

To: Roy Ginsberg
From: Jim Caporaso
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Re: Memo for Roundtable "The Domestic-International Politics Connection"

As an abstract proposition, we are likely to accept the close connection between domestic and international politics. Arguments about the direction of causal flow center on competing views of how best to understand the connections--from the "inside-out" or the "outside in." The former stresses domestic politics as the starting point; the latter international politics. What is not questioned is the close relationship.

The European Community accents the importance of the domestic-international connection. While the member states are identifiably important to the process of integration, there is a close mingling of states and non-state actors in an environment that departs substantially from that described by realist international relations theory. How to think about this process of intermingling in the context of European integration is the subject of this short paper.

My charge is to examine this question in light of the literature of the last 5-7 years. This time period corresponds not only to the relaunching of the EC but also of scholarly writing about the EC. Thus I can only be illustrative. There are numerous books on EC integration in general (Sbragia, 1992; Keohane and Hoffmann, 1991; and Smith and Ray, 1993). But since my analytic

task is quite focused, I will take articles and chapters--not books--as my raw material.

I can distinguish four separate strands dealing with the domestic-international connection: (1) the interplay between state interests and international forces; (2) the importance of law; (3) two-level games; and (4) institutional and policy analysis. These categories are not "served up" this way. They more or less reflect how I interpret the literature discussed.

(1) State Interests and International Forces. Perhaps the two most prominent theories of regional integration are intergovernmentalism and neofunctionalism. The former constructs its explanation around state power and interests. Agreements to integrate reflect bargains that are "cut" by state leaders pursuing state or societal interests. Functionalism stresses the influence of transnationally organized social and economic interests as well as the role of supranational interest groups. Neofunctionalists such as Ernst Haas and Philippe Schmitter stress the importance of coalitions of economic elites and supranational politicians and technocrats.

Andrew Moravcsik's essay "Negotiating the Single European Act," (1991) is important in that it reanimates an old debate about the relative importance of two kinds of forces: domestic and political versus international and economic. Moravcsik argues that the Single European Act reflected decisions by state leaders based on domestic interests. He challenges the view that institutional reform resulted from an alliance between transnational business

elites and supranational officials. Moravcsik provides a rich, detailed history of the bargaining and argues that business groups were unimportant, entering the process with too little, too late.

In comparing neorealism and neofunctionalism, the outcome depends to a large extent on the exact theoretical status of preferences. No one doubts the importance of preferences. But explanations by appeal to untheorized preferences (or interests) are ad-hoc and unconvincing. Neorealism's case is compelling only to the extent that preferences can be explained by changes in international structure, particularly the distribution of power. Recognizing the limits of neorealism in this regard, Moravcsik turns to domestic politics.

Wayne Sandholtz, in "Choosing Union: Monetary Politics and Maastricht" (1993), problematizes something which Moravcsik takes mostly as a given, viz, domestic preferences. Sandholtz is correct to argue that a theory of state preferences precedes a theory of bargaining (1993:2). His major claim is that preferences are formed through a process involving international economic interdependence, international institutions, and face-to-face interactions. Domestic politicians do not form preferences at the national level and transport them to Brussels (1993:3). Instead, the matrix within which preferences are formed is itself transnational, in both the economic and institutional sense. Sandholtz agrees that community decisions are bargains based on state interests, "but those interests are formed in part by membership in the EC." (1993:3)

In sum, Moravcsik and Sandholtz have resuscitated and refined a debate about the importance of domestic and international factors in integration. They do not mechanically see this as an issue of percent of variance explained, nor do they equate neofunctionalism with spillover. Sandholtz in particular returns us to the educative (socializing) role of international institutions.

(2) Law and Integration. Given the mutual indifference between lawyers and political scientists, it is surprising to see the recent attention to the European Court of Justice (ECJ). The earlier gap in political science journals was not due to lack of research by international lawyers (see Weiler, 1982, 1991; Stein, 1981; Mancini 1989). Many political scientists, especially of the realist persuasion, have tended to see the law as epiphenomenal. Many lawyers have abstracted law from political process. Further, realists have set up an opposition between law and national power and interest. If the ECJ renders a judgement, the primary issue becomes one of compliance. Why would states obey laws not in their interest? While this is not a bad question, it has discouraged other ways of looking at the linkage between international law and domestic politics.

An exemplary article illustrating the power of law is Anne-Marie Burley's and Walter Mattli's "Europe Before the Court: A Political Theory of Legal Integration" (1993). As the title implies, politics is not ignored. However, the authors do not succumb to treating the relationship between states and the ECJ solely in conflictual terms. The focus is not legal pronouncement,

enforcement, and sanctions so much as an ongoing dialogue and process of cooptation; the normative power of the court is stressed too; indeed, presumptive compliance with the ECJ's decision is what is most in need of explanation. The force of law is not treated in terms of dogma but instead in terms of sociological process. As Burley and Mattli put it, ECJ judges "put a human face on the institutional links they sought to build" (1993:62-63) and they did this through seminars, dinners, and invitations to Luxemburg, in short, they put it in sociological terms understandable to all political scientists.

