PART I
THE THEORY

At a time when International Relations in general, and their economic aspects in particular, are increasingly recognized as of growing complexity and significance, it is important to undertake their study, not simply on the one hand as a series of isolated political, diplomatic, and historical incidents nor on the other hand solely as matters of international trade, shipping, and finance, but rather by analysis of the fundamental politico-economic structure which so largely determines, directly or indirectly, their public policies.

—John Donaldson, International Economic Relations: A Treatise on World Economy and World Politics, 1928

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The Growth of Protection and International Regimes

The fabric of international rules in trade is unraveling. Increasingly restrictive policies pursued by developed countries obstruct trade in an ever-growing number of products and challenge the liberal conception of a smooth transformation of the international order based on a growing division of labor. American automakers, French winegrowers, and British steelworkers, among many others, all deluge their governments with complaints about "unfair foreign competition." While the woes of the steel and auto industries may dominate the headlines today, twenty-five years ago the loudest complaints were from the textile and apparel producers. In only a few more years we may be hearing the cries of the personal computer industry. How might these issues be resolved? A look at the textile and apparel trade, an area that has had the longest experience with international bargaining over market shares, may prove useful in enabling us to predict what the future might bring for autos, wine, steel, and computers.

The evolution of international bargaining over the arrangements developed in textile and apparel trade illustrates the competing forces of liberalism and protectionism at work. While full-blown protectionism has been restrained through the development of an international regime regulating intervention in textile trade,[1] the progressive weakening and increasingly protectionist orientation of a regime forced to cope with a growing array of products now casts doubt on the prospects for "organized" world trade. Trade in textile and apparel products is particularly important to the less developed countries (LDCs), comprising up to three-quarters of their manufactured exports. Growing protection in textiles and other products impedes the developing countries' efforts to industrialize and finance their debts through the development and export of manufactures. And protectionist policies, aside from causing economic

inefficiencies, have high political costs. Disputes have arisen between the North and South, among the northern countries, and among southern countries in negotiations over textile market shares.

This study examines the evolution of international regimes in textile trade with the objective of furthering our understanding of the process of regime transformation. I address three key questions: Why are regimes developed? What accounts for the strength, nature, and scope of regimes? And finally, what effect do regimes have on national behaviors and transactions? The answers to these questions shed light on the future prospects for textile and apparel trade and suggest ways to control the seemingly inexorable movement toward increasing world protection in other sectors as well. By more fully understanding the evolution of the textile regime from the 1950s to the present, we may gain insight into the future of the General Agreement on Tariffs and Trade (GATT) and learn if it is possible to slow the growing slide toward protectionism.

I argue that international regime development and change can best be understood from an international systemic perspective. Although I incorporate domestic political factors and the beliefs and behavior of decision makers as part of my analysis of regime change, they are used only for supplementary explanation. The core of the argument concentrates on utilizing the characteristics of the textile subsystem and its relationship to the overall trading and international systems to explain and predict how decision makers respond in international negotiations to the constraints and inducements of these systems.

Briefly, I argue that international regimes are desired by actors for three reasons. First, they may prevent broader international arrangements (such as the GATT) from being undermined, a constraint I label "nesting." Second, regimes provide a way to control the behavior of other countries through a system of rules.[2] Third, regimes minimize the organizational costs of conducting multiple negotiations and provide participants with information about the market and interventionist actions.

I contend that the theory of hegemonic stability (which predicts strong regimes when a single power is dominant) provides an accurate explanation of regime strength, particularly if one focuses on issue-specific capabilities and if capabilities are correctly operationalized in terms of oligopsony power. The nature of the regime depends on the degree and direction of trade flows among producers, and on the degree of cognitive consensus on principles and norms (what I term the "meta-regime") over how the regime should operate. The scope of the regime is affected, in turn, by the need to control intervention in an increasing number of sectors and by cognitive consensus on what particular products comprise a

coherent issue area to be regulated. Finally, this work argues that the effect of regimes on national behavior and transactions must be understood in light of domestic political structures and changes in technology and tastes.

