

# WORLD POLITICS

*A Quarterly Journal of  
International Relations*

**Volume 57  
October 2004–July 2005**

## CONTENTS

No. 1—OCTOBER 2004

- Do Intergovernmental Organizations  
Promote Peace? *Charles Boehmer,  
Erik Gartzke, and  
Timothy Nordstrom* 1
- Reinventing Welfare Regimes: Employers  
and the Implementation of Active  
Social Policy *Cathie Jo Martin* 39
- Rethinking the Origins of Federalism:  
Puzzle, Theory, and Evidence from  
Nineteenth-Century Europe *Daniel Ziblatt* 70
- Wage Bargaining in the Presence of  
Social Services and Transfers *Isabela Mares* 99
- REVIEW ARTICLE  
American Realism versus  
American Imperialism *Campbell Craig* 143

No. 2—JANUARY 2005

- Institutional Change in Contemporary  
Capitalism: Coordinated Financial  
Systems since 1990 *Pepper D. Culpepper* 173
- Path Dependence and Value-Driven Issues:  
The Comparative Politics of Stem Cell  
Research *Thomas Banchoff* 200
- Authoritarian State Building and the Sources  
of Regime Competitiveness in the Fourth  
Wave: The Cases of Belarus, Moldova,  
Russia, and Ukraine *Lucan A. Way* 231
- Theories of Policy Diffusion: Lessons from  
Latin American Pension Reform *Kurt Weyland* 262

UNDER THE EDITORIAL SPONSORSHIP OF  
PRINCETON INSTITUTE FOR  
INTERNATIONAL AND REGIONAL STUDIES

MIGUEL A. CENTENO, *Director*

PUBLISHED BY THE JOHNS HOPKINS UNIVERSITY PRESS

EDITORIAL BOARD

HAROLD JAMES, *Chair*

LISA ANDERSON, NATHANIEL BECK, VALERIE J. BUNCE, TIMOTHY J. COLTON,  
GEORGE W. DOWNS, BARRY EICHENGREEN, GEOFFREY GARRETT, JEFFREY HERBST,  
HERBERT KITSCHOLT, KEVIN J. O'BRIEN, T. J. PEMPEL, ROBERT POWELL, KAREN L.  
REMMER, JAMES ROBINSON, KATHLEEN THELEN, MARK TRACHTENBERG, ROBERT C.  
TUCKER, MICHAEL WALLERSTEIN, DALI YANG

*Editorial Committee:* GARY J. BASS, NANCY BERMEO (*Review Articles*), MIGUEL A. CENTENO,  
THOMAS J. CHRISTENSEN, G. JOHN IKENBERRY, HAROLD JAMES, ATUL KOHLI,  
STEPHEN M. KOTKIN, JOHN LONDREGAN, HELEN V. MILNER, JONAS PONTUSSON,  
GILBERT ROZMAN, DEBORAH J. YASHAR (*Review Articles*)

*Associate Editors:* CHARLES R. BEITZ, CHRISTINA DAVIS, AMANEY A. JAMAL,  
EVAN LIEBERMAN, JASON LYALL, GRIGORE POP-ELECHES, KRISTOPHER W. RAMSAY,  
ANNE SARTORI, ROBERT L. TIGNOR, JOSHUA TUCKER, ANDREA VINDIGNI, BRUCE WESTERN,  
LYNN T. WHITE III

*Executive Editor:* ILENE P. COHEN, *Assistant Editor:* BRIAN FISCHKIN,  
*Secretary:* PATRICIA D. ZIMMER

The editors invite submission of articles bearing upon problems in international relations and comparative politics. Manuscripts and notes should be double-spaced throughout and submitted in triplicate, together with an abstract. Word count should be indicated. Manuscripts may be up to 10,000 words, including notes and references; those that exceed the limit by more than 10 percent will *not* be considered. Address: WORLD POLITICS, Aaron Burr Hall, Princeton University, Princeton, NJ 08544. E-mail: ipcohen@princeton.edu.

