

Review of Jeffrey Anderson, *German Unification and the Union of Europe: The Domestic Politics of Integration Policy* in *American Political Science Review* Vol. 96 Issue 1, 2002, pp. 255-56.

Beverly Crawford
University of California, Berkeley

German unification presents conceptual puzzles that comparativists dream of. Has this monumental change—which boils down to full German sovereignty, growth of German power and the emergence of new domestic political interests—altered Germany’s relationship to Europe? Is Germany withdrawing from or dominating European institutions? Or does the new Germany still tread its well-worn post-war path of the model “European?” The question is important for our understanding of the sources of policy change and continuity as well as for our understanding of the process of regional integration in general, and the course of European integration in particular. In which issue areas has Germany’s post-unification policy broken with the past? Is the break caused by changes in domestic politics or the increase in the power of a unified and fully sovereign Germany? Have policy changes impeded or enhanced the speed and character of European unification? Are important continuities evident? And if both policy continuity and change are present, why the variation? These are the questions the Jeffrey Anderson tackles in this timely and important volume.

In the decade since unification Germany’s European policy has been characterized by both continuity and change. Situated securely—but not exclusively—at the domestic level of analysis, Anderson’s explanation for this variation relies on the particular interaction of institutions, ideas, and interests before and after unification. He makes an important distinction between the constitutive and regulative dimensions of the European integration process, arguing that Germany has exhibited seamless continuity in constitutive politics because German “identity” was so entwined with Europe. Furthermore, as European integration deepened during the post-war period, Germany had participated in shaping European institutions and securing its domestic interests within the European Community.

It is within *regulative* policy that the real puzzle reveals itself. In some regulatory areas (trade and internal market affairs), Germany’s post-unification policy remained constant, while others (environmental and energy policies) exhibited subtle shifts, and still other policy areas (structural funds, state aid, and the CAP) have undergone dramatic changes. Within these policy areas, the key to continuity and change rests with domestic political interests, their response to the unification process, the degree to which domestic actors’ desire for policy change resonated with longstanding German economic beliefs, and the availability of domestic and EU institutions to translate actor demands into policy choice. Where interests conformed to prevailing ideas and where institutional channels were available, domestic actors were able to push through their policy preferences. Where domestic actors’ interests contradicted prevailing ideas, and where few institutional channels were available for their voice to be heard, their policy demands were thwarted. Entrenched ideas and the institutions that support them are of crucial explanatory importance in the cases where the demands of domestic actors pose a

challenge to prevailing policy; they are of little direct importance when they support—or at least do not clash with—the interests demanding policy change.

Anderson provides solid empirical evidence for this argument. Unification put the entire German economy under considerable stress, and affected the interests of all economic actors. Eastern firms, labor unions, and state governments clamored for trade subsidies to enhance competitiveness. But the idea of trade subsidies contradicted prevailing liberal beliefs. Thus Bonn soundly resisted domestic pressure from the East for policy change. In stark contrast, domestic actors from the new *Länder* successfully pushed for radical policy departure that would garner for themselves more EU aid, subsidies, and development funds. Successful policy change rested on an institutional structure in these sectors that permitted Eastern domestic interests to be “partners” in the policy-making process. And the ideas supporting previous policy could be stretched enough to incorporate and justify the policy change.

More nuanced changes occurred when both German federal and EU institutions favored the demands of German domestic interests, even when these demands *appeared* to fly in the face of prevailing ideas. These more subtle changes were evident in the environmental regulatory sector. Strict national environmental regulations, exporters had always argued, hampered Germany’s competitive advantage. Before unification Germany ignored this objection had led the effort to strengthen EU environmental regulation as German domestic regulations stiffened. Ideas about environmental protection prevailed over interests. But as German export competitiveness sharply declined after unification, German officials were less eager to see increasingly strict environmental policy, and attempted to slow the process of European environmental regulation as the German process slowed. In the energy sector, liberal ideas had favored deregulation, but hard coal interests and post-war decisions to provide a sure and cheap energy supply made Bonn drag its feet on deregulation. After unification, the cost-benefit calculations changed: energy-intensive industries, favoring gas and oil over coal, were always eager to deregulate. Now their lobbying efforts paid off, especially in Brussels, where the Commission had also favored rapid deregulation, with Bonn, hampered by hard coal interests and institutional constraints, favored a slower approach. But the economic crisis triggered by unification provided the impetus to speed it up. A coalition between German exporters and the EU Commission provided the needed push to accelerate energy deregulation at the European level. That push finally gave Bonn the upper hand over coal interests, and brought more rapid energy deregulation in line with liberal ideas. In these two issue areas, it was the *speed* of European policy change that was affected, rather than Germany’s overall policy stance. Prevailing ideas about environmental protection and liberalization remained intact.

This convincing argument makes an important contribution to the scholarly debate over the sources of states’ foreign policies. Some analysts argue that national policy changes results from external pressures—growing or declining power in the international system or the increasing role of international institutions in shaping states’ preferences. Others look to domestic forces in the policy process as the primary cause of change. Anderson makes a convincing case for domestic explanations of policy preference. Yet he rejects monocausal accounts, and his careful analysis shows precisely how ideas, institutions, and interests—at both the domestic and international levels—interact to influence policy choice. And unlike arguments that bundle ideas and

institutions together in their explanations, Anderson has succeeded in giving institutions independent explanatory status, apart from the ideas that gave birth to them.

Will this argument stand the test of time as unification pressures recede? Germany is increasingly less likely to face the same mix of domestic pressures in the future, and Anderson's argument relies heavily on unification and its domestic consequences as a cause of change. Nonetheless, his analytic framework will continue to be useful under other conditions that affect one or more of the three variables.

Can the lessons learned from these seven cases be generalized? Indeed, the case of dramatic post-unification changes in German export control policy seems to defy Anderson's account. Before unification, Germany's regulations controlling the export of commercial technology with military usefulness to potential adversaries were liberal, lax, and minimal, and the Germany consistently opposed the stricter control policies of its European partners and the United States. The logic of export regulation was in direct conflict with Bonn's liberal trade ideas, and tight policy networks between government and industry in favor of loose controls ensured lax enforcement minimal regulation. Institutional forces favored exporters' interests; indeed the peak industrial association virtually wrote Germany's export control regulations. Clearly, ideas, interests, and institutions had combined to ensure minimal export control in the face of strong external pressures. After 1989, however, over heated protests from industry, Germany's export control system underwent its most dramatic transformation in history, moving it from a reluctant controller to a fervent proponent of tight controls, and making its laws among the strictest in the world. Within the EU, Germany successfully pushed for a common export control policy; initial EU guidelines mirrored the strict new German legislation. Institutional changes in Germany favored tighter controls and stricter enforcement. Neither ideas, institutions, nor interests can explain this shift; their interaction had long worked to ensure a liberal export control policy. And exporter interests in lax controls only grew stronger after unification as competitiveness declined. Perhaps in this case, analysts must look to external pressures associated with growing German power and growing responsibility for regional security.

This objection, however, does not undermine the significance of this important book. Anderson has gone far in strengthening both the argument for domestic explanations of foreign policy preferences and arguments about the domestic sources of EU policy. Scholars will benefit greatly from the use of his analytic framework, and the argument will long continue to pose a significant challenge those who claim that Germany's foreign policy will now be shaped primarily by external forces and its growing power on the European and international scene.