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## ABSTRACTS

### THE POLITICAL ECONOMY OF TRANSITION:

JAPANESE FOREIGN DIRECT INVESTMENTS IN THE 1980s  
By YOUNG-KWAN YOON

The issue of Japanese foreign direct investment (FDI) has attracted scant attention because of its relative insignificance to the Japanese economy before the 1980s. In the 1970s only a few analysts explained the Japanese FDI behavior from a macroeconomic perspective. This paper argues that there has been a noticeable change in the nature of Japanese FDI in the 1980s, a position that supports the traditional microeconomic explanation based on the oligopolistic market theory. This convergence toward the "Western" style of FDI reflects a fundamental shift of the Japanese economy from a trade-oriented economy to one that is foreign investment-oriented. However, as the experiences of two hegemonic states (Great Britain and the United States) have shown, foreign investment is not the best economic strategy from a long-term perspective. Preliminary evidence in recent years indicates that increasing FDI affects Japan's productivity growth negatively by weakening both the production base and the various sources of Japanese competitiveness.

### PRIDE OF PLACE:

THE ORIGINS OF GERMAN HEGEMONY  
By BRUCE BUENO DE MESQUITA

Using a game-theoretic model of international interactions, the author shows that system-transforming wars can result from a relatively small dispute between rivals who are basically satisfied with the international status quo. Such wars are likely to be relatively low in costs even if they are profound in their consequences. The possibility of such system-transforming wars is overlooked by the theories of power-transition, or hegemonic, war.

The Seven Weeks' War is an example of a system-transforming conflict that can be understood by combining the insights of theories concerned with differential growth rates and of those derived from the game-theoretic perspective suggested here. The combination of these two perspectives expands the explanatory potential of existing theories of system-transforming wars.

### POSTREVOLUTIONARY MOBILIZATION IN CHINA:

THE ONE-CHILD POLICY RECONSIDERED  
By TYRENE WHITE

The modernization or developmental model of communist regimes has been widely criticized, but the concept of revolutionary and postrevolutionary phases has endured. Implied in the dichotomy is a fundamental conflict between the politics of revolutionary mobilization (characterized by the push to disrupt and transform bourgeois routines and institutions of the old regime) and the postrevolutionary politics of regularized decision making and institutionalized party rule. The author uses the post-Mao Chinese experience and a case study of China's one-child policy to argue that variant forms of mobilization have remained an integral part of the postrevolutionary Chinese political process, as the Deng regime attempts to rearrange the institutions and routines characteristic of Maoist China rapidly and fundamentally, while preserving a Leninist political order.

### FRAMING THE NATIONAL INTEREST:

THE MANIPULATION OF FOREIGN POLICY DECISIONS IN GROUP SETTINGS  
By ZEEV MAOZ

Social psychologists have long attempted to explain the group-induced shift phenomenon: that it is impossible to predict group choices from knowledge of individual preferences prior to group discussion, and that individuals change their choices during group deliberations. Most explanations of group-induced shifts have focused on substantive changes in individual preferences induced by group dynamics. This study explores the possibility that individual

preferences do not necessarily change in the course of group discussions. Rather, decision makers may switch their choice in part because one or more individuals manipulate the decision-making process in a manner that helps them achieve their desired outcome. The study distinguishes between rational and nonrational variations of decisional manipulation and considers examples of U.S. and Israeli foreign policy choices under crisis conditions to illustrate such processes. The implications of these ideas for the study of foreign policy decisions are discussed.

## THE STATE AND THE EFFECTIVE CONTROL OF FOREIGN CAPITAL:

THE CASE OF SOUTH KOREA

By RUSSELL MARDON

The literature on the political economy of developing nations has focused attention upon the weakness and vulnerability of the nation-state and its limited ability to deal with and effectively alter the dominant forces of the international economy. Despite common international structures, however, the empirical pattern of foreign ownership and control of the means of production varies in newly industrializing nations. Domestic political structures and alternative state strategies may therefore have a significant impact on the pattern of foreign ownership and on the degree of control that foreign capital may exert on a developing economy.

The author examines the principal legal and bureaucratic mechanisms utilized by the South Korean state to regulate the domestic economy's interaction with international capital, as well as the impact of these mechanisms upon domestic production patterns. The South Korean case demonstrates that, through the formulation and implementation of appropriate policy, the state in a developing nation possesses the capacity to shape the pattern of interaction with international economic forces. Legal and bureaucratic mechanisms have facilitated an industrial development that is predominantly owned and effectively controlled by Korean nationals.

## UNDERSTANDING INTERNATIONAL TRADE POLICIES:

AN EMERGING SYNTHESIS

By JOHN S. ODELL

The international trade problems of the 1980s stimulated an expansion of scholarship on trade policies by economists and political scientists. At least four distinct theoretical perspectives weave their way through recent literature that concentrates on the United States—emphasizing market conditions, policy beliefs and values, national political institutions, and global structures, respectively. New studies in each of these traditions advance beyond the work of their predecessors, but none of the perspectives has yet proved adequate as a single unifying vehicle. Nevertheless, we can also see clear movement toward a synthesis, with single works blending insights from several traditions. Thus, the books under review do not all fall neatly into the familiar exclusive categories of “economics” or “political science.” The emerging synthesis needs strengthening in several ways, including the development of “conditioning hypotheses” that will reduce remaining apparent confusions.



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Joel Beinin

Adds to the work recently published by revisionist Israeli historians, debunking the dominant view of the origin and early history of the Palestine conflict and extending the revision into the 1950s and early 1960s." —Timothy Mitchell,

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