them. In the meantime, our "guards" were young, male youths carrying AK rifles and empty stares. We did not bring up the subject with their senior commanders that they had been abducted at a young age. We knew they would never release them. But we also did not raise the fact that their "wives" were also abducted, and being raped, technically, by them. Instead, we used the term "innocent."

Would a more impartial and principled approach suggested by Carpenter have made a difference?

Mediating Globalization: Domestic Institutions and Industrial Policies in the United States and Britain. By Andrew P. Cortell. Albany, NY: State University of New York Press, 2006. 243p. $70.00 cloth, $22.95 paper.

Economic Interdependence and Conflict in World Politics. By Mark J. C. Crescenzi. Lanham, MD: Rowman & Littlefield Publishers, 2005. 173p. $65.00 cloth, $24.95 paper.
DOI: 10.1017/S1537592707071320

— J. P. Singh, *Georgetown University*

Given the context of globalization, these two books generate and answer substantive puzzles in security, trade, and industrial policy. Building on the Kantian hypothesis, Mark Crescenzi asks: "Does economic interdependence lead to peace or conflict?" Taking off from the neoliberal convergence hypothesis, Andrew Cortell asks if globalization entails the end of state-led industrial policies or economic intervention. The "it depends" answers that may be expected come down to "it depends on the domestic bargains and opportunity costs for states," therefore providing us with a common conceptual anchor for adjudicating together the quality of these works. For Crescenzi, interdependence poses exit costs in terms of the relative scope, ranking, and importance of the trading relationship for the two countries. Depending on the exit costs for breaking off economic ties, states may indulge in political conflict varying from low-level conflict, such as issuing threats, to high-level conflict, such as war. Yes, says Crescenzi, economic interdependence curtails political conflict, but we need to understand the causal mechanisms, here embedded in exit costs. For Cortell, the answer to the persistence of industrial policy, even as neoliberal market-based convergence takes place globally, depends on the capacity and autonomy of state institutions and the pressures that states face from firms seeking economic intervention. It is based on a simple intuition: Just because globalization is taking place does not mean that firms will not ask states for intervention ranging from budgetary support to trade protectionism.

Backed with conceptual frameworks, detailed evidence, and pluralistic methods, both Cortell and Crescenzi narrow their focus of enquiry but speak to broader debates in global politics about state-society relations, the role of the state, and the nature of global interactions. If this is the new wave of globalization scholarship, I hope it continues for a while so we can deepen our understanding of these themes and issues. In doing so, as I detail below, if globalization is mediated by bargains that states can or cannot effect, then let us also use some formal techniques for analyzing bargaining and negotiations. These two books raise questions for each other and for future scholars. I do not detail this below, but if we are to get our message across, let us spend some time revising our tomes to get the message out clearly. Globalization need not be so ponderous.

Cortell's approach is situated in historical intuitionalism, which allows him to integrate insights from strategic and neoclassical trade theory, comparative politics, and industrial policy. He builds a taxonomy of six institutional contexts to explain the intervention outcomes. These contexts combine the degree of autonomy and capacity of state institutions with the presence or absence of networks connecting states with societal actors, in this case mostly firms. Three of the six institutional contexts are merely analytical possibilities, and he concentrates on explaining the other three. In one case (Type V), institutional networks exist between states and society, and state actors have "lateral autonomy" (in terms of capacity) to shape industrial policies. He traces the success of the $500 million Sematech initiative for boosting semiconductor research and production in the United States under Reagan to a Type V context. In a Type II context, the networks are absent but the executive has autonomy, which under Margaret Thatcher led to liberal strategies, albeit ones that sought to attract foreign direct investment through policy instruments. The Type III context features the presence of institutional networks and decentralized decision making resulting in outcomes such as multifaceted industrial policies or a liberal strategy. Cortell analyzes 13 episodes of intervention drawn from the semiconductor industry ("the quintessential globalized industry," p. 15) in two states where neoliberal convergence may be most expected, namely the United States and Britain. That both states choose intervention, especially under conservative governments, such as those of Ronald Reagan, Margaret Thatcher, and John Major, supports the "hard test" that Cortell sets up for his theory. Of the 13 cases, 8 feature Type V scenarios.

