

International Cooperation on Global Health

How culture and ideology influence foreign policy decisions

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**International Cooperation on Global Health
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foreign policy decisions**

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IV

Abstract

This thesis explores how national determinants influence the difficult task of international cooperation on global health, using the Liberal theory of international relations. The focus is on the United States and their rejection of a proposal presented by the World Health Organization's Consultative Expert Working Group on Research and Development: Financing and Coordination, but the findings illustrate a broader tendency where domestic preferences shape and influence international negotiations. Cultural, ideological and political preferences are studied in order to explain the United States' position and negotiation strategies. The international impact of their decision is also discussed.

Introduction

Improving global health is an issue that has been high up on the international agenda for over a century. The growing health gap between the advantaged, Western nations on the one hand, and the poorer, developing nations on the other, however, demonstrate the fact that international efforts to remedy the situation have been insufficient. There are several reasons for the difference in health levels in the advantaged and the developing states, respectively. Developing nations are by definition poorer, and therefore less able to pay the cost of medical treatment for its citizens. Government expenditure on research and development (R&D) is often low, and the developing states are to a high degree dependent on expensive pharmaceutical imports from the advantaged states. Finally, the TRIPS agreement, which was signed in 1994 and established 20 year-long patents for intellectual property, gave pharmaceutical companies, mainly based in the Western world, an effective monopoly on the medicines they develop. The implications of the agreement were higher prices for pharmaceuticals and a reduced incentive to conduct R&D on diseases that mainly affect developing nations with lower purchasing power.

Before long, the bias of the TRIPS Agreement in favor of the advantaged nations became obvious. In the Doha Declaration of 2001, the World Trade Organization officially acknowledged the ethical problems related to global health that resulted from the TRIPS Agreement. Because of the acknowledgment of an obvious bias in the advantaged nations' favor, there was an increase in efforts meant to remedy the situation. In order for the protection of intellectual property rights to be upheld, however, Western states were inflexible in the question of TRIPS's continued existence. Rather than removing TRIPS, they have pushed for solutions of a less drastic nature, and at the same time poured money into international aid aimed at improving the global health situation. No nation has contributed more financial aid than the United States.

The United Nations' public health arm, the World Health Organization, has established several working groups whose task it has been to survey the world's public health situation and propose solutions to improve the direction the international community is taking. In 2012,

the Consultative Expert Working Group on Research and Development: Financing and Coordination (CEWG) proposed the establishment of an international fund for R&D into neglected diseases, with binding annual payments for all WHO members. The size of these payments would be determined as 0.01 per cent of the GDP from each nation. This number would ensure that all nations contributed equally, and the combined investments in the fund would provide a sum sufficient to fix the problems created by TRIPS, according to the CEWG. The United States is currently the only nation contributing funds for global health efforts matching the measure put forth by the CEWG. Because the establishment of such a fund would represent no additional costs for the United States, it was somewhat surprising when they almost immediately rejected the proposal.

The purpose of this thesis is to describe the current global health situation, explore the proposals put forth to remedy the market bias in favor of the advantaged states, and use the Liberal international relations theory to explain why the United States chose to reject the CEWG proposal.

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This thesis is 18,722 words long.

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1 Background

1.1 International Cooperation on Health

1.1.1 Millennium Development Goals

In September, 2000, the Millennium Summit of the United Nations, held in New York City, resulted in a unanimously adopted declaration of what course the international community should follow in the coming years. The Millennium Declaration, as it was called, contained a statement of values, principles and a new agenda for the 21st century, and was signed by 149 Heads of State and Government, and 40 high-ranking officials from other countries. They all agreed that the most important functions of the United Nations in the future would be to ensure a more peaceful, prosperous and just world. Among the more specific concerns was making sure that globalization becomes beneficial to all, while recognizing that both the costs and benefits were unevenly distributed at the time. To remedy the situation, the Millennium Declaration called for global policies and measures corresponding to the needs of developing countries. The most substantial policy outcome that resulted from this concern was the commitment by all the state leaders in attendance to work for the reduction of extreme poverty via a series of time-bound targets. These targets are known as the Millennium Development Goals, and have a deadline in 2015 (The Millennium Declaration, 2000).

The Millennium Development Goals are a combination of eight different, but correlated targets that are important for eradicating extreme poverty. These are: 1) eradicate extreme poverty and hunger; 2) achieve universal primary education; 3) promote gender equality and empower women; 4) reduce child mortality; 5) improve maternal health; 6) combat HIV/Aids, Malaria and other diseases; 7) ensure environmental stability; and 8) develop a global partnership for development (The Millennium Declaration, 2000). Goals 1, 4, 5 and 6, four out of the eight goals for 2015, relates directly to the improvement of international health. This thesis will focus mainly on target 6, combating diseases, but the weight attributed to improving the disparities in international health in the UN's Millennium Declaration is an indicator of the importance of the issue.

The Millennium Development Goals Report for 2013

Target 6A of the Millennium Development Goals states that by 2015, there should be a global halt and reversal of the spread of HIV. The latest Millennium Development Goals Report (2013) shows that there is a steady overall decrease in the number of people infected by HIV. Still, HIV infects 2.5 million people annually and there remains a massive geographical divide in the incidence rates between sub-Saharan Africa and the rest of the world. In Southern Africa 1.02 per cent of the population between the ages of 15-49 are infected with HIV every year. The figure is 0.33 per cent in Central Africa, 0.26 per cent in Eastern Africa and 0.24 per cent in West Africa. Outside of Africa, the Caribbean, Caucasus and Central Asia have the highest HIV incidence rates with 0.06 per cent. This figure is still a lot lower than in the Sub-Saharan regions (The Millennium Development Goals Report 2013, 2013: 34).

Target 6B aimed at securing universal access to treatment of HIV/AIDS for those who needed it by 2010. Universal access is defined by 80 per cent of the HIV positive (or more) receiving treatment. The situation has improved, but not nearly by as much as planned. In 2006, 28 per cent of those living with HIV in Sub-Saharan Africa received treatment. The figure for 2013 is 56 per cent. This is a steady increase, but still far from the goal of 80 per cent by 2010 (also three years later, in 2013). Even more bleakly, the figure is lower for Asia and Oceania and especially for Caucasus and Central Asia, and there has been less of a growth than in sub-Saharan Africa. The reasons for this is a combination of the lack of political effort put into solving the problem, an expansion of the group of people deemed eligible for HIV treatment, and very importantly, the high cost of medicines. (The Millennium Development Goals Report 2013, 2013: 37).

Finally, target 6C states that by 2015, the world should be able to halt and begin reversing the incidence of malaria and other major diseases. Malaria is a disease that is mostly prevalent in developing countries in sub-Saharan Africa, as well as in South East Asia and South America.

The measures taken to curb the transmission of malaria included equipping people with insecticide-treated mosquito nets and providing them with free of charge malaria diagnosing. In the ten years following the Millennium Summit, the global mortality rates from malaria dropped by 25 per cent. Most of the lives saved were in the countries with the heaviest malaria burden prior to 2000, which shows that the policies implemented were effective in the areas that needed it most. In 2011, 50 of 99 countries were on track to reduce the incidence rate of malaria by 75 per cent by 2015. However, there is a need for sustained and strengthened efforts to ensure further reversal of malaria. The use of insecticide-treated mosquito nets is far from universal; the use of an inferior malaria drug is still widespread, when other, much better pharmaceuticals are on the market; and there is great concern as to the rising number of incidents involving strains of malaria resistant to antimalarial drugs and mosquito resistant to insecticides. In 2011, it was estimated that USD 5.1 billion was needed to prevent, diagnose and treat malaria. The global funding available fell USD 2.8 billion short, and the threat of malaria resurgence remains (The Millennium Development Goals Report 2013, 2013: 38-39).

Tuberculosis is the third focus disease of the Millennium Development Goals agenda. There has been a slow, but steady decrease in the number of new infections annually, and if the trend continues, we achieve the goal of halting and reversing the disease on a global scale by 2015. However, in 2011, 8.7 million people were newly diagnosed with tuberculosis, 5.8 million received official notice of the diagnosis, 1.1 million died from it, and 12 million were living with it. Most of these cases were located in Africa and Asia. There is also a constant need for control efforts in order to prevent resurgence in the over 2 billion people who have had tuberculosis in the past (The Millennium Development Goals Report 2013, 2013: 39).

1.1.2 The World Health Organization's World Health Statistics for 2013

The World Health Organization's (WHO) World Health Statistics is a report of the current international health situation, which is published annually. Its purpose is to map developments

in global health, as well as to create awareness of the inequality that persists in the health situation of advantaged states on the one hand and developing countries on the other. The World Health Statistics report uses relevant indicators of national health and health systems in order to produce comparable figures of measuring global health. These include life expectancy and mortality, cause-specific mortality and morbidity, selected infectious diseases, health service coverage, risk factors, health systems, health expenditure, health inequities, demographic and socioeconomic statistics. The 2013 report shows that there are still vast global differences between advantaged and developing states in health indicators despite the collective action that resulted from the agreement of the Millennium Development Goals over a decade ago. These differences are applicable to all of the above-mentioned areas, but the statistics on cause-specific mortality and morbidity and infectious diseases are particularly interesting for the purpose of this thesis (World Health Statistics, 2013).

Cause-specific mortality and morbidity

This section of the World Health Statistics covers the broad categories of communicable diseases, non-communicable diseases and deaths resulting from injury. It also provides estimates of the percentage of deaths among children below five years that are attributable to communicable diseases (World Health Statistics, 2013: 61).

The mortality rates for communicable diseases confirm the geographical differences in health levels found in the Millennium Development Goals Report. The African region, defined by the WHO as the sub-Saharan states and Algeria, has a much higher mortality rate for communicable and non-communicable diseases than the rest of the world. This is a result of the lack of prevention and treatment of widespread communicable and non-communicable diseases such as HIV, diarrhea, measles, malaria and pneumonia on the one hand, and cancer, cardiovascular disease, diabetes, and chronic respiratory diseases on the other. Estimates are made from age-standardized all-cause mortality rates among adults aged 30-70 years and the

number of such deaths caused by the non-communicable diseases mentioned above (World Health Statistics, 2013: 78). The regions presented below are the standard WHO groupings¹.

Table 1. Age-standardized mortality rates by cause (only diseases presented, per 100 000 population). Numbers for 2008 (World Health Statistics, 2013: 78).

WHO Region	Communicable	Non-communicable
African Region	798	779
Region of the Americas	72	455
South-East Asia Region	334	676
European Region	51	532
Eastern Mediterranean Region	254	706
Western Pacific Region	74	534

The African Region has more than twice as many deaths per 100 000 population from communicable diseases than the South-East Asia Region, which has the second highest rate. The rate is approximately 11 times higher than that of the Western Pacific Region and of the Americas and over 15 times higher than the rate in the European Region. The numbers for non-communicable diseases also indicate a vast health gap between sub-Saharan Africa and especially the Americas and the European Region, even if the absolute differences are smaller than for the communicable diseases. The same is true if one looks at the figures for mortality rates for children under five, and the estimated causes of death. I only include the rates for deaths resulting from communicable diseases that have a known treatment. The regions are the same as those in table 1.

