

1 ❖ POWER AND IDEAS

This book is about power and ideas. It begins by presenting an historical perspective on economic development and examining the origins of the “Third World,” answering the question of how a disparate group of countries spanning three continents, Latin America, Asia, and Africa, came to see themselves as part of a whole. Chapters 3 through 5 examine the politics and diplomacy of intellectual property rights, antitrust, and technology transfer between developed and developing countries during the 1970s and 1980s, when developing countries as a bloc confronted industrialized countries with a critique of the existing international economic order. Chapter 6 is an account of what happened in the ten years following the multilateral negotiations over these issues. Therefore, this study seeks to explain the genesis and failure of these efforts, as well as emerging trends in the wake of the negotiations.

The book addresses three questions: (1) How and why did industrialized and developing countries come together to negotiate an international regulatory framework for the transfer of technology in the 1970s? (2) Why did these efforts ultimately fail? (3) In the wake of these multilateral efforts, how and why have the parties redefined their interests?

The three multilateral negotiations discussed are: (1) Negotiations on an International Code of Conduct for the Transfer of Technology (TOT Code); (2) Diplomatic Conference for the Revision of the Paris Convention (intellectual property); and (3) Negotiations on a Restrictive Business Practice (RBP) Code (antitrust). The issues at stake—intellectual property protection, antitrust, and technology transfer—all reflect a broader concern for the proper role of the state in economic development. These issues are embedded in a larger context that includes industrial policies, development strategies, and state policies vis-à-vis foreign investment.

National policymakers gradually came to see the predominant arrangements for international technology transfer as impediments to achieving the goals of economic development and competitiveness. The developing countries, especially in Latin America, became dissatisfied with their programs of import-substituting industrialization (ISI). By the early 1970s, Mexico, Argentina, Brazil, and the Andean Pact countries felt they had exhausted the possibilities of this strategy. They determined that they could go no further placing so much emphasis upon ISI and were eager to hasten the pace of nondependent economic development. They blamed prevailing modes of technology transfer as the source of their problems. The developed countries, especially Western European countries, became concerned with prevailing modes of technology transfer when their economic recovery was in full swing. They had benefited from the United States' largesse after World War II, but upon recovery they faced a new dilemma—how to become effective economic competitors in a world dominated by the United States and, increasingly, Japan.

The fact that countries of both the North and South came together to negotiate new international rules for the transfer of technology reveals that by the early 1970s, while the two groups had different goals, they settled upon a common means to achieve them. In the ensuing negotiations, they sought to construct an international cooperative framework to establish minimum ground rules for international technology transactions. They wanted to increase the benefits of international technology transfers while reducing the costs (namely, impediments to economic development for the South, and limits on competitiveness for the North). In short, the negotiations on the Code

of Conduct for the Transfer of Technology, the Restrictive Business Practice Code, and revisions of the Paris Convention constituted a concerted effort at multilateral cooperation.

In the cases of the Code of Conduct for the Transfer of Technology and the Paris Convention revisions, the developing countries set the agenda and pressed for rules that would maximize their development goals. In contrast, the United States, seeking to devise international rules that would prohibit practices that hindered fair competition, pushed for the Restrictive Business Practice Code. The three negotiations were related in the sense that both the RBP and TOT Codes were designed to provide guidelines for contracts for international technology transfers, while the Paris Convention revisions dealt with the international system of intellectual property protection that shapes the transfer process.

Prior to the negotiations, developing countries came to see the state as the primary engine of economic development. In the past decade, these same countries have redefined their interests and increasingly have come to accept a reduced role for the state and a larger role for the private sector. What accounts for this change?

Mainstream analyses of international politics, neorealism and neoliberal institutionalism, are ill-equipped to address the questions raised here. Both approaches treat interests as exogenous. These analyses, by design, assume away some of the more interesting questions in international politics such as: Where do interests come from? What is the relationship between ideas and interests? How and why are they redefined? To the extent that they consider the role of ideas at all, they either assume that ideas are a product of the structure of the system,¹ or that ideas must be viewed in opposition to interests.² Neorealism focuses on power and constraints. Its theories, while weak on examining the origin of interests, are stronger in explaining success or failure in the conclusion of agreements. Neoliberal institutionalism shares many of the assumptions of neorealism, yet accords a stronger role for institutions in solving collective action problems. Neoliberal institutionalism emphasizes how institutions can make cooperation possible and robust, even in an anarchic world comprised of rational egoists.

