

Double-Edged Diplomacy

Introduction

Integrating International and Domestic Theories of International Bargaining

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In the midst of the Great Depression, plagued by the common scourges of unemployment, bankruptcy, and debt, the leading industrial nations met in London for the 1933 World Economic Conference. The most critical issues of modern international economic cooperation were all on the table: exchange-rate stability, trade barriers, external debt, and macroeconomic coordination. Despite a common crisis of unprecedented proportions and a well understood set of technically feasible solutions, domestic forces in various countries—notably the divergence of economic ideologies on the part of national central bankers, and the obstinacy of the French peasantry—torpedoed the negotiations. This momentous failure led to even greater monetary instability, stagnant trade, the repudiation of debt, and deepening depression, all of which contributed to the success of fascism in Germany and, ultimately, the outbreak of World War II.

A half-century later, the lessons of the Depression were receding into the past. But though the economic crisis was less acute, the same countries were negotiating similar issues. In 1986, for example, the United States threatened to block one billion dollars in agricultural imports from Europe—a transatlantic trade sanction of unprecedented size—if proposed European Community (EC) barriers against imports of American feed grains were not retracted. As in 1933, the French government gave uncompromising support to its farmers, who would have been the major beneficiaries of the EC regulation. Yet this time the French government was unable to act on its own. Trade policy was coordinated by the European Commission in Brussels, but the U.S. government undermined EC support by carefully targeting major farm products of its members—olives for Italy, cognac for France, whiskey and gin for Britain, cheese for

the Netherlands—a strategy that led journalists to dub the affair “the Yuppie War.” The European Commission attempted to support the French position, calling for a counterthreat, but these efforts were resolutely blocked by the others, and the issue was quickly settled on American terms.

During the last two decades of its existence, the Soviet Union gradually opened up to the West. Yet the policies pursued by Soviet leaders from Brezhnev to Gorbachev posed paradoxes for those who saw the Soviet Union as a purposive, calculating state reacting to external incentives. In the 1970s, Brezhnev pursued an inconsistent policy of reconciliation in Europe and rivalry in the Third World, until, with the war in Afghanistan, the second part of the policy overwhelmed the first. Barely a decade later, Gorbachev adopted a quite different strategy, opening to the West while pursuing a policy of unilateral Soviet concessions worldwide. Both Brezhnev’s adventurism and Gorbachev’s accommodation find explanations in Soviet domestic politics. In order to reap the gains of Western economic cooperation, Brezhnev had to placate domestic hard-liners with aggression in Africa and Asia. Gorbachev, whose situation was more dire, pursued an opposite policy, seeking to use massive unilateral concessions to gain the Western economic aid needed to carry out *glasnost* and *perestroika*.

These three episodes in twentieth-century diplomatic history share one important characteristic common to many international negotiations: the statesmen involved simultaneously calculated the domestic and international implications of their actions. The outcomes in each case would be inexplicable without an analysis of the paradoxical interactions between domestic and international politics.

Robert Putnam has sought to capture this quality of international negotiations with the metaphor of a “two-level game.”¹ In Putnam’s metaphor, statesmen are strategically positioned between two “tables,” one representing domestic politics and the other international negotiation. Diplomatic tactics and strategies are constrained simultaneously by what other states will accept and what domestic constituencies will ratify. To conclude a negotiation successfully, the statesman must bargain on these two tables, both reaching an international agreement and securing its domestic ratification.

Putnam’s metaphor suggests a set of fundamental concepts, questions, and assumptions that help structure an analysis of international negotiations. The first section of this essay situates the two-level-games approach among existing efforts to link domestic and international politics theoretically. The second section summarizes the eleven case studies in this volume, including the three described above; explains the criteria by

which they were selected; and presents the hypotheses about international negotiations as a two-level game that are explored in these cases.

INTEGRATING THEORIES OF DOMESTIC AND INTERNATIONAL POLITICS

The Level-of-Analysis Problem

Explanations of interstate relations have traditionally been categorized according to their “level of analysis.” The level of analysis tells the investigator where to look for the causes of state behavior by classifying competing explanations (or independent variables) according to the units in which they are conceptualized.² The most widely employed schema, introduced in the 1950s by Kenneth Waltz, distinguishes three levels of analysis: international-level (or “systemic”) explanations look to a state’s position in the international system; domestic-level explanations look to the society, culture, and political institutions of individual nation-states; and individual-level explanations look to the personal or psychological characteristics of individual statesmen. The two-level-games project is concerned with all three levels, although in this section I will focus primarily on the international and domestic levels.³

International explanations assume that nation-states are unitary actors responding to external incentives. Nineteenth-century diplomatic historians spoke of the “primacy of foreign policy”; today, political scientists describe the state as a “billiard ball.” The most venerable theory of international relations, dating from Thucydides and Machiavelli, is the Realist approach, which stresses the preeminent role of power in international relations. In recent years, international or systematic explanations have been most closely associated with “neo-Realist” heirs to this approach, above all Kenneth Waltz. But the argument, associated with such liberal thinkers as Norman Angell and Cordell Hull, that international interdependence renders war obsolete, is another such international or systemic theory.⁴ In both theories, outcomes shift only in response to changing external constraints, not domestic changes.⁵ “The internal attributes of states,” one theorist has observed, “are given by assumption rather than treated as variables.”⁶ Specifically, states are assumed to have stable and broadly similar domestic preferences, decision-making procedures, and abilities to extract resources from society. They are distinguished only by their relative position in the international system.

Domestic explanations, by contrast, locate the determinants of foreign policy and international relations within the nation-state itself. State behavior does not respond to the international system; it constitutes it. Faced with common challenges, states may react very differently. This

view traces its roots back to a number of sources, including the liberal tradition of Immanuel Kant, John Stuart Mill, and Woodrow Wilson, who stressed that in democratic polities, foreign policies, like internal policies, are subject to domestic debate and deliberation.⁷

Current domestic theories can be divided into three subcategories, according to the source of domestic policy posited by the analyst.⁸ First, "society-centered" theories stress pressure from domestic social groups through legislatures, interest groups, elections, and public opinion.⁹ Second, "state-centered" domestic theories locate the sources of foreign policy behavior within the administrative and decision-making apparatus of the executive branch of the state. Cybernetic limitations on decision-making, governmental elite ideologies of free trade or anti-Communism, and bureaucratic procedures have been used to reinterpret such classic subjects of Realist historiography as the Peloponnesian War, Bismarckian imperialism, and the NATO alliance.¹⁰ Third, theories of "state-society relations" emphasize the institutions of representation, education, and administration that link state and society. The liberal claim that democracies do not make war on one another is based on one such theory.¹¹

Among international relations theorists, it is widely recommended that analysts stick to a single level of analysis. Some, like J. David Singer, argue that different levels of analysis are mutually exclusive, asserting that "one could not add these two types of statements [systemic and domestic causes] together to achieve a cumulative growth of empirical generalizations."¹² Others concede that domestic factors may be important, but tend to be empirically intractable.¹³ As we shall see, a majority of international relations theorists recommend that the analyst give priority to international explanation and employ theories of domestic politics only as needed to explain anomalies.

Yet only a limited set of real-world problems in international relations lend themselves to this sort of analysis. As I seek to demonstrate in the following section, pure international theories, while attractive in principle, tend to degenerate under the collective weight of empirical anomalies and theoretical limitations into explanations that include domestic factors. In the language of Imre Lakatos, whose writings on the philosophy of science have been widely invoked as a heuristic model for social-scientific theory-building, the tendency for international explanations to use an increasing number of ad hoc variables is one of the hallmarks of a "degenerating" research program ripe for revision. As a result, empirical studies formulated at a single level of analysis, international or domestic, are increasingly being supplanted by efforts to integrate the two.¹⁴

The Limitations of Pure Systemic Theory

Even the purest systemic theories concede the existence of domestic politics, but they maintain that it can be captured within stable assumptions

about the nature of states. Both Realist and Liberal interdependence variants of systemic theory customarily assume that states are (at least boundedly) rational actors, that they have stable preferences across outcomes, and that they possess a fixed ability to mobilize domestic bargaining resources. If these three aspects of state behavior are held constant, systemic theorists argue, domestic politics can be reduced to an intervening process, a "transmission belt" or "black box," through which international imperatives are translated into state policies. In this view, the causes that account for different international outcomes are found in the international environment, even if the mechanisms by which those causes influence state policy are domestic. Thus, for example, although the U.S. military buildup under the Reagan Administration was due in a proximate sense to policy choices made through the U.S. political process, Reagan's election and the decisions that followed might be interpreted as a predictable national response to perceptions of a more threatening international environment. International explanations are thus compatible with complex patterns of domestic decision-making in which actors deliberate the alternatives, as long as it can be shown that rational adaptation to the external environment is likely to be the ultimate result.

In short, all sophisticated theories of international relations, domestic and international, tend to concede that domestic actors are active participants in foreign policy-making. The question that divides them is whether the observed domestic behavior can best be accounted for by using international or domestic theory.

While systemic approaches may appear to banish debate over the influence of domestic politics, controversy is inevitably reintroduced by the need to justify the particular assumptions made about the nature of the actors. To eliminate domestic politics from consideration, restrictive analytic assumptions about the nature of domestic politics must be made. While making such assumptions is legitimate, indeed indispensable, social-scientific practice, such assumptions must approximate underlying reality to the extent necessary to justify their use.¹⁵ For a systemic theory to be useful, it is not essential that the state actually be unitary, but it must function in important respects, both domestically and internationally, as if it were. These "as if" assumptions about domestic politics should be subjected, like other elements of theories, to theoretical criticism and empirical scrutiny. They are always disputable.¹⁶

With these caveats in mind, the construction of pure systemic theories of international relations is an abstract possibility. In practice, however, such arguments are surprisingly rare. Despite their claims, most systemic theorists shy away from actually making the restrictive assumptions required to reduce domestic politics to stable assumptions about the nature of states. The most celebrated attempt is Waltz's structural realist theory, outlined in his *Theory of International Politics*. Waltz specifies maximization

of the probability of state survival as the preeminent interest of the state—although he concedes, as an empirical matter, that the aims of states are “endlessly varied,” and the pursuit of survival is not “a realistic description of the impulse that lies behind every act of state.”¹⁷ Nonetheless, Waltz argues that states act *as if* they seek security, because survival is “a prerequisite to achieving any goals that states may have, other than promoting their own disappearance as political entities.” Thus, states “at a minimum, seek their own preservation, and at a maximum, drive for universal domination.”¹⁸ Under these assumptions, Waltz predicts the constant possibility of war, the formation of balances of power, and the stability of bipolar systems.

The indeterminacy in the assumptions about state motives greatly weakens Waltz’s theory, however, since the domestic factors underlying the variation in preferences between defensive and aggressive states threaten to become the major explanation of the incidence of war and patterns of power-balancing. At best, the domain of Waltz’s theory must be limited to that subset of relations involving at least one regime that defines its interests in a potentially hostile way; more likely, systemic theory becomes an altogether unreliable guide, since in the absence of any hint how to go about deriving the variance in the goals of states from the international system, the result in *any* specific case is indeterminate without an examination of domestic politics.

