An actor-centred approach to multi-level governance

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GARY MARKS

INTRODUCTION

Imagine an observer of European regimes midway through the nineteenth century. From our vantage point at the end of the twentieth century we recognize the previous century as one of state-building – the consolidation of national legal systems, national educational systems, national markets – in short, the reorganization of economy, society, and culture in states having exclusive authoritative control over individuals living in their territories. But would this have been clear to someone who had just witnessed the defeat of a pan-German state and the resurgence of German particularism in the wake of the 1848 revolution? In 1850 the most influential intellectual circles were fascinated or traumatized by class conflicts that had little to do with the consolidation of a European state order. Karl Marx was coming to believe that capitalism would usher in an era of political struggle in which national states, if and where they existed, would become irrelevant both for bourgeois and proletarians.

In contemporary Europe the dispersion of political authority away from national states to sub-national and supranational institutions is equally ambiguous when viewed through a narrow lens focussing on individual countries over brief time periods. But if one takes a longer historical view one may claim, without exaggeration, that the past half century has seen a territorial dispersion of institutional competencies for authoritative decision-making that is unparalleled over the past seven centuries. This development has two, apparently autonomous, aspects: the creation of supranational institutions in the European Union, and the decentralization of governance from central states to regions and localities.

Each of these developments appears to have distinct causes. Steps towards European integration over the past four decades have been attributed to several general political factors (such as the weakened position of European powers in the Cold War; the perception of a Soviet threat; the attempt to anchor Germany), general economic factors (the internationalization of markets; the relative decline of European economic competitiveness; the demise of national Keynesianism), and socio-cultural factors (intensified demands for peace after two World Wars; increased

interaction among Europeans). Alongside these and other general causal factors, a wide range of specific factors have been suggested to explain particular integrative episodes, such as the coincidence of market-oriented governments during negotiations over the Single European Act in the early 1980s or the effects of German unification on the Maastricht negotiations in the early 1990s.

Causal explanations of sub-national empowerment are, if anything, even more diverse, involving factors that lead central executives to devolve competencies to sub-national governments (the efficiency of policy provision; overload; fiscal stress; efforts of national governments to escape responsibility for taxation; intensified regional economic competition) to factors that lead regional groups to demand greater control over their own affairs (Bullmann, Goldsmith and Page, 1994; Keating, 1996; Newton, 1985).¹ The latter include both factors that are hypothesized to enhance ethno-territorial differentiation, such as unbalanced economic development, cultural globalization, media diversification; and factors that are hypothesized to intensify demands for regional autonomy, such as increasing levels of urbanization, education, and political competence, relative economic deprivation – and relative economic affluence – and crises of legitimacy in the national state (Bullmann, and Desideri and Santantonio, in this volume; Keating, 1988; 1995; Keating and Loughlin, 1996; Loughlin, 1996; Mény, 1986). Alongside these general factors, studies of individual countries hypothesize a wide variety of factors that have precipitated regionalization, such as the reaction to decades of enforced centralization under Franco in Spain, the particular relationship between the north and the south of Italy, or the conscious attempt on the part of the Allies to diffuse power in post-war Germany and Austria.

Taken together, these developments are described as 'multi-level' or 'multi-layered' governance (Hooghe, 1996; Jeffery, 'Regional Information Offices', in this volume; Marks, 1993; Marks, Scharpf, Schmitter, and Streeck, 1996; Pierson and Liebfried, 1996; Marks, Hooghe, and Blank, 1996; Scharpf, 1994; Wallace, 1994.) Such terms have been applied as broad-brush descriptions that frame extremely wide variations whether one disaggregates by territory or policy area. Variations in what Udo Bullmann has termed the Third Level of territorial politics appear to be about as great as variation along any other political dimension in Western Europe.