By contrast, interpretivist neoliberal theories³ focus on the role of ideas and learning. I call it "interpretivist" because it addresses the

intersubjective dimension of international politics and treats interests as endogenous. In other words, these theories pay attention to how the actors themselves interpret their circumstances. Power and interests are not “given” but rather must be interpreted and are periodically redefined. I retain the label “neoliberal” to indicate this type of theorizing’s roots in idealism and nineteenth-century liberalism. As E. H. Carr emphasized in his discussion of the “utopians,”⁴ what I call “interpretivist neoliberalism” retains a concept of human agency; international relations is not the product of some abstract structural puppetmaster but of people making choices and trying to alter their circumstances. People learn, change their minds, and redefine their interests in ways that make a difference in international politics.

My analysis of intellectual property protection and antitrust constitutes a critique of both instrumentalist/rationalist (neoliberal institutionalist) and structural (neorealist) theories of international politics. These perspectives certainly do not exhaust the range of possible alternative explanations. I chose to address these perspectives because they currently dominate the contemporary debate in American international relations scholarship. Other theories, such as world systems theory and structural Marxism, also have offered explanations of North-South relations. However, for purposes of my argument these two approaches suffer from the same deficiencies as do neorealist theories; they emphasize structure over agency, neglect the role of ideas, and are indeterminate. For example, the analytic similarities between structural Marxism and neorealism have been well-documented by Stephen Krasner.⁵ Therefore, these approaches do not provide analytic leverage that would override my assessment of neorealism or structural analyses in general.

Two important alternative theoretical traditions are structuration theory and Gramscian analysis.⁶ While both types of theorizing take intersubjective aspects of politics seriously, both privilege structure in favor of agents. In particular, Gramscian approaches may be considered relevant because they take the role of ideas seriously and stress the close relationship between power structures and ideas. However, in these approaches it is not clear what “ideas” explain that structural factors do not. My analysis contributes insights into the role of ideas as disentangled from structure and power. For example, in the antitrust

case, power shifted and ideas did too; developing countries became more receptive to antitrust policy, albeit without overt coercion. This outcome is consistent with a Gramscian perspective that rejects a sharp distinction between overt coercion and persuasion, or the power of ideas. By contrast, in the intellectual property case, power shifted but the ideas did not. This case demonstrates the usefulness of examining ideas as an independent force. Both structuration theory and Gramscian analyses are pitched at a very high level of abstraction that obscures significant variations between both issues (intellectual property and antitrust) and regions (e.g., Latin America versus East Asia). Interpretivist neoliberalism, emphasizing voluntarism and choice, can explain important aspects of international politics that are obscured by other perspectives.

For purposes of this analysis I adopt the following definition of learning: "to learn is to alter one's beliefs as a result of new information; to develop knowledge or skill by study or experience."⁷ Learning, by definition, is a process of change. These cases demonstrate that developing countries learned over time. At the end of World War II, developing countries passively accepted market mechanisms. With the emergence of new economic ideas, Latin American structuralism and antidependency, these countries came to believe that market mechanisms were not in their best interests and championed a much larger role for the state in economic development. They institutionalized these ideas in their domestic and regional economic policies. When they confronted the industrialized countries with their alternative conception in multilateral negotiations, they were unable to prevail. As the negotiations wound down, developing countries were in the process of redefining their interests yet again and began to accept market mechanisms and the logic of neoclassical economics.

The analysis presented here examines the interaction between power and ideas. It seeks to combine explanations pitched at the level of the international system with those pitched at the domestic level. While the scope of this study prohibited an in-depth examination of the domestic politics of each of the countries involved, I have incorporated domestic, or unit-level, variables in my discussion. I generally use the term the "state" as a shorthand for elites or policymakers, although in several instances my "unit-level" factors also include

domestic processes such as interest-group lobbying and bureaucratic considerations.⁸ I use domestic legislation and regulatory policy as indicators of the institutionalization of specific economic ideas. For example, developing countries' dissatisfaction with predominant modes of technology transfer and the slow pace of economic development led them to adopt novel domestic laws and to press for a multilateral approach to the management of technology transfer. Additionally, domestic developments in the United States contributed to its push for a multilateral approach to restrictive business practices and, later, its trade-based approach to intellectual property protection.

