Foreign policy in a changing multi-faceted global milieu: Revisiting the political-economic interface

Charokopos Michael

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Foreign policy in a changing multi-faceted global milieu: Revisiting the political-economic interface

Michael Charokopos*

Abstract

The emergence of new influential global actors and the seeming omnipotence of global markets have produced a highly diversified international environment challenging the concept of foreign policy and the theoretical contribution of FPA. In view of this challenge, it is argued that instead of considering the above changes through a fragmentary approach, it would be more efficient to conceive them as part of an ongoing transformation process governing practice and theory in foreign policy. On this background, the political-economic interface is revisited, in order to highlight the significance of the concepts of security and prosperity in the contemporary international framework and to reconsider the question of an interdisciplinary approach to foreign policy.

Keywords

Foreign policy analysis, international political economy, security, prosperity, institutions, interests, identities.

* Visiting lecturer at the University of Piraeus, Department of International and European Studies, Postgraduate Program on Energy: Strategy, Law and Economy, and member of the Advisory Board of the Energy and Environmental Policy Laboratory at the University of Piraeus.

mchar78@gmail.com
1. INTRODUCTION

Different types of actors, changing patterns of relationships, shifting fields of action, fragmentation of authority: key features of the global milieu challenging constitutive elements of foreign policy. The complexity and volatility that govern contemporary international relations, the increasingly blurred borders between domestic and foreign, and the growing interdependence generate an “opaque” picture of the international scenery.

Moreover, the emergence of new influential global actors, the impact of de-territorialization in the cultural, political and economic sphere, as well as the seeming omnipotence of global markets have shaped a highly diversified and precarious international environment, challenging the building block of international society, sovereign statehood. Being an indispensable part of this drawing, global financial markets behave unpredictably and beyond any state or international authorities’ control, while governments seem to be deprived of any valuable tools to prevent the damaging political, economic and social effects of this behaviour.

The above picture reflects a multi-faceted global environment stimulating a continuous intellectual discourse on the implications of change for foreign policy making. In this context, the article argues that the changing global milieu constitutes a major challenge to foreign policy, albeit not an existential one. It is a challenge related to an ongoing transformation process governing practice and theory in foreign policy. This process is not taking place in a neutral ahistorical environment. On the contrary, it is embedded in the changing socio-political context of each era and influenced by its main characteristics.

In this perspective, the analysis rests on two legs. First, it considers the parallel transformation of the dominant foreign policy preoccupations and of the Foreign Policy Analysis (FPA) agenda, mapping out the evolution of the key issues and concerns. Second, revisiting the political-economic interface, the question of “bridging the gap” between FPA and International Political Economy (IPE) is brought back to light. On this background, the second part puts forward a twofold conception of the contemporary challenge to foreign policy, encompassing the dimensions of security and prosperity.
2. “NOTHING ENDURES BUT CHANGE”: STUDYING FOREIGN POLICY IN A CHANGING WORLD

Tracing the evolution of the study of foreign policy one could discern a continuum of reflection and change lasting for almost sixty years. Scholars moving along this continuum provide a vivid narrative of the historical trace of a mature (at least in terms of age) enterprise. Following this narrative, one cannot escape connecting the questions asked and the methodological tools used by the scholars with the political, economic, social and cultural settings of their contemporary historical context. Besides, despite the initial ambitious endeavour for a general theory of foreign policy, theorizing foreign policy proved to be susceptible to the influence of time and place.

While the “holy grail” for the study of foreign policy had, for quite a long time, been the construction of an adequate explanatory theory for states’ foreign policy behaviour, it would be erroneous to portray the evolution of FPA in a single colour. FPA has evolved as a multi-dimensional sub-discipline of International Relations devoid of a homogenizing general theory. However, it would be equally mistaken to neglect the common guidelines governing the study of foreign policy which were introduced by the first generation of scholars identified as the founders of FPA.

2.1.: Founding a sub-discipline

The principal “mission” of the first generation scholars was to delineate FPA as a distinct field or sub-field of study. The most influential and conscious attempt in this direction was made by Rosenau. His initiative to build a pre-theory and his vision for a testable foreign policy theory, albeit not feasible, bequeathed an emancipatory perspective to FPA. Rosenau identified a philosophical and a conceptual shortcoming “holding back” the development of foreign policy theory. The philosophical deficiency was related to the lack of empirical materials similarly processed. The construction of a pre-theory of foreign policy would serve the purpose of rendering the “raw materials” comparable and appropriate for theorizing. This process was directly related to the key question of where causation is located in international affairs. In this perspective, he highlighted five sets of variables governing foreign policy theorizing: “individual”, “role”, “governmental”, “societal” and “systemic”.

1 Heraclitus (from Diogenes Laertius, Lives of Eminent Philosophers).
The above sets of variables reflect different “philosophies of analysis” affecting behaviour at a particular level which is national societies. The assessment of the “relative potencies” of these ingredients by estimating their impact on external behaviour gave birth to a pre-theory of foreign policy [Rosenau, 1966 (2006): 171-173].

While the appropriate processing of raw materials might have solved the philosophical problem, the conceptual shortcoming was still there hindering the development of a foreign policy theory. Rosenau identified two interrelated conceptual setbacks, the first being related to the rigid artificial distinction between national and international political systems and the second involving the ignorance of the fact that the functioning of political systems may vary among different types of issue-areas. In this sense, the boundaries among political systems could be depicted both in vertical (in terms of issue areas) and horizontal lines (in terms of geographical terms). Attempting to approach this “fusion” of national and international systems in different issue-areas, Rosenau introduced a new kind of system, the “penetrated system”, defined as a system in which “nonmembers of a national society participate directly and authoritatively, through actions taken jointly with the society’s members, in either the allocation of its values or the mobilization of support on behalf of its goals” [1966 (2006): 177-183].

By recognizing that the functioning of political systems depends on the nature of issues and by introducing his issue-area typology, Rosenau attempted to launch a comprehensible framework for foreign policy study (1967: 11-50). Emphasizing the need for more genuine comparisons in the study of foreign policy, he focused on developing a study framework of “national-international linkages”, which brought together internal and external variables affecting the international behaviour not of a “single polity” but of “any two polities” (Rosenau, 1969: 56). By reorienting the study of foreign policy in this direction, he opened the door to Comparative Foreign Policy (CFP).

