



# *A New Statecraft? Supranational Entrepreneurs and International Cooperation*

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## Abstract

Studies of international regimes, law, and negotiation, as well as regional integration, near universally conclude that political entrepreneurship by high officials of international organizations—“supranational entrepreneurship”—decisively influences the outcomes of multilateral negotiations. Studies of the European Community (EC) have long stressed their informal agenda-setting, mediation, and mobilization. Yet the studies underlying this interdisciplinary consensus tend to be anecdotal, atheoretical, and uncontrolled. The study reported here derives and tests explicit hypotheses from general theories of political entrepreneurship and tests them across multiple cases (the five most important EC negotiations) while controlling for the actions of national governments. Two findings emerge: First, supranational entrepreneurship is generally redundant or futile; governments can almost always efficiently act as their own entrepreneurs. Second, rare cases of entrepreneurial success arise not when officials intervene to help overcome *interstate* collective action problems, as current theories presume, but when they help overcome *domestic* (or transnational) collective action problems. This suggests fundamental refinements in the core assumptions about transaction costs underlying general theories of international regimes, law, and negotiation.

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Does intervention by high officials of international organizations decisively influence the outcomes of

multilateral negotiations? <sup>1</sup> In the words of two leading international lawyers, can “faceless international bureaucrats, unelected and without power of purse or sword” really influence the decisions of powerful nation-states? <sup>2</sup> Are we seeing the emergence of a “new statecraft” grounded in networks managed by supranational political entrepreneurs?

A nearly unchallenged consensus across theories of international regimes, law, and negotiation, as well as regional integration, answers these questions in the affirmative. International officials, it is argued, regularly intervene to initiate new policies, mediate among governments, and mobilize domestic groups in ways that fundamentally alter the outcomes of multilateral negotiations. Negotiation analysts such as James Sebenius and William Zartman, regime theorists such as Oran Young, Peter Haas, and Harold Jacobson, and international legal scholars like Abram and Antonia Handler Chayes—among many others—go further, asserting that entrepreneurial leadership by high international officials is (under broad circumstances) necessary for successful international cooperation. One review concludes that informal international mediation, often by international officials, is becoming “the dominant norm of conflict management and resolution” in world politics—a claim that resonates with a renewal of theoretical interest in modeling international bargaining. <sup>3</sup> Constructivists argue that international regimes should be viewed not as passive sets of rules, but as active sites of bureaucratic politics that empower officials wield transnational influence. <sup>4</sup> Negotiations on environmental protection, multilateral economic policy coordination, and post-Cold War security cooperation are often cited. <sup>5</sup>

Nowhere are claims about effective political entrepreneurship advanced more boldly than in the study of the European Community (EC)—an international organization whose “supranational” officials are generally acknowledged to possess unique influence and autonomy.<sup>6</sup> For forty years, scholars have consistently argued that supranational leaders from Jean Monnet to Jacques Delors have played decisive roles in promoting regional integration. The existence of supranational entrepreneurs, “neo-functionalists” have argued since the pioneering work of Ernst Haas and Leon Lindberg forty years ago, is one of two major factors feeding the self-sustaining and path-dependent process of unintended consequences—“spillover”—which powers regional integration. <sup>7</sup> The existence of a supranational “motor”, a recent review essay concludes, is the “most common and far-reaching” scholarly claim advanced today about power and influence within the EC. <sup>8</sup> Among today’s proponents of this view—based largely on the example of successful entrepreneurship by Delors in the mid-1980s—Wayne Sandholtz and John Zysman go furthest, asserting that supranational entrepreneurship has been a necessary condition for integration; indeed, they single it out as the *only* aspect of EC decision-making about which scholars can advance truly causal generalizations. <sup>9</sup> Others summarize the trend by proclaiming the emergence of a new system of “multi-level governance” in Europe. <sup>10</sup>

This paper challenges this interdisciplinary consensus on methodological, theoretical, and empirical grounds. I propose instead an alternative view privileging the role of national governments—a theoretical position I test by summarizing the results of a study of all five major treaty-amending decisions in the forty years of EC history. <sup>11</sup> My central conclusions are four.

First, *claims about international entrepreneurship have yet to be subjected to methodologically rigorous evaluation.* Although some conjectures have been made about the sort of activities entrepreneurs engage in, there has been little attempt to theorize about the conditions under which they are effective. Few

testable hypotheses have been advanced about the circumstances and characteristics of successful entrepreneurs; even fewer trustworthy empirical generalizations have emerged.

There is another problem. Existing studies tend to select one area (sometimes a handful) *in which in which we already know* that international negotiations were successful *and* that entrepreneurs were active—the cases of Tommy Koh in the Law of the Sea negotiations, Mustapha Tolba of the UN Environmental Program, and Jean Monnet in the European Community are often cited—then argue *ex post* that the conjuncture between supranational activity and interstate agreement demonstrates a causal relationship. Such analyses are overtly anecdotal, uncontrolled, and based on a skewed sample of “most likely” cases. In particular, such studies never (to my knowledge) considered alternative hypotheses, in particular the possibility that entrepreneurship is *endogenous*. That is, they fail to ask whether interested parties—organized societal interests and national governments—can and do perform the same functions, rendering supranational entrepreneurship redundant or futile. <sup>12</sup> Though such studies offer some intriguing conjectures, they hardly permit us to falsify the claim that entrepreneurs were effective.

Hence scholars and practitioners today know little about either the true frequency of successful entrepreneurship or the causal mechanisms and antecedent conditions that account for success, and, most important theoretically, its antecedent conditions. Two especially honest analysts recently conceded that studies of this type are not designed to establish causality, but are instead “descriptive, with prescriptive overtones.” They seek to “persuade” through “sympathetic...interpretation of the practice in its best light,” but leave it to first-hand studies of regimes to “test the validity” of their claims. <sup>13</sup> In the EC, those who study single cases of EC bargaining—here I implicate some of my own earlier work—have been addressing the wrong puzzle all along. Rather than generalizing from the single case of the Single European Act to ask why the Commission is so powerful—the launching point for nearly a decade of debate between “supranationalists” and “intergovernmentalists”—analysts should ask why the Single Act is, as we shall see, the *only* case in over forty years of integration about which even a plausible claim for effective supranational entrepreneurship can be sustained.

Second, *far from being a necessary condition for efficient interstate negotiation, properly controlled investigation reveals that informal supranational influence is relatively rare within the EC*. Properly controlled for the abilities and actions of national governments, the reexamination of major EC negotiations in the third section of this essay reveals that supranational actors were invariably active and agreements were consistently reached, *yet a causal relationship between the two is rare*. Supranational intervention is generally late, redundant, futile, sometimes even counterproductive. The role of legendary figures such as Monnet and Delors has been much exaggerated. Of the five major treaty-amending negotiations in EC history—those culminating in the Treaty of Rome in the 1950s, the Common Agricultural Policy (CAP) in the 1960s, the European Monetary System (EMS) in the 1970s, the Single European Act (SEA) in the 1980s, and the Maastricht Treaty on European Union in the 1990s—supranational entrepreneurs played a unique role in only one, the SEA, and, even there, their influence appears to have been secondary. <sup>14</sup> In that single case, supranational influence was limited to enhancing the efficiency of agreements; in no case did officials impose distinctive distributional preferences. The causal claims underlying existing studies are largely spurious.

Third, *the transaction costs of interstate negotiation, which comprise the theoretical basis for most claims about the influence of supranational entrepreneurs, are generally quite low relative to the gains at stake*. Theories of supranational entrepreneurship, like strategy-based theories of bargaining or

functional theories of international regimes, rest on the assumption that the (transaction) costs of interstate bargaining negotiations are high, even when coercive force is absent—thus leading states, unaided, to bargain inefficiently. Third-party political entrepreneurs are influential, it is said, because only they possess privileged access to information or ideas that help them to overcome such bargaining failures.

This study concludes, by contrast, that national governments provide the information and ideas required to negotiate efficiently, overcoming any interstate bargaining failures. Entrepreneurship tends, therefore, to be endogenous to national preferences. Information and ideas are either universally available from the start or are provided by the most interested national governments. This explains why EC bargaining tends to be “naturally” efficient: few gains are “left on the table” and the benefits are distributed roughly as conventional Nash bargaining theory would predict, *whether or not supranational entrepreneurs are involved*.

Fourth and finally, *only a “two-level” bargaining theory attentive to the dynamics of state-society relations can explain the (intermittent and rare) influence of supranational entrepreneurs*. Theories of international negotiation, regimes, law, and integration stress the ability of supranational entrepreneurs to help overcome *interstate* bargaining failures. Yet supranational entrepreneurs in the EC lack the characteristics required to influence such negotiations; they are not generally more creative, impartial, legitimate, or expert than national governments. Instead supranational entrepreneurs are influential, if at all, because they are more cohesive internally, less open to capture by interest groups, and more centrally located in transnational networks than national government.

This permits us to define the circumstances under which supranational entrepreneurs are influential. They exercise power if and only if they intervene to alter the behavior of *domestic and transnational* societal actors—that is, to help overcome coordination problems that impede the formation of previously unorganized domestic social groups and bureaucratic coalitions. The existence of latent, yet swiftly mobilizable state and societal groups appears to be limited to relatively rare and transient circumstances in which issues are novel and, from a bureaucratic perspective, diverse—both uniquely true of the SEA among major EC bargains. In the SEA, supranational entrepreneurs in the European Commission and Parliament wielded influence by helping to overcome *domestic* failures to organize, secure representation, and achieve state recognition.

If correct, these findings suggest not only a revision of received wisdom about EC negotiations, but reconsideration of a far more fundamental theoretical issue, namely the appropriateness of the assumption of high transaction costs in theories of international cooperation—an issue considered in the final section of this essay. The assumption of high transaction costs underlies most “supply-side” theories of international cooperation, whether they stress the autonomy of international institutions (as do functional regime theory and some recent writings in international law) or bargaining outcomes induced by institutional “focal points”, strategic choice, or, as here, the intervention of third-party entrepreneurs. Yet there are good reasons to believe that transaction costs and informational asymmetries are far lower in interstate relations than at the domestic level. If so, this would imply a more rigorously circumscribed role for functional explanations of international regimes or structure-induced equilibria in international bargaining. We should expect to observe an autonomous role for “sticky” international institutions, suboptimal levels of cooperation, and entrepreneurial intervention only where there is heavy involvement by uncoordinated sub-national (bureaucratic or societal) actors. Pure interstate negotiations among unitary actors, by contrast, should be “naturally” efficient, with institutions smoothly adjusting to

changes in the distribution of state preferences and power.

## I. Alternative Theories of Informal Supranational Entrepreneurship

The existing literature on entrepreneurship in the literatures on international regimes, negotiation, law, and integration contains many interesting descriptions about the role of entrepreneurs, but offers few explanations of interstate bargaining deductively grounded in explicit theoretical assumptions. Our first task is this to distill from this inductive work, with the assistance of general bargaining theory, alternative theoretical explanations and testable hypotheses.

The first four of the five explanations distilled below follow the existing theoretical literature by treating the state as a unitary rational actor (a “black box”) and focusing primarily on the ways supranational entrepreneurs intervene to overcome *interstate* bargaining failures. Such interstate explanations, I argue, provide an unsatisfactory response to the central puzzle of supranational entrepreneurship, namely why interested governments with incomparably greater resources and objective stakes in the outcome than supranational entrepreneurs do not serve as their own agenda-setters, mediators, and mobilizers. Why should supranational actors ever enjoy an entrepreneurial *comparative advantage*?

The fifth explanation, by contrast, focuses on the ways in which supranational entrepreneurs intervene in domestic politics to overcome *intrastate* bargaining failures by organizing societal groups and offsetting biases in the domestic representation or aggregation of their demands. This explanation accounts for the comparative advantage of entrepreneurs by pointing to the informational and ideational advantages enjoyed by a politically insulated, centrally located, relatively cohesive supranational bureaucracy. National bureaucracies are often captured by particularistic groups. Coordination within the state is often imperfect. Where this is the case, a window of opportunity opens for supranational entrepreneurs; if they are cohesive and independent enough, they may exploit it to increase the efficiency of interstate negotiations.

### A. Common Assumptions: Power Resources and Supranational Entrepreneurship

Policy entrepreneurship, like other forms of political leadership, is an effort to wield power, that is, to induce an authoritative decision that would not otherwise come about. <sup>15</sup> In the cases we are considering here, multilateral negotiations, entrepreneurs seek outcomes on two dimensions. They seek to increase the efficiency or to alter the distributional impact of interstate agreements. Often they seek both.

