, the Supreme Court considered whether the ICJ decisions were “self-executing” and entitled to immediate legal effect in the U.S. Though the Court held that the structure of the U.N. Charter and the absence of definitive language demonstrated that ICJ decisions were “non-self-executing,” concern about the ability of foreign courts to impose international law in the U.S. without U.S. political branch action increased.

Beyond formal constitutional requirements, binding international delegations implicate general federalism and separation of powers concerns. Federalism envisions certain limits on the national government that will be lost if international institutions can make decisions, issue regulatory directives or resolve legal claims that are binding in the U.S. And, even if the President can represent U.S. interests at the

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56 U.N. CHARTER, art 92; Dispute Settlement: General Topics, 1.2 International Court of Justice, United Nations Conference on Trade and Development 11 (2003) (listing the types of jurisdiction the ICJ holds including contentious jurisdiction in which the States submit the dispute by consent for a binding decision).


59 Medellin, 552, U.S. at 508.

60 Id (“We agree with this construction of Article 94. The Article is not a directive to domestic courts. It does not provide that the United States “shall” or “must” comply with an ICJ decision, nor indicate that the Senate that ratified the U.N. Charter intended to vest ICJ decisions with immediate legal effect in domestic courts.”).


63 See e.g., LOUIS HENKIN, FOREIGN AFFAIRS AND THE UNITED STATES CONSTITUTION 272 (2d ed. 1996); Neil Kinkopf, Of Devolution, Privatization, and Globalization: Separation of Powers Limits on Congressional Authority to Assign Federal Power to Non-Federal Actors, 50 RUTGERS L. REV. 331 (1998); Ku, supra note 39, at 121; Yoo, supra note 41.

64 Siegel, supra note 62, at 96-99 (“A federal system entails a vertical division of regulatory authority between the national government and subnational states. . . . [A] powerful check on the abuse of government power is said to exist when multiple levels of government compete for regulatory authority and political power is diffused.”).

65 See id at 101 (“Turning to the other federalism values discussed above, international delegations likely undermine all of them to the extent that such delegations reduce state regulatory control, as opposed to leaving state control unchanged and just reducing national control.”); see also Curtis A. Bradley, The Treaty Power and American Federalism, 97 MICH. L. REV. 390 (1998).
international institutions—perhaps addressing some accountability concerns—the transfer of decision-making authority away from Congress and the states to the President encourages a consolidation of power in the executive branch. For critics, binding international delegations conflict with the Constitution’s formal limits and traditional separation of powers and federalism concerns.

The failure to conform to formal and structural constitutional limitations produces a second and perhaps larger problem with binding international delegations: a lack of democratic legitimacy and political accountability for those entities exercising delegated authority. For critics, international institutions are not exclusively or even predominantly accountable or responsive to the American interests. They are only accountable to the states that created them: the U.S. and the dozens of other member states (the joint principals) that comprise the international institution’s membership. In the domestic context, at least Congress, the President, and the courts can proscribe delegations to administrative agencies, and monitor their behavior. In the international context, this oversight structure cannot be replicated. Thus, agency costs are low (or lower) in domestic delegations and higher in international delegations. In effect, delegations to domestic agencies are the ideal type: they are constrained by a U.S. principal subject to the American political process. Whatever agency costs problems exist in the domestic context, they pale in comparison to the costs created by delegating binding authority to an international institution.

66 Golove has described the concerns of some scholars that international delegations are antidemocratic and lack the necessary accountability to the American people. Golove, supra note 44, at 1699-1700; see Edward T. Swaine, The Constitutionality of International Delegations, 104 Colum. L. Rev. 1492, 1540 (2004) (noting that although the U.S. retains a veto on the U.N. security council, that power is held by the executive branch officials and “Congress still loses control”); Bradley, supra note 38, at 1559-60 (“Most typically, these transfers may increase the relative power of the executive branch, both because they often delegate the powers of other branches, and because the United States is represented in these institutions by executive branch agents.”); cf. Ku, supra note 39 (arguing the courts should apply formalist principles to see whether international delegations are constitutional because formalism, rather than functionalism, ensures accountability).

67 U.S. CONST. art II, § 2, cl. 2.2 (Appointments Clause); U.S. CONST. art II, § 2, cl. 2.1 (Treaty Clause); U.S. CONST. art I, § 7, cl 2-3 (Presentment Clause). Article I of the Constitution also provides for bicameralism.

68 See Benedict Kingsbury, Nico Krisch & Richard B. Stewart, The Emergence of Global Administrative Law, 68 Law & Contemp. Probs. 15, 26 (2005) (“In our view, international lawyers can no longer credibly argue that there are no real democracy or legitimacy deficits in global administrative governance. . . .’’); Ruth W. Grant & Robert O. Keohane, Accountability and Abuses of Power in World Politics, 99 AM. POL. SCI. REV. 29, 37 (2005) (conceding there is a lack of democratic accountability of international bodies); cf Bradley, supra note 38, at 1558 (noting the lack of transparency in international decision-making may increase accountability concerns).

69 Swaine, supra note 66, at 1601-02 (“International delegations give power to officials and institutions that ‘are not accountable, directly or indirectly, exclusively to the American electorate,’ and indeed may not be accountable to much of anyone at all.”); Ku, supra note 39, at 125 (concluding it is the characteristics of evolving international organization that make them unaccountable entities within the U.S.).
Given the apparent constitutional concerns and high agency costs, what should be done? Since the U.S. continues to delegate both non-binding and binding authority to international institutions, scholars have focused on the ex ante national constitutional design mechanisms to regulate all international delegations and limit binding international delegations. The section examines those proposals.

II. CRITIQUING PROPOSALS TO LIMIT INTERNATIONAL DELEGATIONS

A. Raising the Enactment Costs of Binding International Delegations

The combination of formal constitutional concerns and high agency costs has motivated proposals to make binding international delegations more difficult and, as a consequence, infrequent. How do critics purport to solve the problems created by binding international delegations? Three proposals are of particular prominence. They either endorse the adoption of interpretive tools to effectively create a non-self execution default rule for all treaties and congressional-executive agreements that make international delegations or, alternatively, create a process rule to force all binding international delegations to go through the Article II treaty process.

One proposal suggests that courts should adopt a default rule of non self-execution for all international delegations that purport to create a commitment or obligation for the U.S.. Thus, if the U.S. wants to create a binding legal obligation, Congress and the President must specifically indicate an intent to bind the U.S. in the congressional-executive agreement or treaty that purports to make the international delegation. The proposal rests on both formal constitutional grounds outlined in Section I. Another justification rests on additional consequentialist concerns, namely that “[i]nternational delegations, by potentially binding the United States ex ante to rules and decisions it has not specifically approved, may in fact reduce the case-by-case flexibility often thought important in foreign affairs.” Binding international delegations are constitutionally problematic, create accountability problems, and constrain the U.S. in international politics.

