basic principles concerning how to structure economic and political systems.

The essays in Part III provide excellent overviews of regional integration in Latin America and in Europe that are contributions in their own right, regardless of their relevance to Asia. Jorge Domínguez describes and assesses efforts at regional cooperation in Latin America, finding that regional integration efforts did enhance trade liberalization and that some regional organizations (NAFTA and MERCOSUR) "built on and contributed to" efforts at interstate peace (p. 108), but that no region achieved a common market. Moreover, Domínguez notes that efforts at regional integration will always play a supporting role in the pursuit of growth, which is determined mostly by domestic politics and policy.

Kevin O'Rourke's readable chapter provides a history of European integration with an eye to explaining why the European Union chose a supranational form, that is, deep integration, over the many other forms proposed since the establishment of the European Coal and Steel Community. Rather than viewing the process of integration in some Whiggish way, O'Rourke narrates the process with attention to important political dramas, such as the fights over agriculture and British participation and exclusion at various points. His chapter contains a richer discussion of politics than any other part of the volume.

If O'Rourke's chapter has the most politics, the chapter by C. Randall Henning on crises and regional institutions is a close second. Henning's basic insight is that regional integration efforts benefit from economic crises when those crises are generated outside of the region and responses outside of the region are inadequate. In addition, the power and preferences of states inside and outside the region matter tremendously, especially when regional states find themselves together in clashing with the preferences of global financial institutions or when the preferences of a hegemonic power, such as the United States, are at odds with those of member states.

Part III goes into the most depth on Asian regional institutions. The chapter by Haggard surveys the landscape of Asian regional institutions, and in doing so, lays out the greatest amount of empirical detail and analytical structure to explain why Asian regional institutions, while expanding in number and membership, have not deepened the regional commitments of Asian states. Haggard argues that "widening" has traded off with "deepening," and that multiple regional institutions have only exacerbated the heterogeneity that has long challenged regional cooperation. His chapter devotes the most attention of any to the actual politics and preferences of Asian states. The chapter by Acharya analyzes possibilities for socialization through Asian regional institutions. Instead of engaging the debate about instrumental versus intrinsic socialization, he proposes a "Type III contingent socialization," by which "agents act both instrumentally and normatively, concurrently" (p. 230) but in a contingent fashion, waiting to feel the effects of new roles and positions before fully committing to new norms. While the concept of Type III socialization seems more difficult to identify and measure than Types I and II, it does seem to capture the multiple motivations adopted by Asian governments during times of strategic uncertainty.

The volume's greatest weakness is the lack of attention to real politics and preferences of Asian governments and regional groups. But perhaps detailing the interests and positions of agents with regard to various regional institutions trades off with the synthetic, comprehensive, and comparative contributions of the volume. If so, the editors and contributors of *Integrating Regions* have organized a clear set of empirical and theoretical questions and debates so that those working in this field may take up the detailed politics of Asian regional cooperation with these questions and debates in mind.

Rethinking Sovereign Debt: Politics, Reputation, and Legitimacy in Modern Finance. By Odette Lienau. Cambridge, MA: Harvard University Press, 2015. 344p. $52.50.
doi:10.1017/S1537592715004272

— Cameron Ballard-Rosa, *University of North Carolina at Chapel Hill*

When the apartheid regime fell in South Africa, the newly elected African National Congress (ANC) government enjoyed an incredible outpouring of goodwill and a general recognition of the illegitimacy of the previous regime. If ever there was a case for forgiveness of a country's debts, incurred under a repressive regime without the benefit of most citizens in mind, South Africa in the mid-1990s would have seemed a good fit. And yet, once the ANC came to power, they acknowledged the debts of the apartheid government, maintaining the common norm of debt continuity across regimes. To many observers, this was the only reasonable response to a monolithic international financial system that demanded that new governments honor previous borrowing commitments. However, as argued by Odette Lienau, this need not necessarily have been the case.

Lienau's *Rethinking Sovereign Debt* is a thought-provoking account of the historical development of norms of repayment in sovereign debt markets. At its core, the book rests on a critical yet often ignored point: Any analysis of sovereign debt requires an inherent understanding of "sovereignty." What sovereignty properly entails has evolved over the past century, especially following movements toward popular rule (in various waves of democratization) along with self-determination (during waves of independence from colonial powers). Each of these developments in the international system prompted a reconsideration of sovereignty—beyond simple control of a bounded area—to also incorporate notions of rule via popular will for the public benefit.

