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Why do states commit to international labor standards?: interdependent ratification of core ILO conventions, 1948-2009

**Article (Accepted version)
(Refereed)**

Original citation:

Baccini, Leonardo and Koenig-Archibugi, Mathias (2014) *Why do states commit to international labor standards?: interdependent ratification of core ILO conventions, 1948-2009*. [World Politics](#), 66 (3). pp. 446-490. ISSN 0043-8871

DOI: [10.1017/S0043887114000124](https://doi.org/10.1017/S0043887114000124)

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This version available at: <http://eprints.lse.ac.uk/57665/>

Available in LSE Research Online: June 2015

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Why do states commit to international labor standards?

The importance of “rivalry” and “friendship”

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Abstract

Ratifying conventions adopted by the International Labor Organization creates legal obligations to improve labor standards in the domestic economy. Why and when do states choose to ratify them? Two influential theoretical approaches lead to the expectation that states are influenced by the ratification behavior of other states. Drawing on rationalist institutionalism, we expect states to use institutions such as the ILO to improve or consolidate their preferred standards domestically while reducing the risk of suffering competitive disadvantages in world markets. In this view, ILO conventions are devices for the prevention and mitigation of regulatory "races to the bottom" among trade rivals. Drawing on sociological institutionalism, we expect states to ratify ILO conventions if doing so conforms to a norm of appropriate behavior that is prevalent in a state's peer groups. We elaborate on the latter explanation by identifying the domestic conditions of interdependent ratification. The paper develops observable implications of these hypotheses and tests them by applying spatial regression models to seven core ILO conventions and 187 countries between 1948 and 2009. The analysis yields strong evidence in support of both rationalist and the sociological hypotheses. The paper contributes to the literature on treaty ratification and policy diffusion.

Introduction

Since its creation in 1919, the International Labor Organization (ILO) has adopted 189 conventions on topics such as freedom of association, collective bargaining, forced labor, child labor, gender and other forms of discrimination, social security, working time, and occupational health and safety. ILO conventions are international treaties that are legally binding for states that choose to ratify them. But they occupy a peculiar position among international treaties. In other policy domains such as trade and arms control, treaties are often signed in the expectation of reciprocal behavior: for instance, a state may grant access to its domestic market in exchange for access to foreign markets for its own producers; or it may commit to refrain from developing certain kinds of weaponry in order to secure a similar commitment by other states. But reciprocity cannot be considered a key driver in all policy domains. Most notably, human rights treaties are unlikely to be ratified, and complied with, on the basis of direct reciprocity. As Beth Simmons notes, “[n]o government is likely to alter its own rights practices to reciprocate for abuses elsewhere.”¹ The conventions adopted by the ILO should be particularly interesting for IR scholars because they mix features of both kinds of treaties: those that are negotiated primarily on the basis of reciprocity and those that are not. On the one hand, at least some of the ILO conventions are designed to mitigate regulatory competition in labor and social standards. The ILO itself points at this motivation in its promotional material:

“An international legal framework on social standards ensures a level playing field in the global economy. It helps governments and employers to avoid the temptation of lowering labour standards in the belief that this could give them a greater comparative

¹ Simmons 2009, 129.

advantage in international trade ... Because international labour standards are minimum standards adopted by governments and the social partners, it is in everyone's interest to see these rules applied across the board, so that those who do not put them into practice do not undermine the efforts of those who do."²

The logic described in this excerpt implies reciprocity: states are expected to commit to *international* labor standards primarily to get other states to commit to, and comply with, those same standards.

On the other hand, the ILO and many other actors portray commitment to core labor standards as having intrinsic normative value: the same ILO document quoted above stresses that adherence to international labor standards is imperative because work "is crucial to a person's dignity, well-being and development as a human being".³ Several conventions, such as those on freedom of association, child labor, forced labor, discrimination, migrants, and domestic workers are explicitly presented as protecting "fundamental human rights".⁴ In this logic, states are expected to ratify conventions as way to endorsing and expressing a public and legally binding commitment to a universally valid conception of human dignity.

So, why do states ratify ILO conventions? More precisely, why and when do some states choose to ratify certain core conventions? To the extent that they want to avoid regulatory

² ILO 2009, 10-11.