A similar proposal suggests that the U.S. adopt a “super-strong clear statement rule,” presumably requiring Congress and the President to explicitly state their intent to

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72 Bradley, supra note 38, at 1585.

bind the U.S. through an international delegation of adjudicatory authority.\textsuperscript{74} In the absence of a “super-strong” clear statement, courts would treat judgments of international legal tribunals as non-self executing and would not create any binding legal obligation in the U.S.. Though it is not entirely how courts would distinguish between a clear statement rule and a “super-strong clear statement rule,”\textsuperscript{75} this proposal is designed to make binding international delegations of adjudicative authority significantly more difficult and limit the binding effect of judgments from international judicial tribunal.

A third option proposes to “raise the costs of enacting”\textsuperscript{76} binding international delegations by requiring that such delegations be made only through the Article II treaty process.\textsuperscript{77} The Treaty Clause’s supermajority requirement would have the effect of prohibiting binding international delegations through congressional-executive agreements, which like domestic legislation go through both houses of Congress and are signed by the President, and through presidential-executive agreements, negotiated and signed by the President without congressional involvement.\textsuperscript{78} Among other things, the proposal is framed as a compromise between a permissive regime\textsuperscript{79} that allows binding international delegations without additional limitations and a prohibitory regime\textsuperscript{80} that restricts them outright. Though they vary slightly, each of these proposals represents a constitutionally inspired limit to binding international delegations. Most important, the proposals are concerned with the same problems, namely a lack of formal adherence to constitutional limitations and structural requirements, combined with the high agency costs from poor accountability and legitimacy.

At this point, one might note a tension between the formalist limitations endorsed by critics of international delegations and functionalist justifications invoked in this Article. Critics are concerned with lack of conformance with constitutional requirements that will result in high agency costs, while this Article focuses on the reduction of agency costs through oversight mechanisms. But despite the critics’ contention that binding international delegations are inconsistent with the Constitution, none of the proposals fully embraces formalism they espouse and prohibits all binding international delegations. Rather, they explicitly attempt to limit binding international delegations on

\textsuperscript{74} Id.\textsuperscript{75} Ku argues a super-strong clear statement could come from implementing legislation or in the language of the treaty itself. He notes the Optional Protocol to the Vienna Convention on Consular Relations does not contain a sufficiently clear statement, which states “Disputes arising out of the interpretation or application of the Convention shall lie within the compulsory jurisdiction of the International Court of Justice. . . .” Under Ku’s analysis a super-strong clear statement might discuss the mechanisms of domestic enforcement or specific standards for U.S. courts to follow when enforcing international judgments, but it is unclear exactly when a clear statement becomes a super-strong clear statement. Id. 62-63\textsuperscript{76} McGinnis, supra note 39, at 1715.\textsuperscript{77} Id at 1742.\textsuperscript{78} Id at 1747 (“because it is the treaty power that uniquely authorizes international delegations, a congressional-executive agreement would not be sufficient.”).\textsuperscript{79} Id at 1736 (describing the categorical permission model).\textsuperscript{80} Id.
functionalist grounds, namely concerns about agency costs. Thus, the debate really centers on whether the potential for high agency costs justifies limitations on binding international delegations, and this Article attempts to answer that question.

Since the U.S. has and will continue to delegate authority to international institutions and there is no reason to think that this trend will stop, international delegations will likely remain a tool for the U.S. as the international community deals with challenges of global concern. If this characterization of the future of international delegations is accurate, is there an alternative basis for limiting international delegations? Each of the proposals outlined above argue that binding international delegations create serious problems related to democratic deficit, legitimacy or accountability; in other words, they create high agency costs. And these costs are high enough to warrant some limit on binding delegations. Given this link, it is important to evaluate the agency costs claim.

B. Specification of Agency Costs

Critics of binding international delegations implicitly evaluate these delegations through the same lens that they apply to domestic delegations: they look to formal constitutional requirements and the agency costs from lack of political accountability. Since the oversight mechanisms available in domestic delegations to agencies are unavailable for international delegations to unaccountable international institutions, they argue that additional procedural constraints are necessary to make it harder for the U.S. to delegate binding authority.

The key justification for limits on international delegations is the presence of high agency costs. However, the lack of specificity in the claim regarding agency costs and lack of clarity regarding assumptions about the incentives of international institutions creates doubt on the need for limits on binding international delegations. Let’s begin with a consideration of agency costs.

1. Defining and Measuring High Agency Costs

First, critics are not always clear about the empirical or normative baseline on what constitutes high agency costs. \(^\text{81}\) It appears that they are making a comparative claim about the nature of agency costs in domestic and international delegations and concluding that the increase in scale in the international context necessarily means high agency costs. But even with a comparative claim, we still need more guidance about what agency cost “threshold” that international delegations must cross to warrant the significant

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constitutional limits that they endorse. Even if we assume that critics are most concerned about agency costs in the comparative context, we would expect agency costs to vary according to the nature of the international delegation (legislative, judicial, or regulatory), \(^{82}\) the organizational structure of the body exercising decision-making authority, \(^{83}\) the issue over which the organization has authority, \(^{84}\) and the scope of domestic interference. But we would also expect the same thing in domestic delegations as well. Agency costs likely vary with respect to the type, scope, issue area of the domestic delegation; and the institutional design, internal procedures and decision-making processes of domestic agencies. To even begin a serious comparison of agency costs in the domestic and international context would require some consideration of these factors, among many others.

Second, it is not clear why agency costs are necessarily always higher in international delegations than domestic delegations. Consider this simple example. The U.S. signs a multilateral treaty with three small countries creating limits on the expropriation of foreign property. The treaty creates an eleven judge “International Expropriation Court” (“IEC”) with binding adjudicative authority to hear claims and issue final judgments; it is a binding international delegation by the U.S. to the IEC through a treaty. Agency costs, in theory, might be high since the U.S. cannot control the International Expropriation Court’s judgments, as they would be automatically enforceable in U.S. courts.

However, let’s assume further that the treaty requires that the IEC operate by majority vote for all decisions but permits the U.S. to appoint six of the eleven judges. With this majority, the U.S. would have control of how the IEC will dispose of all claims, including those relating to American interests. Here, agency costs are low because the IEC’s voting structure ensures that it would reflect U.S. interests. The purpose of this example is to show that agency costs are much harder to assess and that a simple international/domestic distinction might not be determinative. In fact, depending on the agency, the agency costs in a domestic delegation might very well be higher than a binding international delegation of adjudicative authority.

\(^{82}\) See Siegel, supra note 62, at 95 (noting that the implications of international delegations vary based on whether the delegation merely transfers a regulatory power that would otherwise be exercised by the federal government or if the international delegation creates legislation that would not otherwise be promulgated by the federal government); Judith L. Goldstein & Richard H. Steinberg, *Negotiate or Litigate? Effects of WTO Judicial Delegation on U.S. Trade Politics*, 71 L. & CONTEMP. PROBS. 257, 257 (2008) (noting the surprising amount of judicial lawmaking that has occurred under the WTO when the same action would face domestic resistance).