If Rosenau paved the way, in an influential manner, for the future FPA scholarship, Snyder, Bruck and Sapin rendered, in the mid-1950s, the conceptual borders and the added value of the discipline identifiable, through their work on the study of the foreign policy decision-making process. What substantially distinguished Snyder’s et al. interpretive insight of foreign policy from their contemporary approaches was their insistence on analyzing the

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2 The issue-area concept was, also, adopted by Nye and Keohane, a few years later, in their plan for research in world politics suggesting the analysis of different types of issue areas and of relationships between them (Nye and Keohane, 1971: 734).
decision making process as a determinant variable of foreign policy. Contrary to Rosenau’s comparative perspective, Snyder’s et al. decision-making analysis takes place at the level of “any state”. In other words, the model of analysis is based on a “fictional state” that stands for all states. Moreover, the nation-state is considered to be the significant unit of political action. The most distinctive feature, however, lies in the fundamental assumption that “the state is its decision-makers”, that each state as actor “is translated into its decision-makers as actors” [Snyder et al., (1962) 2002: 59]. This is, according to Hudson, the “single most important contribution” of Snyder, Bruck and Sapin, as they located “the point of theoretical intersection” between material and ideational factors determining state behavior not at the state but at the human decision maker (2002: 4).

Emphasizing the need for a behaviouralist turn in International Relations, Singer cast light on the existence of a new intellectual culture interested in “comparisons” and “generalization” and seeking for “regularities” and “uniformities” [1969 (1966): 65-66]. However, contrary to Rosenau, he did not purport to construct a general theory, but merely to highlight the added value of the “behavioural science” culture, by comparing methods of data making and data analysis. In this perspective, Singer raised the level-of-analysis problem by concentrating on the dilemma between international system and national sub-systems levels of analysis. Comparing the two systems in terms of their descriptive, explanatory and predictive accuracy, he concluded that both levels could be useful depending on the research needs of each project. Nonetheless, what Singer explicitly claimed was that the level-of-analysis choice should be a “preliminary conceptual issue” to be solved prior to any research undertaking [1969 (1961): 28].

Following the behaviouralist pathway, but from a different viewpoint, Harold and Margaret Sprout significantly contributed to the study of FPA by introducing “cognitive behaviourism” in decision-making analysis. The Sprouts stressed that “what matters in decision-making is not how the milieu is but how the decision-maker imagines it to be” [1969 (1957): 45]. They distinguished between policy decisions and decisions’ operational results, asserting that what matters in the first case is the policy maker’s perception of the milieu – “psychological milieu”, while in the second it is the real situa-

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3 *Foreign Policy Decision-Making* was initially published in 1962 as a volume edited by Richard C. Snyder, H.W. Bruck and Burton Sapin. However, much of the material was published in 1954 as a small monograph entitled “Decision-Making as an approach to the Study of International Politics” by the Organizational Behaviour Section at Princeton.
tion – “operational milieu”. Far from the idea of formulating a general theory, their approach purported to function complementarily to the existing behavioural perspectives of foreign policy study.

Certainly less famous and influential than the above scholarly contributions, but important for the study of ‘linkages’ between national and international systems, during the early steps of FPA, Holsti’s and Sullivan’s work purports to explain the French and Chinese “nonconforming” foreign policies on the basis of three internal political determinants: “the socialization of political elites”, “the stability of top leadership” and certain characteristics of “open and closed polities” (1969: 147-198). Holsti and Sullivan tested the consistency of their initial hypotheses by comparing a wide set of data on French and Chinese actions, elite attitudes, trade, foreign aid and treaties. Irrespective of the emphasis on data collection and explanation, which is actually in line with the then dominant trend, one could not escape recognizing the systematic effort to connect the domestic sphere with the international milieu through specific “linkages”. Besides, it is worth recognizing the contribution of two other efforts moving in the same direction: Galtung’s investigation of the connection between social position, party identification and foreign policy orientation (1967: 161-194) and Milbrath’s study on interest groups’ influence on foreign policy (1967: 231-251).

In view of the above outline of the first generation FPA, it is clear that the “birth” of the sub-discipline was connected to the analytical needs of the post World War II era and to a considerable extent of a particular state, the United States. This relationship explains specific traits of the early studies of foreign policy: the dominance of Comparative Foreign Policy, the emphasis on positivism and the inclination to quantitative analysis through large scale projects of data collection, considerably funded by the US government. Neack et al. explicitly connect the above characteristics with the ‘real world’, highlighting the influence of cold war on the US academia, during the 1950s and the role of federal funding for scientific research (1995: 6). The need for an efficient scientific description, explanation and management of the new role of the US as a superpower explains the large government funded data collection projects, demanding a positivist approach. Portraying the above relationship, Smith underlines that “CFP gained recognition (and funds) because, on the one hand, it was able to appeal to politicians who needed ways of comprehending a new, and bleak, international environment; on the other hand, it experienced spill-over from the success of scientific methodology in other social sciences” (1983: 563).
2.2.: Revealing the weaknesses of the first generation

It comes as no surprise then that “real life” revealed the weaknesses of the first generation FPA. The most significant change was the increasing importance, in the 1970s, of the socio-economic dimension, which was neglected due to the salience of politico-military issues, in the 1950s and 1960s. In 1970, Strange highlighted the existence of a structural problem due to the accelerating pace of development of the international economic system, which was “out-distancing” and “out-growing” the more static international political system (1970: 305). In view of this widening gap, she urged for a breach of the “mutual neglect” between international relations and international economics, in order to avoid the loss of contact and consistency with the “real world” of policy-making.

The changes in the socioeconomic environment, in the 1970s, were manifest in Western Europe, which was leaving behind a long period of social stability and economic progress, after the end of World War II. Mazower provides an illustrative description of this transition (2000: 327-328):

“A sense of crisis and malaise gripped the West and tensions between labour and capital resurfaced with a new intensity. The oil shocks revealed European capitalism’s vulnerability to the outside world. Growth was no longer seen as an unmitigated good and its environmental dangers were spotlighted. Full employment became a memory and neo-liberal economics came back into vogue”.

