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ABSTRACTS

THE NEW POLITICS OF THE WELFARE STATE

By PAUL PIERSON

This essay seeks to lay the foundation for an understanding of welfare state retrenchment. Previous discussions have generally relied, at least implicitly, on a reflexive application of theories designed to explain welfare state expansion. Such an approach is seriously flawed. Not only is the goal of retrenchment (avoiding blame for cutting existing programs) far different from the goal of expansion (claiming credit for new social benefits), but the welfare state itself vastly alters the terrain on which the politics of social policy is fought out. Only an appreciation of how mature social programs create a new politics can allow us to make sense of the welfare state's remarkable resilience over the past two decades of austerity. Theoretical argument is combined with quantitative and qualitative data from four cases (Britain, the United States, Germany, and Sweden) to demonstrate the shortcomings of conventional wisdom and to highlight the factors that limit or facilitate retrenchment success.

RACE-MAKING AND THE NATION-STATE

By ANTHONY W. MARX

Why was official racial domination enforced in South Africa and the United States, while nothing comparable to apartheid or Jim Crow was constructed in Brazil? Slavery and colonialism established the pattern of early discrimination in all three cases, and yet the postabolition racial orders diverged. Miscegenation influenced later outcomes, as did economic competition, but neither was decisive. Interpretations of these historical and economic factors were shaped by later developments. This article argues that postabolition racial orders were significantly shaped by the processes of nation-state building in each context. In South Africa and the United States ethnic or regional "intra-white" conflict impeding nation-state consolidation was contained by racial domination. Whites were unified by excluding blacks, in an ongoing dynamic that took different forms. Continued competition and tensions between the American North and South or South Africa's English and Afrikaners were repeatedly resolved or diminished through further entrenchment of Jim Crow or apartheid. With no comparable conflict requiring reconciliation in Brazil, no official racial domination was constructed, although discrimination continued. The dynamics of nation-state building are then reviewed to explain variations in black mobilization and the end of apartheid and Jim Crow.

THE BREAKDOWN OF HIERARCHIES IN THE SOVIET UNION AND CHINA A NEOINSTITUTIONAL PERSPECTIVE

By STEVEN L. SOLNICK

Why did modest attempts to decentralize the centrally administered Soviet system lead to its collapse, while more far-reaching decentralization in China left central political and administrative hierarchies intact? This article analyzes the disintegration of centrally planned organizations in the context of a neoinstitutional model of the breakdown of authority within hierarchies. An agency model of hierarchy is presented that incorporates the ambiguous property rights, authority relations, and risk-sharing conditions that prevailed under central planning and then persist during postcommunist transitions. This model suggests that decentralizing reforms could trigger an organizational "bank run," prompting local agents to seize organizational assets under their control. The article also considers reputation-preserving strategies that central authorities might use to avert disintegration.

As an application of this model, the collapse of Soviet political, industrial, and state fiscal hierarchies are considered and compared with the experience of analogous sectors in China. Reforms in both states transferred significant autonomy from the center to local field agents. In the Soviet case these agents appropriated organizational assets with little interference from the center. In China, by contrast, the center preserved both its capacity for monitoring and its reputation for disciplining transgressions; and the rise of hybrid ownership forms made expropriation of state and Party assets far less attractive.

STABILITY AND THE DISTRIBUTION OF POWER

By ROBERT POWELL

The relation between stability and the distribution of power is an important and long-debated problem in international relations theory. The balance-of-power school argues that an even distribution of power is more stable, while the preponderance-of-power school argues that a preponderance of power is more stable. Empirical efforts to estimate this relation have yielded contradictory results. This essay examines the relation between stability and the distribution of power in an infinite-horizon game-theoretic model in which two states are bargaining about revising the international status quo. The states make offers and counteroffers until they reach a mutually acceptable settlement or until one of them becomes so pessimistic about the prospects of reaching an agreement that it uses force to impose a new settlement. The equilibrium of the game contradicts the expectations of both schools and offers an explanation for the conflicting empirical estimates. In the model stability is greatest when the status quo distribution of benefits reflects the expected distribution of benefits that the use of force would impose.

PHOENIX RISEN: THE RESURRECTION OF GLOBAL FINANCE

By BENJAMIN J. COHEN

Of all the many changes of the world economy since World War II, few have been nearly so dramatic as the resurrection of global finance. A review of five recent books suggests considerable diversity of opinion concerning both the causes and the consequences of financial globalization, leaving much room for further research. Competing historical interpretations, stressing the contrasting roles of market forces and government policies, need to be reexamined for dynamic linkages among the variables they identify. Likewise, impacts on state policy at both the macro and micro levels should be explored more systematically to understand not just whether constraints may be imposed on governments but also how and under what conditions, and what policymakers can do about them. Finally, questions are also raised about implications for the underlying paradigm conventionally used for the study of international political economy and international relations more generally.