Given the diversity and specificity of causal hypotheses for European integration and regional decentralization, it is not surprising that there have been few attempts to link the two as different sides of a single phenomenon. In this paper, I wish to explore what such an explanation might look like by developing an analytical framework that integrates the domestic and

international dimensions of Multi-Level Governance (MLG). The framework I develop here is based on the following analytic decisions:

- First, that it is useful to make a distinction between institutional rules and political actors. In this conception, institutions do not think, have preferences, or act, but are sets of commonly accepted formal and informal norms that constrain political actors (individuals and groups of individuals) who are the only agents capable of goal-orientated action.
- Second, that it is useful to conceive of the state as a set of institutions rather than an actor. A state is a set of rules that structure authoritative relations in a polity. Government leaders occupy positions of authority in a state, and it is they, rather than the state itself, who are elected, have policy goals, interact with sub-national actors, and engage in international negotiations.
- Thirdly, that it is useful to hold open the question of the orientations of political actors towards the rules that constrain them. In short, one cannot assume that government leaders act to defend or strengthen the central state or any particular characteristic of the state, including state sovereignty or state autonomy, however these are defined.

The remainder of this article explicates these presuppositions and explores their implications. I argue that there are three paths from central state control to MLG: government leaders may wish to disperse certain authoritative competencies; they may accede to pressures for dispersion because they value other goals as well as state centralism; or they may not be able to control the allocation of particular authoritative competencies.

Why focus on government leaders? While there are circumstances in which government leaders are powerless to stop diffusion of certain authoritative competencies, government leaders are usually decisive actors both in the domestic allocation of authority and in international regimes, including the European Union. A common objection to multi-level analyses of causal change in the European Union is that states (read government leaders) remain in control of the treaty making process, and so, ergo, dispersion of authority cannot be taking place because this would be contrary to the interests of participating states.

AN ACTOR-CENTRED APPROACH

First, some conceptual mapping. If, indeed, one may describe MLG as a coherent phenomenon, it seems sensible to conceptualize it in terms of the structure of authoritative decision making – that is, the sum of rules, mainly formal but also informal, concerning the locus and practice of authoritative governance in a polity. Approaching the topic in this way suggests a basic

distinction between political rules and political actors.[2] Rules serve as constraints for political actors, but they may also be changed by them. Indeed, the key to political change lies in the efforts of political actors to establish *political rules that suit them better than some current subset of rules.*

One can describe this as an actor-centred approach to institutional change because it demands that the social analyst examine the political activities of relevant individuals and groups of individuals as the causal link between macro processes (internationalization of financial markets, changing technology of war) and the rules that structure political regimes. This approach requires that one pay attention to proximate as well as distal causal connections, and that, as a corollary, one eschew reified accounts of political change. Analyses of the changing character of states as a result of European integration and regionalization often treat 'the state' both as a regime and as a reified political actor with preferences, strategies, desires, etc. Some writers assume that the preferences of such states reflect the desire to preserve institutional autonomy and/or political power (Mearsheimer, 1990; 1994; Milward, 1992; Milward and Sørensen, 1993; Waltz, 1993). For example, Milward and Sørensen (1993: 19) write that, when nation-states choose (sic) to transfer sovereignty, 'their principal national interest will be not only to define and limit that transfer of sovereignty very carefully but also meticulously to structure the central institutions so as to preserve a balance of power within the integrationist framework in favour of the nation-states themselves'.[3]

This notion of state as actor may serve as a useful conceit in the field of international relations. States are the legally constituted units of representation in the U.N. and most international regimes. States operate in many areas of international relations as if they were individuals in an anarchic environment, and even where this is not completely true, one may argue that models based on this assumption capture the essential dynamics of the system. But this assumption appears to be stretched beyond the limits of usefulness when it is applied to MLG in the European Union or to polity creation more generally. If one wishes to explain the institutional structure of the state, it seems sensible to avoid conceiving the state as a unitary actor with anthropomorphic preferences or capacities.

To understand the diffusion of competencies from central states to supranational and sub-national institutions, one should pay detailed attention to those actors who are in positions of authority in national governments. The question we need to pose is straightforward: Why would those in positions of authority within national states agree to shift decision making from central state institutions to sub-national or supranational institutions?[4] From an actor-centred perspective there is no paradox here, for we are dealing with elected party leaders in national governments who have

goals which are almost certainly not limited to defending central state competencies.