The issue-specific systemic approach followed here contrasts sharply with most work on protection in trade. Scholars investigating trade issues have generally paid much more attention to the domestic politics of protection or to the role of decision makers in international bargaining than to systemic level characteristics. Some who have considered systemic level explanations have focused on the overall trading system rather than on specific issue-areas within trade. These studies tend to be cast at an excessively high level of abstraction and often obscure important shifts within various sectors of trade. Others looking at trade protection have simply missed the importance of international collaborative efforts in the form of international regimes, arguing instead that all deviations from liberal trade can be lumped together as irrational measures that hinder efficiency and growth. By examining international bargaining over regime transformation from 1950 to 1982 from an issue-specific systemic perspective, I hope to contribute to our understanding of conflict and collaboration in trade.

THE NEW PROTECTIONISM

Drawing on lessons learned from the disastrous effects of competitive protectionist trade policies in the 1930s, the United States set out to form a new, more open international trading order after World War II. To this end, it led the negotiations in developing the Havana Charter, which called for the formation of the trade counterpart to the International Monetary Fund—the International Trade Organization (ITO). But the comprehensiveness of the Havana Charter led to its demise: protectionists complained that it was too liberal; liberals claimed that it was too protectionist. These strange bedfellows joined hands in lobbying the U.S. Congress to reject the Charter—and with it, the ITO. By default, the GATT, originally designed to be a temporary treaty to establish guidelines for tariff negotiations, was left as the code governing international trade. Under U.S. prodding and support, this temporary treaty blossomed into a small but highly influential international organization to act as the conscience (some would hope, policeman) to promote free trade.

Although the GATT has survived as an institution, its authority has diminished in the face of increasing efforts to circumvent its proscriptions.[3] Its rules, while applying primarily to trade in manufactures rather than in agriculture, quite clearly prohibit the use of quotas to restrain

trade except in carefully specified cases.[4] The initial violations of the GATT principles came in the case of textile and apparel trade in the 1950s as Japan and others were asked to "voluntarily" restrain their exports. But this was only the beginning. Since that time, voluntary export restraints (VERs) and orderly marketing agreements (OMAs) have cropped up in a variety of industrial sectors. Among the most significant, the Japanese agreed to VERs to restrict their exports to the United States of steel in 1968, color televisions in 1977, and autos in 1981. Similar restraints to the European Economic Community (EEC) by Japan and other countries exist in sectors such as autos, steel, machine tools, and videotape recorders. As Robert Reich has noted,

> As the free trade ideal has become hopelessly inadequate to guide these shifts, international economic agencies and formal trade processes sponsored by the U.S. have been gradually bypassed and enfeebled. Only the easiest of disputes are settled within the GATT system; most major issues of global economic change are dealt with outside it.[5]

The increasing pressures for protectionist actions appear to have at least two sources. First, in a number of industries, developed countries (DCs) have had their markets for exports closed off because of import substitution policies by the LDCs. The United Kingdom experienced the loss of many of its textile markets after World War II: its exports were down to 40,000 tons of fabrics in the 1960s, in contrast to 700,000 tons in 1913 and 140,000 tons in 1948.[6] With the spread of LDC domestic production, exports of cotton fabrics as a percentage of total world production declined from 29 percent in 1913 to 12 percent in 1964.[7] This gradual replacement of DC export markets (which started in the 1930s with the growth of protectionism and the worldwide depression) left Europe with approximately 40 to 50 percent surplus production capacity in textiles; some countries, such as the United Kingdom, were left with over 75 percent excess capacity.[8]

This effect has been seen in other sectors as well. For instance, steel production in the LDCs increased by 50 percent from 1974 to 1977 while that of the United States fell by 6 percent. Their share of world steel production has risen from 2 percent in 1950 to an estimated 11 percent in 1977. Japan's share went from 3 percent to 15 percent during the same time.[9] Conversely, the U.S. share decreased from 39 percent to 15 percent from 1955 to 1981.[10]

A second factor encouraging the growth of protection is the rapid rise in manufactured exports from the LDCs and Japan to the United States and Europe. In the initial stages, the turn away from import-substituting industrialization toward an export-oriented strategy—most prominently

by the newly industrializing countries (NICs)—proved to be highly successful. Their manufactured exports grew at an annual rate of 12.2 percent from 1963 to 1973, and 20 percent from 1973 to 1976, two-thirds of which reached DC markets in the 1970s. South Korea's manufactured exports to the United States increased at a real rate per annum of 36.6 percent from 1965 to 1975. The corresponding figures for Taiwan, Brazil, and Mexico are 28.8, 25.4, and 21.2 percent, respectively. While these imports from the LDCs as a percentage of the industrialized countries' consumption has only increased from 0.4 percent in 1960 to 1.2 percent in 1975,[11] particular sectors have sought protection as competition from exports has contributed to surplus capacity. The fact that the major proportion of these increased imports originates from only a few countries makes protection even easier.

