

Cave! Hic Dragones: A Critique of Regime Analysis

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# *Cave! hic dragones:* a critique of regime analysis

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Susan Strange

The purpose of this relatively brief article is rather different from that of others in this volume. Instead of asking what makes regimes and how they affect behavior, it seeks to raise more fundamental questions about the questions. In particular, it queries whether the concept of regime is really useful to students of international political economy or world politics; and whether it may not even be actually negative in its influence, obfuscating and confusing instead of clarifying and illuminating, and distorting by concealing bias instead of revealing and removing it.

It challenges the validity and usefulness of the regime concept on five separate counts. These lead to two further and secondary (in the sense of indirect), but no less important, grounds for expressing the doubt whether further work of this kind ought to be encouraged by names as well-known and distinguished as the contributors to this volume. The five counts (or “dragons” to watch out for) are first, that the study of regimes is, for the most part a fad, one of those shifts of fashion not too difficult to explain as a temporary reaction to events in the real world but in itself making little in the way of a long-term contribution to knowledge. Second, it is imprecise and woolly. Third, it is value-biased, as dangerous as loaded dice. Fourth, it distorts by overemphasizing the static and underemphasizing the dynamic element of change in world politics. And fifth, it is narrowminded, rooted in a state-centric paradigm that limits vision of a wider reality.

Two indirect criticisms—not so much of the concept itself as of the

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The title translates as “Beware! here be dragons!”—an inscription often found on pre-Columbian maps of the world beyond Europe.

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tendency to give it exaggerated attention—follow from these five points. One is that it leads to a study of world politics that deals predominantly with the status quo, and tends to exclude hidden agendas and to leave unheard or unheeded complaints, whether they come from the underprivileged, the disfranchised or the unborn, about the way the system works. In short, it ignores the vast area of nonregimes that lies beyond the ken of international bureaucracies and diplomatic bargaining. The other is that it persists in looking for an all-pervasive pattern of political behavior in world politics, a “general theory” that will provide a nice, neat, and above all simple explanation of the past and an easy means to predict the future. Despite all the accumulated evidence of decades of work in international relations and international history (economic as well as political) that no such pattern exists, it encourages yet another generation of impressionable young hopefuls to set off with high hopes and firm resolve in the vain search for an El Dorado.

Not wishing, however, to be entirely destructive, I conclude the article by suggesting an alternative and, to my mind, more valuefree, more flexible, and more realistic approach to the study of what I take to be everyone’s underlying concern—which is, “Where (and how) do we go from here?” This approach is both to the “left” of most of the other contributors and to the “right” of some who would call themselves liberal internationalists.

It is to the “left” of the majority in that it starts from a frankly structuralist perception of the international system (in the sense in which Marxists and neomarxists use the word structuralist). This does not mean the political system dominated by territorial states but the structure of a world economy in which the relationships between those states are largely determined by the relations of production and the other prevalent structural arrangements for the free movement between states of capital, knowledge, and goods (but not labor) that make up a world market economy.

And it is to the “right”—as they would see it—of most liberal internationalists in that it is skeptical of the achievements to be expected of international organizations and collective decision making, that is, it is realist in the sense of continuing to look to the state and to national governments as the final determinants of outcomes.

## **Five criticisms of the concept of regimes**

### *1. A passing fad?*

The first of my dragons, or pitfalls for the unwary, is that concern with regimes may be a passing fad. A European cannot help making the point that concern with regime formation and breakdown is very much an American academic fashion, and this is reflected in the fact that all the other contributors to this volume work in American universities. They share a rather striking common concern with the questions posed about regimes. A compa-

rable group in Europe—or in most other parts of the world, I would suggest—would have more diverse concerns. Some would be working on questions of moral philosophy, some on questions of historical interpretation. (Europeans generally, I would venture to say, are more serious in the attention they pay to historical evidence and more sensitive to the possibilities of divergent interpretations of “facts.”) Europeans concerned with matters of strategy and security are usually not the same as those who write about structures affecting economic development, trade, and money, or with the prospects for particular regions or sectors. Even the future of Europe itself never dominated the interests of so large a group of scholars in Europe as it did, for a time, the American academic community. Perhaps Europeans are not generalist enough; perhaps having picked a field to work in, they are inclined to stick to it too rigidly. And conversely, perhaps Americans are more subject to fads and fashions in academic inquiry than Europeans, more apt to conform and to join in behind the trendsetters of the times. Many Europeans, I think, believe so, though most are too polite to say it. They have watched American enthusiasm wax and wane for systems analysis, for behavioralism, for integration theory, and even for quantitative methods indiscriminately applied. The fashion for integration theory started with the perceived U.S. need for a reliable junior partner in Europe, and how to nurture the European Communities to this end was important. The quantitative fashion is easily explained by a combination of the availability of computer time and the finance to support it and of the ambition of political scientists to gain as much kudos and influence with policy makers as the economists and others who had led the way down the quantitative path. Further back we can see how international relations as a field of study separate from politics and history itself developed in direct response to the horrors of two world wars and the threat of a third. And, later, collective goods theories responded to the debates about burden-sharing in NATO, just as monetarism and supply-side economics gained a hearing only when the conditions of the 1970s cast doubts on Keynesian remedies for recession, unemployment, and inflation.