In the first place, government decision makers are likely to have substantive policy goals that cannot be subsumed under the defense of central state sovereignty. Individuals who work in a particular institution, whether it is a university, a civil service, the army, or a national government will tend to identify with that institution to some degree depending on their length of service, their expectations about how long they will remain in the institution, the extent to which the institution shapes their life choices, their orientations to the institution, and their personal goals. Unlike judges, officers in the army, civil servants, or professors, government leaders have a relatively limited and uncertain tenure in office. Moreover, it is not unusual for politicians to have strongly held policy goals and these may, or they may not, be compatible with defending the central state as an institution. To assume that government leaders wish to centralize authority in state institutions finesses an empirical issue that is crucial for understanding the sources of MLG. Below, I shall argue that there are a variety of circumstances under which one would expect government leaders actively to seek to redistribute authority away from central states.

In the second place, government leaders may be pressured to disperse authority. Even though they may value central state authority as an intrinsic good, they may be unwilling to force the issue if this means that other goods, such as winning elections, mollifying powerful interest groups or sustaining party unity, are sacrificed. In addition to serving as policy makers in the state executive, government leaders in a liberal democracy compete for votes in the arena of electoral competition; they seek to gain the support of strategic constituencies in the arena of interest group politics; and they seek to unify, and strengthen their position in, their respective parties. In short, those in positions of central authority in liberal democracies act in a variety of policy-making, electoral, interest group, and party-political contexts, and one can hypothesize conditions under which they will decide to disperse authority even if they have a generalized preference for centralizing authority in their own hands.

The promise of an actor-centred approach is that it may enable us to integrate comparative politics and international relations to gain a coherent understanding of decisional allocation in liberal democracies. Such an approach has the virtue of directing us away from a priori notions concerning what motivates states or government leaders, emphasizing instead empirical analysis of the goals of key decision makers and the constraints under which they pursue those goals.

There are three logically distinct situations in which government leaders will disperse authority in a liberal democracy:

A. Government leaders actually prefer to wash their hands of authority: they actively seek to shift responsibility for some set of decisions to sub-national or supranational actors.

This scenario can arise on several grounds. First, shifting authority beyond the central state executive can confer bargaining advantages. Robert Putnam (1988) has argued that the bargaining leverage of government leaders in international negotiations is enhanced if they are compelled to sell the agreement to domestic actors who have veto capacity. The same applies in mutual assurance scenarios. Government leaders may be able to negotiate better terms in certain kinds of international negotiation if they can assure their counterparts that they cannot default unilaterally. Domestic political constraints can, as Lisa Martin (forthcoming) has suggested, serve as a valuable source of mutual assurance in international negotiations. Dispersing political control for a particular set of decisions may allow government leaders strategically to precommit themselves to a particular line of policy and thereby win a commitment from another actor that would not otherwise be forthcoming.

These are just two types of situation among several in which external constraints can strengthen an actor's bargaining power. In game-theoretic terms, the chief examples are mutual assurance, chicken, battle of the sexes, and nested or two-level games. In each of these situations it can pay for an actor to have some explicit external constraint, though the other side of the coin is that this can also increase the probability of deadlock.

Second, this general argument applies to the dispersion of decision making authority to supranational institutions as well as to sub-national institutions. Government leaders can use international commitments to gain bargaining advantages in domestic politics just as they can use domestic commitments to gain advantage in international negotiations.

The demand for externally policed commitments helps to explain a range of agreements among representatives of member state governments in the European Union. A recent example is the agreement to meet macroeconomic conditions for entry in a European Monetary Union, as set out in the Maastricht Treaty. These conditions, constraining government debt, inflation, and interest rates, committed government leaders to policies that most of them already supported for other reasons. Criteria for monetary union agreed at Maastricht provided government leaders with an external justification for resisting domestic pressures that most of them wished to resist in any case (Oatley, forthcoming).

Shifting decision-making beyond the central state not only allows government leaders to tie their own hands, but even more importantly, it allows them to tie the hands of their successors. It is not unusual for

government leaders to wish to project policy commitments far into the future, but their expectation is that they will remain in office for only a matter of years. Moving decision making away from the central state to some other institution may help to insulate it from the vagaries of party-political control. Government leaders are often on the lookout for ways to inoculate policies against their adversaries, and one way to do this is to reallocate authority and embed that reallocation in a web of constitutional rules.

If government leaders were truly committed to the central state as an institution, such strategies would not occur to them, but there are many cases in which the determination of politicians to achieve substantive policy goals, such as anti-inflationary monetary policy or competitive markets or a clean environment, may greatly outweigh their commitment to the autonomy of the state as an institution, and hence they are led to create or empower autonomous institutions at the sub-national, national, or supranational level, such as a European Central Bank, an independent EU competition authority, or elected regional assemblies.

