# Domestic Politics

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## Outline

Léa to present on Putnam (1988), "Diplomacy and Domestic Politics: The Logic of Two-Level Games"

- When and how does domestic politics determine international relations, and
- When and how does international relations determine domestic politics?

For example,

- Haas (1958) emphasized the impact of parties and interest groups on the process of European integration; his notion of "spillover" recognized the feedback between domestic and international developments

- Katzenstein (1978) and Krasner (1978) stressed that central decision-makers ("the state") must be concerned simultaneously with domestic and international pressures

We need to move beyond the mere observation that domestic factors influence international affairs and vice versa and seek theories that integrate both spheres

- The assumption that states are unitary actors is often misleading
- International negotiations can be conceived as a two-level game:
  - National level: domestic groups pressure the government to adopt their preferred policies
  - International level: national governments seek to satisfy domestic pressure, while minimizing the adverse consequences of foreign developments

- Each national political leader appears at both games boards
- A player at the international table who is dissatisfied with the outcome may upset the game board, and a leader who fails to satisfy his fellow players at the domestic table risks being evicted from his seat

Suppose the following scenario

- Two negotiators meet to reach an agreement, subject to the constraint that any agreement must be ratified by their constituents
- Assume that negotiators have no policy preferences; they seek to achieve an agreement that will be attractive to their constituents
- There are two stages:
  1. Bargaining between negotiators over agreement (Level I)
  2. Discussion within each group of constituents about whether to ratify ("voting" up or down) the agreement (Level II)

- Define the "win-set" for a given Level II constituency as the set of all possible Level I agreements that would "win" when voted up or down by constituents
- Agreement is only possible if the win-sets of the two parties overlap
- Ceteris paribus, larger win-sets make Level I agreement more likely (as larger win-sets are more likely to overlap)
- Conversely, the smaller the win-sets, the greater the risk that negotiations will break down

- Distinction between voluntary and involuntary defection
  - Voluntary defection: reneging by a rational player in the absence of enforceable contracts
  - Involuntary defection: player who is unable to deliver on a promise because of failed ratification

- In any two-level game, the credibility of an official commitment may be low, even if the reputational costs of reneging are high, if the negotiator is unable to guarantee ratification

- In some cases it may be difficult, both for the other side and for outside analysts, to distinguish voluntary and involuntary defection, particularly since a strategic negotiator might misrepresent voluntary defection as involuntary

- To return to the issue of win-sets: the smaller the win-sets, the greater the risk of involuntary defection

- The larger the perceived win-set of a negotiator, the more he can be "pushed around" by other Level I negotiators
- Conversely, a small domestic win-set can be a bargaining advantage, in the sense of: "I'd like to accept your proposal, but I could never get it accepted at home"
- To forestall such strategic maneuvering, opponents may demand that a negotiator ensure himself "negotiating room" at Level II before opening the Level I negotiations

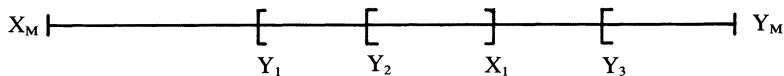Figure 1 represents a zero-sum game between $X$ and $Y$



**FIGURE 1.** *Effects of reducing win-set size*

$X_M$ and $Y_M$ are the maximum outcomes for $X$ and $Y$, and $X_1$ and $Y_1$ are the minimal outcomes that could be ratified; any agreement between $X_1$ and $Y_1$ could be ratified by both parties. Note that if the win-set of $Y$ were contracted to $Y_2$, the range of feasible agreements would be truncated in $Y$'s favor; if the win-set were reduced further to $Y_3$, the win-sets would no longer overlap

There are three important factors that affect win-set size

- Level II preferences and coalitions
- Level II institutions
- Level I negotiators' strategies

- Ratification pits the proposed agreement against "no-agreement" (often the status quo)
- Some constituents may face low costs from no-agreement (so they will be more isolationist) and others high costs (they will be more internationalist)
- The size of the win-set depends on the relative size of the isolationist forces and the internationalists
- Support for international agreements tends to be greater in smaller, more dependent countries with open economies, as compared to more self-sufficient countries, where most citizens have low costs of no-agreement

- In some cases, evaluation of no-agreement may be the only disagreement among the Level II constituents, because their interests are relatively homogeneous

- In other cases constituents' preferences are more heterogeneous, so that any Level I agreement bears unevenly on them

- A homogeneous (or "boundary") conflict leads to different problems than a heterogeneous (or "factional") conflict

- Homogeneous conflict:
  - The more the negotiator can win at Level I, the better his odds of winning ratification
  - Opposition from his own "hawks" raises the risk of involuntary defection, and the negotiator may use this implicit threat to maximize his gains at Level I

- Heterogeneous conflict:
    - To maximize the chances of ratification, the negotiator cannot follow a simple "the more, the better" rule
    - In some cases, the lines of cleavage within the Level II constituencies will cut across the Level I division, and the Level I negotiator may find allies at his opponent's domestic table
    - In such cases, domestic divisions may actually improve the prospects for international cooperation