Under the above circumstances, traditional positivist analyses confined to quantitative research fell short of satisfying the analytical needs of a much more intricate and complex international milieu. The 1973 and 1979 oil crises, the 1970s stagflation and the growing number of non-state actors demanded a new conceptual framework for understanding and explaining foreign policy. Moreover, the significant increase in the number of states after the mid-1950s, as a result of decolonization in Africa and Middle East, altered the geopolitical map of the world, instigating major changes in foreign policy making. Emphasizing this systemic change, Neack et al. point to the fact that the new independent states “infused international and comparative politics with new voices, orientations, and issues”, making foreign policy scholars reassess their initial fundamental assumptions (1995: 6).

The aforementioned developments prompted productive reflections on the study of foreign policy decision-making and of the domestic-foreign linkages,
while introducing questions regarding the structural relations of the state with the economy. It was this stimulating interaction between “real life” and scholarly analysis that triggered the emergence of the “bureaucratic politics” paradigm in the study of foreign policy. The basic unit of analysis of the new paradigm, which reclaimed Snyder’s et al. heritage on foreign policy decision-making, was the “actions” of a government. These “actions” were defined by Allison and Halperin as “the various acts of officials of a government in exercises of governmental authority that can be perceived outside the government” (1972: 45). The organizing concepts of the “bureaucratic politics” paradigm were structured around three key questions: “who plays?”, “what determined each player’s stand?” and “how are players’ stands aggregated to yield governmental decisions and actions?”.

The roots of “bureaucratic politics” could be traced back to the mid-1960s, when a study group of Harvard scholars, known as the “May Group” (named after the leading historian of international relations Ernest R. May, chairman of the group), started investigating the impact of bureaucracy on policy making. A member of the “May Group”, Allison, introduced a new conceptual framework for the analysis of foreign policy decision-making. Questioning the monolithic perception of national governments’ behaviour, entitled “Rational Action Model” (Model I), Allison suggested two alternative conceptual models: the “Organizational Behaviour Model” (Model II) and the “Governmental Politics Model” (Model III) (1971). Thus, under Model II, which is based on organization theory, governmental action and behavior reflect the outputs of several organizations functioning according to their standard operating procedures. Through different conceptual lenses, the third Model focuses on the bargaining games among players in the national government, relating governmental behaviour to the results of these games. Allison applied the above models to the analysis of the Cuban missile crisis, concluding that, despite the practical inconvenience of this threefold approach, these overlapping and competing conceptual models are the best way to understand foreign policy.

Reflecting on the contribution of Rosenau’s “linkage politics” and Allison’s “bureaucratic politics” to the study of the relationship between domestic and foreign affairs, Putnam developed his influential two-level approach, recognizing the “inevitability” of domestic conflict over the “national interest” (1988: 380). The logic of two-level games portrayed the links between diplomacy and domestic politics by highlighting significant traits such as the impact of domestic interests’ homogeneity or heterogeneity on international behaviour, the distinction between voluntary and involuntary de-
fection from international agreements, and the international implications of national leaders’ “fixed investments” in domestic politics (1988: 443-453). In light of the empirical observations of the links between domestic politics and foreign affairs, Putnam provided an organizing logic helping to “absorb” the existing empirical knowledge on two-level games and to understand key features of these games.

From a different perspective, building on the Sprouts’ work on “cognitive behaviourism”, Jervis concentrated on the role of perceptions in decision-making. Arguing that it is often impossible to explain decisions and policies without referring to the decision maker’s beliefs of the world and images of others, he identified perceptions as one of the key variables determining decision-making. Jervis provided an analytical framework of the learning process in decision-making emphasizing the impact of predispositions on learning. In this perspective, the present interpretation of past events depends on the dominant perceptions of the decision maker and, as a result, the lessons that influence the future behavior may vary according to the perceptual predispositions (Jervis, 1976: 223-225).

2.2.: The political economy perspective

While several scholarly contributions concentrated on constructing more sophisticated approaches to foreign policy decision-making and to the relationship between domestic politics and foreign affairs, the study of foreign policy was also enriched by new questions inspired by the political economy perspective. In this context, Moon suggested an alternative approach to the study of foreign policy “built upon political economy conceptions”. Recognizing the significant changes in international relations, he crafted a political economy framework for comparative foreign policy analysis, governed by three principles. First, states’ behavior is shaped by structural constraints and interests related to its own society as well as to other international actors. Second, the environment shaping states’ behaviour should be understood in global terms and considering both its political and economic dimensions. Third, “the heart of many nations’ foreign policy lies in the sphere of economic relations”. Since these economic relations are defined by the balance of class forces and the domestic distribution of economic surplus, foreign policy is oriented both to domestic economic interest groups and to external actors (Moon, 1987: 35-36).
Moon emphasizes the need for a coherent conception of the nature of the state, in order to explain the behavior of states. In this sense, he concentrates on the contribution of the structuralist literature of political economy in conceptualizing the structural relations of the state with the dominant politico-economic forces in the society and in connecting the concept of national interest not to “national security”, but to the stability of capital accumulation. However, Moon argues that the state’s economic and class character varies across the different types of nations, stressing that the influence of “class-based power inequities” on foreign policy is more evident in developing nations, albeit not sufficiently detected, due to the emphasis of comparative foreign policy research on developed nations (1987: 37-39).

In the framework of the political economy approach to the study of foreign policy, we could distinguish a group of scholars, who focused on the relationship between external dependence (in terms of trade or aid) and foreign policy. In this perspective, the studies of Wittkopf (1973) and Richardson (1976) examined UN General Assembly voting of US foreign aid recipients and US trade dependent countries. Both of them established a link between aid and trade dependence, and UN voting. In the same context, Richardson and Keagley found a positive relationship between trade vulnerability and foreign policy compliance, although recognizing that this relationship may be explained by other factors, as well (1980: 219).

Disapproving the simplistic character of the above statistical explanations of dependent states’ foreign policy compliance to the dominant state, Moon suggested a more plausible and sophisticated explanation based on a “constrained consensus” model. The external dependence is viewed in the long term and in depth, as a phenomenon penetrating the society and possibly generating domestic regime changes. Thus, the dependency ties operate through four interrelated mechanisms: first, by becoming an important element in the domestic environment influencing decision making in different policy areas, second, by shaping perceptions and attitudes of the citizens, third, by penetrating elites’ economic interests and fourth, by encouraging the dominance in the decision-making process of those elites most strongly connected to them (Moon, 1985: 306).