Table 2. Number of deaths among children aged <5 years. Numbers for 2010 (World Health Statistics, 2013: 78-79)

WHO	Total	Distribution of causes of death (in per cent)
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¹The important thing to note is that Djibouti, Egypt, Libya, Morocco, Oman, Somalia, Sudan, and Tunisia are part of the Eastern Mediterranean Region, not the Africa Region.

Region	(000s)						
		HIV	Diarrhea	Measles	Malaria	Pneumonia	Other diseases
African	3508	4	11	1	15	17	12
Americas	284	1	4	0	0	9	19
S.-E. Asia	2127	0	11	3	1	22	21
European	155	1	4	0	0	12	21
E. Med.	1070	0	11	1	1	20	19
W. Pacific	467	0	4	1	0	16	17

There are over three and a half million deaths of children under the age of five in sub-Saharan Africa. Diseases, many of which are highly treatable, cause 60 per cent of these deaths. The low distribution and high cost of pharmaceuticals and other treatment are important causes of the high mortality rate from communicable diseases all over the world, but especially in sub-Saharan Africa. Providing affordable medicines to the world's developing regions could save millions of lives.

Selected infectious diseases

The World Health Statistics also report the official recorded numbers of certain infectious diseases. These are selected based on availability of recorded incidents, and risk of endemic development and demonstrate geographical hot-zones. Because some of the diseases are like plague and cause outbreaks, the numbers can fluctuate greatly from one year to another. Table 3 presents the most recent statistics available for a selection of infectious diseases in the WHO regions. There are many gaps in the reporting of medical conditions, so the numbers cannot offer an accurate account of the prevalence of each disease. The figures in table 3 are of reported cases where the patient has received notice of his or her diagnosis. No effort was made to try to estimate the actual numbers. Such endeavors produce highly unreliable results. However, they can give some indication as to the importance and relevance of the various diseases according to geographical region. Where possible, there is a distinction between zero number of cases and unknown number of cases (World Health Statistics, 2013: 83).

Table 3. Number of reported cases of selected diseases (World Health Statistics, 2013: 92-93)

WHO Region	Cholera (2011)	Leprosy (2011)	Malaria (2011)	Measles (2011)	Meningitis (2012)	Pertussis (2011)
African	110 915	17 953	20 168 253	194 364	28 281	5 816
Americas	361 266	36 817	489 296	1 249	...	26 901
S.-E. Asia	...	160 132	2 149 205	65 161	...	38 995
European	37 073	...	29 732
E. Med.	114 999	4 346	796 178	35 923	...	8 514
W. Pacific	2 296	5 086	223 338	21 050	...	52 089

Table 3 continued.

WHO Region	Poliomyelitis (2012)	Rubella (2011)	Tuberculosis (2011)	Yellow fever (2011)
African	168	16 190	1 367 193	2 446
Americas	0	9	218 328	17
S.-E. Asia	0	...	2 138 688	...
European	117	9 672	285 789	0
E. Med.	0	2 749	411 587	...
W. Pacific	0	76 022	1 350 639	...

The advantaged states, especially the ones in the European Region, generally have very low numbers of reported cases compared to the developing nations in sub-Saharan Africa, South-East Asia and to some extent the Western Pacific Region. Malaria, tuberculosis, and measles, are the most widespread judging by these figures. Measles vaccination can and has caused drastically falling rates for death by measles in developing countries between 2000 and 2011 (Measles, 2013). This provides further incentive for making the availability of vaccination universal. Furthermore, apart from a few rare strains of malaria and tuberculosis, pharmaceuticals are highly effective in curing these conditions.

1.2 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)

1.2.1 Signing of the TRIPS agreement in 1994

The Uruguay round of the General Agreement on Tariffs and Trade (GATT) (which we now know as the World Trade Organization (WTO)), was concluded in 1994. It was the eighth round of multilateral negotiations to reach a general, global set of rules for international trade. A very important result of the Uruguay round was the establishment of minimum standards for the protection of intellectual property rights (IPR). Intellectual property are creations of the mind and include copyrights, patents, and trademarks. Before this, each country had their own set of rules concerning IPR, and they varied greatly. In the 1970s, this became a concern for the developed, advantaged states. The costs of research and development (R&D) were rising quickly. This was especially true for pharmaceuticals, electronics and computer software. At the same time, the lack of an international system for protection of property rights meant that producers in other countries could take advantage of the progress made and produce the same products or use the same techniques without paying for the development of these. This reduced the incentive for innovational activity because there was no advantage to being first. Actually, to be first under the previous regime meant that you had to pay for the R&D without being able to exclude those who had not from reaping the benefits. The TRIPS agreement, which went into effect in January 1995, was signed in order to remedy this market failure and promote innovation. A public interest consideration was included; members could exclude patentability for medicinal innovations used in the treatment of animals and humans. In cases where this is not relevant, patent rights, which include those for pharmaceuticals, last 20 years. A compulsory licensing provision was included, so that countries who are unable to produce the pharmaceuticals domestically can import them. There are also instances where a country can choose to waive the compulsory license, i.e. in the case of a national emergency, but this is rare (Higgins, 2009: 43-44). According to Susan Sell, the signing of the TRIPS-agreement was a direct consequence of lobbyism from U.S.-American pharmaceutical companies who demanded that their government put IPR on the agenda at the Uruguay Round. She believes the agreement is an example of how private forces work to alter the broad distributional and political patterns of the world. The TRIPS-agreement altered these in favor of all the advantaged countries, but especially the United States, which was home to

many of the leading pharmaceutical companies in the world. These companies have profited massively on the extension of IPR patents (Sell, 2002).

1.2.2 The effects of the TRIPS agreement

The problem with the TRIPS agreement is that it does not take into consideration the differences in technological and socioeconomic level of the advantaged, developed states, and the developing ones. In addition, due to the new international rules for pharmaceuticals, the agreement had and continues to have major ramifications for international health, but the negotiations were carried out without extensive consultation of public health authorities. Providing innovators with patent rights for 20 years has caused its own market failures, and these have dire consequences (Correa, 2001: 381).

First, patent holders can effectively exclude competition and set the price of their product as high as they please. Lifesaving medications are necessity goods for those who need them, and they have a low price elasticity of demand. This means that an increase in the price will not diminish the demand for it proportionally. The monopoly power created by the patent rights system, another market failure, means that pharmaceutical companies can effectively set the price they see fit without worrying about competition pushing the price down. In the advantaged states, people are able to pay much more for pharmaceuticals than people in the developing states. Furthermore, in most of the states in the former category a public health care system takes care of the whole or most of the costs for medical treatments. This pushes the world prices for pharmaceuticals up. Lifesaving medicine can become unaffordable for the developing nations, which was exactly what happened in the case of HIV/AIDS medication for the sub-Saharan African nations. In South Africa, the AIDS epidemic became so potent that the government threatened to declare a national emergency in order to import generic drugs because of the unaffordable prices charged by pharmaceutical companies in the advantaged nations (Correa, 2001: 381). Alliances between researchers, civil society, the WHO and MPs from many nations have fought for softer regulations, but The United States has pursued a strategy of strengthening the laws for IPRs, and the European Union has followed suit (Hveem, 2012).

A second result of the gap in the purchasing power between the advantaged and developing nations is the amount of R&D that goes into improving treatment for life-threatening diseases. Pharmaceutical companies are responsible towards their shareholders, whose main interest, generally speaking, is increasing profit. Because markets in advantaged countries are more profitable, these companies tend to neglect R&D into diseases that are killing millions of people in developing nations, like malaria and tuberculosis. At the same time, huge sums go into slightly improving or altering drugs for conditions that are common in the advantaged nations, but not life threatening. A significant part of the industry's capital goes into expanding the lifetime of patent rights for drugs already in existence. This is capital that could be spent on R&D (Correa, 2001: 381).

Third, the benefits of patent protection are only available in economies of scale, where high costs can yield high gains. Most developing nations lack these systems. They have neither the infrastructure nor capital necessary for competing with the advantaged nations in the field of R&D, and therefore they very rarely benefit from the patent protection system. There were also theories, prior to the signing of the TRIPS agreement, that the new patent protection system would encourage foreign direct investment and technology transfer to the pharmaceutical companies of developing states, and hence their industry would develop. This has not materialized, and experience from Latin America shows that most pharmaceutical companies were denationalized in the years since 1995 (Correa, 2001: 381).

Strengthening the international regime for regulating property rights certainly has its benefits. It encourages the pharmaceutical industry to develop and reap the benefits of their innovations, and works quite well in isolated regions. The problem is that the patent property system, on a global arena, affects developing nations very differently from the advantaged ones. There is a one-sided relationship where the roles of consumer and producer are highly fixed, and the resulting market failures negatively affect the consumer. In recent years, many international actors, and especially the victims of the TRIPS-agreement, have voiced the need for an international political strategy to connect the diverging paths of commercial and public

interest in global health. This culminated in the Doha Declaration on the TRIPS Agreement and Global Health (Sell, 2002, 482). The essence of the Doha Declaration is captured in paragraph 4:

We agree that the TRIPS Agreement does not and should not prevent Members from taking measures to protect public health. Accordingly, while reiterating our commitment to the TRIPS Agreement, we affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO Members' right to protect public health and, in particular, to promote access to medicines for all (Declaration on the TRIPS Agreement and Public Health, 2001).

However, in the 2009 Pharmaceutical Sector Inquiry Report, the European Commission stressed the importance of a continued commitment to the regulation of IPRs:

The pharmaceutical sector in the EU indeed has one of the highest investments in R&D in Europe and relies significantly on intellectual property rights to protect innovation. The exclusivity periods granted through patent law and other mechanisms (SPC, data exclusivity) provide incentives to originator companies to continue innovating (The European Commission, 2009, 2).

Protestors have succeeded in softening, but not eliminating, the constraints of the TRIPS-agreement (Sell, 2002, 482).

1.3 Proposals to Remedy the Global Health Situation

Several proposals exist as to how the international community should respond to the growing problem of unaffordable medication and the lack of R&D on neglected diseases. The establishment of prize-funds is one of them (Ganslandt, *et al.*, 2001), but Buchanan *et al.* (2011) argue that the creation of more economic incentives will not alone be sufficient in stimulating R&D. Rather, the creation of an international institution is necessary. This

institution would ensure the provision of affordable medicines to all nations with a standing compulsory licensing offer for firms that restrict access to their medication through monopoly pricing. One suggestion along these lines is The Health Impact Fund (Hollis and Pogge, 2008), which is a theoretical international scheme to lower the prices of pharmaceuticals and encourage research into diseases that affect developing countries, using a system of market-based mechanisms. The World Health Organization's Consultative Expert Working Group on Research and Development (CEWG) has made a similar, but perhaps a slightly more realistic proposal that focuses on the latter of these problems.

