


China Sea, but it has not fought a military battle in 25 years. With the transfer of Hong Kong from Britain in 1997, China acquired a valuable asset and turned to hopes of someday reintegrating Taiwan as well, under the Hong Kong formula of “one country, two systems.” China is the only great power from the global South. Its population size and rapid industrialization from a low starting point make China a big factor in the future of global environmental trends such as global warming. All these elements make China an important actor in the coming decades.

It remains to be seen whether, in the coming years, the international system can provide China with appropriate status and respect to reflect its rising power and historical importance, and whether China in turn can come to conform with international rules and norms. So will the Chinese leadership’s decisions about whether to encourage or discourage the rising tide of nationalism among China’s young people as communist ideology loses its hold.

The transition into the post–Cold War era has been a turbulent time, full of changes and new possibilities both good and bad. It is likely, however, that the basic rules and principles of IR—those that scholars have long struggled to understand—will continue to apply, though their contexts and outcomes may change. Most central to those rules and principles is the concept of power, to which we now turn.

 **Study and Review**  
the Post-Test &  
Chapter Exam  
at **MyPoliSciLab**

 **Watch the Video** “Authors’ Chapter Wrap Up” at **MyPoliSciLab**

## CHAPTER REVIEW

### SUMMARY

- IR affects daily life profoundly; we all participate in IR.
- IR is a field of political science concerned mainly with explaining political outcomes in international security affairs and international political economy.
- Theories complement descriptive narratives in explaining international events and outcomes, and although scholars do not agree on a single set of theories or methods, three core principles shape various solutions to collective goods problems in IR.
- States are the most important actors in IR; the international system is based on the sovereignty of about 200 independent territorial states of varying size.
- Nonstate actors such as intergovernmental organizations (IGOs), nongovernmental organizations (NGOs), and multinational corporations (MNCs) exert a growing influence on international relations.
- Four levels of analysis—individual, domestic, interstate, and global—suggest multiple explanations (operating simultaneously) for outcomes in IR.
- Globalization is conceived differently by various scholars, but generally refers to the growing scope, speed, and intensity of connectedness worldwide. The process may be weakening, strengthening, or transforming the power of states. Antiglobalization activists oppose growing corporate power but disagree on goals and tactics.
- World Wars I and II dominated the 20th century, yet they seem to offer contradictory lessons about the utility of hardline or conciliatory foreign policies.
- For nearly 50 years after World War II, world politics revolved around the East–West rivalry of the Cold War. This bipolar standoff created stability and avoided great power wars, including nuclear war, but turned states in the global South into proxy battlegrounds.
- The post–Cold War era holds hope of growing peace and great-power cooperation despite the appearance of new ethnic and regional conflicts.

- The U.S. military campaign in Iraq overthrew a dictator, but divided the great powers, heightened anti-Americanism worldwide, and led to years of insurgency and sectarian violence.
- The NATO campaign in Afghanistan against Taliban influence is to end in 2014. In 2011, U.S. Special Forces killed Osama bin Laden in Pakistan, where drone attacks targeted other militants.
- The Arab Spring uprisings in 2011–2013 overthrew governments in Tunisia, Egypt, Libya, and Yemen, and sparked a brutal civil war in Syria.

### KEY TERMS

international relations (IR)	3	state	13	League of Nations	27
collective goods		international system	13	Munich Agreement	27
problem	4	nation-states	13	Cold War	31
dominance	5	Gross Domestic Product (GDP)	14	containment	31
reciprocity	5	nonstate actors	15	Sino-Soviet split	31
identity	6	intergovernmental organization (IGO)	15	summit meeting	31
issue areas	11	nongovernmental organization (NGO)	15	Cuban Missile Crisis	32
conflict and cooperation	11	globalization	19	proxy wars	32
international security	12	North-South gap	21		
international political economy (IPE)	12				

### CRITICAL THINKING QUESTIONS

1. Pick a current area in which interesting international events are taking place. Can you think of possible explanations for those events from each of the four levels of analysis? (See Table 1.3, p. 18.) Do explanations from different levels provide insights into different aspects of the events?
2. The Cold War is long over, but its influences linger. Can you think of three examples in which the Cold War experience continues to shape the foreign policies of today’s states?
3. In what ways does international economics affect our daily lives? Is this true for all people in all places? Or do economic processes such as globalization affect some regions more than others?
4. Given the contradictory lessons of World Wars I and II, can you think of situations in today’s world in which appeasement (a conciliatory policy) would be the best course? Situations in which hardline containment policies would be best? Why?
5. What do you expect will be the character of the 21st century? Peaceful? War-prone? Orderly? Chaotic? Why do you have the expectations you do, and what clues from the unfolding of events in the world might tell you whether your guesses are correct?