\(^{83}\) See Barbara Koremenos, *When, What, and Why Do States Choose to Delegate?*, 71 L. & CONTEMP. PROBS 151, 174-77 (2008) (noting the design of a treaty or organization will influence the degree states’ choose to delegate).

\(^{84}\) See Oona Hathaway, *International Delegation and State Sovereignty*, 71 L. & CONTEMP. PROBS. 115, 141-45 (2008) (arguing that international delegations of authority on a variety of issues create significant benefits that cannot be achieved absent delegation).
Third, critics are unclear about the identity of the principal for international delegations.\(^{85}\) At the highest level of generality, the principal might be the American people and the claim would be that the international organization is unlikely to be responsive their collective will. However, it is Congress, not the American people, which delegates authority. Congress, therefore, could be the principal. But, when Congress acts, it is reflecting the view of the enacting coalition, along with the President, for the treaty or congressional agreement that creates the specific international delegation. Without greater specification of the principal, it is hard to assess the agency cost claim in the international context.

Finally, critics do not explain why they think that international institutions would be more vulnerable than domestic agencies to agency costs stemming from agency drift,\(^ {86}\) coalition drift\(^ {87}\) or interest group capture,\(^ {88}\) creating high agency costs, than domestic agencies. Of course, the U.S. might delegate binding authority to an international institution today that, over time, might expand the scope of its authority beyond the initial delegation, become beholden to interest groups, or develop interests separate and independent from the states which create it. These are certainly legitimate concerns but it is unclear why the agency costs that theses issues generate are significantly higher in the domestic context.

2. Incentives of International Institutions

The problems with under specification also exist with respect to the characterization of international institutions exercising delegated authority. Critics are unclear about the basis for their assumptions about the structure and strategic incentives of international institutions. Though they are not always explicit, assumptions about international institutions and their relationship to the U.S. drive much of the concern about agency costs.

As an initial matter, it is difficult to know ex ante with any certainty the likely structure, procedural rules and decision-making processes of the international institutions that might exercise binding authority. The issue, type and scope of the delegation have consequences for the internal structure of the international institution, making general claims more speculative. Despite these problems, a few assumptions about the operation of international institutions seem to motivate the criticism of international delegations.

\(^{85}\) See fn 7 (describing the lack of clarity on who exactly constitutes the principal in the domestic setting – Congress as a whole or the individual committees).

\(^{86}\) McCubbins, Noll, & Weingast, supra note 7 at 443-44.

\(^{87}\) Shepsle, supra note 10, at 114-15 (discussing how coalition drift might result when legislative or presidential preferences change).

\(^{88}\) Jonathan R. Macey, Separated Power and Positive Political Theory: The Tug of War Over Administrative Agencies, 80 GEO. L.J. 671, 702 (1992) (arguing the Supreme Court’s rules of standing are a response to the problem of interest group capture of administrative agencies).
One clear assumption is that international institutions are staffed with cosmopolitan foreign elites who are either dismissive of or openly hostile to American interests. These elites will naturally reflect the interests of their respective states and, so the argument goes, their interests will clash with American priorities. In principal-agent terms, there are many joint principals with conflicting preferences for the agent’s behavior. Thus, the international institution is an aggregation of people who, on average, will not have American interests in mind. Since these foreign elites will be exercising binding decision-making authority, the agency costs of international delegations are high.

A variant of this assumption is that international institutions (and international law) are tools to constrain American power, making them unlikely to represent American interests. Since the U.S. has a predominant role in international politics, other states cannot compete through economic, political or military means. Instead, states want to enmesh the U.S. in a web of international organizations, tribunals and agencies to limit the U.S.’s ability to influence world affairs. If the U.S. transfers binding authority to international institutions that operate as tools for weaker states to constrain the U.S., the agency costs are likely to be high.

While it is certainly true that international institutions will not perfectly reflect U.S. interests and that weaker states might try and use them to constrain the U.S., it also clear that the U.S. has been the leading force in the conception, creation and Use of international institutions across a number of issue areas. The most salient international institutions in world affairs, the United Nations and the World Trade Organization, are both the results of U.S. efforts to shape the world consistent with U.S. interests. In fact, for reasons discussed earlier, the U.S. is unlikely to ever delegate binding decision-making authority to international institutions that it cannot influence or control. Rather than being constrained by international institutions, the U.S. is generally delegating to international institutions that it created and over which it likely exercises disproportionate influence. The U.S. is likely to be the dominant principal for an agent that it designed and controls.

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89 See e.g., John R. Bolton, The Risks and Weaknesses of the International Criminal Court from America’s Perspective, 64 L. & CONTEMP. PROBS. 167, 173 (Winter 2001) (“Instead, our main concern should be for our country's top civilian and military leaders, those responsible for our defense and foreign policy. They are the real potential targets of the ICC's politically unaccountable prosecutor.”).

90 See ROBERT KAGAN, OF PARADISE AND Power 39-40 (2004) (“It is also understandable that Europeans should fear American unilateralism and seek to constrain it as best they can through such institutions as the United Nations. Those who cannot act unilaterally themselves naturally want to have a mechanism for controlling those who can.”).

91 President Roosevelt, for instance, played a vital role in the formation of the United Nations and even saw it as the crowning achievement of his political career. See JOHN ALLPHIN MOORE JR. & JERRY PUBANTZ, THE NEW UNITED NATIONS: INTERNATIONAL ORGANIZATION IN THE TWENTY-FIRST CENTURY 43-51 (Pearson Prentice Hall 2005).
C. The Potential Benefits of Binding International Delegations

Critics of binding international delegations focus almost exclusively on the agency costs problem but do not weigh those costs against the benefits of international delegations. In fact, there is generally only passing reference to the potential benefits, if at all of, greater international cooperation. But any analysis of the virtues of binding international delegations would have to consider both sides of the ledger—costs and benefits—to support any claim that the agency costs are sufficient to warrant restrictions delegations. Rather than engaging in this analysis, critics essentially provide a one-sided, agency cost-driven analysis.

While is it beyond the scope of this Article to provide a comprehensive analysis of costs and benefits, it is uncontroversial to suggest that there are challenges of global concern requiring international cooperation to address and that international delegations may be one way to exploit the organizational advantages of centralized international institutions. Some international issues have clear spillover effects that can be most effectively addressed on the international level. For example, the recent world financial crisis has increased calls for greater harmonization of financial and economic regulation; the increasing evidence about the consequences of climate change has led to numerous attempts by the international community to expand the Kyoto Protocol and reduce carbon emissions; and the attacks of September 11 in the U.S. and other bombings in the United Kingdom and Spain have resulted in greater cooperation in the UNSC on international terrorism, its funding and organization. This list is not comprehensive but it suggests that any determination of agency costs must be weighed against how the benefits of successful coordination on these issues, and many others, might redound to the U.S.