³ ILO 2009, 10.

⁴ ILO 2009.

competition, their decision to ratify should be influenced by the ratification behavior of their economic competitors. To the extent that they want to show support for a norm they believe in, we should expect ratification by those states whose values and practices in labor and social policy are consistent with ILO norms. The latter expectation is consistent with the theory of “rationally expressive ratification” proposed by Simmons in relation to human rights treaties.⁵ But the values that state agents choose to affirm by making international commitments are not entirely endogenous: they are likely to be influenced by the norms expressed by other states, particularly by states that they consider to be “peers”.

This suggests that we should expect ratification decisions to be interdependent not only insofar as they reflect competitive considerations, but also insofar as they reflect a desire to belong to a normative community of states. But *who* is influenced *by whom* is likely to be different in the two cases. The aim of this paper is to develop hypotheses about interdependent ratification and provide empirical tests. The hypotheses are derived from rationalist institutionalism as well as sociological institutionalism, and thus draw on both rationalist and constructivist research traditions in International Relations. The relationship between rationalist and constructivist theories has attracted considerable attention over the past two decades.⁶ Our analytical starting point is that the social mechanisms theorized within the two traditions can coexist and operate in parallel, and thus we have no reason to expect that any evidence pointing at the importance of one class of mechanisms *ipso facto* proves that the other plays a negligible

⁵ Simmons 2009.

⁶ See Fearon and Wendt 2002 for an in-depth discussion.

role. In other words, we want to avoid what Jeffrey Checkel has called a “gladiator” style of analysis, where “one perspective goes forth and slays all others”.⁷

The next section develops hypotheses on interdependent ratification derived from rationalist institutionalism and sociological institutionalism. Drawing on the former, we argue that states should use international labor standards to solve cooperation problems under conditions of strategic interdependence. If states desire to improve domestic labor standards but are concerned that this may advantage their economic competitors in world markets, a joint commitment to international labor standards monitored by the ILO may provide sufficient reassurance that their relative competitiveness will not be substantially affected. If this is correct, we should expect states to be more willing to commit to ILO standards when their trade rivals have already done so. We then develop a hypothesis based on sociological institutionalism: states will make formal commitments to international labor standards when doing so conforms to a norm of appropriate behavior that is prevalent in a state's peer groups. More specifically, states should be more willing to ratify conventions in the wake of ratification by states to which they are intensely linked through international organizations. The third section presents our methodological strategy, which based on spatial regression models applied to seven core ILO conventions and 187 countries between 1948 and 2009. The fourth section presents the outcome of this analysis: we find that there is strong empirical support for both the rationalist and the sociological hypotheses.

⁷ Checkel 2001, 243.

Our focus on international interdependencies is compatible with the fact that the ratification of ILO conventions is ultimately a process driven by domestic actors interacting within a domestic institutional setting. The fifth section of this paper aims to gain a deeper insight into the causal mechanisms of interdependent ratification, by considering how foreign influences *interact* with domestic politics in the ratification process. A case study of the ratification of the ILO's equal pay convention by the United Kingdom provides qualitative evidence for our constructivist hypothesis and at the same time suggests the following conjecture: ratification of ILO conventions by social peers can "tip the balance" in the domestic contest between supporters and opponents of ratification, by providing argumentative ammunition to former. A quantitative test of the ratification of two ILO anti-discrimination conventions provides further evidence in support of that conjecture: ratification by social peers has a statistically significant effect on ratification where the pro-ratification coalition (using the percentage of legislators who are female as proxy) is neither very strong nor very weak. These are the conditions under which foreign examples have the greatest potential to tip the balance in favor of ratification. The final section draws some conclusions.

Theories of interdependent ratification

Two influential perspectives in IR theory, rationalist institutionalism and sociological institutionalism, provide reasons to expect the decision to ratify ILO conventions to be influenced by the ratification behavior of other states. While both approaches would predict the interdependence of ratification decisions, they stress different sets of causal mechanisms and thus would expect different patterns of interdependence to emerge.

