

Outline to Helen Milner: Rationalizing Politics: The Emerging synthesis of international, American, and comparative politics, in: KKK: Exploration and Contestation in the study of World politics, outlined by Nadine

Milner's goal: to show that the systematic analysis of domestic politics delivers a better understanding of major issues in international politics. Her names her approach "rationalist institutionalism", an approach, which according to her, overcomes the separation of the spheres of domestic and international politics.

Main assumptions/statements with regard to the "rationalist research paradigm" (same questions and analytic tools across levels of analysis):

1 States-as-unitary-and-dominant actors assumption is highly misleading: as in comparative politics, domestic actors (executive, legislature, bureaucracies, political parties, interest groups) become the primary units of analysis across levels of analysis.

2 In situations of strategic interaction, domestic and international institutions (norms/rules) provide mechanisms by which preferences are aggregated into collective choices (policies) and (often institutional) outcomes.

3 The methodology of noncooperative game theory (with an emphasis on the role of power in institutions, credibility and commitments) can be/are applied across second and third image levels

I Relaxing the assumption that states are units and the sole or dominant actors: classification of research approaches into four categories

Selection criteria for "unit of analysis" (following F. Frey): "highest level of generality subject to the ability of this collective to act as a **coherent** unit, (...) so that its further analytical decomposition would not significantly improve the conclusions" (p.128)

Milner classifies "rationalist" approaches into four categories and wants to move the field toward the last. The first two categories hold the state as the unit of analysis, whereas category three and four open the "black-box":

Category 1: Perfect markets/small-country assumptions (Waltz/Krasner/Lake): Either there is basically one actor in the domestic realm, which controls foreign policy in every country / **or** because of the threats exerted by the I system, all actors domestically hold the same preference of national survival/ **or** the internal aggregation of the "national interest" is being "blackboxed", since the focus lies on the resulting preference, not its formation. This approach is similar to firms in competitive markets, where single states are too small to affect other actors and therefore maximize their "profits" (its preservation) in an independent (=nonstrategic) fashion from each other. Methods of preference aggregation are neglected on either level –domestic and international.

Category 2: Game theoretic approach/ oligopolistic markets (Jervis, Axelrod, Powell): States interact **strategically**, i.e. try to maximize their utility by way of bargaining with each other, since they are few and large enough to mutually affect their behavior. Bargaining provides a mechanism for arriving at collective outcomes, thus that the strategic interaction of states (like strategic interaction of domestic actors) entails an "institutional" (rules-of-the-game) component.

Category 3: States as polyarchic entities/ political economy (Allison/ Katzenstein/ Milner/ Rogowski/ Frieden/ Grossman & Helpman): First, states are composed of at least two actors with **different preferences and utility functions**, which will be reflected in the resulting outcomes. Dominant national interest(s) are the result of actors' resources and of domestic institutions in which actors operate, thus they cannot just be assumed, but ought to be explained. States can therefore have different "national" interests. Second, **decision-making must be shared** (agenda setting, initiative for policy proposals, amending, ratifying, implementing). States' internal organization can be placed on different positions on a continuum between hierarchic -polyarchic-anarchic, whereby most of them are not compatible with the extremes. This approach, however, lacks a systematic model of domestic preference aggregation and tends rather to produce lists of variables instead of theories. It also lacks a systematic way of bridging

domestic and international politics. In most approaches, actors are characterized as interacting independently from each other, rather than strategically internally as well as internationally.

Category 4: Two level games: the fully strategic political economy approach (Snyder and Diesing/ Putnam/Fearon/ Milner and Rosendorff): actors bargain internally as well as externally, whereby political institutions define the bargaining interaction at both levels. Bargaining between domestic actors (executives, legislatures, bureaucracies, interest groups) is embedded in an international game, “*so that only outcomes that lie within the acceptable range of both domestic and foreign actors emerge*” (p.137). “*Foreign policy (...) is now a result of the explicit aggregation of diverse domestic preferences within political institutions, and the collective systemic outcome is a function of the **explicit strategic interaction** among these groups internally*” (139).

II The role of Institutions

Milner rejects the realists’ assumption that international institutions were most of all the reflection of the distribution of power in the world. Instead, she proposes a systemic rationalist approach to understand the role played by institutions, that is to say a concept of institutions, which can be applied to domestic as well as international institutions. In the rationalist paradigm institutions aggregate diverse preferences into a collective outcome, while outcomes (diverse equilibria) depend on the particular norms and rules according to which they operate respectively. Therefore institutions can be studied in a rationalist institutionalist framework. For knowing when particular institutions will be created and preferred over others (multiple equilibria), Milner stresses the necessity of studying the conditions out of which they emerged.

III The rationalist institutionalists’ method: game theory, in particular non-cooperative game theory

Game theory becomes a useful method of analysis, once one assumes that outcomes are results of strategic interaction of two or more individuals. By way of a comparative institutional analysis, one can learn how different institutions change outcomes, given that actor’s preferences can be kept constant. Milner stresses the rise of noncooperative game theory to explain domestic politics and since domestic players are simultaneously important actors with regard to the international games, this particular methodology has become relevant across levels of analysis. Milner shortly (in a footnote (p.145)) points at the central difference between cooperative and noncooperative games, i.e. that the latter analyzes games where there is little hope for a balanced compromise between players. Noncooperative models contrast with the (cooperative) bargaining games, in which players can negotiate a resolution that both sides can live with, in that in noncooperative games any coordination of the actors’ strategies has to be enforced in the course of the game itself (for instance via subgame perfect equilibria). For the game theoretic analyses, one method is to deduce policy preferences from basic interests and then use these policy preferences to construct the payoff matrix, while the basic interests themselves could be adopted (“borrowed”) from research traditions that directly examine sources of preferences and beliefs, namely ideas and identities.