Systemic theories of international political economy are plagued by the same fundamental indeterminacy regarding the nature of the actors, and hence the same tendency to degenerate. Consider three examples. After empirical tests failed to confirm the early claims of “hegemonic stability theory,” which derived the hegemon’s preference for a liberal world economy from its external power position, the theory was reformulated (as we shall discuss in more detail later) to accord more autonomy to domestic politics.¹⁹ Postwar American liberals reformulated nineteenth-century liberal thought, arguing that the predicted pacific effects of economic interdependence will be observed only among *democratic capitalist* states. The claims of early Marxist “dependencia” theorists, who stressed external constraints on Third World development, were supplanted by those who stress the autonomous role of domestic institutions and coalitions in shaping the responses of less developed countries (LDCs) to the world economy.²⁰

As these examples suggest, few truly international theories have been advanced, and even fewer empirically confirmed.²¹ Systemic theorists, whether in security studies or international political economy, are thus faced with a dilemma. They can maintain the purity of the international level of analysis by radically limiting their theories to those areas where restrictive assumptions hold, or they can seek systematic ways to integrate

domestic politics into systemic approaches. Each alternative challenges one of the major justifications for privileging systemic theory: the former undermines its comprehensiveness, the latter its parsimony. As Waltz conceded, over three decades ago: “The partial quality of each image sets up a tension that drives one toward the inclusion of the others.”²² Factors highlighted by systemic theories are certainly *necessary* to any satisfactory account of international affairs, but doubts have grown that these astringent theories are, by themselves, *sufficient* to the task.

Thus the question facing international relations theorists today is not *whether* to combine domestic and international explanations into a theory of “double-edged” diplomacy, but *how* best to do so. Before turning to the two-level-games approach, the next section analyzes progress that has been made so far in efforts to combine domestic and international theories.

Domestic Politics as the Source of Residual Variance

In seeking to integrate domestic and international politics, most systemic theorists retreat to the metaphor of domestic politics as an “imperfect” transmission belt that introduces deviations from rational response to external imperatives. Many theorists favor this approach because it continues to privilege systemic theory, while permitting domestic politics to enter the analysis as an independent, but clearly secondary, influence on policy. Robert Keohane maintains that international explanations should serve as the “first cut” of any analysis: “an international-level analysis . . . is neither an alternative to studying domestic politics, nor a mere supplement to it. . . . On the contrary, it is a *precondition* for effective comparative analysis. Without a conception of the common external problems, pressures, and challenges, . . . we lack an analytic basis for identifying the role played by domestic interests. . . .”²³ In this view, domestic politics is an intervening variable that introduces residual variance around the predictions of systemic theory. Residual variance can be introduced by relaxing any of the three fundamental assumptions: rational decision-making, a fixed ability to mobilize domestic resources, and stable preferences across different domestic regimes.

Relaxing the Assumption of Rationality. The view that states calculate their responses to systemic imperatives imperfectly has a long pedigree. Democratic governments, because of their non-unitary nature, have long been criticized for their failure to pursue rational policies. Tocqueville criticized their endemic inability to “fix on some plan” and “coordinate the details of some great undertaking.”²⁴ Sharp criticisms of democracy’s persistent departures from rationality gives the work of Morgenthau

and Kennan much of its normative edge and popular appeal. Kissinger condemns the rigidity of modern bureaucratic structures designed to “manage” foreign policy, while Morgenthau observes that in democracies “the need to marshal popular emotions to the support of foreign policy cannot fail to impair the rationality of foreign policy itself.”²⁵ Realist historians view “American policy-makers as rational, sober individuals with a valid understanding of the requirements of the international power situation, who act contrary to U.S. national interests because they are swayed by social or domestic political pressures.”²⁶

In his writings on foreign policy, Waltz concurs with classical Realists that domestic institutions have a direct effect on the ability of a nation to respond “quickly” and “pragmatically” to international problems. Systemic explanations account for the “pressures” that create a “range of likely outcomes,” but not “how, and how effectively, the units of the system will respond to those pressures and possibilities.” For this reason, he concludes, “structure is certainly no good on detail.”²⁷ Unlike Tocqueville and Morgenthau, however, Waltz believes pluralistic democracies like the United States, stabilized by their broader roots in domestic society, to be more capable of acting “effectively and responsibly in the world” than the more centralized parliamentary system of the United Kingdom or the authoritarian system in the Soviet Union.²⁸

Even studies of misperception, organizational decision-making, and uncertainty in foreign policy that are ostensibly critical of Realist theory often inadvertently pay homage to it by treating such factors as departures from a norm of rational adaptation to the system, rather than as independent causes. Allison’s bureaucratic theories, Krasner’s statist approach, and Jervis’s theories of misperception are all designed, at least in part, as explanations of the reasons why foreign policy diverges from the “national interest.”²⁹

Relaxing the Assumption of Constant Mobilization Capability. Alongside its role as a source of irrational decision-making, domestic politics is often viewed by systemic theorists as a factor influencing the ability of states to mobilize (or extract) resources. In pure systemic theory, statesmen are assumed to be able to mobilize whatever domestic resources, institutional or material, are necessary to achieve vital foreign-policy objectives. In relaxing the assumption, however, variations in domestic circumstances become part of the specification of bargaining capability. Statesmen must make tradeoffs between domestic and international goals. Once again, there is a long tradition of including the ability of leaders to mobilize domestic society in the specification of “power.” Morgenthau, for example, did not limit national power to material factors: “National character and, above all, national morale and the quality of government, especially

in the conduct of foreign affairs, are the most important, but also the most elusive, components of national power.”³⁰ Michael Barnett has recently rehabilitated this tradition, arguing that the relationship between national security and domestic political economy is best understood by examining “state strategies for mobilizing those financial, productive, and human resources considered necessary for national security.”³¹ Michael Mastanduno, David Lake, and G. John Ikenberry have recently proposed the model of a Janus-faced “Realist state” with a competitive international face and an extractive, self-legitimizing domestic face.³² Similarly, strategic trade theory and “post-dependency” analyses of bargaining between multinational firms and LDCs both stress the importance of a state’s ability to extract and commit long-term resources as an important aspect of international economic bargaining.³³

Relaxing the Assumption of Stable State Preferences. As was noted in the previous section, variance in state preferences poses the most fundamental challenge to international explanations. In a pure systemic account, as Duncan Snidal points out, domestic politics can be captured within “simple assumptions about . . . preferences.”³⁴ International theorists have employed domestic theories in their work to account for deviations from their international predictions. Morgenthau, Wolfers, and other classical Realists criticized proponents of domestic ideologies—nationalist, pacifist, or otherwise—for encouraging moralistic and overambitious national goals. “Moderation in policy,” Morgenthau declared, “cannot fail to follow moderation of moral judgment.”³⁵ Kissinger contended that the predictions of state behavior from the Realist model become indeterminate when “domestic structures” are unstable or are based on “incommensurate notions of what is just.”³⁶

Like their Realist counterparts, pure Liberal interdependence theories also tend to degenerate into explanations that permit an increasingly important role for independent domestic factors as sources of residual variance. The “second-image-reversed” approach provides domestic micro-foundations for Liberal interdependence theory on which more precise predictions can be based. Scholars in the “second-image-reversed” tradition, including Peter Gourevitch, Ronald Rogowski, Peter Katzenstein, and Helen Milner, argue that distributional coalitions (and even institutions) form in response to their relative economic position in world markets—their “production profile,” in Gourevitch’s terminology.³⁷ This approach was initially designed to explain coalition formation in comparative politics, but is increasingly being extended to explain policy formation in foreign economic policy.

For most second-image-reversed theorists, domestic politics is more than a transmission belt for international impulses. For Rogowski, inter-

national factors only account for the patterns of domestic coalitions, while domestic theories influence the outcomes of intercoalitional conflict.³⁸ Milner argues that states support sectorial interests, but that when sectors are divided, the outcomes of inter-firm conflicts become unclear. In Katzenstein's account of the rise of democratic corporatism in small European countries, international economic crisis and domestic social structures interact.³⁹ In his study of late nineteenth- and early twentieth-century U.S. trade policy, which draws on both second-image-reversed and mercantilist elements, David Lake identifies the "national trade interest" with the executive branch of the government, while domestic interest groups are viewed as forces that impede the executive from pursuing the common good. He concludes that international factors explain overall tariff levels, while domestic theories explain the distribution of tariffs across sectors.⁴⁰

More recently, some scholars have taken the move to accommodate residual variance in state preferences to its logical extreme by linking purely *domestic* theories of state preferences with *systemic* theories of interstate bargaining.⁴¹ "Given state interests, whose origins are not predicted by the theory, patterns of outcomes in world politics will be determined by the overall distribution of power among states," as one literature review summarizes the position.⁴² The practice of using domestic factors to account for variance in national interests, while retaining international theories of bargaining, has been rediscovered by younger scholars in security studies—particularly to explain international aggression. While some of the theories considered earlier assumed that domestic factors account for residual variance in state preferences, these theories are more radical, arguing that the variance in state preferences is almost entirely due to differences in domestic arrangements.

In his study of alliance formation in the Middle East, for example, Stephen Walt modifies the Realist paradigm by arguing that states do not balance against power, but rather against threats. The factor Walt relies on most heavily to explain threats is "perceived intentions," which he discusses largely in terms of domestic political factors. Indeed, in some of his examples, the "threat" to a government stems not from a foreign military menace but from a domestic fifth column attracted by the ideology of a foreign state.⁴³ In a similar vein, Jack Snyder and Stephen van Evera trace destabilizing military policies to a cultish belief in the value of an aggressive strategy.⁴⁴ The beliefs in Wilhelmine Germany, for example, that potential adversaries were aggressively inclined, the faith in a bandwagoning theory of alliance formation, the assumption that empires were valuable assets, the conviction that war was socially desirable, and outright nationalism all bolstered the bias toward aggressive policies and contributed—through a systemic logic—to the break-

down in the balance of power and the outbreak of World War I. Beneath all these factors, according to van Evera, lies "the extraordinary influence of professional European militaries on civilian opinion, and the social stratification of European societies"—effects that were particularly important in late-developing undemocratic states like Germany and Russia.⁴⁵ Consistent with the assumption of rational state action, each of these scholars employs domestic politics to account for state interests, and then relies on classical balance-of-power reasoning to draw the systemic consequences. This raises the intriguing question of whether any of these theorists can still claim to be Realists. Indeed, this position seems almost to reverse the "residual variance" approach by asserting the priority of (largely domestic) theories of preference formation over systemic theories of strategic interaction and bargaining—a view more properly associated with Liberalism.⁴⁶

Similar attempts to combine domestic and international theories can be found in studies on international political economy. Consider the intellectual trajectory of "hegemonic stability theory," the claim that the predominance of a single great power, such as the United States after World War II, is the decisive factor in overcoming collective action problems blocking the formation of liberal international economic regimes. Initial variants proposed by Charles Kindleberger, Stephen Krasner, and Robert Keohane implied the possibility of a strong version of the theory, in which the interests of governments, as well as their bargaining power, are determined by their position in the international political system. In short, hegemonic states can be assumed to be liberal. Accordingly, most of these authors sought correlations between hegemony and liberalization. Yet the strong version of hegemonic stability theory was almost immediately called into question, even by its originators, who invoked domestic factors as parallel influences on policy. Krasner's path-breaking study invokes domestic "leads and lags" to explain anomalies in half the time periods studied. Kindleberger undermines the systemic variant by challenging the analysis of nineteenth-century Europe as a period of British trade hegemony, and by stressing U.S. policy *failure* in the 1930s. In different ways, David Lake, Duncan Snidal, and Keohane all challenge the assumption that domestic constituencies in hegemonic countries must necessarily provide international stability or liberal economic institutions as predicted. John Ruggie, observing that hegemonic powers like Nazi Germany and the post-World War II Soviet Union imposed restrictive orders, suggested that domestic factors are required to explain the substantive content of policy. In a look back at nearly two decades of research, it is thus difficult to find studies that employ a purely systemic variant of hegemonic stability theory—yet, with the partial exception of Lake's study of U.S. trade policy, domestic factors have yet to be inte-

grated theoretically into such explanations.⁴⁷ Recent analyses of European integration, of OECD financial regimes, and of the Anglo-Chinese negotiations over Hong Kong, stress the domestic sources of state interests, while employing international theories to account for bargaining outcomes.⁴⁸

Criticisms of the "Residual Variance" Approach. The sequential use of theories drawn from different paradigms provides one solution, often a useful one, to the problem of combining domestic and international theories. But it is open to at least three important criticisms.

