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The lack of a Big Bully: Hegemonic stability theory and regimes in the study of international relations

Peter van Ham

I. Introduction

One of the major questions in the study of international relations is 'why do (military) conflicts break out?' Or, conversely: 'which are the political, economic and military conditions that bolster peace and stability?' For a long time, on the basis of the assumption of *homo homini lupus*, people have maintained that in world affairs conflict was the rule, rather than the exception. Thomas Hobbes has stated that:

[p]ersons of sovereign authority, because of their independency, are in continual jealousies and in the state and posture of gladiators, having their weapons pointing and their eyes fixed on one another – that is, their forts, garrisons, and guns upon the frontiers of their kingdoms, and continual spies upon their neighbors – which is the posture of war. (Hobbes 1958, 108)

In a similar vein, the French philosopher Joseph de Maistre, has argued that:

[h]istory proves unfortunately that war is in a sense the habitual condition of mankind, that is to say that human blood must constantly flow somewhere or other on earth; and that for every nation peace is no more than a respite. (De Maistre 1971, 61)

This, however, leaves unexplained the occasional instances of collaboration between states and even more so the institutionalized forms of cooperation among them. When both people and states are bellicose, why have the European states not bombed each other out of existence after World War II?; how is it that the European Community has achieved such a surprising record of economic cooperation in the last decades?

The most influential theories explaining peace and stability in world affairs generally boil down to two major, contradictory categories of propositions. First, that war can be avoided by careful balancing between

a number of roughly equally powerful states. Classical 'Balance of Power'-theories suggest that peace can only be achieved when the major states in a region, or in the world at large, balance each other with respect to economic and military power. Witness Henry Kissinger, who in his memoirs has argued that:

[t]hroughout history the political influence of nations has been roughly correlative to their military power [...] In the final reckoning weakness has invariably tempted aggression and impotence brings abdication of policy in its train [...] The balance of power [...] has in fact been the precondition of peace. (Kissinger 1979, 195)

The second proposition holds that peace and stability can best be wrought by means of a 'hegemon'. In these so-called 'Power Preponderance'-theories, a hegemon is the actor (generally one state) that is significantly more powerful than other states (be it politically, economically, or military – but most often preponderant in all three sectors), and that is able to enforce international 'law and order', by providing the necessary rules of the game, and by being able and willing to manage international conflicts by economic or military statecraft. Immanuel Wallerstein has defined the situation of hegemony as follows:

that situation in which the ongoing rivalry between the so-called "great power" is so unbalanced that one power is truly *primus inter pares*; that is, one power can largely impose its rules and its wishes (at the very least by effective veto power) in the economic, political, military, diplomatic and even cultural arenas. (Quoted in Strange 1987, 557)

In short, whereas the first set of theories argues that an *equilibrium* of power will induce stability and hence peace, the latter set of theories is based upon the belief that stability and peace can only be created by a preponderance of power, by a 'Big Bully', or, in more academic language: a hegemon.¹

In this paper we shall focus on the second proposition. We shall discuss some of the major arguments and debates in the specific field that has been named the 'Theory of Hegemonic Stability', which has played a major role within academic research in international political economy. Special reference will be made to what is generally labelled 'Regime theory'.

2. Regime theory: Its origins

The academic study of international affairs is relatively new. Only since the pioneering work of David Mitrany (*A working peace system*, 1946), and Edward Hallett Carr (*The twenty years' crisis*, 1939), have events of world politics become the object of a more or less 'scientific approach'. After World War II, the so-called 'Realist' theory of international relations gained momentum, at least in the United States, where political science developed into an mature area of research. Academics like Bernard Brodie, Inis L. Claude, Hans J. Morgenthau and Arnold Wolfers, have all aired the view that events in international politics could best be understood as a continuous struggle for power among states, guided by a rational understanding of their national interests. Since states conduct their foreign policies in an anarchical environment, where no central authority can impose limits upon the pursuit of sovereign interests, "power is always the immediate aim" (Morgenthau 1985, 31), driven by a limitless lust for power inherent in human nature. This Realist approach is, of course, closely linked with the classical tradition of the Balance of Power, which is said to have guided the political acts of many a statesman in previous centuries.