Finally, government leaders may wish to shift decision making out of their own hands because they do not want to take responsibility for certain kinds of decisions. National leaders in several western democracies have sought to shift responsibility for taxation from the national to the regional or local level for this reason, even though the power to tax is one of the most important competencies of the national state.

The same logic can be seen in the decision of Prime Minister Harold Wilson, supported by the Labour Cabinet, to transfer the decision about whether to remain in the European Economic Community from the government to a popular referendum in 1975. In this case, Wilson and the leadership of the Labour government sought to avoid a split within the party by a constitutional innovation which implicitly challenged the sovereignty of parliamentary government to determine the fate of the country. Wilson was evidently less concerned about abstract constitutional issues than he was about the fortunes of his party.

There are numerous instances in which government leaders have sought to shift responsibility for unpopular decisions to external actors, even if this dilutes the authoritative control exercised by central state institutions. When animal rights activists were protesting against the crating of British calves in transit to the continent, William Waldegrave, the Minister of Agriculture, claimed that they should demonstrate in Brussels instead of England because the important decisions were being made there.

Andrew Moravcsik (1994; also Smith, 1994) notes that efforts on the part of government leaders to shift blame are a potent source of integration. For example, he observes that French government leaders sought to

manoeuvre the Commission of the European Coal and Steel Community 'into a position of responsibility for inevitable domestic production cuts. When seeking to reduce steel production, he [De Gaulle] quietly informed the Commission: 'we want to fire 3000 workers in the Bassin de Longwy and it is up to you do it.' Structural adjustment was presented as a 'European' policy, not a French one, with the Commission, like the High Authority before it, cast as the scapegoat.'[5]

Government leaders do not, of course, act only to diffuse authority. One can point to many instances in which central state rulers have attempted to concentrate decision making in their own hands. In doing so, some are motivated by the intrinsic goal of creating or strengthening the central state. But, historically in the development of Western European states from the thirteenth century, the main reason for ruling elites to centralize authority was probably their expectation that the greater the concentration of power at the centre, the greater their own security. By concentrating legitimate authority, ruling elites were able to increase their ability to extract and deploy resources from their societies, and this served to increase their coercive power both internally and externally.

Where coercive power and tenure in office are divorced from each other, as is the case in a liberal democracy, the incentives for political leaders to centralize authority in their own hands are weaker. Central state authority has been developed mainly as a functional response to war, nationalism, and the demand for welfare. But their is no a priori reason why electoral competition, party politics, or interest group activity should lead to the concentration of legitimate authority in central states. Over the past 50 years, a period in which there has been no major conventional war in western Europe, authority in previously centralized states has been diffused in response to democratic pressures.

A substantive explanation for MLG lies beyond this contribution, but one of the distinguishing features of a liberal democracy is that it is not necessary to concentrate authority into one's own hands in order to hold onto office. Even if government leaders preferred to make all the important political decisions in a society, they would be foolish to concentrate authority in the central state if this undermined their electoral, party-political, or constituency support.

B. Government leaders shift authority for some set of decisions not because they want to rid themselves of responsibility, but because some other concern outweighs their resistance.

An extensive literature argues that decentralization is occasioned by demands for policy efficiency, by overload, or the increasing complexity of

policy in advanced industrial society (Bullmann in this volume; Newton, 1985). These general arguments also find their way into analyses of European integration. One set of arguments begins with the presumption that reallocating competencies to the supranational level may be an effective means of providing information and other resources to meet transaction costs involved in formulating, negotiating, and implementing collective decisions (Majone, 1994; 1995; Williamson, 1985).

How can one elaborate such functional arguments within an actor-centric analysis which is driven not by processes, but by concrete actors who pursue their goals in particular political arenas?

In the previous section I relaxed the assumption that government leaders wish to concentrate authority in the central state as an end in itself. For policy reasons, I argued, they may wish to disperse authoritative competencies. Here I wish to go a step further, and view the policy goals of government leaders in a liberal democracy as merely one set of goals alongside others which include minimizing disunity within the governing party or party coalition, providing goods to strategic political constituencies, and maximizing votes at the next election. This raises the possibility that a particular institutional change in the allocation of authoritative competencies may have both negative and positive value for a politician because there is some tension between their personal policy preferences and what is politically expedient to do.

