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Letter from the President The Death of Comparative Politics?

Robert H. Bates
Harvard University

Once discredited, modernization theory has gained renewed credibility, as nations that once were authoritarian now conform with the democratic expectations engendered by their levels of economic development and social mobilization. Once derided, the advocates of the "convergence" hypothesis now command an audience, the result of the fall of communism. The rise of democracy and the end of the cold war seem to have reduced the level of cross-national diversity — if not the stuff of life, at least the food for thought for students of comparative politics.

The rise of global markets, it would appear, gives added impetus to the homogenization of domestic politics, thus posing further challenges to the comparative study of politics. In Europe if not in Asia, awareness of the growing costs of exclusion from international markets constituted a major cause for the collapse of Communism. Political reform in Africa represents an attempt to find favor in the global market for capital. A growing consensus as to "best practices" leads to a growing convergence in political regulations and public services throughout the world, as those who control jurisdictions seek to influence the locational decisions of firms.

Forces internal to the academy also appear to challenge the comparative study of politics, at least as it has

traditionally been understood. One emanates from social theory, and stresses the hegemony of Western culture. The power of economic reasoning among non-Western political elites; the appeal of Rambo movies among the youths of West Africa; the spread of MacDonaldis into every nook and cranny of the globe — such symptoms of the globalization of culture place a priority on the explanation of similarity, not difference.

A second academic trend emanates from economics. Politics, it is held, represents the authoritative allocation of values; it differs from economics in that the allocative process takes place in non-market institutions. Given the assumption that individuals behave rationally in politics as well as in economics, people can therefore be expected to find ways of "trading around" political impediments. When political arrangements frustrate such welfare enhancing exchanges, then they will be altered. Although neo-classical in its premises, this argument is Marxian in its conclusion: Politics can retard the changes brought on by economic forces, but ultimately will adjust to accommodate them. Rendering politics mere superstructure, this approach challenges its significance, and thus the importance of its study, comparatively or otherwise.

Spurred on by interest in the new growth theory and energized by the

Annual Meeting Notice

The business meeting of the Organized Section in Comparative Politics will be held Thursday, August 29th at 5:30 p.m. in San Francisco at the APSA annual meeting. Please consult the meeting program for the location. All are welcome to attend.

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availability of large data sets, the analysis of large political data sets represents a third trend. While focusing on cross-national variation, such analyses promote a highly "de-natured" vision of politics. Democracy is measured through the Gastil indices; Africa becomes a dummy variable in a cross-national growth equation. While the attributes of governments may enter the analysis, the political process does not.

Is the study of comparative politics therefore dead? As has long been feared, is it fated to become a branch of history? Worse still, will those trying to study it scientifically be compelled to wave their hands about "path dependence" in an effort to distinguish themselves from historians?

To the first question, I answer: no. To the second two questions, I answer: I don't think so. The reason for both replies is that I see lurking in each threat an opportunity.

Nothing better demonstrates this point than the fact of economic globalization. Countries profoundly differ in the ways in which they accommodate themselves to international markets. The magnitude of the differences become more apparent the more precisely the market is defined. In research into the international coffee market, for example, I have found politically significant differences in the ways in which nations have adjusted to the same international economic shocks, some representing the triumph of, others the demise of, agrarian elites; some the victory of urban-based industry; and still others the triumph of the fiscal state.

Similar stories could be told for other commodities. Policies toward each offer opportunities for comparative analysis.

Far from posing a threat to the comparative study of politics, the seeming homogenization of political life at the global level offers opportunities. It does so if only because it would now appear that most of the cases we encounter bear sufficient similarity that we should be able to comprehend them. Previously, so great were the regional differences, that we could reasonably deny the possibility of comparison; we could remain area specialists. The very forces that now appear to erode differences strengthen the incentives to comprehend them.

To those who apply economic reasoning, I would point to the lessons of game theory: In a world where the folk theorem can hold, rationality in choice does not imply uniqueness in outcome; and where incomes can be enhanced through distribution, then we are in a game without a core. Both insights suggest that rather than being tangential, political institutions are fundamental to explanations of political outcomes. Far from being the death of comparative politics, cross-national statistical research will in fact re-energize it: We will be driven to look once again in depth at cases, both to find the mechanisms that generate the variation we capture statistically and to account for cases that deviate from these trends.

Rather than the demise of our field, I sense its renaissance. It is a wonderful time to be engaged in the comparative study of politics.

As a service to the comparative community, the *Newsletter* would like to feature occasional review articles of undergraduate textbooks in different areas of comparative politics. Experienced instructors interested in writing such a review should contact the editor.

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Almond Award

Each year the American Political Science Association offers the Gabriel Almond Award for the best dissertation in the field of comparative politics. The APSA has decided to increase the cash prize for dissertation awards from \$250 to \$500, but this requires that the endowment be at least \$12,500 in order to support the award. The Almond Dissertation Award's endowment is currently about \$4,000 short.

The Section has a special interest in promoting excellence in the field of Comparative Politics. As a result, the Executive Committee strongly endorses the proposal of the Association to seek donations that will enable it to increase the Gabriel Almond Prize to \$500.

The APSA is requesting modest contributions from Section members of \$25. Since our students are candidates for the award, we share an interest in enlarging it. Checks should be made payable to the American Political Science Association with an accompanying note that the money is for the Almond Award. Please send your donations to Sheila Mann, Director, Education Programs, APSA, 1527 New Hampshire Ave., N.W., Washington D.C. 20036.

CSPP Announces Russia Barometer

The Center for the Study of Public Policy's new Russia Barometer is designed on the Heineken principal of "reaching the parts that other studies do not reach." Interviews are conducted annually with over 2,000 Russians for an hour each about their political, economic and social conditions and attitudes. The nationwide stratified sample covers the country from the Barents Sea to Vladivostok, including provincial towns and the countryside. The Barometer is designed to show which way the winds are blowing in Russia. The base line Barometer survey was conducted in January 1992, the first month of the Russian Federation, and has been repeated annually in 1993, 1994 and 1995.

For more details contact: Professor Richard Rose FBA, University of Strathclyde, Livingstone Tower 26 Richmond Street, Glasgow G1 1XH Scotland (<http://www.strath.ac.uk:80/Departments/CSPP/>). The CSPP also maintains a program of nationwide representative surveys to monitor trends in the transformation of post-Communist societies, which started in spring, 1991.

Research Group On Comparative Gender Politics

Sixteen scholars from nine countries make up the new *Research Network on Gender, Politics and the State*. Known by the acronym RNGS, the network was formed at the Joint Workshop on Comparative State Feminism held at Rijks Universiteit Leiden July 5-7, 1995 sponsored by the Leiden University Department of Women's Studies and an NSF Cooperative Science Program Grant.

Over the next 5 years, RNGS plans a cross-national study of women's policy offices — ministries, bureaus, commissions, and the like — in post-industrial democracies. This research will build upon the findings in *Comparative State Feminism* (Stetson and Mazur 1995). The goal is to examine the capability of these offices to make stable democracies more democratic by increasing the political representation of women. A central RNGS project will be to describe and explain cross-national patterns of the role of policy offices and their staffs in gendering policy debates and in augmenting the participation of gender-conscious activists in the policy process.

Members of RNGS wish to identify anyone interested in working on this research agenda in any of the 23 countries identified as post-industrial democracies. For further information contact: Dorothy McBride Stetson, Department of Political Science, Florida Atlantic University, Boca Raton, FL 33431, phone: 407-367-3213, e-mail: STETSON@ACC.FAU.EDU; Amy Mazur, Department of Political Science, Washington State University, Pullman, WA 99164-4480, phone: 509-335-4615, e-mail: MAZUR@WSUVM1.CSC.WSU.EDU; or Jenneke Van der Ros, Lillehammer College, Box 1004, 2601 Lillehammer, Norway, phone: 47-612-8839, e-mail: JANNEKE.VANDERROS@HIL.NO.

Forum on the Question, "Is Comparative Politics Obsolete?"

Field Work in the Era of Globalization

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Globalization does not mean the obliteration of difference. Yet many political scientists are so convinced that it does, and so impressed by recent advances in the field of economics where economic laws are held to transcend political boundaries, that they foresee the day when courses in "comparative politics" will fall into desuetude, like the courses in many universities that used to be called "comparative economic systems."

Although many readers of the "Comparative Politics Newsletter" interpreted a presidential column that I wrote two years ago to be sympathetic with the view that comparative politics is defunct, my motivation was quite the reverse; it was to save "comparative politics" from the fate that has befallen "comparative economic systems." In that column, with the analogy of theoretical and experimental physics in mind, I stressed that, in order to survive, comparative politics would have to confront with evidence the dominant theories in the discipline. In this essay, I shall argue that in the search for limits to, ~~new ideas for, and tests of theory,~~ political science has a comparative advantage over economics in observations derived from field work. Furthermore, within political science comparative politics has the strongest tradition of field work. It follows that a new theoretically-driven political science, despite the illusion of "macworld", can best be nurtured through the field work that is a core element of comparative politics training.

