

The Review of International Organizations

Richard Clark. 2025. Cooperative Complexity: The Next Level of Global Economic Governance. (Cambridge: Cambridge University Press)

--Manuscript Draft--

Manuscript Number:	
Full Title:	Richard Clark. 2025. Cooperative Complexity: The Next Level of Global Economic Governance. (Cambridge: Cambridge University Press)
Article Type:	Book Review
Keywords:	
Corresponding Author:	Michael Breen Dublin City University Dublin, IRELAND
Corresponding Author Secondary Information:	
Corresponding Author's Institution:	Dublin City University
Corresponding Author's Secondary Institution:	
First Author:	Michael Breen
First Author Secondary Information:	
Order of Authors:	Michael Breen
Order of Authors Secondary Information:	
Funding Information:	

Review of *Cooperative Complexity*

Richard Clark. 2025. *Cooperative Complexity: The Next Level of Global Economic Governance*. (Cambridge: Cambridge University Press)

Michael Breen¹

¹ Michael.breen@dcu.ie, Dublin City University, DCU Glasnevin Campus, Dublin 9, D09 W6Y4, Ireland.

Review of *Cooperative Complexity*

Richard Clark. 2025. *Cooperative Complexity: The Next Level of Global Economic Governance*. (Cambridge: Cambridge University Press)

Contemporary international financial institutions (IFIs) stand at a crossroads. On one side, populist governments are pulling back from multilateral commitments and questioning the legitimacy of established multilateral lenders such as the IMF and World Bank. On the other, a cohort of ambitious new IFIs – most prominently the Asian Infrastructure Investment Bank, the New Development Bank, and an expanding web of regional institutions – is beginning to turn financial strength into geopolitical influence. These parallel forces are redrawing the map of global economic governance: borrowers now enjoy unprecedented choice, policy conditionality is no longer the monopoly of Western creditors, and the once-comfortable-supremacy of the Bretton Woods order is giving way to a more crowded and contested landscape. The real question, then, is not whether the new institutions will challenge the size and influence of the IMF and its Western peers, but how swiftly they will do so – and what that transformation will mean for the global economic order.

In *Cooperative Complexity*, Richard Clark sheds light on an increasingly important part of this puzzle: how IOs themselves position and coordinate within this crowded field. Rather than asking how states choose among rival lenders, Clark turns the lens on lenders' own behavior, examining when IFIs decide to pool resources in joint, co-financed operations, and when they instead compete for borrowers' business. By shifting the unit of analysis from state-IO to IO-IO relationships, he addresses an important gap in our understanding of global governance. Drawing on original datasets, elite-survey evidence, and an illustrative case study, Clark argues that inter-organizational bargains can be politically efficient yet economically inefficient, often hinging on the geopolitical alignment of each IO's dominant shareholders.

The book's core theoretical contribution is twofold. First, Clark insists on a precise definition of co-financing: the formal pooling of funds, staff, and conditionality within a single operation, recorded in the public documents of each institution. This distinction matters because it separates genuine institutional marriages from the looser forms of "policy alignment" that populate the regime-complexity literature. Second, he advances a supply-side theory of co-financing that complements familiar demand-side explanations built around borrower preferences. While existing work highlights how states engage in forum shopping among rival lenders, Clark shows that lenders themselves have incentives to form what is, in effect, a quasi-cartel. If the leading shareholders of two institutions are geopolitical allies – say, the United States and Germany – their agents inside the bureaucracies can pre-empt the borrower's outside option by pooling their loans, thereby safeguarding their preferred policy package and sustaining the relevance of both organizations. Co-financing is, in this sense, politically efficient.

Yet when two (or more) IFIs pool money through co-financing, they also pool staff, procedures and incentives – and that is where things unravel. Larger, mixed work-teams are harder for headquarters to monitor, so bureaucrats can free-ride or shift blame to the partner organization when targets slip. Cultural and procedural mismatches compound the problem, producing delays, duplicated tasks, and diluted accountability. Because most co-financing occurs among allied lenders without a looming competitor, these collective-action failures usually go unchecked, and performance suffers. Only when a credible outside rival (e.g., a Chinese- or Russian-backed bank) is poised to lure the borrower away – sharpening scrutiny and effort – does cooperation translate into better on-the-ground results. In short, Clark argues that while co-financing solves political dilemmas, in the average case it remains economically inefficient.

Methodologically, *Cooperative Complexity* demonstrates impressive ambition. In Chapter 3, the analysis leverages large-N dyadic regressions covering more than 5,000 IO pairs from 1945 to 2018, complemented by an elite survey experiment among IO professionals. Clark shows that IOs whose dominant stakeholders are politically aligned – measured by alliance ties and proximity in UN voting – are significantly more likely to engage in co-financing. He finds that a one-point increase in UN voting distance is associated with a reduction in the number of co-financed agreements signed between IOs by nearly 20 percent (p. 77). Chapter 4 turns to a dataset of 6,200 World Bank programs initiated between 1990 and 2019 (p. 95). Data on these programs are combined with performance ratings from the World Bank’s Independent Evaluation Group (IEG), and the findings show that co-financed programs typically underperform relative to solo programs, except in contexts where the presence of rival IOs creates competitive pressure.

Chapter 5’s case study of the Greek crisis examines what many consider the most prominent and controversial economic bailout in modern history – and arguably the most ambitious attempt at cooperation between leading international organizations. As Clark emphasizes, the joint IMF–EU program was deeply fraught, with tensions between the two institutions ultimately leading to a breakdown in cooperation. The chapter nicely illustrates Clark’s core point about the necessity of geopolitical alignment among leading shareholders to make co-financing feasible, yet its claim that bureaucratic inefficiency contributed meaningfully to the program’s poor performance is less convincing. Clark shows, quite well, that IMF and EU staff squabbled and duplicated effort, but those frictions were symptoms, not the disease. However, the fatal flaw was locked in before any mission deployed, when Berlin – backed by other northern creditors and tacitly by Washington – vetoed meaningful debt relief and insisted on front-loaded austerity. That political choice produced an arithmetically non-credible program that markets, Fund economists, and Greek officials recognized from day

one. Politics baked a program destined to collapse; bureaucratic frictions that Clark identifies merely browned the edges.

Nevertheless, *Cooperative Complexity* significantly advances our understanding of inter-IO behavior within regime complexes. A natural next step for the agenda opened by this book is to widen the lens in three directions: first, add the international-lender-of-last-resort tier – Fed and ECB swap lines, and other short-term facilities – which can blunt a borrower’s incentive to pit IFIs against one another and therefore reshape both cartel dynamics and rival-induced discipline; second, make hierarchy within joint packages explicit, since in many deals a clear lead creditor supplies most of the funds and shapes the conditionality, a structure that may condition the collective-action problems Clark highlights; and third, map the bilateral and ad-hoc “side-cars” (for example, the UK’s loan alongside the EU-IMF bailout of Ireland or Belt-and-Road tranches grafted onto AIIB projects) that introduce additional principals with their own preferences and can either facilitate or block progress.

A further research direction worth considering is to examine how repeated co-financing partnerships change the story: do IO pairs – like the EU and IMF, that may be hesitant to “jump into bed together” again after their fraught crisis experience – eventually learn to ease staff frictions and turn politically efficient deals into economically efficient ones? Bringing these additional layers into future research would help clarify when co-financing amplifies – and when it dampens – the political and economic logics Clark identifies.