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Summary

A currently influential account of international diplomatic negotiation construes such negotiations in terms of the logic of two-level games. We explore the normative logic of such games, in terms of the obligations of fairness that diplomatic representatives owe to one another and the obligations of accountability that they owe to their constituents. The logic in both its empirical and normative interpretations can be applied to the European Council budget negotiations of December 2005. By exploring the varying conceptions of representation at play in these negotiations, we seek to provide an account of how the resulting bargain may be evaluated. We also claim that such an account also enables us to understand how inter-governmental negotiation may be a forum of democratic accountability, whilst not committing us to a particular empirical account of European integration.

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I. Introduction¹

A currently influential account of international diplomatic negotiation, originally due to Putnam (1988), is cast in terms of the logic of two-level games. According to this view, international negotiators have two sets of actors to whose preferences they need to relate. The first consists of their negotiating partners at the international level (Level I); the second consists of their domestic constituents at the national level (Level II). We misconstrue international negotiations if we do not understand that participants in international agreements are *simultaneously* engaged in a two-level game with both domestic and international considerations affecting their decision making. To neglect this insight is to lose a crucial explanatory dimension of analysis in a world in which states are both sovereign and interdependent, with a range of potentially conflicting domestic interests to be taken into account. Within this framework, the main task for the analyst is to identify the conditions under which the relative balance of influence will come from domestic or international sources.

Originally developed to understand the dynamics and outcome of the Bonn economic summit of 1978, in which leading international actors agreed a package of measures aimed at reflating the world economy, the model has subsequently been applied and refined in relation to a number of case studies ranging from security issues, to economic diplomacy and North-South relations (Evans, Jacobson and Putnam, 1993) and it has also been incorporated into Allison and Zelikow's (1999: 260-3) governmental politics account of international decision making. Moreover, as Pollack (2001: 225) has pointed out, the two-level model lies behind liberal inter-governmentalist accounts of EU integration, most notably that of Moravcsik (1998), especially that element of inter-governmentalism that stresses how EU negotiation and agreement is conceived of as a two-stage process, in which domestic interests are first aggregated into national government preferences, and then these preferences are brought to bear upon member state negotiations in Brussels.

These empirical applications suggest that the model can be useful in understanding how international negotiations work. Indeed, as we seek to show in this article, it illuminates important aspects of recent negotiations over the EU budget. However, our main focus in this paper is different. We ask what two-level games might mean in normative terms. Accepting the general logic of two-level games, we ask what an understanding of such games might mean for the responsibilities that actors have in international relations. In particular, if we suppose that negotiations are being carried on by heads of government and diplomats as representatives of democratic states, what are the implications for democratic accountability and international obligations implied by adopting the two-level games approach? What can reasonably be expected of those engaged in such international negotiations in terms of their responsibilities? How should their domestic constituents understand those responsibilities and how should negotiating peers understand them?

To develop our argument, we begin with a case that illustrates many of the relevant empirical elements of two-level games, namely the negotiations over the EU budget for 2007–13 that took place in December 2005. We show how a number of aspects of this process can be understood using the two-level game approach, but we notice also that questions of fairness and the equitable sharing of the budgetary costs of the EU were part of the texture of the negotiations. These implicit principles can be made explicit in a normative analysis, which is what we seek to do in the latter part of the paper.

¹ An earlier version of this paper was given at a seminar at the University of Trento, and we thank participants for their comments.

II. The Politics of the 2005 Budgetary Negotiations

The European Council meeting, held 16–18 December 2005, was faced with a critical task and began in an atmosphere of pessimism and disagreement. The task was to agree the overall size and main provisions of the EU's budget for the budgetary period 2007–13, the first for the enlarged Europe of 25 members. The atmosphere was overshadowed by consciousness of a year in which the European vision had been shaken by the French and Dutch rejection in their respective referendums of the proposed European Constitution, the June Council's failure to agree a budget and the persistent under-performance of Europe's economies. In the run-up to the summit, fundamental disagreements between member-states over the basic questions – whether the budget should increase or decrease and how money should be allocated – were aired in all the national news media and in political speeches.

At the core of the disagreements were four issues: the overall size of the budget; the level of the UK's rebate on its contributions; the level of spending on the Common Agricultural Policy (CAP); and the amount of money to be devoted to development funds for the eight new central and eastern European member-states, to bring their economies up to western European levels of development. These issues interacted in important ways. It was impossible to accommodate the requirements of the new member states for development funds within the existing budget, but it was politically impossible to increase the overall budget substantially. Indeed, there were a significant group of countries, including the United Kingdom, Germany and the Netherlands (among the largest contributors to the budget), as well as Italy, who favoured an overall budget reduction. It followed that some savings would have to be found in planned commitments, if there was to be a meaningful increase in development funds. But where should these savings come from? Should they come from a reduction in spending on the CAP or should they come from reductions in the UK's rebate?