The competition over markets for manufactures which once was just "North-North" (a three-way battle between Western Europe, the United States, and Japan) has now become "North-South" as well with the rapid growth of manufactures from the NICs. The North-South problem, which from the southern perspective is one of trying to increase export shares, in turn leads to a North-North problem of minimizing *import* shares. The last problem becomes particularly acute as exports blocked by one country find their way to less protected markets. Escalating retaliation could well become the norm—with obvious consequences for the heavily indebted NICs.

By taking advantage of their low-cost labor, firms from Japan and the NICs have entered world markets and successfully competed against firms in Europe and the United States. The "lesson" for other developing countries seemed to be that import substitution policies could be supplemented or even replaced by export promotion; in some cases "infant industries" could grow up and succeed in the "adult" world. For instance, Japan's share of world auto production increased from 2.9 percent in 1960 to 28.4 percent in 1980, and by 1981 accounted for 80 percent of all U.S. auto imports. Imports have increasingly taken over the U.S. auto market, rising from under 15 percent in 1970 to almost 30 percent in 1981, while U.S. capacity utilization decreased from almost 80 percent in 1967 to just under 60 percent in 1981.[12] In steel, imports captured over 20 percent of the market for the first time in 1982. Combined with declining demand for steel, U.S. mills were running at only 30 percent capacity at year's end.[13]

The problem of industrial overcapacity is not novel, nor are industrial demands for government protection. In the past (e.g., in various countries from 1600 to 1750, in the United Kingdom in the 1870s, and throughout the industrialized world during the depression of the 1930s), excess

capacity problems existed and were "cured" by the idling of production as governments refused to bail out industries in trouble. In some cases, however, governments did respond and sought to procure markets through the use of force. In the post-World War II era, however, governments are not allowed to stand idle while production is rationalized through the competitive pressures of supply and demand. The new role of the government as the caretaker of society prevents free capital and labor mobility across sectors. Rather than allowing private losses resulting from the need to adapt to a changing division of labor, governments have been called upon to intervene on behalf of particular industries to prevent their demise.

Though effective policies of industrial adjustment could potentially facilitate the adjustment process, few developed countries have been able to pursue forward-looking adjustment policies.[14] Instead, governments have often simply responded to the loudest cries for restrictions by instituting controls on imports of one sort or another. If this phenomenon takes place in a number of countries, goods are diverted from one country to another in response to the closing off of markets. The result is growing international economic conflict and increasing political tension.

International regimes, and, in particular, the textile regime, have been seen by some as a way of moderating international conflict over market shares. For instance, one analyst has argued in responding to expressed fears of trade wars: "The alternative is not jingoistic protectionism. It is managed trade, on the model of the Multi-Fiber Arrangement [MFA]."[15] The construction of rules and procedures specifying the conditions under which countries may intervene in the market may well permit compromise and offer a mechanism for the equitable sharing of adjustment costs. But can trade be successfully organized? And is the regime in textile trade worthy of emulation? This study argues that hegemony in trade and international regimes can have its dark side as well. International regimes designed by a hegemon with a liberal orientation to restrict protection and facilitate trade can be twisted to facilitate competitive protection and restrict trade. The liberal protectionist arrangements of the 1960s have been distorted from a positive force for moderate protection to a negative force that facilitates it. What was originally hoped to be a stable equilibrium between liberalism and protectionism now appears to be a way station on the road from one point to the other.

THE IMPORTANCE OF TEXTILE AND APPAREL TRADE

Textile and apparel trade has long involved international conflict and intrigue. This is not entirely unexpected since the textile and apparel

industries were at the vanguard of industrialization. Indeed, British Commercial Attaché William Gastrell reported in 1897 that "Great Britain has, amongst all her gigantic industries no more important branch than this one, so renowned throughout the world over."[16] They continue to be significant for developed countries in terms of employment and manufacturing output. In 1980 the U.S. International Trade Commission (ITC) estimated that 14 percent of manufacturing employment in developed countries and 30 percent in developing countries was in the textile and apparel industries.[17] Most important, these were the first major manufacturing industries in the newly developing countries because of the relatively simple technology required for their production and because of their labor-intensive nature. As a result, these products are key components of LDC exports (see table 1).

