Power and Interdependence: World Politics in Transition
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Chapter 6: The Politics of Rule Making in Oceans and Money
Week 7

In this chapter, Keohene & Nye begin by applying the economic process model of regime change to oceans (the international regime of the sea) and money (international economic relations). This model predicts that "regimes will be established by technological and economic change, and that regimes will be established or reestablished to ensure the welfare benefits of interdependence" (131). While such a model does not provide a "sufficient explanation of any change" and may both over and under predict change, it must at the very least be considered.

The authors differentiate their international organization model, developed in Chapter 3, from the "overall structure" model whereby the "strong make the rules" (132). The overall structure model is insufficient to explain the changes in oceans and money that they observe. The overall structure model is then applied to trace the erosions of the oceans regime and the money regimes. Of the 9 regime changes they identify, the overall structure model is only "an adequate and elegant explanation of three cases" (137).

They next turn to "issue structure models," according to which "the strong make the rules but it is strength within the issue area that counts" (137). In this model, regimes are likely to change "when the underlying distribution of power in an issue area is inconsistent with the effective distribution of power within a regime." Again, this model is applied to observed regime change in oceans and money. The issue structure model likewise proves insufficient. While it does help explain pre-1920 oceans regimes and changes in monetary regimes between 1931 and 1971, it fails to explain recent changes in ocean regimes and a number of issues in the money area.

Keohane & Nye then apply their international organization model, according to which "outcomes are predicted by regime-dependent capabilities, that is capabilities that are legitimized or made possible by norms and processes that characterize a regime" (147). According to this model, regime decay is "explained by changes in the norms and organizational processes of world politics" (147). Regimes may be altered by "political bargaining processes that diminish the position of states with underlying power that gave rise to the regime." Likewise, "development of networks of political interaction, often centered on international organizations, may facilitate agreement on new principles for an international regime" (147).

Applying this international organization model to oceans and money, Keohane and Nye find that the for recent developments in the oceans issue area and in many ways for the money area, this model "provides insights that are crucial to understanding the politics of regime change" (153). While they acknowledge that this is a supplemental approach to be used when simpler models fail and that this approach may produce indeterminate results, they conclude that it can produce significant results.

Keohene and Nye proceed to explain how the international organization model better accounts for issues of domestic politics and time lags which pure systemic models fail to address. The international organization model "at least points us toward the political processes typical of complex interdependence, in which the line between domestic and international politics is blurred" (153).

In conclusion, Keohene & Nye reiterate their desire to start with simple models first and add complexity where necessary. They find that a combination of models, including the international organization model, is best able to account for the regime changes they identify in money and oceans. They observe that with "respect to trends in the conditions of world politics over the past half century, the international organization model is becoming more relevant;" that traditional theories based on overall structure models and economic process models" work best under realist conditions, rather than those of complex interdependence; and that traditional theories are therefore becoming less useful (161). They note finally that "the traditional tools need to be sharpened and supplemented with new tools, not discarded" (162).