We can see these tensions played out in the positions of the leading actors. The European Commission (EC) had proposed an overall increase in Europe's budget from €49.3bn to €71bn, or from 1.03% of total EU income to 1.06%, with a view to making a serious attempt to tackle central and eastern Europe's problems. At the June summit, the Luxembourg then-Presidency had proposed a €20bn increase but the UK had vetoed the proposed alteration in its contribution rebate. The most vocal proponent of a reduction in the UK's contribution rebate continued to be the French President, Jacques Chirac, who made a specific connection between the UK's longstanding championing of the admission of central and eastern European states and its consequent duty to shoulder its share of the costs of enlargement in a speech. He called for a €3bn cut in the value of the rebate. The new member-states were also looking to the UK. The rebate was arguably outdated, because Britain's economy had more than caught up with those of her main European partners. Tony Blair, as Council President, had in fact signalled some willingness to concede on the rebate in the run-up to the December summit, acknowledging the obligation to central and eastern Europe, but he had linked this to a corresponding French willingness to agree to a review of CAP spending. With the opposition Conservative Party and a largely Eurosceptic British newspaper sector poised to cry 'betrayal' at the first opportunity, Tony Blair could ill afford to be seen as the Prime Minister who gave away Britain's rebate, which was of huge importance in symbolising British resistance to Brussels since Margaret Thatcher negotiated it in 1984.

The UK rebate and CAP spending were thus two issues linked in tension. Jacques Chirac had explicitly ruled out any changes to the agreed level of agricultural spending till the existing Franco-German agreement expired in 2013. The French, the largest net beneficiary from the CAP, were backed on this by the Irish, the largest per capita beneficiaries. Thus the crux of the problem was the impossibility of constraining the growth in the budget to acceptable lev-

els whilst respecting the UK's position on the rebate and France's position on the CAP and releasing sufficient funds for central and eastern Europe. While there was some room for manoeuvre on each of the issues, major players were ready to use their vetoes to block proposals that went too far in any direction. The UK would veto too great a reduction in the budget rebate or an increase in the budget; the French would veto major changes to the CAP; and Poland and Lithuania would veto too small an allocation of funds to the accession states. This accumulation of veto-points seemed to make the possibility of agreement small.

Yet – and here is a crucial point – the costs of non-agreement for the major players were also substantial. Normally, in international negotiations, the reversion point for non-agreement is the status quo. If there is no agreement among international negotiators, then matters continue as they otherwise would have done. However, in the case of the budget negotiations, the reversion point of non-agreement was not the status quo – at least in procedural terms. If the December Council failed to reach an agreement there seemed little prospect of one being concluded in 2006 and this meant that, in 2007, under EU budgetary rules the European Parliament would take over the budgetary process, setting annual budgets, based on existing financial agreements. If control of the budget passed to the Parliament, the accession countries of eastern and central Europe would see their development funds cut by as much as two-thirds. This would have been a gigantic moral and political failure in the face of the widely acknowledged need to help new member-states develop their economies to bring them into line with European averages. For Tony Blair, this would have been a humiliating end to what was widely seen as a lacklustre British Presidency. The European vision would be perceived as having been sacrificed on the altar of competing national interests and whether it could be resurrected from the ashes was at least in question. In particular, the continuing commitment to further enlargement, in the Balkans and the Near East could hardly be sustained if adequate provision could not be made for the new accession countries. In this context, all the veto-players had reason to avoid non-agreement and some incentive to make concessions that would have to be defended to domestic publics.

How then did this set of issue positions play out in the negotiations? As holder of the Presidency, the UK's budget proposal was put forward by Foreign Secretary Jack Straw on 5 December 2005 (only 10 days before the summit). It contained an overall budget reduction to €46.8bn, down from the €71bn proposed by Luxembourg in June. This included a rebate cut of nearly £800 million per year, releasing €bn for central and eastern Europe. Nevertheless the overall budget cut of €4.2bn would reduce the economic aid offered to accession countries by 10% and the rebate reduction was some way short of the €3bn French demand. A 2008 review of all EU spending, including the CAP and the rebate, which could lead to 'adjustments' before 2013, was also included. The proposal was condemned as having 'no ambition at all' by Commission President José Manuel Barroso, called 'unacceptable' by the subsequent meeting of Foreign Ministers and widely condemned around Europe's capitals. An eleventh-hour compromise offered by Jack Straw increased the budget marginally to €49bn and offered some additional sweeteners to central and eastern Europe but ruled out any further concession on the rebate until Paris agreed to scale back farm subsidies. This was greeted with a veto threat from Poland and Lithuania, as well as France, who would settle for nothing less than a complete review of the rebate mechanism and rejected any changes to the CAP.

Yet this brinkmanship turned into an agreement that was subsequently hailed as a triumph for all parties. Britain and France edged closer together with a concession from Tony Blair of a further £1.5bn of the rebate and an overall budget increase to €61bn, in return for an agreement for a spending review – including farm subsidies – in 2008. German Chancellor Angela Merkel emerged as the broker, and was widely praised for her constructive role, including

agreeing to the budget increase that would be largely German-financed, finding an extra €100m from German resources in order to bring the Poles on board, and cajoling other East European countries into accepting a lower total budget than they wanted.

The final deal was made up as follows:

- The size of EU budget for 2007–13 was increased from €49.3 billion to €62.3 billion (£574.86 billion). This represented an increase from 1.03% of the EU's income to 1.045%.
- Britain's EU budget rebate cut was increased from £5.3 billion originally proposed to £7 billion. France had demanded a £9.3 billion cut.
- An extra £3.73 billion in regional aid was offered to new member states, on top of the £1 billion offered earlier.
- A wide-ranging review of the EU budget by the European Commission, including farm subsidies and the British rebate, to report in 2008–9. The British proposal that these recommendations could be implemented before 2013 was dropped though not ruled out.²

How does this outcome, and the process that led to it, illustrate the logic of a two-level game? To answer that question, we need to look at that logic in some detail.

