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Abstracts

The mysterious case of vanishing hegemony; or, Is Mark Twain really dead?

by Bruce Russett

The literature on hegemonic stability commonly assumes that American hegemony has drastically declined in recent years. Is that assumption justified? If one distinguishes between power base and control over outcomes, the American position regarding the latter, in particular, has not declined substantially, and especially not if one considers security goods as well as economic goods. The substantial continuity of outcomes in the post–World War II era stems in large measure from the degree to which the goods provided have been private goods that particularly benefit the United States rather than collective goods, as is widely assumed. These benefits, especially those from “cultural hegemony,” have helped the United States to sustain much control over outcomes.

Protectionism and world politics

by Susan Strange

Much unwarranted gloom and doom has been written of late about the new protectionism. It has been widely held to be a major hindrance to Third World development, an obstacle in the path of world economic recovery, and even a threat to good international relations. The facts about trade in recent years suggest a different story—and the need to look far more critically at some of the myths propounded by liberal economists. For it was not protectionism that was responsible for starting the depression of the 1980s any more than that of the 1930s. Then, as now, it was financial uncertainty and the consequent shrinkage of credit that slowed both growth and trade. Nor is protectionism a serious menace. Not only has it failed to stop the flood of industrial exports from Asian countries, there are good reasons of state and corporate self-interest why it need not be feared in the future. Far from being a threat to the international economic order, as IMF and GATT ideologues would have us believe, bilateral trading agreements between states and corporations are sustaining continued growth in trade despite financial disorder.

Cutting across doctrines: positive adjustment in Japan

by Michèle Schmiegelow

Japan's economy keeps changing too fast, its economic policies are too active and independent, and its domestic structures seemingly deviate too much from Western patterns to conform to theories that rely on general equilibrium in mature economies. Static economics, including recent monetarist, supply-side, and rational expectations models, some aspects of dynamic and development economics, and most of the neoliberal current in international relations theory are seriously challenged. On the other hand, the mercantilist paradigm, theories focusing on the role of the state, and analyses exclusively adopting the subsystemic level of international relations theory have substantial problems with the ample evidence of adaptation to external factors, the dynamism and Schumpeterian qualities of Japanese private enterprises and the far-reaching liberalization of Japan's foreign-exchange and foreign-trade control regime. As the only OECD member to have pursued "anticipatory adjustment" on the macrolevel and as the obvious model for the OECD category of "positive adjustment," Japan presents a case of universal relevance. It suggests propositions linking targets and instruments of quantitative and qualitative policies, as well as processes of internalization of global factors and externalization of domestic factors. It provides material for revising, extending, and integrating international relations theory and the theory of economic policy.

Consensus or compliance? Foreign-policy change and external dependence

by Bruce E. Moon

The foreign-policy behavior of weak states, conventional wisdom holds, is largely determined by a process of bargaining with a dominant state. Compliance with the dominant state's preferences is viewed as necessary to the maintenance of economic exchange relations that benefit the weak state. Evidence for such a theory has been found in cross-sectional correlations of aid and trade with UN voting. However, such empirical studies have ignored alternative explanations, overlooked elements of the statistical record, and failed to examine the logic of the bargaining model. The assumptions of the bargaining model are vulnerable to criticism; an alternative model emphasizes multiple constraints on the behavior of both the strong and the weak nation in an asymmetrical dyad. Reanalysis of the data uncovers strong evidence of an explanation for foreign-policy continuity rooted in dependency. Dependency permeates and transforms the political system of dependent nations, thus bringing about constrained consensus rather than compliance. Furthermore, the data provide strong evidence for an explanation of foreign-policy change in both nations that centers on regime change, not on bargaining with an external actor.