

Toward a Methodologically Individualist Theory of the Modern State

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Outline

- 1 Introduction
 - Motivation
 - Contribution
 - Existing Literature

- 2 Model
 - Theoretical Model
 - Solution of Model

- 3 Conclusion
 - Summary
 - Future Research



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The Unitary Actor Assumption

- Existing theories of state formative may have contributed to unitary actor assumption
 - If states *raison d'être* can be reduced to single driver, then states act to legitimize that reason
 - State that exist to resolve diverse economic concerns can be treated as an economistic maximizing actor on aggregate
- Such an assumption is neither satisfactory nor necessary
 - States can be conceived as existing to meet the diverse policy concerns of its constituencies
 - States, *per se*, are neutral institutions that frame the interactions of its citizen-agents



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Understanding State Formation and Operation

- Objectives of this paper
 - Model interaction of relevant actors in formation of state policy
 - Allow for actors to operate at subnational, national, and international levels



Advantages of Dropping the Unitary Actor Assumption

- Positive contribution
 - Releases the need to impute state with set of preferences and objectives, which makes decisions in partial equilibrium
- Normative contribution
 - Frees us from position of denying that state choices ultimately reflects underlying preferences constituents



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Artificial Boundaries and Critical Interactions

- 1 Boundaries between state, society, and economy are artificial and imperfect
 - State-society boundary (Mitchell 1991, Migdal 2001)
 - State-market boundary (Granovetter 1985)
- 2 Importance of interactions between individual, state, and international
 - Second-third images (and reversed) allow for state-international interaction (Gourevitch 1978, Putnam 1988)
 - Insufficient attention to first-second images



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The (Ir)relevance of State Theory

1 Hyperglobalizers versus state-centrism

- Hyperglobalizers (Ohmae 1995, Camilleri & Falk 1992) argue that state no longer has relevance in globalized world
- State centrists (Held *et al* 1999, Hirst & Thomson 1999) deny anything other than inter-national economy

2 Hegemonic power and postcolonial globalization

- Underlying structure of global political economy is largely determined by imperialism (Hardt & Negri 2000) or colonial history (Hoogvelt 2001)



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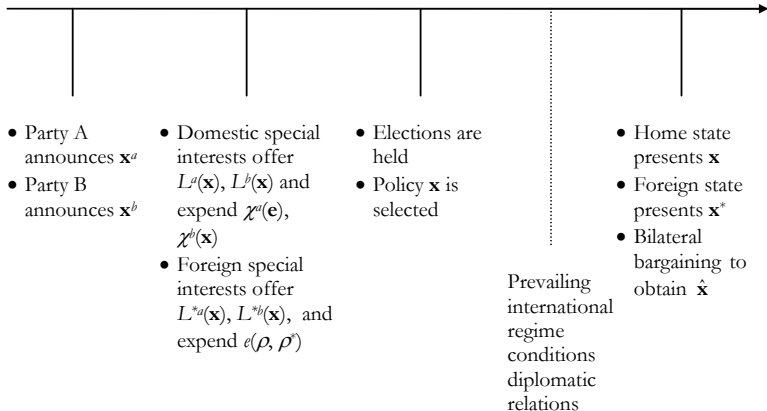


Environment

- States exist to effect a policy vector \mathbf{x}
- Actors comprise (informed and uninformed) general citizenry, political parties, domestic special interests, and foreign transnational NGOs and states
- Policy formation follows a four-stage game



Sequence of Events



Stylized Discussion of Solution

- 1 Parties make policy announcements taking into account how platforms will be influenced by special interests, considered by voters, and bargained with by foreign states
- 2 Having observed announcements, special interests offer monetary contributions/expend nonmonetary effort to influence the final outcome, taking into account subsequent voter and foreign state choices
- 3 Elections involve voters making choices over their preferred policies
 - Informed voters will decide purely based on their policy preferences
 - Uninformed voters are influenced by both contributions and increased information
- 4 States meet at the negotiation table to (Nash) bargain over outcomes



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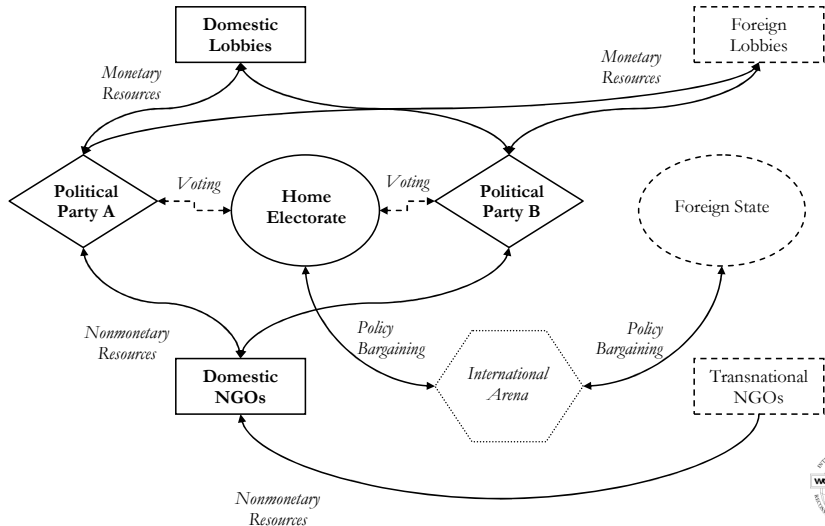


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Underlying Mechanisms for State Policy



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Main Findings

- Drop unitary actor assumption and allow state action to be contingent on the preferences and constraints faced by the constituent actors
- State formation and policymaking are two sides of the same coin
- Game theoretic solution of state policy formation is internally consistent and externally valid



Shortcomings and Areas for Future Work

- Complexity of formally modeling the cross-linkages in a game-theoretic context require limiting actor interactions
- Stylized idiosyncratic interpretation of the institutional strictures that apply to the process of policy formation
- Avoided a more socio-cultural analysis that would allow for path dependence in a more contextualized form



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