Rationalist institutionalism in IR theory conceives states as unitary actors that pursue their own interests as if they were rational utility-maximizers, in an environment characterized by the absence of an external enforcer of agreements and by variable levels of uncertainty about the interests and behavior of other states.⁸ Rationalist institutionalism focuses on situations of strategic interdependence, in which the benefits accruing to each state are determined not only by its behavior but also by the behavior of other states. In such situations, often states have mixed motives: they have a common interest in cooperating, but also incentives to cheat and/or shift the distribution of gains from cooperation to their advantage. As a result, the outcomes of state interaction are often inefficient, as potential gains are “left on the table”. The key thesis of rationalist institutionalists is that states are able to mitigate the problem of inefficiency by manipulating the context of their interaction and specifically by creating and sustaining international institutions and organizations. International institutions and organizations can alleviate distributional and enforcement problems by providing information about state preferences, constraining bargaining strategies, providing focal points in negotiations, facilitating issue linkages, reducing ambiguity about what constitutes compliance and non-compliance, monitoring compliance, and coordinating decentralized sanctioning.

⁸ The literature on the theoretical building blocks and empirical applications of rational institutionalism is vast. The first full book-length exposition was Keohane 1984, and concise statements of the key assumptions and expectations of this approach are provided by Keohane and Martin 2003 and Stein 2008.

There is ample evidence that the ILO was created in order to address problems of strategic interdependence in labor standards policy.⁹ This rationale is clearly stated in the preamble to the Constitution of the ILO, approved in 1919 as Part XIII of the Treaty of Versailles: “the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries”. Policy-makers hoped that, by agreeing on and implementing common standards, they would be able to improve labor conditions according to domestic preferences without compromising the ability of their industries to compete with foreign producers. There is some debate on whether strategic interdependence with regard to labor standards has the form of a “prisoner’s dilemma” (PD) game or an assurance game. Thomas Palley, for instance, models it as a PD.¹⁰ Alan Hyde, by contrast, argues that at least some types of labor standards give rise to a stag hunt, or assurance game.¹¹ The key difference is that in an assurance scenario mutual cooperation is a stable equilibrium because each state prefers to keep high labor standards in its jurisdiction provided that other states do the same, whereas in a PD scenario mutual collaboration is more fragile because states are tempted to defect from cooperation and use low standards to gain a competitive advantage. What is common to both PD and assurance situations is the worst outcome that states want to avoid, i.e. they are left to implement high standards while their competitors lower theirs or fail to raise them. This may be because the welfare losses caused by the loss of market shares are perceived to be higher than the welfare gains resulting from improved labor standards. When states are uncertain about whether their counterparts prefer mutual cooperation to unilateral

⁹ See the Web-Appendix for an account of the historical process that led to the creation of the ILO.

¹⁰ Palley 2004.

¹¹ Hyde 2009.

defection or vice versa, in order to avoid the worst-case outcome they may decide not to cooperate even if they themselves prefer mutual cooperation to unilateral defection.

Rationalist institutionalism expects states to design institutions that have a good “fit” with specific types of cooperation problems. Specifically, institutions meant to address assurance problems are likely to be different from institutions aimed at solving PDs.¹² The key task of the latter is to reduce the temptation to cheat, notably by monitoring compliance and helping states to use strategies of decentralized sanctioning that would sustain cooperation in a repeated game. By contrast, institutions addressing assurance problems must make it easier for states to assure each other that they indeed prefer mutual cooperation to cheating. When states are highly uncertain about the preferences of other states, monitoring institutions may need to be as robust and intrusive as they would be in a PD. This means that, under conditions of high uncertainty, the institutional implications of the two situations may be quite similar.

