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# Interpreting NAFTA

*The Science and Art of Political Analysis*

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 Preface

In August 1992, I took leave of my position at Duke University to spend what I expected to be a year in Washington, D.C. I had won an International Affairs Fellowship from the Council on Foreign Relations, a program designed to take young scholars away from academia and expose them to the world of actual foreign policy making. Because my academic interests were in international negotiations, specifically the relationship between domestic politics and international processes, my hope was to find a perch close to the action for the biggest international negotiation going: the negotiation among the United States, Mexico, and Canada to reach a North American Free Trade Agreement, more commonly known as NAFTA.

The natural place to be was at the Office of the United States Trade Representative (USTR), the lead agency for international trade negotiations, where a number of previous Council fellows had worked. But by the summer of 1992, when I had to decide where to locate, the NAFTA negotiations appeared to be nearing the end, which meant that the next hot arena would likely be the Congress. I had not really considered working on the Hill, but I learned that Senator Bill Bradley was looking for a fellow to handle foreign policy matters and that he intended to be involved with NAFTA when it came to Capitol Hill. My colleagues warned me that being a fellow in a Senate office might not involve much actual contact with the senator and that there was no guarantee that Bradley, only the fourth ranking Democrat on the Senate Finance Committee, would actually be a pivotal player, but the prospect of working for Bill Bradley was alluring.

## 2 A Framework for Political Analysis

Facts do not speak for themselves; they must be interpreted.

If we are to move beyond a recounting of the events of NAFTA to an interpretation of them, we need theory. And if the nature of the understanding we seek is of a form that not only provides a satisfactory explanation after the fact but also might have provided useful guidance to actors in these events, we need a theoretical apparatus of some complexity.

The previous chapter discussed briefly the nature of theory for practical political analysis and argued that its form will necessarily be more complex and less universal than is the norm for contemporary political science. This chapter develops a framework for political analysis of international relations that will be applied and further developed in subsequent chapters. The framework has two dimensions. The first is the *level of analysis*, the assumptions made about the degree of aggregation or disaggregation most useful for analyzing international relations. Although, in principle, there are numerous possible levels, the framework consolidates them into three: international, domestic, and individual. The second dimension of the framework is the *mode of analysis*, the assumptions made about the nature of political behavior and of the ways in which these combined behaviors result in outcomes. The framework categorizes these modes as rational choice, institutional process, and symbolic construction, roughly the politics of interests, institutions, and ideas (figure 2.1).

Together, these dimensions define a matrix of possible theoretical approaches into which the prominent theories of international relations can

be placed. The matrix is not intended to represent alternative and necessarily competing approaches, however. On the contrary, it is intended to suggest the possibility of a coherent and integrated approach. There are no necessary contradictions among rational choice, institutional process, and constructivist approaches or among theories that focus on the international, domestic, or individual level. Indeed, these approaches are naturally complementary, notwithstanding the sometimes fierce intellectual warfare waged among different schools of thought.

The question is not which approach is *right* but rather which ones are most useful for modeling the phenomena we seek to explain. The politics of NAFTA operated on many levels and in many modes. NAFTA was about the behavior of nations, of domestic pressure groups and political institutions, and of individuals within domestic groups and institutions. These behaviors were at times choices made rationally; at times executions of previously established rules, routines, and habits; at times responses to symbolic constructions.

But one cannot consider everything at once. The purpose of analysis is to focus on what is important, not to capture every complexity. The issue is which approach gives the greatest analytic leverage for the question at hand. This book argues that the choice of level and mode of analysis depends on the context and the question being asked. Under some conditions, treating nations as unitary, rational actors is an extraordinarily useful fiction. Under

Level of Analysis	Mode of Politics		
	Rational Choice	Institutional Process	Symbolic Response
International	Realism	Regime Theory	Epistemic Communities
Domestic (Group)	Political Economy	Organizational behavior	Cultural anthropology
Individual	Public Choice and Institutional Economics	Cognitive Psychology	Constructivism, Symbolic Interactionism

FIGURE 2.1 Dimensions of a framework for political analysis, with a partial mapping of relevant theoretical approaches.

others, however, such an approach may obscure critical features of the system and lead analysis astray. These conditions can be partially specified beforehand. But part of the art of political analysis is to be quick on one's feet, to recognize the nature of political processes even when they could not have been accurately predicted. In this regard, the political analyst is something of a scientific naturalist, for whom science is a tool for sharpening observation, not a substitute for it.