Assuming that government leaders do, indeed, have a generalized preference for concentrating authority in their own hands, they might be induced to reallocate authority for some combination of the following reasons: a) the reallocation has politically salient pareto beneficial consequences, for example, because it reduces transaction costs or increases the efficiency of policy provision; b) the reallocation has distributional consequences that favour some set of relatively influential constituencies at the expense of some set of less influential constituencies; or c) the reallocation is perceived to have intrinsic value for some constituency that can exert pressure on government leaders, for example, because it provides some influential territorial group a greater measure of political autonomy.

The bottom line in each of these scenarios is the same: government leaders may shift authority from the central state to supranational or sub-national institutions because, on balance, they perceive it is in their wider interest to do so. Even if they are committed to the national state, government leaders may decide to decentralize authority. Regional governance may be empowered to avert the breakup of the national state, as in Belgium over the past two decades. More usually, government leaders may decentralize authority in an effort to win the next election, reward a particular constituency, or sustain their party in office.

Exogenous events can alter the trade-off facing government leaders by, for instance, increasing the influence that sub-national or supranational actors can wield in the policy process. Examples of such events are elections in which a regional party gains coalition potential either because it increases its vote share or because national parties are evenly balanced (for example, the CiU after the 1996 elections in Spain); changes in relative political power originating in shifts in the pattern of spatial inequality (such as the relative growth of Flanders vis-à-vis Wallonia); changes in the value and/or location of expertise which empower supranational or sub-national actors relative to national actors (Bullmann, 1994). Such events do not 'cause' diffusion. Rather they alter relative power resources and incentives for key political actors, and this *may* lead central decision makers to condone some diffusion of authority. Alternatively, government leaders may try to sustain central control by devolving rather than decentralizing decision making, by building alternative governing coalitions, by ignoring or repressing regional protest, and/or by politicizing and therefore transforming the issue, for example, by posing regionalism or supranationalism as a threat to the integrity of the nation.

Just as it makes sense to conceive of states as institutional contexts, so regional and local authorities are usefully viewed as institutional fields providing resources and constraints for diverse political actors. Correspondingly, the interests of sub-national actors cannot be deduced from any institutional positions they hold. Government leaders do not necessarily wish to centralize authority: sub-national leaders do not necessarily wish to disperse authority. Michael Keating (1988: 20–1) stresses this point in his discussion of territorial politics in western Europe:

> It is invariably a gross simplification to talk of a balance of power or of wealth between the centre and the periphery. Rather, different groups within the periphery will have an interest in different patterns of centre-periphery relations in the economic, cultural and political spheres. Some groups might favour separatism and free trade while others seek protectionism within the larger state and yet others want vigorous centralized regional policies. Occasionally, an overwhelming common interest might submerge these differences. Minority language or cultural groups may develop a sense of territorial identity and press for self-government to give this expression. Alternatively, they may settle for a policy of cultural pluralism within the unitary state, which would protect their primary interest while avoiding the dangers of political or economic isolation. Politically, dominant groups and parties within the periphery might see an interest in a degree of self-government which could allow them

to pursue their preferred policies though in opposition at the national level. Groups which are in the minority within the periphery may by the same token prefer centralization. Elected representatives and territorial administrators may favour a system of administrative decentralization in which they are the privileged channels of centre-periphery exchange and can insulate themselves to a degree from both central and local control. Privileged groups within the periphery may wish to maintain the distinctiveness of their territory, and so their monopoly position, but also resist political decentralization which would subject them to local popular control. Political machines and bosses may see opportunities for parsonage and clientelism in the complexity of centre-periphery relations.