The ILO has several of the features that rationalist institutionalists would expect to find in an organization aimed at addressing PD and assurance problems. The often detailed content of ILO conventions reduces ambiguity about what constitutes compliance and makes it easier to determine whether a state has complied or not. States are subject to demanding reporting obligations, and the supervisory system of the ILO processes information on national labor laws and practices that originates not only from governments but also from private organizations, notably labor unions. States that are found to be in violation of their obligations are “named and

¹² See, for instance, Martin 1992.

shamed”.¹³ While the ILO itself does not apply sanctions, its findings about, and criticism of, serious violators of ILO norms can be used by other states to legitimize sanctions that they may decide to impose.¹⁴

As noted above, both in the assurance and in the PD scenario the worst outcome for each state is to implement high labor standards while its competitors lower theirs or fail to raise them. The implication of this is that the decision to ratify ILO conventions should be affected by whether other states, and specifically direct trade competitors, have ratified or not. Ratification by trade rivals does not guarantee effective implementation of ILO standards on their part, but it creates domestic and international costs that may be sufficient to reassure states that other states are willing to comply.¹⁵ The hypothesis derived from rationalist institutionalism is thus the following:

Hypothesis 1: A state is more likely to ratify an ILO convention when its economic competitors have ratified it.

Our hypothesis is similar to the idea “strategic complementarity” tested by Nancy Chau and Ravi Kanbur, by which “the adoption of high labor standards in one country raises the net

¹³ Weisband 2000.

¹⁴ For instance, in 2003 the United States Congress enacted the “Burmese Freedom and Democracy Act”, which banned imports from Myanmar and cited the ILO’s condemnation of Myanmar for its use of forced labor.

¹⁵ On the potential importance of the legal commitment expressed by ratification of treaties see Simmons 2009.

benefits of raising standards in another country.”¹⁶ For the reasons explained in the next section, we offer a more fine-grained empirical test of this idea than Chau and Kanbur’s study.

The second major approach that leads us to expect ratification decisions to be interdependent is sociological institutionalism. Even more than rationalist institutionalism, sociological institutionalism is a complex body of theories, which cannot be reviewed in much depth here. These theories depart from rationalism, as they expect states to be guided not only by a “logic of consequentialism” but also by a “logic of appropriateness”¹⁷ and possibly a “logic of arguing”¹⁸; and from materialism, since even when states consider expected consequences, often these consequences have a social character, such as a sense of belonging, esteem, and shame. For sociological institutionalists in IR, the goals, values, normative constraints, and cognitive maps of policy-makers are not endogenous to the process of interaction with their foreign counterparts, but are at least partly constructed in a social process that transcends state boundaries. A particularly influential version of sociological institutionalism has been developed by the so-called “Stanford School”, according to which there is a world culture that shapes conceptions of appropriate social actors, collective goals, and public policies, and a world polity constituted by organizational linkages that transmit this world culture to all states.¹⁹ This world culture defines social expectations in a wide range of policy domains, such as human rights, gender relations, science, education, economic policies and environmental protection,

¹⁷ March and Olsen 1998.

¹⁸ Risse 2000.

¹⁹ See Finnemore 1996a; and Meyer et al. 1997.

and in which state agents seek normative legitimacy by adopting “policy scripts” that are widely perceived as being integral to the identity of a “modern” or “good” state.

The ratification of international treaties can be interpreted as one of the ways in which states affirm their adherence to norms and thus membership in a normative community.²⁰ The conventions adopted by the ILO can certainly be seen as embodying global norms with universalistic scope and moral content. The preamble to the ILO constitution justifies its creation with reference not only to strategic interdependence in labor policy, as seen above, but also to “social justice” and its contribution to world peace. The ILO Declaration of Philadelphia of 1944 reaffirmed this goal and stated that “all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.” Core labor rights are sometimes presented as integral part of human rights and sometimes as a distinct normative complex with its own roots in a conception of human dignity,²¹ but the ILO and other actors routinely frame the conventions as normative models that all legitimate states should adopt or at least strive to be in a condition to adopt.

The ratification of ILO conventions can thus be interpreted as an action that affirms a state’s membership in a normative community: the community of states committed to promoting a conception of social justice. Three points are crucial for the assessment of this interpretation. First, the international diffusion of ILO norms can be the result of a range of different social

²⁰ See Frank 1999; Cole 2005; Wopitka and Ramirez 2008; and Wotipka and Tsutsui 2008.