Before Realism, many theorists (e.g. Benedict de Spinoza, Richard Cobden, Karl Marx and Woodrow Wilson) had argued that the origins of conflicts could best be explained by looking at the specific domestic make-up of the nation. In very early days, both Popes and princes have maintained that peace could only be achieved when nations would be Roman Catholic; later theorists have argued that states should be democratic or socialist, in order to guarantee stability. Some theorists have stressed the beneficial impact of international law and international organizations, whereas others have maintained that human nature and human behaviour could be improved through experience and education, and in this manner enhance the probability of peace and stability in international relations. Realists have refuted all these arguments, and have argued that both the domestic make-up of the state and international law have played a negligible role in the efforts to explain matters of war and peace. They held that every state – whether Bolshevik, Islamic or democratic – would in important matters be guided by its national interests. When the chips were down, every state would only be interested in guaranteeing its safety and maintaining, or improving, its position of power. Under conditions of anarchy, relative gains were to be considered more important than absolute gains.

Starting with *Man, the State, and War* by Kenneth N. Waltz (1959), a so-

called 'Neo-realist' (also labelled 'Structural Realist') theory was formulated, criticizing traditional Realism, meanwhile taking into account Realism's strong points. Neo-realist theory holds that international politics should be considered as a system, whereby the internal attributes of the actors (states) are given by assumption, and are not treated as variables. Systemic theories of international relations treat the unit's characteristics as known, and they explain political changes as the result of modifications of the structure of the system, and not on the basis of changes within the units. Waltz argues that

[s]ystems theories explain why different units behave similarly and, despite their variations, produce outcomes that fall within expected ranges. Conversely, theories at the unit level tell us why different units behave differently despite their similar placement in a system. (Waltz 1979, 72)

Neo- (or Structural) realism further maintains that the behaviour of states can best be explained by the distribution of power within the international system. It is important to note that Neo-realists define the structure of the system on the basis of the number and capabilities of the great powers, and disregard the small, less important ones. This strict limitation of units of analysis has turned out to be an advantage for the construction of a new, powerful theory.

It can be argued that regime theory has posed an important intellectual challenge to classical Realism, and its Neo-realist offshoot, mainly because it has disputed Realist assumptions on its own ground, and, more importantly, with its own conceptual weapons. Regime theorists have adopted the central (Neo-) Realist assumptions, but have nevertheless come to quite dissimilar conclusions. In this paper we shall therefore argue that most literature on regimes can best be understood as having a Neo-realist analytical basis. Haggard and Simmons have correctly stressed the fact that "Most structural, game-theoretic, and functional theories of regimes are state-centered, presuming unified rational actors, even if the assumption is relaxed to gain explanatory leverage". (Haggard and Simmons 1987, 499) What is known as 'Cognitive theories on regimes' (see the contribution of Gerd Junne to this volume), will not be discussed here due to the fact that these theories do not focus on regimes proper. Before going into the contribution which regime theory has made to the development of the study of international relations, we shall first present a concise overview of the main aspects of the theory, and provide some clarity as to the major concepts used by its proponents.

Regime theory is certainly a fairly new phenomenon. However, as is generally the case, it is rather difficult to pinpoint the exact origin of this

specific theoretical current. We shall argue that the work of Joseph S. Nye and Robert O. Keohane, started in the 1970s, can be considered as some sort of theoretical watershed, which has resulted in a fully-fledged regime theory. In the Spring of 1982, *International Organization* published a special issue devoted to the theme of international regimes. It was edited by Stephen D. Krasner², and it contained a lively scholarly debate on the usefulness of the concept of 'regimes'. Generic questions were posed, such as: 'What is a regime? How do you recognize a regime when you see one? How does a regime differ from other similar concepts, such as, for instance, a security community?' After going into the basic aspects of regime theory, we shall discuss the most probable reasons why this rather new concept has been introduced in the already crowded realm of theories explaining developments and oscillations in world affairs. Thereafter, we will discuss the concept of hegemonic stability and regime theory in the context of the ongoing debate on the so-called 'Decline of the United States', and the closely related issue of the development of the postwar multilateral system of free trade into the next century.

3. Power, interdependence, and regimes

In 1977, Keohane and Nye published their influential book *Power and Interdependence*. Earlier they had already edited *Transnational Relations and World Politics* (1972). In these works they challenged the classical Realist idea that military might was to be considered the ultimate foundation of power. They argued that at least several other power resources were equally important, such as economic power, and cultural and ideological bases of influence. They maintained that in a world characterized by what they called 'complex interdependence', military power was of decreasing political, that is practical, use for policy makers trying to serve the best interests of their state. Economic, but also ecological, interdependence, combined with the complex mechanism of deterrence derived from the nuclear stalemate in East-West affairs, had put a serious check upon the use of military force as a means of solving international disputes. They introduced the metaphor of a huge world-casino, where several playing tables symbolized the various fields of world politics. Keohane and Nye argued that on each playing table different rules of the game were in force. Moreover, they said, it would be rather difficult to transfer the chips from one table to the other, and, if this would be possible at all, the player would probably lose a significant amount of these chips during the process of transfer. In the real world, they argued, it was equally difficult