The review process usually takes about four months. Procedures for reviewing manuscripts are based on the anonymity of the author and the confidentiality of readers' and editors' reports; hence, self-references should be removed. Manuscripts are refereed by the editors and by other scholars at Princeton and at other institutions. WORLD POLITICS does not accept manuscripts that have already been published, are scheduled for publication elsewhere, or have been simultaneously submitted to another journal; this applies to both print and online formats. Statements of fact and opinion appearing in the journal are made on the responsibility of the authors alone and do not imply the endorsement of the editors or publisher. The journal does not publish communications to the editor or rejoinders to specific articles; scholars who believe they have been challenged are encouraged to submit an article that will advance the scholarly debate. The WORLD POLITICS home page is found at <http://www.princeton.edu/~piirs/publications/index.html>.

*Reprint permission:* Permissions Department, The Johns Hopkins University Press, 2715 N. Charles Street, Baltimore, MD 21218-4319.

*Subscriptions:* WORLD POLITICS, The Johns Hopkins University Press, Journals Publishing Division, 2715 N. Charles Street, Baltimore, MD 21218-4319. Phone: (410) 516-6987; FAX: (410) 516-6968; toll-free (800) 548-1784. Individuals: \$33 per year; institutions: \$120 per year. Single copies: individuals, \$10; institutions, \$36. For postage and handling in Canada and Mexico, add \$6 per year; outside of North America, \$12.00.

*Back Issues:* WORLD POLITICS is available in microfilm or xerographic copies from University Microfilms, Ann Arbor, MI 48106. Two years after publication, complete volumes are available in microfiche form from KTO Microform, Route 100, Millwood, NY 10546. Individual issues in the current and two preceding volumes may be ordered from The Johns Hopkins University Press, Journals Publishing Division, 2715 N. Charles Street, Baltimore, MD 21218-4319.

*Advertising:* Journals Advertising Coordinator, The Johns Hopkins University Press, Journals Publishing Division, 2715 N. Charles Street, Baltimore, MD 21218-4319.

WORLD POLITICS is indexed by *ABC POL SCI*, *Book Review Index*, *Combined Retrospective Index Sets (CRIS)*, *Combined Retrospective Index to Book Reviews in Scholarly Journals, 1886-1974 (RSJ)*, *PAIS Bulletin Social Science Index*, and *Periodica Islamica*; it is abstracted and indexed in *United States Political Science Documents*, *International Bibliography of Periodical Literature (IBZ)*, *International Bibliography of Book Reviews (IBR)*, and *Current Military and Political Literature*. Abstracts of articles also appear in *Book Review Digest*, *Historical Abstracts*, *International Development Abstracts*, *International Political Science Abstracts*, *Political Science Abstracts*, and *Social Sciences Abstracts*.

Copyright © 2004, 2005 by The Johns Hopkins University Press

WORLD POLITICS (ISSN 0043-8871). Published quarterly by The Johns Hopkins University Press. Vol. 57, October 2004-July 2005. Periodicals postage paid at Baltimore, MD, and additional mailing offices. POSTMASTER: Send address changes to WORLD POLITICS, The Johns Hopkins University Press, Journals Publishing Division, 2715 N. Charles Street, Baltimore, MD 21218-4319. Printed in the United States of America by Sheridan Press.

- The Business of Governing Business in  
China: Institutions and Norms of the  
Emerging Regulatory State *Margaret M. Pearson* 296

## NO. 3—APRIL 2005

- Note from the Chair *Harold James* v
- Democracy and Economic Growth: A Historical Perspective *John Gerring, Philip Bond, William T. Barndt, and Carola Moreno* 323
- Electoral Control in New Democracies: The Perverse Incentives of Fluid Party Systems *Jakub Zielinski, Kazimierz M. Slomczynski, and Goldie Shabad* 365
- Presidential Conditional Agenda Setting in Latin America *George Tsebelis and Eduardo Alemán* 396
- Life of the Party: The Origins of Regime Breakdown and Persistence under Single-Party Rule *Benjamin Smith* 421