The ability of a political entrepreneur to initiate, mediate, or mobilize stems from his or her control over political resources. The literature on the determinants of this ability is vast, but we can quickly discard much of it as inappropriate, for supranational officials manifestly lack those resources normally employed by states and many domestic actors to resolve political disputes. They lack discretion over domestic policy concessions or financial side-payments, control over voting rights or formal agenda control, or credible threats to employ coercive force, military or economic. In short, their power is neither institutionally formal nor coercive. <sup>16</sup> (Nor do they have, on the face of it, greater motivation to deploy what resources they possess; even the smallest among national government has a greater material stake in international agreements.) The only remaining resources for informal supranational entrepreneurs to manipulate are ideas and information. Monnet was characteristically concise: “I know of no rule except

to persuade and be persuaded.” <sup>17</sup> Yet Chayes and Chayes rightly observe that “it is remarkable that lawyers and international relations scholars...should pay so little attention [and] attach so little significance to the role of argument...and persuasion in influencing state behavior.” <sup>18</sup>

Political entrepreneurs employ informational or ideational resources to perform one or more of three basic functions. First is policy initiation, sometimes termed informal agenda-setting, in which the entrepreneur seeks to induce governments to launch negotiations by providing a workable proposal, highlighting the potential material benefits, or linking the outcome to symbolic values. Second is mediation of interstate bargaining, in which the entrepreneur intervenes in the middle of negotiations to propose new options or mediate compromises among governments. Third is mobilization of domestic societal support for an agreement, a particularly important element within democratic polities, such as those of EC member states, where agreements must often be ratified. <sup>19</sup>

The ability of any actor to informal influence requires exclusive control over informational and ideational power resources unavailable to the principals of a negotiation, namely national governments. This conclusion follows from non-cooperative bargaining theory, which—leaving questions of ex post enforcement aside—predicts that negotiated outcomes will be efficient if all actors are fully informed about relevant parameters, in particular the nature and intensity of one another’s preferences. <sup>20</sup> The same Coasian claim forms the basis of the functional theory of international regimes advanced by Robert Keohane: if interstate transaction costs are close to zero, decentralized negotiation among voluntary actors with property rights generates an efficient outcome. <sup>21</sup> *Effective informal supranational entrepreneurship can therefore be defined as the exploitation by supranational officials of asymmetrical control over scarce information or ideas to influence the outcomes of multilateral negotiations.*

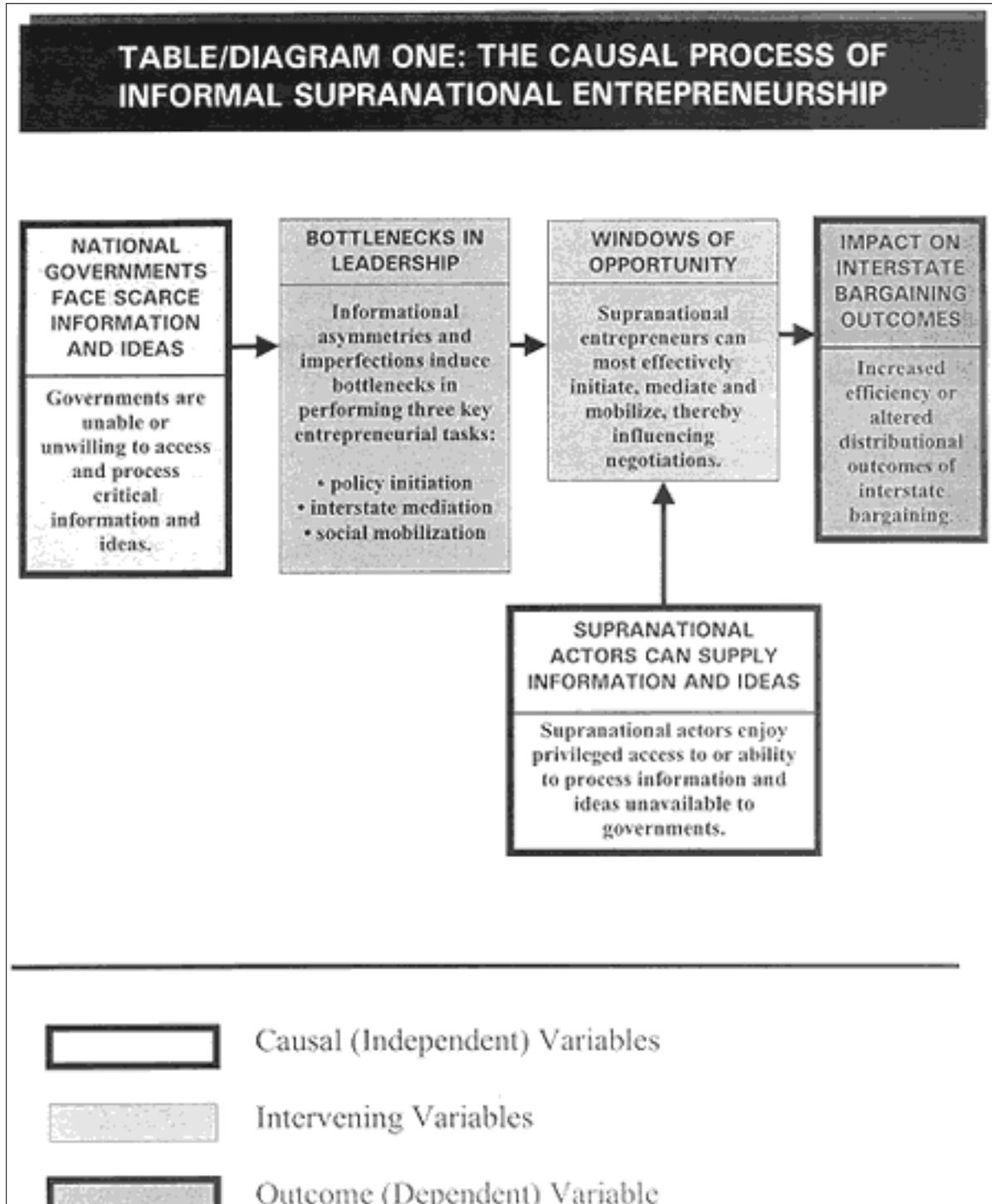
This dictates the proper null hypothesis for any assertion that supranational officials have an autonomous influence on international negotiations—in EC studies, this null hypothesis is traditionally termed the “intergovernmentalist” position. It posits a world of interstate bargaining in which information and ideas are plentiful or symmetrically distributed among governments. The governments with the greatest interest in seeing an agreement tend to act as entrepreneurs, initiating, mediating, and mobilizing negotiations. Transaction costs impose no binding constraint on negotiations; bargaining is “naturally” efficient. Distributive outcomes reflect asymmetrical interdependence—that is, the classical Nash bargaining solution among actors with clearly defined outside options. This spatial analysis forms the foundation of modern negotiation analysis. <sup>22</sup>

It follows that any plausible explanation of supranational influence must distinguish itself from the “baseline” view of classical bargaining theory by identifying a “bottleneck” that impedes the generation and dissemination of particular types of information and ideas among national governments. It must then explain how and why high international officials are in a unique position to overcome this bottleneck. Third-party intervention must be more efficient than the “political market.”

Therein lies the central theoretical puzzle of supranational entrepreneurship: Why do governments, given national civil services many orders of magnitude larger than those of international organizations, compelling national interests, and large financial resources, ever fail to generate and disseminate the information and ideas needed to negotiate efficiently? Only if we assume that information and ideas are scarce among the primary parties—in other words, only if the complexity and therefore the transaction costs of negotiating efficiently are so high as to preclude efficient interstate bargaining—is it plausible to

assume that a “window of opportunity” exists for supranational entrepreneurs. The primary task of any explanation of supranational entrepreneurship must be to investigate the conditions under which supranational entrepreneurs enjoy a comparative advantage over more powerful and directly interested governments. Yet this counterfactual is almost never explicitly considered in studies of supranational entrepreneurship, which tend to focus on characteristics of supranational entrepreneurs, not nature of alternatives. <sup>23</sup>

This model of what informal entrepreneurial leadership—in brief, informational and ideational asymmetries create windows of opportunity that supranational entrepreneurs can exploit to influence multilateral negotiations—is shared by all the explanations developed and tested in this paper. It is summarized in Diagram One.



Theories are distinguished by their answer to the question: What accounts for informational and ideational asymmetries?

## B. Explaining Supranational Entrepreneurship

In explaining the informational and ideational asymmetries that underlie entrepreneurial influence, explanations of informal supranational entrepreneurship can be divided into two broad categories, depending on whether they focus on interstate or intrastate bargaining failure. Existing analyses by theorists of international negotiations, regimes, law, and regional integration tend primarily to focus on intervention to correct interstate coordination failures, that is, sub-optimal coordination among unitary, rational (“black box”) states. Such interstate explanations fall into four theoretical categories, each of which focuses on an asymmetry favoring supranational actors in the distribution of a particular type of ideational or informational resource: political creativity, reputed impartiality, symbolic legitimacy, and technical or legal policy expertise absent due to an interstate informational or ideational asymmetry.

A fifth approach considered below, a “two-level” approach, relaxes the unitary state assumption and treats the constraints on efficient negotiation as imposed by intrastate collective action failure. Supranational actors wield influence due to a superior ability to overcome domestic and transnational coordination problems, which in turn reflects greater administrative coherence, independence from societal interests, and centrality in transnational networks.

Each of these five theories is presented below. For each is offered a series of assumptions; from each is derived a series of process-level hypotheses concerning observed asymmetries in information or ideas, “bottlenecks” in interstate bargaining, tactics employed by supranational actors, and variation in outcomes across issues. These are summarized in Table Two. [24](#)

**Table 2. Testing Alternative Explanations of Supranational Entrepreneurship**

ALTERNATIVE EXPLANATIONS	HYPOTHESES			
	Why are Information and Ideas Scarce?	“Bottleneck” in Initiation, Mediation, or Mobilization	Form and Timing of Supranational Intervention	When is Supranational Influence Strongest?
“The Monnet - Delors Effect”	Individual creativity or skill is scarce.	Too few innovative proposals or compromises.	Innovative proposals, probably from Commissioners early in negotiations.	When European executives strongest.  (Monnet, Hallstein, Delors)

<b>“Honest Broker”</b>	Trust (reputation for neutrality) is scarce.	Too few viable compromises due to insufficient information about reservation prices.	Mediation, probably by Commissioners in mid-negotiation.	When distributive conflict most severe. (CAP, EMU, not SEA, EMS)
<b>“Europe's Champion”</b>	Legitimacy is scarce.	Too few legitimate symbols and too little legitimate rhetoric to persuade publics or elites.	Legitimate proposals or rhetoric, from Parliament, Court, Commission, especially during ratification.	When European ideology most salient. (Steady increase over time or ideologically salient issues)
<b>“Triumph of Technocracy”</b>	Technical information and expertise is scarce.	Insufficient technical or legal understanding of issues	Expert proposals, probably from Commission, perhaps Court.	When issues technically and legally complex. (CAP, EMU, perhaps SEA, less so EMS and tariffs)
<b>“Two-Level Social Network Manager”</b>	Political independence and administrative coherence are scarce.	Too few ratifiable proposals and insufficient social support.	Novel proposals and social mobilization, probably from Commission and Parliaments early in negotiations.	When issues novel, linkages unwieldy, or supporters unorganized. (SEA)

### 1. The "Monnet-Delors Factor": Individual Political Skill and Creativity

A common general explanation for the comparative advantage of supranational political entrepreneurs is that they are simply more ingenious, imaginative, skillful, and creative than their national counterparts. They wield power by proposing more creative solutions to political problems. Regime theorist Oran Young stresses the personal qualities of leaders, who must have “imagination in inventing institutional options and skill in brokering the interests of numerous actors to line up in support for such options.” <sup>25</sup> Geoffrey Garrett, Barry Weingast and others see supranational entrepreneurs as an important source of focal points. <sup>26</sup> Recent negotiation analyses suggest that the quality of third-party organizers can be critical to efficient generation of new ideas for negotiated solutions. Robert Cox and Harold Jacobson assert that their charisma, previous achievement, and negotiating ability mean that “high international officials command...recognition, which allows them the initiative in proposing action.” <sup>27</sup>

In the EC literature, superior political creativity is the most common explanation of supranational entrepreneurship. Many consider Jean Monnet "sui generis as a political entrepreneur." <sup>28</sup> Leon Lindberg links successful integration in the 1960s to the extraordinary "ingenuity" and "skill" of the EC Commission. <sup>29</sup> Subsequent analysts—and, perhaps unsurprisingly, former practitioners—hail the skill and vision of Commission President Jacques Delors and his team. Lord Arthur Cockfield, Vice President under Delors, who later asserted: "If the Commission is ineffective...the Community languishes. Where you have a forceful and visionary President, as Jacques Delors has been...the Community makes progress." <sup>30</sup> George Ross' attributes Delors' particular skill to the "voluntaristic" political culture of the French technocracy, where officials are accustomed to bold initiatives. <sup>31</sup>

Yet we should approach the "Monnet-Delors" explanation with caution for it provides no compelling answer to the central puzzle of supranational entrepreneurship. No respectable analyst would maintain that Monnet or Hallstein was *inherently* a more visionary or skillful a politician than contemporary national leaders like Harold Macmillan, Charles de Gaulle, Konrad Adenauer, Willy Brandt or Ludwig Erhard, or that Delors was more creative (or more Machiavellian) a tactician than François Mitterrand, Helmut Kohl, or Margaret Thatcher—many of whom emerged from the same political cultures. Political scientists, moreover, rightly view such explanations with some suspicion, because they tend toward tautology when applied empirically. With leadership potential ("creativity", "vision" or "skill") difficult to measure, supranational leaders may be deemed "strong" because they have been successful, rather than the reverse.

Despite its weaknesses, the "Monnet-Delors Factor" explanation is widely believed and worthy of testing. Four hypotheses can be derived from it. First, we should observe political creativity distributed asymmetrically—with strong supranational officials offering uniquely imaginative responses to political challenges. Second, the inability of national leaders to conceive of major initiatives and creative solutions to joint problems should impose a binding constraint on efficient multilateral negotiation, absent supranational intervention. Third, supranational intervention should be particularly prominent early in negotiations, when governments seek innovative solutions to open-ended problems, but may also play a secondary role later in negotiations, when "vision" is needed to develop creative "package deals."

Finally, proposals advanced by particularly "visionary" and "skillful" supranational officials—generally believed in the EC context to be Monnet in the 1950s, Hallstein in the 1960s, and Delors in the 1980s—should consistently be more successful than those advanced by "weak" leaders or national chief executives. <sup>32</sup> If they are truly powerful, their entrepreneurship should alter both the efficiency *and* the distributional outcomes of EC negotiations. <sup>33</sup> To avoid circularity (Is there any a priori reason to believe that Delors or Santer was a more skillful politician than less successful Commission Presidents Roy Jenkins and Jacques Santer, or Commissioners Raymond Barre, Leon Brittan or Neil Kinnock?) one simple test is the following: If the individual abilities of such leaders were causally important, they should be consistently more successful than others across multiple episodes; if their success was random, however, their success should not be especially likely to be repeated. <sup>34</sup>

## 2. The "Honest Broker": Impartial Mediation

A second general explanation focuses the impartiality of third-party mediation. In this view, supranational entrepreneurs wield power by mediating effectively among governments and advancing impartial compromise proposals based on uniquely reliable information about the nature and intensity of

national preferences.