The current fashion for regimes arises, I would suggest, from certain, somewhat subjective perceptions in many American minds. One such perception was that a number of external “shocks,” on top of internal troubles like Watergate and Jimmy Carter, had accelerated a serious decline in American power. In contrast to the nationalist, reactionary response of many Reaganites, liberal, internationalist academics asked how the damage could be minimized by restoring or repairing or reforming the mechanisms of multilateral management—“regimes.” A second subjective perception was that there was some sort of mystery about the uneven performance and predicament of international organizations. This was a connecting theme in Keohane and Nye’s influential *Power and Interdependence*, which struck responsive chords far and wide.

But the objective reality behind both perceptions was surely far less dramatic. In European eyes, the “decline” arises partly from an original

overestimation of America's capacity to remake the whole world in the image of the U.S.A. In this vision, Washington was the center of the system, a kind of keep in the baronial castle of capitalism, from which radiated military, monetary, commercial, and technological as well as purely political channels carrying the values of American polity, economy, and society down through the hierarchy of allies and friends, classes and cultural cousins, out to the ends of the earth. The new kind of global empire, under the protection of American nuclear power, did not need territorial expansion. It could be achieved by a combination of military alliances and a world economy opened up to trade, investment, and information.

This special form of nonterritorial imperialism is something that many American academics, brought up as liberals and internationalists, find it hard to recognize. U.S. hegemony, while it is as nonterritorial as Britain's India in the days of John Company or Britain's Egypt after 1886, is still a form of imperialism. The fact that this nonterritorial empire extends more widely and is even more tolerant of the pretensions of petty principalities than Britain was of those of the maharajahs merely means that it is larger and more secure. It is not much affected by temporary shocks or setbacks. Yet Americans are inhibited about acknowledging their imperialism. It was a Frenchman who titled his book about American foreign policy *The Imperial Republic*.<sup>1</sup>

Moreover, Americans have often seemed to exaggerate the "shocks" of the 1970s and the extent of change in U.S.-Soviet or U.S.-OPEC relations. Nobody else saw the pre-1971 world as being quite so stable and ordered as Americans did. Certainly for Third-Worlders, who had by then lived through two or three recent cycles of boom and slump in the price of their country's major exports—whether coffee, cocoa, tin, copper, sugar or bananas—plus perhaps a civil war and a revolution or two, the "oil-price shock" was hardly the epoch-making break with the stable, comfortable, predictable past that it seemed to many Americans. If one has been accustomed for as long as one can remember to national plans and purposes being frustrated and brought to nothing by exogenous changes in the market, in technology or in the international political situation between the superpowers—over none of which your own government has had the slightest control—then a bit more disorder in a disorderly world comes as no great surprise.

To non-American eyes therefore, there is something quite exaggerated in the weeping and wailing and wringing of American hands over the fall of the imperial republic. This is not how it looks to us in Europe, in Japan, in Latin America or even in the Middle East. True, there is the nuclear parity of the Soviet Union. And there is the depreciated value of the dollar in terms of gold, of goods, and of other currencies. But the first is not the only factor in the continuing dominant importance to the security structure of the balance

<sup>1</sup> Raymond Aron, *The Imperial Republic: The U.S. and the World, 1945-1973* (Englewood Cliffs, N.J.: Prentice-Hall, 1974).

of power between the two superpowers, and the second is far more a sign of the abuse of power than it is of the loss of power. The dollar, good or bad, still dominates the world of international finance. Money markets and other markets in the United States still lead and others still follow; European bankrupts blame American interest rates. If the authority of the United States appears to have weakened, it is largely because the markets and their operators have been given freedom and license by the same state to profit from an integrated world economy. If Frankenstein's monster is feared to be out of control, that looks to non-Americans more like a proof of Frankenstein's power to create such a monster in the first place. The change in the balance of public and private power still leaves the United States as the undisputed hegemon of the system.<sup>2</sup>

To sum up, the fashion for regime analysis may not simply be, as Stein suggests,<sup>3</sup> a rehash of old academic debates under a new and jazzier name—a sort of intellectual mutton dressed up as lamb—so that the pushy new professors of the 1980s can have the same old arguments as their elders but can flatter themselves that they are breaking new ground by using a new jargon. It is also an intellectual reaction to the objective reality.

In a broad, structuralist view (and using the broader definition of the term) of the structures of global security, of a global credit system, of the global welfare system (i.e., aid and other resource transfers) and the global knowledge and communications system, there seems far less sign of a falling-off in American power. Where decline exists, it is a falling-off in the country's power and will to intervene with world market mechanisms (from Eurodollar lending to the grain trade) rather than significant change in the distribution of military or economic power to the favor of other states. Such change as there is, has been more internal than international.