III. The Logic of Two-Level Games

In his 1988 article Putnam addressed the question of when and how domestic politics and international negotiations affect one another. His key claim for there being a two-level logic to international negotiation is the need *simultaneously* to account for the interaction of domestic and international considerations. To capture this interaction, Putnam introduced the metaphor of a single game that is played simultaneously on two game boards. At the Level I (international) board, the players are national negotiators and the aim of the game is to achieve agreement, while maximising domestic political gains and minimising costs; at the Level II (domestic) board, these same negotiators, in their role as national politicians, play the domestic political game of aggregating interests and constructing coalitions. Moves that are rational on one board may incur unacceptable losses on the other and in a situation of often substantial complexity. However, a player may spot a move on one board that will trigger realignments on the other, enabling him to achieve otherwise unachievable goals.

The crucial theoretical link between levels in this model is the necessity for domestic ratification of the agreement reached internationally, so analytic separation between 'negotiation' and 'ratification' phases is useful, even though in practice the process may be iterative between the phases. Given the possibility of non-ratification, negotiators need to convince other players they can credibly deliver on their international commitments. Potentially ratifiable outcomes are in the win-set of the status quo. That is to say, these are outcomes that are preferable to negotiators to what would happen if there were no agreement. What Putnam calls the 'contours' of the negotiators' respective win-sets is the critical explanatory variable for the model.

Of central importance in these contours is the size of the win-set, which has a complex set of effects. While a larger win-set makes Level I agreement easier to achieve, *ceteris paribus*, paradoxically a smaller win-set can give a bargaining advantage at the international level, enabling players to maximise their Level I gains by pointing to their domestically constrained

² *Guardian*, 'EU budget: Blair clinches deal with offer of big rebate cut', December 17, 2005.

freedom of action as a means of inducing further concessions. On the other hand, and offsetting this effect, smaller win-sets increase the risk of involuntary defection. Win-set size is determined by a number of factors, including the distribution of power, the preferences and the possible coalitions among Level II constituents. For example, the lower the cost of ‘no-agreement’ to constituents, the smaller the win-set, bearing in mind that the ratification alternatives are the proposed agreement and no agreement, not the proposal versus other possible agreements. Win-set size also depends on the Level II political institutions involved in ratification, so that the greater the autonomy of central decision-makers from constituents the larger their win-set. The two-level analysis implies that this will also weaken their international bargaining power.

Strategy can modify the size of the negotiator’s win-set or that of the other players, an important theme in Putnam’s analysis. Side-payments can be made to attract marginal supporters and in two-level games these can be sourced internationally. Thus, what counts at Level II is not total national costs and benefits but their ‘incidence, relative to existing coalitions’. The implication of this is that international negotiators may gain some freedom from their domestic constituents by virtue of the international coalitions they may form. These international coalitions may facilitate change both economically and in terms of public opinion. Issues under discussion at the international level may mobilise or change public opinion at home and this ‘reverberation’ may then affect the international outcome in turn. ‘Suasive reverberation’ can change domestic minds but reverberation could also trigger a domestic backlash. The phenomena of reverberation and synergistic issue-linkage preclude modelling the domestic game separately and using the outputs as inputs to the international game.

Finally, the role of the chief negotiator, who formally links the two levels, needs consideration. Construing his role as agent of his constituent unrealistically simplifies the analysis: items on his agenda may include how his personal Level II standing or domestic political coalition is improved or damaged by the negotiated outcome; achievement of personal conceptions of national interest or using the necessities of international agreements to push through domestic policies that would otherwise be unachievable. The chief negotiator is thus a veto-player in the negotiation process, and his identity may widen or narrow the win-set.

We can see elements of each of these basic concepts being played out in the December 2005 budgetary negotiations.

Win-sets On such a complex range of issues, domestic interests were, largely, heterogeneous, of course. However, presumably, *ceteris paribus*, the UK’s interest in keeping the level of the rebate as high as possible was fairly uniform across Level II constituents; domestic opinion on this was thus spread along the hawk–dove continuum, and it was clear from comments on the final deal that the Prime Minister’s difficult task in justifying the agreed reduction at home was widely acknowledged. Presumably this constraint would have played a part in the UK’s negotiating strategy but since there were three successive stages of concession it is possible Tony Blair’s negotiating partners called his bluff on this.

Because of the complexity of the issue, affecting the entire economic life of the EU countries, the heterogeneity of interests within one state was considerable. For example, development of the accession countries might be seen as a matter of solidarity, on the need for which there could be hawks and doves. But for Western European countries seeking markets and investment opportunities in the East it is a matter of interest and not just fairness. According to the *Financial Times*,

‘Spanish diplomats observe that although 40 per cent of their country’s gleaming motorway network was paid for by the taxpayers of Germany and

other EU countries, this is no zero sum game: the cars speeding down the outside land are often German marques.’ (December 13 2005).

In fact, it must have been fairly clear what the outer limits of acceptability for most players were. The players had close knowledge of their negotiating partners’ political scenes and had long collective history as negotiating partners, even though some individual chief negotiators, such as German Chancellor Angela Merkel, were new to the scene. Thus they were likely to have detailed knowledge of each other’s political constraints and possibilities.