1.3.1 The Health Impact Fund

Yale professor and philosopher Thomas Pogge and economist Aidan Hollis have created one of the most developed theories of institutionalized international cooperation for the improvement of global health. The Health Impact Fund is an ambitious plan. Membership for both states and pharmaceutical companies is voluntary, but the system requires states to pay 0.03 per cent of their GDP into the fund annually. The pharmaceutical companies that sign on receive payment according to the lifesaving capacity of their drugs, rather than by ordinary market mechanisms (Hollis and Pogge, 2008). Many internationally renowned scholars such as Noam Chomsky and Nobel Prize winners in economics, Kenneth J. Arrow and Amartya Sen (Advisory Board, 2014), support this proposal. It remains, however, a theoretical possibility. The Health Impact Fund has not been seriously considered and debated in a multilateral arena. However, a committee set down by the WHO, the Consultative Expert Working Group on Research and Development (CEWG) made a specific proposal in 2012. At the World Health Assembly in Geneva, they proposed a less complicated and costly remedy for the problem of R&D into neglected diseases. State officials from the Americas, France and the United Kingdom would soon debate this proposal and turn it down. The United States' role in this rejection surprised health experts from all over the world.

1.3.2 CEWG Report on Financing and Coordination

The WHO established the Consultative Expert Working Group on Research and Development (CEWG) in 2010 in order to assess the current global situation in R&D and make recommendations as to how the international community should handle the challenges. In their 2012 report, called “Research and Development to Meet Health Needs in Developing Countries: Strengthening Global Financing and Coordination”, they found that the current international funding for health is insufficient due to market failures, and that increased funding is required to remedy the lack of capital provided for research into neglected diseases. Both advantaged and developing countries have failed to meet their commitments to increase their government expenditure on R&D that will benefit the developing countries. Although the recommendations do not directly address the high cost of pharmaceuticals, it is reasonable to assume that more funding into R&D on neglected diseases will lead to more competition between drug companies and hence push prices down (2012: 83).

International funding to R&D benefiting developing countries is currently USD 3 billion annually, USD 2 billion of which are publicly funded by the governments of developing countries. Advantaged nations and private donors fund the rest. The CEWG estimates that a doubling of the total figure to USD 6 billion annually, would correct the current market failures. This number represents 0.01 per cent of the global GDP, which is valued at over USD 60 trillion. Furthermore, they argue that this figure is very reasonable when one takes into account the huge disparity in allocation of R&D devoted to the needs of developing nations in the last 20 years (Research and Development, 2012: 84). Their principal conclusion is that:

All countries should commit to spend at least 0.01% of GDP on government-funded R&D devoted to meeting the health needs of developing countries in relation to the types of R&D defined in our mandate (Research and Development, 2012: 84).

The CEWG finds that using a percentage of GDP is the best way to encourage fair contributions from all states (Research and Development, 2012: 84). It could be argued that, even if one discards the ethical problems that arose from the property protection system, all nations should want to resolve this funding problem because the entire world will benefit from R&D into neglected diseases. Malaria and tuberculosis are killing millions, and they have both evolved pharmaceutical resistant strains. It is important to continue research on these diseases in order to prevent their spread and possibly an epidemic.

1.3.3 Reactions to the CEWG report

The World Health Assembly arranged an open-ended meeting for their members in order to discuss the feasibility of the CEWG report in Geneva, Switzerland in 2012. Present were representatives from all of WHO's member nations. In advance, expectations were that the imposition of a binding annual tax would be unwelcome to some countries, particularly the poorer ones. Rather surprisingly, however, the main opposition of the establishment of international pooled funding of R&D for developing nations came from the United States. This was surprising because the United States was the only country that did not have to increase their expenditure if the fund was established – they were already paying their share. Because the United States is arguably the most important political actor of the 21st century, and because it is home to the biggest economy in the world, their membership would have an enormous impact for the legitimacy and functioning of such an international convention. Their rejection of the proposal therefore served as a de facto veto (Carter, 2012).

Nils Daulaire, director of the Office of Global Health Affairs for the United States Department of Health and Human services, spoke on behalf of his nation. He addressed the problem of insufficient R&D in developing nations while emphasizing that the United States was the only WHO member that had met its funding goal. He also acknowledged the inability of market forces to provide incentives for R&D for the world's poor. In response to the CEWG's recommendations of establishing an international fund with binding annual payments as a percentage of GDP, however, he denied support from the Obama administration and the United States. They also rejected the idea of setting aside a certain

amount of international funding to pooled funding mechanisms. Such mechanisms ensure that the administration of the fund, rather than the donor country, decides what countries and what projects receives funding. Daulaire expressed his view that a binding financial commitment to such a fund could be construed as a “global tax”, and that there was not sufficient consensus on the recommendations of the CEWG. Instead, they proposed the creation of an organ for international research observation, consideration of voluntary pooled funding, direct business funding, procurement agreements and prizes for R&D (Carter, 2012).

With the support of the United States, the chances of establishing an international R&D fund with binding annual payments would vastly improve. This, in turn, would force all member nations to share the funding load, which the United States currently largely carries. If achieving sufficient funds for R&D in developing nations were the goal of the United States, as they expressly claim it is, why would they reject such a proposal when, compared to what they are already contributing, it would cost them nothing? Ideological reasons may be key in answering this question.

2 Theoretical framework

2.1 Global governance

Global governance is a phenomenon in which states institutionalize cooperation in order to achieve certain goals that they are unable to accomplish on their own. In the words of political scientist and former UN employee, Lawrence S. Finckelstein:

Global governance is governing, without sovereign authority, relationships that transcend national frontiers. Global governance is doing internationally what governments do at home (Finckelstein, 1995: 369).

The classical realist view of international affairs that has dominated scholarly thought throughout history claims that because the international arena is anarchic, no superior coordinating body can induce states to behave differently than they would normally do. Liberalists and Institutionalists, who most often side with Liberalists, have contested this view. They believe the presence of international organs such as the UN Security Council, the IMF, the World Bank, the WTO and the EU significantly changes the structure of international relations from anarchy to one of global governance. Therefore, in the instances where states agree that there is need for collective action to solve a problem, which for example is the case with climate change as well as international access to medication, they may sign binding agreements that require a change in behavior from what the states would normally do. When such change happens at no cost to the states, the agreement merely has a coordinating function. Examples of this include coordination of radio frequencies and provision of country codes. When there are costs attached to a state's behavioral change, however, the threshold for signing is higher. The same is true for compliance with such agreements, which signing in no way guarantees. To illustrate this anarchic situation one can look at the Kyoto Protocol, which was the result of an international effort to establish transnational control over the climate regime. The United States and Canada both signed the Kyoto Protocol for climate change in 1997, but the United States never ratified the agreement, and Canada withdrew entirely in 2011 (Austen, 2011).

There are different opinions as to what are the necessary requirements for international cooperation to be successful. Some believe enforcement mechanisms are essential to ensure compliance. Others believe states only enter into the agreements they intend to keep, and that changing circumstances explain non-compliance. Conditions for the effective functioning of international regimes are presented below.

2.1.1 Conditions for international regime effectiveness

Arild Underdal (2002) explains regime effectiveness by looking at the character of the problem itself as well as the problem solving capacity of the regime.

Identical preferences between all actors means that a problem is perfectly benign, and can be solved through coordinating efforts. The further away from this situation, however, the more malign the problem becomes. Incongruence between an outcome that is collectively beneficial and the individual preferences of each state characterizes malign problems. Ideology, culture, history and dominant society groups influence individual state preferences, as will be explained in further detail below (Underdal, 2002). In addition, in the case of the CEWG's suggestion, all states, especially the less economically developed, have an incentive to free ride. If R&D on neglected diseases increases because of international funding, all states will benefit, also the ones who do not contribute. The suggestion made by the CEWG requires all states to share the burden of funding, however, and this is unpopular for many nations that would need to increase the expenditure on R&D from their current levels. An effective international regime could help ensure that all nations contributed to reaching a solution.

Certain conditions are necessary for the effective functioning of international regimes. These are broad and stable participation, deep commitments and high compliance rates. Deep commitments means that the nations must commit to doing something they otherwise would not have. In the case of the CEWG suggestion, commitments are deep and binding. Very few countries use 0.01 per cent of their GDP on R&D as of now, but they would have had to if they signed an international agreement establishing the fund. High compliance rates would have been necessary to ensure in order for the fund to function properly. This is an irrelevant

measure because the regime does not exist as of yet, however, many scholars argue that potent enforcement mechanisms are necessary in order to ensure high compliance (Levy et al. 1995). The CEWG suggestion included no such mechanisms.

The most important condition for the regime the CEWG intended is that of broad and stable participation. This means that all major countries ratify, and that no major countries withdraw (Hovi, Skodvin & Aakre, 2013). This condition is clearly unfulfilled in the case of the CEWG fund. The United States has been the leader of the Western world for over a century, and the ideological impact of their participation in such a fund cannot be underestimated. Britain, France and Canada have also rejected the regime. What impact the United States' rejection had on their decisions is difficult to determine, but it is reasonable to assume that it made further rejections less problematic. The United States decision therefore resulted in the fact that the CEWG fund fails to meet the first criterion of a successful international regime, and it is important to explain why.

2.2 International relations

2.2.1 Leading theories

There are several different theories of international relations. They differ in what they believe defines a state's relationship to the outside world and what constitutes its main objectives. The most influential theories are Realism, Institutionalism, Liberalism and Constructivism.

The earliest and perhaps historically most accepted theory is realism. Although the concept has varied to some extent since the classical Realism of Thucydides, Machiavelli and Hobbes, the main principles are still the same. According to Realists, anarchy, and therefore uncertainty, defines international relations. States are the most important actors, and they behave in a unitary manner. Their main task is ensuring the continued survival of the nation, and the best way to achieve this is through increasing its own power. Power is defined in terms of what enables a state to protect its own interest, whether it be military, economic or diplomatic capacity, but coercive power is ultimately the main measure. States behave as

rational unitary actors who calculate the potential gains and losses that result from interaction with other states, and will only cooperate with others if it involves an increase in its own power. Realists therefore do not believe in international institutions with the ability to dictate state behavior. Such systems may reflect existing power relations, but will not hinder a state from doing what it believes is in its interest (Østerud, 2007: 241).

Institutionalism shares many of the assumptions found in Realism. Robert Keohane influenced this tradition greatly with his work *After Hegemony* from 1984. Institutionalists believe states are self-interested, unitary actors who seek to increase their material gains in order to defend themselves in an international community defined by uncertainty. In contrast to realists, however, they believe that institutionalized cooperation with other states can sometimes be the most rational strategy. Game theory and the concept of repeated games have influenced this notion. If two or more states are expected to cooperate on more than one occasion, for example if they are trading partners, it is assumed that their behavior at one point will affect their reputation and hence the conditions with which they are met at another. International institutions contribute to restructuring incentives in an otherwise anarchic system, and are therefore a rational mechanism for states to ensure survival (Keohane and Martin, 1995).