Consider the issue of ethnic violence. On the one hand, available field work was insufficient for theory development. In 1995, I published a paper (Laitin, 1995) in which I criticized a number of experienced field workers with expertise in Spanish politics who had sought to figure out why the Basque national revival in Spain has been so bloody while the Catalan national revival has been relatively peaceful. These researchers, I argued, never put their theories to test in cases different from those in which they derived their hypotheses. General theory cannot advance unless we go beyond the "curve fitting" that occurs when theories are applied to a

single case. On the other hand, the general theories then available did not have sufficient texture, linking micro motives to macro outcomes, to allow for critical tests in the field. Therefore, if field researchers considering Spain had looked to general theory at the time, they would have been left rather empty in making sense of their case.

The approach I took to understand the conditions under which national revival movements became violent was based on insights that emerged from a variety of field experiences. In his field work, Robert Clark (1984) noticed that most of the Basque terrorists came from semi-rural industrial communities. Roger Petersen (1991) reported from his field work in Lithuania that only certain forms of social groups—i.e. those based upon codes of honor—could transmogrify into terrorist organizations. These findings suggested two necessary conditions for the translation of grievances into violent action. When I worked in Spain, I noticed that a considerable number of violent episodes in the Basque case involved Basques **terrorizing other Basques.** This suggested that the dynamic of violence had an intra-group element that hadn't been theorized. These field experiences became the basis of my retheorization of the problem in that paper, which focused upon elite national revivalists relying upon youths from semi-urban environments—those which had a high concentration of social groups built upon codes of honor—to terrorize fellow nationals who were not sympathetic to the movement. These factors played important roles differentiating the two Spanish cases. I then looked at fragmentary evidence from two post-Soviet cases and found the model held up reasonably well.

But a theory of ethnic violence required yet greater theoretical depth than I was able to provide in my paper which relied principally on ethnographic reports and a vaguely specified tipping game. In a 1995 APSA paper, James Fearon and I formalized in game theoretic form a set of conditions within multiethnic societies that could escalate into spiraling interethnic violence (Fearon and Laitin, 1995). From our *(continued on page 10)*

Domesticating the Monster of Globalization

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Globalization has become a new buzz-word in political science and in public discourse. Like the ferocious fire-spewing dragon in popular folklore, globalization supposedly gobbles up everything that comes in its way, and these days the globalization monster seems to have an insatiable appetite for everything domestic: economic policies, state bureaucracies, welfare states, financial systems, and unions—leaving only markets in its path. As national borders become more porous, so the argument goes, national institutional differences will be levelled out like liquid in connected tanks. The adjunct to globalization is therefore convergence in policies and institutions to the lowest common denominator: the market.

Globalization is obviously not simply a creature of the imagination. By almost any standard, national borders are being increasingly crossed by people, products and especially money. The global economy is even becoming more important in the internal affairs of those countries relatively closed to the international economy because, as pointed out by Frieden and Rogowski (forthcoming), these countries face rising opportunity costs of autarchy. But the notion that globalization is a new phenomenon, that it is a uniform force of change, or that it will necessarily lead to convergence is grossly misleading. In this sense, the concept of globalization has probably done more to confuse than to clarify issues that are important to political science in general and comparative politics in particular. Methodologically, however, the concept has helped to underscore that the division of labor between comparative politics and international relations is (and probably always has been) artificial and forms a barrier to greater understanding.

In the following, I support this view with a brief review of the literature on, and experiences of, advanced industrialized countries in the postwar period. I focus on three aspects of globalization—capital market integration, foreign direct investment, and international trade—and I confine my discussion to political economy. Needless to say, it will only be possible to scratch the surface of a very complex set of issues, but I hope to convince the reader that although globalization challenges certain ways of doing comparative politics, the field is

as important and vibrant as ever.

The idea that the global economy and the international system affect domestic politics is certainly not a new one. From Hobson's and Lenin's theories of imperialism, to dependency and world-systems theory, on to theories of regional integration and interdependence, social scientists have long contemplated the domestic effects of the international context. Yet much of this work has been either marginalized (for mostly ideological reasons), or escaped the full attention of comparativists through encapsulation in the IR sub-field of IPE. Most comparativists, especially those doing work on the industrialized democracies, have gone on doing their business as usual: analyzing domestic institutions and processes with little attention to external conditions.

A partial exception can be found in the theoretical response to the first oil shock in 1973. The dramatic political-economic effects of the rise in energy prices made it plainly impossible for comparativists to completely ignore international factors, almost regardless of the particular topic under study. In retrospect, the oil crisis (and the protracted economic recession that ensued) produced some of the best work in comparative political economy. Because path-dependent institutions in different countries varied greatly in their capacity to facilitate political-economic compromises, the common external "shock" threw countries onto radically different developmental trajectories. Growth, unemployment, inflation, social expenditure and strike volume varied greatly across countries — much more so than during the 1950s and 1960s — and such variation could only be understood through an analysis of the interaction between common international challenges and diverse domestic institutions and policies.

Contributing to the diversification of national experiences was a fundamental structural change in the international system: the decline of American political-economic hegemony. Postwar recovery in Japan and western Europe, massive US foreign direct investments, and inflationary American policies to finance the Vietnam war undermined the stability of the international mon-

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The End of Comparative Politics?

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If Mark Twain were alive today, he would assuredly proclaim the alleged death of comparative politics to be greatly exaggerated. Indeed, as Bates suggests at the end of his provocative piece, comparative politics as a field is as vibrant as ever. Predictions about the end of history, the triumph of a single neoliberal capitalism, the reduction of political diversity, the decline of corporatism and social democracy, and the proliferation of endless cookie-cutter democracies seem not to be supported by the evidence so far (see Wallerstein and Golden, 1996; Garrett and Lange, 1991). However, it is still too early to draw conclusions based on the evidence.

In any case, there is a prior analytical issue. To gauge the importance of international trends requires some understanding of how domestic and international politics fit together, some analytical sense of how these two "levels" can be studied separately and then together. Yet, despite the general appeal of second-image and second-image reversed models, remarkably little has been done to articulate the linkages between domestic and international politics. Structural international relations theories often see the strong causal forces as residing in the international system (anarchy and the distribution of power) while the chore of domestic politics is to provide the local details, to show how individual countries support or deviate from the broad predictions. Comparative politics scholars often simply bracket the international system, treating its key parameters as constants or ignoring them in favor of more proximal causes of behavior. To take several examples, domestic politics with regard to education, development, and the welfare state may alter in response to changing international forces but these deep background forces can be ignored in favor of more immediate links in the chain of causality. Analysts forego the opportunity to trace the immediate characteristics of the domestic policy maker's environment to more remote factors in the funnel of causality. The result is that domestic and international politics remain more isolated than need be.

The *Newsletter* raises questions about the relationship between globalization and comparative politics.

I argue that there are two broad trends in the global political economy and that each works in a different way with respect to comparative politics. The first development has to do with the collapse of the Soviet Union, the decline of bipolarity, and the end of the Cold War; the second with the internationalization of the world economy. The first complex of factors should imply more room for maneuver for national politicians, and in the end more cross-system diversity. The bipolar international structure presented itself as a series of compulsions to domestic actors, particularly in the "First" and "Second" worlds. It may have created some strategic options for countries in the "Third" world (e.g. playing one against the other) but it also removed options. During the Cold War, national politicians often argued that a particular situation presented no choice (meaning of course that one outcome clearly dominated). While these claims were in part insincere, there was also an element of truth to them.

During the classical balance of power system (1648-1945) and the bipolar system (1945-1990), national power and national security were deemed highly salient. From the standpoint of the national decision maker, the international system did not allow great flexibility. Arnold Wolfer's metaphor was that of a house on fire with the exits clearly known. If a fire occurs, personal variation among people in the house is trumped by their desire to survive. Similarly, the structure of the house and its possessions matter very little, except for the location of the exits.

This metaphor is less relevant for today's world. The bipolar structure has collapsed and has not been replaced by a fluid balancing type of system. Anarchy has been severely mitigated in parts of the world, including Western and Northern Europe and increasingly parts of Mitteleuropa as well as North America. National ambitions have been tamed, even domesticated, in the same areas. In Western and Northern Europe, international relations means, among other things, setting product standards, controlling hazardous waste, and settling on the "details" of a common monetary policy. States do not stand in corporatism exist side by side with more
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International and Comparative Politics: Beyond Inside-Out Theories

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From the perspective of those who study international relations (IR), concern among comparativists about the possible imminent demise of their field is curious. There is little doubt that much of the most exciting work in IR today takes place at the intersection of comparative and international politics, as the fields are traditionally understood.¹ Many of us have noted that our best students are moving fluidly between the two fields, and any attempt to classify them as focusing on one or the other is purely artificial, often driven by the demands of the job market.

The potential for growth and innovation in this "overlap" field is enormous, whether we label the field comparative foreign policy, two-level games, the domestic politics of IR, or something else. I want to make an argument that goes beyond this recognition of potential for a new field, suggesting that insights coming from the combined study of IR and comparative politics will feed back on and have positive effects on those fields themselves, reinvigorating them and leading us beyond what have sometimes become stale or recycled theoretical debates.

A resurgence of interest in the impact of domestic politics on IR was perhaps an obvious backlash to the focus on systemic studies that dominated IR in the 1980s following Kenneth Waltz's development of neorealism. This interest has been especially productive, rather than just another swing of the pendulum, for at least two reasons. One is that when IR specialists returned to the consideration of domestic politics they found a field that had made significant theoretical strides, providing analytical tools that allowed discussions that were genuinely comparative and theoretical, rather than simply lists of potentially relevant variables. Examples that spring to mind include analysis of how domestic actors' interests are influenced by their role in the international economy, studies of domestic institutions such as legislatures and central banks, or the role of ideas in determining domestic interests.