to transfer military power to the field of international trade, or economic power to the area of politics. They also maintained that each specific table had its own 'regime', which they defined as a 'set of governing arrangements', encompassing several "networks of rules, norms, and procedures that regularize behavior and control its effects". (Keohane and Nye 1977, 19) Later Krasner defined a regime more specifically as a set

of implicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations. Principles are beliefs of fact, causation, and rectitude. Norms are standards of behavior defined in terms of rights and obligations. Rules are specific prescriptions or proscriptions of action. Decision-making procedures are prevailing practices for making and implementing collective choice. (Krasner 1983, 2)

From this definition one can conclude that a regime is no ephemeral arrangement that can be changed overnight. Also a regime should not be confused with the arrangements themselves; regimes only facilitate the conclusion of arrangements. Making an excursion into non-cooperative game theory, we could say that under single-play conditions cooperation would often be irrational, and that playing a single game does *not* make a regime. However, states have to deal with each other on the basis of continuity (they can, in general, not even avoid to deal with each other), and therefore have to play the game of 'world politics' continuously. The so-called 'shadow of the future', which is introduced in iterated games, encourages cooperation, since every "potential defector compares the immediate gain from squealing with the possible sacrifice of future gains that may result from squealing". (Oye 1986, 13) This may result in more institutionalized forms of cooperation, whereby over time several regimes may be constructed, coordinating the behaviour of participating states.

Krasner also emphasizes that changes in the principles and norms of a regime must be considered as changes in the regime itself. This indicates that principles and norms are more substantial than procedures and rules, since the latter are based upon the former. If states disagree on norms of behaviour (for instance on human rights, or the principle of non-intervention), this will lead to structural conflict (see Krasner 1985, *passim*), whereas disagreement on rules may lead to disputes, but generally does not escalate into serious conflict. The best illustration may be the norms and principles underlying the liberal world economy, which has been fiercely questioned by leaders of the Third World. They have called for a so-called 'New International Economic Order' (NIEO), which should be

based upon the principles of equality and redistribution, and not on the current principles of efficiency and non-discrimination. Altering the world economic system to the NIEO would constitute a regime change.

Arguing that military power in international relations does not play such a pivotal role as most (Neo-) Realist theorists assume, regime theorists have paved the way for a more complex, multi-dimensional analysis of world affairs. Previously, military power could rather easily be translated into political, economic, and cultural currencies. In bygone centuries, hegemonic countries like Great Britain, Spain, and the United States, have all used so-called 'gun boat diplomacy', and other not very sophisticated methods of military statecraft, in order to get their way with lesser powers on political and economic issues. All this has changed. Military preponderance has lost its status as the single, crucial factor determining the role states play in world affairs. Of course, military issues are still very important, as was very recently demonstrated again by the military intervention of the United States in Panama (1990), and the military solution to the Gulf conflict (1990-91). But this does not repudiate the argument that economic, political, and ideological power have become increasingly meaningful, each in their own field, and within their specific regime.

In an effort to increase the strength of their argument, regime theorists generally refer to the many multilateral organizations, such as the General Agreement on Tariffs and Trade (GATT), the United Nations and its many sub-organizations, the European Community (EC) and the G-7 Summits, which have created a complex web of regimes. Keohane and Nye have maintained that many of these organizations have developed under the leadership and guidance of one regional or world power. They have argued that the hegemon has set up these organizations, based upon a set of norms and principles, under the assumption that these new regimes will be the best instruments, and will create the optimal conditions, to serve its national interests. Up to this point their argument is clearly in line with much Neo-realist writings. But Keohane and Nye also argue that, after a certain amount of time, the existence of some of these regimes will become more or less autonomous from the hegemon. They even go so far as to argue that in the end, due to shifts of power, the regime might even become disadvantageous to the hegemon. Neo-realist theory argues that, under these conditions, the hegemon will simply respond by calling it quits, that is, by deserting the specific organization and regime. Keohane and Nye do, on the other hand, assume that the economic or political stakes of the hegemon – who will probably be in decline (see our discussion below) – are so closely intertwined with those of the other participants of the regime, that it will be very difficult, and probably against its

long-term interests, simply to leave the organization and regime. Moreover, the ex-hegemon will most likely lack the power and political will to construct a new regime by itself.