It is important to stress that the above political economy approaches to the study of foreign policy are related not only to the “real world” events of the 1960s and 1970s, but also to the political economy literature of the late 1960s and 1970s. The first evident influence is that of the structuralist literature, as represented by Althusser and Poulantzas (Carnoy, 1984: 89-127). Moon’s analysis on the “conceptions of the state in comparative foreign poli-
cy research” provides a concise overview of the contribution of structural theorists in exploring the structural relations of the state with the economy, within which it is embedded (1987: 36-40). Furthermore, considering the aforementioned studies on the relationship between external dependence and foreign policy compliance, one could discern the influence of the Wallersteinian world system theory. The examination of dependency and its effects on foreign and domestic policy reflects Wallerstein’s analysis of the unequal exchange enforced by strong core states on the periphery (1974: 401).

2.4.: The declining interest in foreign policy issues and the increase of actor-specific approaches

The end of the Cold War and the increase of transnational interdependence raised “existential” questions pertaining to the raison d’être of foreign policy and the utility of FPA as a sub-field of International Relations. Hill identifies three “forms of reasoning” regarding the declining interest in the study of foreign policy: “the growth of scepticism about the state”, “the argument that ‘foreign’ is no longer a meaningful category” and “the view that decision-making theories are inherently limited in their scope” (2003: 235). However, while recognizing the states’ decreasing capacity to exert control over certain areas, such as their economies, he stresses that the above critiques have not avoided the common confusion between state sovereignty and power, as well as a misperception of the distinction between “foreign” and “domestic”. Moreover, reflecting on the third reasoning, he criticizes the “retreat in generality and formalism”. Arguing that contemporary foreign policy is a “political space” Hill highlights the need to combine an understanding of structures with a focus on actors (2003: 238).

The renewed interest in actor-specific theory is, according to Hudson, one of the two key developments that define the emergence of contemporary FPA scholarship, after the end of the Cold War. The second development is the acknowledgment of the difference between FPA's methodological needs for an actor-specific theory and International Relations’ inclination to grand theory and generalization about state behavior (Hudson, 2005: 13-14). In this context, Hudson asserts that FPA scholarship is defined by five hallmarks: the view that foreign policy decision-making explanation is “multi-factorial”, the “multi-level” approaches, the use of insights from other disciplines - “multi-/interdisciplinarity”, its “integrative” character, the emphasis on “agent-oriented” theory, and the “actor-specific” orientation (2005: 2).
A variety of primarily actor-specific approaches have emerged after the end of the Cold War, providing different perspectives ranging from ideas, identity, learning and role theory to ethics and public opinion. Examining the emerging trends in contemporary FPA research, Kaarbo identifies a connection between constructivist research on identity and ideas, and traditional FPA work (2003: 156-163). From another perspective, Houghton suggests an increased dialogue between constructivism and cognitive FPA, while recognizing epistemological and ontological obstacles that have to be overcome (2007: 39-41).

Focusing on learning in US and Soviet foreign policy, Breslauer and Tetlock underscore the key obstacles to learning in foreign policy: complexity, uncertainty and unpredictability of the international environment, combined with limited capacity to proceed information (1991: 3-4). In this context, a multidisciplinary volume is dedicated to providing a wide variety of analyses on learning and cognitive change in foreign policy. Levy recognizes the benefits from incorporating historical learning into models of foreign policy decision making, but stresses the conceptual and methodological problems encountered in such an attempt. Thus, he conceptualizes a political learning model involving a two-stage process: first, observation and interpretation of experience, leading to individual beliefs’ change and second, belief change, influencing subsequent behavior (Levy, 1994: 291).

Providing a different perspective to FPA, role theory’s approach to the study of foreign policy preceded the end of the cold war. Hollis and Smith introduced in foreign policy decision making analysis a sophisticated conception of role, combining an actor-specific perspective with an understanding of the structure which influences preferences formation and within which roles operate (1986: 285). More than twenty five years later, emphasizing the added value of role theory, certain contemporary approaches focus on its function as a bridge between FPA and IR (Cantir and Kaarbo, 2012: 5-24; Thies and Breuning, 2012: 1-4), while, through different lenses, it is also suggested to bridge role theory and FPA learning theory (2012: 47-69).

Bringing normative theoretical considerations in the study of foreign policy, Smith and Light investigate the idea of a foreign policy with an ethical dimension. The volume “Ethics and Foreign policy” comprises both theoretical and empirical contributions addressing key questions about the definition of an ethical foreign policy, the instruments used to pursue an ethical foreign policy and the way international actors incorporate ethical concerns in foreign policy (Smith and Light, 2004: 5-11). Needless to say, the above questions reflect “real world” concerns about human rights protection, humani-
tarian intervention and democracy promotion, which are increasingly included in foreign policy agendas after the 1990s.

At the same time, the ever more influential role of public opinion in international relations has entered the scope of FPA scholarship. Contemporary FPA is drawing away from the traditional perception of public opinion as uninformed, indifferent and with little impact on foreign policy making to more sophisticated approaches. Moreover, departing from the extensive literature on the relationship between American public opinion and US foreign policy making, it seems to be more concerned with the study of the linkage processes between global public opinion and foreign policy making. Thus, Foyle stresses the need to examine the roles of public opinion, world opinion and “globalized citizens” as determining factors of foreign policy formulation. In this perspective, he argues that FPA literature needs to place more emphasis on the investigation of cross-state influence of domestic actors, as well as of cross-border processes affecting foreign policy making (Foyle, 2003: 164).

Closely related to the characteristics of the aforementioned contributions, a major development regarding the empirical focus of contemporary foreign policy studies has taken place. While FPA had been dominated by US foreign policy preoccupations for quite long, scholars have paid, over the last two decades, increasing attention to the study of foreign policy developments in Europe. In this context, White highlighted, in 1999, the emergence of a European FPA which in contrast to US approaches has a more eclectic epistemological character, an inclination to “more limited (‘weak’) theoretical advances via ‘pre-theoretical’ frameworks and contextual ‘middle range’ theories”, and is more oriented to “actor-centered” analysis (1999: 59). Moreover, the “European Foreign Policy” literature concentrates on understanding the behaviour of a *sui generis* international actor and develops its own distinctive character in the framework of foreign policy studies.

