LIBERALISM AND NATIONALISM IN The WORLD TRADE MARKET

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Abstract

This thesis analyzes the dialectical relations of economic liberalism and nationalism. Four arguments are made: 1) the international economic order is the product of the intercourse between liberalism and nationalism; 2) world trade expansion is conditioned by the rise of protectionism; 3) the formation of regional trading blocs sets up a bridge between regional liberalism and GATT (General Agreement on Trade and Tariff); 4) the success of development is determined by the results of the crystallization of the nation-state. The arguments of this paper develop from abstract to specific. In the first part, the philosophical foundations of liberalism and nationalism are given attention. Both forces are regarded as the foundations of modern international relations, the success of one side depending on the other. In this connection, Ruggie's (1982) "embedded liberalism" is extended to the whole range of modern history. The three theories which are also reviewed with respect to their ideologic commitments. The rapprochement of nationalism and liberalism implies that their originally one-sided standpoints need modification. In the second part of this thesis, empirical analyses are introduced. The different state patterns, such as free capitalism and state socialism, are regarded as the results of crystallization (Mann, forthcoming). The rise of protectionism and regionalism reflect the erosion of the existing international relations. Successful nationalism could set up the foundation for the solid development of liberalism under the political framework of democracy, which could alter the existing international relations.

Résumé

Sur la scéne des marchés mondiales, nous analysont la relation entre le libéralisme économique et le nationalisme. Spécifiquement, les quatres arguments seront: 1) l'ordre economique international est le produit d'une relation entre le libéralisme et le nationalisme ; 2) l'expansion du marché globale est relatif au protectionisme; 3) la formation des blocs économiques regionales favorise la relation entre le libéralisme regionale et le GATT; 4) le succes du développement est déterminé par la crystalization d'état. Les argument de cette thése suivent une logique de l'abstrait au spécifique. En premier lieu, les fondations philosophiques du libéralisme et du nationalisme seront un foyer. Ces deux forces sont vue comme les fondations des relations internationales contemporaines. le succes et le développement d'un pays dépendent d'une bonne combinaison de l'une avec l'autre. En vue de ceci, le "embedded libéralism" de Ruggie s'etend sur plusieurs dimensions de l'histoire moderne. En plus, les convictions idéologiques des quatre théories sont revue. Le rapprochement entre le nationalisme et le libéralisme doit comprendre une modification de leur positions originales. En deuxiéme lieu, les analyses empiriques sont vue comme les résultats de crystalization. L'augmentation du protectionisme et du regionalisme démontrent l'érosion des relations internationales courantes. Le nationalisme favoré pourrait fonder le développment solide du libéralisme sous une politique démocratique, ceci, consequement, pourrait modifier les relations internationale.

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I. Introduction

The title of this thesis implies two restrictions: 1) the world trade market is the major focus of our analyses; 2) the economic liberalism and nationalism are our main concern. A dialectical analysis of liberalism and nationalism in the world trade market, then, is the main theme running throughout this thesis. Specifically, four arguments are made: Firstly, the international economic order is the product of an intercourse between liberalism and nationalism; secondly, the world trade expansion is on the condition of the rise of protectionism; thirdly, the formation of regional trading blocs sets up a bridge between regional liberalism and GATT (General Agreement on Trade and Tariff); fourthly, the success of development is determined by the results of crystallization[1] of nation-state.

Two basic methods are used in this thesis: theoretical analysis and empirical exploration. The above four arguments consist of an integration which reflects the dialect relationships of liberalism and nationalism in different aspects and levels. In this sense, the whole thesis is a

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[1] "In chemistry a polymorph is a substance that crystallizes in two or more different forms, usually belonging to different systems. The term conveys the way states crystallize as the centre -- but in each case as a different centre -- of a number of territorial party networks." (Mann. forthcoming: 65) Many elements are considered in the process of crystallization in Mann's studies. In this paper, I only identify the three elements of liberalism, nationalism and Marxism in this process.

theoretical analysis, or a deductive inference, which guarantees its consistency. However, the four above arguments are not only in accordance with the abstract inference but are also supported by historical evidence and other empirical data. Thus the inductive process is also a necessary part of the whole thesis. The thesis evolves through the combination of the two methods.