4. Hegemonic stability

The theory of hegemonic stability and regimes makes use of the findings of students of microeconomics and of rational-choice analysts, most notably the work of Mancur Olson. (Olson, 1971 ed.) It assumes that the hegemon will maintain the regime(s), since this will be to its own advantage. Hegemons are considered necessary in order to provide leadership and management within a specific region, and/or concerning a specific field (for instance, international trade, military security, or the non-proliferation of nuclear weapons). Changes in the distribution of power within the international system explain changes in international regimes. Hegemonic structures are seen as conducive to strong international regimes in which rules are clear and are obeyed. Fragmentation of power, on the other hand, may lead to the disintegration of the regime. The regime will then lack a hegemon able to manage minor disputes among the participants, which therefore can escalate in major conflicts, thereby frustrating the working of the regime, eventually leading to its demise.

One of the founding fathers of this theory has argued that the (free trade) regime will not only be beneficial for the 'benevolent despot', but also for the other participants of the regime. (Kindleberger 1974) In certain cases, the rules and procedures of the regime may also be beneficial for those actors who do not support them, that is to say that some regimes are public goods, which, *ipso facto*, suggests that so-called free riders may exist. These free riders, however, are generally not powerful enough to disrupt the regime, and do not cause the hegemon to run into serious trouble. The theory also entails that these smaller states (which are not necessarily free riders) gain relatively more than the hegemon from their participation within the regime. This element of uneven growth is a major contributory cause of the inevitable (relative) decline of every hegemon, and is said to account for the cyclical pattern of the rise and decline of great powers in world history.

Hegemonic structures are therefore considered to be conducive to creating conditions for cooperation among states. This can be best compared with De Maistre's argument in favour of monarchy: in a republic, where every person is a 'citizen', everybody can aspire to the leadership position, which may cause constant competition and political strife, leading to sub-

optimal results due to a lack of cooperation. Under monarchy there is one, single leader: the King; everybody else is a subject. Nobody will aspire leadership, since nobody has royal blood. In this way, De Maistre argues, peace, stability, and cooperation are assured. (De Maistre 1971, 91, 105, 122, 123) A similar logic is applied by the theorists of hegemonic stability, whereby the King's role is played by the hegemonic power.

5. Regimes, hegemonic stability, and their critics

Before discussing how regime theory and the theory of hegemonic stability have been applied to recent developments in world affairs, we shall first go into the criticisms levelled at regime theory by three scholars in the field of international relations: Susan Strange, Isabelle Grunberg, and Duncan Snidal.

In her contribution to the Krasner volume (significantly entitled '*Cave! hic dragones: a critique of regime analysis*'), Strange develops five points of criticism: (1) that "the study of regimes is, for the most part a fad"; (2) that it is "imprecise and woolly"; (3) that it is "value-biased, as dangerous as loaded dice"; (4) that "it distorts by overemphasizing the static and underemphasizing the dynamic element of change in world politics"; and (5) that it is "narrowminded, rooted in a state-centric paradigm that limits vision of a wider reality". (Krasner 1983, 337)

Is regime theory, and the related theory of hegemonic stability, nothing more than a fad: "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"? (Krasner 1983, 341) Strange argues that American political scientists are more inclined to follow academic trends than their European counterparts, whether the new trend is meaningful or not. She maintains that the new fashion for regimes arises from the perception within the United States of a serious decline of American power since the 1970s, which has led both politicians and academics alike to ponder over the possible and likely consequences and remedies of this decline. Strange further maintains that the alleged U.S. decline does not look as dramatic and serious through 'non-American eyes', and she therefore dismisses it as an "intellectual reaction to the objective reality". (Krasner 1983, 341) In the next section of this article we shall elaborate on this point. As for now, we shall argue that this element of Strange's criticism does not strike us as very convincing. Regime theory does indeed grapple with the consequences of shifts in the distribution of world power, but this does not render it less meaningful,

on the contrary. Moreover, intellectual fashions may have their scientific use, and sometimes do have a remarkable staying power. This implies that it is far too early to conclude that regime theory is without scientific merit.

Strange's second line of criticism concerns the imprecise nature of the concept of 'regime'. She argues that people mean completely different things when they use it, which might lead to an academic sort of New-speak, living up to George Orwell's worst expectations. The concept of regimes "can be so broadened as to mean almost any fairly stable distribution of the power to influence outcomes". (Krasner 1983, 343) Strange is more or less correct on this point, since the regime notion is quite elastic. It can, however, be argued that any concept in the social sciences can be stretched as far as one likes. Witness the widely diverging definitions of the concept of 'power'. But this does not make it useless to deal with questions of power in international relations theory. This does, however, not excuse regime theorists from the necessity to limit the range of definitions, and to sharpen their analytical tools considerably.