Why might governments, with a strong incentive to understand the preferences of foreign governments, lack such information? Surely in the EC it is not for lack of opportunities for discussion. <sup>35</sup> If information is scarce, it must instead be, as Duncan Luce and Howard Raiffa maintain, because the strategic incentive to conceal information about preferences constitutes the “real” bargaining problem. <sup>36</sup> Governments may have an incentive to suppress compromise proposals, exaggerate the value of their concessions, and downplay the value they place on gains in order to enhance their bargaining power.

Again the central puzzle arises: Why should supranational officials enjoy a comparative advantage as mediators, as compared to, say, third-party national governments? One common answer is that supranational mediators can be expected to act with greater impartiality—a general claim taken up in the EC literature. Monnet maintained that the “disinterested” quality of supranational actors permitted more effectively promotion of European ideals. <sup>37</sup> This is one interpretation of the neo-functional assertion that “only...institutions representing the ‘general interest’ are in a position to mediate between the national viewpoints effectively.” <sup>38</sup> Giandomenico Majone and others have recently extended this argument, analogizing the EC Commission to US judges and regulatory bureaucracies. <sup>39</sup> Yet this is not entirely convincing. As an empirical matter, comparative studies of “two-level games” in international negotiations have revealed few circumstances under which the leaders of advanced industrial democracies attempt to or succeed in disguising their preferences. <sup>40</sup> Shared interests and democratic openness offer many opportunities to discover the relative intensity of preferences and to locate opportunities for mutually beneficial linkage. And even if governments do withhold vital information, moreover, it is unclear why a third party, let alone a supranational one, should be able to elicit it. Parties with an incentive to withhold information from one another will have a similar incentive to withhold information from a mediator—absent discretionary powers on the part of the mediator. <sup>41</sup> Finally, why should supranational officials be more disinterested mediators than third-party national governments? Most studies of international mediation focus not on supranational actors, but on mediation by other national governments. <sup>42</sup>

This view is in fact confirmed in recent empirical studies of entrepreneurship within the EC itself—though this is not always acknowledged by the analyst. A recent study of European high-technology cooperation reveals, for example, that entrepreneurship is as likely to be provided by governments as supranational officials. Though presented as evidence of the importance of entrepreneurship by EC officials, the data reveals a *negative* correlation between supranational entrepreneurship and successful negotiation but a strongly *positive* correlation between national entrepreneurship and success. <sup>43</sup>

Despite theoretical weaknesses, the “honest broker” view is widespread enough to merit rigorous testing. Four hypotheses follow from it. First, governments should refuse to share information about their preferences with each other, but should view supranational officials as impartial. Second, interstate agreement should be constrained by the resulting asymmetrical distribution of information. Third, Commission officials should therefore be uniquely able to mediate effectively, particularly close to the end of interstate negotiations when final compromises are struck; the less flexible Parliament and Court are not suited to the task. Fourth, the Commission should be particularly influential where distributive

conflict is severe and incentives to withhold information are correspondingly high, as in CAP negotiations and perhaps also the Maastricht negotiations over EMU; the EMS and, even more strikingly, the SEA involved much less distributional conflict.

### 3. *“Europe’s Champion”*: Symbolic Legitimation

A third general explanation for successful supranational entrepreneurship, stressed particularly in scholarship on international law and integration, rests on the ideological legitimacy of international officials. Peter Haas and Emanuel Adler argue that normative ideas “may take root in an international organization” and thereby be used by officials in “epistemic communities” to “legitimate package deals.” [44](#) International lawyer Thomas Frank treats the legitimacy of international institutions as a function of normative acceptance of the procedure that gave rise to them; we should thus expect the Parliament and Court to be strengthened by their association with democratic and “rule of law” legitimacy. [45](#)

Yet the “Europe’s Champion” explanation encounters difficulties answering the central puzzle of supranational entrepreneurship. Some argue that international officials are treated as spokespersons for the common good; in the EC, they alone authoritatively “speak for Europe.” [46](#) There is, however, little independent reason to accept such a claim. Surely leaders like Konrad Adenauer, François Mitterrand, and Helmut Kohl, not to mention nearly every post-war Italian or Belgian prime minister, have successfully invoked European symbols and rhetoric. Many publics appear more susceptible to nationalist appeals; in no country in Europe has “European” identity superseded national identification. [47](#) Indeed, those who espouse most publicly the need for democratic legitimation of the EC, namely members of the European federalist movement and the Parliament, have been relentless critics of the EC for four decades, precisely because its “democratic deficit” is blatant. [48](#)

Still, the “Europe’s Champion” view is widely held and generates clear hypotheses worth testing. First, supranational officials will be generally recognized as more legitimate than governments, due to their ability to invoke European or democratic rhetoric and symbols. Second, interstate bargaining will be decisively constrained by the inability of governments to link legitimate symbols with specific policy proposals—a particular liability in securing parliamentary and popular ratification. Third, many major proposals should come from the Court and Parliament. Governments should approve such proposals even when they clash with substantive interests. Fourth, supranational influence should be greatest where belief in European and democratic ideals is strongest. One plausible prediction is that we should observe a secular increase in supranational influence over time, focusing particularly on Germany, Italy, Belgium and other “federalist” countries.

### 4. *The “Triumph of Technocracy”*: Policy Expertise

A fourth general explanation for supranational influence rests on the generation and manipulation of scarce technical and legal knowledge. Negotiation analysts assert that intermediaries can best propose new technical and institutional solutions if they are experts. [49](#) The literature on “epistemic communities” places supranational actors at the center of an institutionalized network of knowledge-based experts, whose international leaders construct “domestic and international coalitions in support of their policies.” [50](#) The Chayes and Chayes emphasize that supranational officials often provide politically influential expert reports and exploit their position at the center of “interpretive communities” to drive cooperation beyond the initial intentions of governments. [51](#) “Technical competence,” Lindberg argues,

"ensures that [Commission] proposals command the serious attention of the member governments." [52](#)

Why, according to the “Triumph of Technocracy” view, do supranational actors enjoy a comparative advantage? Some argue that economies of scale in producing information and expertise favor a centralized international technocracy—a view consistent with Haas’s initial more technocratic brand of neo-functionalism. [53](#) Some argue that information is a public good whose full benefits are not internalized to any given government; a single designated provider is required to avoid undersupply. [54](#) Regime theorist Oran Young argues that constant involvement in everyday matters affords supranational officials greater technical knowledge concerning specific proposals and greater skill at “inventing institutional options”—a key tactic of successful international entrepreneurs. [55](#) “It is no coincidence,” Chayes and Chayes argue, that that most successful international regimes are not simply a collection of passive rules, but are “are operated by substantial, well-staffed, and well-functioning international organizations”, which tend to have “secretariats with [seats], specific locations . . . identifiable resources and personnel with defined roles.” [56](#)

Yet these responses to the central puzzle of supranational entrepreneurship remain a priori unconvincing. The EC Commission, Parliament and Court have only a few thousand officials, few particularly expert—many thousands of times fewer than European governments—and possesses little tax revenue or national scientific and legal establishment. Commission and Parliament studies and expert reports are generally based on official meetings at which experts from national governments are almost present, often as major providers. The intergovernmental Council of Ministers has long sponsored more expert meetings than the supranational Commission. [57](#)

Still, the “triumph of technocracy” explanation is sufficiently widespread to merit empirical testing. It generates a series of distinctive hypotheses. First, supranational bodies should enjoy access to technical and legal information and analysis unavailable to governments. Second, interstate bargaining will be constrained by a lack of national technical expertise, which inhibits governments from formulating or assessing technically or legally competent proposals, particularly during early stages when problems are identified and precise policy options developed. Third, supranational actors should thus emerge as the primary source of reliable technical and legal proposals, which should be accepted without question by member states. If scientific expertise is critical, the Commission, the EC’s regulatory bureaucracy, should play a dominant role; if legal expertise is critical, either the Commission or the Court could assume such a role. Fourth, supranational actors should be particularly influential in areas of great technical and legal complexity and little distributive conflict. On the first criterion, Commission influence would be strongest in agricultural and monetary issues, as well as some SEA non-tariff barrier issues. On the second criterion, Commission influence would be strongest in the Treaty of Rome, EMS and SEA negotiations.

### *5. The Two-Level “Network Manager”: The Primacy of State-Society Relations*

Although widely held, each of the four interstate explanations examined encounters surprising difficulty identifying an informational or ideational comparative advantage of supranational actors—even in the abstract. . Theories stressing political vision, impartiality, symbolic legitimation, and policy expertise are prima facie plausible, yet closer examination reveals few reasons why EC member governments should themselves be unable or unwilling to manipulate ideas and information in order to initiate, mediate, and mobilize.

A fifth, “two-level” explanation of supranational political entrepreneurship seeks to overcome this theoretical weakness by relaxing the assumption of the unitary, rational state and directing our attention instead to the ways in which supranational actors might help overcome domestic and transnational collective action problems.<sup>58</sup> The greater number, complexity, and institutional embeddedness of social interactions at the domestic level give us good reason to believe that such intrastate collective action problems will be many orders of magnitude greater than those arising at the interstate level—a point to which I shall return in more detail in the final section of this paper.

In the two-level view supranational actors exploit information and ideas drawn from expertise, experience, and contacts in regulatory policy-making to propose new initiatives. While in this view the supranational actor draws on some qualities mentioned in interstate theories—notably creativity and policy expertise—successful entrepreneurship results not from influence over the distribution of information and ideas among states, but from superior ability to coordinate such information and to manipulate it in order to influence over the distribution among domestic societal and bureaucratic actors.<sup>59</sup>

In the two-level view, there must be bias or inefficiency in the domestic or transnational coordination of information and ideas such that important latent interests remain underrepresented by national leaders, even though leaders and important groups would support the objectives in question if they were informed of them. Domestic and transnational societal interests may remain latent for one or more of three reasons, which I term respectively organization, representation and aggregation failure.

- Organization failure arises when interested and potentially powerful social groups fail to organize, leaving governments uninformed about desirable international agreements. Theories of collective action suggest that it is often costly for interested individuals must identify one another, coordinate their activities, resolve disputes among heterogeneous interests (without recourse to legitimate authority), and prevent free riding.<sup>60</sup> The costs tend to be highest where potential societal supporters are geographically dispersed, extremely numerous, substantively heterogeneous, or inconsistent with existing institutions and cleavages.
- Representation failure arises when biases in domestic governmental institutions underrepresent favoring cooperation. This is most likely to occur when groups traditionally opposed to cooperation have captured and monopolized relations with key domestic bureaucracies, then block consideration of policies that the government might accept if informed or pressured by a broader range of interests. Such classic “iron triangles” are likely to be disrupted by strong pressure from above and/or below. A variant on representation failure occurs when national leaders are inhibited from making proposals for fear of retaliation from powerful domestic interests, but would accept a proposal that permitted them to “scapegoat” a supranational actor.<sup>61</sup>
- Aggregation failure arises when bureaucratic and parliamentary procedures block the emergence of a coherent national position. While every EC member state has a high-level committee, sometimes even a ministry, to coordinate European affairs, these coordinating bodies are not always in a position to promote proactive policy innovations. This is true particularly if issues are highly technical, unprecedented in past negotiations, or constitute a package deal under the administratively fragmented control of many ministries. *As a whole* states may possess the technical information, experience, and interest group contacts needed to promote cooperation, yet no single set of officials has access to them all, leaving national leaders unaware of proposals they

would otherwise support.

What gives international officials an entrepreneurial comparative advantage? One reason is that small size, generalist mandate may permit a supranational institution to coordinate itself more effectively than a state. <sup>62</sup> Another is their relative centralization and their lack of direct democratic controls, which insulate them from interest group pressure. Supranational actors also may have access to a wider international network of societal groups.

The two-level “network manager” approach generates four testable hypotheses. First, obstacles to informational transfers within governments and domestic polities are severe, leaving national leaders unaware of viable proposals backed by latent coalitions, whereas supranational actors may have a greater knowledge, due to their experience with everyday policy-making. Second, the efficiency of interstate bargaining is decisively constrained by the inability of governments to locate viable proposals and societal support—especially in assembling “package deals.” Third, international officials influence negotiations by disseminating information and ideas in such a way as to represent or mobilize latent interests not currently represented by governments, particularly during early stage of negotiations when the salience of issues is low.<sup>63</sup> Given its links to societal actors, the Parliament should be as effective as the Commission; the Court, with its limited flexibility in promoting issues, is more likely to play a secondary role.

Fourth, supranational entrepreneurship is likely to be particularly important where favorable societal interests are undermobilized. We most likely to observe this where rapid economic or political change leads to the emergence of new, previously unrepresented societal interests, transnational coordination is required, and cross-issue “package deals” among heterogeneous issues are necessary. <sup>64</sup> We should, therefore, observe the strongest supranational influence in the case of the SEA: a highly technical “package deal” backed by a new, transnational constituency of multinational firms, not in the other four major decisions involving tariff, agricultural and monetary issues, where interest groups and government bureaucracies had already been mobilized through domestic responsibilities or prior international negotiations. Over time, it is only in exceptional circumstances—where issues are novel, constituencies unorganized, and governments mired in old policy modes—is there likely to be a relatively brief disequilibrium where a “window of opportunity” opens for supranational actors. As networks of officials and social groups adjust, the system returns to equilibrium and governments reassert their customary entrepreneurial role. Supranational entrepreneurship would be futile, even counterproductive. <sup>65</sup> Leading EC entrepreneurs should enjoy brief success and longer periods of failure.