The second subjective perception on the part of Americans that I wish to address is that there is some mystery about the rather uneven performance in recent times of many international arrangements and organizations. While some lie becalmed and inactive, like sailing ships in the doldrums, others hum with activity, are given new tasks, and are recognized as playing a vital role in the functioning of the system. I would personally count the GATT, FAO, and UNESCO in the first group, the World Bank and the regional banks, the BIS, and IMCO in the second. The IMF holds a middle position: it has largely lost its universal role but has found an important but more specialized usefulness in relation to indebted developing countries.

The mixed record of international organizations really does need explaining. But Americans have been curiously reluctant, to my mind at least,

<sup>2</sup> For a more extended discussion of this rather basic question, see my "Still an Extraordinary Power," in Ray Lombra and Bill Witte, eds., *The Political Economy of International and Domestic Monetary Relations* (Ames: Iowa State University Press, 1982); James Petras and Morris Morley, "The U.S. Imperial State," mimeo (March 1980); and David Calleo, "Inflation and Defense," *Foreign Affairs* (Winter 1980).

<sup>3</sup> See Arthur Stein's article in this volume, p. 300.

to distinguish between the three somewhat different purposes served by international organizations. These can broadly be identified as *strategic* (i.e., serving as instruments of the structural strategy and foreign policy of the dominant state or states); as *adaptive* (i.e., providing the necessary multilateral agreement on whatever arrangements are necessary to allow states to enjoy the political luxury of national autonomy without sacrificing the economic dividends of world markets and production structures); and as *symbolic* (i.e., allowing everybody to declare themselves in favor of truth, beauty, goodness, and world community, while leaving governments free to pursue national self-interests and to do exactly as they wish).

In the early postwar period, most international organizations served all three purposes at once. They were strategic in the sense that they served as instruments of the structural strategies of the United States. Also, they were often adaptive in that they allowed the United States and the other industrialized countries like Britain, Germany, France, and Japan to enjoy both economic growth and political autonomy. Finally, many organizations were at the same time symbolic in that they expressed and partially satisfied the universal yearning for a "better world" without doing anything substantial to bring it about.

In recent years the political purposes served by institutions for their members have tended to be less well balanced; some have become predominantly strategic, some predominantly adaptive, and others predominantly symbolic. This has happened because, where once the United States was able to dominate organizations like the United Nations, it can no longer do so because of the inflation of membership and the increasing divergence between rich and poor over fundamentals. Only a few organizations still serve U.S. strategic purposes better than bilateral diplomacy can serve them; they are either top-level political meetings or they deal with military or monetary matters in which the U.S. still disposes of predominant power. In other organizations the tendency toward symbolism, expressed in a proliferation of Declarations, Charters, Codes of Conduct, and other rather empty texts, has strengthened as the ability to reach agreement on positive action to solve real global problems has weakened. This applies especially to the United Nations and many of its subsidiary bodies, to UNCTAD, IDA, and many of the specialized agencies. The one growth area is the adaptive function. The integration of the world economy and the advance of technology have created new problems, but they also have often enlarged the possibility of reaching agreement as well as the perceived need to find a solution. Such predominantly adaptive institutions are often monetary (IBRD, IFC, BIS) or technical (ITU, IMCO, WMO).

### *Imprecision*

The second dragon is imprecision of terminology. "Regime" is yet one more woolly concept that is a fertile source of discussion simply because

people mean different things when they use it. At its worst, woolliness leads to the same sort of euphemistic Newspeak that George Orwell warned us would be in general use by 1984. The Soviet Union calls the main medium for the suppression of information *Pravda* (Truth), and refers to the “sovereign independence of socialist states” as the principle governing its relations with its East European “partners.” In the United States scholars have brought “interdependence” into general use when what they were describing was actually highly asymmetrical and uneven dependence or vulnerability. In the same way, though more deliberately, IBM public relations advisers invented and brought into general and unthinking use the term “multinational corporation” to describe an enterprise doing worldwide business from a strong national base.

Experience with the use of these and other, equally woolly words warns us that where they do not actually mislead and misrepresent, they often serve to confuse and disorient us. “Integration” is one example of an over-used word loosely taken to imply all sorts of other developments such as convergence as well as the susceptibility of “integrated” economies to common trends and pressures—a mistake that had to be painstakingly remedied by careful, pragmatic research.<sup>4</sup>

In this volume, “regime” is used to mean many different things. In the Keohane and Nye formulation (“networks of rules, norms and procedures that regularize behavior and control its effects”) it is taken to mean something quite narrow—explicit or implicit internationally agreed arrangements, usually executed with the help of an international organization—even though Keohane himself distinguishes between regimes and specific agreements. Whereas other formulations emphasize “decision-making procedures around which actors’ expectations converge,” the concept of regime can be so broadened as to mean almost any fairly stable distribution of the power to influence outcomes. In Keohane and Nye’s formulation, the subsequent questions amount to little more than the old chestnut, “Can international institutions change state behavior?” The second definition reformulates all the old questions about power and the exercise of power in the international system. So, if—despite a rather significant effort by realist and pluralist authors to reach agreement—there is no fundamental consensus about the answer to Krasner’s first question, “What is a regime?”, obviously there is not going to be much useful or substantial convergence of conclusions about the answers to the other questions concerning their making and unmaking.

