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Theorizing the Uruguay Round: The Case for Constructivism

Traditional theoretical approaches all offer some insight into the relationship of states in regimes. However, an analysis using social theory tools best explains regime change and, particularly, the transition from the GATT to the WTO regime. This works towards the central aim of this book: to explain the increasingly important role of developing countries in changing the regime's established social rules or normative framework.

Traditionally, change in the international trading regime has been interpreted within three broad theoretical schools: neorealism, neoliberalism and neo-Marxism. These schools differ vastly over the importance and role of regimes in international political economy. Nevertheless, the theories suggest that particular outcomes are likely in international trade negotiations between states that have pre-established interests and identities. They focus predominantly on the material factors that underpin action and they generally understand agents' identities and interests to exist prior to social interaction. Even those theories, such as Gramscian neo-Marxism and neoliberalism, that find an autonomous role for norms or ideas in international regimes, relegate these to the background.

Essentially, traditional theories explain state interests in terms of states' material circumstances. This is an 'in the final instance' argument which says that at base it is tangible things such as the will to survive in the face of economic hardship or military might that governs action. It says little about the processes that form an understanding of self-interest. In this worldview, states, like people, are born knowing what their self-interest is and how to go about protecting it in any given situation.

Consequently, traditional theoretical approaches do not lend themselves to an explanation of the way states' interests and their identities changed during the Uruguay Round. In their emphasis on behavior, traditional theories differ from an approach built on social theory that highlights the process through which these identities and interests are formed.

Whereas traditional theories are mainly concerned with who gets what out of a regime, a constructivist approach, based on social theory, considers the process through which identities and interests are formed. This often tends to produce a different understanding of outcomes. A social theory approach recognizes that interests do not exist independent of interaction, to be discovered and pursued by rational actors (Katzenstein, 1996a, p. 15).

This chapter aims to explore the different ways that mainstream international relations theories explain regime change, and the role of states in this process. With these tools, it seeks to understand the way in which states (as agents or actors) came to redefine their interests and their roles in trade negotiations during the Uruguay Round. It particularly examines the way in which developing countries redefined their identity in the trading regime to become part of a multilateral trading Self and, in so doing, changed the culture of the trading regime and their influence within it.

It could be argued that a theoretical comparison oversimplifies competing theoretical debates, creating straw people to tear down. This is not the intention here. Neither is this book designed to be a definitive statement on the utility of competing theories of regimes. Rather, it focuses quite particularly on establishing an appropriate explanatory framework that can account for the way developing countries' role changed during the Uruguay Round negotiations, changing the norms of the trading regime and its culture.

The chapter sets out the theoretical beacons that each 'school' might use to explain the transformation of the rules and norms of international trade during the Uruguay Round. Four central questions are pertinent to this comparison:

- How are regimes formed?
- Do regimes reflect the power of strong states?
- How do regimes change?
- Can comparably weak states affect regimes or effect regime change?

These are summarized in Table 1.1.

Table 1.1 Regimes and states

<i>Theory</i>	<i>How do regimes form?</i>	<i>Do regimes reflect strong state power?</i>	<i>How do regimes change?</i>	<i>What is the role of weak states in regime change?</i>	<i>Do ideas have an autonomous role in regimes?</i>
Neorealism	Hegemon creates the regime, partly for altruistic reasons	Yes, regime is an instrument of a hegemon	Hegemon declines (intra-systemic change)	Natural opponents of trade regimes. Destabilizing force as hegemon declines	No
Neoliberalism	Hegemon or small group of like-minded states creates regime	Mostly although weaker states can cooperatively shape regimes	Through cooperative action	Can help to strengthen a regime where there is cooperation	Yes, but limited
Gramscian neo-Marxism	Hegemonic class creates regime to benefit bourgeoisie	Reflects power of hegemonic state representing a dominant class	Superficially to reflect change in the mode of production	Only by destroying the regime through revolution	Yes but ultimately regime reflects material base
World Systems Theory (WST)	Core capitalist states create regime to help reproduce capitalist system	Reflects interests of core states	Superficially as states change position in the international system (intra-systemic)	Only by destroying the regime through revolution	No
Social theory	Through cooperative interaction	Partially, although less powerful states influence regimes through sustained behavior	Through sustained behavioral change which ultimately changes roles	Weak states can influence regimes by sustaining different behavior towards other states in the regime	Yes, regimes are structures of ideas that condition interaction

Hegemonic stability theory: following the leader

During the past century, Western political theory acknowledged, at best, a limited role for regimes in influencing relations between states. Generally, the neorealist, neoliberal and neo-Marxist positions have understood regimes as mechanisms for regulating interaction between states. These positions differ over whether the structures of capitalism, the system of states or the rational quest to maximize utility determine states' behavior in the international realm. In these schemas, regimes are simply superstructures built on material foundations. They are a sideshow to the main event of pursuing self-interest in a particular set of circumstances (Finnemore, 1993, p. 11).

This materialist approach limits their ability to explain the processes of regime change, as they overemphasize the role of materially powerful states and underestimate the role of weaker states. It also tends to underestimate the extent of the change from one trading regime to another and the impact of regimes on international relations.

For neorealism, which has vied with neoliberalism since the 1970s for dominance in international relations theory, regimes are temporary structures linked to the fortunes of a dominant power. They do not affect the deep structure of the international system: anarchy and its self-help logic. Neorealists such as Kenneth Waltz (1979) and John Mearsheimer (1995) argue that cooperative regimes are aberrations in an international sphere that perpetuates continual conflict and power balancing between self-protective states. Neorealism understands states' identities and interests as 'given', largely determined by the material structure of anarchy (Wendt, 1999, p. 34).

The distribution of material capabilities or power among states determines the rules and institutions that regulate interstate relations (Keohane, 1989, p. 54). Neorealism finds that self-regarding states (or units) unintentionally produce an international structure, which subsequently conditions state behavior (Waltz, 1979, p. 91). As states go about looking after themselves in a world without enforceable rules, they unintentionally reproduce a system in which self-preservation is the guiding principle. States' rational 'self-help' actions unintentionally perpetuate the international system. Like the market, the anarchic system of states conditions state interactions and behavior. The anarchic structure and its inherent self-help principle make each state fearful for survival and, therefore, prone to conflict (Grieco, 1993, p. 118).