The politics of international technology transfer is as much about contested beliefs as it is about power. To assert that ideas "matter" in international relations says very little; I seek to demonstrate how, when, and why they matter, and when they do not. I argue that: (1) new economic ideas can create group identities and cohesion; (2) unit-level learning leads states to redefine their interests; (3) unit-level learning can account for the substance of multilateral demands, and it plays an agenda-setting role; (4) if unit-level learning does not become consensual knowledge, it will not affect diplomatic outcomes; diplomatic outcomes will be those predicted by a neorealist structural analysis; (5) in international relations, ideas matter when they are institutionalized in the domestic practices of states, and the practices come into conflict with those of other states. Figures 1.1 and 1.2 summarize the overall argument of this book.

Neorealism

Neorealism has dominated postwar American international relations scholarship. Its strengths are well known; it is parsimonious, elegant, and generates powerful explanations. It is "rationalist" in its basis in rational choice theory,⁹ which takes an "outside-in" approach to its objects of study. The power, simplicity, and wide applicability of this approach derive from the fact that it eschews the intersubjective dimension of politics in favor of strategic interaction and treats actors' preferences and interests as exogenous. Its main incarnation is structural.

Structural neorealist theories derive nations' interests from the structure of the anarchic international system, based on the distribution of

Paris Convention and Transfer of Technology Code

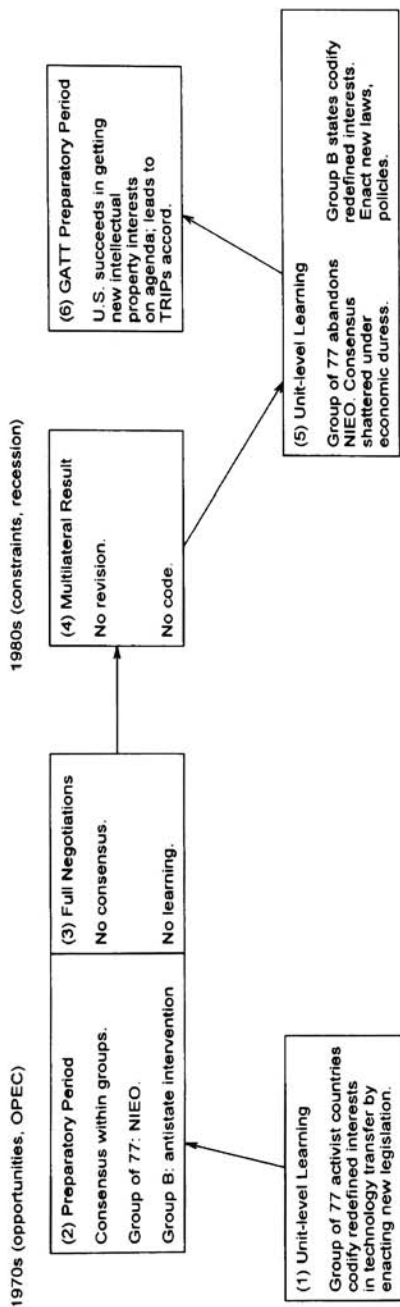


Figure 1.1

The Restrictive Business Practices Code

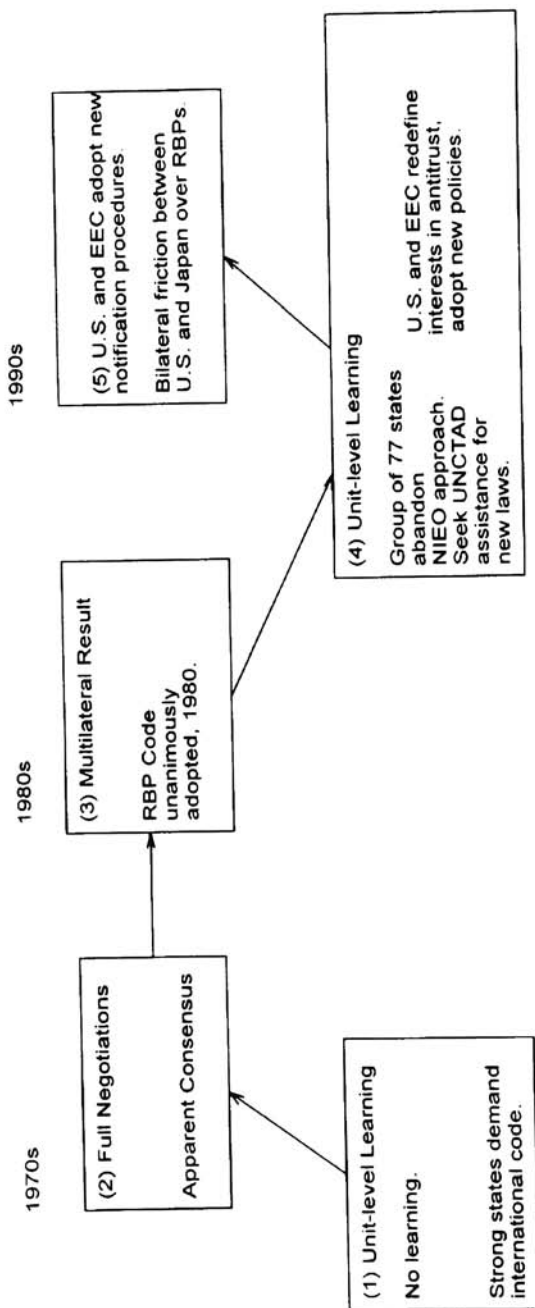


Figure 1.2

power throughout the system. These theories predict that the more powerful states will prevail over weaker states, and that the powerful states make the rules. In this perspective, states are defensive positionalists, concerned with their relative positions in the system. The structure of the system imposes constraints upon states' freedom of action.

However, deriving interests from structure leaves much unexplained. States do not respond in identical ways to structural constraints. For instance, in the North-South context, structure provides a misleading picture of interests. To argue, as does Stephen Krasner,¹⁰ that developing countries' interest in the NIEO was a product of their weakness in the international system overemphasizes similarities at the expense of critical differences between the overwhelmingly "weak" states. The NIEO clearly was not the only choice that weak states had available to them. The fact that the East Asian countries declined to participate in any meaningful way underscores this point. At that time they were "weak" too, but did not believe that they needed an NIEO. They had an altogether different philosophical view about the relationship between governments and markets. Structure tells us nothing about either the national policies of participants or the characteristics of the desired multilateral regime. The NIEO movement was a product of a handful of states whose leaders agreed with the views of influential development economists and based quite specific domestic legislation on these ideas. These states took a leadership role in the multilateral effort, and the substance of the NIEO platform for technology transfer was a product of their domestic legislation. In short, structural neorealism is too indeterminate and diffuse to provide satisfactory explanations of the cases at issue here.