This meant they also had a reasonably high confidence in each other’s ability to deliver ratification, minimising the danger, in Putnam’s terms, of involuntary defection. John Major, with small Commons majority, leaving aside his party’s Euroscepticism, could hardly have delivered ratification in the way Tony Blair confidently could.

Costs of no-agreement: these were unusually high for the players. The alternative to no-agreement was worse than the status quo. Failure to agree might put in jeopardy the whole European project, including further eastwards enlargement. According to Jean-Claude Juncker, veteran prime minister of Luxembourg,

‘An agreement is urgently needed, otherwise it will look like we’re letting Europe sink deeper into crisis. The dispute over the budget is not the cause of this crisis, just a symptom’, *Financial Times*, 13 December 2005.

There were also unusually high personal costs for the chief negotiators in failure. According to the *Economist*,

‘If there is no deal in Brussels, Mr Blair will be widely criticised for achieving little during his presidency. Indeed, fear of such criticism has become the biggest weapon wielded by other countries hoping to extract more concessions from the British Prime Minister’ (*Economist* 10 December 2005).

Reverberation Noticeably, José-Manuel Barroso and other Commissioners address European publics over the heads of national governments, but it is not clear whether this has any effect on opinion, for good or ill. Barroso’s choice of a metaphor for the initial British proposal, which would have diverted billions of Euros that would otherwise have been spent on infra-structural development in accession countries to the UK Treasury, ‘the Sheriff of Nottingham approach’ (taking from the poor to give to the rich, *Financial Times*, 13 December 13 2005), was surely made with the British public in mind. President Chirac’s comments on the deal were taken up by the Eurosceptic sections of the British press, in which his praise of Blair for displaying ‘much courage’ in making a ‘difficult political gesture’ were characterised as French crowing at their victory (‘Chirac claims glory after Blair loses rebate fight’, *Daily Telegraph*, 19 December 2005).

Synergistic issue-linkage This was a very complex package deal with trade-offs between a huge range of interests and issues. Chancellor Merkel’s offer to switch a further €100 million of EU aid from east Germany to Poland, the most important new member-state, can be seen as a side-payment in Putnam’s terms.

Role of chief negotiators Angela Merkel’s personal role was crucial to at many stages of the negotiations, prompting many favourable comparisons with her predecessor, Gerhard Schröder, whose closeness to Jacques Chirac made his relationship with Tony Blair difficult. ‘Angela Merkel has done two things at the summit: she has been constructive, and is not being Gerhard Schröder. Schröder, acting as Chirac’s mini-me, used to stitch up a deal before European summits. This has not happened this time and her constructive behaviour has made

everyone more constructive too’, said one EU diplomat quoted in the *Guardian* of 17 December 2005. Merkel’s role in getting the Central and eastern European on board for an agreement that set a total budget slightly lower than the €365–70 billion they wanted, and in particular her agreement to produce the extra concession that got Poland on board were seen as critical in the last stages.

Jacques Chirac was widely identified with implacable opposition to altering the CAP settlement he and Gerhard Schröder had achieved in 2002. The UK may have been willing to put off CAP reform to the 2008 review, despite the threat of a French veto even then if the review proposed major changes to the CAP before 2013, because by 2008 they would be dealing with a new French President perhaps not so ideologically or politically close to the agriculture sector.

Tony Blair’s role as the UK’s chief negotiator was critically important. He has invested a great deal in his image as a conviction politician; an image that would have been torn to shreds if he abandoned Central and eastern Europe – he sold the deal domestically largely on the basis of its fairness to the accession countries. But Blair had a second role in the negotiations, as President of the Council. His personal prestige was at stake, in that failure would be a personal failure of his presidency. Putnam does not consider the possibilities of a ‘president’ of the game. There is an ambiguity in the role because the president is also a player, with interests to further.

‘Asked whether Britain could act as honest chair of the EU budget negotiations, given its intransigence over the rebate, which is seen as the main stumbling block to agreeing a new budget, the EU Budget Commissioner Dalia Grybauskaitė said “I hope we will find somebody more honest round the table”.’ (*The Times*, December 7, 2005).

There was a perception that this deal-making opportunity needed to be seized because the UK might be less willing to compromise on the rebate once it had relinquished the Presidency.

‘... all leaders have different reasons wanting to absorb the impasse quickly, and they know that Britain will be less willing to compromise after it relinquishes the presidency on January 1.’ (*The Times*, 15 December 2005).

It seems likely that it would have been seen as particularly inappropriate for the deal to fail because of the intransigence of the holder of the Presidency – this was both a normative and a political incentive to Blair to compromise. A number of players made reference to this.

IV. The Normative Logic

We have seen so far that the negotiations in 2005 on the EU budget can be made compatible with Putnam’s account of two-level games regarded as a putative explanation of how and why events turned out as they did. The incentives to obtain agreement at Level I were strong, given that the default position was unacceptable to the heads of state. Heads of state were better off generally speaking, both individually and collectively, if they could secure agreement on a budget than facing a situation in which the initiative on a new budget passed to the Parliament. However, in order to obtain this international agreement, concessions would have to be made that would damage some domestic interests or threaten domestic political reputations. From the domestic point of view, therefore, no budget agreement would be Pareto-optimal. However, and just as in the original case that Putnam dealt with, these domestic costs could be managed. Joint win-sets were available, and indicated the region of compromise that led to the deal.

