Matthew Lister

It is a common charge that treaties, perhaps especially recent treaties relating to economic activity, provide unreasonable restrictions on the sovereignty of the state parties. While this charge has been made most forcefully by smaller states, it is sometimes raised with justification by larger states or state-like bodies such as the E.U. as well. When a tribunal judging a dispute on an economic treaty tells a state that it may no longer make decisions such as to accept or reject genetically modified foods, allow internet gambling, or produce generic drugs for domestic consumption, the citizens of the state may rightfully think they have lost important aspects of sovereignty to bodies that do not have legitimate authority to govern. This, in turn, makes negotiating treaties, despite their obvious value, much harder than it otherwise would be, leading to decreased cooperation and the forgoing of potentially significant gain. In this paper, I argue that by importing certain ideas from contract theory to the interpretation of treaties, these worries may be dealt with. Contracts have the seemingly paradoxical ability to increase the autonomy of the signers by allowing them to bind themselves to certain future actions. But, the ability of contracts to perform this function would be greatly reduced if the only possible remedy for breach were specific performance. Yet, an analogous approach to treaties is common among many important theorists of international law. (John Jackson is a particular example.) I will show how importing ideas from contract law can help ensure that treaties, especially economic treaties, are sovereignty-enhancing for states in a way similar to the way that contracts may be autonomy-enhancing for individuals, and will show that importing these elements from contract law will strengthen, not undermine, the legitimacy and fairness of international law.