However, in the hegemonic stability theory (HST) variation of neorealism, strong states *can* form cooperative regimes, but only in the short

term. In this perspective, a hegemon or strong power creates trade or security regimes partly for altruistic reasons, but predominantly as a vehicle for pursuing economic and political interests.¹ As theorists such as Robert Gilpin and Stephen Krasner have explained, hegemonic powers are able to maintain the regimes they favor either by coercion or by offering incentives to those who follow the rules (Krasner, 1976, pp. 322–3; Gilpin, 1987, p. 76). In forming a trading regime, the hegemonic state enforces the rules of a liberal economy. It aims to prevent cheating, as well as to encourage others to share the costs of maintaining the system (Gilpin, 1987, p. 72). Such a state, endowed with greater economic and military power, is accepted by other states as a natural world leader – through ideological persuasiveness as well as the capacity to wield a big stick (Gilpin, 1987, pp. 76–7).

In the HST view of the world, hegemons, such as the US since WWII and Britain before WWI, provided free trade as an international public good (Gilpin, 1987, p. 74). They provided free trade partly in an altruistic desire for international stability and partly because they benefited from it. As hegemons, Britain and the US gained the ability to shape and dominate their international environment, while providing benefits to entice middle and small powers to secure their cooperation (Gilpin, 1987). As the leading economies, these countries particularly tended to gain from free trade regimes. For example, neorealists have argued that the GATT regime particularly benefited the US as the dominant industrial exporter, making free trade (albeit with exemptions) the legitimate policy goal while proscribing protectionism (Hollis and Smith, 1990, p. 37).

Nevertheless, HST works within the neorealist understanding that states' fears for their survival in an anarchic world make them competitive, which means that cooperation and hence regimes, are fragile. While the hegemonic order changes states' preferences for relative gains in the short term, in the long term states revert to seeking relative gains as the hegemon's power eventually declines. So, the involuntary need to adapt to the demands of the anarchic system means that regimes are ultimately fragile.

Neoliberal regime formation: cooperation with a catch

Like neorealists, neoliberals accept that regimes are difficult to create – although they believe they are less difficult to create than neorealists suggest and certainly less difficult to maintain than neorealists allow. Neoliberals accept that a strong power is often required to provide the necessary leadership to create a regime. They agree that states create

regimes such as the international trade regime in the pursuit of pre-formed interests. This reflects the theories' shared premise that states are autonomous self-regarding actors (Keohane, 1984, p. 29). It also assumes that states are egoistic, rational actors, driven by self-interest that is defined prior to interaction.

Neoliberalism, to a lesser extent than neorealism, focuses on the external structural conditions under which governments make foreign policy, while downplaying the impact that internal attributes of the states may have on actors' choices (Hasenclever *et al.*, 1997, pp. 28–9).² While neorealists are principally concerned with states' relative position in the international system, neoliberalism uses a broader understanding of 'structure'. Neoliberals accept that institutions and norms play an important role in conditioning interactions between states (Keohane, 1989, p. 8). Such an understanding leads neoliberals to conclude that the institutions and regimes that states create can enable them to cooperate in the long term (Keohane and Martin, 1995, p. 49).

However, while neoliberalism seeks to introduce a role for ideas in analyzing regimes, it is also fundamentally materialist in nature. Neoliberals suggest that preferences or interests do not depend on ideas or expectations (Wendt, 1999, pp. 114–15). As Peter Katzenstein explains, ideas and beliefs are treated here as intervening variables between assumed interests and behavioral outcomes. In this context, international institutions (and regimes) provide an alternative structural context to the logic of anarchy in which states can define their interests and coordinate conflicting policies (Katzenstein, 1996, pp. 12, 25).

However, although neoliberalism emphasizes the function of regimes, it has less to say about the process through which regimes are created and by which regimes are changed. Neither does the rationalist neoliberal approach seek to explain the way interests and identities are formed or the relationship between these processes and regime change. Neoliberal theories of international relations tend to take states as the starting point for analysis. They examine the ways in which states create and interact with the various 'bits of furniture in the international system', such as international organizations, legal structures and other states (Finnemore, 1996, p. 5). In making interests and identities exogenous or external to their analysis of regime change, and in overlooking the way norms construct roles and power, neoliberals, like neorealists, tend to underestimate regime change and the role of weaker actors.

Neoliberals understand regimes to be formed by states and therefore, states use regimes to maximize their welfare. Robert Keohane notes that regimes might be influenced by international organizations, which

evolve partly in response to their leaders' ideas, and partly in response to their interests as organizations. However, in the absence of international organizations, international regimes 'are *entirely* the expressions of the interests of constituent states' (Keohane, 1989, pp. 5–6, emphasis added). Neoliberals explain that states, usually hegemons or a small group of like-minded states, respond to the problem of uncertainty in the anarchic realm by creating international regimes (Keohane and Martin, 1995, p. 41).

In the neoliberal model, states form regimes having calculated the costs and benefits (Stokke, 1997, p. 42). Whereas neorealism finds that hegemons create regimes predominantly through coercion, neoliberalism suggests that states form regimes through voluntary interaction. Indeed, states can only form regimes when they have some common interest that cannot be realized without cooperation (Hasenclever *et al.*, 1997, p. 34). So in the neoliberal model, the multilateral trading regime represents recognition among states that they can maximize their utility through free trade. While cooperation is often hard-fought, neoliberals argue that states recognize the absolute gains to be achieved through cooperative regimes. States are most likely to demand regimes, such as the trading regime, when the advantages of such a regime outweigh the costs of creating it.³

Regimes, such as the GATT or the WTO, embody norms, rules, principles and decision-making procedures that facilitate cooperation (Keohane, 1984, pp. 8, 58). Significantly, these regimes do not change actors' interests or values but they alter incentives for action (Hasenclever *et al.*, 1997, p. 32). Regimes provide information, reduce transaction costs, make commitments credible, establish focal points for states to coordinate their policies, and they facilitate reciprocity (Keohane and Martin, 1995, p. 42). In a sense, they 'lengthen the shadow of the future', providing incentives for states to forgo some short-term gains for long-term gains (Axelrod and Keohane, 1985, p. 232). States create them in the hope that they will affect patterns of state behavior (Keohane and Martin, 1995, pp. 45–6).

Gradually, regimes can change the way states interpret anarchy through a process of behavioral learning. Over time states learn cooperative behavior which is appropriate to a social realm rather than a predatory realm (Axelrod and Keohane, 1985, p. 226).⁴ While regimes embody generalized norms of obligation, they also often incorporate forms of punishment for cheating. This is particularly effective in trade matters. As Judith Goldstein explains: 'GATT rules were appropriate because they assuaged the fears of potential regime participants that

they would receive the “Sucker’s Payoff” if they lowered tariff barriers’ (Goldstein, 1993, p. 210).⁵ Thus, cooperation in the neoliberal sense is mutual adjustment rather than harmony, and it is a long-term rather than a short-term strategy (Keohane, 1984, p. 12, 1991, p. 103).