Strange also maintains that regime theory has a serious value bias, implying things that ought not to be taken for granted so easily. She argues that what is labelled an international 'regime' is "all too easily upset when either the balance of bargaining power or the perception of national interests (or both together) change among those states who negotiate them". (Krasner 1983, 345) The anarchic nature of world politics implies that these regimes are never more than ephemeral structures, not worthy of the name, which should have significantly more staying power before they can be taken seriously. Again, Strange has a point, since several regime theorists indeed tend to see regimes as a welcome alternative to the unlikely (and perhaps even undesirable) construction of a system of world government. Most regimes are feeble constructions, sometimes not worthy of the name. But this argument does not undermine the concept's explanatory power. The argument that regimes, as the most tangible expression of the institutionalized character of world politics, encourage cooperation among states and limit international anarchy, remains a strong one indeed, especially in the light of current developments within the EC.

Strange further maintains that the notion of regimes "tends to exaggerate the static quality of arrangements for managing the international system [...] it produces stills, not movies. And the reality, surely, is highly dynamic". (Krasner 1983, 346) Strange is certainly correct that references to the 'Bretton Woods regime' tend to overlook the fact that it took a long time before these arrangements were established, and that some substantial

changes have occurred in both the rules of this regime and in the way the overall system has functioned. However, taking into account the dynamic approach adopted by theorists of hegemonic stability (who have taken many of their concepts from regime theory), the static nature of regimes seems to be only part of the story.

Strange's last dragon to beware of is what she labels 'the self-imposed limits of the state-centered paradigm' of regime theory. Although some regime theorists do include domestic factors in their study (see Junne's contribution to this volume), Strange is certainly right in her observation that most regime theorists adopt a Neo-realist framework of analysis. Her criticism mainly boils down to a general antipathy to the Neo-realist approach, which is, of course, a matter of academic taste. All in all, Strange's five dragons do point to several weak spots in regime theory, making it clear that several assumptions have to be further specified and analysed.

Isabelle Grunberg has made remarkable efforts to unveil what she calls "the 'myth' of hegemonic stability". (Grunberg, 1990) Her major line of criticism is directed at the lack of scientific merit of the theory of hegemonic stability, due to the fact that this theory seems to have strong political and cultural roots in Western – and particularly American – society. She argues that the theory of hegemonic stability "fails to meet reasonable criteria of empirical accuracy and analytical consistency". (Grunberg 1990, 433) Hegemonic stability seems to have captured many a political scientist's academic imagination since it encompasses a wide range of economic and political phenomena, meanwhile being based upon an all-embracing, cyclical vision of history.

Grunberg also doubts the relationship between the current hegemon, the United States, and the system of free world trade. This is closely related to the theory's assumption that the United States is a so-called 'benevolent hegemon'. Theorists of hegemonic stability usually assume that the regime of free world trade has been created, promoted and managed by Washington. They argue that the free trade regime is in the interest of all its members, although the public goods character of the system will inevitably undermine America's position as a hegemon. Grunberg seriously questions the 'public' nature of the system of free world trade, since this system has created a set of strong instruments to exclude free riders, which does not conform to the requirement of non-excludability of public goods. Grunberg also doubts the assumed benevolence of the current hegemon, a proposition she explains from the ethnocentric appeal of the theory. She correctly argues that most Americans like to see their country as fundamentally different from other countries, more

particularly as a moral, even Christian country, based upon the deeply rooted national myth of the so-called 'Citty upon a Hill', put forward by Governor John Winthrop in 1630. Indeed, the theory of hegemonic stability provides most American policy makers with the comfortable thought that their leadership is being looked upon thankfully by the states participating in the regimes, making the sharp edges of the darker side of United States leadership – illustrated by the lengthy list of American interventions in third countries – excusable, and thereby more bearable.

Grunberg elaborates her critique of the theory of hegemonic stability by linking the theory's latent 'myths' to several cultural and sociological myths. She compares the relationship between the benevolent hegemon and the free riding states to the 'hegemon-father (or grandfather)' who is "made bitter by the behavior of ungrateful offspring" (Grunberg 1990, 456), religious beliefs (like the fall from grace, and the golden age), and several other biblical myths. By pointing out the 'unconscious' elements upon which the theory seems to be based, Grunberg questions its scientific merit, and argues that "[t]his imagery has contributed to the theory's appeal and may help explain our failure to move beyond the theory and develop more accurate models of international relations". (Grunberg 1990, 477)