- So far, the assumption was that all constituents will participate in the ratification process

- However, participation rates vary across groups and across issues, and this variation can have implications for the size of the win-set

- When the costs or benefits of a proposed agreement are concentrated, the constituents whose interests are most affected are more likely to exert influence on the ratification process

- Politicization often activates groups with low costs of no-agreement, thus reducing the win-set (so secrecy may be important to successful negotiations)

- Another restriction thus far has been the assumption that negotiations involve only one issue

- Various groups at Level II are likely to have different preferences on the several issues involved in a multi-issue negotiation

- The group with the greatest interest in an issue is also likely to hold the most extreme position on that issue; if each group is allowed to fix the Level I negotiating position for "its" issue, the resulting package is almost sure to be "non-negotiable" (i.e., non-ratifiable in opposing capitals)

Figure 2 shows a negotiation over two issues

- $A$ and $B$ negotiate over two issues
- E.g., the first issue is important to the domestic beef industry and the second issue is important to the domestic citrus industry
- $A_M$ and $B_M$ are the most preferred outcomes for $A$ and $B$ (the outcomes that win unanimous approval from both the beef industry and the citrus industry)

- Each indifference curve shows the trade-offs for which the total number of votes in favor of ratification is constant
- $A_1$-$A_2$ represents the minimal vote necessary for ratification by $A$, and $B_1$-$B_2$ represents the minimal vote necessary for ratification by $B$
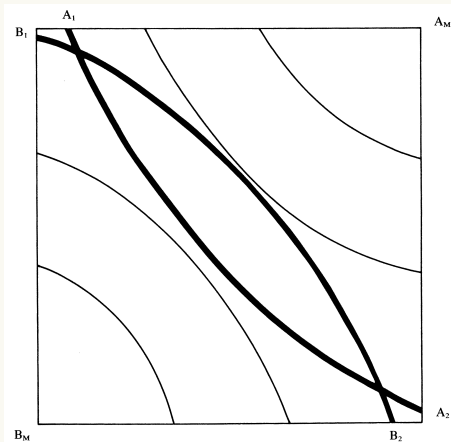- Area between $A_1$-$A_2$ and $B_1$-$B_2$ represents the set of feasible agreements

FIGURE 2. *Political indifference curves for two-issue negotiation*

Main point: the possibility of package deals opens up a rich array
of strategic alternatives for negotiators in a two-level game

- Ratification procedures affect the size of the win-set
- If a qualified majority (instead of a simple majority) is required for ratification, the win-set will be smaller
- A qualified majority rule thus increases the bargaining power of the negotiator, but it also reduces the scope for international cooperation

- Other domestic practices can also affect the size of the
  win-set:
    - Seeking broad domestic consensus (instead of the majority
      needed for ratification) reduces the win-set
    - Strong party discipline withing the governing party increases
      the win-set, whereas weak party discipline reduces the win-set

- For simplicity, the argument is presented assuming only two levels
- However, many institutional arrangements require several levels of ratification (e.g., EU)

- Each Level I negotiator has an interest in maximizing the other side's win-set, but with respect to his own win-set, his motives are mixed: the larger his win-set, the more easily he can conclude an agreement, but also the weaker his bargaining position vis-à-vis the other negotiator
- If a negotiator wishes to expand his win-set, he may use side-payments and generic "good will"
- The value of a side-payment should be calculated in terms of its marginal contribution to the likelihood of ratification

- In addition, a negotiator whose political standing at home is high can more easily win ratification by relying on good will
- Therefore, each negotiator has an interest in the popularity of his opposite number, since party $A$'s popularity increases the size of his win-set, and thus increases both the odds of success and the relative bargaining leverage of party $B$

- Level I negotiators are often misinformed about Level II politic, particularly on the opposing side
- In purely distributive Level I bargaining, negotiators have an incentive to understate their own win-sets
- On the other hand, uncertainty about the opponent's win-set increases one's concern about the risk of involuntary defection; uncertainty about party $A$'s ratification lowers the expected value of the agreement to party $B$, and thus party $B$ will demand more generous side-payments from party $A$ than would be needed under conditions of certainty

- Thus, a utility-maximizing negotiator must seek to convince his opposite number that the proposed deal is certain to be ratified, but that a deal slightly more favorable to the opponent is unlikely to be ratified

## Class Presentation

Vanessa to present on Chiozza and Goemans (2004),
"International Conflict and the Tenure of Leaders: Is War Still 'Ex
Post' Inefficient?"

- When testing theories, researchers would like the theoretical and empirical units of analysis to match
- Mismatch between the theoretical and empirical unit of analysis can weaken empirical tests
- A hurdle for scholars who focus on leaders as their theoretical unit of analysis has been the lack of data on leaders
- Chiozza and Goemans introduce a data set of all leaders between $1919$ and $1999$

- Recent work in IR and CP focuses on the incentives and constraints of leaders
- Often, a central assumption in such work is that leaders act to stay in power
- However, little is empirically known about the factors that affect the tenure of leaders
- Chiozza and Goemans therefore analyze how domestic and international factors affect the tenure of leaders

Does the assumption that war is *ex post* inefficient still hold when we shift our focus from states as unitary actors to the political leaders who make the decisions to engage their countries in conflict?