A Discursus on Supra-/Sub-national Relations in European Integration. Diffusion of authority to sub-national or supranational institutions is a dynamic process that creates channels of political communication and influence which are not mediated by central state actors. Consider the following schematic, which underlies changes reported in several contributions to this volume:

• Act One: European Integration. Government leaders in a member state press for deeper market integration in Europe in order to do one or more of the following: reward powerful constituencies (such as export-oriented business groups which stand to gain disproportionately from trade liberalization); increase their electoral support as a result of a high profile policy coup perceived to enhance future economic growth; achieve policy goals that they perceive as intrinsically desirable (such as strengthening institutional constraints on future German governments). At the same time, national politicians agree to qualified majority voting over a range of policy areas connected with market integration (they sacrifice some measure of national control) to ensure market integration against ad hoc demands for side-payments from recalcitrant governments. Some government leaders press for the empowerment of the European Parliament in response to domestic pressures for the extension of liberal democratic norms to this emerging polity.

One obvious consequence of the above is that various market-related competencies are shifted from national arenas to the European Council, the Commission, the European Parliament and the European Court of Justice. At the same time, however, there has been some shift in agenda setting *within* states from the national legislature, domestically entrenched interest groups and sub-national actors to those in central state executives, who are the only national actors represented in the Council of Ministers.[6]

The net effect of institutional change so far has been to shift decision

making away from national political arenas to the European arena – and government leaders are the only national actors who are institutionally embedded in the European arena. For some politicians, particularly those of neoliberal bent, the domestic decisional effects of integration compensate the loss of national sovereignty to the EU.

However, this is one act in a dynamic game, not the end of the story. Actors learn; they seek to mobilize resources to counter last move outcomes.

• Act Two: Sub-national Response. Those threatened by this finesse – entrenched interest groups, social movements, sub-national actors – begin to mobilize (or, more precisely, they begin to mobilize when they become aware of the first-round effects of decisional reallocation, which for actors in new entrant states precedes formal EU membership). Depending on their political resources, which vary decisively from country to country and to a lesser extent within countries, sub-national actors respond to this outflanking manoeuvre by doing some combination of the following: establishing EU-coordination units at the regional (or local) level; establishing autonomous offices in Brussels; upgrading collective good creation, informational exchange, interest aggregation and interest representation across diverse groups of regions, including transborder regions, regions having common geographical or economic orientations, regions experiencing common policy problems, and regions receiving EU funding; campaigning for the right to be informed by the central government concerning upcoming EU initiatives; demanding formal channels of participation in EU interest aggregation at the national level; pressing for extensive participation in the formulation, implementation, and monitoring of EU structural programmes; campaigning for a direct channel of representation in representation in the Council of Ministers (Maastricht Treaty, Art.146), in Commission committees and in Council working groups; campaigning for formal channels of sub-national participation in the EU (for example, the Committee of the Regions established under the Maastricht Treaty); constraining central actors' freedom of manoeuvre in treaty negotiations (for example by inserting regional representatives in treaty making or erecting additional legislative hoops for treaties); demanding changes in EU treaties (for example, concerning subsidiarity) which legitimate, defend, or empower sub-national institutions; and, finally, bypassing central government actors by dealing directly with EU actors, particularly in the Commission (Goetz, 1995; Hooghe, 1995; 1996; John, 1994; Jones and Keating, 1995; Mitchell, 1995; Smyrl, 1996b; contributions to this volume)

This response, which Charlie Jeffery (1994) aptly summarizes for

Germany as 'The Länder strike back', is aided by supranational actors who wish to gain allies within member states to counter-balance central government domination. Commission officials, in particular, are assiduous in upgrading sub-national influence by mobilizing, and even funding, sub-national networks and by giving sub-national actors political access.

What is at stake in 'Act Two' is more than the success or failure of sub-national actors to institutionalize new channels of influence in the EU. We are seeing the contested creation of a multi-level polity in which central state actors no longer monopolize the interface between domestic and international affairs. Conventionally, government leaders are the sole link between two separate political arenas: the national arena and the international arena. Hence, the metaphor of the 'nested' or 'two-level' game in which domestic political pressures are folded into international negotiations via national leaders who play the decisive role at both levels (Moravcsik, 1993). But what if sub-national actors could play a role directly at the international level? What if there were a triangulation of political relationships, with direct supra-sub-national ties in addition to conventional sub-national-national and national-international connections? While the relative strength of such supra-sub-national ties varies decisively from country to country, in most countries their density and potency have increased exponentially over the past decade (Constantelos, 1994; Marks, 1996; Marks and McAdam, 1996; Ansell, Darden and Parsons, 1995).[7]

C. Government leaders are unable to check or reverse dispersal of authority to sub-national or supranational institutions.