## II. Entrepreneurship and European Integration: The Empirical Record

The five most important intergovernmental negotiations in EC history are appropriate cases to test these competing views. By focusing on these major treaty-amending decisions—rather than “everyday” legislative processes, where EC supranational actors enjoy formal agenda control or voting rights—we isolate the informal power of EC supranational institutions. Moreover, these are “critical cases” in that EC Commissioners, parliamentarians, and judges are powerful by the standards of international secretariats and are reputed to be extremely influential. If informal entrepreneurs influence policy anywhere in world politics, one might expect it to be here.

One critical caveat before we continue: Space limitations preclude presentation of the case entire of each decision; for this the reader is referred to a book-length study of these five decisions. The book explains the preferences assigned to governments and the asserted efficiency of the negotiations, documents them with reference to primary sources, and develops the alternative, intergovernmental theory of bargaining outcomes—grounded in Nash bargaining solution with entrepreneurship endogenous—that serves as a null hypothesis here. <sup>66</sup> Here, in all cases except the SEA I simply sketch the apparent success of supranational efforts at initiation, mediation, and mobilization, keeping the hypotheses above in mind. In case of the SEA, I provide a slightly more detailed evaluation of the hypotheses. In all cases, however, these empirical vignettes are meant to be illustrative, not definitive.

### A. The 1950s: Negotiating the Treaty of Rome

In negotiations conducted between 1955 and 1957, Belgium, France, Germany, Italy, Luxembourg, and the Netherlands agreed to sign the Treaty of Rome, which scheduled elimination of internal tariffs, created a common external tariff, framed an agricultural policy, and established quasi-constitutional institutions. <sup>67</sup> Subsequent analysts and participants considered the successful outcome efficient, with no obvious gains “left on the table”; if anything, the Treaty was fortuitous, even overambitious, containing considerably more than was expected to be implemented. What was the role of international officials?

Jean Monnet—the French man whose advocacy of the Schuman Plan for a European Coal and Steel Community (ECSC) resulted in his being named the first president of its supranational High Authority, the predecessor of the EC Commission—has long been credited with having given decisive impetus to the Treaty. He and associates linked with the ECSC advanced proposals, organized Socialist politicians and labor leaders into the “Action Committee for Europe,” and coordinated French and German ratification. <sup>68</sup> Recent historical research reveals, however, that Monnet’s interventions were redundant and futile, even counterproductive. <sup>69</sup> There was no evidence of interstate asymmetries in the distribution of ideas and information, nor of a systematic inability of governments to act as effective entrepreneurs.

*Initiatives* were plentiful. During the 18 months before the start of negotiations, dozens of new schemes, one foreign minister observed, were “springing up like mushrooms.” <sup>70</sup> The main proposals behind the EEC came from German and Dutch politicians. Monnet, believing in state intervention and misreading French politics, promote an atomic energy institution called Euratom, while secretly urging German Chancellor Konrad Adenauer, French President Guy Mollet, and other European chief executives to dump the EEC. This effort was blocked by German officials. Monnet had backed the wrong horse; by the end of the negotiations even its strongest supporter rightly realized that Euratom was a “moribund” organization. <sup>71</sup>

Governments proved quite capable of unmediated negotiation or decentralized *mediation*. Key compromises were struck among national leaders, particularly between Adenauer and Mollet, occasionally with the assistance of the Belgian and Dutch Foreign ministers, Paul-Henri Spaak and Willem Beyen. Monnet was not viewed as impartial; his federalist beliefs were seen as a political liability by successive governments in France—the only country in which ratification was called into question..

The strongest claims for Monnet’s influence involve his efforts at *mobilization* of social groups, yet these too were ineffective. Rather than mobilizing business groups, farmers, and conservative parties, whose

support was decisive in each country and many of which were already mobilized transnationally, he deliberately focused on “disinterested” groups—notably Socialist and union leaders. The Action Committee’s major proposal—a ban on the military use of nuclear power linked to Euratom—was rejected by France. Leaders of the German SPD, whose pro-European stance is often presented as a triumph for Monnet, concluded that the Treaty had “sacrificed the central core of the Committee’s resolution on Euratom [thus endangering] the whole raison d’être of the Committee.” <sup>72</sup> Monnet’s intervention to coordinate French and German ratification changed nothing: both governments had colluded to expedite ratification for nearly a year and the resulting majorities were comfortable.

## **B. The 1960s: Creating the Common Agricultural Policy**

The 1960s witnessed the establishment of the customs union and common external tariff ahead of schedule and agreement on difficult and divisive details of the agricultural policy over eight years of nearly continuous negotiations. <sup>73</sup> Subsequent analysis and participant testimony suggest that bargaining was efficient, with no potential agreements “left on the table.”

The 1960s have long been portrayed as the “golden age” of the Commission, upset only by de Gaulle’s unilateral assertion of a veto in the “Luxembourg Compromise” of 1966. Leading analysts attribute this to the tireless entrepreneurship of Walter Hallstein, the first President of the Commission, and Sicco Mansholt, the powerful agricultural Commissioner. Leon Lindberg asserts that the Commission “guided the [CAP] negotiations” and that “the final regulations do not differ markedly from [its] initial proposals.” <sup>74</sup> Yet properly controlled analysis reveals that the Commission’s activities were unnecessary and ineffective, even pernicious.

The Commission’s efforts at *initiation* were unsuccessful. With few officials and little technical expertise, Hallstein and Mansholt enjoyed no privileged access to information or ideas. In the CAP Commission officials found it “increasingly difficult...to follow the intricate threads of the systems of market organizations designed by [national] technocrats, who were constantly finding new ways of enabling compromises to be reached.” <sup>75</sup> With the exception of some minor technical details, all successful agricultural and tariff proposals were either contained in the Treaty of Rome or initially proposed by one (or more) member governments. Unique Commission proposals—most approximated the position of the Netherlands, where Mansholt had been Minister of Agriculture—were uniformly ineffective. To be sure, the Commission proposed and drafted many of the final proposals. Yet in nearly all controversial cases, the final proposals ran contrary to the Commission’s initial proposals; only policy reversal by the Commission preserved its involvement. Whenever the Commission failed to do the bidding of major nation states, national proposals were immediately advanced.

This is clear from the outcome. The Commission’s major goal throughout—quite plausibly in the technocratic “general interest”—was a market-oriented, externally open, narrowly circumscribed and centrally administered system of agricultural support with low support prices. It never received serious consideration. The resulting CAP was (on all controversial matters) the precise opposite of what the Commission sought: a high-subsidy, high-priced, externally protected, internally universal and administratively decentralized policy. In sum, another Commissioner recalled, “a straight defeat for Mansholt.” <sup>76</sup>

*Mobilization* proved irrelevant. Though many wrongly attribute their emergence to Commission actions

over a decade later, European-level business and farm groups had already formed by 1949. Even so, transnational cooperation broke down over the major issue—agricultural prices—in which national farmers had competing interests. [77](#)

The Commission was not viewed as an impartial or effective *mediator*. Critical decisions were taken at frank summit meetings between French President Charles de Gaulle and successive German Chancellors. At decisive moments Commission officials revealed an astonishing lack of political judgment. In 1965, Hallstein, incorrectly believing that earlier successes had been due to the Commission's influence, challenged de Gaulle by seeking to link the CAP agreement to centralized financing—ignoring consistent warnings from better-informed Commissioners, both French and German. De Gaulle responded with a six-month boycott by France (the "empty chair crisis") that threatened to break up the EC and ended in total defeat for the Commission. Commission representatives were banished, the "Luxembourg Compromise" authorized an extra-legal veto when "vital interests" are at stake, and Hallstein was forced to resign. As predicted, Hallstein appeared to enjoy "success" for a number of years, then failed spectacularly. Chance, not political vision, appear to best explain his achievements.

### C. The 1970s: Founding the European Monetary System

The European Monetary System (EMS), founded in 1978-79, established an adjustable peg exchange rate regime among a core of EC member governments. Like previous postwar European monetary arrangements—the European Payments Union, informal relations under Bretton Woods, and the "Snake" from 1973 to 1979—the EMS was an effort to stabilize exchange rates on the basis of an uneasy compromise between German demands for low inflation and French demands for greater stimulation. In each arrangement, tight constraints on German compromises imposed by the Bundesbank and public opinion induced a Nash bargaining outcome closer to the German ideal point. [78](#) Subsequent commentators and participants agree that the EMS agreement was efficient; no gains were "left on the table." Each national leader—German Chancellor Helmut Schmidt, who was opposed by the Bundesbank, French President Valéry Giscard d'Estaing, who was opposed by Gaullist coalition partners, and British Prime Minister James Callaghan, who was opposed by both business and the left wing of the Labour Party—stretched domestic constraints to the maximum. [79](#)

Decentralized *initiation* worked well. During the decade preceding the founding of the EMS, economists, ministers, central bankers and chief executives advanced over a dozen proposals for monetary integration. The most important—the Werner Report of 1969 and Snake—had been drafted entirely by national politicians. Schmidt and Giscard, the chief executives of the two largest and most influential EC countries, initiated the EMS negotiations. To be sure, President of the Commission Roy Jenkins consulted on the Schmidt-Giscard initiative and, before it was launched, gave speeches in favor of monetary integration. Yet Jenkins himself later dismissed his own contribution to the 1978 Franco-German proposals as accounting for less than 25% of the outcome; even this assessment seems exaggerated. Peter Ludlow's definitive history concludes Jenkins was simply "lucky that events appeared to point in the same direction as his own arguments." [80](#) His only distinctive proposal was a plan for massive redistribution from richer to poorer countries; it never received even the slightest serious consideration.

The negotiations were successful despite the near-total lack of third-party *mediation*. Chief executives possessed adequate technical and political information, and interacted through personal representatives

and small teams of national experts.

*Mobilization* of social groups was not only absent and unnecessary; its presence would have been counterproductive. Both Schmidt and Giscard were primarily concerned to dampen involvement by social and bureaucratic actors, in particular the Bundesbank in Germany and partisan opponents in France. With this in mind, they negotiated in secret, eschewed formal EC channels, employed personal representatives, and deliberately created the system through a "resolution" of the European Council—a soft-law agreement rather than a hard legal commitment, such as a formal revision of the Treaty of Rome. Schmidt and Giscard subsequently contended that such tactics were decisive. [81](#)

Schmidt and Giscard did skillfully manipulate European ideology to dampen domestic discontent. To disguise a major French concession on the nature of obligations to adjust required to satisfy the Bundesbank, for example, Schmidt and Giscard staged a grand ceremony at the throne of Charlemagne in the cathedral of Aix-la-Chapelle (Aachen) designed to evoke memories of the celebrated meeting between Adenauer and De Gaulle at Reims nearly two decades before. "Perhaps," declared Giscard afterwards to the press, "when we discussed monetary problems, the spirit of Charlemagne brooded over us, while Schmidt...waxed uncharacteristically about "our old and dear continent." [82](#) In private, neither of these two political cynics had much respect for EC officials or supranational ideology; the Commission, Schmidt once snapped, "could not run a local bus system." Confidential strategy documents drafted by Schmidt leave little doubt that his use of ideology in the EMS negotiations was deliberate ideological cover for the pursuit of German economic interests. [83](#)

#### **D. The 1990s: The Maastricht Treaty on European Union**

The Treaty on European Union, agreed at Maastricht in early December 1991, set forth a schedule for the transition to Economic and Monetary Union (EMU). [84](#) It also set forth a more explicit institutional grounding for foreign and interior policy, slightly greater powers for the European Parliament, a modest expansion of qualified majority voting, and a social policy from which Britain initially opted out. With one minor exception, the negotiated outcomes appear to have been Pareto-efficient, both domestically and internationally; subsequent commentators have not suggested that viable agreements were "left on the table." The bargaining outcomes were tightly constrained by national preferences, which in turn rested on justified worries about domestic ratification—more justified, even, than they seemed at the time.

Delors has been given much credit for the success of the Maastricht negotiations, not least because of his role in 1988-89 as chair of the Delors Committee, a group of central bank presidents that recommended monetary union. George Ross characterizes a view shared by Kenneth Dyson, Charles Grant and many others when he argues that Delors influenced "all the EMU levers which mattered" and played a decisive role by promoting EMU. [85](#) Yet the properly controlled analysis of the historical record reveals little evidence for this view. There were few apparent asymmetries or bottlenecks either in information and ideas or entrepreneurship.

*Initiatives* were plentiful. Many governments (as well as numerous subnational groups and domestic institutions such as the Bundesbank) circulated detailed proposals—even complete draft treaties—in monetary and political areas. The country most interested in EMU, France, advanced the earliest and most detailed proposals for EMU, as well as many proposed revisions. Commission submissions arrived

late and in any case “had to share the table with the almost infinite number of similar papers from member states... hardly enough to make them stand out.” <sup>86</sup> Parliamentary reports were dismissed without discussion unless they tended to follow preexisting national proposals; exceptions were minor. <sup>87</sup> The Court played no role. In short, the range of proposals imposed no constraints on negotiators. <sup>88</sup>

Turning from initiation to *mediation*, the Delors Report, the blueprint for EMU issued by the Delors Committee under his chairmanship, is often seen as a personal triumph. A Delors associate observed, “there was not a phrase in the final report that [Delors] did not author.” Ross calls the outcome “a Delors designer product.”

This inference conflates activity and influence. Delors did much drafting, but his role was that of a coordinator and rapporteur, not an initiator. Even Delors’ closest assistant describes his contribution as “correcting” sentences and numerous members of the Delors Committee could recall no significant proposal that Delors either proposed or vetoed. <sup>89</sup> The report was in fact extremely cautious, even more so than the 20-year old Werner Report from which most provisions were taken. Concerned to avoid a breakdown, Delors refused to press the central bank presidents, in particular Bundesbank President Karl-Otto Pöhl, on a timetable for the transition to monetary union, perhaps recalling the failure of the member governments to meet the 10-year deadline proposed in the Werner Report. Insofar as the committee was manipulated by anyone to achieve a particular result by anyone other than central bank presidents, it was Kohl and Mitterrand, who did so *before the Committee met*. They induced Pöhl to participate, then fixed the mandate of the committee to induce a relatively positive outcome. Once the structure was set, even Pöhl immediately recognized that the outcome—approval of EMU under Bundesbank preconditions—as inevitable; the discussions were secondary.