A second reason for productivity lies in the contributions that have been made by IR's intense focus on strategic interaction among states. It is this contribution in particular that I believe can lead to the reinvigoration of both

comparative politics and IR. Game-theoretic models of unitary state actors, studies of internationalization and globalization, and discussions of two-level games, for all their differences, share a common core understanding: that the well-being of domestic actors, whether individuals, firms, or institutions, depends on processes of international strategic interaction. In the international arena, actors do not simply choose policies or behaviors and then realize expected outcomes in a mechanical way. Instead, the outcomes realized depend on how actors' choices interact with the international environment. In some cases, such as small economic actors, the international environment should be treated as a constraint, not substantially shaped by any individual's actions. In other cases, the character of the international environment does depend on choices, and the analyst—as well as political or economic actors—must think strategically, considering how their choices will interact with those of others.

The importance of the international level to the well-being of domestic actors implies that these actors should be sophisticated about their policy choices, whether they are playing games against nature or against other strategic actors. Naive choices, those that neglect interaction with the international level, will have directly negative effects. While this point may appear obvious, it is conspicuously absent from, for example, traditional studies of comparative foreign policy. In such theories, one actor—at most—is usually assumed to care about the international level, while others have preferences defined solely over domestic outcomes. Studies of legislatures and foreign policy, for example, explicitly argue that legislators are motivated purely by domestic political considerations. In an era of interdependence, this assumption of shortsighted behavior is inconsistent with assumptions of goal-oriented behavior (if, indeed, it ever was an adequate assumption). The degree to which different types of actors care about the international level surely varies. However, such variation should be treated as a factor requiring careful attention, not neglect and unsustainable assumptions.

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On the Interaction of Comparative and International Politics

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Does the power of international forces at work around the world end the autonomy of comparative politics as a subject matter? My answer is negative. I attack the word "end" in this statement. Comparative politics have never been wholly autonomous from international influences and there is no reason to think that in the future there will cease to be choices that countries have to make about how to respond to international pressures.

The interaction of domestic politics with international is an age old phenomenon and theorists of politics have long known this. The oldest tradition of this kind explores the impact of war. Greek philosophers examined the way wars influenced the constitutions of the city-states and Chinese philosophers did the same on the ancient kingdoms of what became China. In the "modern era", Machiavelli, Hobbes, Locke, Kant, Madison, Weber and others examined the particular challenge to government institutions that arose out of the need to conduct foreign policy; theories of the executive and bureaucracy arose out of these reflections.

Comparative politics has long been interested in the origins of democracy. A classic argument situates political development in international relations by comparing the constitutional democratic trajectory of England/Britain with the authoritarian evolution of Prussia/Germany. As an island power on the edge of the European continent, England could protect itself with a Navy, and did not need to develop a standing army. Prussia, by contrast, found itself surrounded by other powers, such as Sweden and Austria; to be autonomous and to grow, it had to develop a strong standing army. The process of doing so meant militarizing the aristocracy and constructing a bureaucracy with the capacity for taxation and supervision of the army without parliamentary oversight. The world did not force this choice: there were alternatives, such as Poland which defended the powers of the aristocracy, but at the cost of inhibiting the growth of a capable executive and army, and thus ultimately at the cost of Polish independence.

Another important line of inquiry focuses on international trade and economic relations. The acceleration of trade in the 15th century produced

opposite social and political effects in eastern and western Europe. In the West, serfdom and feudalism disintegrated, while in the east it provided incentives for what became called the "second serfdom." In the 19th century, all industrializing countries were riven by major conflicts over trade policy. In Britain, the battle over repeal of the Corn Laws motivated political actors to press for democratization of the suffrage. In Germany, the shift of the Junkers from free traders to protectionists in the 1870s provided a major anchor for the famous iron-rye coalition that mixed high tariffs, the build up of the army and navy, nationalism and authoritarian politics in a political stew that foreshadowed fascism of the 20th century. Trade disputes profoundly marked party systems in the U.S. and Europe and ran through many battles over economic policy, institutional reform and foreign policy.

International trade pressed and induced millions of Europeans, Chinese, Indians, Muslims and other peoples to migrate throughout the 19th and 20th centuries, as it had generated slavery in Africa and the middle east then and earlier. Ethnic and identity politics are one of the many consequences: American politics go through bouts of nativism and anti-immigration feelings at least every generation: economic growth sucks in migrants, economic contractions produce resentments. Similar patterns happen around the world. In Southeast Asia, overseas Chinese; in Africa, overseas Indians and Pakistanis; in Europe, Muslims; in the US, Hispanics and Asians—the linkage between migration, trade, war and security issues runs through all these countries and has for generations.

These examples demonstrate that the interaction of domestic and international politics is not a new phenomenon, something that is happening freshly in the late 20th century, nor is it new to the intellectual world of political science. Much of our reflections on government, the executive, legislatures, bureaucracy and society derive from consideration of the state in response to pressures from the outside.

The more important question is thus not whether this interaction is new, but how to understand it. The sense of (continued on page 16)

From the Outside In: International Relations and the "Obsolescence" of Comparative Politics

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Nothing demonstrates the enduring relevance of comparative politics more clearly than a sustained effort to get rid of it. This is precisely what postwar international relations (IR) has sought to do. From the era of Hans Morgenthau and E.H. Carr to the present, leading IR scholars have grounded their sub-discipline in what appears at first a plausible assumption: where nations interact strategically with one another in an essentially anarchic, high-risk environment, differences among countries do not matter much. The resulting fifty-year subdisciplinary experiment constitutes a "critical" empirical case study of the proposition that comparative politics is obsolete. If the tools of comparative politics remain essential to explain world politics—and I shall argue that today more than ever they do—surely they also remain essential to explain the domestic processes for which they were originally developed.

Mainstream theories of international relations are tied together by their rejection of intentionalist explanation and, therefore, of comparative politics. Realism and institutionalism, often viewed as polar opposites in paradigmatic debates, are both "systemic" theories on the microeconomic analogy. That is, both assume unitary rational states with fixed preferences and attribute patterns of outcomes to variation in the political structure of the international system—for realists the structure of capabilities, for institutionalists the structure of information. To be sure, there are differences in assumptions among systemic theories: Realists believe states are constrained to pursue sub-optimal "relative gains" strategies (e.g. alliances, armament, war) even where a real interest in cooperation exists, while institutionalists maintain that they can achieve some Pareto-improving improvement by institutionalizing their environment. Yet in both cases the denial of the importance of variation in the preferences states bring to strategic interaction implies that comparative politics—variation in the preferences states have—does not matter.¹

At their most extreme, such IR theories go so far as to treat the rejection of comparative politics as a positive virtue, even a necessary precondition for

social science. Waltz is characteristically blunt: "If the aims, policies, and actions of states become matters of central concern, then we are forced back to...simple descriptions [from which] no valid generalizations can logically be drawn."² Though most systemic theorists, including Waltz and Keohane, concede that "domestic" considerations do sometimes influence foreign policy, they maintain that explanations that stress such factors should be strictly subordinated, as a matter of principle, to systemic ones.³

Yet the claim that "systemic" explanations deserve priority lacks any firm basis. Such a basis cannot be found in philosophy of science, for there is no *a priori* reason to believe that such theories are necessarily more parsimonious, nor to privilege them per se even if they were. (One need only consult the literature on the democratic peace or tariff protection.) Nor can a basis be found in method, since the practice unjustifiably biases research in favor of systemic explanations.

Nor, finally and most importantly, can a basis for the priority of systemic analysis be found in the assumptions of the social science theories in question. Indeed, it implies the opposite. The rationality assumption that underlies systemic theories itself implies that variation in state preferences—and, therefore, the analysis of the domestic and transnational state-society relations that underlie them—is analytically prior to variation in environmental constraints. The reason for the priority of preferences is simple: preferences dictate which systemic theories are appropriate to explain interstate strategic interaction. A simple "Dahlian" example from the study of a core realist concept, power, makes this clear: We cannot know whether "A influenced B to do something" (power) unless we know "what B would otherwise do" (preferences). Kenneth Oye has advanced a similar argument concerning theories of international cooperation: "When you observe conflict, think Deadlock—the absence of mutual interest—before puzzling over why a mutual interest was not realized."⁴

This is not to say that explanations that stress variation in state preferences

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(Laitin, continued)

model, we derived a result that certain institutional arrangements, which we called "in-group" policing, help limit spirals of inter-ethnic violence. Yet when we sought to find real world examples of such in-group policing, we were quite disappointed. Anthropologists, who tend to specialize in single ethnic groups, mostly observe within-group dynamics, and there are very few field studies in anthropology that concentrate on inter-group institutions. There were some exceptions. Revealing field work by Christopher Boehm (1994) in Montenegro suggested that compensation schemes (having qualities like in-group policing) are able to mollify feuding parties, and thereby mitigate spiraling violence. But a compelling evidentiary basis for the Fearon/Laitin theory is lacking, and this can and should be remedied by well conceived field work. For example, an observable implication of the theory is that the smaller the groups, the less likely these in-group policing schemes will persist. To test such a theory, we need to select cases (wherever they might appear in the world) where we can best control for variables that are not under consideration. The requirements of case selection might drive us to Mogadishu, or, God forbid, Paris. This is an important reason why our discipline needs experienced hands with expertise in all areas of the world. We also need to go out into the field, for we cannot go to OECD data bases and look for packaged codings on group size and existence of in-group policing schemes. We need to stipulate a sample of potential cases, and then go out and look for their values on the relevant variables. The model cannot, in my judgment, be pushed to new limits without systematic field data testing its claims. Thus, field work not only is the source for new observations, but it is part of a more systematic program of theory testing and development.

