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International Organization

The State and American Foreign Economic Policy

Edited by G. John Ikenberry, David A. Lake, and Michael Mastanduno

Joanne Gowa

Public Goods and Political Institutions

David A. Lake

American Trade Strategy in the Pre-hegemonic Era

Jeff Frieden

Sectoral Conflict

Stephan Haggard

Institutional Foundations of Hegemony

Michael Mastanduno

Trade as a Strategic Weapon

G. John Ikenberry

American Oil Decontrol

Judith Goldstein

Ideas, Institutions and Trade Policy

Sponsored by the World Peace Foundation
Edited at Stanford University
Published quarterly by The MIT Press

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International Organization (ISSN 0020-8183) is published quarterly, Winter, Spring, Summer, and Fall by The MIT Press, 55 Hayward Street, Cambridge, MA 02142 and London, England.

Subscriptions and business correspondence: All inquiries concerning subscriptions should be sent to the MIT Press Journals, 55 Hayward Street, Cambridge, MA 02142. Circulation Dept. (617) 253-2889. Yearly subscription rates are: individuals, \$22.50; institutions, \$47. Subscribers outside the United States and Canada should add \$9 for surface mail and \$17 for airmail. Postmaster: send address changes to *International Organization*, 55 Hayward Street, Cambridge, MA 02142. Second Class postage is paid at Boston, MA and at additional mailing offices.

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G. John Ikenberry
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A special issue of *International Organization* 42, 1, Winter 1988

The editors owe a special thanks to Stephen Krasner and Peter Katzenstein for encouragement and guidance. We thank the Brookings Institution, which provided the location for the early discussions of this project when the editors were there together as research fellows. The Woodrow Wilson School of Public and International Affairs at Princeton University funded the first gathering of the contributors in May 1985. A second conference was held at UCLA in November 1985 and was funded by the Office of International Studies and Overseas Programs. Parts of the project were also presented at the Berkeley/Stanford Colloquium on International Institutions and Cooperation and at the Program on Interdependent Political Economy at the University of Chicago. For helpful comments and suggestions, we would like to thank Beverly Crawford, Timothy McKeown, Cynthia Hody, and John Odell, all of whom participated in the initial discussions of the group, and also Arthur Stein, Peter Gourevitch, Peter Hall, and Charles Lipson.

International Organization

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State Department. The dominant theoretical approaches to commercial policy—international structural and domestic coalitional theories—are ill-equipped to explain the institutional changes represented by the RTAA. A more convincing explanation is developed that explores the interests, initiatives, and capacities of state actors. The institutional changes embodied in the RTAA, in turn, had subsequent effects on interest groups as well, changing the incentives to different types of lobbying and even the discourse in which influence attempts took place. The findings suggest limitations on both “weak state” and international systemic arguments and point to a research agenda that pays greater attention to both the determinants and consequences of institutional change.

Trade as a strategic weapon: American and alliance export control policy in the early postwar period
by Michael Mastanduno

In the early postwar period, East–West export controls emerged as an important aspect of American foreign economic policy. Their direct relationship to national security and the East–West struggle created the circumstances in which executive officials could enjoy an unusual degree of domestic strength in the formulation and pursuit of policy. For American policy to be effective, however, required the support of other Western states in CoCom. U.S. officials could only maintain that support for a relatively brief period. I challenge the dominant explanation of this alliance outcome, which focuses on variations in the utility of American coercive power, and provide an alternative, which stresses both the inability of U.S. officials to translate their formidable resources into influence and the critical role of East–West security tensions in shaping West European export control preferences. Overall, the case suggests caution in generalizing about both the domestic and international capacities of American state officials.

Market solutions for state problems: the international and domestic politics of American oil decontrol
by G. John Ikenberry

The decontrol of oil prices by the United States was the most important action that emerged out of the energy policy turmoil of the last decade. In that period of turbulent oil prices, the choice between regulatory and market policy engaged powerful social and economic interests. Foreign policy and national economic goals were also at stake. In providing an explanation of oil pricing policy—of the persistence of price controls and their eventual abandonment—two approaches are discussed. A society-centered approach focuses exclusively on the play of interest groups in the policy process and accounts for policy change in terms of the changing power or influence of consumer and producer groups engaged in struggle over pricing policy. A state-centered approach incorporates the play of societal groups but argues that those interests are mediated in important ways by the structure of the state and by the activity of executive officials. This article concludes that an adequate explanation for the timing and content of oil decontrol must attend to the institutional structure of the state, as it provided a basis for executive officials with their own agenda to respond to and influence the evolution of oil pricing policy. Of particular importance,

state officials were able to draw on their special access to the international system to recast oil pricing as a foreign policy issue.

Ideas, institutions, and American trade policy

by Judith Goldstein

This essay argues that contemporary American trade policy contains three components. First, policymaking is dominated by a belief in the efficacy of free trade. That belief has been encased in post-World War II laws and institutional structures that service continued trade liberalization and assured minimal legitimacy for social claims for protectionism. Second, U.S. policy has a “fair” trade component. Previous to America’s move towards openness in the mid-1930s, policy was protectionist. From the end of the Civil War to 1934, policy reflected the belief that the U.S. could maintain an isolationist policy with respect to imports and still expand trade into foreign markets. The impact of this period is evident in laws and institutions that legitimate social claims for state intervention to favor domestic producers over foreign competitors. The third component of policy is a welfare component. Policies exist that are redistributive. The state both compensates uncompetitive sectors and helps industries adjust to foreign competition that results from liberalization. This essay examines the origins of each of these key ideas, their inculcation into law and their contemporary affect on policy. Each policy type is shown to be characterized by a unique political process that gives rise to different models for who gets protectionism in the United States.

Conclusion: an institutional approach to American foreign economic policy

by G. John Ikenberry

Many of the contributions to this volume suggest the importance of systematic and historically grounded studies of the American state in the conduct of foreign economic policy. Even in the United States, with a political system marked by its fragmentation of political authority and diffusion of power, the shaping and constraining role of state officials and the institutions they inhabit remain considerable. Nonetheless, the most useful analysis explores the interplay and the historically contingent role of international, societal, and state-centered variables. The conclusion argues that such analysis is usefully pursued through an “institutional” approach, which focuses on the shaping and constraining role of institutional structures of state and society, and on the historical dynamics of continuity and change that underlie these structures. The central argument of this approach is that the interests and capabilities of groups and individuals are mediated by the institutional structures within which they operate. The conclusion explores the theoretical and historical claims of the institutional approach as it concerns American foreign economic policy.