Grunberg's criticism has – perhaps somewhat surprisingly – not received much academic attention. Perhaps the momentum of the debate on hegemonic stability has already passed, an argument that might strengthen Strange's suggestion that all talk about regimes is much ado about nothing. In her article, Grunberg makes several correct points, but she also wrongly accuses hegemonic stability theory of making too broad claims by trying to explain everything, everywhere, and at all times. This is simply not the case. Although it cannot be doubted that some scholars have been overly enthusiastic in applying the concepts of their theory to case studies spanning tens of centuries, more careful – although not always more exciting – researchers, like Joseph Nye and Robert Keohane, have used these concepts in a much more balanced manner. For instance, in his study of regimes and hegemonic stability theory, Keohane clearly recognizes the fact that:

[o]n the basis of this evidence, we should be cautious about putting the hegemonic stability theory forward as a powerful explanation of events. It is clearly useful as a first step; to ignore its congruence with reality, and its considerable explanatory power, would be foolish. Nevertheless, it carries with it the conceptual difficulties and ambiguities characteristic of power analysis. (Keohane 1989, 95)

As to Grunberg's point that hegemonic stability theory is based upon untenable social and cultural myths, one could argue that this does not necessarily imply that these theories are faulty. One can easily maintain that the social sciences are necessarily imbued with preconceptions and 'myths'. Although every scientist has to be aware of the intermingling of facts and values, nothing can really prevent him/her from making positive use of this unconscious knowledge in his/her efforts to provide explanations for developments taking place in a particular part of the world. Having said that, Grunberg's analogies between the 'myth of hegemonic stability' and the other myths remain rather superficial and shallow. Moreover, her criticism probably says more about the epistemological problems of the social sciences at large, than about the hegemonic stability theory in particular.

Duncan Snidal's criticism of the theory of hegemonic stability is perhaps more to the point. Snidal maintains that the widespread use of the theory "seems more closely associated with an equally widespread sloppiness in 'applying' the theory than with any general or fundamental validity [...] the range of the theory is limited to very special conditions". (Snidal 1985, 579) He argues that the importance of the theory of hegemonic stability is derived from its argument that the dominant state will enforce a regime not only for its own sake, but also for the sake of the weaker members of the international system. If this would not be the case, we would simply have a theory explaining the exploitation by a regular great power of several weaker states. Snidal contends that the publicness of the regime and its assumed benefits to smaller states are especially dubious aspects. He argues that there are numerous effective dissenting groups of states working alongside the current American hegemon, such as the OPEC countries. Regimes on different issues will therefore probably present different degrees of openness to third countries, based upon distinct distributions of economic and military powers and dissimilar payoff structures. These are all matters which are not dealt with by the theory of hegemonic stability.

Snidal also questions the manner in which the analytical model of hegemonic stability links the static elements with its dynamic aspects. Various theorists have argued that regimes reflect the distribution of power (the static part), whereby the uneven growth of the lesser states will lead to the eventual decline of the hegemon (the dynamic part). Snidal is especially critical about the *ad hoc* argument advanced by Keohane of the so-called 'leadership lag', which maintains that "cooperation may persist after hegemonic decline because of the inertia of existing regimes". (Snidal 1985, 585) The theory does not fully explain how these transitions work,

and Snidal therefore calls it a 'patchwork theory'. He does, however, hold that a "revised formulation, while unlikely to be as tidy as the original theorem, will be more fruitful for understanding politics among states pursuing strategies of international cooperation". (Snidal 1985, 580)

Especially Snidal's last point exposes an underdeveloped theoretical spot in the theory of hegemonic stability. When this moment of inertia does indeed occur – that is, when regimes born under hegemonic stability conditions do not cease to exist after the hegemon's decline – this calls for a more satisfactory explanation than the *ad hoc* arguments brought forward until now. Although this line of criticism does certainly not endanger the theory of hegemonic stability at large, it does again indicate that much work has to be done in order to provide sufficient answers to these questions.

6. The lack of a Big Bully: The decline of United States power

This brings us to the central case study referred to by the theories discussed above. After World War Two, the United States emerged as the richest, militarily most powerful country in the world; its economic and military might went unchallenged. Only since the early 1950s, America's military power was being contested by the Soviet Union, just as in the 1980s and 1990s Washington's economic and military superiority was severely contested by the European Community and Japan.

Those who support the theory of hegemonic stability have argued that "the decline of hegemonic structures of power can be expected to presage a decline in the strength of corresponding international economic regimes". (Keohane 1989, 75) This theoretical notion was most forcefully – and, measured by the number of books sold (if not necessarily read), also most successfully – put forward by the British historian Paul Kennedy in his work *The Rise and Fall of the Great Powers* (1987). From a theoretical point of view, Robert Gilpin's study on *The Political Economy of International Relations* (1987) was perhaps even more important.