First, the decision to begin with systemic, as opposed to domestic, theory is essentially arbitrary. Systemic theories are not inherently more parsimonious, nor more powerful, nor more precise than their domestic counterparts.⁴⁹ Nor is Keohane's contention that "we must understand the context of action before we understand the action itself," and thus systemic theory provides a necessary "analytical basis" for analyzing domestic influences, decisive.⁵⁰ As suggested above, the converse may be more true: domestic politics provides the analytical basis for analyzing international factors. In the absence of a compelling theoretical argument or clear empirical evidence from studies that assess domestic and international explanations on an equal basis, the grant of priority to systemic theories simply introduces an unwarranted bias into the body of empirical research conducted in international relations.

Second, by privileging international-level theories and bringing in domestic factors only as needed, this approach tends to encourage ad hoc interpretations rather than explicit theories about the interaction between domestic and international politics. There is little theoretical justification for the divisions between international and domestic theory drawn in the explanations described above, nor can there be, since the two bodies of theory are derived separately. Rather than calculating domestic and international interests simultaneously, such theories often make inconsistent assumptions about the rationality or preferences of statesmen, who are assumed to respond sometimes to external incentives and sometimes to internal incentives. Moreover, without a broader theoretical framework, the analyst is left without guidance about *which* domestic influences to emphasize. The result may be a haphazard checklist of possibly relevant domestic "factors," ranging from national character to class structure to constitutional law.

Third, the sequential use of domestic theories of interest and international theories of bargaining, even where domestic factors are treated as prior to systemic ones, is at best incomplete, since, with only a few contemporary exceptions, such explanations have ignored the influence of domestic factors on *international bargaining*. As the classical Realists

were already aware, the effects of domestic factors are not limited to the process of interest formation, but affect strategy and bargaining outcomes as well. To fill this gap, the two-level-games approach, to which we now turn, presents a framework for analyzing the combined impact of domestic and international factors on international bargaining.

Two-Level Games: Statesmen and Interactive Bargaining

The two-level-games approach begins by assuming that statesmen are typically trying to do two things at once; that is, they seek to manipulate domestic and international politics simultaneously. Diplomatic strategies and tactics are constrained both by what other states will accept and by what domestic constituencies will ratify. Diplomacy is a process of strategic interaction in which actors simultaneously try to take account of and, if possible, influence the expected reactions of other actors, both at home and abroad. The outcome of international negotiations may depend on the strategy a statesman chooses to influence his own and his counterpart's domestic politics. By exploiting control over information, resources, and agenda-setting with respect to his own domestic polity, the statesman can open up new possibilities for international accord or bargaining advantage. Conversely, international strategies can be employed to change the character of domestic constraints, as in the case of "synergistic issue linkage," which Putnam defines as an international deal that creates "a policy option . . . that was previously beyond domestic control."⁵¹ The statesman can also target policies directly at domestic groups in foreign countries, seeking allies "behind the back" of his international counterpart.

The image of the executive as "Janus-faced"—forced to balance international and domestic concerns in a process of "double-edged" diplomacy—stands in sharp contrast to the images that privilege either the demands of domestic political constituents or the systemic logic of the national interest. Taken alone, either the international or domestic view may remove real initiative and discretion from the chief executive. In domestic, "constituency-driven" models, leaders become passive political registers, summing the franchise-weighted vectors of domestic interests and moving in the indicated direction; while in international, "systemic" models, chief executives must respond to the manifest dictates of the international system. The international and domestic logics are elegant and parsimonious in their own terms, but, as we have seen, they are often tricky to combine. The assumption of this project is that if the two logics do not correspond, an area of autonomy is created in which the chief executive must choose how to reconcile them. "Statesmen in this predicament," writes Putnam, "face distinctive strategic opportunities and strategic dilemmas."⁵²

The theoretical propositions suggested by the two-level-games metaphor will be examined in a later section. For now, it is important to note that this framework is quite compatible with much in the existing approaches examined above. From the Liberal interdependence school comes the important insight that rising levels of trade and investment are eroding de facto sovereignty, so that the achievement of domestic policy goals increasingly requires interstate negotiations.⁵³ From the “second-image-reversed” approach comes the notion that the “national interest” is defined in terms of the differential impact of international agreements on specific domestic actors. Perhaps the closest antecedent is Classical Realism (and more recent theories of the “Realist state”), in which the statesman mobilizes domestic society to achieve international objectives.

Yet the two-level-games approach differs from previous theories in three essential respects. First, it is a theory of international bargaining. As we have seen, most attempts to integrate domestic factors into systemic theory have focused on the formation of national preferences. One might say that the two-level-games approach seeks to do for interstate bargaining what the second-image-reversed approach did for interest formation. (As such, the two may be complementary). In other words, complex patterns of interdependence do not simply constrain statesmen, as the interdependence school argued, but also create new possibilities for creative statecraft. In this sense, despite the inclusion of domestic politics, it has much in common with Realist theory, which also focuses on the determinants of bargaining power.⁵⁴

The second departure from previous theory concerns the emphasis on the statesman as the central strategic actor. The statesman’s choice of strategy is assumed to be an important element in international negotiations. Informed by rational-choice theory, the two-level-game approach offers the analyst guidance as to which domestic “factors” are likely to be most crucial, and thus seeks to move the discussion of the domestic determinants of foreign policy beyond the stage of ad hoc checklists. The two-level-games approach invites us to explore within a single framework the implications of different specifications of the principal-agent relation between the polity and the statesman, and different specifications of the statesman’s interests. These include the¹ Classical Realist view of a statesman faced with domestic constraints on mobilization; the view, more consistent with a² Liberal approach, that the statesman is a pure “agent” of society, seeking to maximize domestic political support; and finally,³ the notion of statesmen seeking to realize personal goals. One unexpected byproduct of the latter concept may be renewed interest in explanations that stress the individual psychology and political skill of statesmen—“first-image” explanations, according to Waltz’s typology.

Such theories have fallen into disuse—but by mapping more precisely the areas of structural constraint and autonomy surrounding the statesman, the two-level-games approach may permit their more rigorous application and evaluation.

The third and most distinctive departure from previous theory is that the statesman’s strategies reflect a simultaneous “double-edged,” calculation of constraints and opportunities on both the domestic and international boards. The two-level-games approach recognizes that domestic policies can be used to affect the outcomes of international bargaining, and that international moves may be solely aimed at achieving domestic goals. This differentiates the model from approaches, including those examined above, in which two sets of constraints—domestic interests and international bargaining—are treated as superimposed; these might be termed “additive approaches.” The two-level-games framework offers convenient language in which to express the theoretical claims of additive approaches, and they are explored in a number of the case studies in this volume. But the most theoretically distinctive element in the two-level-games approach is its typology and analysis of strategies for simultaneously exploiting both levels in a bargaining situation. There are times when, as Putnam observes, “clever players will spot a move on one board that will trigger realignments on other boards.”⁵⁵ Because of its stress on the interaction between the two levels, we term this sort of analysis an “interactive approach.”

INTEGRATING THEORY AND EVIDENCE

The Cases To Be Studied

The empirical research in this volume comprises a series of paired comparisons of international negotiations, described in more detail below. These cases were selected in order to evaluate the utility of the framework across a wide range of strategic situations, issue areas, and historical epochs. A reader of Putnam’s initial article might object that a majority of the examples cited were drawn from bargaining about economic cooperation between advanced industrialized democracies in the postwar period—a subset of international negotiations often believed to be biased toward domestic theories by the preponderance of economic issues and positive-sum situations.

To counteract this potential source of bias, and to strengthen confidence in the empirical generalizations drawn from the data, a more diverse set of cases were selected.⁵⁶ Cases were taken from the diplomacy of dictatorial and democratic, developed and developing, countries. Some investigate prewar or immediate postwar diplomacy, as well as more re-

cent events. Of the eleven case studies, four analyze extremely conflictful negotiations over security and territorial issues, and three explore particularly difficult issues in North-South relations. There are numerous examples of zero-sum coercive bargaining, and threats and counterthreats, in both economic and security affairs. This inclusion of conflictual negotiations in the set of cases to be investigated enabled the project to extend the two-level-games approach well beyond the more cooperative domain addressed in Putnam's initial essay, and provided the basis for some of the most important theoretical advances in this work. In particular, special attention was given to the implications of domestic politics for the credibility of international threats.

Throughout, the method of "structured, focused comparison" was employed, whereby a standardized set of questions about the process and outcomes of negotiations was posed about a series of case studies.⁵⁷ The participants then related the authors' findings to potential generalizations about two-level interactions. In this sense, the case studies are designed to support a preliminary assessment of the validity of assumptions and hypotheses drawn from the two-level framework.

Each of the paired case studies described below employs theories expressed within the two-level-games framework to account for two dimensions of negotiated outcomes: (1) success or failure in reaching agreement, and (2) the distribution of gains and losses. The first dimension, success or failure, is defined in terms of agreement on deliberately coordinated policies that is negotiated, ratified, and implemented, whether or not the agreement has the ultimate consequences anticipated by the parties and regardless of how the costs and benefits of the agreement were shared among the participants. Each chapter contains at least two paired cases: one success and one failure. Deliberate policy change (or deliberate policy continuity, if that is what the agreement calls for) may be recorded explicitly, as in a formal treaty, but it may also involve tacit coordination. This measure of success includes implementation, thereby capturing the possibility of "involuntary defection," when a nation reneges on an agreement over the opposition of its statesman. In examining the second dimension of negotiations, its distributional effects, each author seeks to determine which nation is favored by the distribution of costs and benefits and how the outcome is related to the preferences of the statesmen and domestic constituencies.

Four case studies examine enduring issues of high foreign policy: (1) East-West conflict in Central Europe; (2) NATO nuclear policy; (3) Franco-German collaborative arms procurement; and (4) the Arab-Israeli dispute.

Jack Snyder applies the two-level-games approach to the explosive legacy of the Potsdam settlement: the East-West conflict over Berlin. In

analyzing the paradoxical shifts in East-West bargaining from Stalin to Gorbachev, Snyder contrasts the two-level-games approach to both a Realist analysis based on the "security dilemma" and a domestic analysis that locate the sources of interstate conflict in the demands of domestic interest groups or alliance partners. While both security concerns and domestic pressures offer plausible explanations for the stalemate of the Stalin and Khrushchev periods, the two must be examined together to account for the paradoxical policies of Brezhnev, who pursued detente in Europe while placating domestic groups with adventurism in the Third World, and Gorbachev, whose policies of unilateral international concessions can only be understood as part of an epochal effort at domestic reform. ?