There is another reason why field work is more important than ever. While it is widely recognized that game theory has grown in influence in the social sciences in recent years, it has been insufficiently noted that game theory has an elective affinity with social anthropology, which relies primarily on field work. As game theory develops in our

discipline, ethnographic data will become increasingly valuable. Since strategic play in game theory is based upon individual beliefs, and beliefs about others people's beliefs, knowledge of situations must be quite micro to be useful as tests. It is insufficient to know, for example, that the source of Bosnian Serb violence is fear that if they did not kill Muslims, Muslims would have killed them. Game theorists will want to know whether there were attempts in particular villages by Muslims to reassure Serbs that they had no reason to fear genocide. And if so, they will want to know how and why negotiations at the local level failed. This information requires local knowledge. Field work, of the sort that is common in anthropology, is the way to obtain such knowledge. This type of necessary field work should invigorate the comparative politics field.

A vitally important externality of field work in comparative politics seems too obvious to underline. Those of us who have observed ethnically tense situations, and spoken to people who are involved in them, intuitively know that some of the theoretical models "out there" are trivial or useless. Maybe to ride the wave of a currently fashionable game model, theorists might try to see ethnic conflict as a game of signalling. Field researchers might find the model to be interesting, but that it fails to shed light on any particular conflict, since ethnic conflict, in their judgment, "really" has a different motivation. That sense of "reality-awareness"—a common trait of field hands—often comes from a single in-depth experience in the field; and a career can be sustained from it.

My colleague Mark Hansen wrote about Senator Capper from Kansas, and how he was praised by his colleagues for being able to keep both ears to the ground at the same time. It is this skill that will continue to give students of comparative politics a comparative advantage in the study of the vast political changes—and not just the growth of ethnic violence—that are taking place in the era of globalization. With this advantage, it would be naive to think that our field is becoming obsolete

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etary system and led to the collapse of Bretton Woods. In turn, this furnished national governments with a new macro-economic policy instrument, exchange rates, which permitted greater divergence in economic policies. With capital controls largely intact, the costs of inflationary policies in terms of competitiveness could at least partly be externalized through occasional currency devaluations. Countries such as Sweden, Italy and France made extensive use of this option, and it is hardly surprising that Douglas Hibbs' (1977) partisan model of the Phillips curve trade-off gained prominence in comparative politics.

Most of the international forces of change to which I have alluded—shifting terms of trade, foreign direct investment (with the multinational corporation as the organizational vehicle), and exchange rate volatility—can clearly be seen as aspects of a globalizing international economy. However, in contrast to widespread beliefs about the effects of globalization in the current debate, globalization was associated with divergence rather than convergence. This fact is mirrored in several prominent theories about the role of the international system including Alexander Gerschenkron's (1962) "timing of industrialization" thesis (where especially the banking system varies with the relative onset of industrialization), Peter Gourevitch's (1986)

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thesis about world recessions, Ronald Rogowski's (1989) factor model of domestic cleavages (where variation is produced by different relative factor endowments), and David Cameron's (1978) idea that economic openness leads to an expansion in the public economy and thus to variation according to trade dependence.

It is true, however, that much of the literature on corporatism — which served as a conceptual lens for much of the comparative political economy research — implicitly assumed that exposure to the vagaries of a volatile international economy would eventually lead to the adoption of similar corporatist institutions. Peter Katzenstein's (1985) book on small states is an exemplar in this respect. Here it is argued that small size and high exposure to international markets everywhere induced industrial policies and institutions that were flexible, adaptive, and compensatory. Yet Katzenstein was careful to point out that "international factors affect political strategies and outcomes only indirectly: they are funneled through domestic structures that are shaped by different histories and embody different political possibilities" (1985, 37). Thus, small European states occupying similar international political and economic positions responded differently to these external conditions depending on the particular shape of internal structures. The two dominant patterns of institutional adaptation — social and liberal corporatism — were thus the result of distinct political choices.

What seems to have contributed more than anything to the contemporary myth that globalization causes convergence is capital market integration and the rise of monetarism in the 1980s. The astounding rate of growth in currency trading and in the exchange of short-term foreign assets, and the sheer volume of these transactions (the volume of daily currency trade roughly equals the entire German GDP), makes it virtually impossible for central banks to successfully fend off speculative attacks on a currency. At least in semi-fixed exchange rate systems of the sort adhered to by most OECD countries, high capital mobility means that monetary policy autonomy is radically

reduced. Even if fiscal policy instruments are in principle available, any budgetary stimulus that is not compatible with medium-run equilibrium on the external balance will cause capital flight that must be met by rising real interest rates ("risk premiums") or by fiscal retrenchment. Either way, real fiscal policy autonomy is jeopardized.

The most dramatic recent example of the growing sensitivity of national economies to capital flows was the reversal of French macro-economic policies in the early 1980s. Elected on a full employment platform, the socialist government embarked on expansionary macro-economic policies in the expectation that the international economy would soon recover. When that premise did not materialize, and when three consecutive devaluations failed to reverse a growing current account deficit, the government soon faced the choice between leaving the Exchange Rate Mechanism of the European Monetary System (and imposing draconian capital controls), or reversing its macro-economic policies to make the French macro-economy compatible with continued membership in the EMS. The French government chose the latter option, and although we cannot know what would have happened if it had embarked on a policy of autarchy, most economists agree that the costs would have been huge in terms of lost business confidence and investment.

There are many examples of externally induced macro-economic policies of retrenchment in western Europe during the 1980s and 1990s (Sweden is perhaps the most recent). Although it is true that neither capital market integration nor deflationary policies were pre-ordained, for most countries the impetus for the changes had a strong external or foreign component. As described by Fritz Scharpf (1991) and Eric Helleiner (1994), once financial market liberalization got under way in important countries like the U.K. and the U.S., and once the U.S. Federal Reserve chose a radically deflationary strategy, the German Bundesbank was (given its self-imposed role as the guardian for the international value of the DM) compelled to follow suit, and this pulled the rest of Europe down a deflationary monetary path. While it thus took only a few important countries to undo the

"Keynesian" consensus that prevailed before 1983, even fairly large economies (such as the French) found it impossible, or at least exceedingly expensive, to pursue expansionary policies on their own. In other words, unlike a deflationary monetary regime, an inflationary regime in the context of capital mobility can only be sustained through international agreements and cooperation.

Liberalization of capital markets also reduces the influence of national banking institutions over credit-supply and credit-allocation by giving firms easier access to foreign credit. Considering the central role that national financial institutions have played in the postwar economic strategy of countries such as Germany, France and Japan, this would appear to constitute a rather fundamental change. Active industrial policies and long-term investment strategies are crucially dependent on the constitution of the national financial system, as shown by John Zysman (1983) and others, while easy access to short-term finance in foreign markets undermines the distinctiveness of national systems and thereby the economic importance of the state. It may be that this change would have eventually occurred anyway through growing capitalization and self-financing of firms, but there is little doubt that the decline of French-style state-led industrial policies has been sped up by internationalization of capital markets.

While financial market integration has thus exerted a homogenizing effect on national economic policies, the consequences of growing foreign direct investment (FDI) or expanding international trade are much less clear. Although it has been argued that FDI will spread "best practices" across borders in terms of organizational forms and production technology, it is equally plausible that firms make these investments in order to take advantage of local institutional and political conditions which enable manufacturing in products less well supported by institutional conditions at home. To exploit these advantages — say in the form of access to local technology — firms must become members of local "clubs" of enterprises or industries, and such membership presupposes conformity with prevailing norms of behavior. If so,

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It is quite conceivable that foreign direct investment will exacerbate cross-national institutional differences by strengthening current comparative institutional advantages, while simultaneously reducing pressures for institutional reform. This is a hypothesis that emerges from much of the recent literature on the varieties of capitalism, including work by David Soskice (forthcoming) and Peter Hall (1986).

A more radical argument about the effects of growing transnational investments is that it strengthens the structural power of capital, while simultaneously undermining the capacity of governments to pursue distinct social and economic policies. Absent the capacity to extract concessions from capital, national differences will gradually disappear. As Wolfgang Streeck has recently argued with respect to Germany, "high-wage capitalism requires continuous supportive as well as directive public or quasi-public intervention, inevitably organized at national level and dependent on a capacity, vested in the nation state, to police the boundaries between the national economy and its environment" (1995, 22).

The argument, important as it is, deserves much more scrutiny than it can be given here, but does appear to assume that only low-wage equilibria are possible in a world of perfectly mobile capital — something that is not so obvious. Institutions that facilitate human capital investment and high wages may well be in equilibrium in the sense that they are supported by both labor and capital, quite independently of the availability of exit options for the latter. For example, based on the work by David Soskice and others, the existence of such distinct national institutional equilibria has been forcefully argued by Peter Lange (1992) in the case of social policies in the European Union. Besides, as pointed out by Jeffrey Frieden (1991), the rise in capital mobility over the past three decades has been primarily restricted to short-term financial capital. Long-term investment capital is, by its very nature, not very mobile (which is not to say that specific regional conditions, such as new investment opportunities for German firms in east-central Europe does not

pose a serious challenge to existing national institutions).