Why, one might ask, has there been such concerted effort to stretch the elasticity of meaning to such extremes? I can only suppose that scholars, who by calling, interest, and experience are themselves “internationalist” in aspiration, are (perhaps unconsciously) performing a kind of symbolic ritual against the disruption of the international order, and do so just because they

<sup>4</sup> Yao-so Hu, *Europe under Stress* (forthcoming).

are also, by virtue of their profession, more aware than most of the order's tenuousness.

### *Value bias*

The third point to be wary of is that the term regime is value-loaded; it implies certain things that ought not to be taken for granted. As has often happened before in the study of international relations, this comes of trying to apply a term derived from the observation of national politics to international or to world politics.

Let us begin with semantics. The word "regime" is French, and it has two common meanings. In everyday language it means a diet, an ordered, purposive plan of eating, exercising, and living. A regime is usually imposed on the patient by some medical or other authority with the aim of achieving better health. A regime must be recognizably the same when undertaken by different individuals, at different times, and in different places. It must also be practised over an extended period of time; to eat no pastry one day but to gorge the next is not to follow a regime. Nor does one follow a regime if one eats pastry when in Paris but not in Marseilles. Those who keep to a diet for a day or two and abandon it are hardly judged to be under the discipline of a regime.

Based on the same broad principles of regularity, discipline, authority, and purpose, the second meaning is political: the government of a society by an individual, a dynasty, party or group that wields effective power over the rest of society. Regime in this sense is more often used pejoratively than with approval—the "ancien regime," the "Franco regime," the "Stalin regime," but seldom the "Truman" or "Kennedy" regime, or the "Attlee" or "Macmillan," the "Mackenzie King" or the "Menzies" regime. The word is more often used of forms of government that are inherently authoritarian, capricious, and even unjust. Regimes need be neither benign nor consistent. It may be (as in the case of Idi Amin, "Papa Doc" Duvallier or Jean-Bedel Bokassa) that the power of the regime is neither benign nor just. But at least in a given regime, everyone knows and understands where power resides and whose interest is served by it; and thus, whence to expect either preferment or punishment, imprisonment or other kinds of trouble. In short, government, rulership, and authority are the essence of the word, not consensus, nor justice, nor efficiency in administration.

What could be more different from the unstable, kaleidoscopic pattern of international arrangements between states? The title (if not all of the content) of Hedley Bull's book, *The Anarchical Society*, well describes the general state of the international system. Within that system, as Bull and others have observed, it is true that there is more order, regularity of behavior, and general observance of custom and convention than the pure realist expecting the unremitting violence of the jungle might suppose. But by and large the world Bull and other writers describe is characterized in all its main outlines

not by discipline and authority, but by the absence of government, by the precariousness of peace and order, by the dispersion not the concentration of authority, by the weakness of law, and by the large number of unsolved problems and unresolved conflicts over what should be done, how it should be done, and who should do it.

Above all, a single, recognized locus of power over time is the one attribute that the international system so conspicuously lacks.

All those international arrangements dignified by the label regime are only too easily upset when either the balance of bargaining power or the perception of national interest (or both together) change among those states who negotiate them. In general, moreover, all the areas in which regimes in a national context exercise the central attributes of political discipline are precisely those in which corresponding international arrangements that might conceivably be dignified with the title are conspicuous by their absence. There is no world army to maintain order. There is no authority to decide how much economic production shall be public and how much shall be privately owned and managed. We have no world central bank to regulate the creation of credit and access to it, nor a world court to act as the ultimate arbiter of legal disputes that also have political consequences. There is nothing resembling a world tax system to decide who should pay for public goods—whenever the slightest hint of any of these is breathed in diplomatic circles, state governments have all their defenses at the ready to reject even the most modest encroachment on what they regard as their national prerogatives.

The analogy with national governments implied by the use of the word regime, therefore, is inherently false. It consequently holds a highly distorting mirror to reality.

Not only does using this word regime distort reality by implying an exaggerated measure of predictability and order in the system as it is, it is also value-loaded in that it takes for granted that what everyone wants is more and better regimes, that greater order and managed interdependence should be the collective goal. Let me just recall that in an early paper at the very outset of this whole project, the editor asked these questions:

“Was the 1970s really a period of significant change? Was it an interregnum between periods of stability? Does it augur a collapse or deterioration of the international economic system? Did the system accommodate massive shocks with astonishing ease or were the shocks much less severe than has been thought?