Liberalism is a theory that is less unified and cohesive than the two previously mentioned, but common for scholars of this branch is the belief that national characteristics of a state, as well as the surrounding domestic and international society, affects how it acts in relation to others. Immanuel Kant and John Stuart Mill are prominent authors in this tradition. The belief in the difference between individual goals contrasts the views in Realism and Institutionalism that all states have essentially the same targets and strategies in dealing with other states, namely increasing their own power in order to secure survival. Liberal scholars find this view simplistic, and believe history, culture, values and norms shape state behavior in the global arena. States do not merely respond to international occurrences, they make them happen. Andrew Moravcsik has developed a general liberal theory of international relations, which is used in this thesis to explain the behavior of the United States in response to the CEWG report in 2012. The theory is explained in further detail below (Moravcsik, 1997).

Constructivism is more of an ontology rather than a theory. It is a set of assumptions about the world and human behavior and motivation. Variables generally interesting to political scientists do not have objective value according to Constructivists. Rather, the social and psychological interpretation of anything, for example military power, either at home or with the enemy, is what gives it value. A specific blend of history, culture, ideas and beliefs apply meaning to outside occurrences and explains a state's response to these. To Constructivists, objective realities are in themselves insufficient in explaining international relations. Only by wearing a very specific pair of theoretical glasses can a scholar correctly interpret multilateral relations (Ruggie, 1998).

2.2.2 Choice of theory

Both Realism and Institutionalism seem unable to explain the United States' rejection of an international fund for R&D with binding annual payments from member states. The United States is currently spending proportionally more money than any other state on remedying the negligence of health issues in developing nations. If they agreed to the establishment of an international fund, they would achieve their goal without additional costs to themselves. At the same time, other states would have to contribute economically on the same terms proportional to their GDP. No other state does so at this point. If one considers economic capacity a determinant of power, which Realists and Institutionalists do, this would actually result in an increase of the United States' power relative to the other member nations. Increasing power in order to ensure state survival is the only guiding principle in international relations according to Realists, and the theory therefore seems insufficient in explaining the United States' behavior. This is also true for Institutionalism, because one would assume that this particular situation is one where continued cooperation would most definitely result in a positive net gain for the United States. The case of the United States is illustrative of the problematic premises of Realism and Institutionalism in international relations. The assumption that states behave in a unitary manner where the ultimate goal is increased power relative to other states is too simplistic. Instead of seeking only power, I believe states pursue a multitude of goals at the same time. These goals are the product of a constellation of individual preferences and power structures within a nation. Only by understanding the

unique cultural, ideological and political character of a state, can we understand its behavior on the international arena.

Constructivism is still considered quite controversial, and I disagree fundamentally with the premise that if not interpreted by someone, objective reality has little value of its own. John Gerard Ruggie (1982) and Peter Katzenstein *et al.* (1998) present moderate versions of constructivism, but for the purposes of this paper, I have chosen not to consider the constructivist perspective.

For these reasons, I believe the Liberal tradition of international relations best explains the motivation behind the United States' behavior in relation to the CEWG report.

2.2.3 Andrew Moravcsik's Liberalism

Andrew Moravcsik is one of the most influential authors of the Liberal tradition of international relations. In the Analysis chapter of this thesis, his theory is integrated with Martin Lipset's cultural study of the United States (1996) in an attempt to explain U.S. behavior concerning the CEWG proposal. An account of Moravcsik's theory is therefore necessary.

Andrew Moravcsik has built a theory around three core assumptions that he believes explain the nature of world politics. These define societal actors, the state and the international system.

Assumption 1: The Primacy of Societal Actors:

The fundamental actors in international politics are individuals and private groups, who are on the average rational and risk-averse and who organize exchange and collective action to promote differentiated interests under constraints imposed by

material scarcity, conflicting values, and variations in societal influence (Moravcsik, 1997: 516).

According to Liberal theory, the political actions of a state are the result of an aggregation of the political preferences of its constituents. Individuals are rational beings in pursuit of what in their minds constitutes material welfare and ideal policies, and the perception of these varies from person to person. They act to promote their political agenda through the exchange of ideas and collective action. This 'bottom-up'-interpretation of political motive means that individual preferences are prior to the collective political stance taken by a state in international relations. Individual preferences do not necessarily harmonize. Moravcsik lists three factors that contribute to conflicting societal demands: divergent fundamental beliefs, conflict over scarce material goods, and inequalities in political power. Irreconcilable differences over fundamental beliefs concerning political institutions, culture, public goods, and social practices contribute to conflict. Abundance of material goods is a harmonizing factor in society. Finally, equitably distributed power and stable political institutions that have become internalized in individuals are conducive to peace (1997: 517).

Assumption 2: Representation and State Preferences:

States (or other political institutions) represent some subset of domestic society, on the basis of whose interests state officials define state preferences and act purposively in world politics (1997: 518)

Liberals do not regard the state as an actor. Rather, the institution is an instrument for control that is subject to constant capture and recapture by various dominant groups in society. Group preferences and power concentration translates into state policy through mandates in representative organs. Individuals turn to the state when they wish to achieve something that private behavior has proved unsuccessful in bringing about. Underlying identities and preferences continually pressure and influence government policy. All preferences are not equally represented, however. Even in countries like the United States, with open and fair participation in government, there are vast differences in access to information, property distribution, organizational capacity, and ability for risk-taking. These factors greatly

influence who can contribute to agenda setting through collective action and may create social monopolies within the political arena (1997: 518).

It is important to distinguish between 'state preferences' on the one hand, and 'strategies' or 'policies' expressed as a reaction to developments in the international arena on the other. Preferences are the fundamental interests of a specific nation and are independent of strategies. The former are prior to the latter by definition because they do not consider interstate political interaction. Prior preferences, however, largely influence strategies or policies in interaction with other states. There are two main way to conduct foreign policy, either unitary or disaggregated. The unitary way is if the state has a coordinated and common foreign policy strategy that represents the dominant group in society. The disaggregated way is if various branches of government pursue different strategies on behalf of social groups with differing fundamental beliefs (1997: 519).

The combination of assumptions 1 and 2 means that states do not automatically follow rationally defined strategies of maximizing security, wealth and sovereignty in relation to other states, as is believed by the Realists and the Institutionalists. Rather, foreign policy is an expression of the unique combination of these variables as interpreted by the dominant groups in domestic society. States often knowingly surrender sovereignty, decrease wealth or compromise security for other purposes (1997: 519-520).

Assumption 3: Interdependence and the International System:

The configuration of interdependent state preferences determines state behavior
(1997: 520).

Liberals believe each state's government has its own 'purpose' that it mostly bases its foreign policy on. Decision makers realize, however, that they are not operating in a vacuum, and that they have to adjust their ideal policy in relation to the constraints presented by other nations' foreign policy-agendas. In addition, Liberals believe international civil society, watchdog organizations, researchers and business pressure influences state policies. The combination of

pressure from various parts of international and domestic society can often lead to ambivalent state behavior and regulation. According to Helge Hveem, this is especially true for the international pharmaceutical regime that has developed since the implementation of TRIPS. He writes:

The current situation with regard to international governance of IPRs [intellectual property rights] is a true mosaic of institutions and policy – multilateral, plurilateral, inter-regional and bilateral agreements, with national unilateral regulation inserted into it (Hveem, 2012: 94)

Unlike Realists, Liberals do not believe foreign policy is merely a zero-sum game for scarce resources, and unlike Institutionalists, they do not believe preferences are partially convergent and merely the subject of a collective action issue. Specific state preferences, which vary as result of the particular fundamental beliefs of the social group dominating representative organs in a given territory, in combination with restraints created by other states' actions determine state behavior. The critical link here is the concept of policy interdependence, which arises when the dominant social group of one country decides to realize its foreign policy agenda, and at the same time alters the set of costs and benefits for the various policies of foreign states. Such actions can contribute to harmony by mostly increasing welfare at home and for partnering nations, they can create conflict by mostly increasing costs, and they can have mixed effects and receptions in the global community. Liberals believe the form of cooperation that exists between states is highly dependent on domestic disagreements on social preferences and patterns. Where sub-optimal outcomes result from cooperation, currently dominant social preferences, unresolved domestic differences and international distributional conflicts are to blame (Moravcsik, 1997: 521).

2.2.4 Robert Putnam's double-edged diplomacy

Robert Putnam first presented his theory of the integrated relationship between domestic bargaining and international negotiations in his 1988 article "Diplomacy and Domestic Politics: The Logic of Two-Level Games". According to this theory, one cannot explain

negotiations between states without looking at the domestic factors influencing the parties. At the same time, domestic policies are bound by what the international community of states will accept. In order to understand the in-depth study of Putnam's theory in relation to the U.S. rejection of the CEWG proposal that is presented in the Analysis, a thorough account of his assumptions are given here.

Putnam uses a metaphor of political leaders placing themselves strategically between two tables, one representing domestic politics and the other, international negotiations with foreign leaders:

At the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among those groups. At the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments. Neither of the two games can be ignored by central decision-makers, so long as their countries remain interdependent, yet sovereign (Putnam, 1988: 434).

State leaders play a complex two-level game, where they both try to influence and are in turn influenced by the various players in the two games. What is a rational move on one table might not be on the other. Leaders therefore need to balance their moves in order to please both sides. At the same time, they will actively seek out support for their policies. There is a strong incentive for consistency between domestic and foreign rhetoric and the actual policy followed. The parties may allow some discrepancy, but leaders cannot commit to opposing policies on the two different tables. Before the state leaders reach a decision, there are several rounds of internal bargaining. Here, they weigh the costs and benefits of various options (Putnam, 1988: 434). Other authors, among them Andrew Moravcsik, have dubbed this game played by state leaders “‘double-edged’ diplomacy” (1993: 9).

The Bargaining Process:

Putnam divides the bargaining process into two different stages called Level 1 and Level 2:

- Level 1: Bargaining between the negotiators, leading to a tentative agreement (at the international level).
- Level 2: Separate discussions within each group of constituents about whether to ratify the agreement (at the domestic level).

In order for international negotiations to result in state policy, there needs to be domestic ratification in Level 2. Expectations of the likelihood of ratification in Level 2 will influence the bargaining process in Level 1. In Level 1, state leaders will only discuss the set of various policies and agreements that they believe could possibly be accepted in Level 2 at the domestic level, which in the case of the United States is in Congress. Putnam calls this the “win-set” (1988: 437). The larger the win-set, the more likely it is that an international agreement will be reached, *ceteris paribus*. This is because the actors at the other end of the table have their own win-sets, and the win-sets of the various parties need to overlap. Negotiators whose domestic constituencies will accept very few outcomes have little chance of reaching an agreement that also falls within what is acceptable to other parties’ constituencies. If several outcomes are possible in Level 2, however, the likelihood of some of these being acceptable to the other party (or parties) increases, all other things being equal (Putnam, 1988: 438). At the same time, a limited win-set can prevent negotiators from being pushed around by the other parties. The negotiator is able to say that an alternative seems reasonable to her, but that those at home will never accept it. This stance forces the other parties to restate their win-sets or the negotiations are over. The latter would be a no-agreement outcome and very often, but not always, represents the status quo (Putnam, 1988: 440-442).