# CHAPTER REVIEW



Watch the Video “Authors’ Chapter Wrap Up” at [MyPoliSciLab](#)

## SUMMARY

- Realism explains international relations in terms of power.
- Realists and idealists differ in their assumptions about human nature, international order, and the potential for peace.
- Power can be conceptualized as influence or as capabilities that can create influence.
- The most important single indicator of a state’s power is its GDP.
- Short-term power capabilities depend on long-term resources, both tangible and intangible.
- Realists consider military force the most important power capability.
- International anarchy—the absence of world government—means that each state is a sovereign and autonomous actor pursuing its own national interests.
- The international system traditionally places great emphasis on the sovereignty of states, their right to control affairs in their own territory, and their responsibility to respect internationally recognized borders.
- Seven great powers account for half of the world’s GDP as well as the great majority of military forces and other power capabilities.
- Power transition theory says that wars often result from shifts in relative power distribution in the international system.
- Hegemony—the predominance of one state in the international system—can help provide stability and peace in international relations, but with some drawbacks.
- The great power system is made up of about half a dozen states (with membership changing over time as state power rises and falls).
- States form alliances to increase their effective power relative to that of another state or alliance.
- Alliances can shift rapidly, with major effects on power relations.


### Chapter 2 Realist Theories

- The world’s main alliances, including NATO and the U.S.-Japanese alliance, face uncertain roles in a changing world order.
- International affairs can be seen as a series of bargaining interactions in which states use their power capabilities as leverage to influence the outcomes. But bargaining outcomes also depend on strategies and luck.



All three strands of feminist theories provide explanations that often differ from both realist and liberal theories. In the case of response to aggression, feminists might call attention to the importance of gender roles such as the need for state leaders to prove their manhood by standing up to the bad guys. This is connected with the male role as protector of the orderly domestic sphere (home, family, country) against the dangerous and anarchic outside world. Since 2001, gender roles have become increasingly visible on both sides of the “war on terror,” with both women’s positions in society and men’s concepts of masculinity becoming contested territory between the West and armed Islamic groups. Traditional theories of IR that ignore these issues may lack explanatory power as a result.

Whether states’ interests reflect fixed assumptions about power and well-being or are constructed by states and substate actors based on ideas and social interactions, those interests do sometimes conflict with those of other states. Such conflicts are the subject of the next chapter.

 **Study and Review**  
the Post-Test &  
Chapter Exam  
at **MyPoliSciLab**

 **Watch the Video** “Authors’ Chapter Wrap Up” at **MyPoliSciLab**

## CHAPTER REVIEW

### SUMMARY

- The central claims of realism—regarding anarchy, state actors, rationality, and the utility of military force—have been challenged on a variety of grounds.
- Liberals dispute the realist notion that narrow self-interest is more rational than mutually beneficial cooperation.
- Reciprocity can be an effective strategy for reaching cooperation in ongoing relationships but carries a danger of turning into runaway hostility or arms races.
- Neoliberalism argues that even in an anarchic system of autonomous rational states, cooperation can emerge through the building of norms, regimes, and institutions.
- Collective goods are benefits received by all members of a group regardless of their individual contribution. Shared norms and rules are important in getting members to pay for collective goods.
- International regimes—convergent expectations of state leaders about the rules for issue areas in IR—help provide stability in the absence of a world government.
- Hegemonic stability theory suggests that the holding of predominant power by one state lends stability to international relations and helps create regimes.
- In a collective security arrangement, a group of states agrees to respond together to aggression by any participating state; the UN and other IGOs perform this function.
- Democracies have historically fought as many wars as authoritarian states, but democracies have almost never fought wars against other democracies. This is called the democratic peace.
- Constructivists reject realist assumptions about state interests, tracing those interests in part to social interactions and norms.
- Postmodern critics reject the entire framework and language of realism, with its unitary state actors. Postmodernists argue that no simple categories can capture the multiple realities experienced by participants in IR.
- Marxists view international relations, including global North-South relations, in terms of a struggle between economic classes (especially workers and owners) that have different roles in society and different access to power.

- Peace studies programs are interdisciplinary and seek to broaden the study of international security to include social and economic factors ignored by realism.
- For scholars in peace studies, militarism in many cultures contributes to states’ propensity to resort to force in international bargaining.
- Feminist scholars of IR agree that gender is important in understanding IR but diverge into several strands regarding their conception of the role of gender.
- Difference feminists argue that men are more warlike on average than women. They believe that although individual women participants (such as state leaders) may not reflect this difference, the participation of large numbers of women would make the international system more peaceful.
- Liberal feminists disagree that women have substantially different capabilities or tendencies as participants in IR. They argue that women are equivalent to men in virtually all IR roles. As evidence, liberal feminists point to historical and present-day women leaders and women soldiers.
- Postmodern feminists seek to uncover gender-related subtexts implicit in realist discourse, including sexual themes connected with the concept of power.