“These,” he went on, “are perplexing questions without obvious answers, for the answers to these questions are related to *the most fundamental concern of social theory: how is order established, maintained and destroyed?*”<sup>5</sup>

Krasner’s common question here is about order—not justice or effi-

<sup>5</sup> Stephen D. Krasner, “Factors Affecting International Economic Order: A Survey,” mimeo (July 1979), the earliest draft of his introductory article to this volume.

ciency, nor legitimacy, nor any other moral value. In an international political system of territorial states claiming sovereignty within their respective territories, how can order be achieved and maintained?

The questions people ask are sometimes more revealing of their perceptions of what is good or bad about a situation and of their motives, interests, fears, and hopes than the answers they give. Yet there is a whole literature that denies that order is “the most fundamental concern” and that says that the objectives of Third World policy should be to achieve freedom from dependency and to enhance national identity and freer choice by practicing “uncoupling” or delinking or (yet another woolly buzz-word) by “collective self-reliance.”

Now, these ideas may be unclear and half-formed. But in view of the Islamic revival and the newfound self-confidence of several newly industrialized countries (NICs), it would be patently unwise for any scholar to follow a line of inquiry that overlooks them. Let us never forget the folly of League of Nations reformers, busily drafting new blueprints while Hitler and Mussolini lit fires under the whole system. Should we not ask whether this too does not indicate an essentially conservative attitude biased toward the status quo. Is it not just another unthinking response to fear of the consequences of change? Yet is not political activity as often directed by the desire to achieve change, to get more justice and more freedom from a system, as it is by the desire to get more wealth or to assure security for the haves by reinforcing order?

### *Too static a view*

The fourth dragon to beware is that the notion of a regime—for the semantic reasons indicated earlier—tends to exaggerate the static quality of arrangements for managing the international system and introducing some confidence in the future of anarchy, some order out of uncertainty. In sum, it produces stills, not movies. And the reality, surely, is highly dynamic, as can fairly easily be demonstrated by reference to each of the three main areas for regimes considered in this collection: security, trade, and money.

For the last thirty-five years, the international security regime (if it can be so called), described in this volume by Jervis, has not been derived from Chapter VII of the U.N. Charter, which remains as unchanged as it is irrelevant. It has rested on the balance of power between the superpowers. In order to maintain that balance, each has engaged in a continuing and escalating accumulation of weapons and has found it necessary periodically to assert its dominance in particular frontier areas—Hungary, Czechoslovakia, and Afghanistan for the one and South Korea, Guatemala, Vietnam, and El Salvador for the other. Each has also had to be prepared when necessary (but, fortunately, less frequently) to engage in direct confrontation with the other. And no one was ever able to predict with any certainty when such

escalation in armaments, such interventions or confrontations were going to be thought necessary to preserve the balance, nor what the outcome would be. Attempts to “quick-freeze” even parts of an essentially fluid relationship have been singularly unsuccessful and unconvincing, as witness the fate of the SALT agreements, the European Security Conference, and the Non-Proliferation Treaty.

In monetary matters, facile generalizations about “the Bretton Woods regime” abound—but they bear little resemblance to the reality. It is easily forgotten that the original Articles of Agreement were never fully implemented, that there was a long “transition period” in which most of the proposed arrangements were put on ice, and that hardly a year went by in the entire postwar period when some substantial change was not made (tacitly or explicitly) in the way the rules were applied and in the way the system functioned. Consider the major changes: barring the West European countries from access to the Fund; providing them with a multilateral payments system through the European Payments Union; arranging a concerted launch into currency convertibility; reopening the major international commodity and capital markets; finding ways to support the pound sterling. All these and subsequent decisions were taken by national governments, and especially by the U.S. government, in response to their changing perceptions of national interest or else in deference to volatile market forces that they either could not or would not control.

Arrangements governing international trade have been just as changeable and rather less uniform. Different principles and rules governed trade between market economies and the socialist or centrally planned economies, while various forms of preferential market access were practiced between European countries and their former colonies and much the same results were achieved between the United States and Canada or Latin America through direct investment. Among the European countries, first in the OEEC and then in EFTA and the EC, preferential systems within the system were not only tolerated but encouraged. The tariff reductions negotiated through the GATT were only one part of a complex governing structure of arrangements, international and national, and even these (as all the historians of commercial diplomacy have shown) were subject to constant revision, reinterpretation, and renegotiation.

The trade “regime” was thus neither constant nor continuous over time, either between partners or between sectors. The weakness of the arrangements as a system for maintaining order and defining norms seems to me strikingly illustrated by the total absence of continuity or order in the important matter of the competitive use of export credit—often government guaranteed and subsidized—in order to increase market shares. No one system of rules has governed how much finance on what terms and for how long can be obtained for an international exchange, and attempts to make collective agreements to standardize terms (notably through the Berne Union) have repeatedly broken down.