Before proceeding, it is worth reiterating what the book is *not* arguing. It is not arguing for the *general* truth or falsity of any one theory or theoretical approach. It is interested in the extent to which a particular theoretical lens, applied to a particular question at a particular moment in time, allows the analyst to explain observations, predict events, or perhaps most importantly, prescribe a strategy for actors in the event. Whence comes the unusual structure of the book, with historical narratives first and analysis second. The point is to explicate history, not to use history to justify theory.

## Dimensions of the Analytic Framework

Theories of politics may be based on different levels of analysis and on different assumptions about the nature of political processes. This section sketches out a framework with three levels of analysis—international, domestic, and individual—and three modes of political logic—rational choice, institutional process, and symbolic construction. Together these categories define a matrix of possible theoretical approaches, as illustrated in figure 2.1.

### *The Level of Analysis*

On what level should analysis focus? In one sense, the answer is a given for the study of *inter*-national relations: The forum is the international arena in which nations are the core actors. Yet the nation is not necessarily the appropriate aggregation on which to focus analysis. The behavior of nations in the international arena may be best explained as the outcome of domestic political processes among groups or institutions within nations, or by the behaviors of specific individuals within those groups or institutions.

Many levels of analysis are possible. This chapter adopts the common three-level taxonomy proposed by Kenneth Waltz: international, domestic, and individual.<sup>1</sup> It begins with international-level or systemic approaches,

because they are the most parsimonious and because systemic theories dominate the field of international relations. It then turns to domestic-level analysis, in which the core actors are subnational institutions and groups acting and interacting in domestic political arenas. Finally, it considers individual-level analysis, in which the core actors are individuals acting and interacting within domestic groups and institutions.

### *International Level Analysis*

One possibility for theory is to focus exclusively on the political processes in the international arena. Such an approach presumes that intranational politics can be safely ignored in explaining national behavior. The dominant theories of international relations all make this assumption, although they differ with respect to their characterization of the nature of the international system: rational choice in the case of realism and neorealism,<sup>2</sup> institutional process in the case of neoliberal institutionalism or regime theory,<sup>3</sup> or symbolic response in the case of constructivist theories of international relations.<sup>4</sup>

There are obvious reasons for basing international relations theory on the nation. One is that nations must be at least the nominal actors in the system if the object of study is *inter*-national relations, as noted above. A second is the inherent parsimony of the approach. By dispensing with domestic politics, the analyst has many fewer variables to consider.

NAFTA, viewed through this lens, was a purely international phenomenon, the outcome of national behaviors in the international arena.

### *Domestic Level Analysis*

A second possibility for a theory of international relations is to treat the behavior of nations as the consequence of domestic politics: the behaviors of domestic interest groups, domestic political institutions, or subnational communities of shared belief. Nations are the nominal actors in the international system, but national behavior is determined by the action and interaction of bureaucracies and legislatures, political parties, business and union lobbies, and other advocacy groups.

NAFTA, viewed through this lens, was about the interaction of three domestic political systems—about the way in which the actions and inter-

actions of domestic interest groups, political institutions, and subnational communities determined the international process.

There is obviously an extremely rich array of possibilities here, in part because of the proliferation of actors, in part because of the complex possibilities for interactions among them, and in part because once one admits the possibility of disaggregating the nation, it is hard to know where to stop. Should the analyst treat a coalition such as the AFL-CIO (American Federation of Labor and Congress of Industrial Organizations) as the unit of analysis or consider it to be comprised of its member unions? Is the appropriate unit of analysis class groupings, industrial sectors, or firms?<sup>5</sup> Adding to the analytic complexity is the phenomenon of such transnational actors as multinational enterprises (MNEs) and other international groups and institutions operating in domestic political arenas.

Not surprisingly, given the proliferation of possible variables, the field of international relations has tended to avoid entanglement with the complexity of domestic politics and has left these matters to comparative politics and political economy. One exception to this, on which this book will later draw, is two-level games theory, an approach to modeling the interaction between domestic and international levels.<sup>6</sup>

### *Individual Actors*

Finally, the behavior of nations in international affairs can be treated as the consequence of the actions and interactions of individuals. These individuals may be located at the pinnacle of national institutions, heads of state, for example; within domestic groups, members of Congress or union members, for example; or in the general public. In this conception of international relations, national behavior may reflect either the particular choices of powerful individuals or the collective consequences of numerous individual choices. In either case, however, understanding how nations behave in international affairs requires attention to individual interests, habits of thought, or worldviews.