Conflict is prevalent within alliances, as well as between them. Richard Eichenberg demonstrates that the bewildering twists and turns of the most contentious issue in NATO over the past two decades—the stationing of U.S. missiles in Germany—can only be fully understood with reference to the reverberation between the rhetoric of American presidents and the responses of German citizens. The well-publicized failure of Chancellor Schmidt and President Carter to agree on a NATO policy created a turbulent swell of popular pressure for compromise. No sooner was agreement reached, however, than President Reagan launched a campaign of anti-Soviet rhetoric that inflamed German public opinion against implementation of the agreement. A few years later, when Reagan reversed U.S. policy again to support the radical "double zero" arms-reduction agreement with the USSR, the same German public could be exploited to his advantage, since it blocked efforts by Chancellor Helmut Kohl to mobilize opposition to the agreement. In 1989 the positions were reversed again, as President Bush called for the modernization of NATO missiles and Kohl was able to exploit the same public sentiment as an excuse for not supporting the American initiative.

France and Germany, rivals for two centuries, have become models of military cooperation. Yet my examination of three Franco-German negotiations over the past two decades to establish collaborative manufacture of sophisticated armaments finds that cooperation does not preclude competition. Although each country stood to save tens of billions of francs and Deutschmarks on each collaborative project, only the negotiations over combat helicopters were crowned with success, while discussions about battle tanks and fighter aircraft ended in failure. Despite the common presumption that the traditional Realist concern with autarky leads military planners to defend autarkic arms procurement, the military supported all three agreements. In the cases of fighters and tanks, however, they were overruled by domestic arms producers, whose efforts to maintain their position as independent arms exporters in an oligopo-

listic global market carried the day. More recently, European governments have responded to these failures by adopting a sophisticated two-level strategy designed to undermine the powerful monopolistic position of their domestic arms producers.

In the violent history of the Arab-Israeli dispute, the Camp David accords stand out as a turning point. Janice Stein reveals that this momentous agreement turned on a unique conjuncture in domestic politics—a simultaneous economic crisis in Egypt and political crisis in Israel. Although negotiations had failed just six months previously, these crises created a brief window of opportunity for agreement. Following Sadat's dramatic speech before the Knesset in Jerusalem, which transformed Israeli public opinion, American financial aid offered the means to carry out economic reform in Egypt. Carter's own willingness to underwrite almost any agreement stemmed from the hope that an agreement would bolster his own flagging domestic support.

Three case studies examine the relevance of the two-level-games model to issues in North-South relations: (1) the Carter human rights policy in Argentina and Guatemala; (2) U.S. policies toward Panama and Nicaragua; and (3) International Monetary Fund (IMF) stabilization agreements in Jamaica and Somalia. All three are cases of coercive diplomacy, in which the ability to "ratify" a threat (that is, to win adequate domestic support for implementing the threat) becomes a critical concern of statesmen.

Lisa Martin and Kathryn Sikkink contrast two cases in which the Carter Administration threatened to terminate foreign aid unless notorious violators of human rights—the governments of Argentina and Guatemala—permitted international monitoring. Paradoxically, the more powerful and autonomous of the two, Argentina, succumbed to U.S. pressure, while tiny Guatemala, heavily dependent on American military aid, successfully resisted it. Martin and Sikkink argue that an explanation of this anomaly must recognize that President Videla of Argentina was surreptitiously employing U.S. pressure to help reshape his own governing coalition, while the Guatemalan elite stood firm against American pressure. Moreover, Congressional limitations on the ability of the Carter Administration to compromise rendered U.S. threats against Argentina more credible than those against Guatemala.

In his comparison of the most prominent Central American security issues of the late 1970s—the Panama Canal Treaty and the emergence of the Sandinista government in Nicaragua—Robert Pastor explores the reasons for the success and failure of U.S. initiatives in the region. Once again, international security concerns alone are inadequate to explain the divergent outcomes. The success of the Panama Canal Treaty negotiations, Pastor concludes, reflected the skill of both Carter and Torrijos

in manipulating their domestic constituencies, while Reagan's attempts to fund the "contra" insurgency against the Sandinista government were blocked by an intransigent Congress. The contrast between Carter and Reagan also illuminates the theoretically crucial distinction between cases in which the statesman's own preferences in the international negotiations are more moderate than those of his constituents, and cases in which the statesman's preferences are more hawkish.

The conditions imposed by the IMF on its borrowers constitute a lightning rod for criticism by developing countries of what is widely perceived as exploitation by the North. Miles Kahler's study of IMF stabilization programs in Jamaica and Somalia demonstrates that domestic constraints on LDC governments, over which the IMF has little control, undermine its seemingly dominant position. While access to finance would seem to give the IMF the upper hand, domestic instability and the uncertainty concerning implementation in LDCs limit its ability to monitor and enforce its conditions. Conversely, leaders can bolster their domestic popularity by standing up to the IMF. Kahler also analyzes the effects of the "domestic politics" of the IMF itself on these negotiations, illustrating how the internal workings of intergovernmental organizations can be understood within the two-level-game framework.

Four cases range across more than half a century of international economic conflicts among advanced industrial or newly industrializing states: (1) the attempt by Europe and the United States to stem the tide of the Great Depression at the World Economic Conference of 1933; (2) postwar Anglo-American discussions over the creation of airline and oil regimes; (3) Japanese-American trade disputes in construction and semiconductors; and (4) U.S. conflicts with Europe and Brazil over agriculture and computers.

In one of two case studies from the first half of this century, Barry Eichengreen and Marc Uzan reexamine perhaps the most momentous failure in the long history of international economic cooperation: the World Economic Conference of 1933, where the leading industrial nations of the world failed to negotiate a coordinated response to the Great Depression. The result was greater monetary instability and deepening depression, which contributed to the success of fascism in Germany and elsewhere. Eichengreen and Uzan demonstrate that a particular pattern of domestic factors—economic ideologies, interest group pressures, and the structure of representative institutions—obstructed agreement on several possible packages of mutually beneficial trade and monetary measures.

The foundations of the current international economic institutions were laid between 1945 and 1950. Helen Milner takes us back to a period when the political organization of two vital international market sectors,

oil and airline services, was in the process of formation. In the case of oil, private firms successfully opposed government regulation and formed instead a private cartel; while in the case of airlines, an intergovernmental regulatory regime was created. Milner demonstrates the importance of domestic political factors, including the unity of industrial sectors, the side-payments provided by governments to domestic groups, and the nature of domestic institutions. She concludes that even the strongest governments have difficulty dissuading firms from entering into advantageous private international arrangements.

Few sectors have been spared in the controversies over the U.S.-Japanese trade relationship in the 1980s. In his comparison of the labyrinthine politics of bilateral disputes over semiconductors and construction, Ellis Krauss seeks to explain why negotiations led to very different outcomes in the two cases, despite important similarities in the negotiating processes and contexts. In the semiconductor case, an apparent agreement collapsed in acrimony when Japanese domestic actors (firms) “defected,” leading to major U.S. retaliation; whereas in the construction case, agreement was reached and implemented, despite (or rather, because of) the unusually intimate relations between the Japanese construction industry and the Japanese political leadership. Krauss argues that these differing outcomes cannot be explained simply by either domestic or international analysis alone, but require a closer examination of the two-way links between negotiators and constituents on each side of the international table, as well as of tacit and explicit transgovernmental alliances. These cases illustrate that domestic interest groups do not merely respond passively to potential agreements negotiated between the governments, but instead seek to manipulate (and are manipulated by) government leaders and agencies, and that their influence on international negotiations depends importantly on these strategic considerations.

John Odell turns to two other sources of trade disputes in recent decades: the EC’s Common Agricultural Policy (CAP) and the protection of domestic high-tech “infant industries” by newly industrializing countries. In two controversies in the 1980s examined by Odell—Brazilian programs to support their domestic computer industry, and new EC limitations on U.S. feed-grain exports to Spain and Portugal—the U.S. government threatened retaliation if the offending policies were not rescinded. The paradoxical outcomes of these disputes—the powerful EC complied fully, while Brazil made only minor adjustments—turned, according to Odell, on the extent to which domestic groups would “ratify” threats, which decisively affected their credibility. U.S. feed-grain farmers were more than ready to support sanctions, even at the expense of retaliation against U.S. farm products, while IBM and other U.S. computer multinationals were much less ready, concerned as they were about

their large stakes in Brazil. Thus, while Brazil found a powerful domestic ally in the United States, the EC did not, and was eventually forced to settle on American terms.

Moving from Metaphor Toward Theory

These eleven sets of paired comparisons are used to evaluate the two-level-games approach, which can be understood as metaphor or as theory.⁵⁸ As metaphor, Putnam’s approach provides a general framework for describing international negotiations. The two-level-games metaphor views the relationship between domestic and international politics through the eyes of the statesman.⁵⁹ “Each side is represented by a single leader or ‘chief negotiator’”—referred to in this volume as a statesman or “chief of government” (COG). For expository purposes, Putnam divides the process of negotiation into two stages: the bargaining phase, in which statesmen bargain to a tentative international agreement; and the ratification phase, in which domestic constituents in each country decide, formally or informally, whether to ratify and implement the agreement. The ratification process is thus the “crucial theoretical link” between domestic and international politics—although in reality, as Putnam makes clear, the international and domestic “phases” are intertwined and simultaneous, as expectations and unfolding developments in one arena affect negotiations in the other arena.⁶⁰ Each state is assumed to have a “win-set,” defined as the set of potential agreements that would be ratified by domestic constituencies in a straight up-or-down vote against the status quo of “no agreement.” With increases in the benefits of an agreement or the costs of no agreement, the win-set expands. The statesman acts as the agent for the polity, but is constrained only by the win-set—that is, by the nature of the agreements that the domestic polity would ratify.

In order to generate empirical hypotheses about state behavior, Putnam’s two-level-games metaphor requires more restrictive definition. It is essential to specify the preferences of and constraints on the major actors. Three essential theoretical building blocks are needed: specifications of domestic politics (the nature of the “win-sets”), of the international negotiating environment (the determinants of interstate bargaining outcomes), and of the statesman’s preferences. (Note that these three influences on policy correspond to Waltz’s three levels of analysis.) The editors of this volume did not impose common specifications on the various authors. Due to the paucity of rigorous deductive work capable of supporting empirical research, no attempt was made to develop formal models of two-level games.⁶¹ Instead, the project stressed the inductive generation of hypotheses and generalizations, encouraging the authors

to work within the framework to develop and make explicit their own specifications of these elements. The authors were also encouraged to educe from the case studies their own theoretical and conceptual insights into the dynamics of successful and unsuccessful domestic/international negotiations.

Nonetheless, the analyses do share considerable theoretical common ground. Guided by the initial article by Putnam and a series of discussions among project participants over several years, the authors focused on a set of convergent questions and hypotheses about the interaction between domestic and international politics. The following sections introduce some hypotheses about the three key points of theoretical concern—domestic constraints, international constraints, and the preferences of the statesman—that are explored in the case studies of this volume.

The Manipulation of Domestic Constraints. Under what conditions are statesmen able to act independently of constituent pressures? How can statesmen employ issue linkage and side-payments to alter domestic constraints? How do interest-group configurations, representative institutions, and levels of uncertainty affect the strategies of statesmen?