Delors, backed by the Parliament, subsequently sided on EMU with France and Italy against German proposals for an autonomous central bank, explicit convergence criteria, two-track membership, and, later, controls on domestic macroeconomic positions. This endeavor was fruitless, but led him to criticize Kohl heatedly. Nearly all these issues were resolved, as they had been in all previous EC monetary negotiations and would continue to be in the future, in favor of the German position. Delors later termed his complete inability to influence the distributional outcome on EMU his “greatest surprise” of the negotiations. <sup>90</sup>

Delors, skeptical of further political integration, initially remained aloof. Effective mediation, where required, was provided by the rotating Council Presidency, held successively by Italy, Luxembourg, and the Netherlands, backed by a team of less than a dozen officials in the Council Secretariat. Even the government of the smallest EC member state, Luxembourg proved quite capable of managing efficient negotiations over complex issues. There is no evidence of informational or ideational asymmetries; at almost no point in the Maastricht negotiations over EMU does the Commission appear to have possessed technical information unavailable to national central banks, finance ministries, and chief executives—suggesting that the transaction costs of EC bargaining are very low compared to the interests and resources of national governments, even that of the EC’s smallest state.

Faced with clear momentum toward agreement, Delors reentered the negotiations, but was treated with suspicion by those who believed it was concealing information. <sup>91</sup> Three months later, Delors and his associates, misreading the rhetoric of various governments with negotiations on the verge of success, encouraged a radical Dutch proposal for a completely new Treaty. In an unprecedented step, the member

states immediately voted 11-2 not to consider it at all—thus suggesting that greater Commission involvement could have made little difference. Delors continued to voice shrill criticisms of the Treaty as "organized schizophrenia" and the negotiation as "a real nightmare"—but had to support it. <sup>92</sup> Only on a few secondary issues—the legal form of social policy, financing for poorer countries, the rear-guard defense of preexisting Commission prerogatives—did mediation by Delors appear to have been effective. <sup>93</sup>

Throughout, the *mobilization* of social groups was conducted primarily by governments, whether through direct discussion with chief executives, government statements, or debates over ratification. The Commission publicized the advantages of EMU through various reports, but no commentators accord these reports a decisive role; they were widely criticized as biased. In any case, monetary integration had been debated in more or less the same legal and technical terms for 25 years—shifting national preferences toward low inflation, not accepted by the Commission, aside. Subsequent controversy over ratification suggests in any case that greater social mobilization might well have been counterproductive.

### **E. The 1980s: The Single European Act**

In striking contrast to the four cases above, supranational entrepreneurs had a significant—if still secondary—influence on the SEA. Signed in 1985, the SEA extended qualified majority voting (QMV) and, to a limited extent, the norm of “mutual recognition,” to the removal of non-tariff barriers (NTBs) under Article 100 of the Treaty. This was closely linked to the “Europe 1992” White Paper package of nearly 300 proposals designed to help create a “single market.” The initiative was a response to widespread worry about European competitiveness, newfound domestic commitment among most governments to domestic macro- and microeconomic reform, and rising concern about non-tariff barriers in agriculture and industry, which led to a convergence of national interests among major European countries in favor of liberalization. <sup>94</sup>

Despite the convergence of national interests, the SEA is generally attributed in large part to the innovative leadership of Delors and his Internal Market Commissioner Arthur Cockfield. The venerable European federalist Altiero Spinelli and his colleagues in the European Parliament are also said to have contributed a necessary idealistic impetus. The Court, some argue, provided a “focal point” by promulgating the norm of “mutual recognition” in the 1979 *Cassis de Dijon* case. The conventional view is that supranational activism was a necessary, even decisive, precondition for agreement. <sup>95</sup>

Properly controlled analysis reveals a much more limited, though perhaps still significant role for supranational officials. To be sure, the general direction of any successful *initiative* was narrowly constrained by national preferences. In the preceding decade, momentum toward internal market liberalization was visible in nearly all possible forums, whether unilateral, bilateral (Franco-German), *ad hoc* multilateral (Schengen), and global multilateral (GATT Tokyo Round). When Delors toured the EC capitals before entering office, he found that only an initiative to liberalize the internal market commanded widespread support; no support existed for monetary integration, institutional deepening, or defense policy—Delors’ own preferred reforms. <sup>96</sup> (Delors was to continue his futile promotion of monetary cooperation for nearly a year—though he also pursued the single market agenda.) The major substantive focus of the reform was narrowly circumscribed by national preferences: Any single market initiative would have to combine relaxation of phylo-sanitary regulations, of particular interest to French business; restrictions on cross-border service provision for the British; streamlined customs formalities

for Benelux and Germany; and harmonized industrial standards, of particular interest to many. [97](#)

Nor did the Commission and Parliament have much choice concerning institutional changes—despite subsequent claims to the contrary. Effective internal market liberalization required institutional changes to make the commitment credible. QMV had been the traditional EC means of doing so. Given two decades of failed discussions of harmonization and persistent abuse of the national treatment standard, moreover, the only other institutional step to promote liberalization would be “mutual recognition.” The ECJ’s promulgation of a norm of “mutual recognition” in the celebrated *Cassis de Dijon* case was not, as some analysts have conjectured *ex post*, a *constructed* “focal point,” but the only remaining institutional form consistent with the substantive goal. (Similar forms of liberalization had been proposed earlier—e.g. “minimal harmonization”—but had received little support from national governments. Indeed, *Cassis* was a retreat from previous, more rigorous norms.) At most, nearly all analysts now agree, the *Cassis* decision speeded Commission action slightly. [98](#)

The most prominent proposal emanating from the European Parliament, a “Draft Treaty” containing a wholesale revision and democratization of the Treaty of Rome—a plan with tremendous ideological federalist and democratic legitimacy, not least from the support of the venerable Spinelli—was judged irrelevant to the member state concerns and was essentially ignored. Parliamentary groups were from thereon excluded; the Parliament threatened to veto the final treaty, only to back down.

Still, Commission and Parliament activism may have increased the efficiency of the agreement by expanding its substantive scope and increasing its salience. At the national level, the preceding five years had seen general interest and scattered proposals for market liberalization, service deregulation and reduced customs formalities. Integrated proposals came primarily from the most interested country, namely Britain, but they did not catch on. It seems unlikely that an agenda of the breadth of the White Paper—a “single market” as a goal—would have emerged as quickly or as thoroughly without ongoing encouragement and assistance from the Parliament and Commission, as well as Council officials. Only the Commission and certain groups within the Parliament succeeded in integrating a series of disparate technical proposals into a unified “single market” plan, linked that plan to appropriate institutional reforms, and promoted the result as a solution to the problem of European economic stagnation. In sum, the SEA was *the only major treaty-amending agreement in EC history where member governments failed to advance and discuss detailed proposals close to the final agreement concurrently with or prior to supranational entrepreneurs*.

Little evidence suggests that this sort of innovative entrepreneurship required the particularly sound political judgement or creativity of exceptional individuals like Delors and Cockfield, though their decisiveness surely speeded reform. Individual proposals in Cockfield’s White Paper required little technical or political creativity. The White Paper contained only general topics, but little technical detail. Many of its proposals had been debated in one form or another in the Council of Ministers for a decade or more; Cockfield found most of them, one official recalled, in “the desk drawers of Commission officials.” Delors himself only slowly reconciled himself to internal market reform, for a long time favoring other issues. His decision to impose a deadline, the year 1992, was not an act of particular vision, as many claimed later. Deadlines had been linked to nearly all major EC reform proposals, successful and unsuccessful. (Indeed, Monnet advised that deadlines should *never* be used, as they create unrealistic expectations.) [99](#) Numerous earlier single market proposals by the Commission, parliamentarians, and business contained similar deadlines. Overall, Delors’ career pattern of success

then failure, like that of Hallstein and Monnet, suggests that success gained them a reputation for political vision as much as the reverse. [100](#)

Instead effective entrepreneurship appears to have been, as the social network manager explanation predicts, a characteristic of institutions rather than individuals. Commissioners with relevant portfolios and parliamentarians with close links to business, we have seen, consistently pushed similar single market reform packages well before Delors and Cockfield took office in 1985. The Commission first proposed a regulatory liberalization package (the “General Programme for the Removal of Technical Trade Barriers”) in 1969; it was pursued for more than a decade and resulted in over one hundred directives. After 1981, Karl-Heinz Narjes, Cockfield’s predecessor, developed a program for internal market liberalization. By 1984, he had secured agreement for a common customs form, a stand-still agreement on non-tariff barriers, and creation of a special Council to discuss internal market matters. Further measures were under consideration.

The Parliament had been similarly active since the late 1970s. A group of British and Dutch Europarliamentarians formed the “Kangaroo Group” in 1981, which organized big business in support of NTB removal. The Kangaroos supported many of Narjes’ liberalization proposals and added some of their own. A Parliamentary Report in 1983 coined the phrase “the cost of non-Europe”—foreshadowing later Commission publicity campaigns. [101](#)

The Commission and Parliament served also to *mobilize* transnational coalitions of exporters and multinational investors. Between 1979 and 1984, Etienne Davignon, an industrial policy Commissioner who had organized big electronics firms to gain support for EC R&D programs, encouraged multinational businesses to form the European Roundtable of Industrialists (ERT), which proposed various schemes for EC action. The ERT became a major supporter of internal market liberalization soon after national governments agreed to it. [102](#) Celebrated proposals from business, including the “Europa 1990” plan advanced in 1984 by Wisse Dekker, CEO of Philips, were worked out in close informal collaboration with Council and Commission officials. [103](#)

As a *mediator*, by contrast, the Commission served as little more than a classic secretariat. Key bargains were reached, unmediated, among national officials, ministers and chief executives, with Mitterrand, Kohl and Thatcher taking the lead and the Council of Ministers secretariat providing support. Successive national presidencies were critical. One commentator described Mitterrand’s entrepreneurship under the French Presidency in early 1994, during which he visited each national capital and eliminated the barriers to reform, as the act of a “one-man orchestra.” The Italian presidency deftly forced the issue at the Milan summit of 1985.

What explains the comparative advantage as political entrepreneurs enjoyed by the Commission and Parliament in the exceptional case of the SEA? Turning back to the concrete hypotheses derived from each explanation, we find little support for the predictions of any of the first four *interstate* explanations. The SEA and White Paper were not the work of particularly creative politicians, but of well-designed institutions. They were no more complex technically than other major initiatives, such as EMU or the CAP. Nor did supranational actors enjoy unique symbolic legitimacy among publics or elites; the SEA was largely an affair among national representatives and business. When member states excluded Parliament from the negotiations, its protests proved futile, its threats empty. Domestic elites and publics—an equally ineffective threat from the Italian Parliament aside—took no notice.

The historical record of the SEA negotiations appears instead to confirm the two-level “social network manager” explanation. It alone among major EC bargains involved precisely the sort of domestic coordination problems—organization, representation and aggregation failures—predicted by the “social network manager” explanation.

- *Organization failure* resulted from the lack of prior interest group formation among European multinational firms, the major concentrated constituency in favor of the SEA. Transnationally dispersed and a domestic minority in most countries, multinational firms remained largely unaware, even skeptical, of common interests and political possibilities. Before the 1980s, the links of multinational business to governments and to Brussels rested in large part on national peak or sectoral organizations in which multinationals were outnumbered, which in turn represented them in Brussels through a federation of national organizations (UNICE). [104](#)
- *Representation failure* resulted from the concentration of NTB removal in areas traditionally defended strongly by clientelistic relationships and “iron triangles” among state bureaucracies, party politicians, and sheltered economic interests. Issues like elimination of customs checks, deregulation of financial and telecommunications service, industrial standardization, harmonization of food processing regulations, and government procurement were highly political. Over the preceding two decades, ministries directly responsible for regulating such sectors often opposed liberalization.
- *Aggregation failure* was perhaps the most distinctive characteristic of the issues considered in the SEA. NTB removal was not entirely novel—Article 100 and 101 of the Treaty were there and the Commission had proposed detailed plans—but packaging numerous proposals as one integrated plan for a single market was new. From the perspective of any single domestic actor, be it a ministry or an interest group, the disparate elements of the White paper—service deregulation, elimination of customs formalities, phylo-sanitary regulation, industrial standardization and indirect tax harmonization—had nothing essential in common. Even if domestic ministries had been inclined to promote liberalization, no single domestic minister, official, or interest group had both the incentive and the knowledge to weld these elements into one package. Too detailed and technical for national executives, foreign ministers, or ministers of European affairs, the internal market had such low salience prior to the SEA that an insider recalls not a single Council meeting on such matters where any national minister attended, while low-level technical officials had little authority to negotiate. One of the first reforms secured by Commissioner Narjes was the creation of a special Council where relevant technical ministers could meet, thereby raising the bureaucratic salience of internal market liberalization.

This level of organization and aggregation failure, perhaps also representation failure, surpasses that found in the other four major EC decisions. Tariff reduction, monetary cooperation, and even agricultural policy coordination had long been on the agenda before raised in the EC; distinct ministries with long-standing prerogatives held clear responsibility. Agricultural and industrial groups, in which foreign commercial interests had great weight, had long mobilized consistently to support CAP and tariff removal. In monetary negotiations, there were clearly responsible domestic authorities—treasuries and central banks—with long experience with multilateral monetary negotiations. By contrast, the detailed nature and diversity of White Paper proposals meant that the special interests involved were narrower, more numerous, and far more diverse than those mobilized by tariff removal.