The changeable nature of all these international arrangements behind the blank institutional facade often results from the impact of the two very important factors that regime analysis seems to me ill-suited to cope with: technology and markets. Both are apt to bring important changes in the distribution of costs and benefits, risks and opportunities to national economies and other groups, and therefore to cause national governments to change their minds about which rules or norms of behavior should be reinforced and observed and which should be disregarded and changed.

Some of the consequences of technological change on international arrangements are very easily perceived, others less so. It is clear that many longstanding arrangements regarding fishing rights were based on assumptions that became invalid when freezing, sonar, and improved ship design altered the basic factors governing supply and demand. It is also clear that satellites, computers, and video technology have created a host of new problems in the field of information and communication, problems for which no adequate multilateral arrangements have been devised. New technology in chemicals, liquid natural gas, nuclear power, and oil production from under the sea—to mention only a few well-known areas—is dramatically increasing the risks involved in production, trade, and use. These risks become (more or less) acceptable thanks to the possibility of insuring against them. But though this has political consequences—imposing the cost of insurance as a kind of entrance tax on participation in the world market economy—the fact that no structure or process exists for resolving the conflicts of interest that ensue is an inadequately appreciated new aspect of the international system.

Technology also contributes to the process of economic concentration, reflected in the daily dose of company takeovers, through the mounting cost of replacing old technology with new and the extended leadtime between investment decisions and production results. Inevitably, the economic concentration so encouraged affects freedom of access to world markets and thus to the distributive consequences in world society. The nationalist, protectionist, defensive attitudes of states today are as much a response to technical changes and their perceived consequences as they are to stagnation and instability in world markets.

Since the chain of cause and effect so often originates in technology and markets, passing through national policy decisions to emerge as negotiating postures in multilateral discussions, it follows that attention to the end result—an international arrangement of some sort—is apt to overlook most of the determining factors on which agreement may, in brief, rest.

The search for common factors and for general rules (or even axioms), which is of the essence of regime analysis, is therefore bound to be long, exhausting, and probably disappointing. Many of the articles in this volume abound in general conclusions about regimes, their nature, the conditions favoring their creation, maintenance, and change, and many of the generalizations seem at first reading logically plausible—but only if one does not

examine their assumptions too closely. My objection is that these assumptions are frequently unwarranted.

### *State-centeredness*

The final but by no means least important warning is that attention to these regime questions leaves the study of international political economy far too constrained by the self-imposed limits of the state-centered paradigm. It asks, what are the prevailing arrangements discussed and observed among governments, thus implying that the important and significant political issues are those with which governments are concerned. Nationally, this is fairly near the truth. Democratic governments have to respond to whatever issues voters feel are important if they wish to survive, and even the most authoritarian governments cannot in the long run remain indifferent to deep discontents or divisions of opinion in the societies they rule. But internationally, this is not so. The matters on which governments, through international organizations, negotiate and make arrangements are not necessarily the issues that even they regard as most important, still less the issues that the mass of individuals regards as crucial. Attention to regimes therefore accords to governments far too much of the right to define the agenda of academic study and directs the attention of scholars mainly to those issues that government officials find significant and important. If academics submit too much to this sort of imperceptible pressure, they abdicate responsibility for the one task for which the independent scholar has every comparative advantage, the development of a philosophy of international relations or international political economy that will not only explain and illuminate but will point a road ahead and inspire action to follow it.

Thus regime analysis risks overvaluing the positive and undervaluing the negative aspects of international cooperation. It encourages academics to practice a kind of analytical *chiaroscuro* that leaves in shadow all the aspects of the international economy where no regimes exist and where each state elects to go its own way, while highlighting the areas of agreement where some norms and customs are generally acknowledged. It consequently gives the false impression (always argued by the neofunctionalists) that international regimes are indeed slowly advancing against the forces of disorder and anarchy. Now it is only too easy, as we all know, to be misled by the proliferation of international associations and organizations, by the multiplication of declarations and documents, into concluding that there is indeed increasing positive action. The reality is that there are more areas and issues of nonagreement and controversy than there are areas of agreement. On most of the basic social issues that have to do with the rights and responsibilities of individuals to each other and to the state—on whether abortion, bribery, drink or drug pushing or passing information, for example, is a crime or not—there is no kind of international regime. Nor is there a regime

on many of the corresponding questions of the rights and responsibilities of states toward individuals and toward other states.

In reality, furthermore, the highlighted issues are sometimes less important than those in shadow. In the summer of 1980, for example, INMAR-SAT announced with pride an agreement on the terms on which U.S.-built satellites and expensive receiving equipment on board ship can be combined to usher in a new Future Global Maritime Distress and Safety System, whereby a ship's distress call is automatically received all over a given area by simply pressing a button. For the large tankers and others who can afford the equipment, this will certainly be a significant advance; not so for small coasters and fishing boats. In the same year, though, millions died prematurely through lack of any effective regime for the relief of disaster or famine. Meanwhile, the Executive Directors of the International Money Fund can reach agreement on a further increase in quotas, but not on the general principles governing the rescheduling of national foreign debts.