Kennedy's main line of argument was that America was in relative decline *vis-à-vis* the European Community and Japan. This was mainly the result of what Kennedy has labelled 'imperial overstretch'. Due to the United States' relative industrial decline, its decline in agriculture, and the fact that it has changed places as the world's largest creditor to the world's largest debtor nation, its interests and capabilities had become severely out of sync. According to Kennedy, the major questions now were whether the United States

can preserve a reasonable balance between the nation's perceived defense requirements and the means it possesses to maintain those commitments; and whether [...] it can preserve the technological and economic bases of its power from relative erosion in the face of the ever-shifting patterns of global production. (Kennedy 1987, 514, 515)

His answer to both questions has been a clear 'no'. This stirred a lively debate, not only among academics, but also among politicians and the general public. (Nye 1988, 1990; Haass 1988; Huntington 1988/89; Rostow 1988; Nau 1990)

Kennedy's arguments are in line with Robert Gilpin's analysis of the rise and fall of hegemons over the centuries. Gilpin maintains that U.S. economic power had declined markedly, changing the power distribution within the world system. This decline of American hegemony

undermined the stable political framework that sustained the expansion of a liberal world economy in the postwar era, and increasing protectionism, monetary instability, and economic crisis have developed. The possibilities for the establishments of a new political foundation and a reinvigorated liberalism do not seem bright. (Gilpin 1987, 351)

In earlier works, Gilpin had already argued that

[h]egemonic war historically has been the basic mechanism of systemic change in world politics. Hegemonic conflict, arising from an increasing disequilibrium between the burden of maintaining an empire or hegemonic position and the resources available to the dominant power to carry out this task, leads to the creation of a new international system. The distribution of territory, the pattern of economic relations, and the hierarchy of prestige reflect the new distribution of power in the system, as they did in previous systems. The emergent dominant states in the system attempt to extend their dominion to the limits of their economic, military, and other capabilities. In time, these powers will also mature, and new challengers will arise on the periphery of their power and influence. Then the process of decline, disequilibrium, and hegemonic struggle will resume once again. (Gilpin 1981, 209, 210)

Hegemonic stability theory predicts that, due to the relative decline of American power, the system of international politics will change into a multipolar world in which free trade will give way to protectionism and increasing economic nationalism. Trade blocs will arise, and the multilateral free trade institutions like GATT will become impotent and collapse in the absence of a benign hegemon. Gilpin's prediction that this systemic change will lead to conflict or war, might be a worst case scenario.

Taking into account the recent failure of the GATT Uruguay Round (in

December 1990), the re-construction of the *Dai Toa Kyo-ei-ken* – the ‘Greater East Asia Co-Prospereity Sphere’ once used to justify Tokyo’s imperialism in Asia – under a Japanese aegis, the emerging North American Free Trade Area (NAFTA) including the United States and Canada, and most probably in the near future also Mexico, and the construction of a free trade zone of the five Andean countries (Bolivia, Columbia, Ecuador, Peru and Venezuela, as of January 1, 1992), and the recent construction of a European free trade area between the EC and the countries of the European Free Trade Association (EFTA), one might say that these theories indeed seem to provide a useful understanding of the recent structural changes in the distribution of world power and their consequences. The European 1992-project will soon also include several EFTA countries and probably within the decade also the more economically advanced Central European countries. The EC will start the next century as the strongest trading bloc of the world. The United States has reacted with the so-called ‘Enterprise for the Americas Initiative’, which envisions a free trade zone stretching from Alaska to the Tierra del Fuego. In its leader called ‘The world order changeth’, *The Economist* recently argued: “If these triangular tensions get worse, Europe and the emerging North American Free-Trade Area will turn inward. Japan might even overcome Asia’s post-second-world-war taboos and champion an Asian bloc”. (June 22, 1991)

Optimists will argue that these trading blocs are no ‘blocs’ at all, but loose regional organizations set up in order to rationalize and coordinate an increasingly complex world economy. Looking how the protectionist sentiment has pervaded the atmosphere of international economics does, however, not warrant such a rosy point of view. Current debates between Brussels and Tokyo on Japanese auto exports to Europe after 1992, present a case in point. Quotas, so-called ‘voluntary’ restraints on exports are topics of negotiation which should not be a problem in a world economic system of free trade. ‘Fortress Europe’ is confronting ‘Fortress Japan’, while protectionist forces within the United States (especially within the Democratic Party) seem to gain strength. United States-Japanese frictions on economic issues are even more serious and structural. In 1988, the United States put into force the Super 301 amendment to the Omnibus Trade and Competitiveness Act, where Japan was identified as a “priority” source of protectionism against American products. The American Administration identified three groups of products (communication satellites, wood products, and supercomputers), where Japan was considered especially sheltering its market from foreign competition; unless Tokyo was willing to grant concessions, Washington would retal-

iate in kind. Similar American attempts were made (such as the Structural Impediments Initiative) in an effort to open up the Japanese market. So-called “Japan-bashing” has been a favorable pastime for many politicians and businessmen in the United States, which indicates the perceived Japanese economic threat to American economic and political hegemony. This has sometimes resulted in guarded calls for economic warfare against Japan. In June 1991, for instance, the CIA issued a report which warned about Japan as “a fundamentally amoral society that will dominate the world through its economic prowess unless challenged anew by the West.”³