In the two-level-games framework, the most fundamental constraint on the statesman is the size of the win-set, which in turn depends on a number of domestic factors, including the distribution of domestic coalitions, the nature of representative institutions, and the domestic strategies employed by statesmen. The two-level-games approach assumes that domestic coalitions form on the basis of an assessment of the relative costs and benefits of negotiated alternatives to the status quo, and that the basis of these assessments remains constant throughout the analysis.⁶² The domestic constraints on policy-makers depend not only on group calculations of interests, but on their political influence. "What counts [domestically] is not total national costs and benefits, but their incidence, relative to existing coalitions and proto-coalitions."⁶³

The two-level-games approach suggests that the statesman can gain influence in a number of ways. The most fundamental is by exploiting his or her freedom to act autonomously within the domestic win-set. The influence of social groups rests ultimately on their role in the ratification process, and the underlying preferences of social groups regarding "up-or-down" ratification rarely constrain the statesmen to a single outcome. As long as the statesman remains within the win-set, he or she can manipulate the precise terms of agreements toward a personally preferred outcome. Conversely, the exclusive power to negotiate internationally, and to submit items for domestic ratification, affords the statesman a

tacit veto over any agreement, to be exercised simply by refusing either to negotiate in earnest or to submit any accord for ratification.

Statesmen may also achieve ratification of provisions previously outside the win-set by linking them to more popular provisions. The two-level quality of linkage is particularly striking when the statesman attempts to gain approval for an important domestic measure by linking it to an attractive international agreement, or vice versa—a tactic Putnam refers to as "synergistic issue linkage."⁶⁴

An even more interesting possibility is that statesmen will adopt strategies to reshape the domestic win-set. While the underlying preferences of domestic groups are assumed to be constant, the win-set reflects many other relevant characteristics of the domestic polity, including the nature of institutions, information, and patterns of mobilization and issue linkage, which (unlike the underlying interests of domestic groups) are here treated as variables, not constants. Statesmen may sometimes alter the outcome of the ratification process by manipulating these more contingent constraints. Statesmen may shape the formal and informal ratification procedure (e.g., voting rules, status of the agreement under separation of powers, party discipline, agenda-setting, issue linkage) or alter the domestic balance through side-payments, enforcement of party discipline, selective mobilization of political groups, or manipulation of information about the agreement. Perhaps the most radical method of altering domestic constraints is to implement a broad program of social or institutional reform. In general, the greater the statesman's control over these instruments, and the lower the cost of exercising such control, the greater his or her ability to shape the final agreement.⁶⁵

In this volume there can be found many examples of strategies designed to alter the size of the domestic win-set. Two instances of synergistic issue linkage are Gorbachev's scheme to link domestic restructuring in the Soviet Union to an external bargain combining Soviet withdrawal from Eastern Europe and Western economic assistance, described by Jack Snyder; and Sadat's remarkably similar calculation about the Camp David agreement, analyzed by Janice Stein. Richard Eichenberg demonstrates how Reagan's manipulation of the symbols and rhetoric of nuclear deterrence had a long-term and largely unexpected impact on the West German win-set regarding nuclear deployments. The Carter Administration's strategic approval of public works projects during the ratification of the Panama Canal Treaty, described by Robert Pastor, demonstrates the use of side-payments. Both Gorbachev, in Snyder's account, and European procurement officials, in my armaments case study, attempted to restructure the economy in order to undermine the power of special-interest groups that obstruct international agreements.

These cases (and others) allow us to explore the varying efficacy of such strategies.

The phenomenon most distinctive of the two-level-games approach is what Putnam termed *synergy*, in which international actions are employed to alter outcomes otherwise expected in the domestic arena. By setting the international agenda, joining international regimes, or linking issues in international negotiations, statesmen have the power to shape the way in which issues are decided domestically. Just as the European Monetary System has been interpreted as an important lever to increase the credibility of domestic monetary discipline, for example, so the European defense planners in my study of armaments procurement seek to precommit domestic firms to collaborative research-and-development and market-sharing arrangements in the hope of decisively altering the domestic balance of power.

A variant of this tactic is what we term *COG collusion*, in which statesmen exchange political assets in order to strengthen the prestige of the opposing statesman vis-à-vis his or her domestic constituency. Clearly, this is one theme underlying recent East-West relations (as described by Snyder), in which Gorbachev sought to use high-profile diplomacy with the West to enhance his domestic prestige. Another example (described by Ellis Krauss) is the tacit cooperation between American and Japanese bureaucrats to open the Japanese construction industry to international competition.

Several factors might be expected to have a direct effect on the ability of statesmen to manipulate domestic constraints and to act independently: the concentration of domestic groups; the extent to which they are informed about the agreement; the effects of a precommitment; and the domestic institutions for ratification. On the basis of Olsonian collective-action analysis, it seems reasonable to expect that concentrated groups that are disadvantaged by an agreement—such as the interwar French farmers described by Barry Eichengreen and Marc Uzan, or the multinational business interests analyzed by John Odell—will become both intransigent and influential opponents of agreement. Conversely, the more diffuse the costs and benefits of the proposed agreement, the more possibilities for statesmen to target swing groups and gain their support at relatively low cost. As Schattschneider describes in his classic account of the 1934 Reciprocal Trade Agreements Act, an expansion in the mobilized public can be particularly advantageous if it can be selectively used by the statesman.⁶⁶ The most extreme case is a “Bonapartist” strategy of provoking a foreign-policy crisis to bolster the domestic popularity of the regime, exemplified by the temptation facing Miles Kahler’s LDC leaders to defy the IMF. Yet the cases also allow us to explore the conditions under which the converse strategy might be plausible, as in

the peace initiatives of Sadat and Gorbachev, launched to gain the international support needed to overcome otherwise insurmountable domestic problems.

Uncertainty about the content of an agreement may increase the ability of a statesman to manipulate public perceptions by selectively releasing information. In cases where gains and losses are clear, certain, and focused on concentrated groups, the room for creative statecraft is diminished, and tangible side-payments would probably be necessary.⁶⁷ The differential importance of information in the two-level-games approach also has implications for the temporal course of negotiations. We might expect statesmen to have a great deal of control over the initiation of negotiations and the setting of a negotiating agenda; less control over the domestic conditions under which the ratification vote is taken; and no direct control over the final vote itself. Accordingly, domestic mobilization around an issue tends to increase over the course of a negotiation, thereby decreasing the autonomy of the statesman. This hypothesis can be explored, for example, in the decade-long series of negotiations over the stationing and removal of nuclear missiles in Germany traced by Richard Eichenberg.⁶⁸

The flexibility of the institutions through which ratification takes place can be decisive. Helen Milner, for example, asks whether executive discretion to negotiate an agreement as either a treaty or an executive agreement was a key distinction between the postwar oil and airline negotiations. Lisa Martin and Kathryn Sikkink extend this line of inquiry, proposing a tripartite typology of ratification procedures—*approval*, *authorization*, and *acquiescence*. Approval denotes ex post ratification; authorization denotes a priori ratification, as with fast-track provisions for Congressional ratification of trade bills; and acquiescence denotes an agreement which needs no formal ratification, and against which hostile domestic groups must initiate specific action. The more restrictive the ratification procedure, they hypothesize, the less autonomy is left to the statesman.

Domestic Politics and International Bargaining. How do domestic constraints affect the success and distributional effects of international bargains? What sorts of manipulation of domestic and foreign win-sets permit statesmen to achieve international gains? Do domestic factors affect the ability to make credible threats, as well as the ability to conclude agreements?

Putnam’s article is based on the proposition that the outcome of international negotiations reflects the size of the domestic win-sets. Putnam also advances two corollary propositions about the relationship between domestic constraints and bargaining power. The first proposition is that

larger win-sets increase the number of potential agreements and decrease the probability that nations will defect from those they make. This renders international agreement more likely, *ceteris paribus*. He goes on to distinguish *voluntary defection*, in which a unitary state led by a statesman fails to ratify or to implement an agreement; and *involuntary defection*, in which domestic groups override or subvert an agreement supported by a statesman.⁶⁹ The second proposition, which Putnam draws from Thomas Schelling, is that the relative size of the respective domestic win-sets will affect the distribution of the joint gains from the international bargain. Assuming that both sides have an interest in reaching agreement, a differential in the relative size of the win-sets shifts the distribution of costs and benefits in favor of the player with the more constrained win-set. While the traditional view is that internal divisions weaken a state's bargaining position, the two-level-games approach suggests that divisions may under some circumstances strengthen it.

In seeking to reshape domestic constraints to promote his favored policies, the statesman may either constrict or expand the win-set. A strategy of "*Tying Hands*" attempts to *constrict* the domestic win-set. The rationale for adopting this strategy is to induce the opposing statesman to compromise at a point closer to the first statesman's preferences—a practice that runs counter to the normal expectation that the statesman will preserve the maximum possible level of executive autonomy. Statesmen who adopt the second strategy, "*Cutting Slack*," attempt to *expand* the domestic win-set to accommodate an international agreement that might otherwise be rejected.

The exploitation of asymmetrical information is once again a key issue. For example, does asymmetrical knowledge about ratifiability permit a negotiator to use deliberate misinformation as a negotiating tactic? It seems plausible that under conditions of high uncertainty, statesmen may gain a negotiating edge by deliberately exaggerating to opposing negotiators the tightness and inflexibility of domestic constraints. There is anecdotal evidence that this strategy is often attempted, but little evidence on whether it often succeeds. One hypothesis would be that the more open the regime, the less uncertainty about domestic ratifiability exists, and the less credible disinformation would be. The cases examined here—some involving pluralist democracies of various sorts, for example, and others involving authoritarian regimes of various sorts—enable us to make some preliminary judgments about the circumstances under which uncertainty may be exploited for strategic purposes.⁷⁰

A statesman also faces an interesting set of strategic alternatives with respect to foreign win-sets. Unless the statesman is opposed to all agreements, there is almost always an incentive to expand the opposing win-set, since this simultaneously increases the probability both of an agree-

ment and of reaching a more advantageous one. Given the lack of direct control over internal institutions and agendas in foreign countries, statesmen have more limited means of influencing foreign win-sets than domestic ones. Nonetheless, policies aimed at foreign polities are common.

A common strategy, of course, is to raise the cost of no-agreement to key constituents on the other side, thus rendering even unfavorable agreements relatively more attractive. Beyond this familiar use of threats (and the strategy of COG collusion described earlier), there are several other interesting strategic possibilities. Statesmen can *target linkages or side-payments* by offering specific benefits to particularly powerful domestic constituencies or swing groups in a foreign country. Targeting becomes particularly delicate in negotiations where multinational interests are involved, since the same domestic actor may appear on both domestic boards—witness the role of IBM in the U.S.-Brazilian negotiations over computers analyzed by Odell. A second tactic to alter domestic constraints in a foreign country is *reverberation*, which occurs when actions by one country alter the expectations about an agreement held by domestic groups in a foreign country. Reverberation may result from deliberate attempts at persuasion ("suasive reverberation" or "suasion")—a striking example examined here is Sadat's sensational visit to Israel—or it may be the unintended result of public reaction to the course of the negotiations. One hypothesis that can be explored in our cases is that negotiations over public goods, such as security, will be more subject to strategies based on reverberation, whereas private (or "privatizable") goods will more appropriately evoke a strategy of targeting or side-payments.