Moreover, many of the so-called regimes over which the international organizations preside turn out under closer examination to be agreements to disagree. The IMF amendments to the Articles of Agreement, for example, which legitimized the resort to managed floating exchange rates, are no more than a recognition of states' determination to decide for themselves what strategy and tactics to follow in the light of market conditions. To call this a "regime" is to pervert the language. So it is to call the various "voluntary" export restrictive arrangements bilaterally negotiated with Japan by other parties to the GATT "a multilateral regime." Since 1978 the Multi-Fibre "Agreement," too, has been little more, in effect, than an agreement to disagree. Similarly, UNESCO's debate on freedom and control of information through the press and the media resulted not in an international regime but in a bitter agreement to disagree.

One good and rather obvious reason why there is a rather large number of issues in which international organizations preside over a dialogue of the deaf is simply that the political trend within states is towards greater and greater intervention in markets and greater state responsibility for social and economic conditions, while the major postwar agreements for liberal regimes tended the other way and bound states to negative, noninterventionist policies that would increase the openness of the world economy.

In a closely integrated world economic system, this same trend leads to the other aspect of reality that attention to regimes obscures, and especially so when regimes are closely defined, in this volume by Young and others, as being based on a group of actors standing in a characteristic relationship to each other. This is the trend to the transnational regulation of activities in one state by authorities in another, authorities that may be, and often are, state agencies such as the U.S. Civil Aeronautics Authority, the Department of Justice or the Food and Drug Administration. There is seldom any predictable pattern of "interaction" or awareness of contextual limitations to be found in such regulation.

Other neglected types of transnational authority include private bodies like industrial cartels and professional associations or special “private” and semiautonomous bodies like Lloyds of London, which exercises an authority delegated to it by the British government. This club of rich “names,” underwriters, and brokers presides over the world’s largest insurance and reinsurance market, and consequently earns three-quarters of its income from worldwide operations. By converting all sorts of outlandish risks into costs (the premiums on which its income depends), Lloyds plays a uniquely important part in the smooth functioning of a world market economy.

By now the limits on vision that may be encouraged as a secondary consequence of attention to regimes analysis have been implied. The aspects of political economy that it tends to overlook constitute the errors of omission that it risks incurring. I do not say that, therefore, *all* regime analyses commit these errors of omission; I can think of a number that have labored hard to avoid them. But the inherent hazard remains. They should not have to labor so hard to avoid the traps, and if there is a path to bypass them altogether it should be investigated.

I shall suggest where this path might be discovered after a word about the second indirect reason for skepticism about the value of regime analysis. This is that it persists in the assumption that somewhere there exists that El Dorado of social science, a general theory capable of universal application to all times and places and all issues, which is waiting to be discovered by an inspired, intrepid treasure-hunter. I confess I have never been convinced of this; and the more I know of political economy, the more skeptical I become. If (as so many books in international relations have concluded) we need better “tools of analysis,” it is not because we will be able to dig up golden nuggets with them. Those nuggets—the great truths about human society and human endeavor—were all discovered long ago. What we need are constant reminders so that we do not forget them.

### Outline of a better alternative

My alternative way of analyzing any issue of international political economy, which is likely to avoid some of these dragons, involves extending Charles Lindblom’s useful clarifying work on *Politics and Markets* to the world system. Whether one chooses to apply it to sectors of the world economy or to the structures of that system, it suggests many much more open-ended and value-free questions about the relationship between authorities and markets and about the outcomes of their interaction than does regime analysis.

It thus allows serious questions to be posed for research or discussion about any issue, whether they are of interest to governments or not. Moreover, it does not take markets as part of the data, but accepts that they are creations of state policies—policies that affect transactions and buyers and

sellers, both directly and indirectly, through the part played by markets in shaping basic structures of the world system such as the security structure, the production structure, the trade and transport structure, the credit and money structure, the communication and knowledge structure, and (such as it is) the welfare structure.

It involves asking a series of questions, none of which in any way pre-judges the answers. It is therefore equally adaptable to the concerns and interests of conservatives and radicals, to scholars far to the right or far to the left, or to those who want only to move more freely in the middle ground between extremes.

Not only does it liberate inquiry from the procrustean limits set by ideology, it also breaks the confining limits set when regime analysis identifies an international regime with the existence of a particular international agency or bureaucracy. Patients often abandon a regime but do not feel it necessary to eliminate the doctor; international institutions are seldom wound up, however useless. Indeed, the continued existence of the "doctors" on the international scene and the fairly widespread abandonment of regular regimes by the "patients" seems to me precisely what has been happening in the international political economy in the latter half of the 1970s. There has been a rather marked shift from multilateral arrangements around which actors' expectations (more or less) converged toward bilateral procedures, negotiations, and understandings.