Neo-Marxist regime formation: centripetal forces

Like neorealism and neoliberalism, the neo-Marxist (Gramscian and world systems theory) conceptions of regime formation also understand that states’ interests are materially defined. While Gramscian Marxism incorporates a greater role for ideas in its analysis of regimes, ultimately this approach is also materialist, due to its conception of the relatively autonomous state. Neo-Marxists contend that states can only achieve relative autonomy from class forces and must act in the interests of capital in the final instance. Consequently, Gramscian neo-Marxism separates ideas from material conditions, suggesting that at the end of the day material factors prevail (cf. Hobson, 1997, chapter 7).

At first glance, Gramscian neo-Marxism seems to take a similar approach to social theory by proposing a reflexive relationship between material conditions and ideas. That is, Gramscian neo-Marxism recognizes that it is impossible to separate ideas from the material conditions in which they exist or material circumstances from ideas, although they are not reducible to one another (Cox, 1983, p. 168). Yet although this theory suggests that state structures are defined by the social formations that exist at a particular point in time, it finds that state structures are defined in the last instance in terms of their capitalist base (Hobson, 1997, p. 222). New modes of production bring about new structures of social relations, superseding the nation-centered labor–capital relations of the past (Cox, 1992b, p. 177). While this theory allows more agency for state actors than neorealism does, it allows considerably less than neoliberalism.

Both forms of neo-Marxism find that strong capitalist states form regimes such as the trading regime in order to channel resources to the core capitalist class and to reproduce the capitalist system. For neo-Marxists generally, the motivation for this process is the need to adapt to the demands of global capitalism. So, free trade regimes are underpinned by the demands of a global capitalist economy. Although they might act against the short-term interests of the bourgeois class, states act to perpetuate the capitalist system in the long run (Hobson, 1997, p. 222). The regimes that such states create assist in this function.

In contrast to WST and neorealism, Gramscian neo-Marxism finds that institutions and regimes emerge from the social processes rather than from the material power base of a particular state (Cox and Sinclair, 1996, pp. 105, 107). Gramscian neo-Marxists use Antonio Gramsci's (1971) perception of hegemony as consensual power to understand the way international regimes, such as the trading regime, are formed.

In this conceptualization, key social institutions in civil society serve to socialize and to integrate working classes into the capitalist system (Hobson, 2000, p. 128). Particular institutions dominate because they are perceived to be legitimate, although they are underpinned by the possibility of force.

International relations scholars have extended the Marxist notion of hegemony to a world order, which is usually dominated by a powerful state that represents this hegemonic consensus (Cox, 1983, p. 171). The hegemon constructs a world order to benefit its bourgeois class and, less directly, other national bourgeois classes (Hobson, 2000, p. 130). Cox argues:

A world hegemony is thus in its beginnings an outward expansion of the internal (national) hegemony established by a dominant social class. The economic and social institutions, the culture [and] the technology associated with this national hegemony, become patterns for emulation abroad (Cox, 1983, p. 171).

Hegemonic states use regimes, such as the GATT, to penetrate the markets of all other countries and to maximize the profits of its bourgeois class at the expense of others, under the guise of universal benefit (Hobson, 2000, p. 130).

Although Gramscians consider that these institutions perform an ideological role, by defining policy guidelines and establishing legitimate policy options, ideas are not autonomous of the hegemonic class. Like neoliberals, Gramscian neo-Marxists believe norms in regimes regulate state behavior so that states comply with the demands of the international capitalist system. Therefore, at root, institutions reflect views that favor the dominant social and economic forces and in this these institutions are an extension of the state.

Whereas the political superstructure in a hegemonic country grows out of the social relations of production and civil society, the peripheries merely adopt the hegemon's social and economic practices through the process of passive revolution. Elites in peripheral states are co-opted as foot soldiers of the international capitalist system to the detriment of the people they govern.

In contradistinction to Gramscian neo-Marxists, world systems theorists observe that core capitalist countries create trade regimes to help them systematically exploit developing countries. This is necessary to reproduce the world capitalist system. Like neorealists, world systems theorists argue that states have limited agential power in international relations. World systems theorists begin with the claim that states necessarily fulfill different functions in a world capitalist system in order to perpetuate that system (Gunder Frank, 1966, pp. 294–6; Wallerstein, 1979). In this context, development and underdevelopment are two sides of the same coin (Amin, 1982, p. 6). This theoretical approach identifies three strata in the world economy: the core, periphery and semi-periphery.

The role each stratum can play in creating or changing trading regimes is defined by the international capitalist structure. The periphery provides raw material for processing in the center (Galtung *et al.*, 1971, p. 312). Only core countries can create trading regimes to help reproduce the prevailing capitalist system. The core represents countries with a complex variety of economic activities, together with a national bourgeois hegemony and a national bourgeois state.

A hegemonic state, as the most successful capitalist, might form the nucleus of this core (Wallerstein, 1979, pp. 38–9). In a chain of international production crossing national boundaries, the bourgeoisie in core countries receives the greatest share of economic surplus. Core states use structures to codify laws that are favorable to commerce and to prevent strong state structures developing in other areas (Denemark and Thomas, 1988, p. 52). Trading regimes such as GATT help to ensure that industrialized core countries have unlimited access to resources in the peripheral countries (Chilcote and Johnson, 1983, p. 12). Such international economic agencies ensure peripheral economies remain open to world capital flows (Cox, 1992b, p. 174). This perpetuates an unequal system of international capital relations. Multinational corporations siphon off an economic surplus that could otherwise be used to finance internal development. Foreign investment distorts resource allocation and wages in the local economy, as well as the political system by reducing national sovereignty (Moran, 1978, p. 80).

For WST, the bourgeois class in peripheral countries is complicit in this process because it is tied to international capital. Only part of a peripheral country is integrated into the international economic system (Caporaso, 1978b, p. 3). Consequently, the state must balance competing demands to sustain the capitalist system in the long term.

Regimes and power

For mainstream theoretical perspectives, regimes generally reflect the power of strong states. For neorealism, international institutions and regimes reflect the distribution of capabilities in the international system. Power in this sense, is understood as 'material', referring to the military and economic power that only leading states can enjoy. International regimes and institutions therefore have no inherent power.⁶ For neorealists, states are the most important units in international relations and their capabilities influence their position within the international system (Waltz, 1979, p. 82).

