

NOTES

- 1 J.P. Nettl, 'The State as a Conceptual Variable', *World Politics*, 20 (July 1968), pp. 559-92.
- 2 C. Tilly, 'Warmaking and Statemaking as Organized Crime', in P. Evans, D. Rueschmeyer and T. Skocpol (eds), *Bringing the State Back In* (Cambridge University Press, New York, 1985), pp. 169-91, at p. 172.
- 3 A. Hirschman, 'Exit, Voice, and the State', *World Politics*, 31 (October 1978), pp. 90-107.
- 4 C. Tilly, *Big Structures, Large Processes, Huge Comparisons* (Russell Sage Foundation, New York, 1985).
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- 7 C. Crouch, 'The State, Capital and Liberal Democracy', in C. Crouch (ed.), *State and Economy in Contemporary Capitalism* (Macmillan, New York, 1979), p. 40.

2.3 The transformation of foreign policies: modernization, interdependence and externalization

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Morse argues that the process of modernization has altered the character of foreign policy in three ways. It has effectively broken down the classical distinction between foreign and domestic policy; it has changed the balance between 'high' and 'low' policies in favour of the latter; and it has significantly reduced the level of control that any state can exercise in the domestic or the international arena.

Foreign policy has been radically transformed by the revolutionary processes of modernization not only in the societies composing the Atlantic region, but wherever high levels of modernization exist. There is a quality about modernization that dissolves the effects of what have generally been considered the major determinants of foreign policy, whether these determinants are based on ideology and type of political system (democratic versus totalitarian foreign policies, for example), or power and capability (great-power versus small-power policies). Wherever modernized societies exist, their foreign policies are more similar to each other than they are to the foreign policies of nonmodernized societies, regardless of the scale of the society or its type of government.

Both the international and the domestic settings in which foreign policies are formulated and conducted are subjected to continual and revolutionary transformation once high levels of modernization exist. Internationally, modernization is accompanied by increased levels and types of interdependencies among national societies. Domestically, it is associated with increased centralization of governmental institutions and governmental decision-making as well as with increased priorities for domestic rather than for external needs.

As a result of these transformations, three general sets of con-

ditions have developed. First, the ideal and classical distinctions between foreign and domestic affairs have broken down, even though the myths associated with sovereignty and the state have not. Second, the distinction between 'high policies' (those associated with security and the continued existence of the state) and 'low policies' (those pertaining to the wealth and welfare of the citizens) has become less important as low policies have assumed an increasingly large role in any society. Third, although there have been significant developments in the instrumentalities of political control, the actual ability to control events either internal or external to modernized societies – even those that are Great Powers – has decreased with the growth of interdependence, and is likely to decrease further.

MODERNIZATION AND FOREIGN POLICY

[...] The general characteristics of modernized societies include the growth of knowledge about and control over the physical environment; increased political centralization, accompanied by the growth of specialized bureaucratic organizations and by the politicization of the masses; the production of economic surpluses and wealth generalized over an entire population; urbanization; and the psychological adjustment to change and the fleeting, rather than acceptance of the static and permanent.

The achievement of high levels of modernization has also been associated with the growth of nationalism and the idealization of the nation-state as the basic political unit. The consolidation of the nation-state, however, is the central political enigma of contemporary international affairs, for modernization has also been accompanied by transnational structures that cannot be subjected to the control of isolated national political bodies. These structures exist in the military field, where security in the nuclear age has everywhere become increasingly a function of activities pursued outside the state's borders. They also exist in the economic field, where the welfare not only of the members of various societies, but of the societies themselves, increasingly relies upon the maintenance of stable commercial and monetary arrangements that are independent of any single national government.

The confrontation of the political structures that have developed along the lines of the nation-state with these transnational activities is one of the most significant features of contemporary international politics. Modernization has resulted in the integration of individual national societies, which face problems that can be solved in isolation

with decreasing reliability. In other words, modernization has transformed not only the domestic setting in which foreign policy is formulated; by creating higher levels of interdependence among the diverse national societies, it has also transformed the general structures of international society.

Foreign and domestic politics

The fundamental distinction that breaks down under modernization is between foreign and domestic policies, at least in ideal terms. This distinction is much more characteristic of the foreign policies of nonmodernized societies in both ideal and actual terms than it is of modernized states. In modernized societies, it is difficult to maintain because both predominantly political and predominantly nonpolitical interactions take place across societies at high levels, and because transnational phenomena are so significant that either territorial and political or the jurisdictional boundaries are extremely difficult to define. The whole constellation of activities associated with modernization blurs the distinction so that an observer must analyze carefully any interaction in order to ascertain in what ways it pertains to foreign and domestic affairs.

