

DOMESTIC POLITICS INFLUENCE ON STATE'S ACTIVITIES IN THE INTERNATIONAL ARENA

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The purpose of this paper is to answer the question of *how can domestic political considerations impact on a state's activities in the international arena?* Hence, I will provide a theoretical explanation supported with a short empirical example. For that aim, the paper will first explain the logic of the two-level games, based on an unidirectional relationship: domestic politics influence on state's activities in the international arena. Then, I will provide my own argument about this relationship, explaining why "states leaders need to coordinate state policies and the actions of relevant state bureaucracies if they wish to gain various benefits of cooperating" (Fearon, 1998, p.271). Finally, a brief case study will be stated supporting the theoretical argument, grounded in the negotiation of a Free Trade Agreement.

In that sense, the reader may bear in mind that formally speaking, this kind of relationship must be analysed by the logic of the so called "two-level games", where the participation and importance of several actors with different preferences and interests, in the national arena, will determine state's foreign policies. Here the plea is based on the influence of national parliamentarians, domestic agencies, interest groups, political parties, social classes, and even public opinion and elections, as well as official executives, institutional arrangements and the public bureaucracy, in the foreign policy decision making process. Therefore, foreign policy leaders before make

any decision and implement accords in the international arena, must first consider its constituents preferences, as well as obey the “*national interest*” of the nation-state. Thus, the importance of domestic actors and interest groups and their strategies to influence decisions for or against international accords.

Putman (1988) argued that domestic politics and international relations are somehow entangled, but that it is fruitless to contend what is the direction of the relationship, if domestic politics influence the international arena or vice-versa. Argumentative, my point in this paper is based on the influence of domestic politics on state’s international politics (an unidirectional relationship), because it is important to take into account the myriad of interactions that states must overcome internally, before beginning or adopting international agreements.¹ Consequently, the impact of parties and interest groups is a relevant factor in the final outcomes of any international negotiation.² Furthermore, Allison has noted that “the bureaucratic politics model directs attention to intra-national games, the overlap of which constitutes international relations” (1971, p.149), supporting my thesis that bureaucratic and domestic actions and politics, matter in foreign policy and international decision-making.

In addition, a word about the political economy context is in order. In that sense, Katzenstein captured the relation’s nature that concerns this paper: “the main purpose of all strategies of foreign economic policy is to make domestic policies

¹ At this point, it must be clear that for the purpose of this paper, even though extensive research have proven the importance of the other direction in the relation (international considerations influence over domestic politics), such a two way analysis is just beyond the scope of this essay. Consequently, I will concentrate in only one direction of the relationship.

² Indeed, as an example, regarding the European integration process, “Ernst Haas ... emphasized the impact of parties and interest groups on the process of European integration, and his notion of “spill-

compatible with the international political economy” (quoted in Putman, 1988, p.431). Hence, it is clear that state leaders must be concerned with domestic considerations, before embarking on international negotiations. And thus, I rebate Putman’s argument that it is fruitless to discuss the direction of the relationship, because this must be understood and revealed before state leaders start any negotiation in the international arena. Moreover, Lohman and O’Halloran, testing this relationship made an econometric analysis of divided government and trade policy in the United States, and found that “domestic political divisions and the institutions they foster have significant impact on international policy” (1994, p.629). Mainly, because the response of domestic political considerations to international opportunities is linked to the power structure and “rent-seeking”³ behaviour of domestic political actors and their degrees of freedom to negotiate (this point will be empirically clarified with the brief example at the end of this paper).

Furthermore, theoretically speaking, the two-level games are based on a dual assumption. First, the bargaining between negotiators, leading to tentative agreement, and second, separate discussion within each group of constituents about whether to ratify the agreement. In this manner, this paper is concerned with the latter level, where the size of the “*win-set*” depends on the distribution of power, preferences and possible coalitions among national constituents, as well on national political institutions. Hence, it is important to consider the relevance of “bargaining”⁴, negotiation and enforcement for the validity of accords. In that sense, I agree with

over” recognized the feedback between domestic and international developments” (quoted from Putman, 1988, p.431).

³ According to David Colander (1984), “rent-seeking” interest groups refers to those groups that intentionally relocate benefits to themselves. And for that purpose, “rent-seekers” will try to use their political influences and positions in the political constituency.