Conflict among countries over trade in textile and apparel products began in the 1300s (and possibly even earlier).[18] In medieval England, the import of woolen cloth was banned by a statute issued by King Edward

TABLE 1

PERCENTAGE SHARE OF TEXTILE AND APPAREL PRODUCTS IN THE TOTAL MANUFACTURED AND OVERALL EXPORTS OF SELECTED COUNTRIES, 1970 AND 1980

	Textiles and apparel as percent of total manufactured exports		*Textiles and apparel as percent of all exports*	
Country	*1970*	*1980*	*1970*	*1980*
Pakistan	77.6	78.0	45.0	37.4
Egypt	76.0	83.1	19.1	9.2
Portugal	56.5	41.3	25.4	26.7
India	48.7	33.0	24.5	19.6
South Korea	47.0	34.5	35.7	30.0
Hong Kong	43.5	38.6	38.7	34.1
Colombia	25.6	37.0	1.9	6.4
Singapore	21.8	9.9	5.5	4.1
Greece	21.6	38.9	7.3	17.0
Israel	18.9	10.6	11.8	7.1
Tunisia	16.6	75.7	2.1	17.6
Spain	11.4	7.2	5.7	4.8
Brazil	10.7	11.5	1.3	3.9
Mexico	9.5	12.6	3.0	1.1
Philippines	7.8	27.9	0.6	6.2
Kenya	3.4	6.7	2.3	0.6

SOURCE: United Nations Statistical Office, *Yearbook of International Trade Statistics* (various years); *U.N. Commodity Trade Statistics* (various years).

NOTE: 1980 figures for India and Israel are 1978 and 1979 respectively.

III in 1337. One study criticizing the notion that the development of protection was due to pressure groups and organized activities by producers carefully notes that the textile industries were an exception.[19]

In the late 1600s, the textile industry in England successfully prevented an influx of inexpensive handcrafted textiles from India and China.[20] Behind the trade barriers imposed by the British Crown, English textile manufacturers were able to bring their infant industry to maturity.[21] As is well known, England was subsequently able to export large quantities of cotton textiles to India, thereby destroying India's indigenous industry. As a result of England's increasing control over its fragmented princely states, India became a key importer of mechanically produced goods in the 1800s.[22]

Textiles came to play a somewhat different role in England in the 1800s when the textile industry became associated with the movement toward economic liberalism. Adam Smith's ideology of laissez-faire fit hand in glove with the desire of the Manchester cotton textile manufacturers for an open world market. Although the extent to which British power was used to secure an open trading system that proved highly beneficial to the textile and other manufacturing industries remains open to debate,[23] the rapid growth of the English textile industry resulting from open trade and its key role in English exports is undeniable. As late as 1895 textile exports accounted for over one-third of the total value of British exports, despite a decline in their prices (attributed to the effects of foreign competition).[24]

Important changes which radically affected the textile and apparel industries in the United Kingdom and other developed countries took place in the twentieth century. Britain entered the century accounting for 70 percent of the world's trade textile trade.[25] Yet after the world depression began in 1929, the position of the industrialized countries in the textile and apparel industries was vigorously challenged. Foremost among the aspirants for domination in textile trade was Japan.[26] In 1933 it had become the premier exporter of cotton textile products in the world.[27] The less developed countries soon followed the Japanese example. Through import substitution, and as a consequence of their very low labor costs, these countries made inroads into the markets of the developed countries. Especially after World War II, Hong Kong, South Korea, India, Pakistan, and Japan began to export cotton textile products in larger and larger quantities. Although total imports were still a relatively minor fraction of the domestic market of many countries (less than 2 percent of the American market in 1955), this growing export drive was attacked by textile and apparel producers in the developed countries.[28]

The textile and apparel industries were experiencing numerous

problems unrelated to imports.[29] In the United States, for example, there was a major movement under way by northern textile and apparel producers to relocate to the South as increasing unionization of labor in the North led businesses to seek cheaper wages. In other countries, growing intraindustry competition was taking place as a result of the development of synthetic fibers. Integrated producers using synthetic fibers or blends drove out more traditional manufacturers of cotton and/or wool-based products. Contributing to their lack of competitiveness was the failure of many manufacturers to keep up with style changes in the market. Furthermore, other materials such as plastics or paper products often substituted for textile products. The implication of these changes is quite clear: even without imports many mills in developed countries would have closed.