[...] Foreign policy has been thought to differ from domestic policy in its ends (the national interest as opposed to particular interests), its means (any means that can be invoked to achieve the ends, as opposed to domestically 'legitimate' means), and its target of operation (a decentralized, anarchic milieu over which the state in question maintains little control, as opposed to a centralized domestic order in which the state has a monopoly of the instruments of social order). Whether the substance of the distinction stresses domestic or foreign affairs, the separation of the two has a strong empirical foundation. Levels of interdependence among all nonmodernized societies were generally so low that governments could take independent actions either domestically or abroad with fairly little likelihood that much spillover between them would take place. The instruments used to implement either domestic or foreign policies had effects on either that were in normal terms negligible. The 'externalities' generated by either domestic or foreign policies did not significantly alter policies in other fields.

This is not to say that domestic factors did not affect foreign policy at all, nor that the general international setting did not affect the substance of policies. What it does suggest is that the normative distinction between foreign and domestic activities was quite well

matched by actual conditions. The degrees to which they did not coincide led to debates about ways to improve the efficacy of foreign or domestic policies, or about their goals. But the degree of divergence was not so great as to call the distinction into question.

Regardless of how the distinction is made, it breaks down once societies become fairly modernized. This does not mean, as Friedrich has argued, that 'foreign and domestic policy in developed Western systems constitutes today a seamless web'.¹ Distinctions along the analytic lines I have suggested above still obtain, and governments still formulate policies with a predominant external or internal orientation. But foreign and other policies formulated under modern conditions affect each other in ways that are not salient in non-modernized or premodernized societies and that derive from both the domestic and international interdependencies associated with modernization. They also derive from the increased scope of governmental activities under modern conditions. Before the Western societies became highly modernized, for example, the major part of government expenditures was devoted to foreign affairs, which was the central concern of government. As the role of the government in the economy and in domestic social life increases, concern for foreign affairs must decrease relative to concern for domestic affairs. In addition, as a result of growing international interdependencies, the external and internal consequences of domestic and foreign policies become more significant, and consequences that are not intended and that may or may not be recognized tend also to increase. Therefore, undesirable policy-consequences also increase. [...]

The linkages between domestic and foreign policies constitute the basic characteristic of the breakdown in the distinction between foreign and domestic affairs in the modernized, interdependent international system. This statement does not imply that foreign and domestic policies are indistinguishable; for with regard to articulated goals and problems of implementation, they remain separate. Rather, it is suggestive of the ways in which foreign policies are transformed by the processes of modernization and the development of high levels of interdependence. These processes have put an end to the normative distinctions asserting the primacy of the one or the other. They also overshadow the empirical distinction according to which foreign policies vary in type with the political institutions in which they are formulated.

The dynamics of foreign policies in modernized societies

[...]

The transformation of policy objectives

Preoccupation with high policies and traditional foreign policy objectives and instrumentalities has drawn the attention of scholars away from the changes in policy goals that have accompanied modernization, and specifically from the increased salience of low policies and the merging of goals of power and goals of plenty.

Two general transformations associated with high levels of modernization are responsible for this change. One pertains to the classical instruments of policy, armaments and weapons, and the changes brought about in external goals by the development of nuclear weapons and their delivery systems. The other is related to more general transformations of domestic society.

The effects of nuclear weapons on national external goals have received far greater attention than have the effects of the transformation of domestic society. This one-sided attention is a result of the preoccupation with high policies and serves to obscure more radical changes in policy objectives. It is also related to the assumption that even with the development of nuclear weapons systems *plus ça change, plus c'est la même chose*, or that neither military nor economic interdependence has grown in recent years, but that they may even have diminished considerably. The development of nuclear weapons has had a cross-cutting effect. On the one hand, it makes the territorial state incapable of providing defense and security, by creating the first truly global international system unified by the possibility of generating unacceptable levels of human destruction. On the other hand, nuclear weapons are also said to reaffirm the viability of the nation-state as a political unit, by providing its absolute defense by deterrence.²

In any case, the key to the obsolescence of territorial goals that accompanied the development of nuclear weapons is the increased cost of territorial accretion. No modernized state can afford it. It is therefore no accident that major territorial disputes have disappeared from relations among the highly modernized states and now can occur where there is no danger that nuclear weapons will be used and, therefore, accompany nation-building efforts only in the nonmodernized societies. Modernized societies are involved in major territorial disputes only when these disputes also involve a non-

modernized society as well, as in the case of the Sino-Soviet border. Territoriality decreases in importance even further as alliances become less useful. Requisites for American security, once consisting of territorial bases encircling the Soviet bloc, have changed tremendously with the hardening of missiles and the development of Polaris and Poseidon submarines. [...]