Crescenzi's Kantian debt is to scholars who have tried to test the irenic or bellicose effects of trade on political conflicts. His own argument eventually rests on Albert Hirschman, who supplied "the quintessential argument . . . that economic interdependence is a source of political power for nations" (p. 19) in that countries indulging in political conflicts must calculate their exit costs dependent on their alternatives to breaking off a trading relationship. The first half of this book develops, slowly and somewhat torturously, the exit costs model in terms of 1) "constraint," where the exit costs are high for one nation to challenge another; 2) "bargaining power," where one state challenges another, which capitulates because it faces high exit costs; and 3) "escalation," whereby both sides' exit costs are low. Crescenzi tests this model on three cases, chosen for illustrative rather than methodological reasons: Constraint is illustrated by U.S. reluctance to put economic sanctions on the apartheid regime in South Africa because of U.S. dependence on mineral exports from South Africa. Bargaining power is illustrated by China's ability to get dual use technologies since 1989 because of the value of China's domestic markets to the United States. Escalation is illustrated through the Argentine-British conflict over Malvinas–Falklands Islands in 1982 that escalated because exit costs were low and the value of conflict high for a host of domestic political reasons. He then provides a quantitative model where exit costs are measured through price elasticity of imports and trade shares in the dyadic relationship. These independent variables are then regressed (logistically) on discrete values of status quo and low and high levels of political conflict classified from the World Event Interaction Survey data from 1966 to 1992. In spite of the data limitations, especially in terms of the states covered, Crescenzi uncovers "a more valid operationalization" and "a more complex relationship" (p. 140) by attending to exit costs.

Let me now turn to the cautions I mentioned above. First, both authors need to tell us a little more conceptually about bargaining in global and domestic interactions. Both Crescenzi's exit costs and Cortell's mediated globalization models depend on political bargains that arise from material conditions of economic interdependence. Both are predicated on the availability of alternatives for political actors and yet no formal analysis is employed to test for bargaining. For example, Crescenzi's exit costs are akin to reservation prices and best alternative to a negotiated agreement that negotiation theorists have long written about and placed in the context of negotiation processes. By neglecting these processes, he also neglects the stuff of negotiation strategies and tactics that can help to show how and why particular bargains are effected in international interactions in particular periods of time. More ominously, his operationalization of low political conflict includes negotiations, which theorists would regard as a process of resolving conflicts and not conflict itself. In Cortell's analysis, the conceptual ducks line up quite nicely in most cases (especially Types V and II scenarios) to produce the particular intervention outcomes. The messy details of bargaining that go on in the empirical chapters are not captured in a theoretical framework. As a negotiation scholar, I was not sure what he meant by the "bargaining and negotiation over the direction of policy" (p. 28) in institutional networks. Nevertheless, let me also let Crescenzi and Cortell off the hook: It is quite fashionable in the study of global politics to speak of diplomacy, bargaining, and negotiations without really bothering to explain conceptually and empirically what we mean by these terms. As we deepen our understanding of global interactions, it would seem to me that negotiation theory might need a central understanding.

Second, the two books raise important questions for each other and for scholarship in general. I liked Cortell's dynamic model, in which actors' interests and political institutions are changed and transformed. This allows him to locate the historical specificity of his dependent variable to deepen our understanding of globalization. Crescenzi's model tests a Kantian peace argument using the mutual suspicions inherent in an unchanging Hobbesian framework. Surely, such cognitive dissonance cannot continue forever without the need to explain unchanging interests, institutions, and (to use a term from the English School) the international society of states that Emmanuel Kant himself envisioned. Given past scholarship, our research either needs to understand that global interactions do not take place in static contexts or, if we disagree with the notion of changing interests and transformations, we need to make a compelling case for static contexts and not just take it as given.

On the other hand, Crescenzi is deeply mindful of the methodological risks and limitations of his model. His case studies, he notes, are merely illustrative and the quantitative model, which is further qualified by data limitations, supplies the "empirical test." His book ends by stating these limitations. Such methodological humility is lacking in Cortell's book, although he does note in passing that "further research is warranted in other sectors and countries" (p. 175). However, he needs to tell us "why" further research is necessary, especially after supporting his conclusions in the last chapter by also outlining the limitations of counterarguments. For example, methodologically, I kept wondering if the hard test was the two countries chosen or the semiconductor industry or both. Leaving aside the quintessentially globalized nature of the semiconductor industry, I also do not think that most cases of high-tech-driven service industries can approximate Type V reasoning whether in the United States, Britain, or in other places. Stating limitations, as Crescenzi shows, while limiting generalizability of results can also generate, in turn, further puzzles and research projects that need to be undertaken.

Nevertheless, both Cortell and Crescenzi have broken significant ground by bringing globalization down to the two levels where, as the case may be, it is experienced, held in status quo, mediated, or transformed. In particular, they show in great detail how and where states still matter in globalization in effecting the outcomes that they do. It is not globalization or the state. It is both. These books are also to be commended for avoiding the "I don't like the term globalization but will use it anyway" point of entry or "let me define the myriad meanings of the term globalization" approach. Instead, they move to compelling puzzles and provide thoughtful answers.

https://doi.org/10.1017/S1537592707071320 Published online by Cambridge University Press