3) Domestic and International Politics: Two-Level Games. Ever since Putnam's "Diplomacy and Domestic Politics: The Logic of Two-Level Games" (1988) there has been intensified interest in a new possibility for linking domestic and international politics. Putnam's idea is simple: the intersection between domestic and international politics is best conceptualized as a two-tiered strategic problem (or two-level game). One tier has to do with international negotiations--head of state facing head of state. The second tier concerns the connection between statespersons and domestic constituencies. Agreements at one level have to be acceptable at the other. "Win-sets" have to overlap.

Putnam's model of two-way strategic interaction invites applications at the EC level. Yet, I am not aware of many studies in this tradition. In "Reformulations of Regional Integration Theory: A Domestic Politics Approach," Michael Huelshoff attempts to integrate domestic and international politics through the two-

level game. As Huelshoff puts it, from this perspective "regional integration ...is the pursuit by decision-makers of domestic power via (when the opportunity arises) regional agreements which meet the demands of enough domestic groups to guarantee ratification and the political survival of the decision-maker." (Huelshoff, 1992:13)

Much of importance in the EC has to do with non-strategic behavior, so this approach does not capture everything. The processual and discursive concerns of functionalism and some of the normative and sociological emphases of legal approaches are missed. Yet the strategic focus is important and consistent with realism.

(4) Institutions and Policy Studies. When Fritz Scharpf wrote his review of the 1977 edition of Policy Making in the European Communities, he ended by asking "...Ted Lowi, now that we really need you, where are you?" (1978). I take this as a plea to join the nitty-gritty of case studies with general theories of politics. Since then, policy studies have been thriving while the theoretical study of institutions has lagged. Studies of monetary policy alone have produced volumes (see Ludlow, 1982; Goodman, 1992) and a second edition of Wallace, Wallace, and Webb (1983) produced a noteworthy collection even while the field of integration studies lagged. More recently, studies of particular institutions--the Council (Wessels, 1991), the Commission (Ludlow, 1991), the Court of Justice (Mancini, 1991)--have been ably carried out.

In 1988, Fritz Scharpf wrote an important article: "The Joint-Decision Trap: Lessons from German Federalism and European Integration." (1988). It did not appear in International Organiza-

tion or Journal of Common Market Studies so it was not immediately recognized. I discovered it circuitously, via Alberta Sbragia's excellent chapter in her edited book (1992). Scharpf argues that EC institutions lead to sub-optimal policy outputs and this suboptimality is due to dependence on the unanimous consent of the individual governments. In contrast to the U.S. federal system, but like Germany, the EC has direct representation of institutional interests at the European level. Scharpf's article is important not so much because he is correct in this particular case, but because he directs our attention to the connection between institutional structure and policy.

While Scharpf focuses on the impact of extant institutions, Geoff Garrett asks how we choose our institutions. Neofunctionalism argued a long-term equilibrium between socio-economic integration and "political forms" (indeed, disjunctions created pressures for spillover) but offered little by way of a theory of choice among competing institutional forms. In "International Cooperation and Institutional Choice: The European Community's Internal Market," (1992) Garrett identifies a number of distinctive institutional options associated with the implementation of the internal market. His argument is that standard economic accounts of institutions--including most regime theory accounts--are inadequate in that they do not discriminate among numerous efficient alternatives. Institutional analysis requires a theory

of politics and bargaining--not just an economic theory of efficiency.

I conclude my brief review with an unpublished paper by Gary Marks, titled "Structural Policy and Multi-level Governance in the EC" (1993). There are three important points in this paper, all having implications, however indirect, for comparative and international politics. The first point is that both neofunctionalism and intergovernmentalism misspecify the debate by making autonomy and supranationalism the conceptual extremes. This omits another dimension, quite independent of the autonomy-supranationality one. This omission has to do with the involvement of local government.

A second point is that the process of institution-building is ongoing--not confined to those dramatic reconfigurations of rules and procedures that occur every decade or two. Both the SEA and Treaty on European Union are exceptional breakthroughs that deserve study, but important institutional developments exist beyond these examples.

Third, the major institutional innovations seem to downplay the role of the Commission. But in the everyday activity of initiating, making, and implementing policy, the Commission has played an important role. Questions of "ultimate legal powers" and "who has control when important decisions are taken" do not provide the whole story.

In summary, I see four different approaches to domestic and international politics emerging. The first identifies state and supranational interests and tries to assess relative influences.

The second looks at the incorporation of international law into domestic law and institutions. The third sees statecraft in terms of a two-way strategic interaction. The fourth looks at the interaction between institutional structure (at subnational, national, and international levels) and individual choice.

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