²¹ See Fudge 2007-2008.

mechanisms. For instance, in a landmark contribution to sociological institutionalism Paul DiMaggio and Walter Powell argued that institutional (as opposed to competitive) isomorphism could take three forms: coercive, mimetic and normative.²² Building on sociological and psychological research, IR scholars have identified a range of micro-mechanisms that can produce socialization, i.e. the induction of actors into the norms and rules of a given community. Alastair Iain Johnston distinguishes between mimicking, social influence and persuasion;²³ Jeffrey Checkel distinguishes between strategic calculation, role playing, and normative suasion;²⁴ Ryan Goodman and Derek Jinks between coercion, persuasion and acculturation.²⁵ While compliance with norms as a result of material sanctions and rewards does not normally qualify as socialization, *social* sanctions and rewards – back-patting, esteem, well-being resulting from personal consistency, shaming, shunning, etc – can be considered a form of socialization even if the norm in question is not fully internalized by the actor. Furthermore, as Martha Finnemore and Kathryn Sikkink have noted, different mechanisms may be predominant at different stages of the norm life cycle.²⁶ In recent years there has been significant progress in understanding under what scope conditions such mechanisms work or not.²⁷

²² DiMaggio and Powell 1983.

²³ Johnston 2001, 2008.

²⁴ Checkel 2005,

²⁵ Goodman and Jinks 2004.

²⁶ Finnemore and Sikkink 1998, 898.

²⁷ See, for instance, Finnemore and Sikkink 1998; and Zürn and Checkel 2005. On domestic scope conditions, Cortell and Davis 2005.

The second important aspect highlighted by recent research is the variety of channels through which norms can “travel” from one country to another, notably the media, transnational advocacy networks and international nongovernmental organizations (INGOs), epistemic communities, transgovernmental networks, bilateral diplomacy, and intergovernmental organizations (IGOs). For a variety of reasons, which have been discussed by Alastair Iain Johnstone,²⁸ IGOs understood as social environments have provided a particularly fertile ground for research on international socialization.²⁹

Third, the population of IGOs has grown massively over the course of the twentieth century and thus opportunities for socialization and norm diffusion have multiplied dramatically. However, in contrast to what world polity theorists imply when they state that the world is “a unitary social system, increasingly integrated by networks,”³⁰ patterns of membership in IGOs and possibly in other environments of state socialization are increasingly fragmented and heterogeneous. The issue is not simply that some states have stronger connections to the world polity than other states – in fact, inequality in the number of IGO memberships per state has decreased. The issue is rather that, as Jason Beckfield points out, “while states are growing more even in the number of IGOs they belong to, they increasingly belong to different IGOs.”³¹ He found that, since 1945, the network of IGOs has become more fragmented, more heterogeneous, less cohesive, and less “small-worldly” in its structure. This means that the study of norm

²⁸ Johnstone 2008, 26-32.

²⁹ See, for instance, Finnemore 1996b; Ghaciu 2005; Johnstone 2008; and Greenhill 2010.

³⁰ Boli and Thomas 1997, 172.

³¹ Beckfield 2010.

diffusion through intergovernmental networks requires a detailed analysis of *who is connected to whom*.

Scholars who apply world polity theory to the analysis of patterns of treaty ratification accept that states are likely to differ as to the timing of ratification. For instance, Christine Min Wotipka and Francisco Ramirez focus on three factors that should affect the timing of the ratification of human rights treaties: the availability of global conferences that promote the relevant treaty, the behavior of other states in the world and in their region or other “reference groups”, and the degree to which a state is embedded in the wider world that supports the relevant norm.³² However, in the light of the uneven and fragmented patterns of IGO involvement shown by Beckfield, and the resulting fragmented character of social relations through which socialization mechanism can operate, it is important to develop and test more fine-grained hypotheses about the interdependence of ratification decisions. If social peer groups are defined as states with frequent and intense opportunities for socialization – that is, opportunities to persuade each other, express opprobrium or approval, undermine or boost self-esteem, etc – then the relevant hypothesis can be formulated as follows:

Hypothesis 2: A state is more likely to ratify an ILO convention when its social peers have ratified it.