However, growing internationalization of product markets — which has proceeded at a steady pace, albeit only to levels that do not grossly exceed those reached in the 1920s — has been argued to serve as something like a functional equivalent to capital mobility. The notion is that in order to compete on international markets, countries have to adopt "best practices" and to eliminate institutions and policies that inhibit competitiveness. The comprehensive study on the institutional conditions for firm competitiveness by Michael Porter (1990), for example, lends support to the popular notion that it is possible to rank countries on a uni-dimensional scale of competitiveness. As pointed out by Krugman (1994), however, this is a highly misleading image, and (as in the case of foreign direct investment) it may well be that different national institutional systems facilitate competitiveness in some product markets (say machine tools) but not in others (say computer software). If this is the case then expanding trade will lead to growing institutional specialization — and hence divergence — just as trade in classic Ricardian theory leads to specialization in productions that make intense use of nationally abundant factors. Moreover, as recently pointed out by Geoffrey Garrett (1995), new growth theory (or endogenous growth theory as it is also known) suggests that the state can play a very crucial role in facilitating higher productivity, even if this role is not well understood or may evolve in a trial-and-error fashion.

Divergence may also carry the day against the forces of changes described by trade economists such as Adrian Wood (1994) and Edward Leamer (1995). Although these authors argue that greater exposure to low-wage competition from newly industrializing countries leads to a universal rise in the level of wage dispersion and/or unemployment, this is not the only conceivable effect of such exposure. For example, following Gøsta Esping-Andersen's (1990) analysis of different welfare state regimes it could be reasonably conjectured that labor market pressures of the type described by trade economists will exacerbate national differences in social policies: continued

expansion of public sector employment in the social democratic model, growing labor market exclusion and work-sharing in the conservative model (through early retirement, working week legislation etc.), and greater exposure to inequalizing market forces in the liberal model (through policies of welfare state retrenchment). The example is not meant to challenge the logic of Wood's and Leamer's argument, but simply to point out the difficulties of making general predictions about the domestic effects of international trade.

As this discussion hopefully shows, globalization involves a very diverse set of processes (financial capital mobility, foreign direct investment and trade) that are governed by distinct logics. Moreover, the effects of these processes can only be understood through their interaction with historically inherited domestic structures and institutions. This is why detailed cross-national comparisons—the bread and butter of comparative politics—are indispensable for understanding the effects of globalization. Theories that seek to explain domestic institutions and policies as a result of global forces—even when they posit distinct domestic institutional outcomes—tend to underestimate the conditioning effects of inherited national differences and the role of political choice. For example, Katzenstein's sub-categories of democratic corporatism exhibit wide variation in the form of domestic compensation when we compare, say, the universalistic model of Norway and the paternalistic model of Austria, or the liberal model of Switzerland and the social democratic model of Sweden. Moreover, although all the small countries have been highly exposed to the global changes of the 1980s and 1990s, and despite all the commonalities that Katzenstein has pointed out, the domestic ramifications of such exposure in terms of economic policies, bargaining institutions and economic outcomes have been rather different (see Iversen 1996). If such divergence is possible within sub-categories of the small open economies, surely there is also room for variation in the responses to "globalization" by large countries.

All in all, the recent debate about globalization has probably produced
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more heat than light. However, if all the fuss about globalization causes comparativists to think more about the interaction between domestic institutions and the international context in which they are imbedded, then future research in comparative politics will be well served, and the gain would not be comparative politics' alone. Without due attention to the conditioning effects of path-dependent national institutions, international political economy is overly deterministic at best, and hopelessly functionalist at worst. Domesticating the globalization monster is clearly an important task for comparative politics.

editor's note: due to space limitations the references for this article were not included. Please contact the author for full references:

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the posture of gladiators toward one another. Life is not expected to be "solitary, poor, nasty, brutish, and short." Instead, one expects that life will be long, amicable, and well-heelled. Thus, on systemic grounds, one expects that national politicians will have more policy making flexibility.

However, it is the second global impact, that of the growing interdependence of the world economy, that concerns us more here. It cannot be denied that globalization has grown in significant ways over the last several decades. While the core of this process is economic (trade, capital flows, technology, even labor), global trends also include political and cultural components, such as the diffusion of bureaucratic forms, democratic procedures, movies, music and so on. This process is most advanced in Western Europe where the European Union instituted a single market for goods, services, and factors of production.

What problem, if any, does globalization create for comparative politics? First, globalization allegedly truncates the variation in political institutions, processes, and outcomes at the domestic level. Second, through

diffusion (borrowing, migration, and institutional coupling), globalization creates (or aggravates) a problem regarding the independence of cases (i.e. countries).

The first problem is important because by reducing the cross-system variation of political phenomena, comparative designs are damaged in an area of traditional strength. Because the most dramatic differences often exist across countries (rather than through time or across units within countries), comparative designs are uniquely positioned to demonstrate strong effects. In any single domestic polity, variation on crucial variables may not exist, or may be too small to isolate against the background of noise we always confront. Yet with globalization ascendant, can the present range of variation persist for many variables, especially for those derivative of efficiency? Can Swedish corporatism exist side by side with more decentralized industrial relations regimes (United States, United Kingdom)? Will Denmark's welfare state move to more closely resemble Portugal's? Will the diversity of present national regulatory systems be pressed through a fine food mill to produce a homogenous global regulatory style across countries?

It is worth noting that centralized wage bargaining is under attack in numerous countries, Keynesian policies of demand management have been abandoned in many parts of the advanced capitalist world (Garrett and Lange, 1991) and the differences that existed between Austria and Sweden (on the one hand) and Belgium and the Netherlands (on the other) just ten years ago are growing smaller. Austria, Sweden, and Finland joined the EU in 1995, giving up not only several varieties of neutralism but also conceding that they do not have full control of national policy making in monetary, fiscal and welfare policy.

The second problem, concerning the independence of cross-country observations, is a modern statement of Galton's problem. In 1889 at a meeting of The Royal Anthropological Institute, Edward Tyler delivered a paper advocating the cross-cultural survey method for studying intra-culture correlations (which Tyler termed "adhesions"). In the ensuing discussions, Galton pointed

out that "traits often spread by diffusion — by borrowing or migration" (Naroll and Andrade, 1963: 1053). If Galton was correct, the independence of Tyler's observations should have been questioned, as indeed they were. This problem occupied a lifetime of methodological work by Raoul Naroll (Naroll, 1961) and it deeply affected others in anthropology.

The essence of Galton's problem is the tendency to confuse historical emanations from a single (or limited) source(s) with correlations independently reproduced in many different societies. If all intra-societal correlations emerge and diffuse from a single source, one is not observing, at any point in time (a cross section), independent occurrences of the same phenomenon. From the data report that "all societies have incest taboos" we could conclude that a) numerous societies, operating as closed systems, independently invented incest taboos or that b) one society evolved this practice and transmitted it to all the others.

If Galton was on to something in 1889, his critique should be especially relevant today, given unprecedented levels of interaction across societies. Globalization is diffusion *in extremis*. In the final section, I propose several possible solutions to the two problems identified with globalization of domestic politics.

Possible Solutions

(1) Reduction of cross-country political variation. Assuming that globalization has reduced variation across countries, how can we respond? Two solutions come to mind. Reduced variance implies less relative utility for the maximum variation design compared to the most similar system design. While the technologies of these designs are somewhat different, the underlying logic is the same. Both designs strive to highlight the effect (the impact of the causal variables) in relation to background noise and confounding influences, what we might call the effect-to-error ratio (effect/error). The numerator is the size of the effect of the independent variables; the denominator refers to confounding influences, errors in variables and theoretical errors. Maximum variation designs enlarge the ratio (continued on next page)

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by selecting cases to display the greatest possible cross-system variation (on independent variables) while most similar designs accept a smaller effect as a trade for a reduction in noise. If theoretical laws hold within the reduced range, they can still be detected but it implies a shift in the direction of most similar system designs. Obviously, this is not an all or nothing choice.

A second possible response is to utilize sub-national units where appropriate. The analysis of firms, sectors, classes, and regions all come to mind. My impression is that we can more fully exploit the analysis of units below the level of society as a whole. Variation across units within a system may be stronger than across systems. In his research on the European Union (EU), Mark Smyrl finds substantial differences between Brittany and Provence on the one hand, and Liguria and Tuscany on the other, explicable by factors lying at the regional level (Smyrl, 1996:2). Since confounding influences are likely to be smaller at this level, within-system comparisons are likely to become more attractive.

(2) Galton's Problem. In his attempt to respond to Galton's problem, Naroll proposed six solutions. He divided world cultures into geographic regions, he utilized "arcs of diffusion" which mimicked trade routes, he devised matched samples and elaborate "sifting methods" to assure non-contiguity (and non-diffusion) of units. Most importantly for our purposes, he created diffusion models to distinguish historical associations from within-system relationships.

