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ABSTRACTS

WINNERS TAKE ALL

THE POLITICS OF PARTIAL REFORM IN POSTCOMMUNIST TRANSITIONS

By JOEL S. HELLMAN

Conventional models of the politics of economic reform tend to be based on an assumption about the costs and benefits of reform, known informally as the J-curve. Reforms are expected to make things worse before they get better. This presents a classic *time inconsistency dilemma* for reformist governments forced to demand severe sacrifices from the public in the short term for the mere promise of future gains. In response, political economy models of the reform process have tended to stress the importance of insulating governments from the pressures of the short-term losers until a sufficient constituency of winners has been created with a stake in supporting and enhancing the reforms.

Based on evidence from the postcommunist transitions, this article suggests that the most serious political obstacles to the process of economic reform have come not from the short-term losers but from the short-term winners. Groups that gain substantial rents from the early distortions of a partially reformed economy have a stake in maintaining a *partial reform equilibrium* that generates high private gains, but at a considerable social cost. In these countries, the main political challenge has been, not to marginalize the losers, but to restrain the winners. This explains the paradoxical outcome of the postcommunist transitions: that political systems which are more inclusive of the losers have been able to adopt and sustain more comprehensive economic reforms than states insulated from popular pressures.

FIGHTING INFLATION IN A TRANSITIONAL REGIME

RUSSIA'S ANOMALOUS STABILIZATION

By DANIEL S. TREISMAN

Russia's recent experience fighting inflation—dramatic success in 1995–96 after repeated failures in 1992–94—poses a challenge for existing theories of the politics of macroeconomic stabilization. Monthly inflation rates fell to close to zero despite a deeply unpopular president distracted by heart disease, a government penetrated by economic lobbies, a far-from-independent central bank, a parliament dominated by opposition factions, a lively election season, and the fiscal pressures of fighting a regional war. The article reviews this experience, shows its incompatibility with existing political economy theories, and proposes an explanation with implications for other reforming regimes. Success was achieved by offering previous beneficiaries from inflation—major commercial banks and subsidized sectors—other sources of government-protected rents that did not increase the money supply. Even when expropriating powerful rent seekers is politically infeasible, it is sometimes possible to trade them less-inflationary rents for ones that are more inflationary.

WHY LIBERAL STATES ACCEPT UNWANTED IMMIGRATION

By CHRISTIAN JOPPKE

This article explores why liberal states accept unwanted immigration, discussing the cases of illegal immigration in the United States and family immigration in Europe. Rejecting the diagnosis of state sovereignty undermined by globalization, the author argues that self-limited sovereignty explains why states accept unwanted immigration. One aspect of self-limited sovereignty is a political process under the sway of interest-group politics ("client politics," as Gary Freeman says). The logic of client politics explains why the United States accepts illegal immigration. The case of family immigration in Europe suggests two further aspects of self-limited sovereignty: legal-constitutional constraints on the executive, and moral obligations toward historically particular immigrant groups. However, these legal and moral constraints are unevenly distributed across Europe, partially reflecting the different logics of guest worker and postcolonial immigration regimes.

CLARIFYING THE FOREIGN AID PUZZLE

A COMPARISON OF AMERICAN, JAPANESE, FRENCH, AND SWEDISH AID FLOWS

By PETER J. SCHRAEDER, STEVEN W. HOOK, and BRUCE TAYLOR

This study explores the donor side of debates revolving around the proper role of foreign assistance as a foreign policy tool, by empirically testing for the aid determinants of four industrial democracies: France, Japan, Sweden, and the United States. A pooled cross-sectional time-series design is employed to assess the impacts of six sets of variables on aid flows to thirty-six African states during the 1980s. Three sets of these variables—humanitarian need, strategic importance, and economic potential—are constructed using data traditionally employed in empirical foreign aid studies. Three additional sets of variables—cultural similarity, ideological stance, and region—are constructed from data that regional specialists consider to be important in the foreign aid equation. Although no two cases are alike, one can nevertheless draw some tentative conclusions about the nature of the foreign aid regime of the final cold war decade of the 1980s on the basis of several cross-national patterns. In short, the results (1) contradict rhetorical statements of northern policymakers who claim that foreign aid serves as an altruistic foreign policy tool designed to relieve humanitarian suffering; (2) confirm the expected importance of strategic and ideological factors in a foreign aid regime heavily influenced by the cold war; and (3) underscore the importance of economic, particularly trade, interests in northern aid calculations.

THE CONSTRUCTIVIST TURN IN INTERNATIONAL RELATIONS THEORY

By JEFFREY T. CHECKEL

In recent years, constructivist thinking about global politics has brought a breath of fresh air to international relations. By exploring questions of identity and interest, constructivist scholars have articulated an important corrective to the methodological individualism and materialism that have come to dominate much of IR. As the books under review indicate, constructivism has also succeeded in demonstrating its empirical value—documenting a new and important causal role for norms and social structure in global politics. Theoretically, however, the approach remains underspecified. In particular, constructivists typically fail to explain the origins of such structures, how they change over time, how their effects vary cross nationally, or the mechanisms through which they constitute states and individuals. Missing is the substantive theory and attention to agency that will provide answers to such puzzles, as well as ensure the development of a productive research program.