Despite this evolution of sovereignty in the political sphere, Lienau notes that bond markets have relied more or less continuously on an understanding of sovereignty as "the state as a shell," with little regard to the internal functions of government. This narrower focus on de facto control of a country, without consideration of such control as achieved via popular mandate or for public benefit, has important consequences for the ability of new regimes to seek debt forgiveness, particularly in cases of "odious debt" contracted by dictators with the purpose of repressing popular resistance. Such attempts to discredit past borrowing by linking it to nondemocratic outcomes have largely failed to date. However, Lienau argues that in a post–Cold War environment in which finance may be less constrained by geopolitical considerations, we have begun to see an opening in some sovereign debt treatments that may suggest new room for growth for a "discontinuous" notion of sovereignty that would permit pursuit of forgiveness of odious debt.

From a normative standpoint, it is difficult to argue with the main thrust of Lienau's work: Given modern notions of sovereignty based on some conception of the public will, it seems unfair to burden the people of a country—especially a developing country with already limited economic resources—with debts incurred for the private benefit of previous dictators. The practicalities of implementing such a system, however, prove somewhat more problematic. Following landmark work on the role of reputation in maintaining sovereign debt markets in Michael Tomz's (2007) *Reputation and International Co-operation*, Lienau argues that an odious debt system need not be inconsistent with a reputation-based market. While normatively attractive, the potential for new governments to alleviate past burdens by simply declaring them illegitimate raises a series of new challenges. Lienau admits this difficulty, and suggests that markets could still punish defaulters for "repudiation of debt not considered sufficiently 'odious' by the relevant audience—be it private creditors making a reputational judgment or a tribunal or court adjudicating an asset seizure" (p. 232). However, exactly what sorts of institution might be required, or what precise guidelines would be necessary to reach a judgment, are left largely in the background. The informational burden associated with adjudicating such claims—which, given the sums involved, are almost certain to be subject to conflict—makes it difficult to imagine the implementation of such a system without much more careful consideration.

Although this book is explicitly not a quantitative exercise, Lienau's detailed discussion of a number of historical cases of debt repudiation suggests several important avenues for future research for political scientists. For example, she notes that following the repudiation of tsarist debt by Russian revolutionaries, several American financiers sought to make lines of credit available to the new regime, but were eventually quashed by the U.S. government due to ideological concerns about support for communism. As a result of this intervention by American authorities, no new lending was made available to the Soviet government, a fact often noted in reputational accounts. However, Lienau argues that a reliance on large-scale data on sovereign issuance, as often used in studies of sovereign debt in economics and political science, misses an important source of variation: The "zeroes" in such a data set are not all the same.

While there has been recent work on issues of selection bias in sovereign borrowing (see Emily Beaulieu, Gary W. Cox, and Sebastian Saiegh, "Sovereign Debt and Regime Type: Reconsidering the Democratic Advantage," *International Organization* 66 [2012]: 709–38), this work focuses largely on the selection effects that differentiate no borrowing from non-zero borrowing, and has primarily emphasized country-level factors. Lienau's work raises an alternative and nuanced critique: While characteristics of sovereign borrowers are clearly important in determining market access, we may need to pay more attention as well to characteristics of sovereign lenders if we wish to fully understand the dynamics of international bond markets. Layna Mosley's (2003) work in *Global Capital and National Governments* has made important advances to our comprehension of investor-side incentives, but the book under review helps highlight that more work remains to be done in unpacking the supply and demand dynamics that undergird sovereign debt.

Finally, Lienau's attention to the evolution of international norms surrounding debt continuity points to a broader critique that has of late been relevant for the subfield of international political economy, where much study on sovereign debt is conducted. The dominant "open economy politics" (OEP) approach, with explanations for international outcomes largely a function of domestic political factors, has recently been critiqued in works by Thomas Oatley ("The Reductionist Gamble: Open Economy Politics in the Global Economy," *International Organization* 65 [2011]: 311–41) and by Stephen Chaudoin, Helen V. Milner, and Xun Pang ("International Systems and Domestic Politics: Linking Complex Interactions with Empirical Models in International Relations," *International Organization* 69 [2015]: 1–35). Lienau argues that behavior in sovereign debt markets is, in part, a function of broader norms of sovereignty that inhere in the international system but that may be subject to change. This argument resonates with critiques of OEP that look for a greater explanatory role for the international system. While most of the cases covered in *Rethinking Sovereign Debt* suggest the difficulty for new regimes to achieve debt reduction—even in cases of broad agreement on the illegitimacy of past government—her conclusion points to the possibility of changing norms in global financial markets. If true, this suggests that greater attention to change in the system is warranted.