In the spirit of Naroll, David Klingman (1980) and Spencer Wellhofer (1989) developed promising methodologies to deal with diffusion. The essence of both approaches is to place Galton's problem within the overall context of causal inference. Both see the task less as one of restoring independence of observations — that condition has been eliminated in the real world — and more as one of properly modeling the diffusion process. By isolating spatial dependence (diffusion) in a manner similar to temporal dependence (autocorrelation), cross-entity diffusion can be estimated and taken into account.

While the technology behind this

methodological move can be complex, the intuition is clear. Globalization is a process of diffusion that follows routes of trade, finance, tourism, information, labor and technology. If globalization can be properly theorized, designs can be constructed to probe a variety of implications. Our first-order expectation is that highly globalized countries (e.g. those with high ratios of external capital and trade to gross domestic product) will be similar on a host of outcome variables, including the similarity of policies and institutions. By the same logic, countries which differ greatly in terms of the magnitude and type of ties to the international system should be expected to differ in terms of the social groups underpinning dominant coalitions, the type of policy networks surrounding the process of decision making, the power of financial vs. industrial capital, as well as capital vs. labor etc.

Second, variation in the type and degree of globalization presents several design possibilities. Countries differing on globalization measures can be matched on numerous diffusion variables, thereby extricating variables determined by diffusion from other theoretically relevant variables, as follows:

Countries	Variables	Diffusion Variables (matched)
A	X,Y,Z	Da1
B	X,Y,Z	Db1
C	X,Y,Z	Dc1
N	X,Y,Z	Dn1

Since diffusion variables are controlled in the design (ideally, their variation is zero, even if the level is high), relations among other variables can be more easily explored.

Third, if functional relationships are at stake (rather than single variables), one can use measures of globalization to assess whether these relationships are produced society by society, or borrowed from the outside, or some combination of the two processes. While no test is definitive, a first cut could involve the examination of intra-system relationships by diffusion levels. On the hypothesis that diffusion produces within-system correlations, these correlations should dampen as we move

toward the low-diffusion end and heighten as we move toward the high-diffusion end. At the limit, *ceteris paribus*, the correlations should vanish as we approach isolation (if diffusion accounts for everything) or change not a bit (if diffusion accounts for nothing). There should be no illusions about the difficulty of carrying out these designs, though in some ways they are no more difficult than in social science in general, and comparative politics in particular. If comparative politics is the inferential purgatory lying partway between case studies and large-N statistical samples, Galton's problem of cross-entity diffusion (read globalization) aggravates the problem of drawing inferences. Hopefully the analytics discussed here, elaborating the key insights of Naroll, Klingman, and Wellhofer, identify some promising ways to mitigate these difficulties.

Neither comparative politics nor the comparative method is dead. The range of domestic difference is huge, the structural constraints of international politics are looser with the end of the Cold War, and our methodologies flexible enough to adapt to the challenges of globalization.

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Why is the possibility of sophisticated action by domestic actors so important? Primarily because it means that bringing domestic politics into the study of IR can no longer be conceived as an "inside-out" exercise. Domestic interests and institutions will have international effects, but these interests and institutions are themselves structured by the demands of the international system. Once we allow for the possibility of sophisticated political action by all domestic actors, the traditional levels-of-analysis approach loses its power as an organizing device. Second-image, or inside-out, theories neglect the ways that domestic actors anticipate and shape their interactions in response to international factors. Yet the shift of focus in IR to the domestic level indicates that purely third-image theories, with their neglect of varying domestic institutions and interests, suffer from their own recognized limitations.

One challenge, and opportunity, presented by an awareness of the interaction of the domestic and international levels is to develop new organizing devices. Such interaction introduces substantial complexity, which may threaten to encourage a theoretical analyses of individual cases. What might replace the parsimonious levels-of-analysis framework? One possibility, illustrated in a recent book edited by Robert Keohane and Helen Milner, involves drawing on a distinction frequently used in comparative politics, between institutions and interests.² Some contributors to this volume explore the effects of internationalization by drawing on models that lack institutional detail, for example focusing on the incentives for political action created by changes in relative prices.³ Others concentrate on the ways that institutions channel political

demands created by internationalization, or on how institutions themselves respond to these demands.⁴

The strategic demands of international politics may lead us to reevaluate the implications of domestic political arrangements. For example, theories of international cooperation have shown that states can benefit in an interdependent world if they are able to make credible commitments to one another. One source of variation in credibility surely lies in domestic institutions. To some extent, there may be a tradeoff between the ability of institutions to provide flexibility and to make credible commitments to other states. Thinking about the potential for such tradeoffs, and about the international consequences of domestic arrangements, may provide new ways of evaluating domestic institutions, providing additional dimensions of comparison. The development of theories of endogenous institutions may be another payoff resulting from a commitment to combining, in a structured way, comparative politics with recognition of strategic interaction at the international level.

Allowing for all domestic actors to engage in sophisticated political action also leads to some important methodological implications, which may prove more controversial than purely theoretical issues. Sophisticated actors make decisions and take action on the basis of anticipated reactions. A prime minister who knows that devastating political strikes will follow an unpopular international economic commitment may avoid making such a commitment; a president who anticipates veto of a treaty may avoid its negotiation. The ability of actors to anticipate the actions of others implies that we must be especially careful to avoid confusing action with influence. In the cases just mentioned, sophisticated behavior on the part of a well-informed head of government means that we will see minimal reaction in practice by other relevant domestic actors. This observation of the process may lead us to believe that the head of government was acting without significant domestic constraints. However, such a conclusion would be grossly misleading. Instead, awareness of such constraints ex ante led to their incorporation in the head of government's actions. Domestic actors influenced

outcomes even if their level of activity in the process itself was negligible.

Thus, focusing solely on process—international negotiations, domestic maneuvering—is likely to give us poor information about influence in the presence of sophisticated political action. How can we resolve this dilemma? With the comparative method: by contrasting outcomes over a wide range of cases and using variation in outcomes to test alternative theories. Process remains relevant for many purposes, but we must be acutely aware of its limitations for answering questions about influence. Researchers should complement studies of process with structured analysis of outcomes, which may in some situations imply greater reliance on quantitative methods.

As the barriers between IR and comparative politics come down, it is predictable that we see some defensiveness and concern about the future of the two fields. But the future looks promising. Work on the borders of IR and comparative is exciting and new, not simply recapitulating old studies of comparative foreign policy. Recognition of the potential for sophisticated action by all political actors provides genuinely new perspectives and questions. In addition, it raises theoretical and methodological questions that should feed back to the fields of IR and comparative politics broadly defined, providing a stimulus for innovative work across the board.

Notes

- ¹ I should note that I consider the study of American politics to properly constitute a subfield of comparative politics.
- ² Robert O. Keohane and Helen V. Milner, eds., *Internationalization and Domestic Politics* (New York: Cambridge University Press, 1996).
- ³ See Jeffrey A. Frieden and Ronald Rogowski, "The Impact of the International Economy on National Policies: An Analytical Overview," in Keohane and Milner, eds., pp. 25-47.
- ⁴ See Geoffrey Garrett and Peter Lange, "Internationalization, Institutions, and Political Change," in Keohane and Milner, eds., pp. 48-75.

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change may reflect not a reality but the erosion of intellectual boundaries in the profession. A few decades ago, the fields of comparative, American, international and theory had perhaps a stronger sense of distinctiveness in political science. Students of comparative did often present international relations as a second field, and "IR" students did the reverse, but nonetheless, the postwar years were periods of intensification of difference through greater specialization. The branches of the field often communicated poorly with each other. Comparative politics often had a regional or country specificity about its concerns, theories and approaches.

Now a number of analytic ideas, problems and approaches cross over the subfields of the discipline so that the sense of distance has perhaps narrowed. If the comparative field feels an erosion of the boundary between itself and "IR", so do students of the international field feel an erosion of boundaries between it and comparative. A typical question asked on Ph.D. exams of international relations students is "what if anything is distinctive about international relations?" But this is a comment on the sociology of the experience of the fields, not the reality of how they are studied. Rather than argue about the boundary, we should shift our attention to the phenomenon of the interaction. What are the analytic ways of thinking about the interaction of international and domestic which are developing?

These remarks began with an exploration of substantive problems in the interaction of domestic and international politics: the facts of trade, war, and migration as an influence on countries as they interact with others. This is an old and useful tradition in political science generally: study a substantive issue area, here one that involves the interaction of countries where there is both a domestic political agenda and an international one. Trade and war are classical examples. Newer ones involve such topics as the environment, science and research, health systems, labor markets, and migration, and many regulatory issues: banking, inspections, property rights.

Another way to think about studying interactions is to look at analytic issues,

and here there are a number of important ones. First, there is the classic of unit and system. Do units (countries) shape their behavior toward other units from within, or does the system impose its constraints upon the units from the outside? The latter is the realist position in international relations, labeled many years ago as the "Third Image" by Waltz, and developed earlier by Hans Morgenthau around the idea that nations pursue their self interest. This view is often identified by non-specialists as equivalent to the field of international relations as a whole—often to the annoyance of "IR" specialists! While the "system dominant" position certainly represents an important current of IR from its origins, it has had critics inside the field for decades: Allison's study of the Cuban missile crisis is but one of many examples, so that many international relations specialists do not accept this characterization of their field.