As hegemonic stability theorists such as Gilpin argue, states require significant economic and military power to ensure that other states will cooperate in a regime. A hegemon provides incentives for other states to remain within the confines of the regime and forces unwilling participants to play by the rules (Gilpin, 1987, p. 76).

Equally, for neoliberals, regimes work together with power realities. Regime norms influence state behavior as states begin to value them as a means of achieving their interests. However regimes tend to reflect the interests of the dominant states that create them (Keohane, 1984, p. 256). As for neorealists, the character of regimes is structured by the prevailing distribution of capabilities (Keohane and Martin, 1995, pp. 41, 47). Keohane notes that:

The principles underlying the rules and practices of the IME, GATT, or the IEA reflect the interest and ideologies of the most powerful states in the international system. The cooperation that the institutions themselves foster, however, probably works to mitigate some of the harsher inequities inherent in the principles (Keohane, 1984, p. 256).

In recognizing that norms can influence state behavior (partially autonomously) and that regimes can influence the distribution of power, neoliberals differ from neorealists (Young, 1997, p. 15). States construct institutions and regimes to help their governments cooperate to coordinate policies where they will mutually benefit (Keohane, 1989, p. 10). Neoliberal regimes are not quasi central governments, having only partial autonomy from the states that create them. Equally, regimes regulate states' actions rather than constitute states as particular actors.

Regimes change the costs and incentives that states face, causing them to modify their behavior accordingly (Katzenstein, 1996, p. 44; Checkel, 1998, pp. 326–7). While regimes might help states to learn through

interaction, this is a simple form of learning that affects behavior rather than a complex form of learning, which reconstitutes identities and interests (Ruggie, 1998, p. 4). In the former case, regimes merely provide information that enables actors to realize their interests more effectively (Katzenstein, 1996a, p. 12).

So, while they concede that weaker powers use regimes to their advantage, neoliberals underestimate this potential. They overlook the way in which norms can change the meaning of power in certain circumstances. Neoliberals underestimate the sense in which norms are resources that enable agents to act in a particular social formation (Checkel, 1998, pp. 326, 344).

In a variation on this theme, neo-Marxism suggests that regimes reflect the power of the capitalist class. For world systems theorists these class interests are predominantly expressed by a hegemonic capitalist state, which can impose trading rules on a weak periphery and semi-periphery (Cox, 1992b, p. 174). Thus, given that the multilateral trading regime was constructed during a period of US hegemony after WWII, it has predominantly reflected American concerns with maintaining monopoly profits at the expense of other regions.

Equally for Gramscians, regimes such as the GATT predominantly reflect the interests of the capitalist class in a hegemonic state, supported by the consensus of a transnational alliance of the ruling class (Hobson, 2000, p. 132). As part of the political superstructure, regimes help to make a particular capitalist formation legitimate. For Gramscian neo-Marxists, international organizations and regimes legitimate prevailing norms, co-opt elites from peripheral countries and absorb counter-hegemonic ideas (Cox, 1983, pp. 168, 172). This ideological function enables institutions created by hegemonic states to continue after their material power base has declined. In the Gramscian view, norms have only limited autonomy because, ultimately, they regulate actions to benefit the ruling class. Peripheral states or counter-hegemonic forces cannot use norms created by the powerful against the interests of the hegemonic capitalist class.

Regime change

While traditional theories generally link regimes to material power, they differ over the way regimes change. The neorealist understanding of state power suggests that ultimately states have very limited agency in regime change. The systemic neorealist account of conflict as a constant

in international relations, gives an inherently broad-brush account of change in international regimes. Hegemonic stability theorists argue that regimes decline because states must respond to the demands of the anarchic international system, which ultimately prevents them from cooperating. Change in this context refers to changes in the distribution of power and not to structural change that would alter the logic of anarchy and the need to pursue competitive gains in the long run.

In neorealism's explanation of change in the international sphere, the structure of relationships between states (defined in terms of material power)⁷ is seen as constraining and indicating state action. While the international structure of anarchy is the unintended product of state interaction, it becomes impervious to attempts to modify it. The survival imperative homogenizes states' foreign policy prescriptions (Waltz, 1979, pp. 65, 67). Neorealism finds that the enduring logic of anarchy causes recurring patterns of action and outcome in the interstate system (Dessler, 1989, pp. 450–1). So, changes in the trading regime merely reflect intra-systemic change.

In this worldview, states are 'defensive positionalists'. They anticipate aggression and so adopt defensive policies. Consequently, regimes are extremely fragile. States fear military consequences of a differential in gains and they are also concerned about becoming dependent on other states (Grieco, 1993, pp. 118, 353). Grieco claims:

States worry that today's friend may be tomorrow's enemy in war, and fear that achievements of joint gains that advantage a friend in the present might produce a more dangerous *potential* foe in the future. As a result, states must give serious attention to the gains of partners. Neoliberals fail to consider the threat of war arising from international anarchy, and this allows them to ignore the matter of relative gains and to assume that states only desire absolute gains (Grieco, 1993, p. 118).

This theory discounts the possibility that the system is governed by norms, common interests and rules. It argues that states will not subordinate their national interests in the long term for international order (Burchill and Linklater, 1996, p. 88). In this sense, states are not adaptive agents capable of learning new responses to modify the social structures in which they operate. While a hegemonic state might create regimes such as the liberal trading regime for a limited period, the conditions inherent in the anarchic world system precipitate change.

Hegemonic stability theorists argue that ultimately, even strong powers and the regimes they create decline due to the demands of the

anarchic international realm.⁸ Gilpin argues:

In time, the market produces profound shifts in the location of economic activities and affects the international redistribution of economic and industrial power. The unleashing of market forces transforms the political framework itself, undermines the hegemonic power, and creates a new political environment to which the world must eventually adjust. With the inevitable shift in the international distribution of economic and military power from the core to rising nations in the periphery and elsewhere, the capacity of the hegemon to maintain the system decreases. Capitalism and the market system thus tend to destroy the political foundations on which they must ultimately depend (Gilpin, 1987, pp. 77–8).