I have argued that there are a variety of circumstances in which government leaders would actively seek to disperse authority beyond their own hands or be induced to do so. Analysts of European integration have also claimed that the ability of government leaders to claw back competencies is limited in some important respects (Marks, Hooghe, and Blank, 1996; Pierson, 1996; Pollack, 1995; Scharpf, 1988). There are two types of constraints that face government leaders: first, decision making rules may be nested or enmeshed in other institutions (such as formal constitutions or international regimes); second, political costs may be imposed by organizations that over time have become wedded to existing decision making institutions.[8]

Institutional lock-in. To the extent that competencies that have previously been dispersed are embedded in other institutions, so change will be constrained by the costs of making additional institutional adjustments. At the extreme, competencies may be distributed by formal constitutions that present imposing barriers to change. Such is the case in federal politics

where the division or sharing of authoritative decision making across levels of government is constitutionally determined.

There are decision making rules and then there are rules about decision making rules. Perhaps the most decisive difference between a federal and a unitary polity lies not in the extent of territorial decentralization of decision making, but in the locus of decision making about decision making. In federal systems, national government leaders are just one set of actors among others who must endorse constitutional change.

Although national government leaders are less constrained in the European Union than in federal polities, the allocation of competencies across national and European institutions is, nevertheless, very sticky. Many areas of EU competence are governed by a simple, and highly restrictive rule – unanimity. Only if government leaders from every member country agree, can they claw back authoritative competencies that they previously shifted to the EU. The effects of this decision rule as a source of lock-in depend on the degree of consensus among national government leaders and the ease with which they can transact the necessary treaty reforms. There have been few examples of such renationalization, largely because actors opposed to it have only had to gain the support of a single government to veto change. Also, the European Commission, which is designed to reduce transaction costs in reaching consensus, puts its efforts into finding areas for further integration rather than finding competencies that might be renationalized, and the same can be said of the European Court of Justice and the European Parliament.

Sunk costs. A second constraint on government leaders arises when 'initial choices encourage the emergence of elaborate social and economic networks, greatly increasing the cost of adopting once-possible alternatives and therefore inhibiting exit from a current policy path' (Pierson, 1996: 145).

Sunk costs do not themselves block change. Rather they influence the decisions of policy makers and policy consumers and these decisions affect government leaders *via* their anticipated electoral consequences, via the mobilization of affected groups, and via their effect on party-political actors.

While government leaders in unitary systems have extensive formal authority over the locus of authoritative decision making, their ability to impose decisional rules is constrained by their control over the central decision making apparatus (the legislature, courts, civil service) which may or may not be adequate to impose their will, and on their willingness to overcome resistance on the part of actors who are not constitutionally empowered, but who may still be able to impose political costs on those

wishing to reform decision making. This takes us back to the discussion of the costs and benefits of shifting competencies for government leaders. While government leaders in a unitary polity have constitutionally mandated authority to claw back decision making (assuming legislative consent), their decision calculus about whether to do so is shaped by the same cost/benefit logic as that governing their original decision about sharing competencies.

CONCLUSION

The approach outlined here attempts to unify international relations and comparative politics by posing actors as agents of decision making in both international and domestic contexts. By conceptualizing the state as a set of rules about the location and exercise of authority, it directs our attention to the actions of individuals and groups of individuals in positions of authority. This approach avoids reifying the state as an actor with interests or preferences. From an actor-centred perspective, states provide institutional contexts in which human beings pursue their goals. Those goals may be selfish or altruistic; they may be oriented around individual fulfilment, substantive policy, or institutional defence. The fact that an individual is located in a particular institution does not allow one to infer that the individual wishes to defend that institution's autonomy.

From an actor-centred perspective, intergovernmental negotiations – in the European Union or elsewhere – are negotiations among actors representing states rather than negotiations among states. The actors involved may have some more or less definite interpretation of 'national interest', but, in a liberal democracy, they never cease to be politicians who operate in electoral, party-political, and interest group arenas. The concepts of 'national interest' or 'state interest' are abstractions which refer not to any objective reality, but to subjective, contestable, interpretations on the part of particular political actors.