Obviously, we are a long way from a general theory of international relations once we entertain the possibility that understanding international affairs requires understanding particular individuals. For that reason, most theories of international relations have steered far clear of such entanglements. One exception to this is the small but important literature on elite

decision making for foreign policy making.<sup>7</sup> The literature on intraorganizational politics, within interest groups or within Congress for example, has generally not focused on matters of foreign policy and has been largely ignored by the field of international relations.

NAFTA, viewed through this lens, was about the behaviors of particular individuals at different locations in the political process, including heads of state Salinas, Bush, and Mulroney; leaders and followers within groups in all three countries, for example Ross Perot and members of his organization United We Stand America; or individuals in the general public.

### *Modes of Politics*

Theories of politics also differ in the assumptions they make about the fundamental nature of political behavior and political processes. These core assumptions determine what attributes of circumstance the political analyst must consider to explain and predict international outcomes. Although there are many variants of theory, they can be classified into three broad paradigms: rational choice, institutional process, and symbolic response.

The distinctions among these approaches to international relations correspond to the major cleavages not only within political science, but more broadly in the social sciences. The relationship among these approaches is generally thought to be a contest, an orientation that has led to considerable tension among advocates of each school. This need not be so, as this chapter will argue below. But first, it is useful to consider the ways in which these approaches do differ and how their application to NAFTA would lead to different interpretations.

### *Rational Choice*

One approach to the analysis of politics, and thus a basis for theories of international relations, is to assume that the behavior of actors in the system (at whatever level of analysis one adopts) is determined by rational choice. ~~This means actors have stable preferences or interests, consider the alternative choices available to them, predict the consequences of their choices, evaluate likely outcomes in terms of their interests, and choose the strategy with the highest expected value.~~ Strong rational choice theories assume com-

plete information and perfect ability to process it. Weaker theoretical forms relax these assumptions and allow for incomplete information and less than complete ability to process it, particularly in mapping from alternatives to outcomes, but all assume behavior is essentially interest-maximizing.

Rational choice approaches are also divided on the degree to which preferences themselves are "rational." One stance is that preferences be *substantively* rational, i.e., that actors always seek to maximize the same set of core interests—power or wealth, for instance. Other approaches allow for the possibility that interests may change or be selectively triggered by different circumstances. All rational choice approaches, however, assume some degree of *procedural* rationality, i.e., that actors are strategically rational in pursuit of their interests, whatever the origin of those interests.<sup>9</sup>

Rational choice approaches seek to predict how individual choices will aggregate into collective action. Rarely are outcomes dictated by any one actor. Rather, they are the consequence of choices jointly made by two or more players in a game. The essence of politics, therefore, is strategic interaction among competing or complementary interests. The dominant metaphor is that of a game or a negotiation.

Rational choice methods, adopted from economics and game theory, have had tremendous success in establishing themselves as the dominant mode in contemporary political science.<sup>8</sup> The methodology has great virtues of clarity and parsimony. From relatively simple assumptions, one can make clear predictions. The essence of many apparently complex phenomena can be profitably viewed as relatively simple games. The approach has been applied to the behavior of individuals in groups and organizations, to contests among interest groups, to bureaucratic behavior, to legislatures, and, of course, to international affairs.

Rational choice approaches to international relations could locate rationality at any of the levels identified above: nations, domestic groups, or individuals. The dominant rational choice approach in international relations—realism—takes the nation as the core actor. Contemporary structural realism assumes that nations are both substantively and procedurally rational.<sup>10</sup> There have been relatively fewer attempts to connect rational choice processes involving lower-level actors to international relations, with the exception of the two-level games approach noted above.

NAFTA, interpreted solely through a rational choice lens, could be viewed as a game among three nations, each seeking to maximize its national interests; the interaction of three domestic games among groups within Can-

ada, Mexico, and the United States; or a game among key individuals situated at particular locations in the political process. Rational choice models, we will see in later chapters, need not be confined to one level of analysis. NAFTA can also be profitably viewed as a two-level game in which domestic groups bargain at one level to determine national strategies at the next or as an extraordinarily complex multilevel process in which individuals, located in interest groups, business organizations, governmental agencies, or in the general public, interact to determine the stances of groups in intergroup bargains (or of legislators in Congressional bargaining) that in turn determine national stance in the international bargain.