As this happens, the hegemon becomes predatory, and begins to use its economic power to coerce other countries to conform to its wishes and the regime fragments (Gilpin, 1987, pp. 346, 347). Thus, hegemons eventually become poorly adapted to the international system and so their relative power erodes. Hegemonic states ultimately fail to adapt to the successful practices of rival states (Hobson, 2000, p. 43). This is exacerbated where hegemonic states have limited institutional power or the legitimacy that provides autonomy from their citizenry.⁹

Neorealists predicted the decline of the multilateral trading regime with the decline of US hegemony prior to the Uruguay Round. As I will explain in Chapter 3, neorealists suggested that the rise of American unilateralism during the 1970s, 1980s and 1990s was a sign that its power was dissipating. For hegemonic stability theorists, America's growing recourse to unilateralism was a warning that the hegemon was not successfully adapting to the international system and could no longer manage crises in the liberal order (Gilpin, 1987, p. 345). While the liberal international order remained in an *ad hoc* form, the regime was considered fragile and likely to collapse (Gilpin, 1987, pp. 351–2; Krasner, 1976, 1978). Consequently, hegemonic stability theorists were at a loss to explain the way in which the regime was strengthened during the Uruguay Round while US support for trade liberalization declined.

WST also finds change in the trading regime is merely an intra-systemic change. Change in the rules and procedures of world trade and even the roles actors play cannot represent structural change while the capitalist system remains. For world systems theorists, a new trading regime merely reflects the continual cycles of the world capitalist system in which particular countries might change position but the system remains the same.¹⁰

Consequently, this approach underestimates the nature of the change involved in developing countries' influence in trade negotiations during the Uruguay Round. For world systems theorists, structural change implies revolutionary change at the global level (Wallerstein, 1979, pp. 35–6). Regime change associated with the transition from one hegemonic order to another does not represent structural or cultural change. In the WST schema, states might change their position in the world economy due to such factors as technological change and climate change. All states cannot develop simultaneously by definition, since the system functions by virtue of having unequal core and peripheral regions (Wallerstein, 1979, p. 61). Ultimately, hegemons decline after the end of a long-wave Kondratieff up-phase in the world economy.¹¹ This phase culminates in hegemonic war, which enables a new hegemon to emerge (Hobson, 2000, p. 140).

State structures and international regimes are seen to be major obstacles transforming the world system, even when reformist forces control these structures. Hegemonic core states use regimes to perpetuate the world capitalist system and often draw on liberal ideology in this quest. Liberalism provides limited access to political power, and economic surplus at levels that will not threaten the process of accumulation or the state system that sustains it (Wallerstein, 1995, p. 5). Institutions such as the GATT are simply state institutions designed to perpetuate capitalist accumulation. In this model, economic growth in peripheral countries also impedes revolutionary change. In this purview, negotiators representing developing countries in regimes such as the GATT represent a *comprador* bourgeois class, or elites captured by transnational capital, with interests aligned to the core. In such a world, states that try to de-link from the world economy with a socialist agenda are inevitably unsuccessful (Amin, 1982, pp. 139–41).

For Gramscians, the shift from the GATT to the WTO reflects a change in the relations of production and contradictions between the mode of production and the prevailing superstructure (Cox, 1992b, pp. 176–7). In this sense, Gramscian neo-Marxism places more importance on such change, recognizing it as a structural and cultural change, although not as a systemic change. Like WST, Gramscian neo-Marxism ultimately links structural change with transformation from capitalism.

Gramscians argue that structures are historically particular and they are transformed when material circumstances have changed or prevailing meanings and purposes have been challenged by new practices. For example, Robert Cox and Stephen Gill describe the change in the trading regime in the context of an internationalization of the state or

'transnational consensus formation' associated with a globalizing economic trend (Cox, 1992a; Gill, 1992a). This globalizing trend has created contradictions within the welfare state superstructure, precipitating the formation of new institutions. Cox argues that

[I]t is more and more necessary to think of a stratified global society in which global elites have the impetus in shaping the social order, including the ideology in which it is grounded, and other social groups are in a position of relative powerlessness, either acquiescent or frustrated (Cox, 1992b, p. 178).

Gramscians argue that the shift from the GATT regime to the WTO regime merely reflected a change in social relations associated with the transition to an internationalized mode of production. The transition from Fordist production methods meant that the Bretton Woods institutions based on welfare state capitalism were no longer appropriate (Gill, 1992a, p. 271). Consequently, this change reduced the power of labor and increased the power of transnational (particularly financial) capital (Cox, 1992a; Gill, 1992a).

Whereas the post-WWII development project, underpinned by the Bretton Woods regime and Fordist industrialism, focused on nation-building, the new global order aimed to maximize aggregate world income. Finance was decoupled from production to become an independent power (Cox, 1992a, p. 29). While the international trading regime was born out of the modernist development project of post-imperialism after WWII, in the 1980s it came to reflect a shift in the structural power of capital towards mobile financial capital (McMichael, 1996, p. 150). The transformation meant firms traded components with subsidiaries, having sought the most efficient production sites for each part. Global production could play off one territorial jurisdiction against another to maximize reductions in costs and tax and to avoid environmental and labor controls.

Consequently, Gramscian neo-Marxists claim governments began to understand that economic growth was hostage to business confidence (Cox, 1992a, pp. 28–30). States became savvy to accommodating global capital and, to this end, they pruned the costs of social programs and maximized labor flexibility. States changed their taxation and regulatory structure to attract foreign investors and they exercised a form of disciplinary neoliberalism or hyperliberalism (Gill, 1992a, pp. 275–6).

States formed a new superstructure to accommodate this nascent mode of production and its concomitant social relations and they reversed their focus on internal order. For some, such as Cox, the state

consequently became 'a transmission belt from the global to the national economy where heretofore it had acted as the bulwark defending domestic welfare from external disturbances' (Cox, 1992a, pp. 29–31). For others, such as Leo Panitch, the state rather internalized and mediated adherence to the untrammelled logic of international capitalist competition within its own domain (Panitch, 1992, pp. 71–2).

International organizations and regimes such as the trading regime adjusted to implement this program of internationalizing the state. States, representing the capitalist class, used regimes to disseminate a new international consensus on economic policy and to secure protection for the interests of internationally mobile capital (Gill, 1992a, p. 279). The structures of the new international trading regime insulated national economic institutions from popular scrutiny. They also became a crucible for an economic dialect in which some forms of efficiency, such as micro-efficiency and fiscal discipline, were prioritized over others, such as social efficiency (Gill, 1992a, p. 178).

Thus, the neo-Gramscian analysis of the shift from the GATT to the WTO would suggest that change has been minimal, shifting from one capitalist social formation to another. Here developing countries have a limited role in influencing regime outcomes, as these structures merely co-opt elite talent from peripheral countries (Cox, 1981, p. 173). In the new world of 'globalized production', not only is the working class fragmented throughout the world, the periphery is also fragmented.¹² While the Gramscian analysis of change in the international trading regime attempts to factor in a role for states in regime change, it ultimately finds all states hostage to the demands of international capital (Cox, 1987, p. 132). Paradoxically, although states create transnational regimes, they do so in order to adapt the domestic economy to the demands of the world economy.