93 Oona Hathaway encourages scholars to consider the benefits of international delegations, not only the costs. See Hathaway, supra note 84, at 115.
96 Since the United Nations Framework on Climate Change entered into force, parties to the agreement have met annually in Conferences of the Parties (COP) to discuss how to deal with climate change. During the 1990s, the COP began to negotiate legal obligations for reducing greenhouse gas emissions. Carbon emissions goals have been raised at numerous conferences including Copenhagen in 2009 and Durban in 2011. United Nations Framework on Climate Change, Meetings (2012), http:// unfccc.int/meetings/durban Nov_2011/meeting/6245.php.
Similar to domestic agencies in the U.S., international institutions can take advantage of the aggregation of human expertise, broader access to data, greater legitimacy and the accumulation of institutional knowledge built up over time to address the issues of global concern. International institutions with standing committees, bodies or executive structures can act more rapidly to address global issues as they occur, rather than waiting for states to coordinate or act independently in a crisis. Much of this can be done at a lower cost through an international institution with decision-making authority rather than by state coordination on a bilateral or multilateral basis; on an issue-by-issue basis; or in a reactive, ad hoc manner. Limits on the national government’s ability to delegate binding authority might make it harder for the U.S. to enjoy the gains of international cooperation in the situation where the gains outweigh the potential agency costs.

The general or long-term benefits for the U.S. to have the flexibility of delegating binding authority to international institutions—without procedural constraints—are more speculative but important. International relations scholars differ on the value of international institutions. Some think that they have an independent effect on state behavior and are therefore capable of shaping state interests, while others find them as tools of the states that created them. In the absence of a clear answer on this issue, it is unwise to create national constitutional design rules that limit the ability of the U.S. to delegate to international institutions and narrow the U.S.’s foreign affairs options.

One prominent theory suggests that after conflict the U.S. has historically designed international institutions with the goal of locking-in an existing legal or “constitutional” order of international governance—one that reflects the economic, political, and national security interests of the U.S.—in advance of the U.S.’s inevitable

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decline in power relative to other states. By creating the rules of international politics when it is a hegemon, the U.S. is effectively “hedging” against future changes in the distribution of power in international politics. For example, after World War II, the U.S. created the U.N., the IMF, the World Bank, among other institutions, at the peak of its relative power with the hope that, as Europe and Asia were rebuilding in the mid twentieth century, they would enter an existing structure of international governance. This would deter challenges to the U.S.-crafted political and economic order.

Now, with the rise of China, India, Brazil and other developing countries the U.S.’s incentives to hedge or lock-in the existing order, which it still dominates, might be stronger. International institutions could be tools for the U.S. to try to contain rising countries in a multilateral web of international governance and maintain its influence on international politics, even as its economic and military power recedes. If this is accurate, then raising the costs of enacting international delegations might be counter-productive.

The point of this discussion is not to endorse any long-term strategy to Use international delegations and international institutions for U.S. foreign policy purposes. Rather, it shows that the benefits of international delegations—both with respect to specific issues of global concern and broader U.S. foreign policy goals—might outweigh the agency costs associated with them. At the very least, claims that high agency costs justify making binding international delegations more difficult requires a deeper evaluation of their potential benefits.

III. **Tools from Domestic Delegations Available for International Delegations**

This Article argues that many of the oversight tools for domestic delegations are available and Used in the international context, a point frequently ignored by critics of international delegations. What are the domestic tools? And are they available and effective for the U.S. for international delegations? This section outlines those tools and their international analogs. The analysis suggests that agency costs in international delegations may not be as high as critics assume and do not justify raising the enactment costs of such delegations. It also outlines some of the oversight tools unique to the international environment.

As discussed in Section I, the ex ante domestic oversight mechanisms include the appointments process, in which Congress and the President can designate loyal agency heads to ensure that the agency acts within their delegated authority, and the use of procedural constraints on the agency, including requiring the use of specific decision-making methodologies or explicit agenda-setting. Still others tool focus on institutional

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design to limit discretion and constrain the agencies or requirements to use specific decision-making methodologies.

After the agency begins exercising decision-making authority, Congress can use its appropriations power to limit the capacity of the agency to act, it can provide for greater judicial review of agency rulemaking and, perhaps most important, it can set up committees to monitor agency activities through police patrols and fire alarms. Finally, the President can narrow agency discretion through explicit directives, intra-executive supervision and the assumption of responsibility for agency actions. All of these tools permit the principal to reduce agency slack and limit shirking and self-dealing by the agent.

Many of these ex ante and ex post tools are present, in slightly different from, in the international context. Of course, the argument here is not that the international oversight tools perfectly mimic those in the domestic context, making agency costs exactly the same. Rather, the argument is that any claim that agency costs are sufficiently high to warrant constitutional redress fails without a closer examination of the various tools that the U.S. uses to influence international institutions. Understanding the full set of options available to mitigate agency costs also requires an examination of both ex ante and ex post tools, something that critics underplay in concluding that international delegations are problematic.

Some might argue that even if agency costs in international delegations are high, the number of international delegations by states that include actual binding authority is small,\textsuperscript{102} ameliorating any concerns. But this misses two key points. First, it is clear that the most pressing problems of global concern require international cooperation. It is also clear that states have turned to international institutions as the entity to aggregate information, facilitate decision-making and implement solutions. This is the story of the late twentieth and early twenty-first centuries and the U.S. has been the chief protagonist in it. States have and will continue to delegate authority to international institutions and this trend will likely increase over time. If this premise is correct, it is important to focus on the U.S. and the oversight mechanisms that might exist to reduce agency costs in international delegations. This Article, in contrast to the extant literature, looks to U.S. domestic delegations to better understand the monitoring and oversight tools available. By engaging in this analysis, it is easier to evaluate the implications of international delegations for U.S. domestic law and the logic of constitutionally inspired limitations.

\textsuperscript{102} See Guzman & Landsidle, \textit{supra} note 34, at 1695-96 (noting there are only two significant delegations of authority to international institutions by states – the United Nations Security Council and the European Union.) While Guzman and Landsidle are correct that international delegations of the binding variety do not comprise the majority of delegations, the prospect of such delegations is likely to grow over time, making an analysis worthwhile.
Second, as a practical matter some international delegations might be important even if they are not binding. For example, we can imagine logrolling within an international institution. The U.S. might be willing to support initiatives that it does not like in exchange for support on issues that are particularly important. And since international institutions reduce the transactions costs related to international cooperation, the U.S. will naturally accept some limits on its ability to act unilaterally on an issue in order to ensure that other states “buy-in” to the broader structure of the international institution, one that generally reflects U.S. interests. Even if the U.S. has substantial control of an international institution, one can still imagine situations in which the U.S. loses the battle on a specific initiative in order to win the war of keeping states committed to an organizational structure that the U.S. created. Thus, the international delegation can have consequences for the U.S., making a deeper understanding of the oversight tools a particularly important inquiry.