In coercive bargaining, in which threats are employed, the relationship between domestic constraints and bargaining leverage is more resistant to simple generalization. The two-level implications for a state *receiving* a threat have long been evident in the literature: a threat broadens the win-set by raising the cost of "no-agreement." Moreover, the more powerful the domestic groups targeted by the foreign threat, and the more vulnerable they are to it, the more effective that threat. But the two-level implications for the state *making* threat have heretofore received far less theoretical attention.⁷¹ The two-level-games approach implies that the credibility of a threat depends in part on the assurance that it would be carried out, which increases with the extent of domestic support for executing the threat. The more powerful the groups disadvantaged at home by a threat, the less credible and sustainable it will be. The credibility of a grain embargo, for example, is inversely proportional to the power of domestic agricultural interests. In other words, *threats, like promises, must be ratified*.

This proposition was not addressed in Putnam's original article, but emerged from discussions in this collaborative project.⁷² This hypothesis

becomes particularly relevant in cases of coercive bargaining like some of those included in this volume. A comparison of the cases analyzed by Pastor and by Martin and Sikkink on U.S. relations with Latin America, for example, allows us to explore whether (and how) Reagan's threats against the Sandinistas were undermined by Congressional opposition, whereas Carter's threats against Videla in Argentina were made more credible by Congressional attitudes. Yet the relationship between the ratifiability of an agreement and the ratifiability of a threat remains unclear. One hypothesis might be that the two vary inversely: a narrowing of the win-set on potential agreements would be correlated with increased credibility of threats. Another set of hypotheses links the credibility of a threat with the distribution of domestic interests in the state making the threat: for example, the more concentrated and influential the domestic interests which would bear the *costs* of enacting a threat, the lower the threat's credibility; whereas the more concentrated and influential the interests that would *benefit* from enacting a threat, the greater its credibility. These hypotheses are articulated and explored in several individual chapters, especially the comparative study of U.S.-Brazil and U.S.-EC trade sanctions by Odell.

The Preferences of the Statesmen. How do the preferences of the statesman influence the choice of strategies and the outcome of negotiations?

Since the two-level-games approach posits the partial autonomy of the statesman, two-level analysis requires a specification of the statesman's preferences. A rational statesman will employ available "double-edged" strategies only if they further his or her own aims. The set of agreements preferred by the statesman to the status quo may be termed the statesman's "acceptability-set." These preferences may reflect: (1) the statesman's interest in enhancing his domestic position, perhaps by pursuing the median domestic interest; (2) an effort to mobilize an optimal response to international imperatives, regardless of domestic factors (much as the Classical Realists portray it); or (3) individual policy preferences about the issues in question, perhaps stemming from idiosyncratic "first-image" factors like past political history or personal idealism. The strongest incentive for initiating international agreements, exemplified by Sadat's high-stakes gamble on peace with Israel, would be a statesman's perception that resources available domestically were insufficient to resolve a politically untenable situation, and that synergistic linkages at the international level might provide additional leverage—a cooperative twist on the classic argument about Bonapartist motivations for war.

Rather than inquiring into the origins of the statesman's preferences, the essays in this volume take them, like the preferences of his constituents, as given. The focus of the analysis is instead on the strategic incen-

tives created by certain configurations of the "acceptability-set" relative to the domestic "win-set." The possible configurations can be divided into three categories: the statesman-as-agent, the statesman-as-dove, and the statesman-as-hawk.⁷³ In the case of the "statesman-as-agent," the statesman's acceptability-set reflects the interests of the median domestic group and is encompassed by the domestic win-set. In the case of the "statesman-as-dove," the acceptability-set lies at least partially outside the domestic win-set and *closer* to the opposing win-set. In the case of the "statesman-as-hawk," the acceptability-set lies at least partially outside the domestic win-set, but *further* from the opposing win-set than the set of agreements ratifiable domestically.

In the case of the statesman-as-agent, there is no conflict between the statesman and society. The statesman has little incentive to expand the win-set, although he or she may seek to contract it to gain an international negotiating edge. Statesmen are more likely to attempt to expand the win-set ("cut slack") when they are doves or hawks, or when they favor agreement for its own sake, independent of its content. An example is Jimmy Carter's willingness to back any agreement that could be signed by Begin and Sadat, as described by Stein. When both statesmen are doves, incentives are created for COG collusion. A striking example of collusion between statesmen against their domestic politics is found in the European armaments cooperation I examined, in which governments have instituted long-term policies with the goal of undermining domestic resistance to cooperation in the future. Another example of collusion between two statesmen-as-doves may be the Panama Canal negotiations between Carter and Torrijos.

The relationship between the preferences of the statesman and the credibility of threats is more complex. One intriguing hypothesis is that threats are most credible when delivered by a statesman-as-dove or statesman-as-agent, since the statesman can convincingly portray herself or himself as restraining a rabid domestic constituency that would surely ratify the threat—whereas a statesman-as-hawk (Reagan in Nicaragua?) risks issuing international threats that will not be backed up at home. Also, it may be that once a statesman enters into a negotiation, the personal costs of no-agreement (in terms of prestige and reputation) may increase, rendering agreement more attractive and hence more likely.

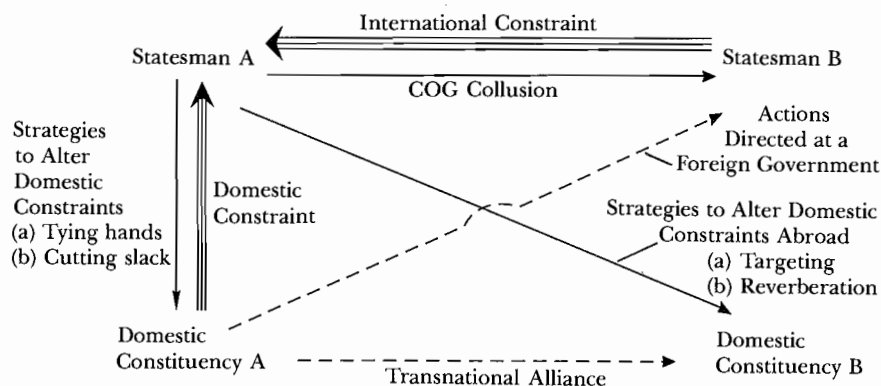
Strategies Employed by Domestic Groups. Can domestic groups adopt two-level strategies? What is the role of transnational alliances in international negotiations?

Although this project focuses primarily on the possibilities for action by statesmen, it is worth noting that the two-level-games model also implies that domestic groups have opportunities to develop similar strate-

gies and counterstrategies. A “transnational alliance,” for example, occurs when domestic groups in more than one country agree to cooperate or exchange political assets in order to prevail over other domestic groups or over governmental opposition. Bureaucracies and other state actors can also act as interest groups and form a “transgovernmental alliance,” as Krauss describes in his cases of U.S.-Japan trade negotiations.⁷⁴ Finally, domestic groups may seek to strengthen or undermine the domestic support of a foreign chief executive.

Although the hypotheses derived from the two-level-games approach, which see the statesman as intermediary between international and domestic politics, are not theoretically incompatible with transnational alliances, the two are often alternative explanations for similar phenomena, with one focusing on the statesman as the key strategic player and the other on societal actors. In a two-level-games analysis, a transnational or transgovernmental alliance would be likely to form only when private groups were opposed by their own state—i.e., when the statesmen are hawks.⁷⁵ Cooperation between domestic groups in different countries is less likely when the statesmen are doves, since the interests of the opposing sides would be likely to diverge. The opposition of IBM, a multinational corporation with interests in both the United States and Brazil, to U.S. trade sanctions, in Odell’s study of a dispute over computers, provides an interesting example of a transnational force opposing state policies.

The alternative two-level strategies available to the statesman and to domestic actors are summarized in the typology below. They fall into four categories: reshaping the domestic win-set; reshaping the foreign win-set; transnational alliances; and actions by domestic groups to undermine a foreign leader. One can think about these strategies as discrete means of connecting the two boards.⁷⁶ As the diagram suggests, these strategies exhaust the possibilities for two-level action.



CONCLUSION

The goals of this project are modest. Eleven case studies are used to carry out “plausibility probes” regarding existing hypotheses about two-level games, and to seek new hypotheses. At a minimum, the cases help to “map the universe” of two-level-games phenomena, both by expanding the number of documented causal chains between international and domestic politics and by extending the model to areas where its implications have yet to be explored. The result will be a greater body of empirical generalizations about two-level games, which constitute a promising starting point for those developing formal models or systematic empirical studies of the interaction between domestic and international politics. Such empirical generalizations drawn from case studies are, at least, an “indispensable first step” in the transition from metaphor to social-scientific theory.⁷⁷

Among the theoretical implications not fully appreciated in the original formulation of the two-level-games approach, but explored in more detail here, are the autonomy that an individual statesman can gain by exploiting the role of gatekeeper; the role of domestic support in issuing credible threats; the role of asymmetrical information about domestic politics in international negotiations; and the importance of the distinctions among statesman-as-hawk, statesman-as-dove, and statesman-as-agent. Another important theoretical byproduct of the study is that it challenges us to revisit the level-of-analysis problem, throwing into relief the many instances in which the levels collapse into one another. The two-level-games approach joins a number of other theoretical responses in a general consensus that we need to move toward more complex syntheses of domestic and international explanations. The resulting framework may permit a more systematic integration of domestic (“second-image”) and individual (“first-image”) influences on foreign policy into systemic theory.

The most distinctive empirical contribution of the two-level-games approach lies in its analysis of conditions under which an enterprising statesman gains bargaining advantages by employing strategies that are “double-edged,” exploiting domestic and international politics simultaneously. Each of the case studies herein takes up this issue. Many of the empirical findings, more extensively reported in the Conclusion, are striking. The cases suggest that theories based on a single level of analysis are frequently insufficient to account for important phenomena in world politics. The domestic process of ratification and the concentration of social interests influence international bargaining possibilities. Threats, like agreements, must be ratified. The significance of informational asymmetries appears to depend on the nature of the domestic regimes. Diplomacy between advanced industrial democracies is transparent, so

that democratic statesmen find it difficult to mislead their negotiating partners about domestic constraints. Among nondemocratic regimes, uncertainty may play a more prominent role than elsewhere. Domestic constraints vary in the course of negotiations, tightening as the concrete provisions of an agreement become more clear. Statesmen often find it easier to launch negotiations than to gain domestic ratification for the resulting agreements.

With the spread of democratic regimes throughout the globe, the effect of domestic politics on foreign policy can only increase. The most important area in which systemic theory enjoyed widespread acceptance—the bipolar conflict between the U.S. and the USSR—is being transformed. Yet it would be naive to believe that the international politics of the new era will be harmonious. Complex patterns of conflict and cooperation will emerge, reflecting not only the calculation of geopolitical advantage or constituency pressures, but also the complex interaction between them.

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NOTES

1. Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42 (Summer 1988): 427–460, reprinted in the Appendix to this volume.

2. See Kenneth N. Waltz, *Man, the State, and War: A Theoretical Analysis* (New York: Columbia University Press, 1959); and J. David Singer, "International Conflict: Three Levels of Analysis," *World Politics* 12 (April 1960): 453–461, and "The Level-of-Analysis Problem in International Relations," *World Politics* 14 (October 1961): 77–92.