### KEY TERMS

interdependence	87	economic classes	103	difference	
neoliberal	88	Marxism	104	feminism	112
international regime	90	conflict resolution	106	liberal feminism	112
collective security	92	mediation	106	postmodern	
democratic peace	95	militarism	107	feminism	112
constructivism	97	positive peace	108	gender gap	115
postmodernism	102	world government	109		
subtext	103	peace movements	109		

### CRITICAL THINKING QUESTIONS

1. U.S.-Canadian relations seem better explained by liberal institutionalism than by realism. What other (one or more) interstate relationships have this quality? Show how the contrasting tenets of realism and liberal institutionalism each applies to the relationship(s).
2. Inasmuch as democracies almost never fight wars against each other, do existing democracies have a national security interest in seeing democratization spread to China and other authoritarian states? If so, how can that interest be reconciled with the long-standing norm of noninterference in the internal affairs of other sovereign states?
3. Can you think of a case in which a state’s actions clearly followed a constructed identity rather than objective national interests? Where did the key ideas in that identity originate and how did they come to influence the state’s actions?
4. Would IR operate differently if most leaders of states were women? What would the differences be? What evidence (beyond gender stereotypes) supports your answer?
5. In what ways do the explanations of IR events change if women are considered primary players rather than peripheral ones? Which women, in which roles, would you consider important?



Watch the Video "Authors' Chapter Wrap Up" at [MyPoliSciLab](#)

## CHAPTER REVIEW

### SUMMARY

- Foreign policies are strategies governments use to guide their actions toward other states. The foreign policy process is the set of procedures and structures that states use to arrive at foreign policy decisions and to implement them.
- In the rational model of decision making, officials choose the action whose consequences best help meet the state's established goals. By contrast, in the organizational process model, decisions result from routine administrative procedures; in the government bargaining (or bureaucratic politics) model, decisions result from negotiations among governmental agencies with different interests in the outcome.
- The actions of individual decision makers are influenced by their personalities, values, and beliefs as well as by common psychological factors that diverge from rationality. These factors include misperception, selective perception, emotional biases, and cognitive biases (including the effort to reduce cognitive dissonance).
- Foreign policy decisions are also influenced by the psychology of groups (including *groupthink*), the procedures used to reach decisions, and the roles of participants. During crises, the potentials for misperception and error are amplified.
- Struggles over the direction of foreign policy are common between professional bureaucrats and politicians, as well as between different government agencies.
- Domestic constituencies (interest groups) have distinct interests in foreign policies and often organize politically to promote those interests.
- Prominent among domestic constituencies—especially in the United States and Russia, and especially during the Cold War—have been military-industrial complexes consisting of military industries and others with an interest in high military spending.
- Public opinion influences governments' foreign policy decisions (more so in democracies than in authoritarian states), but governments also manipulate public opinion.
- Legislatures can provide a conduit for public opinion and interests groups to influence foreign policy. Executives and legislators may differ on how to best achieve a state's national interest.



## SUMMARY

- When violent means are used as leverage in international conflicts, a variety of types of war result. These vary greatly in size and character, from guerrilla wars and raids to hegemonic war for leadership of the international system. Along this spectrum of uses of violence, the exact definition of war is uncertain.
- Many theories have been offered as general explanations about when such forms of leverage come into play—the causes of war. Contradictory theories have been proposed at each level of analysis and, with two exceptions, none has strong empirical support. Thus, political scientists cannot reliably predict the outbreak of war.
- Nationalism strongly influences IR; conflict often results from the perception of nationhood leading to demands for statehood or for the adjustment of state borders.
- Ethnic conflicts, especially when linked with territorial disputes, are very difficult to resolve because of psychological biases. It is hard to explain why people's loyalties are sometimes to their ethnic group and sometimes to a multiethnic nation.
- Fundamentalist religious movements pose a broad challenge to the rules of the international system in general and state sovereignty in particular.
- Ideologies do not matter very much in international relations, with the possible exception of democracy as an ideology. State leaders can use ideologies to justify whatever actions are in their interests.
- Territorial disputes are among the most serious international conflicts because states place great value on territorial integrity. With a few exceptions, however, almost all the world's borders are now firmly fixed and internationally recognized.
- Conflicts over the control of entire states (through control of governments) are also serious and are relatively likely to lead to the use of force.
- Economic conflicts lead to violence much less often, because positive gains from economic activities are more effective inducements than negative threats of violence.





## SUMMARY

- Military forces include a wide variety of capabilities suited to different purposes. Conventional warfare requires different kinds of forces than those needed to threaten the use of nuclear, chemical, or biological weapons.
- Control of territory is fundamental to state sovereignty and is accomplished primarily with ground forces.
- Air war, using precision-guided bombs against battlefield targets, proved extremely effective in the U.S. campaigns in Iraq in 1991, Serbia in 1999, Afghanistan in 2001, and Iraq in 2003.
- Small missiles and electronic warfare are increasingly important, especially for naval and air forces. The role of satellites is expanding in communications, navigation, and reconnaissance.
- Terrorism is effective if it damages morale in a population and gains media exposure for the cause.
- The September 2001 attacks differed from earlier terrorism both in their scale of destruction and in the long reach of the global al Qaeda terrorist network. The attacks forced dramatic changes in U.S. and worldwide security arrangements and sparked U.S. military intervention in Afghanistan to overthrow the Taliban regime and destroy the al Qaeda bases there.
- Weapons of mass destruction—nuclear, chemical, and biological—have rarely been used in war.
- The production of nuclear weapons is technically within the means of many states and some nonstate actors, but the necessary fissionable material (uranium-235 or plutonium) is very difficult to obtain.
- Most industrialized states, and many poor ones, have refrained voluntarily from acquiring nuclear weapons. These states include two great powers, Germany and Japan.
- More states are acquiring ballistic missiles capable of striking other states from hundreds of miles away (or farther, depending on the missile's range). But no state has ever attacked another with weapons of mass destruction mounted on ballistic missiles.
- Chemical weapons are cheaper to build than nuclear weapons, they have similar threat value, and their production is harder to detect. More middle powers have chemical weapons than nuclear ones. A new treaty bans the possession and use of chemical weapons.
- Several states conduct research into biological warfare, but by treaty the possession of such weapons is banned.
- Slowing the proliferation of ballistic missiles and weapons of mass destruction in the global South is a central concern of the great powers.
- The United States is testing systems to defend against ballistic missile attack, although none has yet proven feasible, and withdrew from the ABM Treaty with Russia to pursue this program.