Of course, it is hard to predict, ex ante, the specific structure of the international institution that would exercise binding decision-making authority. It is thus difficult to make definitive claims about the presence of high agency costs in binding international delegations or the need to limit them. But we can get traction on these questions by looking at the current structure of international institutions to which the U.S. has delegated non-binding authority and draw inferences about the possible structure of institutions that might exercise binding authority. If those international institutions exercising non-binding authority have internal structures that provide the U.S. with significant influence and control—and keep agency costs down—we can imagine how the U.S. would structure the international institutions to which it might delegate binding authority. Since the stakes are much higher in the latter context, the U.S. is even more likely to try and ensure that the international institution is accountable to American interests. This becomes clear when viewing how the U.S. exercises its political, military and economic influence to shape the design and internal operation of international institutions. Broadly speaking, the United States has the unique capacity to influence the activities of international organizations and ensure greater accountability than the critics of international delegations generally assume. The U.S., for all intents and purposes, is the dominant principal in the world’s most important international institutions. The list below describes a few of the tools available to the U.S.

A. Ex Ante Oversight Tools for International Delegations

As you might imagine, the claims about the U.S.’s ability to use ex ante tools derives from theories of international relations and their predictions regarding international institutions: who creates the institutions, how they operate, and how they enforce their policies, rules or decisions. International institutions are generally conceived, designed and operated by powerful states to allow them to coordinate and achieve shared goals. At the same time, the international relations literature on rational constitutional design also generates hypotheses about structuring international institutions to meet certain goals, increase flexibility and even shape state interests. If such options exist, the claim that the difference in agency costs between international and domestic delegations, by itself, justifies disparate constitutional treatment is less convincing. In the end, the capacity of the U.S. to influence the international institution will depend on the nature of the delegation; the decision-making procedures of the institution; the substantive area (pollution, chemical weapons, human rights); and the precision of the rule adopted (hard law or soft law). The purpose of this discussion is to demonstrate that many of the domestic oversight mechanisms in domestic delegations are also available to the U.S. in the international context. So what are the tools that the U.S., as the principal, can use to reduce agency slack?

The most effective ex ante tools center on institutional design and procedures, namely agenda setting, attenuated delegation, voting rules (weighted voting and veto powers); appointments and funding. The U.S. has been the founder and key member of the most significant international institutions in the world today including the United Nations, the IMF, the World Bank, GATT and the World Trade Organization, among others. Given the U.S.’s prominence in world affairs, the U.S. has been able to design the international institution with its interests in mind, making them more accountable to its wishes. This section provides examples of some of these ex ante tools in the operation of the U.N., the World Bank, the IMF, and the WTO. It is not, by any means, a comprehensive discussion of all the mechanisms that the U.S. has at its disposal.

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105 Same.


to monitor international institutions. It also does not touch upon every single international entity to which the U.S. has delegated either binding or non-binding authority.

**Attenuated Delegation.** For many international institutions, the U.S. has created “majority rule” decision-making processes on some issues, while reserving the most important issues to smaller entities within the institution. In essence, the U.S. has delegated general authority to the international institution and, within the institution, it has ensured that specific authority has been delegated to a smaller subgroup that exercises true decision-making authority. For example, the United Nations has 192 members and each has one vote at the UN General Assembly. But for the most important issues regarding the “maintenance of international peace and security,” the UN is structured such that the UNGA, in effect, delegates decision-making authority to the United Nations Security Council. The UNSC has only 15 members at any given time, 5 of which are permanent and possess a veto: the United States, China, Great Britain, China, and Russia. With the veto power, the U.S. can block any potential UNSC resolution that conflicts with U.S. interests or those of its allies. For the key security issues of international politics, the U.N.’s 192 members do not have the bulk of the influence; it is really an institution of five. The agency costs, such as they are, will likely be reduced in this structure.

The World Bank and the IMF also have smaller subgroups that exercise true decision-making authority. Though the World Bank has 187 member states, the real power remains with the 25 person executive board, 5 of which are nominated by the U.S., Germany, France, Japan and the United Kingdom, and with the President of the World Bank who has always been an American. The IMF also has 187 member states but real power for major decisions is lodged with the 24 directors on the executive board, with 5 of the directors representing the same 5 countries listed above. Even this superficial

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110 Id at arts. 10-12, 25.
111 Id at arts. 23, 27.
114 Membership, IMF (2012), http://www.imf.org/external/about/members.htm; IMF Executive Directors and Voting Power, IMF (2012), http://www.imf.org/external/np/sec/memdir/eds.aspx; see also MILES KAHLER, LEADERSHIP SELECTION IN THE MAJOR MULTILATERALS vii (2001) (“For the [International Financial Institutions], the United States and Europe have laid exclusive claims to leadership positions since the formation of the institutions.”).
overview of the decision-making structure of both institutions suggests that the U.S. has structured the IMF and the World Bank to try and ensure American control and, as a consequence, reduce agency costs. Just as in the domestic context, the U.S. has tools to monitor and oversee international institutions.

**Voting Rules.** The U.S.’s outsize influence through attenuated delegations in the U.N., the IMF and WTO is exacerbated by their voting rules. Most international institutions are not democratic in their voting procedures and reflect a disproportionate influence for the U.S. well beyond the size of its population.\(^\text{115}\) For example, the U.S. has a veto and permanent seat on the UNSC,\(^\text{116}\) though the U.S. cannot force resolutions through the UNSC due to the presence of other veto powers, it can prevent the UNSC from acting contrary to U.S. interests. At the IMF, the U.S. has an approximately 16 percent weighted vote at an institution that requires a consensus of 85 percent for major decisions and amendments,\(^\text{117}\) and virtually the same structure exists at the World Bank. In fact, the biggest criticism of both the World Bank and the IMF is the effective veto that the U.S. has over any major decisions.\(^\text{118}\) The political science literature on the IMF and the World Bank finds that, overall, they have been effective agents for the interests of their principal, the U.S.\(^\text{119}\) If anything, these international institutions are actually uniquely responsive to U.S. interests rather than unaccountable to the American public.

Though much of the literature on the WTO focuses on its dispute resolution mechanism,\(^\text{120}\) the WTO’s consensus decision-making structure ensures that the developed countries, including the U.S., have disproportionate influence over outcomes. Although each member state has a vote, virtually all decisions by the WTO are taken by consensus, meaning “if no member present at the meeting when the decision is formally


\(^{116}\) U.N. CHARTER, arts 23, 27.