However, even supposing that a model of two-level games does provide a plausible interpretation of how the agreement was reached, is there any reason for going beyond this account to investigate its normative dimensions? We think there is. It is clear from the press and political reaction that normative questions, and in particular issues of fairness about the way in which national interests were to be balanced, were central to the evaluation of the UK's performance in its role in the Council presidency. Blair's own account of the reasonableness of the agreement stressed normative notions like solidarity and the obligations that the members of the EU had to the accession states.

Consider in the context, the words in which the Tony Blair defended the agreement against criticisms that he had conceded too much in the negotiations:

'As the strongest supporter of enlargement, amongst all the member states, I strongly believe that it was right, indeed essential, that the UK should contribute properly to enlargement. The fact is, Mr Speaker, if we drive through a policy of ending the post-war division of Europe, we have to be ready to accept our fair share of the costs of that policy. Enlargement was not and could never be a cost-free policy – and this Government is prepared to shoulder its responsibilities in this area, because it's the right thing to do.' (Common statement on EU Council meeting, at www.pm.gov.uk/output/Page8807.asp, accessed on 20 February 2006)

Depending upon one's internationalism, this argument might be found persuasive or not, as the following two contrasting press reactions to the agreement show. Thus, the liberal *Guardian* wrote on 19 December 2005:

'... if, in a wider perspective, it means a transfer of wealth and opportunity to the peoples of the east, so that they can build up their infrastructure and release their potential, thus anchoring their democracy – as happened to the peoples of the Mediterranean south a generation ago – then we are entitled to place last week's summit in a larger historical frame and maybe to understand that this is one of the great possibilities of our time. It casts Tony Blair's readiness to compromise on the rebate and make a deal as real acts of solidarity with the Poles, Czechs and the Slovaks. This is something this country has not always managed in the past.' (*Guardian*, 19 December 2005).

By contrast, on the same day, the conservative *Daily Telegraph* construed the matter in rather more critical terms:

'... his [Blair's] Europeanism has never really been based on a computation of Britain's national interest. For him, being pro-EU is about being a modern internationalist, not about securing specific gains for his country. This is, of course, the worst possible frame of mind in which to enter negotiations.' (*Daily Telegraph*, 19 December 2005).

The press coverage and statements from political actors can, of course, be taken as so much 'cheap talk', but this would be to ignore the role of political ideas and principles in legitimating political action in general, including the role of ideas in legitimating international political action. It is not part of our thesis that ideas of fairness and international obligation always play a role in international agreements, or even that where they do, they play a dominant or decisive role. However, if they are (partially) constitutive of action, then it is an important task to explicate those ideas, which would otherwise be left implicit. Is there a coherent ac-

count of these ideas that can be spelt out in ways that are defensible for normative theory? How are we to construe such a normative interpretation?

Normatively governable relationships exist between actors who stand in structured patterns of relations with one another (MacCormick, 1999: 3–6). In a two-level game, a central way of understanding the normative dimensions of these roles and relations is in terms of the notion of representation, because chiefs of government and other diplomats are operating at Level I as representatives of their constituents to whom they are accountable at Level II. Thus, negotiations at Level I are to be understood as taking place among representatives of democratic political associations. Yet the relationship of representation also has implications for how relationships at Level II are construed. It is precisely this dual feature of the role of representative that maps onto international negotiation understood as a two-level game. If international negotiators acquire their powers at Level I by being the authorised representatives of the political associations, they also incur the obligations of representatives in relationship to their constituents at Level II.³

Representation is not a univocal concept, as Pitkin (1967) stressed in a classic study. Pitkin herself explicitly identified five different senses in which we can meaningfully talk about representation: authorisation, accountability, descriptive, symbolic and substantive. In addition, she also mentions a principle of responsiveness, which she associated with accountability, but which is clearly logically distinct. Adding that sense, we can identify six types of representation. Pitkin showed that these different senses of representation defined different forms of relationships among agents. Thus, she pointed out that one influential strand of thinking, inaugurated by Hobbes, sees representatives in terms of authorisation. On this understanding, a representative is someone authorised to act for others. Yet this sense of representation carries no implications about the extent to which the representative is accountable, and indeed on Hobbes's own account, sovereigns as representatives in this authorisation sense are not accountable to the members of the community that they govern. Hence we need a distinct notion of representation to cover the case of accountability. By a parallel argument, we cannot assimilate a substantive notion of representation, in which someone acts in the interests of another, either to authorisation or to accountability, since one may act for someone's interests without being either authorised by or accountable to that person. It is a central claim in Pitkin's overall argument that no one sense of representation can stand duty for all the other senses, and no one sense is to be privileged above the others.

However, to say that each of the views of representation is distinct is not to say that they cannot be found together empirically in particular circumstances, as Pitkin (1967: 225–6) herself pointed out. Heads of states or elected representatives may be treated as authorised agents for certain purposes, yet in terms of democratic norms they are only truly representative when they account for their actions. Some heads of state, like the French president, have a role both in terms of authorisation as when they sign international treaties and symbolically as standing for the nation on ceremonial occasions. And there is an obvious sense in which political representatives in a democracy are supposed to act in the substantive interests of their constituents.