Strategic Interaction and Neoliberal Institutionalism

Theorists of strategic interaction represent a second prominent mainstream approach. Arguments based on this approach assume that, rather than acting as defensive positionalists, states are rational egoists pursuing their self-interests. Given a specified constellation of preferences, cooperation in this sense is a matter of overcoming collective action problems based on dilemmas of common interest or common aversion. For example, Arthur Stein argues that:

the same forces of autonomously calculated self-interest that lie at the root of the anarchic international system also lay the foundation for international regimes as a form of international order. . . . There are times when rational self-interested calculation leads actors to abandon independent decision-making in favor of joint decision-making.¹¹

As straightforward and sensible as this sounds, this logic begs the question—where do interests come from? At what point does business as usual become a dilemma requiring joint action? In any case, why were prevailing modes of international technology transfer universally accepted at one time and perceived as highly contentious and requiring immediate attention at another? While the analysis of strategic interaction captures an important part of the picture, without a fuller explanation of interests and how those interests change, Stein's explanation is too spare to be of much help in providing an in-depth understanding of either the process of attempted regime creation or the redefinitions of states' interests that occurred in the wake of the failed multilateral efforts. As I will demonstrate, state perceptions, overlooked by both structural neorealism and theories based on rational choice, have important consequences.

Keohane, a leading proponent of neoliberal institutionalism, raises the question of “why self-interested actors in world politics should seek, under certain circumstances, to establish international regimes through mutual agreement.”¹² Keohane relies upon the notion of efficiency and suggests that regimes may provide benefits such as reducing transaction costs, facilitating information exchange, and establishing mechanisms to determine liability and monitor compliance with agreements. For Keohane, international cooperation can help correct political market failure. As Keohane states, “insofar as international regimes can correct institutional defects in world politics, along with any of these three dimensions (liability, information, transaction costs), they may become efficient devices for the achievement of state purposes.”¹³ Yet states may not evaluate efficiency the same way. As John Ruggie argues, “what constitutes institutional inefficiencies or costs is not entirely independent of the attributes of the states making the calculation.”¹⁴ This underscores the limits of the “outside-in” approach.