Weak state influence in regimes

Given that they link regimes with material power, it is not surprising that traditional theoretical approaches generally argue that weak states play a limited role in regime change. The structurally oriented theories of HST and WST suggest that developing countries are unable to influence regimes. In these conceptualizations, regimes are instruments of hegemony.

The effect of peripheral countries on the trading regime is largely indirect and extremely limited. World systems theorists find that non-core states have little control over their economic development or over their

relations with other states. Elites in periphery and semi-periphery states perpetuate this structure of dominance. States, by their function in the international world economy, necessarily support the interests of the core.¹³ Thus, regimes in a world capitalist system serve the core and can only be replaced following international socialist revolution.

Like WST and neorealism, Gramscians see little opportunity for the periphery to improve its position within the prevailing world organization, or much opportunity to influence regimes. Cox argues that elites from developing countries are co-opted into international institutions. Although these developing country elites might seek to change the system from within these institutions, they must work within the structures of passive revolution (Cox, 1983, p. 173). Institutions absorb potentially counter-hegemonic ideas and make these ideas consistent with the hegemonic doctrine. Indeed, Cox claims:

There is very little likelihood of a war of movement at the international level through which radicals would seize control of superstructure of international institutions. ... Third World radicals do not control international institutions. Even if they did, they could achieve nothing by it. These superstructures are inadequately connected with any popular political base. They are connected with the national hegemonic classes in the core countries (Cox, 1983, p. 173).

Developing countries are only able to change regimes by forming a counter-hegemonic bloc and possibly by creating a new set of institutions – this means change from outside the regime.

Neorealists such as Stephen Krasner agree that developing countries might alter regimes only from the outside. Moreover, the scope of their action is limited by the structural imperatives of anarchy (Krasner, 1985). Just as hegemonic stability theorists argue that regimes are undermined by structural imperatives, they also argue that the structure of anarchy overwrites attempts by small states to change regimes. Developing countries' structural weakness predisposes them to seek radical change in market regimes and to gain greater control over international resources.¹⁴ Krasner argues that in movements such as the G77 and its push for an NIEO, developing countries have attempted to limit the developed countries' market power by opposing liberal regimes (Krasner, 1985, p. 313).

In order to do this, developing countries have used the liberal regimes established by a benevolent hegemon to provide them with influence they would not otherwise have had in international relations. However, given that regimes must be created by a hegemon and can only be effective

while this hegemon supports the regime's norms, weak powers are limited in their ability to change the regime (Krasner, 1985, pp. 61–2, 301). As US hegemonic power declines, neorealism suggests that developing country pressure is likely to weaken liberal regimes in the long term.

The structural conditions that prompt developing countries to oppose market-oriented regimes are 'enduring characteristics of the international system' (Krasner, 1985, p. 294). While mutually advantageous deals might be periodically struck between the North and South, tension and conflict prevail. Krasner concludes:

A few Third World states may resign themselves to, or accept, market-oriented regimes because they are very large or domestically agile. But most will not. The North–South conflict will be an enduring characteristic of the international system. There are some problems for which there are no solutions (Krasner, 1985, p. 314).

In contradistinction to the neo-Marxist and neorealist perspectives, neoliberalism acknowledges a greater role for weak states in influencing change in the trading regime from within. The other theoretical approaches cast developing countries in the role of outsider and critic in the multilateral trading regime.

Neoliberalism argues that weaker countries might help to maintain a regime after its hegemonic founder declines. In contrast to the neorealist view, neoliberalism maintains that regimes can become even more important after the decline of their founder, precisely because creating a regime in the first place is so difficult (Hasenclever *et al.*, 1997, p. 39). Regimes might facilitate cooperation on issues that were not thought about at the time of their creation, particularly if such regimes successfully enable states to maximize their gains (Keohane, 1984, pp. 244–7). So neoliberalism tends to explain strengthening multilateralism as an extension and consequence of the GATT regime.

In establishing a norm of reciprocal trade concessions, the trading regime can have some effect on state behavior, even in the absence of strong US leadership in trade negotiations. Only where there is mutual benefit, however. Norms define legitimate behavior and they facilitate the involvement of non-state actors in international policy. Coalitions of weaker states might strategically use these norms to influence other participants (Keohane, 1984, p. 256). However, given that regimes are ultimately instruments of stronger states and they are designed to achieve mutual benefit, the range of such strategic interaction is limited.

Neoliberals accept that regimes encourage states to modify their behavior but not necessarily their identity or understanding of their

relationships with other states. In this purview, learning does not change who the actors are and what they want, only their ability to achieve their wants in a given social setting (Wendt, 1999, p. 333). By ignoring the process through which agreement on mutual interest is formed, this theoretical approach struggles to explain how many developing states, with very different values and wants, adopted similar pro-trade policies during the Uruguay Round.

Neoliberal regimes change the pay off ratio facing states by providing information and providing a deterrent to cheating, but they do not reconstitute states' interests or the roles that states play in international relations. This theoretical stance has a tendency to privilege outcomes over process by assuming that actors are always fully aware of their interests and their preferences are formed prior and externally to inter-state bargaining (Hasenclever *et al.*, 1997, p. 27).

While neoliberalism recognizes that weak states can use regimes for their own purposes, it tends to leave unexplained the process through which they might do it. Neoliberalism does not consider the way that regimes simultaneously shape states' identities and interests. In ignoring the constitutive effects of interaction in international regimes, neoliberalism falls short in explaining the way in which interaction redefined power in the trading regime during the Uruguay Round.

Constructing a new approach to understanding the Uruguay Round

In focusing on the way regimes alter behavior, traditional theories tend to underestimate the change associated with the shift from the GATT to the WTO. By emphasizing the distribution of material power in their analyses of regimes, these theoretical approaches provide limited insight into the way the distribution of influence changed during the Uruguay Round. These theories tend to overestimate the influence of countries with material power and underestimate the influence of those without it. Consequently, they are of limited use in explaining the role reversal of developed and developing countries during the Uruguay Round.

The 1989 Ford Foundation Project on developing countries and the global trading system found that negotiating blocs of developing countries tended to focus less on demanding special concessions.¹⁵ Developing countries negotiators sought to take concrete steps to influence the outcome of trade negotiations and they proved that they had several sources of leverage in trade negotiations (albeit small). They aimed to use this leverage more actively to achieve their goals (Ford

Foundation Report, 1989, p. 5). Moreover, in adopting a new role in support of multilateral trade during the Uruguay Round, developing countries changed the culture of the trading regime.