An actor-centred approach demands, first, that one eschew reified concepts that confuse the rules of the political game and political actors who operate within such rules and second, as a corollary, that one trace the causal effects of abstract processes on institutions by examining their impacts on particular actors (or groups of actors). I conclude by translating some conventional causal and conceptual statements into actor-centred terms.

• 'States are the principal actors in the international system.'[9]
From an actor-centred perspective states are the institutional context of domestic *and* international politics providing a context of rules for authoritative decision making. States are *not* actors. Hence, political leaders

in positions of state authority are the principal (though certainly not the only) actors in the international system.

• 'Interstate bargains reflect national interests and relative power.'
National interests do not exist outside of the preferences of political actors. So, *interstate bargains reflect the interests of relevant political leaders (including, where relevant, sub-national and supranational actors) and their relative capacity to realize their interests.*

• 'Policy makers safeguard their countries against the future erosion of sovereignty.'
Government leaders seek to realize substantive policy goals, gain re-election, reward strategic constituencies, strengthen their parties and their position within them, and these may lead them, or may not lead them, to defend central state authority.

An actor-centred approach builds on the insights of (neo)liberal institutionalism concerning the role of international institutions in fostering cooperative gains (Caporaso, 1993; Keohane, 1984). But it conceives of those gains as gains for political actors, and above all government leaders, rather than gains for states. Explaining international negotiations is, in principle, no different from explaining domestic negotiations. For both, one needs to ask why the relevant political actors arrive at a particular outcome, and to do this one needs to engage the preferences and resources of government leaders.

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NOTES

1. These and other factors are analysed from the general perspective of pressures on public administration by Vincent Wright (1994).
2. This follows Douglass North's pathbreaking work (1984), though I think it useful to assimilate individual leaders alongside North's 'organizations', and so I use the term 'political actor'. Rules constrain, but do not predict, behaviour, as Andy Smith (this volume: 119) makes clear when he points out in his discussion of France that: 'In reality administration inevitably involved the highly political activities of interpreting central rules, adapting them to local conditions, and cajoling local actors to go along with ...' (See also Marc Smyrl's unpublished paper (1996a) for a sophisticated discussion of this issue). For recent accounts of the EU emphasizing institutions see Bulmer 1994 and Peterson 1996.
3. Andrew Moravcsik (1991: 26–7) bases his analyses on the assumption that policy makers are oriented to defending the state as an institution, though he accepts that European integration involves some inevitable loss of national sovereignty: 'Policymakers safeguard their countries against the future erosion of sovereignty by demanding the unanimous consent of regime members to sovereignty-related reforms. They also avoid granting open-ended

sovereignty to central institutions that might infringe on their sovereignty, preferring instead to work through intergovernmental institutions such as the Council of Ministers, rather than through supranational bodies such as the Commission and Parliament.'

4. It is also the case that such actors may be unable to control political outcomes, a possibility that is deftly examined by Paul Pierson (1996). My point of departure here is to allow for the possibility that those in government actually wish to shift competencies away from central states.

5. In an effort to escape the implications of such integrative episodes, Moravcsik conceptualizes their benefits for government leaders in terms of extending their 'control', which allows him to claim that integration merely involves the exchange of one kind of control for another. Here I argue that institutional control is only one possible inducement for government leaders, alongside electoral, party-political, constituency, and policy goals.

6. Philip Norton observes that British membership in the EU entails 'increased demands on ministers' time, especially in attending meetings of the Council of Ministers, but it also has given a greater role to bureaucrats. Most of the documents discussed by the council are prepared by officials: Contact between civil servants in the member states and officials in the European Commission is extensive. The dispersal of power also makes it increasingly difficult for government to monitor the implementation of policy, especially that which is carried out through EC officials in Brussels.' (1994: 201).

7. The Third Act, which is in progress, appears to be shaped by a wider struggle involving mutually exclusive conceptions of governance and a realization that the status quo – the lack of any accepted constitutional basis for European governance – is costly and exhausting (for a discussion of this struggle and alternative conceptions of the European polity, see Hooghe and Marks, 1996).

8. A third, weaker, constraint exists for government leaders, as for any other set of actors, which has to do with the transaction costs and uncertainty involved in institutional change (Pollack 1995).

9. The following quotations are presented here as generic statements representing certain commonly held views, and I have decided not to attribute them to particular authors.

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