3. For a useful discussion of the relationship between domestic and international explanations, see Christopher H. Achen and Duncan Snidal, "Rational Deterrence Theory and Comparative Case Studies," *World Politics* 41 (January 1989): 164–165. The number of levels and their relative utility is neither preordained nor arbitrary, but can and should vary according to the analytic purpose at hand. Waltz introduced the classic three levels of analysis. J. David Singer and Arnold Wolfers reduce these to two: the international system and the national state for Singer, and the system and the individual for Wolfers. Robert Jervis

adds a fourth: bureaucratic process. James Rosenau discerns five, dividing the domestic level into state, society, and intermediating institutions. See Waltz, *Man, the State and War*; Singer, "The Level-of-Analysis Problem"; Arnold Wolfers, "The Actors in International Politics," in Wolfers, *Discord and Collaboration* (Baltimore: Johns Hopkins University Press, 1962), pp. 3–24; Robert Jervis, *Perception and Misperception in International Politics* (Princeton, N.J.: Princeton University Press, 1976), p. 15; James Rosenau, "Pre-Theories and Theories of International Politics," in R. Barry Farrell, ed., *Approaches to Comparative and International Politics* (Evanston, Ill.: Northwestern University Press, 1966), p. 43.

4. Richard Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986); Dale Copeland and Duncan Snidal, "Economic Interdependence and War" (paper presented at the Program on International Politics, Economics, and Security, University of Chicago, 21 February 1991).

5. For critical reviews of this literature and a move toward integrating domestic and international factors, see Fritz Mayer, "Bargains Within Bargains: Domestic Politics and International Negotiation" (Ph.D. dissertation, Kennedy School of Government, Harvard University, May 1988); Putnam, "Diplomacy and Domestic Politics" (see Appendix to this volume, pp. 464–465 n. 43).

6. Robert O. Keohane, "Theory of World Politics: Structural Realism and Beyond," in Keohane, ed., *Neo-Realism and Its Critics* (New York: Columbia University Press, 1986), p. 165.

7. See Andrew Moravcsik, "Liberalism and International Relations Theory," *Harvard CFIA Working Paper* (Cambridge, Mass.: Harvard University, 1992).

8. For a useful analysis, see G. John Ikenberry, David A. Lake, and Michael Mastanduno, "Introduction: Approaches to Explaining American Foreign Economic Policy," *International Organization* 42 (Winter 1988): 1–14.

9. Important works on the domestic politics of security policy include James Rosenau, ed., *Domestic Sources of Foreign Policy* (New York: Free Press, 1967); Charles Hermann, Charles Kegley, and James Rosenau, eds., *New Directions in the Study of Foreign Policy* (Boston: Allen and Unwin, 1987); John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Post-War American Foreign Policy* (New York: Oxford University Press, 1981), extended to the Reagan era by Fareed Zakaria, "The Reagan Strategy of Containment," *Political Science Quarterly* 105 (Autumn 1990): 373–396. On foreign economic policy, see E. E. Schattschneider, *Politics, Pressures, and the Tariff* (New York: Prentice-Hall, 1935); John Mark Hansen, "Taxation and the Political Economy of the Tariff," *International Organization* 44 (Autumn 1990): 527–552.

10. Characteristic theoretical statements include Graham Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, 1971); John Steinbruner, *A Cybernetic Theory of Decision: New Dimensions in Political Analysis* (Princeton, N.J.: Princeton University Press, 1974); Judith Goldstein, "Ideas, Institutions, and American Trade Policy," *International Organization* 42 (Winter 1988): 179–217; and Stephen Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton, N.J.: Princeton University Press, 1976). For analyses of the Peloponnesian War as a battle between competing

domestic ideological factions, Bismarck's imperialism as an attempt to maintain a viable domestic coalition, and the NATO alliance as an attempt to reassure Western publics, see, respectively, James Nolt, "Social Order and Threat: Thucydides, Aristotle, and the Critique of Modern Realism" (mimeo., University of Chicago, 1990); Hans-Ulrich Wehler, *Bismarck und der Imperialismus* (Cologne: Kiepenhauer und Witsch, 1969), and Christoph Bertram, ed., *Defence and Consensus: The Domestic Aspects of Western Security* (London: International Institute for Strategic Studies, 1983).

11. On domestic intermediating structures in the area of security studies, see Michael Doyle, "Kant, Liberal Legacies, and Foreign Affairs," *Philosophy and Public Affairs* 12 (Summer and Fall 1983): 205–235 and 325–353; Henry Kissinger, "Domestic Structures and Foreign Policy," *Daedalus*, Spring 1966: 503–529; Stephen Van Evera, "Why Cooperation Failed in 1914," in Kenneth Oye, ed., *Cooperation Under Anarchy* (Princeton, N.J.: Princeton University Press, 1986), pp. 80–117. On their role in foreign economic policy, see Peter J. Katzenstein, *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978).

12. Singer, "The Level-of-Analysis Problem," p. 29. But Singer hints elsewhere in the same article that a framework combining domestic and international explanations is possible.

13. Achen and Snidal, "Rational Deterrence Theory," p. 166.

14. I am indebted to Kamal Shehadi for his wide-ranging literature review entitled "Domestic-International Links" (Domestic-International Politics Seminar, Harvard University, 10 May 1990).

15. See Achen and Snidal, "Rational Deterrence Theory," pp. 154 and 164–165.

16. Timothy McKeown, "The Limitations of 'Structural' Theories of Commercial Policy," *International Organization* 40 (Winter 1986): 45. Indeed, disputes over assumptions mark good scientific practice, both because they provide independent evidence of a theory's validity and because they help maintain the proper vigilance against omitted variable problems, particularly in qualitative analysis. For an intriguing introduction to some of the philosophical issues, see James D. Fearon, "Counterfactuals and Hypothesis Testing in Political Science," *World Politics* 43 (January 1991): 169–195.

17. Kenneth N. Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979), pp. 91–92. In another context, Waltz, following Wolfers, adds that when "preservation of the state is not in question, national goals easily fluctuate between the grandiose and the frivolous" (Waltz, *Foreign Policy and Democratic Politics: The American and British Experience* [Boston: Little, Brown, 1967], p. 16).

18. Cited in Keohane, "Theory of World Politics," p. 173, advancing a criticism similar to that offered here.

19. This was already clear in Stephen D. Krasner, "State Power and the Structure of Foreign Trade," *World Politics* 28 (April 1976): 317–347.

20. The following progression is representative: Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil*,

rev. ed. (Harmondsworth, Eng.: Penguin, 1971); Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America* (Berkeley: University of California Press, 1979, but published earlier in Spanish); Immanuel Wallerstein, *The Capitalist World Economy: Essays* (Cambridge, Eng.: Cambridge University Press, 1979), chaps. 1, 4, 9, 14, and 18; Peter Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil* (Princeton, N.J.: Princeton University Press, 1979); Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (Ithaca, N.Y.: Cornell University Press, 1990).

21. For an overview, see John A. Vasquez, *The Power of Power Politics: A Critique* (New Brunswick, N.J.: Rutgers University Press, 1983).

22. Waltz, *Man, the State, and War*, p. 230.

23. Keohane, "The World Political Economy and the Crisis of Embedded Liberalism," in John Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism* (Oxford: Clarendon Press, 1984), p. 16. There is "something particularly satisfying both about systemic explanation and about the structural variant of it" (Keohane, "Theory of World Politics," p. 193). See also Keohane, "The Theory of Hegemonic Stability and Changes in International Economic Regimes, 1967–1977," in Keohane, ed., *International Institutions and State Power: Essays in International Relations Theory* (Boulder, Colo.: Westview Press, 1989), p. 80.

24. Alexis de Tocqueville, *Democracy in America* (Garden City, N.Y.: Anchor Books, 1969), pp. 226–230.

25. Kissinger, "Domestic Structures"; Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, 3rd ed. (New York: Knopf, 1963), p. 7; see also pp. 143–148. Arnold Wolfers observes that "by establishing the 'normal' actions and reactions of states in various international situations, the states-as-actors model sets a standard on which to base our expectations of state behavior and deviations. At the same time, a far more complex model is required if our expectations are to become sufficiently refined and realistic to take into account at least the predispositions of typical categories of decision-makers" (Wolfers, "The Actors in International Politics," p. 17).

26. Deborah Welch Larson, *Origins of Containment: A Psychological Explanation* (Princeton, N.J.: Princeton University Press, 1985), p. 8.

27. Waltz, *Theory of International Politics*, p. 70, see also pp. 60–72.

28. Waltz, *Foreign Policy*, pp. 307–308, 310–311.

29. Graham Allison, *Essence of Decision*; Stephen Krasner, *Defending the National Interest*; for analyses of the misperceptions and consistent departures from rationality common to those in policy-making roles, see Jervis, *Perception and Misperception*, pp. 28–31; Larson, *Origins of Containment*. For an attempt to model domestic and international influences on decision-making much criticized for its lack of deductive micro-foundations, see Richard Snyder, H.W. Bruck, and Burton Sapin, *Foreign Policy Decision-Making: An Approach to the Study of International Relations* (New York: Free Press, 1962).

30. Morgenthau, *Politics Among Nations*, p. 206. For a classic view, see Otto Hintze, "Military Organization and the Structure of the State," in Felix Gilbert, ed., *The Historical Essays of Otto Hintze* (New York: Oxford University Press, 1975).

31. In "High Politics Is Low Politics: The Domestic and Systemic Sources of Israeli Security Policy, 1967–1977," *World Politics* 43 (July 1990): 561, Barnett concludes that "the Janus-faced state is alive and well and living in the domain of national security policy."

32. Mastanduno, Lake, and Ikenberry, "Toward a Realist Theory of State Action," *International Studies Quarterly* 33 (December 1989): 457–474. This analysis, while remaining quite abstract, attempts to draw the international implications of different state structures.

33. Klaus Stegemann, "Policy Rivalry Among Industrial States: What Can We Learn from Models of Strategic Trade Policy?," *International Organization* 43 (Winter 1989): 73–100; Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925–75* (Stanford, Calif.: Stanford University Press, 1982); Evans, *Dependent Development*.

34. For a concise, insightful discussion from which the quotation is taken, see Duncan Snidal, "IGOs, Regimes and Cooperation: Challenges for International Relations Theory," in Margaret Karns and Karen Mingst, eds., *The United States and Multilateral Institutions: Patterns of Changing Instrumentality and Influence* (Boston: Unwin Hyman, 1990), p. 340.

35. Morgenthau, *Politics Among Nations*, p. 11; see also p. 563 and chaps. 21 and 22. The destruction of the older intellectual and moral consensus and its replacement with a form of aggressive nationalism, Morgenthau argued, undermined the balance of power and made possible virulent forms of conflict such as the Cold War and total war.

36. Kissinger, "Domestic Structures," pp. 261–262.

37. The phrase "second-image-reversed" was coined by Peter Gourevitch, and is elucidated in his *Politics in Hard Times: Comparative Responses to International Economic Crises* (Ithaca, N.Y.: Cornell University Press, 1986). See also Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton, N.J.: Princeton University Press, 1989); Peter Katzenstein, *Small States and World Markets: Industrial Policy in Europe* (Ithaca, N.Y.: Cornell University Press, 1985); and Helen Milner, *Resisting Protectionism: Global Industries and the Politics of International Trade* (Princeton, N.J.: Princeton University Press, 1988).