## Chapter 6 Military Force and Terrorism

- The United States and Russia have arsenals of thousands of nuclear weapons; China, Britain, and France have hundreds. Israel, India, and Pakistan each have scores. Weapons deployments are guided by nuclear strategy based on the concept of deterrence.
- Arms control agreements formally define the contours of an arms race or mutual disarmament process. Arms control helped build confidence between the superpowers during the Cold War.
- Political leaders face difficult choices in configuring military forces and paying for them. Military spending tends to stimulate economic growth in the short term but reduce growth over the long term.
- In the 1990s, military forces and expenditures of the great powers—especially Russia—were reduced and restructured.
- Except in times of civil war, state leaders—whether civilian or military—control military forces through a single hierarchical chain of command.
- Military forces can threaten the domestic power of state leaders, who are vulnerable to being overthrown by coups d'état.

## SUMMARY

- International anarchy is balanced by world order—rules and institutions through which states cooperate for mutual benefit.
- States follow the rules—both moral norms and formal international laws—much more often than not. These rules operate through institutions (IOs), with the UN at the center of the institutional network.
- The UN embodies a tension between state sovereignty and supranational authority. In part because of its deference to state sovereignty, the UN has attracted virtually universal membership of the world's states, including all the great powers.
- The UN particularly defers to the sovereignty of great powers, five of whom as permanent Security Council members can each block any security-related resolution binding on UN member states. The five permanent members of the Security Council are the United States, France, Great Britain, China, and Russia.
- Each of the 193 UN member states has one vote in the General Assembly, which serves mainly as a world forum and an umbrella organization for social and economic development efforts.
- The UN is administered by international civil servants in the Secretariat, headed by the secretary-general.
- The regular UN budget plus all peacekeeping missions together amount to far less than 1 percent of what the world spends on military forces.
- UN peacekeeping forces are deployed in regional conflicts in five world regions. Their main role is to monitor compliance with agreements such as cease-fires, disarmament plans, and fair election rules. They were scaled back dramatically in 1995–1997, then grew rapidly since 1998.
- UN peacekeepers operate under the UN flag and command. Sometimes national troops operate under their own flag and command to carry out UN resolutions.
- IOs include UN programs (mostly on economic and social issues), autonomous UN agencies, and organizations with no formal tie to the UN. This institutional network helps strengthen and stabilize the rules of IR.
- International law, the formal body of rules for state relations, derives from treaties (most important), custom, general principles, and legal scholarship—not from legislation passed by any government.
- International law is difficult to enforce and is enforced in practice by national power, international coalitions, and the practice of reciprocity.
- The World Court hears grievances of one state against another but cannot infringe on state sovereignty in most cases. It is an increasingly useful avenue for arbitrating relatively minor conflicts.
- A permanent International Criminal Court (ICC) began operations in 2003. Taking over from two UN tribunals, it hears cases of genocide, war crimes, and crimes against humanity.
- In international law, diplomats have long had special status. Embassies are considered the territory of their home country.
- Laws of war are also long-standing and well established. They distinguish combatants from civilians, giving each certain rights and responsibilities. Guerrilla wars and ethnic conflicts have blurred these distinctions.
- International norms concerning human rights are becoming stronger and more widely accepted. However, human rights law is problematic because it entails interference by one state in another's internal affairs.