The two-level “social network manager” explanation explains, moreover, why supranational actors

succeeded in influencing the efficiency of negotiations, but not the broad distribution of gains. Supranational officials did not so much override national interest as activate it. Member states retained the ability to impose broad distributional constraints in the form of vetoes over broad areas of monetary and institutional, even social policy, reform favored by Commission officials like Delors. Smaller, marginal distributional issues, such as the opt-out for high standard countries, were handled in unmediated bargaining late in the negotiations, with governments aware of the alternatives. The informational and ideational power of supranational officials was thus limited to advancing innovative proposals and offering direct encouragement early in the negotiations in order to coordinate governments and societal actors not yet aware of possible agreements.

### III. Theoretical Conclusions: European Integration and Beyond

These findings suggest revisions to our theoretical understanding of European integration, the role of high international officials in multilateral organizations, and, most generally, transaction-cost explanations of international cooperation. Consider each in turn.

#### **A. Europe: Intergovernmental not Supranational**

These findings support an intergovernmental interpretation of EC negotiations, whereby the power and preferences of national governments determine the outcomes. Governments can and generally do provide entrepreneurial leadership at relatively low cost. Bold claims about supranational entrepreneurship that dominate recent research on European integration are greatly exaggerated. Entrepreneurship in EC negotiations is plentiful and generally imposes no constraint on negotiated outcomes—thereby assuring efficient bargains. National governments remained able and willing to act as entrepreneurs, nearly always rendering the efforts of international officials redundant, futile or counterproductive. The binding constraint on EC bargaining outcomes lies instead in the underlying demand for cooperation, that is, the societal purposes and relative power that states themselves bring to the negotiating table. The demand for cooperation creates its own supply. [105](#)

In their rare moments of effectiveness, supranational entrepreneurs were only able to promote efficiency, *nota* redistribution of gains. Such cases arose because they were uniquely able to intervene to promote domestic and transnational coordination by helping to mobilize new and previously unorganized domestic and transnational social actors, notably multinational firms, and by advancing packages of policy proposals that governments blocked by domestic coordination failures. This ability is an attribute of institutions not individuals, and follows from the superior administrative coherence, political autonomy, and centrality in transnational networks of supranational officials. This proved particularly significant where the EC was faced with a disparate “package deal” of new issues spanning many ministries and backed by previously unorganized transnational interest groups. [106](#) Yet such conditions tend to be rare and transient, for they result from disequilibrium conditions in which a new issue or series of issues interacts with a new, but mobilizable, constituency. Once the issue is raised and the constituency mobilized, equilibrium is reestablished, domestic coordination problems recede—and with them the distinctive power of supranational entrepreneurs.

Rare entrepreneurial success did not stem from the qualities of supranational entrepreneurs stressed in most existing analyses, namely the selection of particularly skilled political leaders, monopoly of

technical information, special aura of symbolic legitimacy, or reputation for impartiality. Little evidence exists of asymmetries that grant supranational actors privileged access to information and ideas. The spectacular failures of Monnet, Hallstein, and Delors suggest that supranational entrepreneurs are prone to systematic misjudgments. The observed processes and outcomes, in particular the circumstances and tactics in the SEA case, confirm instead the two-level “social network manager” theory, which focuses primarily on the rare ability of international officials to help overcome *intrastate* collective action problems.

This finding turns traditional explanations of supranational influence on their head. Such explanations, we have seen, are not simply empirically incorrect; they are often not even *prima facie* appropriate to EC negotiations, because they fail to explain the *comparative* advantage of supranational actors. Thus they elide the central puzzle of supranational entrepreneurship: With millions of diverse and highly trained professional employees, massive information-gathering capacity and long-standing experience with international negotiations at their disposal, why should national governments ever require the services of a handful of supranational entrepreneurs?

This failure is methodological as well as theoretical. Existing studies fail to advance falsifiable hypotheses or to test them against plausible alternatives. Demonstrating influence requires more than the claim that supranational actors were active and negotiations were subsequently successful in a given case. As we have seen, more explicit theory and methods across multiple cases lead to the opposite finding. Future studies of supranational entrepreneurship in the EC should control for the entrepreneurship of national governments, thereby identifying cases where the activities of supranational entrepreneurs were redundant; they should examine the underlying goals of states and supranational actors, thus identifying cases where supranational entrepreneurship is futile; and they should employ an unbiased sample rather than single cases, thus avoiding circular inference. [107](#)

## **B. Beyond Europe: Multilateralism and Entrepreneurship**

The implications of these findings go beyond Europe. The study of supranational entrepreneurship, we have seen, lies at the intersection of general theoretical literatures on international regimes, international law, regional integration, and negotiation. If the highly developed supranational entrepreneurs in the EC wield informal influence only rarely and never at the “system” level, we have reason to be skeptical of general claims in these theoretical literatures that entrepreneurs in other international organizations with secretariats, such as WTO, IMF, multilateral development banks, UN agencies, and environmental organizations. [108](#) The importance of domestic, rather than interstate, collective action problems offers a more fine-grained generalizable prediction worthy of broader investigation. In addition, the methodological criticisms advanced above—in particular the failure of studies to control for intergovernmental provision of entrepreneurship—apply broadly. Reconsideration of previously accepted empirical findings is warranted.

What is such a reconsideration likely to reveal? To what extent are the assumptions of the two-level “social network manager” valid beyond the EC? The assumptions underlying generalizations confirmed here suggest some reasons for caution. Supranational political skill, technical expertise, neutrality, and legitimacy may be relatively less important in the EC because the governments of advanced industrial societies in Europe command highly capable domestic administrations and active civil societies. Moreover, EC governments have conducted repeated negotiations under stable rules and practices for over forty years, whereas other international organizations incorporate nearly 200 nations with different

types of government, less sophisticated national bureaucracies, less modernized societies, and less continuity of substance or procedure. In such circumstances, interstate informational asymmetries may matter more and governments may be less competent to cope with it. One piece of evidence encouraging caution is the importance accorded “capacity-building” in recent studies of compliance, which suggests that not all governments are competent to assume leadership tasks. Systematic cross-regime research on international negotiation—an understudied area in international relations—is required to assess the domain of these empirical generalizations. [109](#)

### C. Broader Implications: Is International Bargaining Really So Costly?

At the most fundamental level, this study challenges the assumption, central to modern theories of international cooperation, that interstate bargaining is a costly activity. Whether regime theory, international legal studies, negotiation analysis, or integration theory, the most prominent general theories of international cooperation rest on the notion that efficient interstate bargaining is costly. [110](#)

This is true not only of the application of coercive force; even within peaceful negotiations over international cooperation, commonly observed among OECD member countries, information and ideas are scarce and costly commodities, often asymmetrically distributed. Hence the transaction costs of negotiation—the cost of locating efficient agreements and resolving distributional conflicts—are high. [111](#)

This assumption of high and asymmetrical transaction costs undergirds (explicitly or implicitly) not just the claims about the autonomy of supranational entrepreneurs addressed in this article, but core claims of regime theory and international negotiation analysis, such as the stickiness of international institutions, the persistent suboptimality of most international bargaining outcomes, and the importance of strategic choice and procedure. Most theories of international institutions rest on an analogy between interactions among unitary states in the international system, on the one hand, and interactions among firms, political parties, interest groups, courts, congressional committees, or other actors in domestic society, on the other. If coordination or bargaining is costly for the former, such theories assume, it must be also be costly for the former.

This study suggests the need two refinements of the assumption of high and asymmetrical transaction costs in international negotiations, both of which help to restrict and refine the proper domain of transaction cost theories of international institutions. First, *the informational costs of overcoming interstate bargaining problems appear lower than functional theories of international regimes and law or standard negotiation analysis assume.* A single government or a modest “k-group” of governments appears to have both the incentive and capability to provide the information and ideas required to negotiate efficiently—a result discussed in the literature on hegemonic stability but not yet generalized to international institutions more generally. [112](#) The costs of generating and distributing the information needed to identify and negotiate efficient interstate bargains are usually low enough (relative to the stakes) to assure that states are “naturally” well-informed and bargaining efficient. Gains are not, typically, “left on the table.” Distributive outcomes reflect the preferences and relative power of states, not the nature of preexisting institutions or entrepreneurial initiatives. In world politics, *the demand for cooperation tends to create its own supply.*

Second, *barriers to efficient international negotiation, where they exist at all, tend to be domestic or transnational, not interstate.* Despite the wide range of issues under consideration, this study found that only where sub-national actors and state-society relations are involved—in the case of the SEA,

decentralized bureaucracies linked to diffuse, transnational constituencies—did transaction-cost barriers to efficient negotiation arise. The disjuncture between domestic and international transaction costs accords with conventional economic transaction-cost theories, which treat informational costs as a function of factors such as the number of actors, the resources at the disposal of each, the extent of their specialization and risk, the transparency of their intentions, and the security of their property rights. On each of these dimensions, there is good reason to believe that the informational costs of efficient domestic bargaining (whether among individuals, politicians, firms, party factions, or interest groups) are orders of magnitude higher than those incurred in conducting an interstate negotiation. Individuals are arguably more numerous, less well-endowed, more specialized, less transparent, and often less secure of property rights than states.

The implications for explaining international cooperation are stark. In pure interstate bargaining, we should expect international institutions and entrepreneurs to exhibit little autonomy and decentralized outcomes to be optimal—a point that applies equally to supranational entrepreneurship and more conventional rule-based bargaining within international regimes. Where there is little involvement of sub-national actors, we should not observe the characteristic behavior predicted by transaction-cost theories of international cooperation, notably the “stickiness” of institutions, suboptimality of outcomes, and the strong impact of supranational entrepreneurs. Only where domestic or transnational costs of coordination are high should we expect to observe these outcomes. [113](#)

If the binding constraints on efficient international cooperation are domestic and transnational, not interstate, it follows, finally, that the most fundamental source of self-sustaining international cooperation, even in the face of “inconvenient” commitments, is neither the concentration of power, as hegemonic stability theory maintains, nor construction of strong international institutions per se, as functional regime theory tends to emphasize, but the underlying domestic and transnational social and political changes that “lock in” cooperation by encouraging societal adaptation that is difficult to reverse—an argument more consistent with liberal theories of international relations. [114](#) This extension of functional regime theory, more firmly grounded in domestic microfoundations than the original formulation, suggests a promising direction for future research.

In sum, basic theories of international law and regimes would greatly benefit from a firmer and more explicit grounding in the dynamics of domestic and transnational society. Political scientists, international lawyers, and policy analysts alike must question the unitary state assumption. The conscious strategies of international actors can alter the collective action potential of domestic actors. International officials must be modeled as active entrepreneurs, while states must be seen not simply as unitary, boundedly rational actors, but instead as “two-level” actors seeking to generate “synergistic linkages” that go beyond simple principal-agent dynamics. [115](#) While this has long been asserted, previous “two-level” analyses of negotiations found relatively little evidence to support this view; this study demonstrates empirically how and why this is correct and what it implies for international cooperation in Europe and beyond. [116](#)

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## Endnotes

**Note 1:** I am grateful for comments and suggestions to Jeffrey Anderson, James Caporaso, Stephan Haggard, Kathleen McNamara, Lisa Martin, Robert Mnookin, Kalypso Nicolaïdis, Michel Petite, Thomas Risse, Fritz Scharpf, James Sebenius, Anne-Marie Slaughter and seminar participants at the Zentrum für Europäische Sozialforschung at the Universität Mannheim, the Institute für Politikwissenschaft at the Technische Hochschule Darmstadt, the 1996 Conference of Europeanists, the Princeton University Center for International Studies, Seminar on Negotiation at the Harvard University Law and Business Schools, the Harvard University Center for International Affairs, and the 1997 Annual Convention of the American Political Science Association. I am particularly grateful to Robert Keohane for an early suggestion to exploit more fully variation in the nature of EC bargaining. [Back.](#)

**Note 2:** Abram Chayes and Antonia Handler Chayes, *The New Sovereignty: Compliance with International Regulatory Agreements* (Cambridge: Harvard University Press, 1995), 271-272. [Back.](#)

**Note 3:** James D. Fearon, "Bargaining, Enforcement, and International Cooperation," *International Organization* 52:2 (Spring 1998), 269-305. [Back.](#)

**Note 4:** Michael Barnett and Martha Finnemore, "The Politics, Power, and Pathologies of International Organizations" (Manuscript, University of Wisconsin and George Washington University, April 1998). [Back.](#)

**Note 5:** Robert Cox and Harold Jacobson, *The Anatomy of Influence* (New Haven: Yale University Press, 1973), 20; Jeffrey Z. Rubin, "Conclusion: International Mediation in Context," Jacob Bercovitch and Jeffrey Z. Rubin, eds., *Mediation in International Relations: Multiple Approaches to Conflict Management* (New York: Macmillan, 1992), 264-266; Lance N. Antrim and James K. Sebenius, "Formal Individual Mediation and the Negotiators' Dilemma: Tommy Koh at the Law of the Sea Conference," in Bercovitch and Rubin, eds., *Mediation*, 97-130, 1992; L. Ronald Scheman and John W. Ford, "The Organization of American States as Mediator," in Touval and Zartman, eds., *International*, 197-232; Oran Young, "The Politics of International Regime Formation: Managing Natural Resources and the Environment," *International Organization* 43:3 (Summer 1989), 355; Fen Osler Hampson, assisted by Michael Hart, *Multilateral Negotiations: Lessons from Arms Control, Trade and the Environment* (Baltimore: Johns Hopkins University Press, 1995), 6, 42-49, 75-76, more generally Chapters One and Two; Saadia Touval and I. William Zartman, eds., *International Mediation in Theory and Practice* (Boulder, Westview, 1985), 7-17. [Back.](#)