\(^{117}\) *Membership, supra* note 114; see generally *ARTICLES OF AGREEMENT OF THE INTERNATIONAL MONETARY FUND*, IMF, (July 22, 1944) (requiring an 85 percent majority vote for all major decisions).


taken, formally objects to the proposed decisions.”\textsuperscript{121} As a consequence, the ability of the WTO’s member states—and their respective delegates—to attend and participate in meetings is of particular importance in shaping the agenda, negotiations and decision-making at the WTO.\textsuperscript{122}

But, unsurprisingly, developing countries do not have the staff or resources to follow and actively participate in the WTO’s decision-making. The WTO has five rounds of meetings\textsuperscript{123} over multiple issue areas ranging from the effect of nontariff measures on small economies to trade finance reform each year. While the developed countries have the resources to participate, the U.S., Japan and Germany, for example, have forty-seven\textsuperscript{124} delegates working full time at the WTO, some forty-five countries have fewer than three.\textsuperscript{125} Moreover, some of the delegates from developing countries are not only tasked with responsibility at the WTO’s headquarters in Geneva but also represent their respective states at the half dozen other international institutions also located in the city.\textsuperscript{126} In effect, it is hard for developing countries to participate in the WTO’s decision-making structure, while easier for wealthier, developed countries like the U.S. to influence outcomes. Again, the WTO shrinks from an international institution with 153 member states to one in which a small number exercises real power.\textsuperscript{127}

\textit{Appointments.} The U.S. also has influence over the appointment and termination of top officials at many international institutions.\textsuperscript{128} In agency cost terms, the U.S. has tried to ensure that agency heads are not too far removed from American interests. One unobservable way in which the U.S. influences international institutions is by shaping the decision-making of other states. If a state knows that the U.S. is likely to look

\begin{itemize}
\item \textsuperscript{121} MARRAKESH AGREEMENT, art IX, footnote 1 (emphasis added).
\item \textsuperscript{122} For example, the WTO has a small Secretariat, with approximately 600 official staff, that runs the day-to-day operations for the institution. \textit{Overview of the WTO Secretariat}, WTO (2012), http://www.wto.org/english/thewto_e/secre_e/intro_e.htm. This might seem large but it is dwarfed by the World Bank's 10000 official staff or even the IMF's 2400 official staff. \textit{People,} WTO (2012), http://web.worldbank.org/WBSITE/EXTERNAL/EXTAHEADERS/0,,contentMDK:20101240-menuPK:1697052-pagePK:51123644-piPK:329829-theSitePK:29708.00.html; \textit{Staff of International Civil Servants,} IMF (2012), http://www.imf.org/external/about/staff.htm.
\item \textsuperscript{123} The WTO General Council is scheduled to meet five times this year. \textit{The WTO General Council,} WTO (2012), http://www.wto.org/english/thewto_e/gcoun_e/gcoun_e.htm.
\item \textsuperscript{125} Id at 32-34.
\item \textsuperscript{126} Id at 10.
\item \textsuperscript{127} Of course, many might question this analysis given the difficulties that the U.S. and other developed countries have had in moving forward on the Doha Round of negotiations. But the argument in this Article is that the U.S. can influence the operation of international institutions to ensure that it will not act contrary to U.S. interests, while still allowing the U.S. to pursue its own initiatives.
\end{itemize}
unfavorably on a potential nominee, that state will be less willing to nominate the person in the first place. U.S. preferences frame the breadth of decision-making options for other states. But there are observable factors as well. The U.S. single-handedly blocked the re-appointment of Boutros-Boutros Ghali as U.N. Secretary General in 1996, by exercising its veto power on the UNSC despite losing the UNSC vote 1-14. In casting this vote, Secretary of State Madeleine Albright stated that the U.S. was dissatisfied with his leadership and wanted a new direction at the U.N., regardless of the level of his support in the international community. When the UNSC authorizes the Use of force, the U.S. also insists that all American troops acting on behalf of the U.N. only serve under an American commander, even though the U.S. is acting under U.N. auspices. At the World Bank, the U.S. not only has an effective veto power over major decisions but also unilaterally names the President of the World Bank, inevitably an American who will likely shape the direction of the international institution to pursue U.S. interests.

Even this simple discussion of four of the world’s most prominent international institutions demonstrates that the U.S. implemented many ex ante tools to try and ensure that the international institutions to which it has delegated non-binding authority remain effective agents for their principal, the U.S. But this is not the limit of the U.S.’s capacity to influence international institutions and reduce agency costs; just as the domestic delegations context, the U.S. has several ex post tools as well.

B. Ex Post Oversight Tools for International Delegations

The U.S.’s predominance in international politics also allows it to use a set of ex post tools that are conceptually similar to those available in the domestic context. They range from funding international institutions, side payments to states and conditions on foreign aid, to provisional participation, withdrawal and the creation of new international institutions. While they might be more costly for the U.S.—withdrawal from an international institution or the creation of a new one is not easy—these tools are available to the U.S. and the U.S., on occasion, has utilized them. But, if the U.S.’s participation in

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130 Id.
131 Discussing Boutros-Ghali, Madeleine Albright stated “{w}e believe that the United Nations needs new leadership for the 21st century, somebody whos [six] going to get up every morning and decide that reforming the U.N. so that it can function in the 21st century is his or her major goal.” U.S. Poised to Veto Boutros Ghali, CNN, Nov. 17, 1996, http://articles.cnn.com/1996-11-17/world/9611_17_ghali_1_new-leadership-veto-second-term?_s=PM:WORLD.
133 Fleck & Kilby, supra note 113.
the international institution is key for its efficacy, the very availability of these tools and the prospect of their use also shapes the operation of international institutions and keeps them generally aligned with U.S. interests. The U.S. does not have to exercise its power to influence.

**Funding**.134 Perhaps most obvious, just like Congress can threaten or formally limit the agency budget, designate the funding for specific purposes and condition increases on the achievement of certain goals, the U.S. done so with some international institutions.135 This tool is uniquely available to the U.S. because it is often the single biggest financial supporter of international institutions.136 The U.S. is the largest contributor to the IMF and World Bank,137 and it contributes almost 22 percent of the U.N.’s operating budget. In fact, in the 1990s, the U.S. successfully conditioned payment of its outstanding dues to the U.N. on changes to its institutional structure to address corruption concerns and increase transparency.138 Further, when the UNSC authorizes the use of force it relies on the contribution of the member states for enforcement.139 The U.S. is by some distance the biggest supplier of troops, funding and materiel to U.N. “coalition” forces. For example, when the UNSC authorized the use of force to remove

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134 Ian A. Bowles & Cyril F. Komos, *Environmental Reform at the World Bank: The Role of the U.S. Congress*, 35 Va. J. Int’l L. 777, 782 (1995) (noting that in the context of multilateral development banks, “Congress is free to determine the amount of funding it provides for any given program, to set conditions for disbursement or even to earmark part of its contribution”).

135 The Clinton administration, for instance, conditioned World Bank funding on specific reforms including the creation of an inspection panel and the restructuring of the World Bank’s Global Environment Facility. Ian A. Bowles & Cyril F. Komos, *The American Campaign for Environmental Reforms at the World Bank*, 23 FLETCHER F. WORLD AFF. 211, 220 (1999). The U.S. has also withheld contributions from the International American Development Bank until the institution required all borrowers to stop discriminating against procurement bids from potential suppliers in the U.S. and other countries. Jonathan E. Sanford, *Multilateral Development Banks: Procedures for U.S. Participation*, CRS REPORT FOR CONGRESS (Jan. 22, 2001), at CRS-3. See also, id at 220 (concluding that Congress’ largest successes in inducing the Bank to alter policies has resulted from conditional funding).