Critics may claim that state leaders often have an incentive to cheat when making international agreements. If states B, C and D are obliged to fulfill their commitments prior to state A, the negotiator for state A has an incentive to make the deal even if it falls outside its win-set. The negotiator makes a deal on behalf of state A that she is unable to deliver on. Her promise of ratification will not be accepted at home. The likelihood of cheating decreases sharply, however, if the states believe they will meet at the negotiating table again. This is

very often the case in today's global arena, and a reputation for following through on agreements positively affects the bargaining power a party has in Level 1. At the same time, doubt about a negotiator's political ability of ratification nullifies the positive benefits of a good reputation in Level 1 (1988: 438-439).

Determining the size of win-sets:

Three factors determine the size of the negotiators' win-sets, and therefore also the development of international negotiations. These are Level 2 preferences and coalitions; Level 2 institutions; and Level 1 negotiator's strategies.

Level 2 preferences and coalitions – The distribution of power, preferences and possible coalitions among Level 2 constituents in the negotiators' respective states influence the size of the parties' win-sets. The relative cost of no-agreement to the dominant coalitions is therefore very important. Constituents who face low costs at no-agreement are generally less inclined to be in favor of Level 1 agreements. These are often called isolationists because they do not believe in the benefits of international cooperation (and their beliefs may be well-founded in certain areas). Large, independent states tend to have more constituents leaning this way. Smaller states, on the other hand, are usually more internationally oriented and positive to Level 1 agreements. The former therefore tend to make less international agreements than the latter, *ceteris paribus*. The higher the cost of no-agreement to constituents, the larger the win-set (1988: 442-443).

When constituents are relatively homogenous in their willingness to make a Level 1 agreement, the negotiator merely needs to balance what she demands and what she sacrifices. Constituents will be satisfied when more is gained than yielded, all other things being equal. When the constituency is heterogeneous or divided on an issue, the negotiator has to use a lot more skill and cunning. The strategy of 'the more, the better' is no longer applicable, and she will try to influence constituents and seek support. A division in the domestic constituency is valuable for the opponent, because a government that is internally divided is more likely to make an agreement than one that follows a single strategy (1988: 444).

Public debate and politicization of an issue up for international negotiations can raise the activity of groups who are less worried about no-agreement and thus reduce the win-set. Diplomats therefore often stress the need for secret negotiations. Finally, if bargaining for multiple issues in Level 1 is possible, constituents in Level 2 might change their vote on the issue immediately at hand, if they gain something else as a result of the agreement. Such trade-offs are called side-payments and are common in negotiations. The purpose is not to alter the domestic sentiments, but to create a policy option that was previously out of domestic control (1988: 445-447).

Level 2 institutions – The institutional rules of the Level 2 institutions highly influence the size of the win-sets. A constituency that needs a two-third vote for ratification will certainly have a smaller win-set than one that requires a simple majority vote. The higher the threshold for ratification in Level 2, the smaller the win-set. This increases the negotiator's bargaining power, but also reduces the possibility of international cooperation. Partners will become warier of dealing with such a nation (1988: 448-449).

Level 1 negotiator's strategies – The negotiator always has an incentive to increase her opponent's win-set, which will make reaching an agreement easier. There is no safe strategy concerning her own win-set, however. A large win-set will make it easier to establish an international agreement, but it will also weaken the negotiator's bargaining position in the face of opponents. A small win-set strengthens her bargaining position, but can lower the possibility of reaching an agreement. If one assumes that enlarging the win-set is the objective, side-payments can be used to alter the relative weight of the coalitions in the Level 2 constituency in order to secure ratification. Additionally, a negotiator who has a high political standing at home is more likely to achieve ratification for the international agreements he has entered into. Therefore, party A has an incentive to increase the popularity of party B in order to enlarge the opposite side's win-set, and vice-versa. Publicly honoring the opponent is therefore a good strategy. Finally, negotiations with high-ranking officials are preferable to the opponent. A high-ranking official can to a much greater extent use side-payments, influence constituents and generally make things happen. Refusing to negotiate

with lower-ranking officials is therefore a rational as well as a symbolic strategy (1998: 450-452).

2.2.5 Putnam and Moravcsik

Putnam's theory fits well with Moravcsik's, because they both agree that domestic preferences certainly influence how states behave in the global arena. This in no way denies the explanatory importance of international influences on behavior, nor the role of the state leaders themselves. Outside pressure and significant incidents will constrain the eligible options available for states. At the same time, the strategies chosen by state leaders, who try to manipulate domestic and foreign actors at the same time, also influence outcomes. The important thing the authors agree on, however, is that state leaders will not commit to an option or a general strategy without significant domestic support. In the Analysis, the theoretical consequences of Moravcsik's assumptions are explored in relation to Martin Lipset's assessment of U.S.-American culture. In addition, an in-depth analysis of the U.S. decision-making process prior to the rejection of the CEWG proposal is conducted using Putnam's theory.

3 Methods

3.1 Case study

The product of a good case study is insight (John Gerring, 2009: 9).

The method I have chosen for explaining the United States' rejection of the proposal that came up at the World Health Assembly is the case study. What characterizes this mode of research is the focus on a few or even a single unit or event in order to understand the causal mechanisms that have occurred prior to the event. By either locating the exact causal pathway leading to an event or the intricate characteristics of a spatially delineated unit, researchers hope to be able to generalize beyond the boundaries of the case in question. If we understand exactly how and why a certain phenomenon has occurred, we may be able to learn which mechanisms are active in other cases. Nonetheless, it is important to note that a defining characteristic of the case study is that the unit in focus is not perfectly representative of the population to which we wish to generalize. The same is to a certain extent also true for large cross case analyses, however, and for these we do not have access to the richness of observations that is available in the case study (Gerring, 2009: 10-20).

John Gerring defines a case as “a spatially delimited phenomenon (a unit) observed at a single point in time or over some period of time. It comprises the type of phenomenon that an inference attempts to explain” (2009:19). For political scientists, the unit is often a nation state, though this is certainly not always the case. Other units of focus may be electoral districts, cities, and so forth. In my research, however, I will focus on the United States at the time of the World Health Assembly in 2012. I will try to explain the phenomenon of why they refused the CEWG recommendation. In order to do this, I will certainly have to extend the scope of my research to include observations from the past, but the case I try to explain is observed at a single point in time.

3.1.1 Process tracing

Because the goal of my research is insight into the causal mechanisms that produced the United States' decision, I need to explore prior events through the process tracing method. The particularity of the United States' current situation as the biggest funder of R&D into neglected diseases resulted in my belief that the outcome, the rejection of the fund, was reached via a different path in the United States than in the other countries who rejected the proposal. For this reason, process tracing is a valuable method for unveiling the causal mechanisms of what I believe to be a rare phenomenon, or even a deviant case (Gerring, 2009: 105-106), in a global setting. A deviant case is one where the outcome or phenomenon in question is somewhat surprising in terms of the observers' established knowledge. For Zach Carter, the author behind a Huffington Post article reporting on the U.S. rejection of the proposal, it is difficult to understand why the United States would reject a fund proposed by the relatively impartial, solution focused WHA, and that at the same time poses no further expenses on their part. Political scientists will recognize that there are other factors influencing the decision, and I will try to find out what these are. Once these factors are identified, the case is no longer deviant (2009: 108). The optimal way to conclude whether this in fact is a deviant case would be to do case studies of the decision-making processes of the other western countries that rejected the proposal, and then compare these to that of the United States. Due to the limited scope of this thesis, that task is not undertaken here.

By looking thoroughly at the numerous factors that may have implicated the decisions reached by the United States at the World Health Assembly, I will try to explain a set of research questions that I have posed prior to the analysis. The problem of rejecting a correct null-hypothesis is present with case studies, however, and it is difficult to prove or disprove a hypothesis based on a single case. This has to do with the extent to which the results of my research are generalizable to a larger number of units, or external validity. The knowledge gained from this research may indicate what mechanisms are at play in similar situations for the same unit, the United States, and help shed light on how lobbyism affects political decisions. My goal, however, is not to establish a general rule. It is therefore important to note that I believe the outcome of my research will provide possible insight and explanation to a

phenomenon that may seem peculiar for an outside observer, rather than generate strict laws, prove, or disprove alternative hypotheses about what caused the rejection.

3.1.2 Sources

One of the sources I will use for my analysis is the Huffington Post article by Zach Carter, which includes a copy of the direct correspondence between Nils Daulaire and the journalist, as well as Mr. Daulaire's statement at the World Health Assembly. The article is therefore both a primary and secondary source. The journalist Mr. Carter's own words are a secondary source because he interprets the events, while Mr. Daulaire's statements are a primary source because he experienced the events under study first hand. I will also look at the final report from the 28th Pan American Sanitary Conference, 64th Session of the Regional Committee of WHO for the Americas that took place in Washington, D.C. in September 2012 (28th Pan American Sanitary Conference – Final Report, 2012: 35-38). Also, a first hand description of the discussions at the 28th Pan American Sanitary Conference is used (Cox, 2012). Both the Final Report and Cox's description of the events at the 28th Pan American Sanitary Conference are primary sources because those present at the event wrote them. The levels of bias and objectivity are different, however. While the Final Report is an official WHO document presenting a summary of events from an objective point of view, it is difficult to determine whether Cox's writing is biased. However, the non-governmental organization that Cox writes for, Knowledge Ecology International (KEI) claims that their goal is the promotion of "better outcomes, including new solutions, to the management of knowledge resources" (About KEI, 2014). KEI is a respected organization and were present in the WHO preliminary teleconference between the CEWG and the PAHO (Report of the Conference Call, 2011). There are no weighty reasons to believe that Cox would deliberately misrepresent the reality of what occurred at the PAHO conference. Finally, a press release for Médecins Sans Frontières (MSF) is used to highlight highly invested outside observers' reactions to the United States' decision. MSF is a widely acknowledged and respected organization that represents the informed opinion of health personnel on a global basis (MSF Access, 2012).

The other sources used in my research are secondary literature containing descriptions of a sociological and historical nature. These are Seymour Martin Lipset's *American Exceptionalism: A double-edged sword* (1996), Mauk and Oakland's *American Civilization. An Introduction* (2009), and Alexis de Tocqueville's *Democracy in America* (first published in 1835). Finally, theoretical tools with which to interpret the sources are gathered from secondary literature that mostly are of a scientific nature.

3.1.3 Reliability, validity and limitations

Although reliability and validity are treated separately in quantitative studies, these terms are not viewed separately in qualitative research. Instead, terminology that encompasses both, such as credibility, transferability and trustworthiness is used (Golafshani, 2003: 600).

The concept of reliability is characterized by the accuracy of measurements, analyses and methods used in a research experiment. The reliability of a piece of research is high if replication by another researcher is expected to result in the same measurements and outcomes as those produced in the original. In other words, reliability has to do with the extent to which testability, re-testability and replication of the observations, analysis and results of an experiment are possible. Measurement accuracy is often more relevant in quantitative than in qualitative research, for this reason, the concept of reliability needs to be redefined in terms of a case study that does not rely on quantitative measures (Golafshani: 2003).

