

Coping with Globalization: From Suspended Sovereignty to Continuous Bargaining

Interesse nazionale e globalizzazione: I regimi democratici nelle trasformazioni del sistema post-westfaliano (The national interest and globalization: Democratic regimes in the transformation of the post-Westphalian system), Vittorio Emanuele Parsi (Milan: Jaca Book, 1998), 355 pp., paper (ISBN: 88-16-40461-2), 38,000 lire.

What role does the national interest play in an era of economic globalization? Have state sovereignty and territorial control lost their meaning? Is the European welfare state doomed as governments lose their grip on the instruments of fiscal and monetary policy, and corporations—no longer threatened by the specter of communism—tear holes in the social safety net? These are some of the major questions addressed in a wide-ranging and stimulating book by the Italian political scientist Vittorio Emanuele Parsi. Parsi, a member of the political science faculty at the Catholic University of Milan, exhibits an impressive familiarity with a vast literature on international politics and economics—including a bibliography of English-language literature that would rival anything that an American graduate student preparing for comprehensive exams might assemble. We can imagine this book as a core international relations text for Italian students, who would supplement it with readings of the original works. (As such, it would also come in very handy for a visiting Fulbright professor from the United States, for example.)

But it is not the author's comprehensive command of the literature or the book's potential as a text that recommend it to a broader audience. *Interesse nazionale* is a highly original work. It draws on the existing literature to advance several innovative arguments and culminates in a proposal to revive the concept of the national interest as a way for citizens to induce their governments to respond to the challenges of globalization. If the proposal itself is not ultimately convincing, the path toward it is filled with interesting insights and arguments that make Parsi's book a significant contribution to the literature on international political economy.

Interesse nazionale is divided into three main sections. The first presents the author's interpretation of the nature of the post-Westphalian system, which, he argues, ended with the demise of the Cold War. Parsi maintains that the bipolar international system created by the United States and the Soviet Union provided unusual conditions for the conduct of foreign economic and security policies by the two superpowers' allies and client states. In the case of Western Europe, for example, Parsi argues that U.S. dominance of the NATO alliance and the international economy limited the sovereignty of its allies. Only with the end of the Cold War did governments of countries emerging from a state of deferred or suspended sovereignty (*la sovranità sospesa*) realize the possibility to become "authors of their own foreign policy" (pp. ii–iii).

Paradoxically, the nature of the post–Cold War system renders such efforts as the autonomous conduct of foreign policy difficult. The second section of the book reviews the challenges posed by economic globalization. Increasingly porous borders make it difficult for governments to control immigration and thereby determine such a basic attribute of sovereignty as who should be allowed onto their territory and be eligible to become a citizen. Liberalization of economic life means that markets conduct a "daily referendum" on governments, and democratization makes governments' economic mistakes potentially costly in electoral terms (pp. 161–165).

Parsi uses the concept of "complex interdependence" to shed light on some of these developments, drawing on the work of Richard Cooper, David Baldwin, Joseph Nye, and Robert Keohane. But he stresses that the benefits of globalization and interdependence, studied by these authors mainly in the context of the advanced industrial countries, are unlikely to be enjoyed equally throughout the world. Globalization produces winners and losers, but the playing field is not even. Interdependence characterizes relations among the rich winners, while the poor countries remain in states of dependence (pp. 110–111). Parsi seems to attribute the persistence of dependence to the legacy of Cold War patron–client relations. In chapter 3, he provides an astute analysis of the domestic international linkages that constituted those relations, but he only hints at their relevance in the post–Cold War era. Nevertheless, his attention to questions of justice—implied by discussion of the uneven benefits and costs of globalization for the developing world—is welcome. Such questions are often neglected in mainstream U.S. work or relegated to the realm of normative theory, without integration of empirical material, as in this study.

In the third section of his book, Parsi seeks to revive the concept of the national interest. He reviews at considerable length some of the classic studies, from Charles Beard to Hans Morgenthau to Stephen Krasner. From Beard, Parsi takes the view that determination of the national interest, especially in a democracy such as the United States, is a political process. He highlights Beard's reference to the founding fathers' contrast of traditional *raison d'état*—the purview of state bureaucrats—with the national interest, defined as the interests of

the people but in practice often reduced to the interests of the most powerful economic actors (esp. pp. 222–223).

Parsi compares Beard's conception with Morgenthau's deductive approach and summarizes criticism of Morgenthau's claim that national interests can be objectively determined. He asks whether national interests are permanent (*perenne*) and answers by analyzing NATO's expansion. Parsi points out how much this enlargement is viewed in the national interests of its members, which depend on anticipations of likely Russian reactions, which in turn depend on expectations about the evolution of Russian domestic politics (pp. 272–278). In other words, the determination of national interests becomes a highly contingent, political process.

Parsi is particularly skeptical of Krasner's inductive approach to the national interest. Krasner presents as his definition of the national interest the objectives of the central decisionmakers of the state. Parsi characterizes this approach as *l'escamotage*—a French word that my dictionary defines as “sleight of hand” (pp. 287–289). Parsi seems to think that Krasner has moved the concept of the national interest—understood by the founding fathers of the American democracy as *society's* interests—back toward *raison d'état*.

Parsi would like to reassert the national interest as both a political process and a democratic expression of what citizens want from their governments. He finds promise in the observation that governments are increasingly vulnerable to global economic changes and must be held accountable to their electorate for how they respond. This does not mean, according to Parsi, that governments must always follow the neoliberal script of the World Bank or International Monetary Fund. Nor does pursuing the national interest necessarily mean seeking greater autonomy in the economic realm, as realist accounts would maintain. People may prefer, for example, to sacrifice some economic efficiency for greater equality, to pay higher prices in return for more job security, or to accept higher taxes for better health benefits. Or they may be willing to lose some autonomy and run certain risks in the pursuit of material improvements.

The key for Parsi is to determine society's interests democratically in a process characterized by pluralism. The national interest comes as “the result of a continuous bargaining [*contrattazione*] among the different interests of society” (p. 301). Parsi recognizes that the mantle of national interest can be used to cloak the individual interests of political leaders in maintaining their personal power. But if such leaders fail to respond to popular concerns, especially under the unforgiving conditions of globalization, they may put at risk the legitimacy of the state, and thereby their own positions (p. 303).

Clearly, Parsi's vision of a democracy determining its national interests through a pluralist process of continuous bargaining is somewhat idealistic. It may not take adequate account of the kind of political power that money can buy. Even in the United States—Parsi's democratic exemplar—one person, Bill Gates, controls more wealth than the poorest 120 million other U.S. citizens.

The 20 percent of American children who live in poverty and the 50 million Americans without health care apparently do not have their interests represented as well as the corporations that finance politicians' electoral campaigns. Despite this reality, we can at least imagine a U.S. government that would be able to resist the private demands of such monied interests (following campaign-finance reforms, let's say). Elsewhere, the situation is much less hopeful if we consider, for example, that a dozen multinational corporations have annual sales larger than the annual gross national product of half of the countries in the world.

Parsi seems on the right track in arguing that many of the challenges of globalization will be addressed at the nation-state level rather than by the creation of a global civil society or an appeal to international institutions. Citizens will hold their own political leaders accountable first. He is certainly right that the concept of the national interest—in its deductive variant promoted by Morgenthau or in the inductive alternative developed by Krasner—cannot tell us how states will or should respond to future economic changes. If Parsi's own analysis and normative prescriptions are not fully persuasive, that does not detract from the value of this fine scholarly work.

—*Matthew Evangelista*
Cornell University