This suggests that developing countries had greater agential power to influence the trading regime than traditional theories would allow. These theories provide some insight into the conditioning effects that international structures have on states' behavior. However, they under-specify the way states with limited material power might change these structures from inside the regime's structure.

Rather than assuming, as traditional theories do, that state interests and identities can be deduced from their objective characteristics and conditions, constructivism problematizes these interests and identities, arguing that they are constructed through social interaction (Finnemore, 1996, pp. 6–7). Whereas traditional theories argue that states form regimes for purely instrumental reasons, a social theoretical take on regimes begins with a structurationist perspective that finds states (as agents) and structure are mutually constituted (Bryant and Jary, 1991, p. 7). Constructivism argues that these norms shape identities and interests (Ruggie, 1998, p. 4; Reus-Smit, 1996, pp. 2–8).

The key to this argument is that regimes not only change how power is exercised, they can change the meaning of power in a given social setting (Finnemore, 1996, p. 6; Keir, 1997, pp. 3, 144). Structure (or cultural rules) both enables action and constrains its possibilities; it is the outcome as well as the medium of action. Such an approach stands in contradistinction to Waltz's positional understanding of structure (Dessler, 1989, p. 452).

Social theory simultaneously focuses on agency (recognizing the reflexive role of agents in reproducing structures) and system (recognizing that social structures construct identities and interests). Constructivists agree that the process of interaction in social structures or the reproduction of institutions means that structures are simultaneously being shaped by agents and vice versa (Reus-Smit, 1996, p. 9; Doty, 1996, p. 126). Social theory is concerned with the unintended consequences of individual choices and acknowledges their importance for social construction (Kubalkova *et al.*, 1998, p. 20).

Nonetheless, much has been made about whether regime norms are endogenous to people/agents or to structure. As Nicholas Onuf explains, this problem can best be resolved by eschewing a 'chicken and egg' argument. He observes:

Whether we as constructivists, start with agents or with social arrangements, we come quickly enough to particular institutions

and thus to rules. If we start with rules, we can move in either direction – toward agents and the choices that rules give them an opportunity to make, or toward the social arrangements that emerge from the choices that agents are making all the time. Whichever way we go, we ought to keep in mind that rules yield rule as a condition that agents (as institutions) can never escape (Onuf, 1998, p. 63).

It is still possible to understand that the roles states play internationally are defined by interaction, while acknowledging that much of a state's identity is also constructed by domestic culture.¹⁶ Structures can be agents at different levels of social interaction or analysis (Gould, 1998, p. 95). For example, at one level, while states might be agents in the sphere of international trade negotiations, they might also be considered a structure within which citizens interact at different levels of analysis. States are constituted by internal structures that combine a collective idea of the state with rules that institutionalize and authorize collective action by their members (Biersteker and Weber, 1996, pp. 2, 11).

This does not preclude states from acquiring identities and interests through interaction (Wendt, 1999, pp. 243–4).¹⁷ For example, 'sovereignty' is defined substantially because outsiders recognize a particular state as an autonomous territory with particular social characteristics (Biersteker and Weber, 1996, p. 12). The social identities of states (as opposed to their corporate or intrinsic identities) are generated by interaction with other states (Finnemore, 1996, chapter 1). In this sense, interests and identities are, in large part, endogenous to structure. (Wendt, 1996, pp. 48, 51).¹⁸ The role a state plays is partially defined by its interaction with others, and it is influenced by established culturally determined patterns of behavior, as well as by characteristics peculiar to that state.

So, in the constructivist schema, the trading regime is not merely a collection of pragmatic principles, designed and perpetuated by materially powerful states: it is a collective understanding. This interpretation recognizes that knowledgeable agents produce social life by referring to their own or to others' past and anticipated actions in deciding how to act (Onuf, 1998). This produces shared ideas or social structures that appear immutable to individual actors. These ideas constitute legitimate actors in a particular area and condition their behavior (Checkel, 1998, p. 328).

Social norms, culturally determined roles and rules, and historically contingent discourse strongly influence and often construct actors' preferences. Ideas, therefore, construct interests in a way that traditional theories overlook, conditioning agents to see themselves in particular

ways and to want certain things (Finnemore, 1996, p. 15). With respect to international relations, as Wendt argues:

the character of international life is determined by the beliefs and expectations that states have about each other and these are constituted largely by social rather than material structures. This does not mean that material power and interests are unimportant, but rather that their meaning and effects depend on the social structure of the system (Wendt, 1999, p. 20).

To explain this further, it is useful to think of the trading regime as a culture of collectively held ideas about legitimate actors and legitimate practices in trade. It represents shared ideas about the meaning of power, interests and behavior with respect to international trade. Just as the culture of states and the international system involve shared understandings about the relationship between Self and Other, so does the trading regime (Biersteker and Weber, 1996, chapter 1).

The culture of the trading regime may also be understood as a structure of roles. These roles are structural relationships as they are formed by collectively held ideas. In this way, the trading regime defines the relationships of particular actors in trade negotiations. This has important implications for the distribution of agential power. Rules or norms that construct agents as legitimate actors in a particular culture provide resources for weaker states to influence outcomes.

A particular 'culture of trade' might be based on different expected practices and relationships. Countries can expect different trading behavior from each other. For example, an imperialist trading regime is based on relationships between states that are constructed as 'imperial power' and 'colony'. This is based on preferential trading norms and mercantilist protection. Similarly, the GATT was a multilateral trading regime in which trade liberalization was limited by the demands of the welfare state. This regime, based on an 'embedded liberal' welfare compromise, established expectations of limited trade liberalization in industrial products.

Relationships in this regime were based on developing countries acting as 'protectionists' or the 'subaltern' and developed countries acting as 'reciprocal traders'. The GATT regime was characterized by limited protectionism and national employment imperatives. As I will argue later, this trading culture was replaced by a new culture of superlateralism based on a collective identity as 'reciprocal trader'.

The roles that particular cultures create represent generalized understandings about the relationships between states. Although they are

based on repeated interactions between individual states, they represent a collective logic that cannot be reduced to individual actors' behavior (Katzenstein, 1996a, p. 21). Indeed, these cultures can be produced by a variety of different causes or by a variety of different interactions. Actors conform to these cultures for three reasons: because they are forced to; because it is in their self-interest; and because they perceive the norms to be legitimate (Wendt, 1999, pp. 250–4). That is, they are internalized to different degrees. These roles persist over time and only change when a new system-wide pattern of behavior emerges to change the generalized understanding about Self and Other.