Keohane assumes that preferences are given and fixed. Keohane's functional approach is limited by its lack of attention to the formulation and redefinition of interests. An analysis of the nature and compatibility (or lack thereof) of states' interests in an issue would help to explain why some efforts at regime creation succeed and some fail. As Roger Smith points out, "the functional theory does not explain the creation and simultaneous convergence of a new interest by a host of states differing widely in history, politics, culture, and capability. . . . It does not get at why there was a redefinition of egoistic self-interest."¹⁵

Keohane argues that we see greater demands for international regimes as issues become more complicated and interlinked. As issues compound around concepts once conceived of as simple and isolated, states may seek to create regimes. As relationships between various issues are discovered, and the interdependence between the resolution of x aspect with y aspect is recognized, the issue can be said to be more dense. For example, in terms of technology transfer, policymakers used to consider issues such as patents, market access, foreign investment, and technology purchases as separate and isolated. But these issues did not become "more dense" by themselves. Policymakers began to link these issues as they discovered that if they did not treat the issues as interrelated, they might be working at cross-purposes. As the developing countries linked technology transfer to economic development, they began to see the advantages of a multilateral approach.

Substantive issue linkage is crucial for understanding cooperation. As Ernst Haas argues:

Experts in developing countries have come to think of technology transfer as an overarching concept, instead of worrying separately about such matters as foreign capital inflows, obtaining patents for specific products, finding markets for their products, or building a certain type of factory. . . . Instead of being ends in themselves, they become means toward a more complicated end—the achievement of technological self-reliance. Instead of being effects, they are reconceived as causes leading to more basic effects such as wealth, prestige, status, autonomy.¹⁶

For example, in many Latin American states policymakers linked issues under the umbrella concept of technology transfer and altered

their institutions to reflect this new, more comprehensive approach. These new institutions reflected their new interests in technology transfer. Without examining unit-level processes, such as the gradual consolidation of technology-related tasks into as few as one or two governmental agencies in many Latin American states, we cannot understand how issues become more “dense” and what form this density takes.

As Friedrich Kratochwil points out: “theoretical frameworks distort by two means, either by marginalizing a set of interesting problems or by making it impossible to raise certain questions at all.”¹⁷ Both neorealism and neoliberal institutionalism have important limitations; both neglect the question of where interests come from.¹⁸ Yet addressing the formulation and redefinition of interests is essential for a satisfactory explanation of the demand for multilateral cooperation. Both structural and functional theories of cooperation marginalize the domestic level of analysis.

Indeed, domestic, or unit-level, factors were crucial in the demand for a regime for the transfer of technology and the NIEO. New economic ideas provided an identity for developing countries and facilitated group cohesion. These ideas helped constitute a negotiating group and provided a substantive agenda. The origins of this effort were rooted in domestic politics of states that took leadership roles in seeking multilateral solutions to their perceived problems. The way that these states framed the problem provided the substance of the issues for negotiation. Changes in perceptions about the prevailing pattern of international technology transfer led to the realization among policymakers in Latin America that the costs of going it alone had become too high, and that joint action along their desired lines might be preferable.

Therefore, by ignoring unit-level processes, neorealism, neoliberal institutionalism, and theories of strategic interaction fall far short of a satisfactory explanation of the demand for a technology transfer regime. Moreover, by overlooking the unit-level, or domestic, factors, these theories tell us little about the process of change—the question of how countries come together to negotiate regimes in lieu of conducting business as usual. Furthermore, they are ill-suited for explaining redefinitions of interests in the wake of the negotiations.

The most obvious starting point for an explanation of the demand for a regime for technology transfer would be the success of OPEC. While the OPEC story provides a partial explanation, especially for the North's willingness to negotiate, we need to know more about the parties' interests. We may think about the significance of OPEC for creating the demand for a technology transfer regime in causal terms; the first obvious point is that OPEC's rise preceded the negotiations by several years. OPEC's first major price hike was in 1971, followed by a second, sharper increase in 1973. The negotiations followed an apparent shift in the distribution of capabilities in favor of the South as a result of OPEC. Before the negotiations began, both the North and South shared this perception and acted on it. It was highly significant because OPEC's success led to a flurry of multilateral negotiations. These North-South negotiations created an unprecedented opportunity for the demands of the South to be taken seriously in multilateral forums. In short, OPEC's success created favorable conditions for new interests to be heard at the international level. The perceived shift in the structure of the system created an opportunity for changes in interests to be influential in the international arena. However, we need to understand what these interests were and from where they came. As James Caporaso points out: "mainstream international relations theory relies heavily on power, interest, and anarchy for its explanatory foundation. . . . The concentration of power may make it easier to solve collective action problems, but it tells us nothing about the content of the regime. For this, we must introduce ideas, norms, and social purposes."¹⁹ Therefore, we now turn to nonstructural explanations, which provide a guide to such an understanding.