- Puzzle of war (Fearon 1995, 383): "[a]s long as both sides suffer some costs for fighting, then war is always inefficient *ex post*" for rational unitary actors
- War is inefficient *ex post* because the pie to be divided will be smaller after the war than it was before the war

- Fearon (1995) proposed three explanations for why unitary actors may be unable to reach agreements to avoid war:
  - Private information and incentives to misrepresent one's capabilities, resolve, or anticipated costs of war
  - Commitment problems
  - Issue indivisibility

- Fearon (1995) acknowledges that there are other than unitary actor explanations that could explain the occurrence of costly wars

- One alternative explanation is that "war may be rational for [. . . ] leaders if they will enjoy various benefits of war without suffering costs imposed on the population" (Fearon 1995, 379, fn. 1)

- Therefore, if leaders enjoy benefits of war that offset their costs, then war is no longer *ex post* inefficient for the leaders, and Fearon's three mechanisms are no longer sufficient to explain war

- It is not obvious why the costs of war to society should directly translate into political costs for the leader
- Reason is that the costs of war are sunk costs
- It would be irrational for citizens to base their decision for removal of the leaders on sunk costs since their decision cannot affect these costs
- The past can only be used as a rational basis for decision if it contains information about the future

- Therefore, the costs of war for societies do not directly translate into political costs for leaders
- Instead, political processes will mediate the costs and benefits of war into political costs and benefits for leaders

- On the one hand, constituents may punish leaders for the costs of war in order to deter future leaders from risky and costly adventures, or simply because leaders failed to prove their mettle during conflict

- On the other hand, war may provide opportunities to leaders not available during peace time
    - War opens the door for policies that would not be accepted in peacetime; this can be used to buy off constituents or get rid of opponents
    - Leaders might gain time in office as a result of war (gamble for resurrection)
    - War can allow leaders to reveal their competence

- For war to be *ex post* inefficient, punishment must strictly dominate the rewards, and this must be true for both opponents combined

- Fearon's (1995) rationalist explanations for war depend on the assumption that the pie to be divided among the opponents will be smaller if the conflict is resolved by war than if it is resolved peacefully

- Therefore, the tenure-pie to be divided among the opposing leaders also has to be smaller after war than after a peaceful resolution

### Hypothesis (War is *ex post* inefficient)

The tenure of opposing leaders will be lower after a war than after a crisis

- For war to be negative-sum for opposing leaders, the hazard of losing office must be higher after war than after crisis (for both winners and losers)

- However, there could be selection effects: the higher the tenure punishments from war, the less likely we should be to observe such a decrease in tenure as a result of war; the higher the tenure rewards from war, the more likely we should be to observe such increased tenure as a result of war

- If leaders select their wars, we should see that leaders are not punished for losing wars and rewarded for winning wars

### Hypothesis (Selection Effects Hypothesis)

Leaders do not face a higher hazard of removal as a result of defeat but do face a lower hazard as a result of victory

- Hazard models
- Data: leaders holding executive power from 1919 through 1999 (data set comprises 2,049 leaders from 166 countries)
- Dependent variable: how long has a leader remained in office
- Independent variables
    - Conflict involvement: four dummy variables showing whether a leader participated as a challenger or as a target in a crisis and war, respectively
    - Conflict outcome: three indicators measuring whether a confrontation ended in victory, defeat, or a draw
    - See the appendix for the additional variables

- Coefficients measure the impact of the explanatory variables on the hazard of losing office
- Thus, positive coefficients imply that as an independent variable increases the risk of removal from office increases
- Model 1 assesses the impact of conflict involvement and outcomes for crisis and wars for all leaders
- Model 2 assesses the impact of conflict outcomes across domestic regimes

- Regarding conflict involvement, a leader's role in conflict does not seem to affect his hazard of losing office (the exception is leaders who participate in crisis as challengers, who face a lower risk of removal from office)

- Regarding conflict outcomes, the findings suggest that leaders who are victorious in war or a crisis, and leaders who reach a draw, are as likely to remain in power as are leaders who remained at peace; in contrast, leaders defeated in war or a crisis are much less likely to stay in power

- However, this does not mean that war is negative-sum (coefficients for defeat in war and defeat in crisis are not statistically different from each other)

- Hypothesis that war is *ex post* inefficient must be rejected

- The Selection Effects hypothesis also does not appear to survive empirical scrutiny
- Results indicate that leaders have worse tenure prospects if defeated but not better prospects if victorious
- Literature argues that incentives and ability to strategically select wars depend on domestic institutions; in particular, it has been argued that the ability to select is the exclusive preserve of democratic regimes
- However, Model 2 shows that neither victory, nor defeat, nor a draw in war or a crisis affects the hazard of losing office for democratic leaders