Realists minimize the importance of domestic politics because for them national behavior is driven by forces external to the life of the society. But to the non-realists, domestic (hence comparative) politics, is very important. The anti-realist approach argues that the international system always leaves some discretion to countries: fight or give up, adapt or resist, develop their countries or stay poor, build an army to stay independent or become subservient, let in foreign capital and goods or keep them out, balance or bandwagon, appease or fight or ally or wait. To the extent "market signals" (be they economic or geo-political or security markets) are not strong enough to fully determine behavior, countries have discretion over their behavior. It is at this point that we need a way of understanding how the discretion is exercised, and that means analysis of the internal processes that shape behavior.

In German debates, this distinction appeared as the struggle between two schools of interpretation the primacy of "Aussenpolitik" vs. "Innenpolitik." German realists argued that German development was shaped by the realities of its position in Europe and the world. The counter argument was that Germany had a choice, that its development was shaped rather by the domestic struggle for power and control over German society, economics, social

structure and institutions. The argument had and has a normative bent: the realists used external relations to justify the authoritarian system developed by the Prussian King, then Bismarck in unifying the Empire. The "innenpolitik" school criticized that pattern of German development, preferring a more democratic trajectory; to do so, they had to demonstrate that there was a choice, that the pattern was not imposed by external forces.

When an international relations specialist criticizes the realist position, he or she is then compelled to enter the world of comparative politics. The specialist at this point needs a theory that helps explain what happens internally, and in so doing helps justify the importance of comparative politics. With a theory of domestic politics, one can then build the next step, which is to examine interactions: how does what happens inside unit A affect what happens in unit B and how is it in turn affected both by what happens in unit B and the structure of the interaction itself. This leads to emphasis on interactions in which both unit and system are important and reciprocal in their influences, and thus to a breakdown of the boundary between the two fields. The notion of strategic interaction has given rise to a number of other useful ways of thinking about the link between comparative and international politics. The game theory tradition does this in the most normal way, and has been doing so for many years. Recent work builds in more complex models of each actor, incorporating such notions as audience costs to think about leaders exchanging signals both to each other and to domestic constituents.

Principal-agent theory supports another line of inquiry about strategic interaction: international agreements require credible commitments to honor treaties or other obligations. What makes these agreements credible, that is, how does one country believe another will honor a commitment made? Institutions may play a substantial role in shaping credibility: the more open a decision-making process in making the agreement, the more outsiders can judge the degree of internal commitment within a country to that agreement. The more secretive the process, the harder it

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(Gourevitch, continued)

is for foreigners to know the extent of commitment. Thus dictators may be more credible in the short run, but in the long run they are less reliable allies than a democracy.

This line of reasoning leads to a research agenda that squarely integrates domestic and international politics. The interaction between countries (the traditional agenda of international relations) lies in the domestic institutional and political arrangements of each (the traditional agenda of comparative politics).

Interest in democracy is another realm that integrates comparative and international relations. Comparativists have long been interested in why countries do or don't become democracies, and in what makes for stable or unstable ones. That topic has acquired central importance in arguments over the question of whether democracies are more peaceful than dictatorships. A number of researchers argue that democracies are less likely to fight each other than are dyads where at least one side is not a democracy. Researchers give different reasons for this but for all of them the character of domestic political systems is a key explanatory variable for understanding international relations.

A related line of reasoning looks to domestic systems to explain the capacity of countries in the international arena as well as the content of their policies. In a historical case, Weingast notes that the triumph of the English parliament over the royal absolutism in 1688 gave credibility that the government could pay its debts. This allowed England to pay lower interest rates, attract capital and levy taxes in order to sustain a strong state capacity in the international arena. Constitutional government had more capacity, thus was stronger, than its absolutist counterparts on the continent — seeing it this way reverses a traditional classification of strong and weak states, where the authoritarian bureaucracies are seen as stronger than constitutional systems, because the former are presumed to be more "autonomous" than the latter. They may in some sense be more autonomous, but they may also have a lower capacity to mobilize resources and credibly to commit, precisely because they are less

well-rooted in society.

Another important arena for the connection between strategic interaction, international relations and domestic institutions has to do with trade. After WW II, the U.S. shifted to free trade. Is this because the Presidency became more powerful, and Presidents in the U.S., having a larger constituency than Congressmen, are able to represent the broader interests of trade than the more particularistic Congress? Or is it that Congress shifted toward free trade reflecting preferences that expressed changed relationship of U.S. producers to the world economy, and thereby authorized the President to conduct reciprocal trade discussions? The failure of the Republican Congress of 1994 to reauthorize fast track gives credence to the second position. The argument nicely shows the linkage of the politics of domestic preferences and institutions to the international context.

Recent writings on culture, identity, institutions and rationality blur even further the boundaries between international and domestic politics. Unit and system so interact as to render quite difficult the autonomy of each. What do nations want out of the international arena? This turns in part on their sense of self definition, on identity and culture. The construct of a national project defining a relation to the world outside is one of the items of conflict or political discussion in any country. It is shaped by experiences with the world outside and by experiences within. The two are often hard to separate. The study of any modern nationalism will show this—the United States transformed itself in a short period of time from an isolationist country to a tradition of world leadership; Germany and Japan wrestled with the catastrophes of their militarisms and developed new identities in the world arena; Russia is in the process of struggling over its identity in the world; the successor states of Yugoslavia struggle internally over who they are and how they relate to each other; China and other countries of East Asia struggle over democracy, modernity and economic development and how to integrate them into politics and policy. The projection of the units into the world blends with their character inside. Constructivists push farthest on the

autonomy and power of "constructed identities" to shape behavior. Others locate "construction" in institutions and bounded rationality.

So international and comparative politics have always intertwined, still do and always will. Is nothing new? There is always something new. We have not always had the long bow, stirrups and saddles, gunpowder, airplanes, nuclear weapons, refrigeration, railroads, airplanes, telephones, and faxes. So there are always new developments, which affect the speed and intensity of economic growth and so on. International production networks are creating new patterns in the economic division of labor around the world; trade is growing; security neighborhoods interact substantially. Nations have always adapted to the influences of market pressures, be it in the economic market or the security market.

So there are always current elements of the interaction between international and domestic politics to be studied, but the fact of the interaction nor even its importance is not particularly new. What we need are better ways of studying it and thinking about the interaction, more than we need debate about the degree of amplitude of newness.

(Moravcsik, continued)

are better or worse than traditional systemic explanations. That is an empirical question. It is to say that, once we accept a rationalist foundation for studying international politics, preference-based explanations are analytically prior to systemic explanations. In short, IR is only as good as the comparative politics it is based on.

IR scholars can now foresee the end of the artificial divide between sub-fields. The most exciting trend in IR theory today is its reconstruction from the bottom up on the basis of generic concepts and theories drawn from comparative politics. The foundation of such analyses are theories focusing on the sources of state preferences in domestic and transnational state-society relations. (I have elsewhere termed these "Liberal" approaches to IR, but one could equally well call them "preference-based" approaches. Needlessly misleading, however, is the term "domestic," since the sources of state *(continued on next page)*

(Moravcsik, continued)

preferences may be transnational, as in theories of economic interdependence.) One implication is that IR scholars are ceasing to engage in debates conceptually and semantically isolated from the rest of political science, but instead are redefining those debates in light of conceptual tools designed to explain the relation between the state and domestic and transnational society: the various new institutionalisms, historical sociology, open-market political economy, interest group analysis, game theory and theories of legislative process and delegation. In short, they are doing comparative politics.

Examples of this trend toward the use of generalizable theories stressing variation of state preferences abound.⁵ The logic of domestic rent-seeking underlying institutional theories of the democratic peace—which Bruce Russett terms “the closest thing we have to a law in international relations”—is also found in studies of imperialism by Jack Snyder and tariff policy by Helen Milner. Lisa Martin has explored the role of executives and legislatures in foreign policy-making using theories drawn from the study of the U.S. Congress. James Fearon has shown that deterrence must be understood as a selection process that separates governments with varying preferences; an analysis of those preferences is thus a precondition for understanding the outbreak of war. Studies of the conduct of war and the design of foreign aid programs by Jeffrey Legro and David Lumsdaine illustrate the importance of domestic ideas and values. Peter Haas, Robert Keohane and Marc Levy have reconceived international institutions as mechanisms to muster domestic political support.

Note that such studies are by no means limited to the sort of economic or game-theoretic approaches that lead some to despair for traditional comparative politics. Even the most enthusiastic advocates of economic theories in tariff policy, perhaps the area in which economic theory has enjoyed its greatest empirical success, claim only to explain cleavages, not outcomes—an appropriately modest claim, empirical studies reassure us.⁶ In examining European integration, I found that the position of sectors and countries in international

markets is indeed the most important determinant of national preferences for economic integration. Yet this tells us little about the form and scope of the enterprise. Without the critical role of ideologies carried by specific parties and politicians, Europe would most likely have evolved into a loose free trade area, not the complex quasi-constitutional transnational polity we see today.⁷

At a methodological level, the rediscovery of comparative politics has other important implications for the way we study IR—again bringing the two closer together. IR scholars are learning to define their dependent variables more precisely. Broad “systemic” variables such as the level of cooperation or incidence of war are giving way to the study of fine-grained variation in national preferences, bargaining outcomes and interaction with international institutions, which can then be combined to offer an explanation of systemic outcomes. With greater attention to domestic processes, IR scholars must also learn to conduct research with greater depth and rigor, in particular command of foreign languages, primary sources and institutional particularity, not to mention to intricacies of quantitative and formal methods.