In conclusion, far from providing a comprehensive overview of the FPA literature, the above analysis highlights significant contributions to the “maturation” of the FPA sub-discipline. Approaching the evolution of the study of foreign policy, through these lenses, it has been underlined that the issues raised and the discussions that have taken place in the framework of this sixty years’ scholarly endeavour reflect the dominant foreign policy preoccupations of each era. In this sense, during these sixty years, we could discern an uninterrupted connecting line between the changing “real world” analytical problems and the evolving agenda of Foreign Policy Analysis.

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3. FOREIGN POLICY ANALYSIS AND INTERNATIONAL POLITICAL ECONOMY: AN INTERDISCIPLINARY APPROACH TO FOREIGN POLICY IN A CHANGING GLOBAL MILIEU

The first part of the article has focused on the key changes governing the evolution of the study of foreign policy. Change is, indeed, the most enduring feature of international relations. What’s more, the accelerating pace of change and the seemingly different faces of the contemporary international milieu seem to question the raison d’ être of foreign policy, while making FPA appear obsolete.

However, it would be erroneous to consider that this picture reflects an absolutely unprecedented situation. The intensity of the phenomena might have changed but the key traits have not. In fact, the whole picture resembles that of “casino capitalism” or “mad money” as depicted by Strange in the late 1980s and 1990s (1986; 1998). Besides, as stated above, it was quite earlier, in 1970, that Strange had highlighted the existence of a structural problem in the international system caused by the different paces of development between the economic and the political dimension.

At the theoretical level, this structural problem was concealed due to the inclination to keep the political and the economic dimensions of international life in two different boxes. The “mutual boredom” between CFP and IPE, highlighted by Rosenau (1988: 17-26) or the “mutual neglect” between International Economics and International Relations, stressed by Strange (1970: 304-315), constitute two bright scholarly depictions of the remoteness between the political and the economic sphere.

Investigating the roots of this divide, one goes back to the obsolete distinction between “high” and “low” politics. Under this arbitrary classification of foreign affairs, reflecting a Cold War “labeling” of international issues, “high” politics referred, in principle, to military security concerns, whereas “low” politics included the economic or economic related aspects of international life (such as trade, transport and development). The above distinction is not of any practical use today, since notions such as economic security, information security or energy security compete in the agendas of foreign policy makers with military security. However, the “political-economic divide” endures giving the impression of two parallel tracks of international relations that never meet.

Although the significance of the economic dimension is now widely understood, constituting a kind of cliché in the International Relations literature, the political and the economic face of the international milieu seem to remain
“far away” and “so close”, at the same time. Thus, it seems as if the international system comprises two “parallel universes”. The one is a borderless world comprising non-governmental actors, global financial markets and continuous economic transactions. The other is a “borderful” world of states with national governments conducting international negotiations over political issues. Obviously, this is a fictional narrative detached from the “real world”.

In the “real world” political and economic activities overlap, governmental and non-governmental actors interact on a constant basis, and the agendas of international negotiations comprise both political and economic items, if such a distinction could be made. Inevitably, distinguishing between political and economic issues has become intricate, if not arbitrary. Considering, for instance, some important issues of the international agenda: Is the European sovereign debt crisis a financial crisis or a highly political issue related to the question of further European integration? Is international environment governance a political or an economic question? Is the protection of human rights a political concern or a question of international business ethics, as well, and how easy is it to distinguish between the two aspects?

The purpose of the above questions is not to assume that there is no difference between political and economic. Obviously, there is. However, at the same time, the intermingling of political, economic, social and cultural factors increasingly defines international relations. Thus, the Ministries of Foreign Affairs face, today, two “realities”. First, they find themselves more and more involved into multidimensional issues differing from the traditional political negotiations’ agendas. Second, as a result of the first “reality”, they “share the room” with a growing number of governmental and non-governmental actors. The report on the State Department reform, at the beginning of the 2000s, prepared by an Independent Task Force (cosponsored by the Council on Foreign Relations and the Centre for Strategic and International Studies), described “the post-cold war realities” in foreign policy making as follows (2001: 6-7):

“As the world has grown increasingly interdependent, the economic and social dimensions of foreign policy have expanded. The agenda today places far greater emphasis upon sustaining international financial stability and regulating scores of international activities, such as the setting of food and drug standards, the negotiation and enforcement of trading rules, and the management of telecommunications and air traffic control. Consular activities and
commercial advocacy are similarly affected as the private sector is now often a more significant point of interaction between countries than are relations between governments”.

3.1.: The challenges of security and prosperity

In the light of the highly challenging international environment, as depicted above, the political-economic “bipolarity” proves to be outdated. At the same time, foreign policy making is evolving into a “navigation exercise” between two conceptual pillars delineating the major international society concerns: security and prosperity. These two broad concepts cut across the key policy issues shaping the current international agenda, while providing a roadmap for analyzing foreign policy.

The traditional Cold-War approach has focused on the military dimension of security, linked to the institution of the state which claims political authority and the monopoly of legitimate violence. This monolithic approach to security was challenged by Buzan and the “Copenhagen School”, by introducing a multi-sector perception of security. As opposed to the traditional “narrow” definition of security, the new “wide” one incorporates different interacting sectors and actors. Buzan et al. stress that “the ‘wide’ versus ‘narrow’ debate grew out of dissatisfaction with the intense narrowing of the field of security studies imposed by the military and nuclear obsession of the Cold War” (Buzan et al., 1998: 2). The inadequacy of the traditional approach with respect to the rise of the economic and environmental agendas, during the 1970s and 1980s and the increasing concern for identity issues and transnational crime during the 1990s “triggered” the reaction of the “wide” approach.

Buzan’s seminal book *People, States and Fear: The National Security Problem in International Relations*, first published in 1983, laid the foundations for the revision of the traditional Cold War perception of security, by emphasizing the social aspect of security. According to Buzan “the security of human collectivities is affected by factors in five major sectors: military, political, economic, societal and environmental” (1991: 19-20). The above multi-sectoral approach provided a comprehensive framework of analysis with significant in-

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5 The term “Copenhagen School” was used by McSweeney in his critique of the new approach to security studies put forward by Buzan and the Centre for Peace and Conflict Research in Copenhagen. McSweeney, 1996: 81-93.
fluence on the future of security studies. Subsequent work emphasized the existence of various “referent objects”, other than states, in the security picture, including, amongst others, supranational actors, large scale collective identities (national or religious), firms, planetary climate and biosphere (Buzan et al., 1998: 8).