³ This way of putting the matter sounds as though we are echoing the Rawlsian account of international negotiation as taking place among the 'rational representatives of liberal peoples' Rawls's (1999: 32). However, there are two reasons why this is not so. Firstly, we take the primary element in the political associations being represented that they are democratic, rather than liberal. Secondly, in the current conditions of international relations, states are the primary representatives of political associations so that, contrary to Rawls, their officials can stand as the representatives of citizens in a political association.

Different conceptions of representation can therefore be defined by the way in which they combine the distinct elements of representation that Pitkin distinguished. For example, a delegate conception of representation, in which political representatives are required to do all and only what their constituents instruct them to do, gives high prominence to responsiveness and accountability, holding that representatives can only act with proper authority when they are regularly and frequently mandated by their constituents. By contrast, a conception of political representation that stresses responsible government holds that political representatives can sometimes only act substantively in the interests of their constituents when they are free from the obligations of responsiveness. Similarly, a ‘politics of presence’ (Phillips, 1995) stresses the extent to which valid representation depends upon representatives, at least in the aggregate, being a cross-section of constituents, thus highlighting the element of descriptive representation.

How then are we to conceptualise the role of representative in international relations? Clearly, the notion of authorisation is central. In an international context, there would be no point to an agreement if the parties to that agreement did not have the authority to commit the state they were representing to a particular course of action, at least in principle. In the absence of such an ability to make authorised commitment, no potential party to the agreement would have reason for thinking that the agreement was credible and therefore its effects would be nugatory. Of course, it is often the case in practice that the commitment made by international representatives is surrounded by qualifications, for example in those states in which there is an explicit process of domestic ratification required before such commitment is final. Moreover, as Putnam himself pointed out, such requirements introduce their own dynamic into international negotiations, sometimes strengthening the hand of negotiators. However, even in such cases, state representatives are at least to be understood as empowered to agree the text that is to be put to domestic ratification and to this degree are authorised.

However, this notion of authorisation does not exhaust the normative dimension of the representative’s role, for representatives have normatively governable relationships with one another. Here the central notion is that their relationship should at a minimum respect basic constraints of fairness. Fairness here may be understood in a minimal way, corresponding to those accounts of justice that Barry (1989) labels ‘justice as mutual advantage’. The key idea in this conception of justice is that in the actual conditions of human life co-operation among agents is better than struggle and peace is better than the Hobbesian war of all against all. As Barry puts it, justice ‘is the name we give to the constraints on themselves that rational self-interested people would agree to as the minimum price that has to be paid in order to obtain the cooperation of others’ (Barry, 1989: 6–7). Transposed to the interaction of agents in the international realm, this idea is that a normatively defensible conception of international relations is one in which the representative of political associations – states – accept certain constraints on the pursuit of their interests as the price for achieving reciprocal restraint on the part of other states. Fairness simply is the name for accepting these mutual restrictions.

A crucial idea in this conception of fairness is that of the initial base-line in terms of which states bargain with one another. In particular, in this conception it is assumed that states will only enter into commitments constraining their pursuit of advantage if they thereby gain some other, greater advantage. Within this conception, it makes no sense to ask about the justice or fairness of the initial base-line. Rather that is taken as a given. Instead, a fair agreement will be one in which all those who enter into gain, *ex ante* at least, and from which none have an incentive to depart. It is not, of course, an implication from this position that agreements cannot be altered or renegotiated. It is, however, an implication to say that the test of the fairness

or justice of an agreement is that can only be renegotiated by the mutual consent of all of the parties to the agreement. In short, any participant retains a veto over change.

It is possible to temper this account of international fairness as mutual advantage by a stronger notion of fairness, which we might call fairness as participation in a common enterprise (Hart, 1955). This account rests upon the claim that duties in international negotiations, particularly in the sort of ongoing political arrangement constituted by the EU, must involve more extensive positive responsibilities of fair play than the duties required in the account of fairness as mutual advantage. In particular, these more extensive duties might involve incurring costs, not as the price for securing co-operation for others, but because one's political community is bound in an on-going political enterprise to whose purposes one is committed. We do not pursue this possibility here, but merely note that one reason why it may be plausible to think in this way is that states do not always exploit their bargaining advantages, and can recognise that fairness sometimes extends to giving up advantages that they possess.

So far we have only looked at Level I. What is involved in the role of representation in relation to Level II? If representation involves the idea of having the authority to commit at the international level, constrained by some basic principle of fairness, what does it mean in relation to domestic constituents?

In terms of Pitkin's distinctions, one obvious element of representation in a democracy is substantive representation, which in relation to international diplomacy requires states to pursue the aggregated legitimate interests of their citizens, where states can form agreements with other states who are also seeking some advantage for their citizens. In a democracy, state executives involved in international negotiations should be regarded as substantive representatives of the members of the political association whom they represent. Suppose then that representatives are involved in international negotiations. Clearly, this substantive test cannot be based on unanimity but rather upon some acceptable aggregate account of the interests of the constituents whom they represent.