137 Id.


Iraqi troops from Kuwait in 1991, the U.N. turned to the U.S. and other countries for support. Unsurprisingly, the U.S. led the coalition and contributed the vast majority of troops and material to the effort. Even during the recent UNSC-sanctioned campaign in Libya, the U.S. had to supply the bulk of munitions and intelligence because France and other countries were running out of resources.

*Side Payments and Foreign Aid.* Similarly, the U.S. uses side-payments and attaches conditions on foreign aid to influence (or lobby) states to support U.S. initiatives both within and outside of international institutions. We can imagine the U.S. using economic influence—some observable, some unobservable—to secure support for U.S. initiatives within international institutions or circumvent them. At the U.N., after it became clear that the UNSC would not provide a resolution authorizing the use of force for the Second Gulf War, President George W. Bush created a “coalition of the willing” that included

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141 The U.S. contributed more than 500,000 troops against Iraq during Operation Desert Shield and Desert Storm—more than four times the amount of the next nation. The U.S. also provided more than 3,000 tanks and planes. Daniel S. Papp, *The Gulf War Coalition: The Politics and Economics of a Most Unusual Alliance*, in *THE EAGLE IN THE DESERT: LOOKING BACK ON U.S. INVOLVEMENT IN THE PERSIAN GULF WAR* 21, 22 (William Head & Earl H. Tilford, Jr. eds. 1996).


144 Side payments have long been U.S. policy as a means of procuring cooperation with the U.S. international policy goals. In 1911, the U.S. made side payments to both Great Britain and Japan to seal the 1911 North Pacific Fur Seal Treaty. SCOTT BARRETT, ENVIRONMENT AND STATECRAFT 34 (2003). More recently, the U.S. supplied North Korea with fuel oil and constructed two light-water reactors for North Korea’s continued participation in the Nuclear Non-Proliferation Treaty. Alan Riding, *U.S. and North Korea Sign Pact to End Nuclear Dispute*, N.Y. TIMES, Oct. 22, 1994, at A5; Royal C. Gardner, *Exporting American Values: Tenth Amendment Principles and International Environmental Assistance*, 22 HARV. ENVTL. L. REV. 1, 34 (1998) (discussing the incentives provided to China and India to accede to the Montreal Protocol including a provision creating a fund for grants and concessional loans to developing nations to enable their compliance).

states which received cash or in-kind payments in exchange for supporting the U.S.\textsuperscript{146} When the U.S. expressed concern that the International Criminal Court ("ICC") might gain custody over Americans abroad, the U.S. conditioned the receipt of foreign aid to some countries on their willingness to refuse to turn over Americans to the ICC.\textsuperscript{147} Moreover, since the U.S. has a substantial role in determining which states receive World Bank loans and IMF support, the U.S. has encouraged the attachment of many conditions on aid, forcing the recipients—who often cannot access private capital markets—to liberalize their economies, cut the public sector and pass austerity packages.\textsuperscript{148} Many have criticized the conditions attached to aid as the U.S. imposing its policy preferences under duress.\textsuperscript{149} The takeaway is that the U.S. has tools to influence the product of international institutions by shaping the preferences of the member states.

\textit{Create New Institutions.} Another tool that the U.S. has used to maintain influence over international institutions is simply creating a new one when, for whatever reason, the old institution has been ineffective or unresponsive to U.S. interests. For the example, in the negotiations to form the WTO, the U.S. and other large economic powers withdrew from the General Agreement on Tariffs and Trade and forced the developing countries to either join the new WTO in a single undertaking or remain outside the new international trade system.\textsuperscript{150} The U.S. and others forced the developing countries to join on their terms or lose access to the world’s largest economic markets. Of course, this tool is costly and requires participation from other states with similar interests but it remains available depending on the degree to which the international institution deviates from U.S. interests.

\textit{Withdrawal.} The U.S. can refuse to join international institutions, withdraw or only provisionally participate in international institutions that have acted or are likely to act consistently against U.S. interests. For example, the U.S. refused to join the League of Nations in the early twentieth century, likely condemning it to failure at its inception.


\textsuperscript{148} See Kim Lane Scheppele, \textit{Realpolitik Defense of Social Rights}, 82 Tex. L. Rev. 1921, 1939-49 ("With the IMF able to walk away form the table without injury, while a country on the other side of the talks faces ruin, it is not surprising that countries in debt typically agree to IMF conditionalities."). Scheppele notes the typical conditions included monetary discipline, fiscal discipline, and privatization of state property. Id at 1940 (citing JOSEPH E. STIGLITZ, GLOBALIZATION AND ITS DISCONTENTS 55 (2002)).

\textsuperscript{149} See Dreher & Jensen, supra note 115, at 106-07.

\textsuperscript{150} Richard L. Steinberg develops this in \textit{In the Shadow of Law or Power? Consensus-Based Bargaining and Outcomes in the GATT/WTO}, 56 Int’I Org. 339 (2002). Judith H. Goldstein and Richard L. Steinberg also show that WTO judicial lawmaking matters only when powerful states adhere to judicial decisions and that compliance with liberalization decisions is in the U.S. interest. See Goldstein & Steinberg, supra note 81, at 257.
More recently, the U.S. signed but eventually indicated its intent not to become a party to the Rome Treaty creating the International Criminal Court.\textsuperscript{151} Since the U.S. was particularly concerned with the ICC’s potential to create liability for both parties and \textit{non-parties} to the treaty, the U.S. simply passed domestic legislation\textsuperscript{152} and signed Article 98 agreements with state parties to the ICC to ensure that Americans would not fall under its jurisdiction.\textsuperscript{153} In 2005, after the ICJ’s decision in \textit{Avena}, the U.S. withdrew from the Optional Protocol of the Vienna Convention on Consular Relations,\textsuperscript{154} which provided that the ICJ would have jurisdiction for claims under the convention.\textsuperscript{155} Even earlier, in 1984, the U.S. withdrew from the compulsory jurisdiction of the ICJ after the Nicaragua case\textsuperscript{156} and refused to participate in the ICJ’s proceedings.

Though the discussion does not cover all the mechanisms available to the U.S., it demonstrates that the U.S. has substantial tools to affect the conduct of international institutions by influencing the organization’s procedural rules, the composition of the rulemaking body and the agenda of the relevant decision makers. The U.S. can engage in both intra-institution and inter-institution logrolling, shift decision-making authority across multiple organizational bodies,\textsuperscript{157} or create narrow or issue-specific organizations,\textsuperscript{158} to make organizations more responsive to U.S. interests. Agency costs exist in both domestic and international delegations but, given the U.S.’s oversight mechanisms, those costs might not differ significantly.