The emergence of new types of actors and threats in international relations has affected not only the exclusivity of the state but also its influential role in security governance. Thus, while during the Cold War most threats to states came from state actors, in the post Cold War era, national governments find themselves struggling to protect their citizens from terrorist attacks on their economies and welfare launched by non-state actors. Describing the contemporary security system, Kirchner and Sperling highlight the influential role of non-state actors, functioning beyond the reach of traditional instruments of statecraft and the rise of indirect threats targeting the society (2007: 5). In this perspective, open economies and open societies become increasingly vulnerable to security threats, as the states exert limited control over them.

Moreover, the increase of transnational threats in the contemporary security system has generated a major change in the concept of security. As argued by Behr, transnational threats lead to a de-territorialisation of security by challenging key territorial assumptions of the national security concept. Thus, “the provision of security by the sovereignty of the state diminishes dramatically; power becomes an incalculable social and political relation; and the effectiveness of the security function of borders declines” (2008: 365).

While security has always lain at the core of foreign policy making, prosperity has, for quite long, been neglected or underestimated as a preoccupation for foreign policy makers. This tendency is explained by the preponderance of the politico-military issues, during the Cold War. However, during the last two decades, prosperity has evolved into a foreign policy priority for a growing number of governments. What is even more important, while it was traditionally confined to economic growth, prosperity has evolved into a much broader concept to encompass the questions of sustainability and equity.

The increasing importance of prosperity has led to reforms of the organizational structures in several states. This restructuring has taken the form of merger between trade and foreign ministries or of new joint coordination bodies (Lee and Hudson, 2004: 343). Moreover, Foreign Ministries get more and more involved in questions of economic growth and welfare. Their networks of diplomatic missions are extensively used as policy instruments for attracting investments or promoting exports, and foreign policy decision-making processes become more closely linked to economic development.
makers are preoccupied with financial markets, World Trade Organization or even agreements on avoidance of double taxation. In this context, the use of American diplomacy in order to create American jobs has been identified as one of the key US foreign policy priorities by US Secretary of State Hillary Clinton. The State Department is involved in helping American businesses “connect to new markets and consumers”, as well as in fighting corruption, red tape, favoritism, distorted currencies and the abuse of intellectual property rights (2012: 3). For the Dutch Ministry of Foreign Affairs, prosperity is the second pillar of its foreign policy agenda. Accordingly, “high priority will be given to economic diplomacy, whereby the Dutch government negotiates with a foreign party (public or private) with an economic objective: for the purpose of promoting cooperation on trade or R&D and attracting investments” (2012: 10).

The aforementioned examples illustrate the character and the degree of involvement of national foreign services in the promotion of national prosperity. However, prosperity has also been a point of reference for international actors, other than the state, like the EU, World Bank and OECD. Within these multilateral frameworks, governments or supranational authorities are involved in negotiations for the allocation or reallocation of funds to countries, regions or specific policy areas and programmes, with the aim to spur economic growth, reduce disparities and create the necessary conditions for prosperity at the national, regional or international level. The EU provides a unique example, as it combines an internal with an external dimension. The internal one consists of the regional assistance funds (European Regional Development Fund, European Social Fund and Cohesion Fund) allocated to the EU regions. The external one comprises the pre-accession assistance granted to candidate and potential candidate countries and the external assistance provided to other third countries or regions.

The concepts of prosperity and security embrace, to a considerable extent, the varying faces of the contemporary global milieu both in terms of actors and issues. What is more, they contextualize major challenges, such as the vulnerability of open economies and open societies or the de-territorialisation of security, posed to foreign policy making by the intermingling of political, cultural, social and economic factors, the growing interdependence and the influential role undertaken by non-state actors in the international system.
3.2.: Revisiting the FPA-IPE “mutual neglect”

The suggested conceptualization of the “multi-facetedness” of the international environment and of the existing challenges highlights the need for an interdisciplinary approach to the study of foreign policy. In this context, the discussion about “building bridges” between FPA and IPE is brought back to light. A necessary precondition for such an interdisciplinary approach is the assumption that the different International Relations sub-disciplines do not represent “interpretative islets” of specific parts of the international system. On the contrary, it is argued that “cross-fertilization” could enhance the predictive and explanatory capacity of the theoretical endeavours undertaken in the various fields and sub-fields of study, including foreign policy.

Despite the considerable added value of the political economy perspective to the study of foreign policy, described in the first part of the article, “cross-fertilization” between FPA and IPE remained minimal. Recognizing this “coldness”, Rosenau highlighted, in the late 1980s, the “anomaly” of the lack of interaction (of “mutual boredom”) between Comparative Foreign Policy (CFP) and IPE [2006 (1988): 84-85]. This “anomaly” lies in the fact that, although both sub-fields share a focus on the convergence of national and international systems and the overlap of national and international phenomena, they insist on mutual indifference. Understanding this situation as the result of the different orientations of IPE and CFP in “macro” and “micro” analysis, respectively, Rosenau opts for a way out of what he calls “Mutually Assured Boredom-MAB”. Thus, he suggests a re-conceptualization process, aiming at “building bridges” between “macro” and “micro” dynamics and, eventually, between IPE and CFP. Such a “rapprochement” presumes, according to Rosenau, that IPE scholars will make ample conceptual room for a “micro” perspective, while their CFP counterparts will integrate “structural constraints” in their decision-making analysis [2006 (1988): 88-93]. However, as stated by Hudson, “the ‘culture’ of FPA and the ‘culture’ of IPE did not mix well” (2005: 13). The suggested mutual re-conceptualization process remained unrealized, while other trends emerged in the 1990s and 2000s.

Revisiting this unaccomplished attempt, it is argued that the interruption of the long course of “mutual neglect” between FPA and IPE is feasible and that such a “rapprochement” could sharpen the analytical skills employed in the contemporary study of foreign policy. Standing at the crossroads of international politics and economics, IPE research concentrates on the continuous intermingling of political, social and economic aspects governing the
relationship between state and market. In this perspective, the interplay between state and non-state actors in various issue areas and the underlying structures defining it are par excellence in the IPE research focus. What is more important, for IPE analysis the political-economic and domestic-foreign divides are irrelevant. For IPE, “economics and politics at international and domestic levels are integrated and cannot be understood independently of each other” (Tooze, 1984: 2).