## SUMMARY

- Liberal economics emphasizes international cooperation—especially through worldwide free trade—to increase the total creation of wealth (regardless of its distribution among states).
  - Mercantilism emphasizes the use of economic policy to increase state power relative to that of other states. It mirrors realism in many ways. Mercantilists favor trade policies that produce a trade surplus for their own state. Such a positive trade balance generates money that can be used to enhance state power.
  - Trade creates wealth by allowing states to specialize in producing goods and services for which they have a comparative advantage (and importing other needed goods).
  - The distribution of benefits from an exchange is determined by the price of the goods exchanged. With many buyers and sellers, prices are generally determined by market equilibrium (supply and demand).
  - Politics interferes in international markets in many ways, including the use of economic sanctions as political leverage on a target state. However, sanctions are difficult to enforce unless all major economic actors agree to abide by them.
  - States that have reduced their dependence on others by pursuing self-sufficient autarky have failed to generate new wealth to increase their well-being. Self-reliance, like central planning, has been largely discredited as a viable economic strategy.
  - Through protectionist policies, many states try to protect certain domestic industries from international competition. Such policies tend to slow down the global creation of wealth but do help the particular industry in question. Protectionism can be pursued through various means, including import tariffs (the favored method), quotas, subsidies, and other nontariff barriers.
  - The volume of world trade is very large—about one-sixth of global economic activity—and is concentrated heavily in the states of the industrialized West (Western Europe, North America, and Japan/Pacific) and China.
  - Over time, the rules embodied in trade regimes (and other issue areas in IR) become the basis for permanent institutions, whose administrative functions provide yet further stability and efficiency in global trade.
  - The World Trade Organization (WTO), formerly the GATT, is the most important multilateral global trade agreement. The GATT was institutionalized in 1995 with the creation of the WTO, which expanded the focus on manufactured goods to consider agriculture and services. Intellectual property is another recent focus.
  - In successive rounds of GATT negotiations over 50 years, states have lowered overall tariff rates (especially on manufactured goods). The Uruguay Round of the GATT, completed in 1994, added hundreds of billions of dollars to the global creation of wealth. The Doha Round began in 2003 and has yet to conclude. Meanwhile textile tariffs were dropped worldwide in January 2005.
  - Although the WTO provides a global framework, states continue to operate under thousands of bilateral trade agreements specifying the rules for trade in specific products between specific countries.
- 
- Regional free trade areas (with few if any tariffs or nontariff barriers) have been created in Europe, North America, and several other less important instances. NAFTA includes Canada, Mexico, and the United States.
  - International cartels are occasionally used by leading producers (sometimes in conjunction with leading consumers) to control and stabilize prices for a commodity on world markets. The most visible example in recent decades has been the oil producers' cartel, OPEC, whose members control more than half the world's exports of a vital commodity, oil.
  - Industries often lobby their own governments for protection. Governments in many states develop industrial policies to guide their efforts to strengthen domestic industries in the context of global markets.
  - Certain economic sectors—especially agriculture, intellectual property, services, and military goods—tend to deviate more than others from market principles. Political conflicts among states concerning trade in these sectors are frequent.
  - Because there is no world government to enforce rules of trade, such enforcement depends on reciprocity and state power. In particular, states reciprocate each other's cooperation in opening markets (or punish each other's refusal to let in foreign products). Although it leads to trade wars on occasion, reciprocity has achieved substantial cooperation in trade.
  - The world economy has generated wealth at an accelerating pace in the past two centuries and is increasingly integrated on a global scale, although with huge inequalities.
  - Communist states during the Cold War operated centrally planned economies in which national governments set prices and allocated resources. Almost all these states are now in transition toward market-based economies, which more efficiently generate wealth.
  - Free trade agreements have led to a backlash from politically active interest groups



## SUMMARY

- Each state uses its own currency (except 17 states share the euro). These currencies have no inherent value but depend on the belief that they can be traded for future goods and services.
- Gold and silver were once used as world currencies that had value in different countries. Today's system is more abstract: national currencies are valued against each other through exchange rates.
- The most important currencies—against which most other states' currencies are compared—are the U.S. dollar, the euro, and the Japanese yen.
- Inflation, most often resulting from the printing of currency faster than the creation of new goods and services, causes the value of a currency to fall relative to other currencies. Inflation rates vary widely but are generally much higher in the global South and former Soviet bloc than in the industrialized West.
- States maintain reserves of hard currency and gold. These reserves back a national currency and cover short-term imbalances in international financial flows.
- Fixed exchange rates can be used to set the relative value of currencies, but more often states use floating exchange rates driven by supply and demand on world currency markets.
- Governments cooperate to manage the fluctuations of (floating) exchange rates but are limited in this effort by the fact that most money traded on world markets is privately owned.
- Over the long term, the relative values of national currencies are determined by the underlying health of the national economies and by the monetary policies of governments (how much money they print).
- Governments often prefer a low (weak) value for their own currency, as this promotes exports, discourages imports, and hence improves the state's balance of trade. However, a sudden unilateral devaluation of the currency is a risky strategy because it undermines confidence in the currency.
- To ensure discipline in printing money—and to avoid inflation—industrialized states turn monetary policy over to semiautonomous central banks, such as the U.S. Federal Reserve. By adjusting interest rates on government money loaned to private banks, a central bank can control the supply of money in the national economy.
- The World Bank and the International Monetary Fund (IMF) work with states' central banks to maintain stable international monetary relations. From 1945 to 1971, this was done by pegging state currencies to the U.S. dollar and the dollar in turn to gold. Since then the system has used Special Drawing Rights (SDRs)—a kind of world currency controlled by the IMF—in place of gold.
- The IMF operates a system of national accounts to keep track of the flow of money into and out of states. The balance of trade (exports minus imports) must be balanced by capital flows (investments and loans) and changes in reserves.
- International debt results from a protracted imbalance in capital flows—a state borrowing more than it lends—to cover a chronic trade deficit or government budget deficit.
- The U.S. financial position declined naturally from its extraordinary predominance immediately after World War II. The fall of the dollar-gold standard in 1971 reflects this decline.
- The positions of Russia and the other states of the former Soviet bloc declined drastically as they made the difficult transition from communism to capitalism. Though the uncontrolled inflation of the early 1990s has subsided, the economies of the former Soviet republics are still not fully integrated into the world economy.
- Multinational corporations (MNCs) do business in more than one state simultaneously. The largest are based in the leading industrialized states, and most are privately owned. MNCs are increasingly powerful in international economic affairs.
- MNCs contribute to international interdependence in various ways. States depend on MNCs to create new wealth, and MNCs depend on states to maintain international stability conducive to doing business globally.
- MNCs try to negotiate favorable terms and look for states with stable currencies and political environments in which to make direct investments. Governments seek such foreign investments on their territories so as to benefit from the future stream of income.
- MNCs try to influence the international political policies of both their headquarters state and the other states in which they operate. Generally, MNCs promote policies favorable to business—low taxes, light regulation, stable currencies, and free trade. They also support stable international security relations, because war generally disrupts business.
- Increasingly, MNCs headquartered in different states are forming international alliances with each other. These inter-MNC alliances, even more than other MNC operations across national borders, are creating international interdependence and promoting liberal international cooperation.