Fearon's argument that, the common strategic structure of international cooperation is that before the foreign policy leader or the chief negotiator (in this case the President, Prime Minister or Foreign Minister/Secretary) can device, observe and enforce an international agreement, s/he must, internally, bargain which of many possible agreements is feasible to implement, not threatening its national interest / sovereignty. Thus, state leaders need to coordinate state policies if they wish to gain various benefits of negotiating foreign policies.

The bargaining process that chief negotiators (state leaders) must undertake at the national level is a dynamic and multidimensional one, that takes time. Actors must make offers and counteroffers, holding out that the other will make concessions and/or give in and accept the offer. But its theoretical problem is that it involves uncertainty about the other parties and their real win-set possibilities, as well as if they are bluffing or misleading the bargaining process in accordance to other interests rather than the national one, which states must defend and promote. Thus, as Conybeare argued, one of the dynamics of bargaining is related to variables in the domestic structure "particularly the relationship of the state to "rent-seeking" interest groups, may be both a determinant of and a constraint on state goals..." (1986, p.150).

Having said that, I may agree with Fearon's argument that "received theory suggests that some problems of international cooperation are about coordination, whereas others are about monitoring and enforcement" (1998, p.296), but in general, one of these options dominates. This applies too at the national level, where state leaders must coordinate, monitor and, in some instances, even enforce, its "national-

⁴ "A bargaining problem refers to a situation where there are multiple self-enforcing agreements or outcomes that two or more parties would prefer to no agreement, but the parties disagree in their

interests” within its constituents before go into negotiations and bargaining at the international level. Here I may recall that state leaders, based on rational calculations, in order to remain in power, may retain sufficient support from the citizens⁵.

Last but not least, it is important to provide an empirical example to support the theory stated above. In that case, it can be noted that in the negotiation of Free Trade Agreements, states (foreign policy leaders or chief negotiators) must first bargain internally among interest groups on the terms of the negotiation (which products and services include, as well as what trade barriers impose or allow for others) and then negotiate the best terms for the Agreement with the other party. An example of this situation was the negotiation of the Free Trade Agreement between Costa Rica and Mexico in 1994. Before starting the negotiation process with the Mexican representatives, the Costa Rican government had to bargain internally and decide, among the agricultural sector of the country, which products to include in the Agreement. In that sense, an important role (of opposition to the Agreement) was played by the major producer of Costa Rican dairy products (a cooperative representing 75% of milk producers), which wanted to exclude these products from the first draft agreement. After a long process of domestic negotiations and economic and political considerations, the Costa Rican government decided to exclude at all most of these products in the agreement. Then, after negotiations, it was finally accepted by the Mexican government and the Agreement could be signed and ratified by the Legislative in both countries.

ranking of the mutually preferable outcome” (Fearon, 1998, p.274).

⁵ A good model on this argument is developed by Weingast in his “Political Foundations of Democracy”, 1997. In his model the “sovereign”, in order to survive need the support of at least one

As a result of this Free Trade Agreement, the Costa Rican export sector has had the opportunity to increase its total exports to Mexico around 150%. In 1995 the total exports to Mexico were about 10 million US dollars, and last years (1999) it reached the amount of US\$144 million. Meanwhile, the Mexican exports also have increased, from nearly US\$250 million in 1995 to more than three hundred million dollars in 1999 (COMEX, 2000). In sum –according to Weingast (1997), since the "sovereign" or the state, needs the support of some groups of citizens in order to survive, and hence not transgress the interests of some groups, especially the more "representative" or more "economically important"— with this example it can be noted that the agreement has given the opportunity to the Costa Rican export sector to increase its exports to the Mexican market, and also the Government had benefited from it, in the sense that it provide the opportunity for some sector of the economy to export and import in a Free Trade framework, as well as protected another sector from the trade risks, improving its “audience costs”. Hence, this situation gave the opposite political party (which signed the Agreement while in office) a strong argument and support within its constituents (used several times during the electoral campaign), to reach again the Presidency in the 1998 general elections.

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group of citizens, and hence before making any decision, it may estimate to what extent, it is politically feasible to transgress or not any group of citizens.

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