The first step in “bridging” the gap between FPA and IPE is to identify the key alienating factor. In this context, it is argued that what lies at the heart of the estrangement between the two sub-disciplines is the agent-structure problem governing the social scientific inquiry. Thus, while FPA is “agent oriented”, IPE’s focus is, primarily, on structural determinants of the international system.

Approaching the agent-structure problem, Wendt underlines that it has its origin in two “truisms” about social life that underlie social scientific research: First, “human beings and their organizations are purposeful actors whose actions help reproduce or transform the society in which they live”; and second, “society is made up of social relationships, which structure the interactions between these purposeful actors” (Wendt, 1987: 337-338). It is important, at this point, to make a clear distinction between the agent-structure problem and the level of analysis problem. As explained by Wight, “the agent-structure problem is embedded within every level of social reality, whereas the level-of-analysis problem is concerned primarily with the level and scale of analysis” (Wight, 2006:119).

Addressing the agent-structure problem, through the lens of structuration theory, Giddens argues that “the structural properties of social systems do not exist outside of action but are chronically implicated in its production and reproduction” (1984: 374). Thus, social relations are structured “in virtue” of this duality of structure. Structuration theory conceptualizes, according to Wendt, agents and structures as “mutually constitutive yet ontologically distinct entities”, which are “co-determined”. Agents and structures are ontologically interdependent. Social structures, unlike natural structures, have an “inherently discursive dimension in the sense that they are inseparable from the reasons and self-understandings that agents bring to their actions” (Wendt, 1987: 359-360).

In this perspective, it is asserted that the interruption of the “mutual boredom” between the “agent oriented” FPA and the ‘structure focused’ IPE should be conceptualized in the light of this mutually constitutive and interdependent relationship between agents and structures. Moreover, reclaiming...
the intellectual traditions of the two sub-disciplines could provide a solid foundation for establishing a “conduit” between them. The “three-dimensional” concept of diplomacy, put forward by Strange, forms an adequate structural framework for understanding the interplay between state and non-state actors in the current international context. Strange highlights the structural changes in the world society and economy that have led to a fundamental transformation in the nature of diplomacy. Governments have to negotiate not only with other governments, but also with firms, which have emerged as an influential actor in international relations. At the same time, firms negotiate with governments, as well as with other firms. The driving forces of change are, according to Strange, “the accelerating rate and cost of technological change”, “the increased capital mobility” and the “changes in the structure of knowledge”, which facilitate transnational communications (1992: 1-2).

The prominent role of firms is explained by three assets that they have at their disposal: “command of technology”, “ready access to global sources of capital” and “ready access to major markets worldwide”. These three assets are needed by any state purporting to control world market shares. Hence, the competition among states for market shares drives them to a bargaining process with firms. At the same time, bargaining takes also place between firms, with the aim to acquire the assets needed for the intended world market share. As a result, a triangular relationship evolves, comprising three dimensions: states-states, states-firms and firms-firms (Stange, 1991: 40-45; Strange, 1992: 1-2).

Building on this conceptualization of diplomacy, it is argued that, while it provides the appropriate structural framework for understanding the relationship between state and non-state actors, it disregards the role played by international organizations. However, influential international organizations, such as the European Union (sui generis or not), have been widely recognized as international actors with important leverage on key issues of the international agenda. Thus, the original triangular depiction of diplomacy should be modified to an hexagon containing three more dimensions: the relationship between international organizations (e.g. EU-UN or EU-ICAO), the international organizations-states relationship (for instance, the EU Stabilization and Association Agreements with third countries) and the international organizations-firms relationship (e.g. the UN Human Rights Council Guidelines on Business and Human Rights or the European Commission’s investigation into Microsoft’s Business Practices). Each one of the above dimensions of the hexagon potentially affects the others or at least...
some of them, directly or indirectly. For instance, the Airbus-Boeing dispute has become an EU-US issue and the Nordstream pipeline project has become an issue not only for the companies directly involved as shareholders, but also for several national governments (German, Polish, Russian, Swedish etc.) and the EU.

It is a truism to argue that the aforementioned types of relationships are not static. Apparently, since they are embedded in a highly volatile global milieu, they are subject to constant change. The question that arises is how they could be sufficiently understood. In this respect, it is asserted that an adequate approach to this multi-dimensional interplay is provided by an explanatory framework based on the determinant variables of these changing relationships. According to Carlsnaes, since “real world” foreign policy action is a combination of “purposive behavior”, “cognitive-psychological factors” and “structural phenomena”, explanations of foreign policy actions have to ensure that their accounts do not exclude, by definition, these types of “explanans” (Carlsnaes, 2004: 505). In this perspective, building on the FPA and in particular, on the European Foreign Policy Analysis literature, it is argued that there are three explanatory variables to be considered: interests, institutions and identities.

Interests influence the role conceptions and the actual foreign policy behaviours of international actors. With regard in particular to national interest the FPA tradition has significantly contributed to its conceptualization. Rose nau has made a clear distinction regarding its use in different contexts. In political action, he explains, it “serves as a means of justifying, denouncing, or proposing policies”, while in political analysis it is used “to describe, explain or evaluate the sources or the adequacy of a nation’s foreign policy” [2006 (1968): 246].

Moving beyond this fundamental distinction, the conceptualization of national interest in political analysis depends on the model of decision-making analysis. Under the “rational actor” models, states are treated as unitary actors pursuing their own national interests with the aim to enhance their security and their influence on the international environment. Although this kind of approach is often criticized by contemporary FPA scholars, as stressed by Hill and Light, it “represents an intellectual shorthand to which we all succumb when talking about far-off countries of which we know nothing” (Hill and Light, 1985: 157). In contrast to this monolithic approach, Allison’s bureaucratic politics penetrate the “black box” focusing on the bargaining games in the national government and providing a subjective interpretation of national interest. In this perspective, Hollis and Smith stress
that “it is often at least plausible to think of the ‘national interest’ as a policy defined though a power struggle among competing bureaucracies and termed ‘national interest’ as a mark of the winner’s success in the competition” (Hollis and Smith, 1986: 272).