## SUMMARY

- Supranational processes bring states together in larger structures and identities. These processes generally lead to an ongoing struggle between nationalism and supranationalism.
  - International integration—the partial shifting of sovereignty from the state toward supranational institutions—is considered an outgrowth of international cooperation in functional (technical and economic) issue areas.
  - Integration theorists thought that functional cooperation would spill over into political integration in foreign policy and military issue areas. Instead, forces of disintegration tore apart previously existing states such as the Soviet Union.
  - The European Union (EU) is the most advanced case of integration. Its 28 member states have given considerable power to the EU in economic decision making. However, national power still outweighs supranational power even in the EU.
  - Since the founding of the European Coal and Steel Community (ECSC) in 1952, the mission and membership of what is now the EU have expanded continually.
  - The most important and most successful element in the EU is its customs union (and the associated free trade area). Goods can cross borders of member states freely, and the members adopt unified tariffs with regard to goods entering from outside the EU.
- 
- Under the EU's Common Agricultural Policy (CAP), subsidies to farmers are made uniform within the community. Carrying out the CAP consumes 40 percent of the EU's budget. EU agricultural subsidies are a major source of trade conflict with the United States.
  - The EU has a monetary union with a single European currency (the euro) in 17 of the 28 EU states. It is the biggest experiment with money in history and had great success in its first years but hit a crisis in 2010–2013 over members' debts. A monetary union requires roughly comparable inflation rates and financial stability in participating states.
  - In structure, the EU revolves around the permanent staff of Eurocrats under the European Commission. The Commission's president, individual members, and staff all serve Europe as a whole—a supranational role. However, the Council of the European Union representing member states (in national roles) has power over the Commission.
  - The European Parliament has members directly elected by citizens in EU states, but it has few powers and cannot legislate the rules for the community. The European Court of Justice also has limited powers, but has extended its jurisdiction more successfully than any other international court, and can overrule national laws.
  - The 1991 Maastricht Treaty on closer European integration (monetary union and political-military coordination) provoked a public backlash in several countries against the power of EU bureaucrats.
  - Twelve new members, mostly Eastern European, joined the EU in 2004 and 2007. The EU's structures and procedures were adapted as it moved from 15 to 27 members. The EU faces challenges in deciding how far to expand its membership, particularly regarding Turkey.
  - A different type of international integration can be seen in the growing role of communication and information operating across national borders. Supranational relationships and identities are being fostered by new information technologies—especially mass media such as TV, radio, and the Internet—although the process is still in an early stage.
  - Internet governance is under negotiation at UN meetings, notably one in 2012, where 89 countries supported a new treaty giving governments more power, but 55 others would not sign.
  - Governments use the dissemination of information across borders as a means of influencing other states. Government access to information can also increase the stability of international relationships, since the security dilemma and other collective goods problems become less difficult in a transparent world.
  - The greater and freer flow of information around the world can undermine the authority and power of governments as well. Authoritarian governments find it hard to limit the flow of information into and out of their states.
  - Telecommunications are contributing to the development of global cultural integration. This process may hold the potential for the development of a single world culture. However, some politicians and citizens worry about cultural imperialism—that such a culture would be too strongly dominated by the United States.
  - Transnational communities in areas such as sports, music, and tourism may foster supranational identities that could someday compete with the state for the loyalty of citizens.

