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Abstracts

Capitalism and hegemony: Yorubaland and the international economy *by David D. Laitin*

Certain relationships among hegemony, international openness, capitalism, and state formation are stipulated by Polanyi, Kindleberger, Gilpin, Krasner, and Wallerstein. Here they are put to question through an examination of the rise and fall of the Yoruba state in the 18th and 19th centuries. In contrast to what widely held theories would predict, the Yoruba state was strengthened through greater exposure to international commerce. Second, from the point of view of African traders, the rise of British hegemony meant a decline in freedom to trade. Third, although the remnants of the Yoruba state were on the periphery of the world economy, its traders were able to penetrate international markets, even during periods of international economic crisis, with considerable success. In light of these findings, some suggestions are made for the reformulation of conventional theories.

Exchange rate system, policy distortions, and the maintenance of trade dependence *by Bruce E. Moon*

Two central tenets of dependency theory are supported by the analysis of the causes and consequences of the exchange rate policies of less developed countries (LDCs). First, one critical component—high partner trade concentrations—is recreated by the choice of exchange arrangements. Specifically, nations that have maintained a dollar peg have significantly increased their concentration of trade with the United States since 1973. This occurs because of the exchange rate risk present in any transaction that involves a dollar-pegged currency and any other major currency against which it floats. Second, such an effect produces incentives for internal and external actors with an interest in the partner composition of future trade to influence the exchange rate policy of LDCs. Various components of the dependence situation that strengthen the role of such actors—partner trade concentrations, treaty arrangements, foreign aid, etc.—are significantly correlated with actual exchange rate practice. Thus, exchange rate policy is a linch-pin mechanism, in that it both manifests distortions produced by dependency and further acts to recreate a vital aspect of the situation that gave rise to the distortions.

Intergovernmentalism in the European Communities in the 1970s: patterns and perspectives *by Paul Taylor*

The direction of movement of integration between the member states of the European Communities was uncertain in the early 1970s. The increasingly intergovernmental style of decision making was then seen to have a potential for furthering integration, although a number of disintegrative pressures were noted. In

1973–1974, however, the teleological ambiguities were resolved, and in the late 1970s member states increasingly stressed autonomy rather than integration. Intergovernmental decision making then acquired a different character from that which it had shown in the early seventies. A shift in the center of gravity of the Communities' institutions, away from the Commission and in favor of the Presidency and the national foreign ministers and officials, both reflected and encouraged these developments.

Trade politics in the Third World: a case study of the Mexican GATT decision

by Dale Story

In 1980 Mexico decided not to join the General Agreement on Tariffs and Trade (GATT). Certain objective conditions formed a positive environment for Mexican adherence, but President López Portillo postponed Mexican entry indefinitely. This critical decision is examined from two perspectives: a left-leaning foreign policy, and domestic constraints in the Mexican political system. Major foreign policy factors were a growing resentment of U.S. dominance combined with a preference for conducting relations with the U.S. on a bilateral basis. Internal political pressures reflected the continued reform of the Mexican political system at the upper levels and the relative autonomy of some elite groups from the state. López Portillo's decision did not constitute an outright rejection of trade liberalization. However, the decision could have international repercussions in "politicizing" U.S.-Mexican trade relations, in slowing trends toward freer trade (especially in Latin America), and in strengthening multilateral organizations like UNCTAD in which Third World countries exercise considerable power.