Validity is a concept that determines whether the indicators we use to build the premises and conclusions of an investigation correspond to reality. In other words, a high degree of validity means that there is a high probability that what we determine as causes and mechanisms of an outcome actually produced that outcome. External validity, as mentioned above, is the degree to which it is possible to generalize from the results found in one piece of research to a larger population. Although I may be able to make suggestions about similar situations, the richness of variables that will be taken into account in my research will make it difficult to find phenomena where the *ceteris paribus*-concept applies; where all other things are equal.

Internal validity refers to the causal relationship between the results found in a research study, and the variables they are based upon. In order for internal validity to be strong, there has to be a high degree of plausibility and likelihood that the variables studied produce the conclusions drawn from a piece of research. The deductions made therefore need to be well founded, logically acceptable and compelling (Gibbert, Ruigrok & Wicki, 2008: 1466). By using process tracing and source triangulation, the researcher is able to generate information from various sources in order to reach knowledge and come closer to learning the truth. Raino Malnes (2012) writes that it is impossible literally to compare all statements with reality, because this would require constant and ever-present observation. In order to generate statements that are as close to the truth as possible, we instead need to gather small pieces of information from various trusted sources so that our representation of reality comes as close to the truth as possible (Malnes, 2012: 53). By using process tracing and data source triangulation, which includes gathering information from multiple sources and observations, I hope to gather enough evidence to convince the reader that the conclusions drawn about the United States' decision are correct, and hence adhere to the concept of strong internal validity.

Healy and Perry propose that instead of using the concepts of reliability and validity, we should instead focus on “credibility, neutrality or confirmability”, “consistency or dependability” and “applicability or transferability” for qualitative research (2000: 122). In a way that closely corresponds to reliability in quantitative research, Lincoln and Guba use “dependability” about qualitative research (1985: 300). The distinction lies in how researchers present and analyze the data used in qualitative research in order to increase the trustworthiness of the conclusions drawn. Source triangulation is a widely acknowledged method of increasing the validity of a case study that uses singular, non-repeatable observations, data reduction products, secondary sources and raw material.

4 Analysis

4.1 Research questions

According to Andrew Moravcsik and Robert Putnam, states facing foreign policy decisions do not automatically act in the most rational way, in terms of the Realism school, in order to increase wealth and power. Individual preferences of the dominant social group influence state behavior, and these preferences are based on culture, history and ideology rather than pure power-increasing rationality. In other words, we need to consider the domestic cultural environment of any nation in order to understand their foreign policy decisions. Seymour Martin Lipset has written extensively on the exceptional nature of the U.S. national identity and the American Creed (1996). His findings are applied to the framework of Moravcsik's and Putnam's theories of international relations in order to better understand the U.S. decision to turn down the CEWG fund. I have developed four research questions that are answered in the following sections. The first two questions are of a theoretical nature and explores how a combination of Lipset's cultural study and Moravcsik's study of international relations can help predict U.S. behavior on the global arena. The third and fourth questions are analyzed empirically. One of the research questions ask how a combination of Moravcsik's theory and global governance theory is able to explain the impact of the United States' decision. The research questions are:

RQ1: *How can Lipset's theories be applied to Moravcsik's framework?*

RQ2: *How does Moravcsik's and Lipset's theories help explain the rejection of the CEWG proposal of an international fund for R&D into neglected diseases with binding annual payments?*

RQ3: *How can Moravcsik's theory of interdependence and global governance theory help explain the international impact of the United States' rejection of the CEWG proposal?*

RQ4: *How can the United States' decision not to back the CEWG proposal be interpreted in terms of Putnam's theory of two-level diplomacy?*

First, however, is a summary of Lipset's 1996 book, *American exceptionalism: A double-edged sword*. The summary is quite extensive, but it is important for the reader to have a good understanding of Lipset's analysis in order to comprehend the theoretical integration of Moravcsik's and Lipset's theories in the section following the summary.

4.2 American Exceptionalism

Seymour Martin Lipset believes the inhabitants of the United States of America have a culture as well as national identifiers that are qualitatively different from all other nations in the world. Whereas the people of other nations are bound together by a common history and heritage, the citizens of the U.S. are American because they believe in the same ideology, what Lipset calls the American Creed. The American Creed is a unique combination of liberty, egalitarianism, individualism, populism and laissez-faire, and is a result of several historical developments starting with the American Revolution (Lipset, 1996: 19). Adherence to this Creed is what makes citizens American. It is uncommon to call a citizen of Norway un-Norwegian no matter what her opinions are, but American citizens who express sentiments that starkly oppose the American Creed are often called un-American. Being American is the choice of being part of an ideology (1996: 18).

The first description of America as an exceptional nation is found in Alexis de Tocqueville's *Democracy in America* (1948: 36-37). He visited the United States in the 1830s and described a nation built around a vibrant democracy, voluntarism, individual rights and an inherent suspicion towards state authority that was unlike anything he had experienced in his native France. The lack of feudal structures, aristocracy and monarchy was something the world had not previously experienced. Whereas state authority and centralization was an intrinsic part of European society, the decentralization, lack of feudal structures and a belief in the self-sufficiency and equality of individuals resulted in a cultural apprehension towards the state

among the inhabitants of the New World. This apprehension became a quality of American society, and was as strong as ever during the time of the American Revolution, which ended in 1783, and the following years. The United States today remains one of the most anti-statist, legalistic and rights-focused nations in the world (Lipset, 1996: 17-18).

So how did this culture develop? Lipset explains the particular development by using Max Weber's loaded die metaphor (Weber, 1949: 182-185). He imagines a die that is originally unbiased, but becomes loaded in favor of a number every time it is rolled. This means that there is an increasing probability of rolling that particular number with every roll. Like the die, Lipset believes the outcome of each historically significant occurrence influenced the decisions made and the outcomes of incidents in the future. Through historical developments, values became well entrenched culturally. They were the results of major events like the Revolution or wars with foreign powers, or the establishment of institutions like the Constitution, the Bill of Rights, Supreme Court rulings, and so forth (Lipset, 1996: 23-24).

The United States was the first colony apart from Iceland that gained independence, and the founding fathers wanted to distance themselves from the political culture of the old world. They were very suspicious of centralized state power, and institutionalized these sentiments in the Constitution and the Bill of Rights. The Constitution, which is the oldest written constitution in the world, established a federal republic with a built-in system of checks-and-balances to keep the branches of government from becoming too powerful. The Bill of Rights protects citizens against state infringement of their individual rights. These developments highly influenced beliefs such as constitutional constraints on state power and the individual responsibility to fight for your rights. Because Americans believe in the limited role of government, they have not relied on the state for matters concerning welfare, health and unemployment to the same extent that inhabitants of other nations have. Unionized labor and socialist movements never gained any real momentum in the United States as it did in the other advanced states. In the latter, the presence of a major socialist party helped institutionalize social democratic values, such as state responsibility for welfare and health, to varying degrees. Even though there was an expansion of the state, following the New Deal policy of Franklin D. Roosevelt in order to deal with the Great Depression of the 1930s, the same development never occurred in the United States (1996: 21-25).

Although Americans do not believe in the state as a main provider of social goods, there is one area in which the U.S. government has been consistent in its spending; the educational system. Egalitarianism in the American Creed means that all Americans are born equal and should have the same opportunities for socio-economic mobility if only they work hard enough. From its birth, the state has therefore been the main provider of education on all levels, as opposed to most European countries. The result has been a historically highly educated people who believe they have the sole responsibility for their own situation (1996: 21-22).

The United States is the most religious country in the world in terms of Christianity, except perhaps the Catholic countries Ireland and Poland. Lipset explains this by the lack of state funding received by various denominations of the Christian faith in the United States. In the Old World, the Church often received funding from the government, and was therefore not reliant on membership numbers in order to survive. In the U.S., however, the various Protestant sects that dominated the continent had to raise their own funds, and were therefore active in promoting the importance of church attendance. Only through membership and donations could they continue their existence. The concept of laissez-faire has therefore been historically important in explaining the individual and voluntary religiosity of the United States. Voluntarism has also been an important part of American culture in all levels of society. Membership and activity in voluntary associations has historically been the highest in the world, and Americans give a lot more money to charity than the populations of other nations (1996: 27). The widespread adherence to Protestant ethics also connects to the skepticism towards state authority. Each American believes he is responsible towards his own conscience rather than to the state (1996: 19-20).

This Protestant-inspired moralism has also influenced politics, and this explains why all wars except World War II met opposition at home. Lipset explains how Americans need to believe they are going to war against “evil” itself rather than merely defending themselves (1996: 20). The Puritan leader, John Winthrop, who in 1630 spoke of the New World as a “City on a Hill

that the eyes of all people are upon” (Mauk and Oakland, 2009: 173), put this sentiment into words. The ‘City on a Hill’ would be a religiously transformed society that would serve as an example for England to follow. Many Americans, including George Washington and Barack Obama, have quoted Winthrop when they speak of the United States’ role in international relations. The scope and target of U.S. influence has changed since the days of Winthrop, but state leaders regularly confirm the common belief that the United States sets a unique example for the rest of the world to follow (2009: 173).

There are, however, several downsides to American Exceptionalism. The United States has traditionally experienced the lowest numbers of voter turnout at parliamentary elections among advanced countries. The historically low numbers can be a result of the general anti-statist sentiments of its inhabitants. According to the national Gallup poll, the American parliament, the Congress, had support from only a quarter to one fifth of the population in the 1990s and reached an all-time low of only 12 per cent support in 2008. Because the people expect Congress to deal with the nation’s financial situation, the crisis that struck in 2008 may explain the unusually low numbers (Mauk and Oakland, 2009: 149-150). However, when compared to the executive and judicial branches of government, represented by the President and the Supreme Court, Congress is the least popular (Jones, 2013).

Furthermore, the United States has the highest crime and incarceration rates among the traditionally Western nations, and comparatively soaring numbers on legal action among citizens and between citizens and the state. This is a result of the legalistic and rights-focused culture. Moreover, conflicts defined in moral terms are a lot more intense than in Europe. Topics such as abortion, gay rights, atheism, marital sanctity and similar issues are highly controversial, and the opposing sides have gone to extreme measures in order to push their views through. An example of this is the repeated burning down of abortion clinics and murders of doctors who perform abortions. With perhaps a few exceptions in the highly Catholic countries of Poland and Ireland, the right to abortion is a relatively non-controversial issue in Europe. The same is true for the other issues mentioned above. The history of Protestant moralism and the belief that one should act in accordance with one’s own conscience explains the intensity of these morally defined conflicts (Lipset, 1996: 28).