Chau and Kanbur examined whether the ratification of ILO conventions is affected by regional peer effects, by counting how many states in a regional grouping have ratified the

³² Wopitka and Ramirez 2008.

relevant conventions.³³ Several studies on the ratification of other kinds of treaties also consider the proportion of states in a state's region that have ratified the treaty in question among the explanatory variables. However, this is not necessarily the best quantitative indicator of socialization effects. As Beth Simmons has stressed, regional effects may be due to purely strategic "social camouflage": if many neighboring states have ratified human rights treaties, persistent non-ratifiers are more likely to "stand out" and be targeted by NGOs and other advocacy organizations, which often take a regional perspective. If, on the contrary, a government is surrounded by other government that have not ratified, then the risk of being singled out for criticism is much lower and the incentive to ratify is correspondingly reduced. In her study of human rights treaties, Simmons interprets her finding that regional effects are much weaker in regions with more persuasion opportunities as evidence that regional clustering is caused by strategic calculation rather than localized socialization.³⁴ Rather than taking this rather indirect route, this paper aims at capturing the extent of socialization opportunities more directly. As we explain below, we measure the degree to which states see each other as belonging to the same social peer group by counting the number of IGOs of which any two states are joint members. We expect ratification choices of a state to be influenced by the ratification behavior of another state in proportion of their opportunities to interact within IGOs.

³³ Chau and Kanbur 2001.

³⁴ Simmons 2009, 88-96. Simmons seems to equate socialization with what Johnson considers a subtype of socialization, i.e. persuasion. In Johnston's conceptualization, if the sanctions that states want to avoid are *social* rather than *material* – shame, loss of esteem, shunning, etc – then strategic behavior would not exclude socialization.

This indicator provides a more fine-grained picture of socialization networks than regional belonging, although we expect relevant regional effects to be captured by our measure as well.³⁵

Our focus on joint IGO memberships allows us to examine *two additional implications* of hypothesis 2. The first implication is that, if IGOs function as socializing environments that may facilitate the diffusion of labor standards norms among their members, then we should expect the effect of joint IGO membership on ratification to be stronger for IGOs that provide better opportunities for socialization. We test this implication by comparing the effect of joint membership in three categories of IGOs, which differ in the extent to which they provide the kind of organizational infrastructure that tends to facilitate socialization processes.

The second implication of hypothesis 2 is that we need to distinguish the extent to which ratification is influenced by interaction with *specific* states from the effect of occupying a central position in the *general* network of states connected through IGOs. To achieve this empirically, we assess the effect of the absolute number of IGO memberships of countries on ratification behavior. If *joint* IGO memberships are found to have an effect even after controlling for the *absolute* number of IGO that a country is member of, then this would provide particularly strong support for our specific socialization hypothesis.

³⁵ In the Web-Appendix, we include the geographical distance between two countries as an additional control variable.

Research Design

We estimate a model including a spatial lag of the variable that captures whether a country ratifies an ILO convention, weighted by the number of joint IGO memberships and the intensity of economic competition between countries. We also include several variables for country characteristics and potential external shocks.³⁶ Consistently with earlier research, we estimate a Cox proportional hazards model, with standard errors adjusted for clustering on countries.³⁷ The advantage of using the Cox model, among the various survival models on offer, is that it does not require us to make assumptions about the shape of the underlying survival distribution. Moreover, when a spatial term is included, the use of the Cox model rather than parametric survival models is recommended by recent studies.³⁸ The test based on Schoenfeld residuals indicates that the proportional-hazards assumption holds.³⁹ We thus estimate the following equation:

³⁶ As recommended by Ward and Gleditsch 2008, we calculate the Moran index, using the total number of ILO conventions ratified by each country. The result confirms that there is statistically significant spatial correlation among countries. Thus, the inclusion of spatial lags is appropriate here.

³⁷ Beck 2008, 486. Survival analysis is an elegant way to model our empirical analysis because we are dealing with both right-censored data and left-censored data. See Beck et al. 2002; and Darmofal 2009. See Elkins et al. 2006 for a widely cited application of spatial econometrics with a Cox model, and Barthel and Neumeyer forthcoming for a more recent example. For applications of the Cox model in the literature on the ratification of ILO conventions see Boockmann 2001 and 2006; and Chau and Kanbur 2001.

³⁸ Golub 2008.

³⁹ See the Web-Appendix for further details.