Interpretivist Neoliberalism

While neorealist and neoliberal institutionalist theories explain the demand for cooperation in terms of the variables of power and interest, interpretivist neoliberal theories adopt a different approach. Unlike neorealism and neoliberal institutionalism, interpretivist neoliberalism adopts an "inside out" approach to analysis; it focuses on the intersubjective dimension of politics. It also assumes that actors are rational

in the sense that they are purposeful goal seekers. However, interpretivist scholars inquire critically about the origin of preferences and the substance and redefinitions of interests. While neorealism concentrates on the structure of international politics, neoliberalism focuses on processes. Some of the central questions in interpretivist neoliberalism include: (1) What is the relationship between the unit level and systemic level of analysis? (2) How are states' preferences formed? (3) How are states' interests redefined in response to systemic level changes? (4) When does learning matter: "when has it led to the development of new institutions, such as international regimes, and when has it not?"²⁰

One of the core differences between interpretivist neoliberalism and the mainstream approaches discussed earlier is that it examines the relationship between ideas and interests. Here, its roots in idealism are apparent in the sense of privileging the force of ideas, as opposed to materialism.²¹ Haas suggests that much of what is taken for granted in structural theories—such as the notions of fixed interests, given preferences, and the structural derivation of interests—should not be. Haas states that "whether states really calculate their participation in a regime on the basis of a concern for their overall rank in some international pecking order is a matter for empirical investigation, not definition."²² It is not enough to assert that a state's interests are x because it is a weak state. One needs to know how states form interests, why particular ideas (and not others) shape policy, and how states interpret their options—their constraints and opportunities. In this perspective, interests are understood as social constructions. Ideas and values play a constitutive role in interest formation. As Audie Klotz suggests, "interpretive scholars allow for the possibility of conceptual change (be it in the realm of norms, cultures, ideas or knowledge) for policy choice, rather than presenting norms as either an alternative to interests in motivating action or a source of ethical constraint on interest driven behavior."²³

One prominent approach to the role of ideas in international politics insists upon ideas as an alternative to interests. Judith Goldstein and Robert Keohane have classified ideas as world views, principled beliefs, and causal beliefs.²⁴ World views are most encompassing, reflected, for example, in world religions and the scientific rationality

of the Enlightenment. Principled beliefs are normative ideas that provide yardsticks of right and wrong. Causal beliefs imply strategies for goal attainment, which are embedded in both world views and principled beliefs. Goldstein and Keohane argue that ideas can have such political effects as: road maps, focal points to identify cooperative solutions or coalitional glue to promote group cohesion, or being embedded in institutions that specify policy. The economic ideas, primarily Latin American structuralism and antidependency, that animated the NIEO quest reflected all three types of ideas and had all three types of effects. However, this formulation is not satisfactory for this discussion insofar as the Goldstein and Keohane approach tells us nothing about which ideas might be persuasive or why ideas are originally adopted. The authors cling to a distinction between ideas, on the one hand, and interests, on the other, and then proceed to examine the effects of given ideas on political outcomes.²⁵ By insisting on this distinction, their approach obscures the relationship between ideas and interests²⁶ and ignores the origin of preferences.

In fact, interests do not exist outside of cognitive and social contexts. The cognitive context, ideas, defines how the world works, and therefore what is possible to do. The social context consists of norms and rules, and shape actors' beliefs about what should be done. According to Ngaire Woods, "ideas and ideologies play a critical role in defining social categories and social expectations."²⁷ These contexts and expectations are not static. As John Jacobsen points out: "actors and coalitions also devise their 'interpretations' of changing economic circumstances. . . . If the circumstances change dramatically, the notion of what is pragmatic widens and may even be up for grabs."²⁸ The very notion of what constitutes a pragmatic option must be understood in its cognitive context. For instance, in the fifteenth century, a "pragmatic" navigation strategy would look very different for one who believed that the earth was flat, and another who believed it was round.