In order to establish the major premise, an analysis of the philosophical foundations of liberalism and nationalism is conducted in the second chapter, and Ruggie's (1982) "embedded liberalism" is extended to the whole range of commercial capitalism. For the purpose of comparison, Marxist perspectives are also introduced in this section. In the third chapter, a critical theoretical review is made of three dimension axes of liberalism, nationalism, and Marxism. Specifically, Dualism, Hegemonic Stability Theory (HST), Theory of Power Balance (TPB), and World System Theory (WST) are reviewed with respect to their ideological commitments. As a continuation of the second chapter, the fourth chapter analyzes the expansion of the world trade market and the rise of protectionism, and explores the relations of the formation of the regional trading blocs and GATT's principles. The fifth chapter explores the determinants of the rise and fall of trading states. In reality, liberalism and nationalism both conflict and cooperate, the success of one side greatly depending on another. Borrowing the concept of

"crystallization" from Michael Mann (forthcoming), I conclude that the crystallization of liberalism and nationalism plus Marxism is the determinant of success or failure of competition in the world market. Crystallization will lead to the different societal realities, such as state socialism and free capitalism, which determine their capability to compete in the world market.

II. The Foundations of Economic Liberalism and Nationalism

Liberalism and nationalism have different meanings, such as movement, theory, and reality. In this chapter, they are first discussed as two ideologies. On this level, both of them cannot be examined empirically because they are only systems of belief. When ideologies are carried out in reality, they may become testable.[2] In this connection, the definitions and philosophical foundations of economic liberalism and nationalism will be explored, and their comparisons will also be conducted in this chapter as well.

1. Economic Liberalism

Economic liberalism is an ideology of pursuing efficiency through the division of labour and price mechanism in a free market, on the condition of scarcity of resources. Liberals

[2] If the ideology is a religion, like Islam, we will fail to test its effects in reality, because the causes and effects, all are attributed to God's will.

believe that efficiency will lead to economic growth and the increase of national wealth and individual welfare (Smith, 1930). Orthodox liberals hold several assumptions about the market and its effects: the market is free, competition is perfect and exchange is equal, and the market economy, at least in the long run, will lead to equilibrium and inherent stability (Bhagwati, 1991).

In the international market, liberals insist on the comparative advantage, even backward advantage through free trade among countries. They believe that specialization via the international division of labour will, at least in the long run, benefit all participators.

Several philosophical foundations back up economic liberalism. First, like the earlier writers, such as Thomas Hobbes and John Locke who searched for the law of nature, liberals search for the natural law of economy. Based on the assumption that pursuing wealth is a natural tendency of human beings, liberals found that the price mechanism is operating in the market. Like an "invisible hand", the price mechanism drives individuals, further human society in their economic life. Second, liberalism emphasises individualism; the freedom of individuals is the precondition of market economy. Only free man makes equal exchange possible (a necessary, but not sufficient condition). Liberalism implies that businessmen, not working class in Marxist sense, has no country because they abide by market principles across the borders of the

states. In this regard, economic liberalism has a "multi-boat assumption". People of a nation-state take several boats, and are differentiated according to their performances or contributions to the societies (Reich, 1991). Third, liberals believe in social evolution. In Darwinism, the natural evolution is based on the mechanism of survival competition and natural elimination. Despite the critical scepticism of Darwinism among hereditists, we still find that liberalism shares the basic principles of evolutionism, free competition and "survival of the fittest". The functioning of the price mechanism displays a process of natural development (Hall, 1985).

Economic liberalism is a double-edged sword. It could be a constructive force in one way while a destructive force in another, despite liberals believing in a non-zero-sum game in the world market. The subtlety is that the logical operation of liberalism via diffusions produces the very forces to hurt itself, called the contradiction or dilemma of liberalism. According to Polanyi (1944), this is that the self-regulating market destroys itself. Borrowing Michael Mann and John Hall's study on the causes of the decline of hegemony (Hall, 1990; and Mann, 1988), I qualify the three forces which are derived from a single process of diffusion:[3] (1) diffusion via

[3]Perhaps, the contradiction between the growth and the scarcity of resources is another fundamental dilemma of economic liberalism. The reports of Club of Rome represent the voice of this aspect (Meadows, et al. 1972). Unfortunately, the limitation of the thesis does not allow me to address this

efficiency, (2) diffusion via geopolitics, and (3) diffusion leading to institutionalization.

Diffusion of liberalism via efficiency fosters prosperity and weakens the inefficient sectors. However, the free trade of the advance countries may destroy the infant industries in less developed countries (LDCs). In this connection, once state building was completed in LDCs, liberalism would be resisted by the successful nationalism. One apparent example is the socialist revolutions which have occurred in many LDCs (Amin, 1990). Once on the way of industrialization of LDCs, the diffusion of practices throughout capitalist society is a more or less inevitable external cause of the liberalist dilemma, given that comparative advantage in general and the advantage of backwardness in particular have always allowed developing states faster growth paths than those of mature economies (Hall, 1990:116). The rapid growth in LDCs could hurt the mature economies, as evinced in the Newly Industrializing Countries (NICs) (Deyo, 1987).