### *Institutional Process*

A second approach to the study of politics generally, and thus a basis for understanding international relations, is to assume that the behavior of actors is determined by preexisting institutions. In this concept of politics, rules, norms, routines, and other institutions limit options for action and at least partially predetermine their selection, thus channeling behavior along established paths. Political behavior is less a choice than an execution of programs. Political outcomes are determined by these predictable processes (and the sometimes quite unpredictable interaction among them). The central metaphor for political behavior is that of a machine, or to put it in more contemporary language, a computer program.<sup>11</sup>

There are strong and weak institutional theories. The strongest forms hold that behaviors are solely determined by institutions and that the nominal actors are largely irrelevant to outcome.<sup>12</sup> Weaker forms hold that institutions restrict choice but do not determine it, that actors are boundedly rational.<sup>13</sup> Institutional approaches also differ on the question of the genesis of institutions. The stronger forms tend to be silent on the question, taking institutions as given. Weaker institutional approaches may treat institutions as artifacts of earlier rational choice games, although they insist that the institutions are "sticky"—i.e., once created they persist even though they would not be the outcome of a current rational process—and therefore have some independent effect at any given moment.

As with rational choice approaches, institutional process approaches can be applied at any level of aggregation. International regime theory, the main thrust of which is weak institutional theory, maintains that international

institutions restrict national behaviors in international affairs, serving in particular to facilitate cooperation when it might not otherwise occur.<sup>14</sup> Comparative politics has focused much attention on the relationship between domestic institutions and national behavior, although relatively less on the *interactions* among national systems.<sup>15</sup> And at the level of the individual, scholars have investigated the ways in which elite decision makers display bounded rationality with international consequences.<sup>16</sup>

An institutional process interpretation of NAFTA would emphasize the way in which preexisting structures determined the outcome. It might treat the choice to negotiate NAFTA as a manifestation of the international trade regime, or the predictable selection of three domestic trade policy-making systems, or the reflexive behavior of habitual free-traders. To the extent that it considered domestic opposition at all, it might treat unions, for example, as boundedly rational institutions responding in now-routine fashion to trade liberalization.

### *Symbolic Response*

A third approach to the study of politics, and thus a potential basis for theories of international relations, assumes that political behavior is a matter of neither rational choice nor institution process, but is rather a response to the way in which political circumstances are symbolically constructed. In this conception of politics, symbols and symbol systems—including language, ideas, and narratives—affect not only what actors believe about the world, and thus how they predict the consequences of action, but also how they value the actions available to them. The essence of politics, therefore, is a contest among competing constructions.

This approach to politics draws on a rich intellectual tradition largely outside of political science. The approach derives from the early work of sociologist George Herbert Mead and his successors in the Chicago school of sociology; from cultural anthropology, particularly the work of symbolic interactionists such as Clifford Geertz; from social psychologists such as Jerome Bruner; as well as from literary criticism and cultural studies.<sup>17</sup>

Although symbols operate on individuals, symbol systems are socially constructed by communities of shared identity and therefore may operate at several levels of aggregation. Until quite recently, however, there has been relatively little attention given to constructivist or interpretivist approaches in political science.<sup>18</sup> There is now a renewed interest in the role of ideas

in politics, more specifically in international politics. At the international level, neoliberal ideology is given credit for creating and maintaining a world economic order.<sup>19</sup> Less grandly, ideas are said to be useful for facilitating international cooperation,<sup>20</sup> and transnational communities of shared belief are said to be helpful in facilitating cooperation on particular international issues.<sup>21</sup> There is also much interest in the role of symbol systems at the national and subnational level, sparked in large measure by recent dramatic expressions of nationalism and ethnic politics.

The politics of NAFTA, viewed through a symbolic lens, might be seen as a contest of ideas at several levels. The decision to negotiate and the form of the commercial agreement could be seen as the triumph of the dominant neoliberal worldview over a discredited economic nationalism. The fierce domestic politics of NAFTA in the United States could be seen as the manifestation of competing symbolic interpretations. Opposition to NAFTA, in particular, might be viewed as a response to what NAFTA had come to symbolize to unions, environmental groups, and economic populists.