In this sense then, actors learn their trading identities or are socialized by the structures of international trade (Finnemore, 1996, p. 13). This learning is quite different from that envisaged by neoliberal institutionalism. Whereas neoliberalism observes states adapting their behavior in response to new incentives provided by regime norms, social theory recognizes that learning happens through cognitive change rather just through adaptation (Kratochwil, 1993, p. 449). Constructivism concentrates on how, by acting in particular ways, states shape expectations about how they will behave in the future.

Identities are predominantly formed through cultural selection. This implies complex learning of new roles, as well as imitation of successful practices. They are also formed by natural selection (through the failure of poorly adapted agents to reproduce) in particular circumstances (Wendt, 1999, chapter 7). In the process of complex learning, actors come to see themselves as reflections of how they think others see them. While they bring some domestically derived aspects of identity to their interaction with each other, states learn to relate to other states in particular ways by repeatedly taking a role with respect to others and casting others in roles (Inayatullah and Blaney, 1996). This enables them to take the perspective of the other. Through this process of complex learning, actors mutually adjust to the representations of Self and Other conveyed in each other's actions.

States might change their conceptions of Self and Other for instrumental reasons initially (Wendt, 1999, p. 334). However, this produces shared understandings and expectations about the relationship over time as actors internalize these roles. Agents learn or internalize new identities that become generalized understandings about Self and Other and the way to behave in a particular sphere (Wendt, 1992, p. 417). Over time, this kind of interaction can produce a shared expectation of imperialism, selective protectionism or trade liberalization. Particular forms of cooperative interaction between states can lead to an evolution of

community or collective identity (Wendt, 1996, p. 57). Where this happens, actors no longer define their interests purely in egoistic terms but acknowledge that their own interests are linked to those of others.

In recognizing the trading regime as a structure of ideas and noting that this structure and states are continuously mutually constructed, social theory provides a new way of looking at change in the trading regime. While cultures tend to be stable, actors can change them over time by changing their behavior (in aggregate) (Giddens, 1976, pp. 129, 134).

The concept of structural change refers to cultural change that changes the generalized understanding of relationships between actors. Such a change is established by a generalized change in behavior that causes states to internalize new roles. It establishes new preferences among actors by changing their identities as well changing their behavior.

This implies changes in many layers of social interaction. Structural change occurs when there is 'collective change of mind' about the relationship between Self and Other. It involves the erosion of old identities and the formation of new ones and suggests change in states at the domestic level or their 'unit-level characteristics', as well as in their interactions. States' behavioral traits vary due to domestic changes in the structure of state-society relations and from the strategic choices of foreign policymakers (Wendt, 1999, p. 319). These changes are distributed or disseminated across the population of states by the processes of natural selection (when poorly adapted actors fail to reproduce), complex social learning and through imitation of successful behaviors (Wendt, chapter 7).

Nonetheless, cultural change cannot be reduced to the actions of individuals or individual states. A cultural change can be produced in various ways and in response to many different stimuli. Wendt identifies four systemic conditions that cause states to change their behavior towards each other (to adopt cooperative or antisocial behaviors) and subsequently produce new generalized identities (Wendt, 1999, chapter 7). These can be thought of as conditions of the social environment that are produced in multiple ways. The main systemic characteristics or causal mechanisms that influence states' relationships are levels of interdependence, common fate, homogeneity and self-restraint. Significantly, these conditions are not only objective or material conditions but also subjectively understood. It is the subjective understanding of these conditions and what they mean that constitutes a collective identity in which actors experience each other's gains and losses as their own (Wendt, 1999, p. 344).

Logically, states' abilities to identify their own interests with each other are influenced by the extent to which the states in question are homogenous or similar and whether they recognize this similarity. For example, states that share a similar domestic socio-economic organization (such as a welfare state focus) and policy objectives, might be better able to identify with each other in trade matters than those that have completely different socio-economic objectives. States that recognize that they are interdependent in the sense that the outcome of their interaction depends on the choices of the others might identify their own interests in terms of others. A collective identity is also formed when states recognize that they share a common fate. Epistemic communities that disseminate this knowledge or help produce a discourse of common fate provide a collective way of understanding a particular circumstance. Furthermore, a generalized practice and recognition of self-restraint is also needed if states are to form a collective identity.

A change in these environmental conditions can prompt states to adopt new behaviors that erode their old generalized identities, causing a cultural or structural change. For example, objectively greater homogeneity, interdependence, common fate and self-restraint, and collective recognition of these conditions, prompts states to engage in cooperative behaviors. This creates a collective identity as states redefine the boundaries between Self and Other (Wendt, 1999, p. 342).

The structurationist insight into regimes also offers a new way of understanding how regimes such as the trading regime work. Although material power influences the distribution of ideas, it does not determine collective understandings. As Ann Florini argues, norms held by powerful actors 'have many more opportunities to reproduce through the greater number of opportunities afforded to powerful states to persuade others of the rightness of their views' (Florini, 1996, p. 375). Neither does material power determine outcomes in the way that traditional theories suggest. Norms are resources that might enable actors with limited material power to influence outcomes (Checkel, 1998, p. 326). Social theory emphasizes the discursive, deliberative, and persuasive aspects of communication and argument in forming and changing regimes. Policy not only relies on physical capability, but it also requires a framework of meaning in which the intentional and the unintended consequences of action can become a framework for interaction (Dessler, 1989, p. 454). Hence, social theory helps to provide some insight into how states with limited material power can influence regime change and cultural transformation.

Conclusions

So while traditional theories that emphasize the importance of material power in regimes find a limited role for weak states in regime change, social theory provides a more textured way of understanding power in regimes. In understanding regimes to be merely superstructures on a material base, traditional theories have considerable difficulty in explaining how developing countries adopted a new role during the Uruguay Round. In focusing on the regulatory aspect of regime norms they ignore the processes through which the trading regime works, specifically, the way in which the regime constructs states' interests and identities. Not only do these theories underestimate the change associated with the shift from the GATT to the WTO, they underestimate the way in which new norms changed the distribution of influence in trade matters.

In contradistinction, social theory finds that the trading regime is a structure of collectively held ideas. Therefore, the shift from the GATT to the WTO can be explained in terms of a cultural change in which states redefined their respective roles. A structurationist approach that recognizes that structures and states continuously reproduce each other also provides a more textured view of the role of weak states in regimes. As the following chapter will explain, the way in which states adopted and used new trading norms during the Uruguay Round changed the culture of the trading regime.

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