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International Organization

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Money Politics and the Developmental State in Korea

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Constraints on Political Business Cycles in OECD Economies

IO

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Whither My Argument? A Response to Jackson and Nexon
Jeffrey W. Legro

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Abstracts

Anarchy and Culture: Insights from the Anthropology of War

by Jack Snyder

Some prominent scholars and public activists contend that a fundamental change in the nature of world politics can be brought about through efforts to change prevailing culture, norms, and ideas. In this view, behavior in anarchy is what the prevailing culture makes of it, since social reality is, in Alexander Wendt's words, "ideas almost all the way down." Anthropologists studying the causes of war in pre-industrial anarchies have tested this hypothesis extensively. Their research shows that war behavior cannot be reduced to either material factors or culture alone. Rather, material, institutional, and cultural elements must all be taken into account simultaneously in assessing an anarchical society's propensity for war and in designing strategies to promote change. Models of nested causality or of interaction effects between variables can sometimes capture these causal interrelationships, but they cannot capture nonlinear system effects that often play a prominent role. Patterns found in anthropological research can serve as a heuristic for understanding the democratic peace and processes of contemporary international cultural change.

Showing Ideas as Causes: The Origins of the European Union

by Craig Parsons

Why did Western Europe create uniquely strong international institutions in the 1950s, setting the foundations for today's quasi-federal European Union? This article contests explanations of the European Economic Community (EEC) as a straightforward response to structural interdependence, or as an institutionally "path-dependent" variation on such a response. Only leadership based on certain ideas explains why Europeans created the EEC rather than pursuing cooperation within weaker institutions or standard diplomatic instruments. In France—the only major state that insisted on the "community" framework—divided preferences and issue-linkages created "multiple equilibria" that allowed leaders to mobilize support for several European strategies. The EEC strategy was selected over viable alternatives by leaders who stood out from their party, bureaucratic, sectoral, and regional allies in holding certain ideas about Europe. This demonstration of the major, distinct impact of ideas offers concrete support to the growing theoretical literature on ideas and norms.

Policy Learning in Embedded Negotiations: Explaining EU Electricity Liberalization

by Rainer Eising

Taking the example of the liberalization of the electricity supply industry, I analyze member-state negotiations in the European Union (EU). Confronting central tenets of the intergovernmental approach, I suggest that member-state executives act within the limits of bounded rationality and do not always hold clear and fixed preferences. I focus on the large member states Germany, France, and the United Kingdom and identify four institutional mechanisms that support outcomes above the least common denominator: (1) the role of norms that constrain strategic action and frame the negotiations, (2) the empowerment of supranational actors, (3) the decision routines of the Council of the European Union that provide standardized mechanisms for resolving conflicts and induce policy learning and preference changes, and (4) the vertical differentiation within the Council system that can unblock issue-specific controversies. Even if as a result of these techniques EU legal acts contain several flexibilization elements, they can trigger behavioral changes that clearly surpass their regulatory content.

The Might of the Pen: A Reputational Theory of Communication in International Disputes

by Anne E. Sartori

I present a theory of effective diplomacy based on honesty and reputations. I model diplomacy as a form of “cheap talk” and international interactions as an infinitely repeated game in which similar states find themselves in disparate situations over time. The theory explains the success and failure of diplomacy. Reputations for honesty make honest communication possible. A state caught bluffing is less able to communicate and less likely to attain its goals in the near future. These findings imply that domestic audience costs are unnecessary for international signaling and that military strength is not the only way to build credibility.

Tax Havens and the Commercialization of State Sovereignty

by Ronen Palan

I seek to explain the causes for the apparent commercialization of state sovereignty, and in particular the reasons for its association with tax havens. I argue that the conditions that gave rise to the commercial use of sovereignty as perfected by tax havens have little to do with surges in taxation and regulation in the postwar era. Instead, these conditions can be traced to jurists’ and policymakers’ attempts to resolve an inherent contradiction between insulated state law and the rapidly integrating world market.

Bad Loans to Good Friends: Money Politics and the Developmental State in Korea

by David C. Kang

Why has the literature on Asian development not addressed the issue of money politics in South Korea? How can we reconcile the view of an efficient developmental state in South Korea before 1997 with reports of massive corruption and inefficiency in that same country in 1998 and 1999? Politics is central to the answer. In this study I make two arguments. First, money politics was extensive in South Korea both during and after the high-growth era. Second, political—not economic—considerations dominated policymaking. This study ex-

plains both past and present and compares the patterns of money politics in the early post-independence era with those that arose after the democratic transition in 1987. While during the Park era a balance of power between businessmen and politicians kept corruption from spinning out of control, the transition to democracy altered the basic business–state relationship, allowing business to exert greater influence over policy decisions. The political hypothesis advanced in this study suggests a new direction for our research about the developmental state.

International and Domestic Constraints on Political Business Cycles in OECD Economies: A Comment

by Erik Leertouwer and Philipp Maier

We attempt to assess the effect of monetary policy in a panel model for 16 member countries of the Organization for Economic Cooperation and Development (OECD). To answer the question of whether central banks actively create political business cycles, we focus on the short-term interest rate as a proxy for the use of monetary instruments. Our results indicate that central banks do not create political business cycles. This conclusion holds whether or not central banks are independent and whether or not they are constrained by the exchange-rate system in force.