Rapid domestic economic growth, one of the prime indices of modernization, has a profound effect on both the relative priority of domestic and foreign goals and on the substance of each. Once economic growth sets in as a continuous, dynamic process, the value of accretion of territory and population dwindles and the 'domestic savings and investment and advancement of education, science, and technology are [seen as] the most profitable means and the most secure avenues to the attainment of wealth and welfare'.³ The logic of economic growth, in other words, turns men's minds away from the external goals associated with the ruling groups of early modern Europe and toward the further development of domestic wealth by domestic means and under conditions of peace.

Domestic economic growth, like the creation of nuclear weapons, offers only a partial explanation of the transformation of foreign policy goals. In addition, the salience of low policies and the expansion of conflictual, zero-sum relations to cooperative strategies result also from transnational structures associated with the modernization and the interdependencies that have developed among the modernized states. Low policies, in this sense, derive from the interactions of citizens in various states and from the actions of governments in the interests of their citizens or their responses to private group behavior in order to assure general stability and the achievement of other goals. These goals are themselves undermined by the scope of nongovernmental transnational and international interchanges and may also be predominantly domestic and pertain to welfare and social services.

Another aspect of the increased salience of low policies pertains to the interests of governments in building new transnational structures in order to achieve both international and domestic goals. For example, one of the motivations for creating a common market in Europe has been the increased wealth it would bring to the citizens of each member-state as a result of increased levels of trade. It is for this reason that one principal characteristic of foreign policies under modernized conditions is that they approach the pole of cooperation rather than the pole of conflict. Conflictual or political activities, therefore, take place within the context of predominantly cooperative

arrangements. Plays for power or position among these modernized states occur in the non-zero-sum worlds of the IMF and NATO rather than in predominantly conflictual arenas.

The low policies, in short, have become central to international politics among the modernized states and involve the building up of international collective goods in defense and NATO, and in international wealth-and-welfare organizations such as GATT and the EEC. It is within the parameters set by the need for cooperation that interplays of power and position can occur. [...]

Two of the chief characteristics of foreign policies conducted under modernized conditions are, then, (1) their predominantly cooperative rather than conflictual nature; and (2) the change in goals from power and position to wealth and welfare – or, at least, the addition of these new goals to the more classical ones. Both factors are accompanied by the loss of autonomy of any society in international affairs.

Increased domestic demands and the allocation of resources

It is a paradox at the heart of foreign policies in all modernized societies that increased demands on their governments result in a short-term problem of resource allocation, with the result that predominantly external goals decrease in priority relative to predominantly domestic goals. At the same time, however, increased 'inward-looking' has been offset by the increased sensitivity of domestic conditions to international events as a result of international interdependence, and by absolute increases in international activities taken on by the citizens of all modernized societies.

One of the distinctive features of all modernized governments, democratic and authoritarian alike, is that they have assumed great multifunctionality. Both ideally and actually, they are not merely regulative agencies in a 'night-watchman' state, but are and are seen as creators and redistributors of wealth. Increasing demands on governments have helped to create the modern social-service state and themselves result from the increased politicization of citizens in modernized societies. A government is impaled upon the 'dilemma of rising demands and insufficient resources'⁴ when its domestic demands are greater than its resources and when at the same time it must maintain even existing levels of commitments abroad. The demands may arise from the politicized poor who want a greater share in economic prosperity, the military for new weapons systems, the need for maintenance of public order in societies increasingly

sensitive to labor and minority group disruption, etc. These are added to the 'rising cost and widening scope of activities required to keep mature urban societies viable'.⁵ One inexorable result of these increased demands on governments is the curtailment of external commitments, or the decreased relative priority of external goals. Such curtailments add a dimension to the costs of independence. [...]

Changes in the processes of foreign policy-making

Like other processes of policy-making, those associated with foreign policy change under modernization. Cabinet-style decision-making gives way to administrative politics as the information that must be gathered for policy-making increases, as the number of states and functional areas that must be dealt with increases, and as personnel standards become professionalized. Despite the predictions made at the turn of the century by the ideologues of democracy, policy-making has not been 'democratized' so much as it has been 'bureaucratized'. At the same time, great losses of control from the top have occurred and have been well documented.