Like many of my colleagues in both comparative politics and IR, I foresee a not-so-distant future when fundamental distinctions in training, substantive interest and methodology between the sub-disciplines will fade away. In the resulting synthesis, comparative politics is emerging as the critical sub-discipline. Unlike traditional IR, it elaborates the domestic microfoundations required for other theories, and, unlike traditional American politics, it is not arbitrarily restricted to a single country. Hence I close by reformulating our common question as a paradox: Why are scholars of comparative politics questioning their vocation just when—viewed from the outside in—it is establishing its hegemony?

Notes

¹Formal analyses have demonstrated the underlying coherence of these theories. See the contributions by Joseph Grieco, Stephen Krasner, Robert Powell and Duncan Snidal in

David A. Baldwin, ed., *Neorealism and Neoliberalism: The Contemporary Debate* (New York: Columbia University Press, 1993).

²Kenneth N. Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979), pp. 65 and 108-109.

³Keohane endorses the practice, arguing that there is “something particularly satisfying about systemic explanations...” Robert O. Keohane, “Theory of World Politics: Structural Realism and Beyond,” in Keohane, ed., *Neorealism and its Critics* (New York: Columbia University Press, 1986), 193.

⁴Kenneth A. Oye, “Explaining Cooperation under Anarchy: Hypotheses and Strategies,” Kenneth A. Oye, ed., *Cooperation under Anarchy* (Princeton: Princeton University Press, 1986), p. 6.

⁵For a summary of this argument and full citations for the works below, see Andrew Moravcsik, *Liberalism and International Relations Theory* (Harvard University: CFIA Working Paper No. 92-6, 51 pp, 1992, revised 1993).

⁶E.g. Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton: Princeton University Press, 1989); Jeffrey A. Frieden, “Invested Interests: The Politics of National Economic Policies in a World of Global Finance,” *International Organization*, 45:4 (Autumn 1991), pp. 425-452, 1991; Robert O. Keohane and Helen V. Milner, eds., *Internationalization and Domestic Politics* (Cambridge: Cambridge University Press, 1996).

⁷Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power in European Integration from Rome to Maastricht* (Cambridge, MA: book manuscript, 1996). See also Anne-Marie Burley and Walter Mattli, “Europe before the Court: A Political Theory of Legal Integration,” *International Organization*, 47:1 (Winter 1993), pp. 41-77.

BOOK REVIEWS

Reno, William. *Corruption and State Politics in Sierra Leone*, Cambridge University Press, 1995, 229 pp.

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In his comparative study of African politics focusing on Sierra Leone, William Reno argues that African politicians, in seeking to co-opt clients in informal markets to ensure their political survival, construct parallel political authority which he terms the "Shadow State." According to Reno, the development of this Shadow State not only leads to the decay of formal state institutions, but eventually undermines the political power of local rulers themselves, as they suffer challenges from clients who gain an independent political base with this patrimonial network. As a result, such rulers must constantly reconfigure supportive elite coalitions and, thereby, expand the Shadow State as a whole. Since Reno views contemporary economic reform programs (commonly termed "structural adjustment") as an "attack" on the state, he argues that structural adjustment will only reinforce the Shadow State and encourage further political disorder.

In his deft analysis of Sierra Leone's colonial and post-colonial development, Reno demonstrates how British colonial administration first laid the foundations of the Shadow State by employing local chiefs to ensure social control and tax collection at low cost. In return for their political loyalty, these chiefs or local strongmen used their official recognition to gain access to colonial trade, as well as patronage resources of the colonial administration.

With the discovery of diamonds in 1930, colonial officials sought to establish more direct control over economic resources. In seeking to check the increasing power of local strongmen, state officials signed formal mining agreements with foreign actors, including European mining companies and wealthy Lebanese and non-indigenous African businessmen, who were more removed from domestic politics, especially electoral politics. However, these foreign actors, with strong international networks of their own,

soon formed substantial independent power centers within the informal economy, undermining government control of the diamond trade. At the same time, local resentment at the involvement of foreign investors dissuaded rulers from mobilizing citizens through formal institutions in opposition to unruly clients. To obtain resources to maintain the increasingly burdensome political networks which kept them in power, post-colonial politicians exerted increasingly personal control over the elite accommodations in the diamond trade, and, therefore, neglected formal institutions. Later, during economic reform, politicians sought to attract new foreign investors to the Shadow State network, rather than encouraging potentially troublesome local entrepreneurs, in an effort to marginalize the increasingly wayward Lebanese clients.

Unfortunately, while Reno's analysis is strong empirically, it is quite weak theoretically. Reno argues that his book compensates for the previous lack of analysis on the interconnection between politicians and informal economies as well as the development of informal economies as "a reaction to state policies." But much contemporary scholarship on Africa has highlighted the extensive politician participation in the often burgeoning black markets resulting from state intervention in the economy. Even more damaging to his theory, however, Reno leaves the central concepts of the "state" and the informal economy ill-defined, focusing his analysis primarily upon individual actors. Furthermore, while Reno asserts that structural adjustment promotes the retrenchment of the state, and therefore prompts politicians to depend even more on (increasingly violent) patrimonial networks, he seems unaware of present conventional wisdom about the central "orthodox paradox" of reform: that while the rhetoric of adjustment may call for the retrenchment of (some) state organizations, it actually revitalizes the state as a whole through the infusion of donor funds while it draws economic activity from informal to formal markets with the curtailment of market restrictions. Therefore, while Reno's skepticism about adjustment is duly war-

ranted, his dire predictions about its consequences are not.

Robert Vitalis, *When Capitalists Collide: Business Conflict and the End of Empire in Egypt*, University of California Press, 1995, 282 pp.

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Challenging traditional historical accounts of Egyptian state development and industrialization in the post-colonial period, Robert Vitalis rejects the idea that development was in the hands of international capital or neo-colonial powers, leading him to dispute theories employing class-based conceptions, dependency relationships, and neo-colonial domination. Instead, he advances his own version of dependent development where local business, rather than the state, successfully achieved the domiciliation of the Egyptian economy. It is local capital, and its access to the state and foreign capital, that propels the development process. Disaggregating the state, he demonstrates that the rent-seeking activities of local business groups were the driving force behind industrial development. By rejecting conceptions of early twentieth century Egyptian political economy as a struggle between foreign and local capital, Vitalis shows that explanations of development that emphasize the weakness of an industrial bourgeoisie class are misplaced. Instead, these were "powerful actors who were involved in virtually every facet of governance of the state and economy" (228).

For Vitalis, local capital was not "a corporate political agent with a collective class interest" (227). This enables him to debunk notions of the existence and failure of a capitalist class interest actively promoting nationalist industrial goals in opposition to colonialism. As a result, class interests and the related conflict between industrial and agricultural goals do not account for the dynamics of development. Rather, competing business groups that encompassed both agricultural and industrial interests were vying for the limited opportunities for profit and capital
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accumulation. Locating power in domestic actors, Vitalis focuses on the rent-seeking activities of these cross-sectoral groups. Although local capital allied with foreign capital in its struggle for control of state resources and influence, Vitalis demonstrates that these local actors had much more control over the bargaining process than has been attributed to them.

In his account, structural political and economic changes created the opportunity for local capital to pursue industrialization and challenge Britain's neocolonial ambitions. He is less explicit, however, about the state structure that enabled local capital to dominate Egyptian industry. He attributes industrialization to the access of local investors to both foreign capital and the state. In addition, he points out that the loss of this state access in the post 1952 government robbed local capital of its power. But a conception of the state and state autonomy is lacking. Vitalis's account disaggregates the state to such an extent that it is not conceived as an independent force. Local capital not only captured state resources, it captured the state as well. Thus, it

"becomes progressively more difficult to disentangle the actions of investors from those maneuvering for control of the state" (p.80). Identifying the actions of local capital as virtually synonymous with state actions, Vitalis's account of political dynamics emerges from business group conflicts that "overlap with, and reinforce, the struggle for state power" (p.124). By establishing this relationship, politics is reduced to economic competition. Only following the 1952 coup, when a history of governments friendly to local capital is replaced by one that is not, and no longer can be, captured by rent-seeking capitalists, does a conception of the state as an actor separate from society emerge. Vitalis employs business group competitions and changing capital alliances to explain political realignments and changing external and internal pressures on the state. But while denying that the failures of local capital led to civil unrest in 1952, he does not provide an alternative explanation for this unrest. By focusing on the capitalist class as the central actor driving political processes, other societal actors and political factors drop

from the equation. Changes in power are decoupled from questions of ideology and mass support. He provides no account of politics or state actions outside of the actions of the capitalist class. Having shown that the capitalists were not particularly concerned with nationalist aspirations, such considerations are given cursory mention. Similarly, factors such as public sentiment and local support also are epiphenomenal. As a result, political developments driven by non-economic sources, such as the 1952 unrest, cannot be incorporated into Vitalis' perspective.

Vitalis offers an innovative view of the role of local actors in the development process. Although he seemingly intends to look beyond rent-seeking in his political economy approach, economics is politics in his account. By failing to look at other factors or key actors, he implies that these elements were not crucial to state processes, linking investors to the state to the degree that the state does not exist separately from them. Thus, he presents a telling though incomplete picture of the loci of power and of the factors affecting political dynamics and development.

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