This book is a penetrating and enjoyable account of the evolution of norms undergirding sovereign debt, which will be a valuable read for scholars of economic history, political philosophy, and modern political economy alike.

Transition Scenarios: China and the United States in the Twenty-First Century. By David P. Rapkin and William R. Thompson. Chicago: University of Chicago Press, 2013. 288p. $99.00 cloth, $35.00 paper.
doi:10.1017/S1537592715004284

— Christopher A. McNally, *Chaminade University*

In this book, David Rapkin and William Thompson examine the form that a potential U.S.–China power transition later in the twenty-first century might take. There is by now a large volume of books analyzing this exact question, with no shortage of diverging viewpoints. What sets *Transition Scenarios* apart is that it is the first to systematically build a framework for scenario construction, identifying the driving forces that can constrain or induce potential conflict between the United States and China. Moreover, it does so in a theoretically open yet focused manner, incorporating insights from theoretical strands in international relations that go beyond the narrower foci of power-transition models and offensive realism.

The authors begin by laying out the case for why a power transition is likely to occur when a new rising power (i.e., China) challenges a global incumbent (i.e., the United States). The authors use the historical record to show how long-term changes in power distribution at the apex of the global system have been characterized by considerable violence. As they state, "No newly emerged great power managed to evade participation in extensive warfare" (p. 4). Nonetheless, the first chapter ends with a key clarification: While there are various historical and theoretical insights on the potential shape of power transitions, there is profound uncertainty how a China–U.S. transition might actually unfold. The authors therefore outline the three objectives of their endeavor: to create an analytical vehicle that can examine multiple and alternative scenarios; to apply international relations theory to this task; and, in this manner, to build future-oriented scenarios that can improve upon present theory and aid in interpreting transition processes.

The second chapter introduces the reader to scenario construction—plausible narratives about the future. Key terms are presented, though unfortunately this ends up being a bit confusing. Primary structural drivers come first, but then reference is made to both secondary drivers and predetermined elements. It is never quite clear what distinguishes these two terms, and, indeed, in the concluding chapter, both are employed in similar fashion. It would have been better to stick to primary and secondary drivers only, while simplifying the terminology as much as possible. Fortunately, the book makes extensive use of tables and figures that crystallize what is sometimes an overwhelming amount of causal mechanisms: primary drivers, secondary drivers, predetermined elements, critical uncertainties, early indicators, challenges, and wild cards. Figure 2.1 is central in that it situates the alternative scenarios in a matrix.

I found Chapter 3 to be unessential. It outlines the major narratives already developed on the looming U.S.–China power transition. The authors note that most are only about war and not theoretically grounded. However, the literature reviewed is fictional, and the major points derived from this task reappear in theoretically more solid form later. The following chapters (4–6) review relevant theory, though constructivist, critical, and ideas-based approaches are for the most part eschewed.

Power transition theories following A. F. K Organski and approaches in realism, especially the offensive realism framework proposed by John Mearsheimer, are critiqued in a concise and fair manner. The authors then emphasize insights from "Leadership Long-Cycle" theory to which, in particular, Thompson has been a key contributor. Rather than the relative size of an economy (GDP), its dynamic properties—innovative capacity—are held to influence outcomes of power transitions. In a refreshing manner, this brings aspects of political economy into the picture. Radical innovation *cum* Schumpeterian processes shape qualitative aspects of economic growth that can catapult rising powers to capture new leading sectors, control long-distance commercial opportunities, and challenge the global lead economy. Other aspects, including geography and the strategic orientation of challenger and incumbent, as well as threat/frustration perceptions, are incorporated into the analytical framework at this point.

Further distillation occurs in Chapter 5, which analyzes the conflict drivers shaping power transitions. However, this chapter suffers from somewhat dated materials on the People's Liberation Army and a lopsided structure. Conversely, Chapter 6 is one of the best conceived and argued in the book, containing a concise treatment of Kantian arguments in favor of constraints on conflict, as well as the role of nuclear deterrence. Although I would have preferred to see a bit more analysis of the "capitalist peace" (p. 113) as opposed to the "democratic peace" (pp. 111–14) theory, the tripod of Kantian variables is critically and fairly reviewed, especially the dual-edged sword of economic interdependence, containing constraints on conflict but also potential drivers, such as competition over the same industries on the technological frontier.

Chapters 7 through 10 present the five scenarios developed by the authors. Of special interest are the scenarios that tend to be less prominent in the academic and popular literatures. The "More of the Same," "Pax Sinica," and "Liberal Peace/Kant Muddles Through" scenarios are fascinating examples of changes in international power relations that do not lead to massive conflict,