The major transformation brought about by changes in the policy-making process has been the decreased relevance of rationality models for understanding policy and the increased importance of the bureaucratic model. Policy-making in modern bureaucracies undermines the ability of a political leader to pursue rationally any explicit external goals. Rather, interest-group politics assume greater importance and foreign policy becomes more and more a reflection of what occurs in the bureaucracies upon which leadership depends for information and position papers.

Policy-making in modern bureaucracies, with regard to foreign as well as domestic affairs, involves both lateral bargaining among the members of various administrative units and vertical or hierarchical bargaining among members of various strata in a single organization. The single spokesman in foreign affairs, long prescribed as a necessity for security, is made impossible by the characteristics of modern bureaucracies. Plurality in the number of foreign policy voices accompanies the increased significance of routine, daily decision-making in low-policy areas that contrasts with the more unified and consistent nature of decision-making in crises and in high politics. With such increases in routine, control at the top becomes more difficult. The several aspects of control of routine can be summarized under two headings: the organizational problem and the problem of size.

Modern governments are organized predominantly along functional domestic lines into such departments as agriculture, labor, and education. The domestic-foreign distinction that seemed to fit the nineteenth-century model of governmental organization conflicts dramatically with the needs of even the predominantly domestic organizational structures of modernized governments. Here, the distinctive feature is that each domestic function has external dimensions: most of the predominantly domestic departments and ministries of modern governments have some kind of international bureau. The proliferation of these international bureaus severely undercuts the ability of one foreign ministry or department to control the external policies of its government, thus severely restricting the coordination of foreign policies. The problem is all the more serious in so far as the distinction between high policies and low policies in foreign affairs has become increasingly blurred.

One way this problem is dealt with is by the formation of committees that cross-cut several cabinet organizations, serving to coordinate both information and decision-making at several levels. Each American administration since World War II has tried to reorganize foreign policy decision-making to counter the disability, but no permanent decision-making structures have been devised. Other governments tackle the problem by forming *ad hoc* inter-ministerial committees to meet specific problems.

In addition to decreased control as a result of 'domestic orientation' in modern governments, there is the added difficulty of coordinating a large bureaucracy dealing predominantly with foreign affairs. At the turn of the last century, one of the problems of control stemmed from the lack of coordination between foreign ministries and ministries of the armed forces. Thus, for example, French armed forces often freely occupied underdeveloped areas in Africa and Southeast Asia without the knowledge of the foreign minister. Today the problem of size presents no less formidable an information gap at the top of large bureaucracies. With more information available than ever, its channeling to the right person has become an organizational problem no foreign ministry has mastered.

Modernization, then – usually associated with the rationalization of political structures that foster increased control over the events in a society as well as over the environment in which men live – also creates certain disabilities that impede rational and efficient foreign policies. But modernization has also exacerbated another problem of control that has always been central to international politics – the control of events external to a state. This problem, which originates in

the political organization of international society, is the one to which I now turn.

Modern foreign policies and problems of control

The problem of control in international affairs arises from the condition of international society, which, conceived as a collection of nominally sovereign political units, has no overarching structure of political authority. The difficulty of coordination and control of events external to a society, always the major problem of international stability, is compounded by the development of interdependencies among modernized societies, for interdependence erodes the autonomy of a government to act *both* externally and internally, though the juridical status of sovereign states has not been significantly altered.

With the development of high levels of interdependence, all kinds of catastrophes, from nuclear holocaust to inflation or depression, can also become worldwide once a chain of events is begun. These disasters could be logical consequences of benefits derived from international collective goods.

One reason why modern governments have lost control over their foreign relations is that there has been an increasing number of international interactions, especially among the populations of pluralistic societies, in nongovernmental contexts. This increase was one of the first changes modernization brought in the foreign policies of states. It first became noticeable at the turn of the century with the rise of the 'new imperialism' characterized by the rapidly increased mobility of people, of money, and of military equipment. It is associated today with the multinational corporation and with other new units of international activity that have varying degrees of autonomy abroad and whose external operations frequently act at cross-purposes with the foreign policy goals of their governments. They also contribute a large portion of any state's balance-of-payments accounts and therefore affect the monetary stability not only of a single state, but of the system of states in general. [...]

A second aspect of the problem of control stems from the decreasing number of instrumentalities relative to the number of goals associated with any government. An optimum policy situation is one where the number of instruments available for use exceeds the number of goals. In principle, an infinite number of policy mixes exist, in that one instrument can substitute for another and 'it will always be possible to find one among the infinity of solutions ... for

which welfare, however defined, is a maximum'.⁶ This is not only the most efficient situation, but it is also the fairest, for it allows any pressure to be 'distributed more evenly over the various social groups'.⁷ When, however, the number of instruments is smaller than the number of goals, there is no clear solution on grounds of efficiency or fairness.

