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## International Organization

**Robert H. Jackson**

International Jurisprudence and the Third World

**Susan Strange**

The Persistent Myth of Lost Hegemony

**Theodore H. Moran**

The International Oil Industry: Past, Present, and Future

**Stephen J. Kobrin**

Testing the Bargaining Hypothesis

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Trade Policy in France and the United States

**Bruce W. Jentleson**

American Commitments in the Third World

**Miguel Marín-Bosch**

How Nations Vote in the UN

**Robert O. Keohane and Joseph S. Nye, Jr.**

*Power and Interdependence Revisited*

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# Abstracts

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## **Quasi-States, dual regimes, and neoclassical theory: international jurisprudence and the Third World**

by Robert H. Jackson

Decolonization in parts of the Third World and particularly Africa has resulted in the emergence of numerous “quasi-states,” which are independent largely by international courtesy. They exist by virtue of an external right of self-determination—negative sovereignty—without yet demonstrating much internal capacity for effective and civil government—positive sovereignty. They therefore disclose a new dual international civil regime in which two standards of statehood now coexist: the traditional empirical standard of the North and a new juridical standard of the South. The biases in the constitutive rules of the sovereignty game today and for the first time in modern international history arguably favor the weak. If international theory is to account for this novel situation it must acknowledge the possibility that morality and legality can, in certain circumstances, be independent of power in international relations. This suggests that contemporary international theory must accommodate not only Machiavellian realism and the sociological discourse of power but also Grotian rationalism and the jurisprudential idiom of law.

## **The myth of lost hegemony**

by Susan Strange

There is not much significant theorizing outside America and, within America, most recent theorizing has tended to become more abstract or else has falsely assumed that the United States is no longer a hegemonic power. But rather than criticize what has been done, I shall outline a different approach, identifying four major global structures—security, production, finance, and knowledge—within which states, corporate enterprises, and others operate. I conclude that America is dominant in all four structures. International studies therefore ought to develop a theory of empire which can be applied by U.S. policymakers, if these studies are to have any basis in reality and any practical use.

## **Managing an oligopoly of would-be sovereigns: the dynamics of joint control and self-control in the international oil industry past, present, and future** by Theodore H. Moran

The key to the success of the oil oligopoly has been the ability of its members to make commitments to each other credible despite great divisiveness and enormous uncertainties. To accomplish this, the oil companies constructed a regime of supra-sovereign constraints to control the pursuit of individual self-interest. When these anti-democratic, anti-autonomous institutions functioned effectively, the corporations met challenges far greater than those OPEC subsequently faced; when they began to disintegrate, the companies' ability to hold price above marginal cost deteriorated. OPEC reinvigorated the oligopoly using the ready-made self-denial and surveillance mechanisms built by the companies, then systematically unravelled them in moving towards a "mature" cartel held together by "mere" common interest, promises, and threats. To reconstruct an oligopoly that has the cohesiveness of the corporate era, OPEC will need not only a more moderate price trajectory, but also a binding structure that gives preponderance to the most conservative members, provides prompt and accurate verification of cheating, and automatically imposes penalties in magnified form for competitive behavior (without the need for direct retaliation). Beyond predictions about the future of the oil industry, these findings have important implications for economic approaches to imperfect competition, for anti-trust analyses of collusion, and for organizational theories of hegemonic leadership.

## **Testing the obsolescing bargain hypothesis in the manufacturing sector** by Stephen J. Kobrin

The bargaining power model of HC–MNC (host country–multinational corporation) interaction conceives of economic nationalism in terms of rational self-interest and assumes both inherent conflict and convergent objectives. In extractive industries, there is strong evidence that outcomes are a function of relative bargaining power and that as power shifts to developing HCs over time, the bargain obsolesces. A cross-national study of the bargaining model, using data from 563 subsidiaries of U.S. manufacturing firms in forty-nine developing countries, indicates that while the bargaining framework is an accurate model of MNC–host country relationships, manufacturing is not characterized by the inherent, structurally based, and secular obsolescence that is found in the natural resource industries. Shifts in bargaining power to HCs may take place when technology is mature and global integration limited. In industries characterized by changing technologies and the spread of global integration, the bargain will obsolesce very slowly and the relative power of MNCs may even increase over time.

## **Resisting the protectionist temptation: industry and the making of trade policy in France and the United States during the 1970s** by Helen Milner

Why were advanced industrial states able to keep their economies relatively open to foreign trade in the 1970s and the early 1980s, despite declining U.S. hegemony and increasing economic difficulties? This article argues that an international-level

change affected domestic trade politics and contributed to the maintenance of a liberal trading system. Examining the United States and France, the argument proceeds in two steps, showing first how domestic trade politics were changed and second how this change affected the policy process. Initially, I argue that aspects of the increased international economic interdependence of the postwar period altered domestic trade politics by creating new, anti-protectionist preferences among certain firms. Firms with extensive international ties through exports, multinational production, and global intra-firm trade have come to oppose protectionism, since it is very costly for them. Evidence for these new preferences was apparent among both American and French industries. Despite different contexts, firms in the two countries reacted similarly to the growth of interdependence. Next, I ask whether firms' preferences affected trade policy outcomes and show how these preferences were integrated into the policy process in both countries. Trade policy structures in neither country prevented firms' preferences from affecting the policies adopted. Even in France, a so-called "strong" state, firms' preferences were a key influence on policy. In the trade policy area then, the French and American states did not appear to differ greatly in their susceptibility to industry influence, even though their policy processes were different.

### **American commitments in the Third World: theory vs. practice** by Bruce W. Jentleson

Amidst their other differences, the defeats suffered by the United States in Vietnam, Iran, and Lebanon have a common explanation. In all three cases American strategy was based on "global commitments theory." Interests were to be defended and global credibility strengthened by the making, maintaining, reinforcing, and sustaining of American commitments to Third World allies. However, the core assumptions on which the logic of global commitments theory rests are plagued with inherent fallacies. These fallacies can be identified analytically as patterns of dysfunction along four dimensions of foreign policy: decision-making, diplomacy, military strategy, and domestic politics. They also can be shown empirically to have recurred across the Vietnam, Iran, and Lebanon cases. The central theoretical conclusion questions the fundamental validity of global commitments theory as it applies to the exercise of power and influence in the Third World. Important prescriptive implications for future American foreign policy are also discussed.