**Note 6:** The institution now referred to as the European Union (EU) was named the EC during the period examined here. [Back.](#)

**Note 7:** Ernst B. Haas, *The Uniting of Europe: Political, Social and Economic Forces, 1950-1957* (Stanford, CA: Stanford University Press, 1958); Leon Lindberg, *The Political Dynamics of European Integration* (Stanford: Stanford University Press, 1963); Leon N. Lindberg, and Stuart A. Scheingold, *Europe's Would-Be Polity: Patterns of Change in the European Community* (Englewood Cliffs, NJ: Prentice-Hall, 1970); George Ross, *Jacques Delors and European Integration* (Oxford: Polity Press, 1995), 4-5; Geoffrey Garrett and Barry Weingast, "Ideas, Interests and Institutions: Constructing the European Community's Internal Market," in Judith Goldstein and Robert O. Keohane, eds. *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change* (Ithaca: Cornell University Press, 1993), 173-206; Wayne Sandholtz, *High-Tech Europe: The Politics of International Cooperation* (Berkeley: University of California Press, 1992), Chapters 2-6; Remco Vahl, "The European Commission on the

Road to European Union: The Consequences of the Treaty on European Union for the Commission's Power Base," *Acta Politica* 27 (July 1992), 297-322; Neill Nugent, "The Leadership Capacity of the European Commission," *Journal of European Public Policy* 2:4 (December 1995), 603-623; Ken Endo, *Political Leadership in the European Community: The Role of the Commission Presidency under Jacques Delors, 1985-1995* (Unpublished PhD Dissertation, St. Anthony's College, Oxford University, 1996); Wayne Sandholtz, and John Zysman. "1992: Recasting the European Bargain." *World Politics* 42 (1989): 95-128; Jeppe Tranholm-Mikkelsen, "Neo-Functionalism: Obstinate or Obsolete. A Reappraisal in the Light of the New Dynamism of the EC" *Millenium* 20:1 (Spring 1991); Charles Grant, *Delors: Inside the House that Jacques Built* (London: Nicholas Brealey, 1994); John Ardagh, "Will the New Europe Please Sit Down." *New York Times Magazine* (10 May 1991). [Back.](#)

**Note 8:** Mark Pollack, "The Commission as an Agent," in Neill Nugent, ed. *At the Heart of the Union: Studies of the European Commission* (New York: St. Martin's, 1997), 121. [Back.](#)

**Note 9:** Sandholtz and Zysman, "1992," 128; Sandholtz, *Hi-Tech*, 26-29. [Back.](#)

**Note 10:** Fritz Scharpf, "Mehrebenepolitik im vollendeten Binnenmarkt " *MPIFG Discussion Paper* (Köln: Max-Planck-Institut für Gesellschaftsforschung 94/4, 1994); Gary Marks, "Structural Policy and Multilevel Governance in the EC," in Alan W. Cafruny and Glenda G. Rosenthal, eds. *The State of the European Community II* (Boulder: Lynne Rienner, 1993), 391-410. [Back.](#)

**Note 11:** This article is based on research reported in Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (Ithaca: Cornell University Press, 1998). The book focuses on the determinants of national preferences, interstate bargaining power, and institutional delegation in major EC decisions, but considers the role of supranational entrepreneurs discussed here as an alternative hypothesis about interstate bargaining. [Back.](#)

**Note 12:** Some acknowledge structural constraints imposed by context, but empirical treatments of mediation do not control for these. Bercovitch, "Study of International Mediation." [Back.](#)

**Note 13:** Chayes and Chayes, *New*, x-xi. [Back.](#)

**Note 14:** Research on formal agenda-setting power of supranational institutions pays little attention to the theoretical conditions under which *informal* entrepreneurship influences interstate bargaining. Cf. George Tsebelis, "The Power of the European Parliament as a Conditional Agenda-Setter," *American Political Science Review* 88 (1994), 128-142; Mark Pollack, "Delegation, Agency and Agenda Setting in the European Community," *International Organization* 51:1 (Winter 1997), 130-132. [Back.](#)

**Note 15:** James MacGregor Burns, *Leadership* (New York: Harper and Row, 1978), 18, 448 also 9-28, 433-439, 444-462. [Back.](#)

**Note 16:** Chayes and Chayes, *New*, 276-278. [Back.](#)

**Note 17:** Jean Monnet, *Mémoires* (Paris, Fayard, 1976), 475. [Back.](#)

**Note 18:** Chayes and Chayes, *New*, 25. [Back.](#)

**Note 19:** These are analytical stages. While they may roughly track the temporal order in which issues are normally handled—initiation, negotiation, ratification—this need not always be the case. For similar

distinctions, see Howard Raiffa, *The Art and Science of Negotiation: How to Resolve Conflicts and Get the Best out of Bargaining* (Cambridge: Harvard University Press, 1982); John Kingdon, *Agendas, Alternatives and Public Policies* (Boston: Little, Brown, 1984); Chayes and Chayes, *New*, 274-276; Morris P. Fiorina and Kenneth A. Shepsle, "Formal Theories of Leadership: Agents, Agenda-Setters, and Entrepreneurs," in Bryan D. Jones, ed. *Leadership and Politics: New Perspectives in Political Science* (Lawrence: University Press of Kansas, 1989), 17-40; Sandholtz, *Hi-Tech*, 23. [Back](#).

**Note 20:** A result both deductively established and empirically confirmed. John Sutton, "Non-Cooperative Bargaining Theory: An Introduction." *Review of Economic Studies* 53 (1986): 709-724; Alvin Roth and J. Murnighan, "The Role of Information in Bargaining: An Experimental Study." *Econometrica* 50 (1982): 97-110. [Back](#).

**Note 21:** Robert O. Keohane, "The Demand for International Regimes," Stephen D. Krasner, ed., *International Regimes* (Ithaca: Cornell University Press, 1983) 325-355; Keohane, *After Hegemony* (Princeton: Princeton University Press, 1984), 85-89; also Joseph Farrell, "Information and the Coase Theorem." *Journal of Economic Perspectives* 1:2 (Fall 1988), 113-116; Mark Casson, *The Entrepreneur: An Economic Theory*. (Totowa, NJ: Barnes and Noble Books, 1982), 23-25, 34-37. [Back](#).

**Note 22:** This theoretical position, in particular its predictions concerning distributive outcomes, is developed in more detail in Moravcsik, *Choice*, Chapter One. The (cooperative) Nash bargaining solution can be approximated by a (non-cooperative) offer-counteroffer game. [Back](#).

**Note 23:** Jacob Bercovitch, "The Structure and Diversity of Mediation in International Relations," in Bercovitch and Jeffrey Z. Rubin, eds., *Mediation in International Relations: Multiple Approaches to Conflict Management* (New York: Macmillan, 1992), 3; Saadia Touval and I. William Zartman, "Introduction: Mediation in Theory," in Touval and Zartman, eds. *International; Burns, Leadership*, 119-129. [Back](#).

**Note 24:** Since supranational actors are almost always active and EC negotiations are almost always efficient, the pattern of negotiated outcomes itself tells us relatively little about the validity of alternative theories of entrepreneurship—though the fact that they are efficient, even when supranational actors are ineffective, is significant. To generate greater variation, I therefore disaggregate. Gary King, Robert O. Keohane, and Sidney Verba. *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Princeton: Princeton University Press, 1994, 208-230. [Back](#).

**Note 25:** Young, "Politics," 355. [Back](#).

**Note 26:** Garrett and Weingast, "Ideas." [Back](#).

**Note 27:** Cox and Jacobson, *Anatomy*, 20. Casson, *Entrepreneur*, 29, 35 invokes greater "imagination" and "practical knowledge." [Back](#).

**Note 28:** Eric Roussel, *Jean Monnet* (Paris: Fayard, 1996), 696. [Back](#).

**Note 29:** Lindberg, *Political*. [Back](#).

**Note 30:** Lord Arthur Cockfield, *The European Union: Creating the Single Market* (Wiley: Chancery Law, 1994), 111. Sandholtz, *Hi-Tech*, 27-28. [Back](#).

**Note 31:** Ross, *Delors*. [Back](#).

**Note 32:** Lindberg, *Political*, 210, 235, 244-5, 274. [Back](#).

**Note 33:** On the Garrett-Weingast “focal point” account, we should also expect supranational actors to be important where there is high uncertainty but little distributional conflict. [Back](#).

**Note 34:** For use of this technique to investigate the character of those who amass large fortunes see Lester Thurow, *Generating Inequality: Mechanisms of Distribution in the U.S. Economy* (New York: Basic Books, 1975), 152-154. [Back](#).

**Note 35:** French or German leaders, or the government holding the rotating Council presidency, often conducts multilateral or bilateral summit meetings with each EC counterpart several times within a six-month period, while national ministers meet dozens of times, lesser officials hundreds of times. Bobby McDermott, *Original Sin in a Brave New World: An Account of the Negotiation of the Treaty of Amsterdam* (Dublin: Institute of European Affairs, 1998). [Back](#).

**Note 36:** Duncan Luce and Howard Raiffa. *Games and Decisions: Introduction and Critical Survey* (New York: John Wiley and Sons, 1958), 134. Also Raiffa, *Art*, Chapter Two. [Back](#).

**Note 37:** Monnet, *Mémoires*, 406-414. [Back](#).

**Note 38:** Lindberg, *Political*, 210. [Back](#).

**Note 39:** Giandomenico Majone, *Regulating Europe* (London: Routledge, 1996), 15-26. [Back](#).

**Note 40:** Peter B. Evans, “Conclusion,” in Peter B. Evans, Harold K. Jacobson, and Robert D. Putnam, eds. *Double-Edged Diplomacy: International Bargaining and Domestic Politics* (Berkeley: University of California Press, 1993). [Back](#).

**Note 41:** An “incentive compatible” plan “induces the bargainers to report true situations to the mediator and offers them an expected payoff at least as high as their BATNA.” Such a plan generally requires the additional exercise of power—discretionary side payments or the authority to enforce commitments, for example. The most prominent scholarship on international mediation focuses on the role of nation-states, for example the US as a “third party” negotiator in the Middle East, where the US is effective not because it is disinterested, but because it provides material incentive for agreement—conditions that do not obtain for supranational mediators. H. Peyton Young, ed., *Negotiation Analysis* (Ann Arbor: University of Michigan Press, 1991), 13. [Back](#).

**Note 42:** For parallel arguments about hegemony and “k-groups”, Duncan Snidal, “The Limits of Hegemonic Stability Theory,” *International Organization* 39:4 (Autumn 1985), 207-232; David A. Lake, “Leadership, Hegemony, and the International Economy: Naked Emperor or Tattered Monarch with Potential?” *International Studies Quarterly* 37:4 (December 1993), 459-489. [Back](#).

**Note 43:** Sandholtz argues that international officials are more likely to supplant national entrepreneurs in crises or when existing policies are unsatisfactory and national governments are in “adaptive mode,” but this does not explain their comparative advantage. Sandholtz, *Hi-Tech*, 304, 27-28. [Back](#).

**Note 44:** Emanuel Adler and Peter Haas, “Conclusion: Epistemic Communities, World Order, and the

Creation of a Reflective Research Program” *International Organization* 46:1 (Winter 1992): 381-382. [Back.](#)

**Note 45:** Thomas M. Frank, “Legitimacy in the International System,” *American Journal of International Law* 82:4 (October 1988): 705-759. Also Anne-Marie Burley and Walter Mattli, “Europe before the Court: A Political Theory of Legal Integration,” *International Organization* 47:1 (Winter 1993), 41-77. [Back.](#)

**Note 46:** Vahl, “European.” [Back.](#)

**Note 47:** Mark Franklin, et al., *Choosing Europe* (Ann Arbor: University of Michigan Press, 1996). [Back.](#)

**Note 48:** For a federalist critique of EC governance, Altiero Spinelli, *The Eurocrats: Conflict and Crisis in the European Community* (Baltimore: Johns Hopkins University Press, 1966). [Back.](#)

**Note 49:** Susskind and Cruikshank, *Breaking*, Chapters 4-5; Ernst B. Haas, Mary Pat Williams, and Don Babai. *Scientists and World Order: The Uses of Technical Knowledge in International Organizations* (Berkeley: University of California Press, 1977). [Back.](#)

**Note 50:** Adler and Haas, "Conclusion," 381-382. Peter M. Haas, "Do Regimes Matter? Epistemic Communities and Mediterranean Pollution Control," *International Organization* 43:3 (Summer 1989), 377-404; Young, "Regime," 357-359. [Back.](#)

**Note 51:** Chayes and Chayes’ primary focus is compliance, but the arguments are parallel. Chayes and Chayes, *New*, 25-26, 277-282. [Back.](#)

**Note 52:** Lindberg, *Political*. [Back.](#)

**Note 53:** Ernst B. Haas, “Technocracy, Pluralism and the New Europe,” in Stephen R. Graubard, ed., *A New Europe?* (Boston: Houghton Mifflin, 1964), 62-88. Also Sandholtz, *Hi-Tech*, 27-29; Cox and Jacobson, *Anatomy*, 20ff. [Back.](#)

**Note 54:** Barry Eichengreen, “Transatlantic Monetary Cooperation,” (Presentation at the Council on Foreign Relations, 1997). [Back.](#)

**Note 55:** Young, “Politics,” 355. [Back.](#)

**Note 56:** Chayes and Chayes, *New*, 271-272, 278-279, 281-282. [Back.](#)

**Note 57:** Moravcsik, *Choice*, Chapter Three. [Back.](#)

**Note 58:** This builds on Evans, Jacobson and Putnam, eds., *Double-Edged*; Robert O. Keohane, “Interests, Commitments and Institutions in US Foreign Policy” (Duke University: mimeograph, 1997). [Back.](#)

**Note 59:** For similar views of day-to-day policy-making, see Laura Cram, *Policy-Making in the EU: Conceptual Lenses and the Integration Process* (London: Routledge, 1997), 123-153; Guy Peters, “Bureaucratic Politics and the Institutions of the European Union” in Alberta Sbragia, ed. *Euro-Politics*:

*Institutions and Policy-Making in the 'New' European Union* (Washington: The Brookings Institution, 1991); Sonia Mazey and Jeremy Richardson, "The Commission and the Lobby" in Geoffrey Edwards and David Spence, eds. *The European Commission* (London: Longman, 1994), \*; Majone, *Regulating*, 74-78. None of these scholars, however, isolate mobilization around domestic coordination failures as the primary informal supranational tactic of supranational actors, nor do they focus on major decisions or seek to isolate *informal* entrepreneurship. [Back](#).