Finally, even though the United States scores high on indicators concerning social mobility, education levels, entrepreneurship and business success, there are also vast income inequalities compared to those found in Europe. Low savings and taxation, as well as few welfare benefits provided by government explain this inequality. The statist expansion of the 1930s enhanced the role of the federal government, but welfare provisions that are common in most European countries, such as a comprehensive health care system, have not developed in the United States. The Patient Protection and Affordable Care Act was enacted in 2010. It is a bill setting federal standards to prevent insurance companies from exploitative behavior, makes sure affordable insurance is available, and it includes a section on subsidies to those who are unable to purchase their own insurance. The bill, often dubbed ObamaCare, preserves the system of private health care and insurance. Nonetheless, it has met severe opposition from all levels in society who claim the bill is ‘socialist’ or ‘un-American’ and represents the “biggest shift in the relationship between the government and the people” in American history (Fox News, 2013).

How can Lipset’s analysis be applied to the theoretical frameworks of Moravcsik and Putnam? Can a combination of the theories shed light on why the United States chose to oppose the establishment of a binding international fund for R&D into neglected diseases, when this decision seems irrational to the outside observer? In order to explain the United States’ rejection of the CEWG fund, I have developed several research questions.

4.3 Moravcsik

4.3.1 Assumption 1: Primacy of societal actors

RQ1: *How can Lipset’s theories be applied to Moravcsik’s framework?*

In a democracy, the political actions of a state result from an aggregation of the political preferences of its constituents. Moravcsik agrees with this assumption, and does not believe in an objective state purpose that exists independently of individual preferences. In terms of the United States, this means that the preferences of the people, and therefore the members of

Congress cause and are prior to state policy. Preferences may be characterized by conflict or harmony. Moravcsik identifies three factors that contribute to highly conflicting societal demands. These are divergent fundamental beliefs, conflict over scarce material goods and inequalities in political power. On the other hand, harmonizing factors include abundance of material goods, equitably distributed power and stable political institutions.

The point of interest here is whether there exists a divergence in the fundamental beliefs of society in general and therefore among the members of Congress. Seymour Martin Lipset would say that such fundamental differences exist to a lesser extent in the United States than in other nations. The American Creed is a national ideology that covers many aspects of life and culture, and most Americans adhere to it. It is important to mention that this does not mean that all Americans have the same opinion on various subjects. Interpretations of what constitutes liberty, egalitarianism, individualism, populism and laissez-faire may differ violently, as they do in terms of moral issues such as abortion and gay rights. The varying degree to which the state should provide regulation of the market in order to improve the welfare of those who are worst off is also a matter of great dispute, as was exemplified by the controversy surrounding ObamaCare. So is the level of commitment to international involvement by the United States. An important distinction between the United States and other advanced countries, however, is that both sides of such disputes are placed relatively far to the isolationist side and to the right of the political spectrum, and that no real left-wing alternative exists. Some may argue that the two-party system of the United States has resulted in a convergence of ideologies between the two parties, the Democrats and the Republicans, due to the need to capture middle-ground voters. This does not explain why the convergence has happened on the right of the political spectrum and why most Americans believe their leaders should stay out of foreign affairs, however. A national ideology of individualism, liberty from the state, laissez-faire, and responsibility for one's own situation and socio-economic level does. Additionally, according to Putnam, Americans are less willing to commit to international cooperation because of the sheer size and influence of their country, its self-sustainability and capacity. The combination of these national determinants result in a nation that generally believes in little international involvement, low taxes and few welfare benefits provided by the state, albeit to varying degrees. The same is true for the members of Congress.

Regarding the other factors that contribute to conflicting societal demands, the conditions in the United States are arguably quite harmonizing. According to Moravcsik, abundance of material goods is conducive to harmony, and the United States is one of the most affluent nations in the world. As emphasized by Lipset, there is great welfare inequality within the population, but this has not shifted the traditional view that the state should not have a redistributive role. The Democrats believe in more redistribution of wealth by the state than the Republicans do, but the differences are marginal compared to those in other advanced countries, such as the European. Constituents seem to hold the impression that access to material goods is possible through hard work.

Finally, equitably distributed power and stable political institutions also reduce the chance of conflict among constituents. The U.S. system of checks and balances makes sure that there is a division of power between the various branches of government: the judiciary, the executive and the bicameral legislature, and between the local, state and federal level. Furthermore, the political institutions established by the U.S. Constitution in 1787 have been some of the most stable in history and have remained relatively unchanged. Lipset would explain this by the immense respect with which Americans regard the law, and especially the Constitution. The legitimacy of the political institutions remains intrinsic to the constituents and are under no immediate threat, even if the people express their misgivings at times.

4.3.2 Assumption 2: Representation and state preferences

Assumption 2 of Moravcsik's theory discards the notion of the state as an actor in itself. Rather, the state is subject to capture and recapture of dominant societal groups. State policy is result of the ruling group's various preferences and priorities. Moreover, as mentioned above foreign policy is an expression of the dominant groups' interpretation of security, wealth and sovereignty. Underlying identity factors will influence the way groups interpret these.

If Seymour Martin Lipset's description of American exceptionalism were applied to Moravcsik's theory, it would suggest that the dominant groups in U.S. society have preferences that lean more to the isolationist rather than the internationalist end of the spectrum. In addition, they would be distrustful of centralized control, opposed to market intervention and government sponsored welfare benefits. Finally, they would be highly critical of taxes. This could help explain the United States' rejection of the CEWG's proposal, which brings us over to the second research question.

RQ2: *How does Moravcsik's and Lipset's theories help explain the rejection of the CEWG proposal of an international fund for R&D into neglected diseases with binding annual payments?*

For an outside observer, it would seem that by rejecting the international R&D fund, the U.S. surrenders security and wealth, and arguably reputational benefits. The fund would provide much needed research into diseases that are currently developing pharmaceutical resistant strains. These can possibly threaten the entire world in the future, and more research could be interpreted as an investment in security. The fund might also help fix the market failure that is currently causing the lack of research into neglected diseases. This would increase the stability and legitimacy of the global market and contribute to the socio-economic development of many nations. In turn, this could benefit the global economy and therefore increase wealth. Finally, the U.S. could have institutionalized their leadership in preventing the development and spread of neglected disease, and reaped the international acclaim that comes with such a role. This fits well with the notion of the 'City on a Hill', and would require no raise in expenditure from the U.S.

If we believe Moravcsik and Lipset, their explanation of the U.S. rejection can be found in the strength of the various preferences of the dominant groups in control of the United States. It appears that the aversion to centralized control, taxation and interference with the market system prevents the United States from wanting to institutionalize their commitment to R&D into developing diseases. The components of the American Creed are therefore highly

relevant in explaining the preferences of dominant societal groups and in extension their interpretations of national interest. Mr. Daulaire, who led the negotiations, even stated that a major part of the problem was that the binding annual payments into such a fund could be construed as a global tax (Carter, 2012). Furthermore, the establishment of such a fund would take control over investment flows away from the U.S. and into the hands of a ‘supranational’ institution. This starkly opposes the tradition for decentralization, isolationism and sovereignty in the United States. Finally, whereas support to R&D into neglected diseases now represents voluntary contributions and goodwill, a binding global fund could be interpreted as an institutionalization of a breach with the laissez-faire culture that is so dominant in American society.

4.3.3 Assumption 3: Interdependence and the International System

Specific state preferences regarding foreign policy and restraints created by other states’ actions result in a sort of policy interdependence that determine state behavior. When the dominant social group of one country decides to realize its foreign policy agenda, this alters the cost-benefit analysis of the foreign policy options available to other nations. As a result, what one nation does in terms of foreign policy influences what others will do in the future. In the case of the U.S.’ rejection of the CEWG proposal, it is interesting to look at how this decision might have affected the official statements of other states at the WHO summit. The global governance theories presented in the Theoretical Framework chapter are useful in interpreting these.

4.3.4 Interdependence and global governance theory

RQ3: *How can Moravcsik’s theory of interdependence and global governance theory help explain the international impact of the United States’ rejection of the CEWG proposal?*

The U.S. rejection of the proposal made it easier for the other nations who did not wish to commit to binding annual payments to reject it as well. There would be high costs attached to the states’ behavioral change if they were to sign the agreement. Most significantly, they

would lose full control of their spending and in most cases, except in the U.S.'s, would need to increase the amount spent on R&D. The threshold for signing is therefore high from the outset, and the same is true for compliance if the agreement were signed. Most notably, France and Great Britain rejected the proposal after the United States made their views known.

The problem of how to fund R&D into neglected diseases is a malign one. Preferences concerning what the international community should do about the problem of R&D into neglected diseases varies greatly from state to state. In many cases, the terms of realism are sufficient to explain why most states would oppose a binding fund: they would not be able to afford an increase in spending on R&D without taking scarce funds away from other posts that they deem more important. However, if one digs a little deeper it is necessary to look at why the preferential priorities vary among states. Aside from a few expenditure posts clearly in line with realist premises, like the military, liberalism can provide a better explanation for the uniqueness that constitutes a state's priorities. The unique preferences of the dominant social group in the various states explain why there is a difference in opinion concerning the importance of the question at hand. Furthermore, there would be strong incentives for all nations to free ride, but especially for developing countries with limited financial means. Increased spending into R&D would benefit them whether they contributed or not. It is possible that the United States and other leading nations realized that this incentive would be too great, and deemed the success of the regime unlikely. This judgment call may also be an important part in explaining why no agreement was reached.

The likelihood of success for the international regime dropped after the United States rejected the proposal. As mentioned previously, the conditions for international regime success are broad and stable participation, deep commitments and high compliance rates. Broad and stable participation means that all major countries ratify, and that no major countries withdraw. Because the United States rejected the proposal, the first premise fails. This is not important only because of the sheer size of the United States, but also because their rejection has an immense symbol effect for other nations, both advanced and developing. Many still regard the United States as the most influential power in the world, and while it is true that the

absence of the U.S. in such a fund would reduce its financial capacity greatly, the most important effect is arguably the lack of legitimacy the fund would suffer as a result.

The other two conditions for international regime success are less relevant for the case in question because no agreement was reached. However, states, including the U.S., may have considered the proposal in light of these factors prior to making a decision concerning the fund. It is therefore worth mentioning how the proposed CEWG regime would score on the remaining conditions. The second factor necessary for success is deep commitments. Deep commitments mean that states alter their behavior as result of being part of the international regime. In the absence of the regime, the states would behave differently. The requirement for deep commitments is fulfilled in the case of the CEWG fund. All states except the United States would have to increase their expenditure on R&D as result of commitment to the fund. True, the U.S. would have to give up micro-management of their financial flows into R&D, but if the fund actually improves global health, which the U.S. claims is also their goal; this is arguably a small sacrifice. The important factor for international regime success, however, is the behavioral change of the majority of signatories.

Finally, high compliance rates are necessary to ensure the success of international regimes. Because the proposed fund had no institutionalized enforcement mechanisms, it is difficult to imagine high levels of compliance from nations whose incentive to free ride is strong or who have a combination of limited means and strong preferences in other areas besides R&D into neglected diseases. The probability of faltering compliance rates is therefore relatively high. This may have factored into the U.S. and other nations' rejection of the proposal.