C. Acts and Omissions of International Institutions

By now it is clear that the U.S. has ex ante and ex post mechanisms to influence the operations of international institutions and ensure that they remain accountable to American interests. Depending on the structure of the international institution, the relevant issue, and the interests of the other states, the U.S. will likely choose the

\begin{itemize}
  \item \textsuperscript{151} \textit{Clinton’s Statement on War Crimes Court}, BBC NEWS, Dec. 31, 2000, http://news.bbc.co.uk/2/hi/1095580.stm (stating the U.S. signature on the Rome Treaty is necessary to influence the evolution of the court, but that he will not submit the treaty to the Senate until U.S. concerns are addressed).
  \item \textsuperscript{152} See Elsea, \textit{supra} note 147.
  \item \textsuperscript{153} Id.
  \item \textsuperscript{154} Adam Liptak, \textit{U.S. Says IT Has Withdrawn From World Judicial Body}, N.Y. TIMES, March 10, 2005, A16.
  \item \textsuperscript{155} \textit{Vienna Convention on Diplomatic Relations: Optional Protocol Concerning the Compulsory Settlement of Disputes}, art I.
  \item \textsuperscript{156} Military and Paramilitary Activities in and Against Nicaragua (Nicar. v. U.S.), 1984 I.C.J. 392, 398 (Judgment of Nov. 26); see also John Quigley, \textit{The United States’ Withdrawal From International Court of Justice Jurisdiction in Consular Cases: Reasons and Consequences}, 19 DUKE J. COMP. & INT’L L. 263, 290-91 (2009).
  \item \textsuperscript{157} Eyal Benvenisti & George W. Downs, \textit{The Empire’s New Clothes: Political Economy and the Fragmentation of International Law}, 60 STAN. L. REV. 595, 596 (2007) (noting “the increased proliferation of international regulatory institutions with overlapping jurisdictions and ambiguous boundaries).
  \item \textsuperscript{158} See id at 597.
\end{itemize}
mechanism that is most likely to generate the preferred outcome. For reasons related to the U.S.’s power advantage, the U.S. has a broader set of tools to shape the final work product of the international institution.

But the U.S.’s asymmetric power advantage does not mean that the U.S. can influence international institutions in all situations; rather, the U.S. can stop initiatives that it doesn’t like but it can’t always push through institutional objectives that it prefers. For example, the U.S.’s veto on the UNSC means the U.S. can stop the UNSC from acting contrary to U.S. interests, but it doesn’t mean that the U.S. can always force the UN to act consistently with U.S. preferences. Of course, the U.S. has other tools to encourage other states to align themselves with U.S. preferences—some of those tools were outlined above—but the U.S. can’t guarantee that the international institution will always act in a certain way. On balance, the U.S. can often get what it wants out of an international institution, and can almost always block initiatives that it dislikes.

Why is this important? The dynamic described above suggests that the international institutions have a status-quo bias, one that favors the state or states that have designed, funded and retained operational control of international institutions: in most instances, the U.S.. Since the international institutions generally cannot act without U.S. consent, they cannot hurt the U.S.; in principal agent terms, the agent cannot act without the principal’s approval. The key point is that there is no accountability issue with international institutions since the U.S. can block the initiatives it opposes and generally push through those that it supports. Thus, the acts and omissions of international institutions are unlikely generate the kind of agency costs that warrant a formal limit on international delegations.

D. The Future of International Delegations

Finally, the argument outlined here focuses on the U.S.’s asymmetric power advantage in creating international institutions and ensuring some operational control through ex ante and ex post mechanisms. But the U.S. will not maintain this power forever and, sooner or later, its influence over international institutions will begin to wane. Does this potential eventuality support the critics’ contention that delegations create high agency costs?

The answer to this question requires consideration of the international political environment in which the U.S. operates. If the U.S. is the dominant power in international politics, the mechanisms outlined above will allow the U.S. to maintain effective control over international institutions, sharply reducing agency costs and accountability issues. This suggests that, at least while the U.S. is dominant, international delegations to international institutions do not present serious problems. However, if the U.S. is only one of two or three dominant countries in the world, then the U.S.’s ability to
control the international institution diminishes, creating greater accountability concerns. In such an international environment, international delegations become more problematic and they will likely present more significant principal-agent concerns. Thus, the ability of the U.S. to influence international institutions—and the wisdom of international delegations—is a function of the level of constraint on the U.S.159

Now even a world in which the U.S. is no longer dominant, it is unclear why limits on international delegations are necessary when Congress and the President will be able to assess the U.S.’s ability to influence an international institution before delegating decision-making authority. Congress and the President are well placed to analyze the costs and benefits of a specific delegation to an international institution and, given the possibility that the international institution might make decisions inconsistent with U.S. interests, Congress and the President will likely be sensitive to the consequences of international delegation for the American people. In other words, Congress and the President are already fully incentivized to internalize the costs of international delegations and ensure that the international institutions with delegated authority are accountable to U.S. interests.

IV. CONCLUSION

This Article’s central claim here is that similar accountability issues are present in both domestic and international delegations, and that a similar range of oversight tools are available to the U.S.. If agency costs are comparable, we can better assess arguments in favor of creating supermajority requirements, requiring a clear statement rule or endorsing additional political branch authorization for international delegations.

These arguments rest on the mistaken presumption that agency costs are high in the international delegations and as a result ex ante constraints are necessary to ensure accountability. But, as this Article has demonstrated, such constraints are unnecessary. In fact, given the steps that the U.S. has taken to ensure the accountability in non-binding international delegations, it likely that Congress and the President are already cognizant of the potential costs and benefits of international delegations when they provide their joint consent through the Article II process for treaties or the Article I general lawmaking procedures for congressional-executive agreements. It is unlikely that the political branches would need a clear statement requirement or a default of non-self execution to force them to internalize the costs of delegating binding authority to an international institution; the political branches are well aware of the costs and benefits of international delegations. Congress and the President’s use of reservations, understandings and

declarations in the treaty context, for example, demonstrate that awareness. Again, given the U.S.’s role in the conception, design and operation of many of the world’s most important international organizations, it is hard to imagine the U.S. delegating binding authority to an international institution that would act consistently against American interests or impose net costs on the U.S.

International delegations are in many ways substantially similar to domestic delegations. They both generate agency costs and, in both contexts, the U.S., acting through Congress and the President, have similar oversight mechanisms to reduce them. The specific agency costs in any single international delegations are likely to rest on myriad context-sensitive factors that make a general assessment difficult. But what is clear is that proposals in support of limits on binding international delegations require greater clarity on the measures of agency costs, the efficacy of oversight mechanisms, and the assumptions about the operation of international institutions. Given the prominence of international governance in the American political discourse, Congress and the President are fully incentivized to consider carefully the wisdom of both binding and nonbinding international delegations; national constitutional design limits are unnecessary.

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