One variant of interpretivist neoliberalism focuses on the ideational variables of consensual knowledge and learning to explain international cooperation. Two of the early proponents of this variant of neoliberalism are Ernst Haas and Robert Rothstein. Haas and Rothstein both examine the role of knowledge and learning in international cooperation. However, their approaches to the issue are slightly different.

Haas defines consensual knowledge as “the sum of technical information and of theories about that information which commands sufficient agreement at a given time among interested actors to serve as a guide to public policy.”²⁹ Haas’s requirement for knowledge to be considered *consensual* is that it must transcend group cleavages and be transideological. Haas hypothesizes that consensual knowledge can provide the basis for international transformation, or the construction of new international regimes.³⁰

In contrast to Haas, Rothstein relaxes the requirement for consensual knowledge, and instead suggests that learning and knowledge can play significant roles in cooperative efforts even when the consensus exists only *within* a particular group. Thus Rothstein’s argument is more useful for examining the period prior to the full intergroup negotiations, such as when the Group of 77 reached a consensus on their package of demands under the rubric of the NIEO. Haas’s argument is better suited for examining the negotiating process between the Group of 77 and Group B.

Rothstein examines consensus *within* groups. He points out that consensus within a particular group can impede the building of consensus across groups. He underscores the point, suggested by Haas, that consensual knowledge between groups is a relatively rare phenomenon. Rothstein argues that it is easier to build consensus within each group than between groups because “at the intergroup level . . . conflicts in values and interests are likely to be sharpest . . . and the need of each group to maintain unity may . . . mean that the resulting group position is impervious to knowledge and learning, [and] genuine bargaining.”³¹

In the negotiations over an international technology transfer regime, learning and new knowledge played a significant role in both the construction of the identity of the “Third World” and in the development of an intragroup consensus on the part of the Group of 77. New economic ideas created a sense of community and identity.³² The community and identity of the “Third World” was formed before these countries settled upon their particular demand package in these negotiations. The consensual knowledge within the Group of 77 created a package of demands built upon the concept of technological self-reliance to promote economic development. The Group of 77 sought

to achieve the goal of reduced dependence on the North, facilitated by greater state intervention in technology transactions and an international regime supportive of the increased role of the state. However, consensus at the Group of 77 level impeded consensus at the inter-group level.

Learning and redefinition of states' interests, especially on the part of the Group of 77, provided the context for these negotiations. In these cases learning was both a unit-level and intragroup (or coalitional) phenomenon. This learning never became consensual knowledge across groups.

Using the concepts of consensual knowledge and learning as variables to explain the demand for multilateral cooperation transcends some of the shortcomings of structural analyses based on power and interest. Ideational concepts focus squarely on the *content* of interests, how those interests are perceived and defined, and how they change over time. If one accepts the premise that the system does not exist independently of the perceptions of the actors, or in Alexander Wendt's terms, if "anarchy is what states make it,"³³ then what matters for understanding their behavior is the actors' perceptions of the constraints and opportunities facing them.

According to Haas, "if and when states perceive that they cannot be secure or prosper without new principles, norms, and rules the time is ripe for designing organizations to reflect the need. The particular character of the demands, however, still dictates the design to be chosen."³⁴ The negotiations on the Code of Conduct for the Transfer of Technology, the Restrictive Business Practices Code, and the Paris Convention revisions all focused on the proposed mode of resource allocation. At issue was the debate between a market-oriented regime, emphasizing the private allocation of resources, and a regime based upon the authoritative allocation of resources.³⁵ The strength of states' commitments to competing values will shape the bargaining process and set the terms of the debate. As Kratochwil points out, most disputes over policy are not so much about "the likely result, given a certain distribution of 'preferences,' as they are debates over which preferences deserve priority over others, . . . and which judgements deserve our assent. Here the overall persuasive 'weight' of claims rather than their logical necessity or aggregation is at issue."³⁶ In the

multilateral negotiations over international technology transfer, nations clashed over competing ideological views about the role of the state in allocating resources. The developing countries were committed to the authoritative allocation of resources, whereas the North was committed to a more market-oriented system. This opposition was a reflection of each group's primary interest in the multilateral endeavor—namely, development for South, competitiveness for the North.