Recent *IMF Surveys* also paint a rather gloomy future for the liberal economic international system. Franco Modigliani, the 1985 Nobel Laureate in economics, has argued that the coming tripolar world will probably lead to less trade among the three groups. In his view, especially the huge increase in America’s trade deficit has provoked the rising trade protectionism of the present day. (*IMF Survey*, March 4, 1991) The likelihood of the emergence of three giant trading blocs, with economic nationalism on the rise, has of course been discussed since the breakdown of the Bretton Woods system, in the early 1970s. But with the strengthening of the EC, the NAFTA, and ASEAN⁴, and the persisting problems of the GATT, the prospects of a world system of free trade looks increasingly dim.

Although the arguments in favour of free trade are not always convincing (Neff 1990), it is nevertheless clear to most major actors within the world economy that global free trade would be the optimal solution for most participants. It is common knowledge that economic regionalism will reduce imports from outside countries, replacing them with regional products, which is in most cases economically counterproductive. However, achieving cooperation under anarchy, and without the benevolent leadership of a hegemon, is difficult. In the light of these global developments, both regime theory and the theory of hegemonic stability do provide important insights in the mechanics of these changes in world politics.

7. Concluding remarks

“Philosophers make imaginary laws for imaginary commonwealths, and their discourses are as the stars which give little light because they are so high.” This wise remark by Francis Bacon (one of the mottos of Carr’s *The Twenty Years’ Crisis*), certainly applies to the theories discussed here.

In this author's opinion, the theory of hegemonic stability and regime theory certainly go a long way in coping with the complexity of world politics. These theories provide useful analytical concepts, and by isolating one specific aspect of international relations, thereby simplifying its characteristics, they make it possible to put forward meaningful assumptions. Regime theory and the theory of hegemonic stability have, in this manner, provided some important pieces of the giant jig-saw puzzle of international affairs. Still, as every student of political science will have experienced, this remains a puzzle that is especially difficult to finish, because both the pieces and the picture are in a constant state of flux.

Notes

1. Bruce Bueno de Mesquita has put forward an 'expected utility theory', in order to discover the conditions under which both the balance of power-theories and the power preponderance-theories are valid. (Bueno de Mesquita 1989)
2. The special issue was later published by Cornell University Press. All references are to this publication.
3. *International Herald Tribune*, June 8-9, 1991.
4. See, for instance, *NRC Handelsblad*, October 9, 1991.

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On the effectiveness of international rules

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1. Introductory remarks

In this article I shall address myself to the question which factors determine the effectiveness of international rules. International rules prescribe how states ought to behave in a particular situation: which behavioural alternatives are obliged, permitted or prohibited. (cf. Kratochwil 1989, 72; Young 1979, 2; Van Dijk 1987, 12) The effectiveness of rules, sometimes also referred to as their efficacy, indicates the extent to which state behaviour conforms to them. (De Vree 1990, 1218; Bull 1977, 136; MacLean 1989, 66) This definition of effectiveness should be distinguished from the broader definition of effectiveness as the degree to which a rule brings about certain objectives. (See Higgins 1971, 32)

The effectiveness of international rules is an issue of great practical significance. This is particularly true of the type of rules on which this article will focus: so-called regulative rules. These have been developed to regulate behaviour, so as to increase the probability that certain objectives will be attained. States' unmodified calculations of self-interest have proven to be unable to attain objectives of states and other actors in fields as environmental protection, management of living resources and international trade. Through the development of rules, these objectives should yet be attained. (Heymann 1973, 798) It is not submitted that international rules are a necessary condition for attaining such objectives, and certainly not that they are a sufficient condition, but their potential role in furthering them would appear to be undisputed. With the need for rules, the importance of their effectiveness is given. If state behaviour does not conform to rules set up to guide behaviour, the *raison d'être* of such rules is lost.

Yet, it is obvious that there is no necessary relationship between the adoption of rules and the behaviour of states. The mere fact that many international agreements have incorporated mechanisms to control their