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## International Organization

**Robert O. Keohane**

Reciprocity in International Relations

**Paolo Guerrieri and Pier Carlo Padoan**

Neomercantilism and International Economic Stability

**Timothy J. McKeown**

Theories of Commercial Policy

**Herbert Kitschelt**

Fast Breeder Development

**G. John Ikenberry**

The State and Oil Shocks

**Barbara Jenkins**

Canada's National Energy Program

**Joanne Gowa**

Cooperation and International Relations

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# Abstracts

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## **Reciprocity in international relations**

by Robert O. Keohane

Reciprocity has become a popular concept in the theory and practice of international relations, since it seems to provide a way to promote cooperation without centralized enforcement of rules. Yet the concept of reciprocity is ambiguous, being used differently in the literatures on international trade, international relations, game theory, and social exchange. A distinction should be made between specific and diffuse reciprocity. *Specific* reciprocity refers to exchanges of items of equivalent value between specified partners, as in experimental situations of Prisoner's Dilemma or well-defined agreements in international relations. *Diffuse* reciprocity refers to situations in which equivalence is less strictly defined and one's partners in exchanges may be viewed as a group rather than as particular actors. In diffuse reciprocity norms of obligation are important. Specific and diffuse reciprocity have different virtues and liabilities. Neither provides a perfect formula for mutually beneficial cooperation in international relations, but certain institutional innovations, particularly in international trade, can be understood as ways to capture some of the benefits of each while guarding against their distinctive liabilities.

## **Neomercantilism and international economic stability**

by Paolo Guerrieri and Pier Carlo Padoan

Traditional definitions of mercantilism focus primarily on protectionist trade policies. A more general definition based on Keynesian and post-Keynesian literature includes macroeconomic, monetary, and trade components of mercantilism. Recent investigations into the effects of mercantilism on international stability are limited: trade policies are neither a necessary nor a sufficient condition for international stability. Mercantilist policies lead to different outcomes depending on the regime in which they are implemented. The effects of mercantilist policies within a hegemonic system will differ from those of mercantilist policies in an "interdependent oligopoly." Finally, the interaction of mercantilism and the international system provides a framework for evaluating the recent history of the U.S. dollar.

## **The limitations of “structural” theories of commercial policy**

by Timothy J. McKeown

Most attempts to understand international systems rely on theories that focus on nations' responses to an external environment and largely ignore their internal decision-making processes. Although several justifications have been offered for the lack of interest in internal processes, none are satisfactory. In the case of attempts to model changes in the openness of the international trading system, the neglect of internal processes relates directly to the lack of predictive success of these models. Since it is possible to model internal decision-making processes formally, continued neglect of this approach has no basis.

## **Four theories of public policy making and fast breeder reactor development**

by Herbert Kitschelt

Comparative public policy studies have usually tried to show why one explanation of policy is correct and others are false. To be worthwhile, empirical policy analyses need to combine different approaches. The more sophisticated the conceptualization and measurement of the dependent (policy) variables, the more likely it is that a satisfactory policy explanation will require more than one theory. Case studies of French, U.S., and West German policies to develop fast breeder reactors first in the 1960s and early 1970s, and then in the decade 1973–83, illustrate the value of drawing on more than one theory. For the earlier period, sociological policy theories and coalition theories supply the strongest policy explanation; political regime structure and international systems theories best describe the later period.

## **The irony of state strength: comparative responses to the oil shocks in the 1970s**

by G. John Ikenberry

Advanced industrial countries responded differently to the oil shocks of the 1970s. In the course of the decade they developed nationally distinctive strategies of adjustment to counter the effects of the oil-price revolution. The governments of the United States, West Germany, Japan, and France all perceived international energy dilemmas in terms of the institutional and instrumental capacities that they had at their disposal. At moments of crisis and change, as the shocks of the 1970s illustrate, the distinctive structure of the state itself shapes and constrains the substance of the state's strategic policy. Yet simple notions of “strong” and “weak” states are crude and misleading about the measure of state capacity—the differential ability, that is, of states to assert control over political outcomes. Ironies abound concerning the constraints and opportunities that face purportedly strong and weak states.

## **Reexamining the “obsolescing bargain”: a case study of Canada's National Energy Program**

by Barbara Jenkins

Recently the growing bargaining power of host governments over multinational cor-

porations (MNCs) has become a widely acknowledged phenomenon. The literature on “obsolescing bargains” particularly emphasizes this trend, which posits that the bargaining positions of MNCs will deteriorate over time. As Canada’s National Energy Program exemplifies, the obsolescence of the MNCs is far from inevitable. Proponents of the obsolescing bargain argument have oversimplified MNC–host government bargaining relations by ignoring mitigating factors such as the international economy, the power of home governments, international opprobrium, domestic politics, and the impressive bargaining skills of the MNCs.

### **Anarchy, egoism, and third images: *The Evolution of Cooperation and international relations***

by Joanne Gowa

Robert Axelrod argues that cooperation can evolve among egoists in an anarchic setting. Relying on an analytical framework based on the Prisoner’s Dilemma (PD) game, Axelrod suggests that states as well as individuals might benefit from the “theory of cooperation” he develops and the “advice for participants and reformers” he offers. The utility of Axelrod’s theory and advice to the study and practice of international relations is the focus of this review. Two problems are addressed which limit the applicability of Axelrod’s analysis: neither anarchy nor egoism is as pervasive in international relations as in Axelrod’s iterated PD game; and the exclusive use of a third image framework understates the influence of unit-level factors on patterns of conflict and exaggerates the utility of Axelrod’s advice to states stuck in the equivalent of international PDs. Despite these limitations, the work remains of major significance for students of international relations.