## SUMMARY

- Environmental problems are an example of international interdependence and often create collective goods problems for the states involved. The large numbers of actors involved in global environmental problems make them more difficult to solve.
  - To resolve such collective goods problems, states have used international regimes and IOs, and have in some cases extended state sovereignty (notably over territorial waters) to make management a national rather than an international matter.
  - International efforts to solve environmental problems aim to bring about sustainable economic development.
  - Global warming results from burning fossil fuels—the basis of industrial economies today. The industrialized states are much more responsible for the problem than are developing countries, but countries such as China and India also contribute to the problem. Solutions are difficult to reach because costs are substantial and dangers are somewhat distant and uncertain.
  - Damage to the earth's ozone layer results from the use of specific chemicals, which are now being phased out under international agreements. Unlike global warming, the costs of solutions are much lower and the problem is better understood.
  - Many species are threatened with extinction due to loss of habitats such as rain forests. An international treaty on biodiversity and an agreement on forests aim to reduce the destruction of local ecosystems, with costs spread among states.
  - The UN Convention on the Law of the Sea (UNCLOS) establishes an ocean regime that puts most commercial fisheries and offshore oil under control of states as territorial waters.
  - Pollution—including acid rain, water and air pollution, and toxic and nuclear waste—tends to be more localized than global and has been addressed mainly through unilateral, bilateral, and regional measures rather than global ones.
  - Most Western states import energy resources, mostly oil, whereas the other world regions export them. Oil prices rose dramatically in the 1970s but declined in the 1980s as the world economy adjusted by increasing supply and reducing demand. Prices spiked again around 1991 and 2007–2008 before collapsing in 2008. Such fluctuations undermine world economic stability.
  - The most important source of oil traded worldwide is the Persian Gulf area of the Middle East. Consequently, this area has long been a focal point of international political conflict.
  - World population—now at 7 billion—may eventually level out around 10 billion. Virtually all of the increase will come in the global South.
  - Future world population growth will be largely driven by the demographic transition. Death rates have fallen throughout the world, but birthrates will fall proportionally only as per capita incomes go up. The faster the economies of poor states develop, the sooner their populations will level out.
- 
- Government policies can reduce birthrates somewhat at a given level of per capita income. Effective policies are those that improve access to birth control and raise the status of women in society. Actual policies vary, from China's very strict rules on childbearing to pronatalist governments that encourage maximum birthrates and outlaw birth control.
  - The global HIV/AIDS epidemic creates huge costs for many poor states. Currently 33 million people are infected with HIV, and 30 million more have died. Most are in Africa, but new infections are growing rapidly in Asia and Russia.



## SUMMARY

- Most of the world's people live in poverty in the global South. About a billion live in extreme poverty, without access to adequate food, water, and other necessities.
- Wealth accumulation (including the demographic transition discussed in Chapter 11) depends on the meeting of basic human needs such as access to food, water, education, shelter, and health care. Third world states have had mixed success in meeting their populations' basic needs.
- Hunger and malnutrition are rampant in the global South. The most important cause is the displacement of subsistence farmers from their land because of war, population pressures, and the conversion of agricultural land into plantations growing export crops to earn hard currency.
- Urbanization is increasing throughout the global South as more people move from the countryside to cities. Huge slums have grown in the cities as poor people arrive and cannot find jobs.
- Women's central role in the process of accumulation has begun to be recognized. International agencies based in the North have started taking women's contributions into account in analyzing economic development in the South.
- Poverty in the South has led huge numbers of migrants to seek a better life in the North; this has created international political frictions. War and repression in the South have generated millions of refugees seeking safe haven. Under international law and norms, states are generally supposed to accept refugees but do not have to accept migrants.
- War has been a major impediment to meeting basic needs, and to wealth accumulation generally, in poor countries. Almost all the wars of the past 50 years have been fought in the global South.
- Moving from poverty to well-being requires the accumulation of capital. Capitalism and socialism take different views on this process. Capitalism emphasizes overall growth with considerable concentration of wealth, whereas socialism emphasizes a fair distribution of wealth.
- Most states have a mixed economy with some degree of private ownership of capital and some degree of state ownership. However, state ownership has not been very successful in accumulating wealth. Consequently, many states have been selling off state-owned enterprises (privatization), especially in Russia and Eastern Europe.
- Since Lenin's time, many Marxists have attributed poverty in the South to the concentration of wealth in the North. In this theory, capitalists in the North exploit the South economically and use the wealth thus generated to buy off workers in the North. Revolutions thus occur in the South and are ultimately directed against the North.
- IR scholars in the world-system school argue that the North is a core region specializing in producing manufactured goods and the South is a periphery specializing in extracting raw materials through agriculture and mining. Between these are semiperiphery states with light manufacturing.
- Various world civilizations were conquered by Europeans over several centuries and forcefully absorbed into a single global international system initially centered in Europe. Today's North-South gap traces its roots to the past colonization of the southern world regions by Europe. This colonization occurred at different times in different parts of the world, as did decolonization.