Though these factors were affecting the textile and apparel industries, manufacturers were most concerned with restricting imports. The character of the domestic coalition-building process and the relative strength of business vis-à-vis labor provided the motive forces for this import focus. Imports could serve as scapegoats for domestic problems and allow manufacturers to seek restrictions preserving their market—without direct intervention by the government in the production process. And for domestic coalition purposes, manufacturers of different fibers were more willing to go along with import restrictions than to pursue aid for specific manufacturers. In country after country, manufacturers banded together with labor to seek the protection of their respective governments.

In the United States, the movement to restrict imports in the post-World War II period began as early as 1953 when the American Cotton Manufacturers Institute (ACMI), the most important cotton textile producers peak organization, was moving to "combat the deluge of free trade propaganda flooding the country."[30] Through skillful coalition building and effective lobbying, the ACMI threatened to block trade bills if they did not obtain restrictions on the imports of textile and apparel products from Japan. The Japanese realized that prospects for increasing exports in light of ACMI's efforts were bleak, and "voluntarily" restrained their exports of a number of cotton-based products in 1955. Mounting pressure from the U.S. government to restrict their exports for a longer period led to further restraints. In 1956, the Japanese voluntarily restricted their exports for a period of five years.

Other developing countries soon jumped into the vacuum created by restraints on Japanese exports to the United States with exports of their own. Among the LDCs, Hong Kong quickly increased its market share. While Japan's share of total U.S. cotton imports declined from 54.5 per-

cent in 1956 to 34.1 percent in 1961, Hong Kong's share rose from less than 0.5 percent to over 23 percent during the same period.[31] While domestic producers pushed for a global quota to control imports of textile and apparel products from all sources, the U.S. government first sought to conclude a bilateral agreement with Hong Kong. This effort failed when Hong Kong resisted American pressure. In response, Douglas Dillon, the under secretary of state, asked the GATT participants to develop a program to cope with low-priced imports.[32] The 1959 agreement on "market disruption" from low-priced imports served as an important element of the Short-Term Arrangement on Cotton Textiles (STA) developed in 1961.

The problems facing the American textile and apparel industries were not unique. In the United Kingdom, not only were imports from the LDCs increasing but in addition its textile exports had been falling almost continuously since the early 1900s. The value of British textile exports (in constant prices) fell by over 70 percent from 1913 to 1955.[33] In fact, the United Kingdom—the country that had initiated the industrial revolution with textiles—by 1958 imported more cotton cloth than it exported, in part because cotton textiles from India, Pakistan, and Hong Kong could be imported duty-free under the Imperial Preference System.[34] To cope with the resulting surplus industrial capacity the British sought to have these countries "voluntarily" restrict imports in the late 1950s. As a result, these Commonwealth countries, in an agreement known as the Lancashire Pact, agreed to restrain their exports of cotton textiles on an interindustry basis.

The European countries used Article XII of the GATT, which allowed restraints on imports for balance of payments reasons, to restrict imports of textile and apparel products from LDCs. Yet, after these LDCs had improved their economic position and returned to currency convertibility in 1958, they still did not liberalize their import restrictions. Instead, they maintained their restrictions in violation of the GATT. As discussed in Part II, the perpetuation of these restraints proved to be an important reason for the American attempt to develop a textile and apparel international regime.

In 1961, as part of a seven-point plan to aid the American cotton textile and apparel industries, President Kennedy instructed the under secretary of state, George Ball, to work toward an international agreement on textile trade. A temporary one-year agreement (the STA) was reached, effective October 1, 1961. The STA was followed by the Long-Term Arrangement on Cotton Textiles (LTA),[35] which was effective for a period of five years.

Both the STA and the LTA contained procedures for governments to

follow if they claimed market disruption or the threat of market disruption from imports.[36] In such an event, importing countries were allowed to conclude bilateral agreements with exporting countries, or impose unilateral restraints if they could not secure agreement with the exporters. Unilateral measures had to adhere to the regime's provisions mandating growth in quotas and other provisions. Under the LTA, most importing countries chose to conclude bilateral agreements with exporters; for example, by 1966 the United States concluded eighteen bilateral agreements.

