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German Trade Policy in Eastern Europe

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Domestic Sources of Alliances and Alignments

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Foreign Direct Investment in the United States

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In Memoriam

ROGER D. HANSEN

(1935–1991)

Perceptive student of North–South relations and international political economy. Author of “The Political Economy of North–South Relations: How Much Change?” (International Organization, Autumn 1975). Member of review committees for special issues on the international politics of food (1978) and international regimes (1982).

**Member, Board of Editors,
International Organization,
1976–1982**

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Abstracts

Political leadership and regime formation: on the development of institutions in international society

by Oran R. Young

Leadership plays a critical but poorly understood role in determining the success or failure of the processes of institutional bargaining that dominate efforts to form international regimes or, more generally, institutional arrangements in international society. An examination of the nature of institutional bargaining serves as a springboard both for pinpointing the role of leadership in regime formation and for differentiating three forms of leadership that regularly come into play in efforts to establish international institutions: structural leadership, entrepreneurial leadership, and intellectual leadership. Because much of the real work of regime formation occurs in the interplay of different types of leadership, the study of interactions among individual leaders is a high priority for those seeking to illuminate the processes involved in the creation of international institutions. Not only does such a study help to explain the conditions under which regimes form or fail to form, but it also provides an opportunity to bring the individual back in to an important area of international affairs.

International economic structures, government interests, and international coordination of macroeconomic adjustment policies

by Michael C. Webb

Analysts have commonly argued that there has been a decline in international coordination of the kinds of policies that governments can use to manage the international payments imbalances that emerge when different governments pursue different macroeconomic policies. The decline typically has been attributed to a posited decline in American hegemony. In contrast, this article argues that international coordination of macroeconomic adjustment policies (trade and capital controls, exchange rate policies, balance-of-payments financing, and monetary and fiscal policies) was at least as extensive for much of the 1980s as it had been in the 1960s. There was, however, a shift away from coordination of balance-of-payments financing and other policies that have limited direct consequences for domestic economic and political conditions and a concurrent shift toward coordination of monetary and fiscal policies that are critically important for domestic politics and economics. This change is best explained as a consequence of changes in the structure of the international economy. Most important, international capital market integration encouraged governments to

coordinate monetary and fiscal policies because balance-of-payments financing and exchange rate coordination alone are insufficient to manage the enormous payments imbalances that emerge when capital is able to flow internationally in search of higher interest rates and appreciating currencies.

German trade policy in Eastern Europe, 1890–1990: preconditions for applying international trade leverage

by Robert Mark Spaulding, Jr.

Over the past century, Germany has repeatedly attempted to use trade as a tool of foreign policy vis-à-vis Imperial Russia, the Soviet Union, Poland, and Czechoslovakia. Against the background of continual German economic superiority, this article analyzes Germany's ability to apply trade leverage in terms of four other factors: the nature of the prevailing international trade regime, government views of trade leverage as a tool of statecraft, the degree of German state autonomy in setting trade policies, and the availability of an effective bureaucratic mechanism for controlling German imports and exports. The historical record demonstrates that beyond economic superiority, the application of trade leverage requires a permissive international trade regime, state acceptance of trade-based economic statecraft, an autonomous domestic regime, and a rigorous trade control bureaucracy. Surprisingly, this conjunction of factors, as they applied to Eastern Europe, occurred during both the Nazi period and the early years of the Federal Republic. The article closes by pointing out how two important factors—the politicized nature of the East–West trade regime and the Federal Republic's high degree of state autonomy in setting Eastern trade policy—are being eroded by political and economic change in Eastern Europe.

Domestic sources of alliances and alignments: the case of Egypt, 1962–73

by Michael N. Barnett and Jack S. Levy

The theoretical and empirical literature on international alliances has tended to support the realist view that the pursuit or tightening of external alignments stems predominantly from external security threats. Consequently, the role of domestic factors has generally been ignored or downplayed. This article begins with the observation that leaders confronted with external threats make trade-offs between the pursuit of external alignments and the mobilization of domestic resources. It then argues that the choice of strategy depends on a combination of systemic and domestic factors, including the perceived degree of external threat to state security, the perceived degree of domestic instability and threat to the government, and the constraints that derive from the domestic political economy. The analysis of Egypt's alignment behavior during the period from 1962 to 1973 underscores the impact of domestic and economic political constraints on the choice of domestic mobilization or alliance formation and the central role of alliances in providing resources for confronting domestic as well as foreign threats.