There are of course considerable difficulties associated with the claim that there is a reasonable and reliable way in which domestic popular preferences, and therefore interests, can be aggregated (Riker, 1982, though see also Mackie, 2003), and if there is no coherent account of domestic aggregation, there can be no coherent account of how such aggregated preferences can be represented at the international level. Though always a problem in theory, in practice this is infrequently an issue in practice, since challenges are seldom made to international agreements on the grounds that there is some logical impossibility in coming to a collective view. Rather the controversy takes the form of how much latitude or discretion representatives have in international negotiations to balance out conflicting constituency preferences and interests during the course of negotiation. On some accounts, exemplified in the Danish practice of the *folketing* keeping a tight control on ministers negotiating in the Council, there should be little discretion given to executives. On other accounts, exemplified for example in the practice of France, executives are given a high level of discretion. Either way, however, representatives are to be thought of normatively as pursuing the aggregated interests of the collectivity that they represent. This does not mean that they cannot make concessions in international negotiation. It does mean that those concessions should have their rationale in the aggregated interest of the political community being represented.

However, and here is the point of the two-level game analysis, concessions made at Level I carry implications for the understanding of representation at Level II, particularly the accountability that international representatives have to their domestic constituents. The rebalancing of domestic interests that concessions at the international level may involve has to be

justifiable in some sense to domestic constituents. Of course, the terms in which it may be justifiable will vary depending upon the details of the political culture of the political association in question, and this makes it difficult to say anything of general interest. However, there is one aspect to this accountability that the logic of two-level games brings out, namely that arguments that carry weight at the international must be allowed to have some weight at the domestic level.

Consider, in this context, the UK rebate. As we pointed out in our empirical account, this was a central element in the negotiations and it raised difficult issues for Tony Blair, because the UK government had championed enlargement and a hastened timetable for the accession of states from central and eastern Europe. Given the structure of the issue and the ways in which it was possible to resolve the otherwise deadlocked budget, finding the funds for the accession countries would involve reducing the UK's rebate. From this point of view, the logic of the situation meant that Blair had to defend the reduction of the rebate as he did in his House of Commons statement, and this willingness to defend the rebate reduction was consistent – and indeed could only be consistent – with the normative logic of two-level games.

Moreover, there are special reasons why democracies should be open to principles articulated at the international level. Democracies can be characterised as open societies, an idea that goes back, of course, to Popper (1945). The concept of an open society is normally associated with an account of the institutions and practices that are characteristic of democracy, for example the free association of political movements or the absence of restrictions upon communication among citizens. However, the notion of democracy as an open society can also be understood in terms of the character of its mode of deliberation in decision-making. This involves the thought that in a democracy decision makers are open to arguments, *whatever their source*. To be sure, the normal pattern is that decision-makers in a democracy deliberate on arguments and principles that are advanced in domestic forums of decision-making, whatever these may be. However, relevant arguments may be articulated not only domestically but also internationally. If only domestically generated arguments count, then this would be incompatible with the notion that arguments should be weighed wherever they come from, and so would be incompatible with the idea of democracy as an open society.

If the logic of two-level games is genuinely operative in this way, however, the interaction of international and domestic bargains must work in both directions. That is to say, it is not simply that international agreements carry implications for the way in which chiefs of governments should meet their obligations of accountability to their domestic constituents, but also that these obligations of accountability should be anticipated by international partners in negotiation. In the empirical theory of two-level games this shows up in the role that ratification plays in international negotiations. The argument here is that international negotiators will be constrained in what they can push for by the knowledge that those whose agreement they are seeking will in turn have to seek agreement, formal or political, from their domestic constituents, and by the same token, those from whom concessions are being asked will be able to claim domestic constraints as a reason for resisting concessions.

The normative equivalent of this pattern is one in which international negotiators will have to ask not only about the fairness of the agreement they are proposing, but also whether this fairness can be rendered accountable to the domestic constituents of those international representatives whose agreement they are seeking. Thus, the two-level feature of the normative structure can be brought out in the following double-barrelled conditions:

1. International negotiators ought to think not only of their own legitimate interests but also whether they are making reasonably acceptable demands on partners accountable to their domestic constituents.
2. Domestic constituents will have to think not only both about the reasonableness of the burdens that they are expected to bear but also about the reasonableness that their interests impose on others, given the feasible set of international options.

The general principle that guides this normative account is that all agents simultaneously have to ask whether the expectations that they have under any agreement are reasonable given the expectations of others under that agreement. In the empirical analysis of two-level games, we ask whether actors have a rational expectation of achieving win-sets by inducing reconfigurations of domestic coalitions in the light of possible international coalitions. In the normative analysis, we ask whether these rational expectations are reasonable, when tempered by the constraints of fairness and political accountability.

V. Implications

At first sight, there appears to be one paradoxical implication of our account, which runs as follows. In Putnam's account of two-level games, international negotiators, and in particular chiefs of government, by virtue of the international coalitions that they are able to build, gain autonomy relative to their domestic constituents. Indeed, the freedom of manoeuvre that comes with playing a two-level game is one of the principal behavioural implications of the analysis. By contrast, we have stressed the accountability of negotiators to their domestic constituents, as part of the representative role that two-level games involve. It matters not just that the UK Prime Minister should feel that fairness demands some cut in the UK rebate if the commitment to east and central Europe is to be sincere, but also that this view be explicated in the House of Commons, so that the basis of the policy decision is made clear. This requirement of accountability therefore seems to be at odds with the *de facto* autonomy that seems essential for negotiators to craft their international win-sets.