## NO. 4—JULY 2005

- Note from the Chair *Harold James* vii
- An Exclusive Country Club: The Effects of the GATT on Trade, 1950–94 *Joanne Gowa and Soo Yeon Kim* 453
- When Do (Imposed) Economic Sanctions Work? *Jon Hovi, Robert Huseby, and Detlef F. Sprinz* 479
- Explaining Patterns of Corruption in the Russian Regions *Phyllis Dininio and Robert Orttung* 500
- The Fiscal Contract: States, Taxes, and Public Services *Jeffrey F. Timmons* 530

# WORLD POLITICS

Vol. 57

October 2004

No. 1

## CONTENTS

Do Intergovernmental Organizations Promote Peace?	<i>Charles Boehmer, Erik Gartzke, and Timothy Nordstrom</i>	1
Reinventing Welfare Regimes: Employers and the Implementation of Active Social Policy	<i>Cathie Jo Martin</i>	39
Rethinking the Origins of Federalism: Puzzle, Theory, and Evidence from Nineteenth-Century Europe	<i>Daniel Ziblatt</i>	70
Wage Bargaining in the Presence of Social Services and Transfers	<i>Isabela Mares</i>	99
REVIEW ARTICLE American Realism versus American Imperialism	<i>Campbell Craig</i>	143
The Contributors		ii
Abstracts		iii

## THE CONTRIBUTORS

CHARLES BOEHMER is an assistant professor in the Department of Political Science at the University of Texas at El Paso; e-mail: [crboehmer@utep.edu](mailto:crboehmer@utep.edu).

ERIK GARTZKE is an associate professor in the Department of Political Science and the Saltzman Institute of War and Peace Studies at Columbia University; e-mail: [gartzke@columbia.edu](mailto:gartzke@columbia.edu).

TIMOTHY NORDSTROM is an assistant professor in the Department of Political Science at the University of Mississippi; e-mail: [tnordstr@olemiss.edu](mailto:tnordstr@olemiss.edu).

CATHIE JO MARTIN is a professor of political science at Boston University. She is the author of *Stuck in Neutral: Business and the Politics of Human Capital Investment Policy* (2000) and of *Shifting the Burden: The Struggle over Growth and Corporate Taxation* (1991). She has also published articles in numerous political science journals.

DANIEL ZIBLATT is an assistant professor of government and social studies and faculty associate at the Minda De Gunzburg Center for European Studies at Harvard University. He is the author of *Structuring the State: The Formation of Italy and Germany and the Puzzle of Federalism* (forthcoming).

ISABELA MARES is an assistant professor of political science at Stanford University. She is the author of *The Politics of Social Risk: Business and Welfare State Development* (2003) and of *Taxation, Wage Bargaining and Unemployment* (forthcoming).

CAMPBELL CRAIG has a chair in international relations at the University of Southampton, U.K. His is the author of *Glimmer of a New Leviathan: Total War in the Realism of Niebuhr, Morgenthau and Waltz* (2003) and *The Atomic Bomb and the Origins of the Cold War* (coauthored with Yuri Smirnov; forthcoming).

Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by The Johns Hopkins University Press for libraries and other users registered with the Copyright Clearance Center (CCC) Transactional Reporting Service, provided that the fee of \$3.25 per article is paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923. 0043-88 71/94 \$03.25