### An Integrated Framework

The dimensions of level and mode together define a matrix of nine cells, as illustrated in figure 2.1. Most approaches in political science (and in other areas of the social sciences) can be located in one or another of these cells, as illustrated. There is a tendency to view the approaches as competitors and to see the task of scholars as one of determining which approach is right. This is unfortunate. For the political analyst, far more can be gained by treating the approaches as complementary and by considering the possibility of integrated, multilevel, multimode analysis. Each approach, as suggested by the applications briefly described at the end of each preceding section, yields some insight, although none alone is sufficient. The sections that follow argue that, far from being inconsistent, the approaches are logically complementary and that thinking across levels and modes provides useful analytic synergies.

#### *Logical Complementarity of Modes and Levels*

There is no inherent contradiction among rational choice, institutional process, and symbolic response. If institutions and symbol systems did not exist, it would be rational to create them.



There are many reasons why it is rational to establish institutions that substitute for reason and to maintain them even when they are no longer optimal (assuming they ever were). For example, the first time one drives home from work, one might choose the route that minimizes travel time. Thereafter, however, letting habit take over is more efficient. Establishing and maintaining institutions as facilitators of collective action is also reasonable.<sup>22</sup> In a world of no transaction costs, perfect information, and no problems of enforcement, institutions would be unnecessary. But in the presence of any of these barriers to efficient negotiation, institutions can reduce transactions costs, improve information, and reduce fears of defection.<sup>23</sup> Given that there are costs of creating an institution, the logic of sunk costs may make it efficient to maintain institutions even when they are less than optimal.

Reliance on symbolic shorthand is also often rational. As Downs has argued, to the extent that actors engage in political behavior in circumstances in which their individual actions have little or no chance of changing the policy outcomes—voting, for instance—it is irrational for them to bear the costs of acquiring and processing information needed to inform rational behavior.<sup>24</sup> In these circumstances it is more efficient to rely on symbolic communication for cues about action. Moreover, it is also possible that what is being consumed is the symbolism itself. As will be argued further in chapter 7, the logic of “rational ignorance” creates a market for symbols, a market for meaning.

There is also no logical inconsistency in thinking of theories at different levels of aggregation, provided that we do not insist on substantive rationality at every level. If, for example, we assume that domestic interest groups are rational actors whose strategic interactions produce national behaviors in international affairs, one cannot also assume that the nation is substantively rational. Such an assumption implies that strategic interaction necessarily leads to socially optimal outcomes, an assertion both empirically and theoretically flawed. The nature of institutions and of symbol systems, however, is that they allow for aggregation. The institutions of the nation-state, for example, allow for bargaining among subnational interests to determine the “national interest” to be pursued by procedurally rational nations in the international arena.

Most theories of politics operate within one mode and at one level of aggregation. There is good reason for this, not least because a single approach is more parsimonious. But what is gained in clarity may come at the

expense of accuracy. Combining levels and/or modes of analysis in one model can provide greater insight into political phenomena and, most importantly, can be more useful for informing strategy in a particular circumstance. The issue for the political analyst is to balance the two.

There is no inherent reason why analysis need be confined to one level or one mode. In some circumstances, a model that crosses borders may more than make up for its complexity with its superior fit with the observed data. This discussion has already touched upon the potential virtues of a multilevel or nested bargaining model, in which, for example, nations maximize “interests” determined by the outcome of contests among subnational entities, each of which is maximizing its own interests. We could also consider the interaction between two types of political behaviors at the same level of aggregation, for example between a commercial interest maximizing its economic interests and a citizens’ pressure group responding to a symbolic construction. Finally, we may also want to consider processes in terms of one mode of analysis at one level of aggregation and another mode at another level. For instance, nations may behave quite rationally given their “interests” as determined by a domestic politics of symbols.<sup>25</sup>

### *The Science and Art of Application*

So far, this chapter has argued that the politics of NAFTA operated at different levels and in different modes and that there are many potentially useful analytic approaches for analyzing them. But, the reader may protest, one cannot analyze everything in every way. How can one apply such a complex framework? To be useful, a model cannot consider every complexity. Rather, it must abstract sufficiently from the detail to direct attention to what matters. Similarly, one cannot analyze every event through every possible theoretical lens.

Parsimony is a virtue. Yet excessive parsimony may substitute clarity for accuracy. The issue is what can be safely suppressed without doing too much violence to the problem at hand. In deciding what approach to take, the analyst should not abandon the pursuit of parsimony, but this cannot be the only consideration. Some analytic approaches are better for some contexts and some questions than others. Under some circumstances, the complex intrigues of domestic politics may matter little to international outcomes. In others, the costs of such simplifying assumptions may be too high. Under

some circumstances, actors may be safely treated as rational interest maximizers. In others, however, such an assumption will lead analysis astray. Determining the appropriate approach is the essence of analytic judgment.