However, despite the fact that interpretivist neoliberalism, in its ideational incarnation, corrects for some of the shortcomings in structural analysis, it presents problems of its own. According to Haggard and Simmons, the most difficult problem for ideational theorists is to isolate the autonomous influence of knowledge and ideology when ideology and structural position are congruent.³⁷ However, sophisticated variants of interpretivist neoliberalism, as presented by Rothstein and Haas, do not claim that knowledge is an autonomous variable. Both Haas and Rothstein's work focuses on the intersection between knowledge and power. Knowledge must be consistent with the perceived interests of powerful actors if it is to have a significant impact. If the learning is confined to the weak actors, it will not be decisive in shaping negotiating outcomes. The task for interpretivists is to trace the path of learning and its relationship to power in international negotiations.

Events in the wake of the negotiations underscore the importance of ideas and beliefs. The economic crisis of the early 1980s exposed developing countries as especially vulnerable, and the North reasserted its power to set the agenda. Yet even though power shifted in favor of the North and developing countries began to adopt policies that the North desired, it is clear that in some issues developing countries have changed their policies and not their minds. For example, they appear to have embraced the norm of competition by promoting and enforcing antitrust policies but have not embraced the norm of protecting intellectual property. Despite quite credible threats of trade sanctions and palpable vulnerability, these countries have neither rigorously enforced nor complied with Northern demands for intellectual property protection. Therefore, structure, in this context, is a poor predictor of the responses of the "weak."

When interpretivist neoliberals concentrate on the interests of the actors and on who holds the relevant knowledge (i.e., weak or pow-

erful actors), they sharpen the focus on the interaction between knowledge and power. However, ideational analysis “cannot predict at what point consensual values or knowledge will produce cooperation.”³⁸

The following discussion addresses the core issues of this study: the origin of the demand for multilateral cooperation; diplomatic outcomes; and redefinitions of states’ interests in the wake of the failed multilateral efforts.

The Origins of the Demand for Cooperation: An Interpretivist Analysis

The attempt to achieve multilateral cooperation can be an effort to codify changes that have already taken place in international relations or to establish forums to press for change in international relations. The push for international cooperation and the nature of the demands resulted from three main factors: (1) new economic ideas that played a constitutive role in forming the identity of the “Third World,” which later acted as a coherent negotiating bloc; (2) unit-level learning (national consensus on dependency reduction in selected Latin American countries) and its institutionalization in domestic practices; these new ideas became the basis of specific regulatory policies, institutionalized in domestic and regional legislation; and (3) unit-level perceptions shared by both the North and South that the structure of the international system had changed. I will discuss each of these variables in turn.

New economic ideas—primarily Latin American structuralism and, later, dependency theory—played a crucial role in creating an identity for developing countries. These ideas exposed underlying inequalities in the structure of the global economy that hindered economic development and helped explain the gap between the rich and poor states. Placing the blame on unfair terms of trade with the rich states, and offering a strategy to overcome structural disadvantages, these ideas identified an important source of difference between the rich and the poor, the powerful and the exploited, and offered the hope of autonomous development by advocating a different path. These ideas helped unite a large number of countries that widely differed in

culture, historical experience, economic circumstances, and geography. Both Latin American structuralism and dependency theory pinpointed the common concerns of this disparate group of countries and promoted a sense of “us” (the poor) versus “them” (the rich). Developing countries embraced these ideas as both a reassuring diagnosis of their situations as well as a blueprint for overcoming obstacles to their economic development. These ideas helped to forge Third World unity and provided persuasive substantive arguments in favor of a new and different way of conducting business.

The key states that led the movement to establish an international regulatory framework for the transfer of technology redefined their interests in this issue area. Originally, the developing countries passively accepted market-oriented mechanisms for the transfer of technology. Later, they redefined their interests in technology transfer as a result of learning through new information (i.e., the analyses of influential Latin American economists of the dependency school) and experience (feeling disadvantaged by the old market-oriented rules). They came to believe that market-oriented mechanisms were not in their best interests, since they were not reaching their economic development goals rapidly enough, and adopted an approach sanctioning increased state intervention in the technology transfer process. They created new state institutions to screen technology contracts to ensure that the transactions would meet their national and regional development goals. Their new interests were reflected in their adoption of national legislation that challenged the old ways of conducting technology transactions.

These new interests found expression in the Declaration of the Establishment of a New International Economic Order. The NIEO expressed developing countries' dissatisfaction with an international system that seemed to leave them out in the cold. It presented a sweeping critique of global inequality. In this declaration, developing countries called for resource transfers from North to South as well as for the restructuring of global economic relations to redress the balance. They argued that a new international scientific and technological order was a crucial component of the NIEO.

Developing countries complained that technology was overpriced and that technology suppliers engaged in unfair practices that severely