# ABSTRACTS

## DO INTERGOVERNMENTAL ORGANIZATIONS PROMOTE PEACE?

By CHARLES BOEHMER, ERIK GARTZKE, AND TIMOTHY NORDSTROM

A basic debate in world politics involves the impact of intergovernmental organizations (IGOs) on international conflict. Liberals, functionalists, and others see IGOs as capable of transforming global anarchy, while realists emphasize the essential irrelevance of IGOs in managing such fundamental processes as war and peace. Recent quantitative studies also yield disparate conclusions depending on particular econometric assumptions, implying variously that IGOs foster pacific relations among states, have no impact on dispute behavior, or even increase dispute propensity. At least part of the problem is a lack of theoretical and empirical specificity. The authors apply bargaining theory to develop a “middle path” between the realist and liberal perspectives. Only some IGOs, those with security mandates and the most sophisticated institutional structures, are likely to influence dispute behavior. The authors combine the theory with two improvements in research design. First, IGOs vary in capability, mandate, and cohesion. The authors construct a dataset of IGO institutional heterogeneity and member cohesiveness. Second, states join IGOs for reasons that are not unrelated to why states fight. The authors control for the level of international involvement among countries and find support for their arguments in initial tests.

## REINVENTING WELFARE REGIMES

EMPLOYERS AND THE IMPLEMENTATION OF ACTIVE SOCIAL POLICY

By CATHIE JO MARTIN

Denmark and Britain have adopted quite similar “active” social reforms in which employers play a major role in the programmatic delivery of services; however, the implementation of the programs has differed dramatically in the two countries. Danish firms, despite having had virtually no prior involvement in administering social programs, have participated in far greater numbers than British employers, who, by contrast, have long provided private, employment-based social benefits.

Drawing from interviews with 107 randomly selected British and Danish corporations, this article seeks to explain why Danish employers have participated at higher rates than their British counterparts. Subtle programmatic differences that reflect each country’s welfare regime have had profound feedback effects on firms’ willingness to participate in the programs; these findings have implications for regimes’ capacities both to correct for traps and to revise social protections to meet the needs of the new economy.

## RETHINKING THE ORIGINS OF FEDERALISM

PUZZLE, THEORY, AND EVIDENCE FROM NINETEENTH-CENTURY EUROPE

By DANIEL ZIBLATT

This article examines the paradox of how federal political institutions are created: how can a state-building core be unyielding enough to forge a union but accommodating enough to grant federal concessions to subunits? A comparison of the trajectories of national unification in nineteenth-century Germany and Italy indicates that the formation of federations does not come about exclusively through voluntary “contract”; instead, coercion and cooperation go hand in hand in the formation of all states, including federations. Whether the outcome is federal or unitary depends on the level of subunit infrastructural capacity at the moment of founding.

The article finds that where the constituents of a potential federation are parliamentary and well governed, they can deliver the benefits of state formation, assuring their continued existence in a federation. Where such subunits are patrimonial and poorly governed, they are absorbed within a unitary model of governance. This institutional explanation supplements accounts em-

phasizing the cultural sources of federalism and revises arguments that only militarily weak founding cores make federal concessions to their constituents.

### WAGE BARGAINING IN THE PRESENCE OF SOCIAL SERVICES AND TRANSFERS

By ISABELA MARES

OECD economies were able to reconcile the pursuit of welfare state expansion and full employment during the first decades of the postwar period. Yet the trade-off between these two policy objectives widened in recent decades. To explore the question of why this change occurred, this article extends familiar models of wage determination by adding a number of parameters that capture cross-national differences among welfare states. The model identifies the conditions under which unions deliver wage moderation in exchange for social policy benefits and transfers and explores how different labor-market institutions magnify or decrease the impact of wage choices on the equilibrium level of employment. Next, the author examines the impact of changes in the composition of social policy expenditures and in the level of the tax burden on unions' wage choices. She shows that mature welfare states, characterized by high tax burdens and a high share of transfers devoted to labor-market outsiders, reduce the effectiveness of wage moderation in lowering unemployment. The author tests the main propositions using OECD panel data for the period 1960–95.

### AMERICAN REALISM VERSUS AMERICAN IMPERIALISM

By CAMPBELL CRAIG

This article reviews three recent books critical of America's new "imperial" foreign policy, examines whether the United States can properly be compared to empires of the past, and identifies three aspects of contemporary American policy that may well be called imperialist. It also addresses some of the main objections to recent U.S. foreign policy made by American realist scholars and argues that traditional interstate realism can no longer readily apply to the problem of American unipolar preponderance over an anarchical, nuclear-armed world.