Ultimately, policy interdependence between domestic preferences and other states' behavior help explain why the CEWG proposal failed. While domestic preferences in many nations may initially have been negative to the proposal due to its low likelihood of success, the U.S. decision to reject an international fund certainly influenced the ease with which other states were able to reject it as well. If the U.S. had taken on the role as a leader, and a leader by example due to their current contributions to R&D, other states such as Canada, the United

Kingdom, and France, would have a more difficult time explaining why they would not contribute along the same lines as the U.S. The United States' blocking of the proposal therefore created a policy option that was not there prior to their decision.

4.4 Putnam

In this section, Putnam's theory is applied to the case of the U.S. blocking of the CEWG's proposal.

RQ4: *How can the United States' decision not to back the CEWG proposal be interpreted in terms of Putnam's theory of two-level diplomacy?*

4.4.1 The bargaining process

In terms of Putnam's theory, one has to identify the different players in U.S. politics who take part in the bargaining process. Level 1 players are negotiators who work in the international arena and provide a connection between domestic and foreign politics. Several types of officials can work with international relations on matters of various importance, but important ones include the President, his ministers, ambassadors and other diplomats. In the case of the CEWG proposal, Nils Daulaire, director of the Office of Global Health Affairs for United States Department of Health and Human Services, represents the leading negotiator as well as representative, and therefore Level 1.

Level 2 participants are the constituents of each state whose decision it is whether to ratify an international agreement. In the United States, these are the members of the two Houses of Congress, the Senate and the House of Representatives. The institutional details of the constituency will be described in more detail below.

If one considers a state's reputation to be an important contributing factor in international negotiations, the likelihood of cheating in terms of the proposed international fund is low.

Because all states are required to contribute to the fund, future partially repeated games are highly probable. It is likely that all states will meet with at least some of the others at the negotiating table again. Funding is provided as a percentage of GDP, which could be considered equal and fair. There is the risk of dissolving responsibilities, however, when all states are involved. Nations have an incentive to free ride because steps taken in R&D benefit them all, regardless of whether they contribute. Furthermore, in many cases there are doubts as to the ability of negotiators to ensure ratification of such an agreement in their home constituencies. This doubt reduces the probability of reaching an agreement. No-agreement in this case represents status quo of the current situation.

4.4.2 The size of the United States' win-set

Preferences and coalitions

The preferences and coalitions of the constituency, the Congress, partially determines the size of the U.S. win-set. Because of the sheer size and influence of the United States, in addition to its inherent cultural resistance to federal state authority and its responsibility for welfare, individual responsibility, low taxes and a focus on local government, there are many isolationists in U.S. politics. They generally face low to zero cost of no-agreement because they mostly do not believe in the benefits of international cooperation. Of course, there are constituents who argue that this view is wrong, but they are in a minority position. According to Putnam, constituents of large, independent states will be less favorable of international cooperation than those in smaller ones. This is certainly the case for the United States. Smaller states will have the incentive to cooperate with others in order to influence the international agenda. The United States is arguably very able to do this on its own, however, and therefore has a lower cost of no-agreement. The lower the cost of no-agreement, the smaller the win-set for the negotiator, Mr. Daulaire.

The debate around the CEWG proposal has been very public and open. According to Putnam, this leads to a higher politicization of the issue, and raised activity among groups who do not worry about the outcome being no-agreement. This results in a smaller win-set because groups actively fight against several possible outcomes without concern for a possible no-

agreement-situation. The WHO is also an issue specific arena for negotiations, and all nations are required to accept the CEWG proposal in order for the establishment of an international fund. This complicates and discourages the use of side-payments. It is unclear who would try to create policy options for whom, because no state has taken the lead in the negotiations.

Level 2 institutions

As mentioned above, the Level 2 constituents in U.S. politics are made up of the two chambers of Congress, the Senate and the House of Representatives. The Senate has 100 members, two from each state, all of whom are elected for periods of six years. Representatives in the House are chosen by congressional districts and face re-election every two years. There are 435 members of the House of Representatives. When a suggested law is under consideration in Congress, it is called a bill. For a bill to become law, it needs to pass in both the House and in the Senate. The President can veto a bill passed by Congress, but the legislative branch can override the veto by a two-thirds majority in both Houses (Mauk and Oakland, 2009: 129-131).

Because a bill needs to pass in both Houses of Congress, and has to be signed by the President, the threshold for ratification of international agreements is high. Moreover, the legislative power is currently split between the two major parties in U.S. politics, the Democratic Party and the Republican Party. The Democratic Party controls the position of President and has a majority in the Senate, while the Republican Party has a majority in the House of Representatives. This further complicates the situation because both sides have an incentive not to back propositions from the other. If the Republican members of Congress backed a proposition made by the Democrats, they would betray their voters and at the same time contribute to the success of the opponent. The same is true if Democrats back a bill initiated by the Republicans. The result in many cases, and especially in controversial ones, is gridlock. The current situation lowers the probability of ratification in Level 2.

Level 1 negotiator's strategies

Following Putnam, Nils Daulaire's strategies in negotiating with the other member nations of the WHO as well as with his own constituents will affect the U.S. win-set. Mr. Daulaire has realized that commitment to an international fund will not be ratified in Congress, and therefore accepts that no-agreement will be reached on this particular point. His win-set does not include the outcome that is proposed by the CEWG. By acknowledging that he in no way will be able to sway Congress in favor of an international fund for R&D, he effectively blocks the proposal and is able to focus the agenda onto matters more in line with current U.S. policies. Mr. Daulaire's position as director of the Office of Global Health Affairs is also worth noting. By sending a negotiator who is a director of an office working on the specific issue concerned, the U.S. shows respect for the forum, the issue and the other participants. However, Mr. Daulaire is not among the highest-ranking officials of the U.S. government, and is therefore less likely to influence constituents, offer side-payments and generally pull strings. Opponents in the Level 1 negotiations know this, and Mr. Daulaire's ability to set the agenda according to the actual wishes of Congress increases (United States Department of Health and Human Services, 2014).

The research I have conducted supports the notion that the United States acted rationally when considering the proposal presented at the World Health Assembly. The premises for their decision are different from the ones prescribed by the Realism school, however. By using the premises found in the school of Liberalism, process tracing, data- and theory triangulation, and the theories of Putnam, Moravcsik and Lipset it is possible to find very plausible and well-founded explanations for U.S. behavior with regards to the CEWG proposal. The explanations presented do not, however, address the legitimacy of the criticism raised by the international health experts from Doctors Without Borders and KEI online and from Mr. Carter at the Huffington Post.

5 Discussion and conclusions

The purpose of this thesis has been to demonstrate how the unique political, cultural and social particularities of a nation can affect the broad strokes of international politics.

Expanding one's perspective from merely looking at the incentives and rationality models as described by the Realism school is useful if one wishes to get a more nuanced and full view of how global politics are created and conducted. Liberalism is very helpful in this respect, and the works of scholars like Andrew Moravcsik and Robert Putnam contribute to explain phenomena that may seem inexplicable at the surface. This does not mean I can prove without doubt the causal mechanisms behind the United States' decision to reject the CEWG proposal, but it is possible that I have come closer than others have.

The first two research questions were theoretical in nature and asked how Martin Lipset's theory could be applied to Moravcsik's framework. Research questions 1 considered the consequences of societal actors' preferences. I found that Lipset's theories predicted isolationist preferences, opposition to centralization, market intervention, government redistribution, welfare benefits and taxes. Because of the American Creed, there is very little divergence in the fundamental beliefs of the citizens of the United States. These beliefs help shape people's preferences, and are in turn reflected in elected representatives. In addition, a two-party system counteracts the polarization of institutionalized political preferences. It is important to stress that non-divergent fundamental beliefs do not result in equal preferences for all. Rather, the identification of these beliefs can help explain why the policy makers of nations tend to act in one way or another.

The answer to research question 1 is very much tied to the second research question, which asked how Lipset and Moravcsik's theories explain the United States' decision to reject the CEWG proposal. Lipset's predicted preferences, which in turn are expressed by the constituents of the United States, explain why commitment to a centralized, globally binding 'tax' that interferes with established market mechanisms was turned down. Even though there are opposing forces in the population, and therefore among the constituents, these are not dominant. Other reasons, such as control of funding and institutional weaknesses, may have

weighed heavily on the decision, but should not have resulted in a total rejection of the proposal if the goal of the United States was to find a permanent solution to the lack of R&D into neglected diseases.

The third and fourth research questions were of an empirical nature. Research question 3 asked how Moravcsik's theory of international interdependence and global governance theory predict the impact of the United States' decision. According to Moravcsik, the foreign policy decisions made by the dominant social group in one state alters the cost-benefit analyses of foreign policy options for other states. Therefore, the United States' decision to reject the CEWG proposal resulted in both the closing and opening of windows of opportunity for the other nations at the negotiating table. It is fair to assume that advantaged nations that to a certain extent identify with the policy goals of the United States, such as France, Canada and the United Kingdom would feel the pressure of accepting the proposal if the United States had done so first. This does not mean that U.S. support for the proposal would necessarily have resulted in the establishment of the fund, but the symbolic value of U.S. backing would make it difficult to reject the proposal entirely. When the U.S. failed to do so, however, rejection was made a lot easier, both for nations that identify with the U.S.'s value set and for those who for other reasons (perhaps mainly financial) did not want such a fund established. The U.S. rejection therefore represented a window of opportunity for states that were negatively set against the fund from the outset. Furthermore, global governance theory states that for the success of international regimes handling malign problems (problems that require an alteration in behavior from what the actors involved would usually have done), broad and stable participation as well as deep commitments and high compliance rates are necessary. Non-involvement from the United States and a lack of institutional enforcement mechanisms proposed for the CEWG fund means that the first and last of these requirements were not fulfilled. These factors may have influenced the decisions of Canada, France and the United Kingdom to reject the fund.

The fourth and final research question asked how the United States' decision not to back the CEWG proposal could be interpreted in terms of Putnam's two-level diplomacy. In Level 1, Mr. Daulaire is expected to negotiate the U.S. position in the international WHO forum.

Because he needs ratification from his constituents back home (these represent Level 2), however, his bargaining position is severely influenced by preferences at home. A number of things made rejection of the proposal the only strategy for Mr. Daulaire. First, the size, affluence and influence of the United States predicts isolationist foreign policy preferences among citizens and constituents. Second, the American Creed predicts hostility towards centralization, taxes and intrusions into the markets. Third, the constitutional rules of the U.S. legislature makes the passing of laws dependent on acceptance in both Houses and by the President. Fourth, the Congress' current split between the Democratic Senate and the Republican House of Representatives makes the passing of controversial laws very difficult. The negotiator in Level 1, Mr. Daulaire, knows the proposal will fail in Level 2, and therefore immediately rejects it.

The main finding of my research is that the notion of an international fund with binding international payments and centralized control is incompatible with U.S.-American culture and ideology. The purpose of such a fund corresponds to the foreign policy goals expressed by the United States, and these goals were within reach without increased expenditure on the part of the U.S. However, the social, cultural and political preferences of the people, as expressed by the policy makers, made acceptance of the methods proposed by the CEWG impossible. The main contribution of my research is a development in the theoretical framework with which one can study states' decision processes prior to international negotiations in general and in the United States in particular.

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