There is a science and an art to this judgment. To some extent, the likely form of politics, and therefore the appropriate approach to take in analyzing it, can be predicted beforehand. On the question of the mode of analysis, first, the greater the potential impact of some event on interests, the more likely actors are to behave in rational self-interested ways. In the NAFTA, the specific terms of the commercial agreement had considerable implications for particular firms. We should expect a domestic politics of interests during the negotiation of that agreement. Conversely, the less is at stake, the more likely habits or symbols will matter more. Second, the more extensive the preexisting institutional arrangements, the more important institutions are likely to be. In the NAFTA, the basic constitutional and legal provisions governing trade decision making in the United States, specifically the fast track process, were long established and elaborate. We should expect this domestic institution to matter most at the stages of authorizing negotiation and ratifying agreement (and to matter less during the negotiation itself, a much more ad hoc institutional arrangement).

The appropriate level of analysis can also be partially predicted. First, to the extent that interests converge at one level—for example, the domestic level—and diverge at the next higher level—here, the international level—the higher level process will be more important than the lower level process. (Of course, collective action failures are possible even with converging interests.) As will be argued in chapter 3, for this reason realism might be more appropriate for international security than for international trade, and in the case of NAFTA, an exclusive focus on the international level is likely to be of limited usefulness. Second, the greater the strength of institutions at a given level of aggregation, the less significant political processes below that level are likely to be. In the case of NAFTA, for example, strong national constitutional structures gave the heads of state considerable latitude in initiating negotiations; consequently, ignoring domestic politics at that stage of the process was more likely to be appropriate. (Chapter 3 will argue, however, that even here, domestic politics matters.) Conversely, only weak national institutions governed the negotiations themselves, so that domestic political processes were more likely to matter.

Although the relative importance of interests and institutions, and the level at which they matter most, may be reasonably predictable, it is some-

what more difficult to know beforehand when an issue will have symbolic resonance. In the case of NAFTA, although one might have anticipated the potential for significant symbolic politics in the United States at the ratification stage (and before), anticipating the extent and the character of that opposition would have been very difficult. This is where the art of political analysis comes into play: As mentioned before, the analyst must be something of political naturalist, equipped with a set of analytic categories that allow for keen observation. One might not have been able to know beforehand that NAFTA would evoke a symbolic reaction, but when it did one could have recognized this reaction for what it was.

### Interpreting NAFTA

As described in chapter 1, the rest of this book is divided into coverage of three broad historical stages: the decision to negotiate, the international negotiations, and the US ratification process. At the end of each chapter, an analytic commentary interprets the historical narrative. In each case, the choice of analytic approach reflects a judgment about what is most useful for understanding the history.

#### *Deciding to Negotiate*

The decision to negotiate a NAFTA involved two steps: first a decision by the three heads of state to initiate the process, and second, in the United States only, a legally mandated legislative process to authorize the negotiation.

One would expect that the decision to initiate negotiations, of all the stages of the process, would be most amenable to an international level analysis, particularly a rational-choice, realist, approach. Viewed through this lens, the three nations “decided” to negotiate the NAFTA because it was in their interest to do so. At first glance, this interpretation is consistent with the record. But further reflection shows that two important puzzles are not solved by this interpretation: If NAFTA made sense in 1990, why didn't it make sense earlier, and why do nations need to negotiate to persuade each other to do what they should want to do anyway? These puzzles can be partly addressed by institutional and symbolic theories at the international

level, but the analytic commentary of chapter 3 will argue that they can best be addressed by considering domestic political processes.

The second step of deciding to negotiate involved the debate in the US Congress in spring 1991 over whether or not to authorize President Bush to proceed. The fast track fight affected both the timing and the agenda of the subsequent negotiations. The key questions here are why there was a fight and why it turned out as it did. The analytic commentary of chapter 4 will argue that answering these questions requires attending to both interests and institutions in the US political arena, as well as to the relationship between them. Powerful domestic groups had competing interests in the fast track process because that institution had profound implications for the ultimate outcome of the whole NAFTA process. The rules governing fast track extension (another institution) created both the opportunity and the context for the contest of those competing interests.