38. Another alternative is to endogenize domestic factors by demonstrating that they result from previous international bargains—the most notable attempt being neo-functional regional integration theory. Similarly, following Rogowski, one might argue that the GATT regime has stimulated exports and thus created its own domestic support. Such explanations are intriguing, but tend to predict the stability of existing regimes, rather than regime creation or policy change.

39. See Peter Katzenstein, *Small States and World Markets: Industrial Policy in Europe* (Ithaca, N.Y.: Cornell University Press, 1985). Katzenstein concludes that "the democratic corporatism of the small European states is a response to international pressures" in the 1930s and 1940s (p. 192), but he also argues that successful adaptation was dependent on the existence of a "tradition of accommodative politics dating back beyond the 19th century" (p. 35), based on "a weak landed nobility, relatively strong urban interests, a divided Right, a moderate Left, no

revolutionary break with the past; and . . . proportional representation" (p. 189). Jeff Frieden and Lisa Martin reminded me of this element of complexity in Katzenstein's account.

40. David Lake, *Power, Protectionism, and Free Trade: International Sources of U.S. Commercial Policy, 1887–1939* (Ithaca, N.Y.: Cornell University Press, 1988). For similar arguments, see Stephen Krasner, *Structural Conflict: The Third World Against Global Liberalism* (Berkeley: University of California Press, 1985).

41. For an argument that the determinants of state interests and of bargaining outcomes ought to be kept separate, although the determination of national interests does not necessarily require a domestic theory, see Andrew Moravcsik, "Disciplining Trade Finance: The Origins and Success of the OECD Export Credit Arrangement," *International Organization* 43 (Winter 1989): 174–176.

42. Keohane, "Theory of World Politics," p. 183.

43. Stephen Walt, *Origins of Alliances* (Ithaca: Cornell University Press, 1987), pp. 265–266.

44. In the literature, this offense–dominance factor is sometimes considered an attribute of military technology and sometimes an attribute of domestic politics. These authors tend to treat it as the latter. See Jack Snyder, "Conclusion," in Robert Jervis and Jack Snyder, eds., *Dominos and Bandwagons* (New York: Oxford University Press, 1991), p. 285.

45. Van Evera, "Why Cooperation Failed in 1914," pp. 83–95.

46. Andrew Moravcsik, "Is Anybody Still a Realist?" (unpublished paper delivered before the Domestic-International Politics Seminar, Harvard University, 10 May 1990). Per an agreement that analysis of preference formation should precede consideration of strategic interaction, thus granting priority to Liberal theory, see Moravcsik, "Liberalism and International Relations Theory."

47. Stephen Krasner, "State Power and the Structure of Foreign Trade"; David Lake, "The State and American Trade Strategy in the Pre-Hegemonic Era," *International Organization* 42 (Winter 1988): 33–58; Keohane, "Theory of World Politics," p. 183; Duncan Snidal, "The Limits of Hegemonic Stability Theory," *International Organization* 39 (Autumn 1985): 207–232. John Gerard Ruggie, "Continuity and Transformation in the World Polity: Toward a Neo-Realist Synthesis," *World Politics* 35 (January 1983): 261–285.

48. Andrew Moravcsik, "Negotiating the Single Act: National Interests and Conventional Statecraft in the European Community," *International Organization* 45 (Winter 1991): 19–56; Moravcsik, "Disciplining Trade Finance"; Bruce Bueno de Mesquita, David Newman, and Alvin Rabushka, *Forecasting Political Events: The Future of Hong Kong* (New Haven, Conn.: Yale University Press, 1985).

49. A full discussion of this claim would take us beyond the boundaries of this chapter. The existence of parsimonious domestic theories, such as the Liberal argument that democracies calculate interests in a more broad-based way and hence do not provoke great-power war, undermines Realism's claim of uniqueness. For suggestive evidence that Realist theories generally lack explanatory power, see Vasquez, *The Power of Power Politics*.

50. Keohane, "Theory of World Politics," p. 193.

51. Putnam, "Diplomacy and Domestic Politics" (Appendix, p. 448).

52. Ibid. (Appendix, p. 459).

53. Richard N. Cooper, *The Economics of Interdependence: Economic Policy in the Atlantic Community* (New York: Columbia University Press, 1968). This is similar to what Putnam calls “synergistic issue linkage.”

54. I thank Anne-Marie Burley for discussions on this point. More generally, see Robert O. Keohane and Joseph S. Nye, Jr., *Power and Interdependence: World Politics in Transition* (Boston: Little Brown, 1977); Moravcsik, “Liberalism and International Relations Theory,” pp. 37–38.

55. Putnam, “Diplomacy and Domestic Politics” (Appendix, p. 437).

56. This is a “most different” comparative strategy. The cases were not deliberately selected so as to highlight obvious two-level effects. Nonetheless, selection bias may stem from the fact that the cases that attracted investigators tended to be those that engender highly publicized domestic controversy. One might expect two-level-games phenomena to be more prevalent in such situations, as statesmen seek to manipulate the domestic polity for a marginal advantage to assure successful negotiations, or to employ two-level strategies (unsuccessfully) to forge domestic consensus.

57. For a thorough discussion of this method, see Alexander George, “Case Studies and Theory Development: The Method of Structured, Focused Comparison,” in Paul Lauren, ed., *Diplomacy: New Approaches in Theory, History, and Policy* (New York: Free Press, 1979), pp. 43–68.

58. On the distinction between metaphor and theory, see Duncan Snidal, “The Game Theory of International Politics,” in Kenneth Oye, ed., *Cooperation Under Anarchy*, pp. 29–30 and 34–36.

59. Putnam betrays considerable suspicion of those who employ “state strength” as an independent variable. Yet the two-level-games metaphor is in fact indebted to their insights. Putnam criticizes the institutionalists for their focus on autonomous state behavior, yet the “relative autonomy” of the COG emerges as a key consideration in this analysis (“Diplomacy and Domestic Politics” [Appendix, pp. 456–459]). A major advantage of Putnam’s metaphor over previous approaches, however, is that it encourages the analyst to derive “relative autonomy” from strategic considerations, such as the size of the win-set, the nature of the ratification process, and the relative positions of the preferences of statesman and domestic constituency. Autonomy is seen not merely as an enduring characteristic of the state, nor of the statesman, but also as a result of an issue-specific ratification process, which can place strict limits on executive prerogatives.

60. Putnam, “Diplomacy and Domestic Politics” (Appendix, pp. 438–439).

61. In drafting this chapter, a search was made for detailed formal models that might clarify the issues of two-level games, beyond the heuristic use of models employed here. While formal models may eventually generate unique, testable two-level propositions about nested negotiations, they have not done so to date—nor is there evidence that they could have provided unique insights on which to base detailed empirical analysis. The problems of two-level games closely resemble those that arise in the spatial modeling of legislative behavior. Yet according to a recent survey by an important advocate of such applications,

neither testable nor counterintuitive propositions have emerged out of the deductive work carried out in formal legislative studies between 1979 and 1988, although the existence of precise institutional rules expedites theorizing to a far greater extent than in almost any international negotiations. See Keith Krehbiel, “Spatial Models of Legislative Choice,” *Legislative Studies Quarterly* 13 (August 1988): 312–313. (Krehbiel has subsequently performed some empirical analysis on simple propositions drawn from competing theories of legislative organization: Krehbiel, *Information and Legislative Organization* [Ann Arbor: University of Michigan Press, 1991].) For this project, therefore, the use of game theory as heuristic, rather than as a formal model, appeared more promising. For examples, see George Tsebelis, *Nested Games: Rational Choice in Comparative Politics* (Berkeley: University of California Press, 1990); and Martin and Sikkink in this volume.

62. In other words, subnational actors (which in any particular case may be interest groups, political parties, ethnic groups, bureaucratic agencies, or even influential individuals) are the fundamental actors designated by the model. These calculations of group costs and benefits are particularly complex when there is more than one alternative to no agreement. Under these circumstances, an alternative favored by less than a majority (or plurality) can be ratified, so long as a majority prefer it to no-agreement (Putnam, “Diplomacy and Domestic Politics,” Appendix, pp. 445–446).

63. Ibid., p. 451.

64. Ibid., p. 448.

65. The division between manipulable and nonmanipulable constraints raises some difficult issues. The notion that statesmen can persuade their constituents to change their utility functions, implied in Putnam’s article, would seem to stretch the concept of a domestic constraint. It might better be understood as the manipulation of information under conditions of uncertainty or domestic incentives. If the domestic polity is viewed as merely a passive constraint, then domestic politics could be subsumed within an *ex ante* specification of state preferences and bargaining power, thus permitting a unitary-actor analysis of bargaining. If, on the other hand, the two-level-games approach is extended to permit domestic actors to develop their own strategies vis-à-vis the statesman (as is done in a number of the case studies that follow), then domestic politics becomes a true game, rather than merely a set of manipulable constraints on the statesman.

66. Schattschneider, *Politics, Pressures, and the Tariff*.

67. The promise of safeguards, exemptions, adjustment assistance, and accompanying domestic measures in economic negotiations may permit the executive to redistribute the costs and benefits of an international agreement or to create uncertainty about its eventual costs and benefits. It is difficult to measure the resources available to a statesman to manipulate the polity, but the popularity of the government may be one useful proxy: the more popular the government, the more autonomy it is likely to enjoy vis-à-vis domestic forces.

68. Anne-Marie Burley and Abram Chayes remind me that in iterated negotiations, interest groups will learn over time to mobilize in early stages of the negotiations.

69. Putnam, "Diplomacy and Domestic Politics" (Appendix, p. 440). The notion of involuntary defection makes sense only in a two-level-games framework that distinguishes between the statesman and society.

70. This influence may be either deliberate or unintentional. For a skeptical view regarding the credibility, and hence the efficacy, of attempts to deceive an opposing country about domestic constraints, see Bruce Bueno de Mesquita and David Lalman, "Domestic Opposition and Foreign War," *American Political Science Review* 84 (September 1990): 747–765. Within the project, this hypothesis was introduced in my chapter on armaments collaboration.

71. For a detailed empirical study that stresses the extent to which constituents are willing to bear the costs of threats, see Bruce Jentleson, *Pipeline Politics: The Complex Political Economy of East-West Energy Trade* (Ithaca, N.Y.: Cornell University Press, 1986). For a cogent theoretical discussion of the opportunity costs of wielding power—which does not, however, examine the sources of domestic political constraints—see David Baldwin, *Economic Statecraft* (Princeton, N.J.: Princeton University Press, 1985), pp. 119–130.

72. John Odell and Lisa Martin were particularly responsible for this formulation of the proposition.

73. These terms were suggested by Robert Putnam.

74. A transnational or transgovernmental alliance should be strictly distinguished from a situation in which groups find themselves on the same side of an issue without explicit coordination ("a transnational coalition"), or where a change in interests or expectations arises out of direct interactions between domestic groups, leading to the formation of a coalition.

75. Of course, collusion between two dovish statesmen might be thought of as a special kind of transnational alliance.

76. If one relaxed all the constraints at once, then the two-level game would be intractable, and we eschew that approach. Tsebelis (*Nested Games*, pp. 9–10) justifies a similar procedure by arguing that it is necessary in order to reduce the problem to "manageable dimensions."

77. Achen and Snidal, "Rational Deterrence Theory," p. 167.

PART 2

Security Issues