Although the LTA partially satisfied cotton textile and apparel manufacturers in DCs and permitted LDCs to increase their exports (within limits), it failed to address trade in man-made fiber and wool-based goods. The LTA encouraged the development of various blends to enable exporting countries to circumvent the restrictions on cotton products (the arrangement specified that cotton products would be defined as having over 50 percent cotton content). Pressure to restrict man-made fiber and wool-based products soon increased. In the mid-1960s, European countries began to restrain unilaterally and bilaterally the imports of LDC wool and man-made fiber textile and apparel products—without abiding by GATT or any other international rules. Domestic groups in the United States sought similar restraints, but the American government (as well as the LDCs) resisted this effort. Yet the EEC's restrictions on LDC and Japanese wool and man-made fiber-based products put pressure on the United States, since imports were being diverted to the American market. It soon became clear to these exporters and to the United States that an international regime would be a better device than such unregulated bilateral restraints. At a minimum, a regime would provide some constraints on the actions of importing countries.

The United States had tried to develop a multifiber regime as early as 1969, but the Europeans strongly resisted this effort. They saw the American desire for a regime as a ploy to restrain their own exports to the United States. Moreover, they were quite happy to restrict the exports of less developed countries and Japan on a bilateral and unilateral basis. In 1971, following difficult and protracted negotiations, the United States concluded bilateral agreements with Japan and other Far Eastern exporters. By comparison, the development of the MFA[37] was easy. It was signed on 20 December 1973, and took effect on January 1974 for a period of four years. Although similar to the LTA in its basic conception, the rules of the MFA were more specific and comprehensive, and a body to monitor the actions of importing and exporting countries was set up. This group, the Textiles Surveillance Body (TSB), consisted of members of various importing and exporting countries. The delegates to the TSB

were to serve as technical experts in monitoring agreements, although, in practice, political criteria have often determined their actions.

The first renewal of the MFA took place in 1977. In contrast to previous negotiations, the EEC took a very active role in defining the nature of the arrangement. Due to long delays in concluding bilateral agreements with exporting countries (which resulted from EEC's complex internal bargaining process), imports into the Community rose rapidly. The EEC asked for a number of major changes in the MFA but met with resistance from both the LDCs and the United States. After protracted bargaining, the MFA was renewed in December 1977 but was considerably weakened by an "escape clause."[38]

The latest renewal of the MFA, in 1981, has further undermined the regime's influence over national restrictive actions. Both the United States and the EEC pressed for inclusion of clauses in the MFA which would essentially serve as a legal and political cover for sharply protectionist actions. The regime now allows cutbacks in trade levels for major suppliers and potentially removes what little flexibility the exporters had in shifting their export composition within the textile and apparel area. The character of the MFA has fundamentally shifted, to the point where the regime may actually *encourage* restrictive actions by providing a simple mechanism that facilitates the "negotiation" of restrictive accords.

ORGANIZATION OF THE STUDY

This study consists of three parts. In the remainder of this part, I develop the theoretical approach that guides the investigation of regime transformation in textile trade from 1950 to 1982. Chapter 2 differentiates the dependent variable of regime transformation into a number of dimensions and places international regimes in a broader theoretical context. Based on the dimensions of strength, nature, and scope, I characterize the changes that we have seen over the last thirty years in textile trade. To explain these changes, I then present my systemic argument on the evolution of regimes and examine system characteristics over the time period in question. The systemic level theory is supplemented by a consideration of domestic politics, transnational coalitions, and bureaucratic struggles. I also focus on the learning process and misperceptions that decision makers may experience. Finally, this chapter describes the method of "process-tracing"—an approach that traces the reactions of decision makers to systemic factors through an intensive analysis of the decision making process.

Based on the theoretical approach outlined in chapter 2, Part II presents a detailed investigation of bargaining in textile trade. Each of four

chapters—nonexistence, creation, maintenance, and destruction of regimes—analyzes bargaining in similar fashion. I first examine the degree to which the various international structures constrain both the behavior of decision makers and the outcomes that we see. Put succinctly, are the factors here claimed to be important both necessary and sufficient in determining the outcomes? Second, I consider the extent to which international structural factors may have been misperceived by decision makers. Third, I evaluate the extent to which domestic and individual level factors were decisive in producing the observed outcome. Fourth, I look at the behavior of countries once the regime has been implemented and also consider the changes in trade flows feeding back onto the basic international structural factors used to account for regime change.

In Part III, I review my findings and examine the utility of an international systemic approach for illuminating the process of regime transformation. I consider the extent to which such a model might be usefully supplemented by other factors and consider its relevance to the examination of other issue-areas. Finally, I assess the prospects for the arrangements in the textile and apparel issue-area as well as the role of international regimes in managing growing protectionism in other sectors of the world economy.