### *International Negotiations*

The NAFTA was negotiated in two installments: first the commercial negotiations from June 1991 to August 1992, and then the supplemental negotiations from February to August 1993. Both negotiations raise questions about process and outcome. Although it is possible to talk about them as purely international processes, we must ultimately consider the roles of sub-national aggregates, particularly of domestic interest groups, to make sense of either.

In all three countries, powerful domestic interests had stakes in the outcome of the commercial negotiations. The extent of their power to influence those talks depended in part on national institutional arrangements, but given the inherently ad hoc nature of negotiation itself, institutions played a relatively smaller role at this stage. The analytic commentary of chapter 5, therefore, focuses on the relationship between domestic interest politics and the international negotiation. It develops simple two-level bargaining models to interpret the observed processes and outcomes.

The supplemental negotiations on environment and labor shared many features with the commercial negotiation: Both were negotiations among nations in which domestic interest groups played important roles. They can, therefore, also be interpreted as a two-level game. However, the commercial and the supplemental negotiations differed in important ways. First, unlike

the concentrated economic interests that dominated the commercial negotiations, large-membership organizations played a pivotal role in the side negotiations. The behavior these pressure groups cannot be explained without consideration of a yet deeper level of bargaining—the individual level between group leaders and group members. Second, the supplemental negotiations were conducted under much closer public scrutiny and in greater proximity to the upcoming legislative battle in the US Congress. The ability of particular groups to influence the bargain cannot be explained fully without reference to this broader political environment in which the negotiation took place. For both of these reasons, therefore, the analytic commentary of chapter 6 argues for considering the deeply nested and contextually embedded nature of negotiation processes.

### *Ratification*

The third stage of the NAFTA story involves the politics of ratification in the United States. The problem here is to explain both the character of the political battle that developed in 1993 and the eventual outcome. As with the authorization process in 1991, basic constitutional differences among the three countries partially explain why only the United States had a significant ratification fight. In Mexico, because of the extraordinary strength of the ruling party, and in Canada, by virtue of its parliamentary system, opponents had little opportunity to prevent ratification. In the United States, however, a different institutional arrangement created just such an opportunity.

A purely institutional perspective, however, cannot explain the level of political engagement in the United States, particularly the extraordinary level of grassroots opposition. To that issue the book turns in chapter 7. The strength and the pattern of opposition presents a puzzle. On the one hand, the likely effects of NAFTA in the United States, whether on the economy, the environment, labor standards, or any of the other dimensions of concern raised in the course of the NAFTA debate, were likely to be exceedingly small. For example, on the politically sensitive question of NAFTA's likely effect on the numbers of jobs in the United States, the vast majority of studies predicted modest net gains, and every sensible economic analysis predicted tiny effects, one way or the other.

Yet if the "real" impacts of NAFTA were likely to be small, the political

reaction to it was anything but. How can we account for the vociferous opposition by unions, grassroots environmental groups, citizens' lobbies, Ross Perot's United We Stand America, and Pat Buchanan? Chapter 7 argues that these political dynamics can only be understood as a response to NAFTA as symbol. It argues that opposition leaders, through the stories they told about NAFTA, constructed a kind of narrative politics in which opposition to NAFTA became less a matter of calculated self-interest than an affirmation of identity. It takes as text the rhetoric of opposition and analyzes the way in which the meaning of NAFTA was constructed.

Finally, the book turns to the vote in the US Congress, the last stage of ratification, and to the nature of the political strategies employed on both sides of the battle. The analytic commentary to chapter 8 argues that to make sense of those strategies now, and more importantly to inform successful strategy in the moment, required thinking across levels and modes of politics. In the end NAFTA was won in part by manipulation of institutional rules, in part by deals to satisfy domestic interests (including some deals that had to be negotiated internationally), but in large measure by a countervailing symbolic campaign of support for NAFTA. Part of the political problem faced by advocates at the time could have been predicted. Commercial interests facing loss of tariff protection were sure to mobilize. However, much of the opposition was hard to predict. To be sure, there were warning signs for the attentive, particularly in 1991. But the crucial matter then was whether the analyst had the right tools in hand to interpret what was happening when it did.

Taken together, the analytic commentaries that follow each historical chapter develop more fully the framework for analysis sketched in this chapter. They constitute an argument about how the political analyst should employ the tools of political science, adapting them as needed, to interpret political phenomena such as NAFTA.

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## Section I

### Deciding to Negotiate