It is precisely this situation that occurs with the breakdown of the domestic-foreign distinction and with increases in international interdependence. As long as the two spheres remain more or less distinct, policies in either area can be implemented with different sets of instrumentalities. As soon as the separation is eroded, the spillover of effects from one sphere to the other results in the reduction of the number of usable instrumentalities.

This is true for two reasons. First, since policy instruments have recognizable effects both internally and externally, it is more and more frequently the case that any one instrument can be used for either domestic or external purposes. However, domestic wage increases can be used for the purpose of establishing higher general levels of living. At the same time, the propensity to consume imported goods increases directly with wage increases and depresses any balance-of-payments surplus – a situation that is worsened by the positive effect of wage increases on prices and the subsequent negative effect on exports.

Second, what is optimally desired is that objectives be consistent. 'If they are not consistent, no number of policy instruments will suffice to reach the objectives.'⁸ As long as domestic and foreign affairs were separated, consistency was a problem only within each sphere. With interdependence, not only must domestic and foreign goals be compatible with each other, but so must the goals of a set of societies if welfare effects are to be spread optimally. Consistency then becomes more difficult because of the economic nature of the objectives and the diversity of political units in international society.

Together with increased international transactions associated with growing interdependence, there have also developed rising levels of transactions internal to modernized states as well as higher levels of national integration. It is often concluded that the increases in national cohesiveness that accompany modernization counteract international interdependence.⁹ Actually the reverse is true.

There is a fairly simple relation between rising levels of transactions internal to one state and increased interdependence among states. As *internal* interdependencies increase and as governmental organizations are institutionalized, even if international transactions

remain constant (and they do not) *international* interdependencies also increase. This is true because sensitivity to transnational activities increases the domestic implications of international transactions. For example, as the levels of interdependence within a state rise, the same order of trade has increased implications for domestic employment, fiscal, monetary, and welfare policies. It is precisely this element of interdependence that is fundamental and that Deutsch and other theorists have overlooked. [...]

CONCLUSIONS

The transformations in all three aspects of foreign policies – in their contents, the processes associated with policy formation, and the control of policy effects – offer the citizens of any modernized society opportunities for increased wealth and welfare that were unthinkable in any system with much lower levels of interdependence. They also increase the chances of instability for international society as a whole; for interdependence has increased far in advance of either the instruments capable of controlling it or of available knowledge of its effects. There are, however, two aspects of modernization and foreign policy that, in conclusion, must be highlighted.

First, the various changes discussed above pertain to all modernized societies and are affected very little by ideology or by particular sets of political institutions. To be sure, it may make some difference whether institutions are democratic or nondemocratic in particular instances. In the long run, however, the general influences that have transformed foreign policies are ubiquitous.

Second, these changes are likely to be dispersed throughout the international system far ahead of other aspects of modernity. They are, therefore, likely to characterize the foreign policies of some less modernized societies before these societies become relatively modernized – or even if they do not become modernized. The speed with which modernity spreads will, therefore, only increase the problems of control and will make more urgent the need for establishing new mechanisms of international order.

NOTES

- 1 Carl J. Friedrich, 'Intranational Politics and Foreign Policy in Developed (Western) Societies', in R. Barry Farrell (ed.), *Approaches to Comparative and International Politics* (Evanston, 1966), p. 97.
- 2 A balanced analysis of both schools of thought can be found in Pierre

- Hassner, 'The Nation State in the Nuclear Age', *Survey*, LXVII (April 1968), pp. 3–27.
- 3 K. Knorr, *On the Uses of Military Power in the Nuclear Age* (Princeton, 1966), p. 22.
 - 4 Harold and Margaret Sprout, 'The Dilemma of Rising Demands and Insufficient Resources', *World Politics*, XX (July 1968), pp. 660–93.
 - 5 *Ibid.*, p. 685.
 - 6 Jan Tinbergen, *On the Theory of Economic Policy*, 2nd edn (Amsterdam, 1963), pp. 37–8.
 - 7 *Ibid.*, p. 41.
 - 8 Richard N. Cooper, *The Economics of Interdependence: Economic Policy in the Atlantic Community* (New York, 1968), p. 155.
 - 9 See the works of Karl W. Deutsch, including Deutsch *et al.*, *France, Germany and the Western Alliance: A Study of Elite Attitudes on European Integration and World Politics* (New York, 1967).