

Robert O. Keohane and Joseph S. Nye, Jr., *Power and Interdependence: World Politics in Transition* (Second Edition, Little-Brown, 1989), Chapters 4 & 6. (all page numbers are in third edition, sorry.)

Chapter 4 is a “historical overview” of two issue areas in which Keohane and Nye wish to examine “the politics of rule making” – international monetary relations and the politics of oceans. An issue area is a set of issues thought to be closely interdependent by actors who then deal with them collectively. Within these issue areas, K&N are interested in cataloguing regime changes. (Regimes for K&N are “networks of rules, norms, and procedures that regularize behavior and control its effects”, p. 17.)

International Monetary Issue Area:

The regime in this area varies along three main dimensions: 1. role of exchange rates, 2. nature of reserve assets, 3. degree of control of international capital movements. (p. 57) Changes in these variables will differentiate one regime period from another. Also, within regime periods, important issues will be liquidity, balance of payments adjustments, and currency confidence. K&N identify seven different periods between 1920 and the present, some where the expectations of foreign governments converged in regard to these several issues and some where they did not.

Oceans Issue Area:

“peacetime use and regulation of oceans space and resources” Dimensions – “nature and extent of states’ jurisdiction over the oceans adjoining their coasts” and “the ownership, use, and regulation of space and resources beyond national jurisdiction” (p. 77). The basic story here is that the principle of freedom of the seas (with 3 mile radii for national ocean boundaries) declined over time between 1920 and 1975 because technological change increased the value of the seas to governments and the complexity of international organization bargaining (where the regime’s rules were renegotiated later on) led to greater influence of weaker nations, emerging from colonization.

Chapter 6 applies four explanatory models to the subject of regime change in international monetary relations and the oceans. K&N’s method here is to start with the ‘simplest, or most parsimonious’ explanations and then to add complexity as necessary. When expectations diverge from the evidence, they use other explanations to mop up the variation. (Warning: this could be relevant to our papers!) Here they are:

1. Economic process explanation – regimes change when economic relations ‘outgrow’ international regimes, and the regime will have to be adapted or broken. Technological or economic change will spur regime change so that regimes will continue to provide welfare to members.
2. Overall power structure explanation – the most powerful nation in the system makes the rules for the regime’s members. As power shifts, so do the characteristics of international regimes.
3. Issue structure explanation – Nations strong within the particular issue area covered by the regime will make the rules. Same expectations as overall model, just limited in scope.

4. International organization explanation – “Regimes established in conformity with the underlying power structure in one period may later develop lives of their own. Underlying power resources may be immobilized by norms and political processes so long as the regime remains in place” (p. 127). This model is better at explaining regime persistence despite the change of factors highlighted by the other models.

Also important to explaining patterns of regime change are domestic politics and leadership, which can lead to lags in perceptions of changing events and can account for preference changes due to transnational relations. This is complex interdependence, where subnational and transnational groups “politicize” new issues and provide different political strategies to national leaders.

In general, K&N argue that complex interdependence is becoming more relevant, that traditional power structure and economic process arguments are generally effective at explaining past regime changes, but are now becoming less useful.