- Because of the negative impact of colonialism on local populations, anticolonial movements arose throughout the global South at various times and using various methods. These culminated in a wave of successful independence movements after World War II in Asia and Africa. (Latin American states gained independence much earlier.)
- Following independence, third world states were left with legacies of colonialism, including their basic economic infrastructures, that made wealth accumulation difficult in certain ways. These problems still remain in many countries.
- When revolutionaries succeed in taking power, they usually change their state's foreign policy. Over time, however, old national interests and strategies tend to reappear. After several decades in power, revolutionaries usually become conservative and in particular come to support the norms and rules of the international system (which are favorable to them as state leaders).

## KEY TERMS

less-developed countries (LDCs)	425	subsistence farming	432	economic surplus	441
developing countries	425	cash crop	432	world-system	441
Millennium Development Goals	425	urbanization	432	resource curse	443
basic human needs	427	land reform	433	imperialism	443
malnutrition	431	migration	434	neocolonialism	451
		refugees	435	dependency theory	452
		remittances	436	enclave economy	453

## CRITICAL THINKING QUESTIONS

1. In what ways does the North American Free Trade Agreement (NAFTA), discussed in Chapter 8, reflect the overall state of North-South relations as described in this chapter? How would capitalism and socialism as general approaches to the theory of wealth accumulation differ in their views of the agreement?
2. The zones of the world economy as described by world-system theorists treat the North as a core and the South as largely a periphery. Can you think of exceptions to this formula? How seriously do such exceptions challenge the overall concept as applied to North-South relations generally? Be specific about why the exceptions do not fit the theory.
3. In North and South America, independence from colonialism was won by descendants of the colonists themselves. In Asia and Africa, it was won mainly by local populations with a long history of their own. How do you think this aspect has affected the postcolonial history of one or more specific countries from each group?
4. Suppose you lived in an extremely poor slum in the global South and had no money or job—but retained all the knowledge you now have. What strategies would you adopt for your own survival and well-being? What strategies would you reject as infeasible? Would you adopt or reject the idea of revolution? Why?
5. Currently incomes in the global North are five times as high, per person, as in the global South. If you could magically redistribute the world's income so that everyone had equal income (\$10,000 per person per year), would you? What effects would such a change make in the North and South?

## SUMMARY

- Economic development in the global South has been uneven. In recent years many poor countries, led by China, have grown robustly. And while the 2008–2009 recession hurt the global South, growth has begun to return.
- Evidence does not support a strong association of economic growth either with internal equality of wealth distribution or with internal inequality.
- The newly industrializing countries (NICs) in Asia—South Korea, Taiwan, Hong Kong, and Singapore—show that it is possible to rise out of poverty into sustained economic accumulation.
- China has registered strong economic growth in the past 30 years of market-oriented economic reforms. Though still poor, China is the world's leading success story in economic development.
- Export-led growth has largely replaced import substitution as a development strategy. This reflects the experiences of the NICs and China as well as the theory of comparative advantage.
- The theory that democratization would accompany and strengthen economic development has not been supported by the actual experiences of poor countries. But the opposite theory—that authoritarian government is necessary to maintain control while concentrating capital for industrialization—has also not been supported.
- Government corruption is a major obstacle to development throughout the global South.
- Given the shortage of local capital in most poor states, foreign investment by MNCs can be a means of stimulating economic growth. MNCs look for favorable local conditions, including political and economic stability, in deciding where to invest.
- Debt, resulting largely from overborrowing in the 1970s and early 1980s, is a major problem in the global South. Through renegotiations and other debt management efforts, the North and South have improved the debt situation in recent years. However, the South remains \$4 trillion in debt to the North.
- The IMF makes loans to states in the South conditional on economic and governmental reforms. These conditionality agreements often necessitate politically unpopular measures such as cutting food subsidies.
- The WTO trading regime works against the global South by allowing richer nations to protect sectors in which the global South has advantages—notably agriculture and textiles. The Generalized System of Preferences (GSP) tries to compensate by lowering barriers to exports from the global South.
- Foreign assistance, most of it from governments in the North, plays an important part in the economic development plans of the poorer states of the South.
- Only a few states in the North meet the goal of contributing 0.7 percent of their GNPs as foreign assistance to the South.
- Most foreign aid consists of bilateral grants and loans from governments in the North to specific governments in the South. Such aid is often used for political leverage and promotes the export of products from the donor state.
- Donors in the global North use various relief models to distribute aid to the developing world, each with advantages and drawbacks.

# Brief Contents

<b>CHAPTER 1</b>	The Globalization of International Relations	2
<b>CHAPTER 2</b>	Realist Theories	42
<b>CHAPTER 3</b>	Liberal and Social Theories	84
<b>CHAPTER 4</b>	Foreign Policy	126
<b>CHAPTER 5</b>	International Conflict	152
<b>CHAPTER 6</b>	Military Force and Terrorism	192
<b>CHAPTER 7</b>	International Organization, Law, and Human Rights	232
<b>CHAPTER 8</b>	International Trade	282
<b>CHAPTER 9</b>	Global Finance and Business	320
<b>CHAPTER 10</b>	International Integration	354
<b>CHAPTER 11</b>	Environment and Population	386
<b>CHAPTER 12</b>	The North-South Gap	424
<b>CHAPTER 13</b>	International Development	460