This shift took place in the security structure, as Jervis explains, at a relatively early date in recognition of the limited distribution of capacity to wreak global destruction by nuclear weapons and delivery systems. It can be seen gathering speed from Cuba and SALT I onwards and spilling over in the 1970s into other issues such as food. Moreover, on one important aspect of the security structure, the sale or transfer of arms to other states, there never have been any effective multilateral arrangements. Bargains have always been bilateral.

This bilateralism in security matters has recently become common in other fields. In trade, for example, the most recent report from the GATT had this to say:

While the rules of the GATT continue to exert considerable influence on policy conduct, there is no denying that infractions and circumventions of them have tended to multiply. . . . That there has not been more open violence to the rules is also partly explained by the increasing resort to privately agreed and officially tolerated if not promoted, restraints on trade and competition. Developments in such important industrial sectors as steel, automobiles, synthetic fibres and perhaps other petrochemicals exemplify this tendency.<sup>6</sup>

In matters of investment for future production, too, the most notable

<sup>6</sup> GATT, *International Trade 1980-81* (Geneva: GATT, 1981), p. 11.

achievements of recent years have not come through multilateral or general processes but through an aggregation of a great deal of piecemeal bargaining. Most of the key bargains have been struck between governments (and not only governments of developing countries) and large manufacturing or processing enterprises, some state-owned, some private, some syndicates of both. Since these arrangements will radically affect future relations of production in the world economy and the relative economic prospects of states and their governments, they cannot be ignored with impunity.

Thus, asking what are the key bargains that have been made—or could conceivably be made in the future—and how they have affected outcomes will reveal rather more about the real levers of power in the system than attention to regimes. For in that system, now that transnational transactions have become so important, three points are worth noting. First, the bargaining partners often dispose of very different kinds of power; for example, one has the political power to refuse access to a market, the other the power to refuse to transfer technology. Second, each of them is vulnerable to a different kind of risk, as it might be of a palace revolution on one side or a corporate takeover on the other. So that, thirdly, the bargain struck is apt to consist of a highly variable mix of political and economic benefits conferred and opportunities opened up. Bargains will reflect both the positive goals the parties severally wish to achieve and the negative risks and threats from which they want to find some security.

In trying to draw a map of interlocking, overlapping bargains the researcher will often be drawn far beyond the conventional limits of international politics or international economics. Most likely, the map will have to include bargaining situations and their outcomes within national political economies. To illustrate the point, take Cohen's examination in this volume of the international monetary regime. He interprets this almost exclusively as concerning the regulation of exchange rate behavior. Yet his own most recent work (*Banks and the Balance of Payments*)<sup>7</sup> implicitly acknowledges the fundamental importance of (national) banking regulation in shaping the world's monetary system. He would probably agree that the major change in the 1970s was not the rather marginal shift from intermittently flexible fixed rates to generally managed floating rates but rather the shift in the balance of influence in international capital markets from public authorities and agencies to private operators—a shift reflected in the changing debt patterns of most NOPEC countries.

Drawing bargaining maps will therefore reveal the domestic roots of international arrangements, and tell us more about what is likely to be permanent and what will probably prove ephemeral about them.

Whether the purpose is analytical description or normative prescription, the exercise will also leave far more open the question of what values the

<sup>7</sup> Benjamin J. Cohen with Fabio Basagni, *Banks and the Balance of Payments: Private Lending in the International Adjustment Process* (Montclair, N.J.: Allenheld Osmun, 1981).

existing pattern of bargaining has produced or what values might conceivably emerge from future patterns of bargaining. Paying more attention to values would raise our vision above the horizons set by governments and their (often limited and shortsighted) perceptions of national interest; it would allow us to include those perceived by classes, generations, and other transnational or subnational social groups. The bias of regime analysis can be corrected by attention to the determining basic structures of the international political economy, the structures of security, money, welfare, production, trade, and knowledge. Each of these raises the question, "How to achieve change?", which is surely no less important than the question, "How to keep order?"

The *dynamic* character of the "who-gets-what" of the international economy, moreover, is more likely to be captured by looking not at the regime that emerges on the surface but underneath, at the bargains on which it is based. By no means all of these key bargains will be between states. For besides those between states and corporate enterprises, or between corporations and banks, there will be others between corporations and labor unions, or between political groups seeking a common platform on which to achieve political power. Having analyzed the factors contributing to change in bargaining strength or weakness, it will be easier then to proceed to look at the outcome with less egocentric and value-biased eyes.

What is the net result and for whom, in terms of order and stability, wealth and efficiency, justice and freedom; and in terms of all the opposite qualities—insecurity and risk, poverty and waste, inequity and constraint? These, it seems to me, are much more fundamental political questions, and imply an altogether broader and less culture-bound view of world politics, than the ones addressed in this volume.