**Note 60:** For a theoretical review and an application to the EC, Andrew McLaughlin and Grant Jordan, "The Rationality of Lobbying in Europe: Why are Eurogroups So Numerous and So Weak? Some Evidence from the Car Industry." In Sonia Mazey and Jeremy Richardson, eds. *Lobbying in the European Community* (Oxford: Oxford University Press, 1993), 122-161. [Back](#).

**Note 61:** Andrew Moravcsik, "Why the European Community Strengthens the State: International Cooperation and Domestic Politics." *Center for European Studies Working Paper No. 52* (Cambridge, MA: Harvard University, 1994); David Andrews and Thomas D. Willett, "Financial Interdependence and the State: International Monetary Relations at Century's End," *International Organization* 51:3 (1997): 479-511. [Back](#).

**Note 62:** On Casson, *Entrepreneur*, 29, 35, 384-387. [Back](#).

**Note 63:** Nelson Polsby finds that "at the initiation stage, powerful people are almost always distracted elsewhere" because "time is scarce." Nelson W. Polsby, *Political Innovation in America: The Politics of Policy Initiation* (New Haven: Yale University Press, 1984), 173. [Back](#).

**Note 64:** Charles E. Lindblom, *Politics and Markets: The World's Political-Economic Systems* (New York: Basic Books, 1977). [Back](#).

**Note 65:** On US politics, see Frank R. Baumgartner and Bryan Jones. *Agendas and Instability in American Politics* (Chicago: University of Chicago Press, 1993). [Back](#).

**Note 66:** Moravcsik, *Choice*, Chapter 2-6. [Back](#).

**Note 67:** This section summarizes material found in Moravcsik, *Choice*, Chapter Two. [Back](#).

**Note 68:** For expansive assessments of Monnet's role, Pascal Fontaine, *Le Comité d'Action pour les Etats-Unis d'Europe de Jean Monnet* (Lausanne: Centre de Recherches Européennes, 1974); Walter Yondorf, "Monnet and the Action Committee: The Formative Period of the European Communities," *International Organization* 19:2 (Spring 1965), 885-912. [Back](#).

**Note 69:** Duchêne, *Monnet*. [Back](#).

**Note 70:** Anjo G. Harryvan, "The Netherlands and the Administration of the EEC: Early Principles and Practices," in Erik Volkmar Heyen, ed., *Die Anfänge der Verwaltung der Europäischen Gemeinschaft* (Baden-Baden: Nomos Verlag, 1992), 141. [Back](#).

**Note 71:** Pierre Guillen, "La France et la negotiation du traité d'Euratom," *Relations internationales* 44 (Winter 1985), 411-412; Sandholtz, *Hi-Tech*, 304. [Back](#).

**Note 72:** William E. Paterson, *The SPD and European Integration* (Lexington, MA: Lexington Books,

1974), 126. [Back.](#)

**Note 73:** For details, Moravcsik, *Choice*, Chapter Three. [Back.](#)

**Note 74:** Lindberg, *Political*. [Back.](#)

**Note 75:** Hans von der Groeben, *Aufbaujahre der europäischen Gemeinschaft: Das Ringen um den gemeinsamen Markt und die politische Union (1958-1966)* (Baden-Baden: Nomos Verlagsgesellschaft, 1982). [Back.](#)

**Note 76:** von der Groeben, *Aufbaujahre*. [Back.](#)

**Note 77:** Moravcsik, *Choice*, Chapter Two. [Back.](#)

**Note 78:** For details, Moravcsik, *Choice*, Chapter Four. [Back.](#)

**Note 79:** Edmund Dell, "Britain and Origins of the European Monetary System," *Contemporary European History* 3:1 (March 1994), 1-60; Moravcsik, *Choice*, Chapter Four. [Back.](#)

**Note 80:** Peter Ludlow, *The Making of the European Monetary System* (London: Butterworth, 1982), 61. Also, Helmut Schmidt, *Die Deutschen und ihre Nachbarn* (Berlin: Siedler, 1990), 221. [Back.](#)

**Note 81:** For details, Moravcsik, "Why the European Community." [Back.](#)

**Note 82:** Ludlow, *Making*, 182. [Back.](#)

**Note 83:** Jonathan Carr, *Helmut Schmidt: Helmsman of Germany* (London: Wiedenfeld and Nicolson, 1985), 145; Timothy Gatten Ash, *In Europe's Name* (New York: Random House, 1993), 87. [Back.](#)

**Note 84:** For more details, Moravcsik, *Choice*, Chapter Six. [Back.](#)

**Note 85:** Ross, *Jacques*, 82. Also Grant, *Delors*; Kenneth Dyson, *Elusive Union: The Process of Economic and Monetary Union in Europe* (London: Longman, 1994), 306-308. [Back.](#)

**Note 86:** Ross, *Jacques*, 133-135. [Back.](#)

**Note 87:** Richard Corbett. *The Treaty of Maastricht: From Conception to Ratification* (Harlow: Longman, 1993); Peter Ludlow, "Reshaping Europe: The Origins of the Intergovernmental Conferences," in Peter Ludlow, et al., eds., *The Annual Review of European Community Affairs 1991* (London: Brassey's, 1992), 426. [Back.](#)

**Note 88:** National positions on EMU were little influenced by new information. French, German and British positions had evolved only very slowly since the late 1960s. See Moravcsik, *Choice*, Chapters Four and Six. [Back.](#)

**Note 89:** Ross, *Jacques*, 82; interviews with Delors Committee members (1991-1996). [Back.](#)

**Note 90:** Interviews with Delors (1991-1996). Some secondary source accounts by scholars assert that the German government compromised the most at Maastricht; for a detailed discussion of competing claims, see Moravcsik, *Choice*, Chapter Six. [Back.](#)

**Note 91:** This is conceded even by most who ascribe agenda-setting power to Delors. Ross, *Jacques*, 134ff, 147-149; interviews with Delors. [Back](#).

**Note 92:** Grant, *Delors*, 181; Endo, *Political*, VIII/103; interviews with Delors and Commission officials, 1991-1996. [Back](#).

**Note 93:** For details, see Moravcsik, *Choice*, Chapter 6. [Back](#).

**Note 94:** For details, see Moravcsik, *Choice*, Chapter Five; Andrew Moravcsik, "Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community," *International Organization* 45:1 (Winter 1991), 19-56; Sandholtz and Zysman, "1992." [Back](#).

**Note 95:** Sandholtz and Zysman, "1992"; Ross, *Jacques*; Grant, *Delors*; Garrett and Weingast, "Ideas"; David Cameron, "The 1992 Initiative: Causes and Consequences," in Alberta Sbragia, ed., *Europolitics: Institutions and Policymaking in the "New" European Community* (Washington: Brookings Institution, 1992); Maria Green Cowles, *The Politics of Big Business in the European Community: Setting the Agenda for a New Europe* (American University: unpublished dissertation, 1994). [Back](#).

**Note 96:** Jacques Delors and Clisthène, *Our Europe: The Community and National Development* (London: Verso, 1992); interviews with Delors, 1991-1996. [Back](#).

**Note 97:** For details, see Moravcsik, *Choice*, Chapter Five. [Back](#).

**Note 98:** Garrett and Weingast themselves advance the conjecture that the ECJ resolved a coordination problem by selecting among possible "focal points" cautiously and provide no empirical evidence. They add that convergence of interest appears to explain the outcome just as well. For a definitive demonstration that mutual recognition was the only focal point around which movement beyond national treatment could have converged and that *Cassis* was neither the first nor the most far-reaching Court decision mandating a liberalization norm in the 1970s, see Kalypso Nicolaïdis, *Mutual Recognition among Nations: The European Community and Trade in Services* (Doctoral Thesis, Political Economy and Government, Harvard University, 1993). Also Karen Alter and Sophie Meunier-Aitsahalia, "Judicial Politics in the European Community: European Integration and the Pathbreaking *Cassis de Dijon* Decision," *Comparative Political Studies* 26:4 (January 1994), 535-561. [Back](#).

**Note 99:** Martin Holland, "Jean Monnet and the Federal Functionalist Approach to European Union," in Philomena Murray and Paul B. Rich, eds. *Visions of European Unity* (Boulder: Westview, 1994), 93. [Back](#).

**Note 100:** Ross, who generally sees supranational entrepreneurs as critical, notes this curious pattern. Ross, *Jacques*. [Back](#).

**Note 101:** Cowles, *Politics*; Cameron, "1992"; Moravcsik, *Choice*, Chapter Five. [Back](#).

**Note 102:** The ERT, like Davignon himself, initially promoted on public sector investment projects; immediately after the White Paper the ERT *actively discouraged* the Commission from pursuing the "Europe 1992" agenda. Only once momentum had gathered among member states did the ERT actively support it. See Moravcsik, *Choice*, Chapter Five. [Back](#).

**Note 103:** This paragraph and those that follow are based on interviews with Émile a Campo, Fernand Braun, Heinrich von Moltke, and other Commission and Council officials, 1989-1992. [Back.](#)

**Note 104:** Cowles, *Politics*. [Back.](#)

**Note 105:** See Moravcsik, *Choice*, Chapter One, for the theoretical assumptions and predictions of an explanation constructed on this basis. [Back.](#)

**Note 106:** The “two-level” explanation is consistent with the evolution of another “exceptional” EC institution, the ECJ, which successfully promoted the supremacy and incremental development of EC law. The ECJ acted similarly as a “network manager,” forging alliances with an unprecedented coalition of domestic plaintiffs, lawyers and courts across a disparate range of issues through the institutional medium of national legal systems. Walter Mattli and Anne-Marie Slaughter, “Revisiting the European Court of Justice,” *International Organization* 52:1 (1998): 181-213. [Back.](#)

**Note 107:** This raises the methodological issue of “non-decisions”: All decisions tend to look deceptively efficient in retrospect, since it is often difficult to observe efficient options that were never explicitly considered. In each case, I have sought to establish to show that no participants complained that the outcomes were suboptimal, no subsequent commentators identified significant gains “left on the table”, no major interest of an important government was left unconsidered, and there was considerable redundancy, with a very large number of alternatives, even those that were patently unrealistic, being considered. It might nonetheless be objected that these cases select on the dependent variable, looking only at successes. Yet causal inferences can still be drawn, for two reasons. First, many of the predictions concern the process, not the outcome. Second, each negotiation involved successful and unsuccessful proposals. One can think of each episode not as a decision, but as a decade in which a series of proposals were considered and some accepted. On these issues Moravcsik, *Choice*, Chapter One. [Back.](#)

**Note 108:** For empirical support, see Miles Kahler in John Ruggie, ed. *Multilateralism Matters* (New York: Columbia University Press); Hampson, *Multilateral*; Haas, Keohane and Levy, *Institutions for the Earth* (Cambridge: MIT Press, 1995). [Back.](#)

**Note 109:** Robert Keohane and Marc Levy, eds. *Institutions for Environmental Aid* (Cambridge: MIT Press, 1996); Chayes and Chayes, *New*, 197-201; Hampson, *Multilateral*. [Back.](#)

**Note 110:** In one of the more sophisticated studies of EC entrepreneurship, Sandholtz terms international administration an “information clearing house.” He speaks of investment of time, energy, personnel and money, though he neither identifies asymmetries nor measures the resources. Sandholtz, *High-Tech*, 26-28, 296-297, 303. [Back.](#)

**Note 111:** Oliver E. Williamson, *The Economic Institutions of Capitalism* (New York: Free Press, 1985), 18-21; Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984, 100ff. The focus here is on *ex ante* costs of contracting. Governments may also be concerned with the *ex post* costs of enforcement, which this article does not address. Nonetheless, the point is fundamental, for it is high *ex ante* costs of renegotiation that, according to modern regime theory, help “lock in” international regimes, even when compliance is inconvenient. [Back.](#)

**Note 112:** Snidal, “Limits”; Stephan Haggard and Andrew Moravcsik, “The Political Economy of

Financial Assistance to Eastern Europe, 1989-1991,” in Robert O. Keohane, Joseph S. Nye, Stanley Hoffmann, eds., *After the Cold War: International Institutions and State Strategies in Europe, 1989-1991* (Cambridge: Harvard University Press, 1993), especially 282-285. [Back.](#)

**Note 113:** For basic theory, see Farrell, “Information,” 123-124 and Donald Chisholm, *Coordination without Hierarchy: Informal Structures in Multiorganizational Systems* (Berkeley: University of California Press, 1989). [Back.](#)

**Note 114:** Andrew Moravcsik, “Taking Preferences Seriously,” *International Organization* 51:4 (Autumn 1997), 537-538. This conclusion is not inconsistent with functional regime theory as formulated by Keohane, which notes that functional benefits encourage regime stability, but this approach provides superior microfoundations for such an argument, thereby promising more fine-grained explanations of variation. [Back.](#)

**Note 115:** Robert D. Putnam, “Diplomacy and Domestic Politics,” *International Organization* 42:3 (Summer 1988): 427-461; Michael Bailey, Judith Goldstein, Barry Weingast, “The Institutional Roots of American Trade Policy,” *World Politics* 49 (April 1997), 309-338. [Back.](#)

**Note 116:** Evans, "Conclusion." [Back.](#)

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