However, this apparent inconsistency is not as sharp as it might seem, since it is in large part a simple consequence of the difference between an empirical perspective and a normative one. Indeed, the two perspectives can be seen as complementary, since it would be perfectly possible to infer from the freedom of manoeuvre that two-level games give to chiefs of government that institutions and practices of greater accountability need to be installed in order to regain democratic control of international agreements that are made. This conclusion does not follow automatically, since that inference depends upon larger judgements about the freedom that representatives need in order to be able to negotiate mutually beneficial agreements with their counterparts. It is worth noting, however, the possibility that the inference can run from *de facto* increased autonomy to a normative justification for increased efforts to limit that autonomy.

Is there not another way, however, in which the logic of two-level games seems incompatible with a democratic account of international political representation? Should not domestic interests be aggregated first, and then international negotiation take place to see if it is possible to find a point of convergence of these interests? If democracy is a system of political authority in which power flows up from the people to their representatives, how does it come about that considerations of international fairness have any place in altering the domestic determination of interests that emerges from national political processes?

Our answer to this question is that, rather than a departure from democratic norms, the two-level feature of these arguments actually contributes to democratic accountability. To see why

consider the conventional characterisations of the democratic deficit in the EU. According to the standard story, the EU suffers from a democratic deficit because it lacks the institutions and culture that link elected representatives to their constituents. There is no European demos. There is no European-wide party system competing for a share of the votes of members of a European demos. The EU lacks a common public space within which citizens can debate with one another and with their representative matters of common concern. There is no common European political culture across the member states, in terms of which public policy debates can be orientated and by reference to which political traditions can be developed. Rule-making authority has moved from elected institutions to bureaucratic or executive ones. In short, the EU does not replicate at large the institutions and practices that are the embodiment, no matter how imperfectly, of democracy in its member states.

In some versions of the European integration story, international civil society institutions substitute for processes of party competition. Where once there were elections, there network governance shall be. There is much to be said in favour of network governance as the expression of a democratic culture. Transnational interest groups identify issues that are squeezed out of conventional political agendas and give them more salience in political and policy terms than they would otherwise receive. Non-territorially based interests and values gain expression. And interest groups can play the role of representing broader interests and concerns than their often small membership would suggest. But none of this is to say that international civil society and network governance can provide an institutional embodiment for the political values of accountability and representation that the system of party competition plays in the domestic politics of member states. Rather, international civil society and network governance should be seen as extensions of the functional representation that traditionally stood alongside party competition in national states.

In this context, consider the role that international negotiations taking the form of two-level games can play in fostering democratic accountability. Since domestic interests are involved in international negotiation, citizens and constituents – whether they be French farmers, UK tax-payers or Polish citizens – have an incentive to follow the negotiation and the negotiation itself becomes a focal point of political attention. Moreover, since the results of the international negotiation are public, the salience that is bestowed upon them by the negotiation process itself helps to make them matters of public concern and discussion, as the extensive press attention given to the budget negotiations goes to show. While domestic interests are rebalanced during the negotiation, this is not something that is easily disguised, and the normative question of democratic accountability is whether executives can provide some justification for this rebalancing.

But if the rebalancing of domestic interests provides the prompt, the notion of fairness provides the content. Fairness is a thin virtue. It does not require extensive agreement in culture and values to have relevance to interaction. Certainly in the form of fair participation to mutual advantage, it does not require participants to share values, but merely to find it profitable to co-operate to advance whatever values they happen to have. Even in the form of participation in a common enterprise, fairness only requires that the participants share some ends in common, not that they share a form of life. So, in the context of an authoritative system of rule-making, like the EU, in which there is a variety of political cultures, the principle of fairness can still play a role in regulating the pursuit of power.

We raise one further question in conclusion. Have we implicitly taken a view on empirical theories of European integration in developing our normative account? It might seem as though the processes that we have been assuming are best characterised in terms of liberal inter-governmentalist accounts of the EU. On the inter-governmentalist account, the EU is to be

understood as a bargain among states to their mutual advantage, principally because there are gains to trade, and therefore to national interest, in the increased scale of the European market. Since the agreement is inter-governmental, there will be no more integration than is warranted by the interests of the member states. Moreover, states will have an incentive not to allow any slippage of authority to the international level.

In addition, states within the inter-governmentalist account have the role of aggregating domestic interests. The need for consensual agreement at the international level is not matched by a requirement of unanimity of interests at the domestic level. For any international agreement, we may presume that there are some domestic interests that will lose and some that will gain. What is typically assumed in the inter-governmentalist account is that member states interests at the international level qualify the account of the national interest derived from domestic considerations. First states aggregate their interests and then they bargain with one another to mutual advantage. The inter-governmentalist needs to say of the 2005 budget agreement that agreement arose solely because the heads of state feared losing their power to set the budget to the Parliament, and in coming to this agreement they conceded no more than they strictly needed to in order to avoid this ‘worst case’ outcome. The corresponding normative account says that they were under no obligation of fairness in the international to concede more than they had to. Given a negative understanding of international responsibilities, each could rely upon the existing agreements and the exercise of their veto to prevent their being forced into a position that was unacceptable.

We agree that we have stressed the central role of governments in our account of representation. However, we have also argued that to the extent to which norms of fairness are institutionalised, more general processes of governance are invoked. From our perspective, liberal inter-governmentalism is closer to multi-level governance accounts of the EU than it is to conventional domestic politics, since two-level games can easily become multi-level games. All we should need to add is another layer of potential veto-players. This possibility would, of course, raise even more complex problems than we find in the normative account of two-level games.

VI. References

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