Furthermore, what significantly alters the concept of interest in the contemporary international environment is the fact that states are no more the only international actors competing to promote their interests. International organizations and firms have emerged as their key competitors in the international arena. One could argue, of course, that international organizations’ interests are often viewed as the sum or the lowest common denominator of the interests of their member states. However, one could not also ignore the contribution of European Foreign Policy Analysis to this question. In this context, Hyde-Price argues that the EU has its own “European interests”, which are defined as the outcome of a “discrete political process” involving the member states, the Commission, interest groups and public opinion, which is partly articulated through the European Parliament (2004: 104).

The second explanatory variable-institutions-comprises formal and informal sets of norms, rules and practices that govern human behaviour and interaction. Institutions “structure political actions and outcomes, rather than simply mirroring social activity and rational competition among disaggregated units” (Aspinwall and Snyder, 2000: 3). Thus, they do not only function as frameworks facilitating the bargaining process and reducing uncertainty, but they also shape or even determine human behaviour through their influence on the interest and identity construction process.

Under sociological institutionalism institutions include “symbol systems, cognitive scripts, and moral templates that provide the ‘frames of meaning’ guiding human action” (Hall and Taylor, 1996: 947). In this sense, the cognitive dimension of institutions and their close relationship with culture are emphasized. Institutions provide the political and the cultural environment, within which individual perceptions of interest and preferences are shaped. Based on this cognitive dimension, sociological institutionalism puts forward a distinctive understanding of the relationship between institutional structure and individual action. By providing “the cognitive scripts, categories and models that are indispensable for action”, institutions influence individual behavior “not simply by specifying what one should do but also by specifying what one can imagine oneself doing in a given context” (1996: 948). Under this cognitive effect, the instrumentalist dimension of the “institutions-actions” relationship is outshined by the constitutive effects of institutions.
The cognitive dimension of institutions brings to the forefront the third explanatory variable of the explanatory framework. Collective identities constitute expressions of a sense of belonging to a particular group, while according to Wendt they “vary by issue, time, and place and by whether they are bilateral, regional or global” (1994: 388). They are constructed on the basis of a set of ideas, shared by the members of a social group. “The function of these ideas is”, according to Marcussen et al., “to define the social group as an entity which is distinct from other social groups” (1999: 615).

Apparently, the question that arises is how to connect identities with foreign policy behaviour. Addressing this issue, Aggestam argues that “role concepts provide us with an analytical and operational link between identity constructions and patterns of foreign policy behaviour”. In addition, they function like a “bridge” between agent and structure, as “they incorporate the manner in which foreign policy is both purposeful and shaped by institutional contexts” (Aggestam, 2004: 84). Thus, role concepts provide an understanding of foreign policy behaviour both as a purposeful action governed by interests and identities and as a “product” of structural constraints. At the same time, they allow for a comprehensive approach to foreign policy analysis through three different lenses: role expectation (expectations of other actors from the role-beholder), role conception (normative expectations expressed by the role-beholder) and role performance (the actual foreign policy behaviour) (Aggestam, 2004: 88).

To recapitulate, the variety of relationships among states, firms and international organizations reflects the “multi-facetedness” of the global milieu. Purporting to outline an efficient framework for the analysis of foreign policy making in this context, it is argued that one needs a complex approach combining three explanatory variables: interests, institutions and identities. The different perspectives provided by this multi-factorial analysis enhance our ability to capture the various facets of foreign policy action and as a result increase the explanatory capacity of the suggested analytical framework.

4. CONCLUDING REMARKS

Turning full circle, the analysis looks back to the initial assumption of the article: the existence of a changing “multi-faceted” global milieu challenging foreign policy. Starting from the premise that this challenge is a major one but not an existential one for foreign policy, it is argued that it should be placed in the context of the continuing transformation process of practice and
theory in foreign policy. Given that this process is embedded in the changing socio-political context of each era, the article starts by identifying the key issues and concerns that have governed the parallel evolution of foreign policy making and FPA.

On this background, the analysis proceeds by suggesting a twofold conceptualization of the aforementioned challenge to foreign policy, encompassing the dimensions of security and prosperity. It is argued that these two concepts embrace to a considerable extent the varying faces of the contemporary global milieu both in terms of actors and issues, to the extent that they contextualize major challenges, such as the vulnerability of open economies and open societies or the de-territorialisation of security.

In view of this dual conceptualization, the article puts forward an interdisciplinary approach to foreign policy making combing the intellectual assets of FPA and IPE. Of course, such an approach presupposes that the interruption of the “mutual neglect” between FPA and IPE is feasible. The first step in “bridging” the gap between FPA and IPE is to identify the key alienating factor which is actually related to the agent-structure problem governing the social scientific inquiry: while FPA is “agent oriented”, IPE’s focus is primarily on structural determinants of the international system. Addressing this issue the analysis rests on the premises of the structuration theory in order to suggest that the interruption of the alienation between the ‘agent oriented’ FPA and the “structure focused” IPE should be conceptualized in the light of a mutually constitutive and interdependent relationship between agents and structures. Thus, agents and structures are considered as ontologically different but interdependent entities.

In this context, the article asserts that an inclusive analysis of foreign policy making through the dual prism of security and prosperity needs a composite approach comprising different types of “explanantia” of the policy making process. Building on the intellectual assets of FPA and IPE, it is suggested that the combination of three types of explanatory variables - interests, institutions and identities - could significantly contribute thereto. The different explanatory viewpoints provided by these variables shed light on the multiplicity of factors affecting foreign policy making in the contemporary multifaceted global milieu, thus sharpening the explanatory capacity of the analysis.

Mindful of the limitations of an interdisciplinary approach, the explanatory framework put forward by the article is intended to trigger further research on the analytical utility of such a theoretical undertaking, rather than to function as a complete theoretical approach to foreign policy. First of all, there is
ample room for further research on the utility and the added value of revisiting the political-economic interface, within the context of responding to the needs of foreign policy studies in the contemporary international context. Second, provided that cross-fertilization between FPA and IPE can contribute significantly to the explanation of foreign policy making, there is a wide scope of research on the methodological side of such a “rapprochement”. Last, in view of the suggested dual conceptualization of the challenges posed by the contemporary international milieu to foreign policy making, through the concepts of security and prosperity, empirical research is needed in order to substantiate the adequacy of this dual prism for the analysis of foreign policy making in a changing “multifaceted” global milieu.
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