Keohane (1984) identifies the three forces undermining the "embedded liberalism": (1) the system has moved from transmission of prosperity to inflation and recession; (2) the terms of trade have worsened (mainly the result of the huge oil price rises in 1973-4 and 1979-80); and (3) the rise of exports from LDCs as a consequence of liberalism undermines liberalism itself (pp. 26-36). It seems to me, though that

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question.

Keohane's three forces have the same cause, namely diffusion via efficiency.

Diffusion of liberalism via geopolitics is another aspect of diffusion, which so far has had the strongest influence on the international economy in general, and the relative decline of the United States in particular. Besides the diffusion via efficiency, the diffusion via the geopolitics in the postwar era took the form of the allies against Communism (ie. the Marshall Plan). Hall (1990) indicates that Germany and Japan were reconstructed as the result of American geopolitical victory. Taiwan and Korea also greatly benefited from American policy against the Communist China and North Korea. The collapse of USSR has already shown some evidence to indicate that Capitalist allies won the battle over Communism, at least at present. Of course, the end of the Cold War also in effect eliminated the last major prop of U.S. hegemony (Wallerstein, 1992:14). At the same time, the members of the allies, especially Japan and Germany, have been the major trouble-makers for the United States in the world market. In the postwar period, the United States has gone from being a major owner of trade surplus to an owner of huge deficit. The United States owned $5.36 billion trade surplus in 1948, conversely has $171.2 billion trade deficit in 1987 about 1/3 of which was with Japan. By contrast, Japan and Germany are the major owners of trade surplus, except in the recovery periods. They have been major competitors of the United States (IMF, 1985-

1990 and Yearbook of International Trade Statistics, 1975).

The "American geopolitical victory" has been the force to beat American economy. The primary reason for this dilemma is that the success of liberalism has been institutionalized, which makes it difficult to adjust in the large capitalist society. In case of Britain and the United States, the full-blooded liberalism plus the absence of industrial policies have made them less competitive in the world market (Hall, 1990 and Appendix V in this thesis). The process of diffusion requires the institutionalization of liberalism which, in consequence, leads the diffusers to be rigid[4]. The dilemma of hegemony seems unavoidable.

These three aspects of the dilemma of liberalism - diffusion via efficiency, diffusion via geopolitics and institutionalization - indicate that liberalism indeed contains the seeds of its own destruction so that its very success undermines it (Keohane, 1984:17-18). To understand its micro-mechanism, we need to dissect the market. In the market, there are two important elements, capital and labour. On the one hand, all that remain rooted within national borders are the people who comprise a nation. On the other hand, money, information, goods and service move almost effortlessly through global webs. Capital is rolling and expanding like a snowball, while (Blue Collar) labour is weakening and

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[4]Following the structuralist perspective, this phenomenon may be called the "life cycle" of the structure.

shrinking like an oldster. As Keohane observed, "capitalists benefit politically from openness because capital is more mobile than labour and because they have superior access to information" (Keohane, 1984:22). The problems may be expressed in another way. Reich (1991) indicates that there are the three different competitive positions: routine production services, in-person services, and symbolic-analytic services:

> All Americans used to be in roughly the same economic boat. Most rose or fell together, as the corporations in which they were employed, the industries comprising such corporations, and the national economy as a whole became more productive - or languished. But national borders no longer define our economic fates. We are now in different boats, one sinking rapidly, one sinking more slowly, and the third rising steadily (Reich, 1991:208).

Obviously, the rise of positions of symbolic analysts is related to the owners of capital, knowledge, and information. Nonetheless, the sinking of positions of the others is less so. The dilemma of economic liberalism, then, is reinforced by its micro-mechanism.

The contradiction of liberalism has been described in two ways: radically and conservatively. In the first version, all Marxists contend that the victory of liberalism will eventually lead to its demise, regardless of whether it develops (rather than underdevelops) the world as claimed by Marx and Lenin, or causes the underdevelopment of the Third World, as claimed by World System Theory. In the conservative analysis, the destruction cannot be understood as the end of the capitalist system as a whole, only its specific form of "hegemonic stability". In the conservative perspective, the

dilemma of liberalism is not necessary to invite the pessimistic conclusion, especially when the hegemony declined, because the contradiction could be a force to renovate the system, instead of destroying it. If the capitalist system is a dynamic one, it should take different forms with the development of history. As a matter of fact, capitalism has already developed in different forms over the last two centuries. Thus, it should not be surprising if the international economic order takes different forms in the process of intercourse of liberalism and nationalism.

2. Economic Nationalism

Economic nationalism is a sub-concept of nationalism and, because the question of nationalism is still a puzzle in modern society (Tilly, 1991), a brief review of its origin is a necessary step. Nationalism has been recognized as a modern phenomenon (Gellner, 1983 and Mann, 1992), however, there are slightly different opinions concerning its preconditions. Gellner (1983) prefers industrialization and intensive communication, while Mann (1992) emphasises geo-political reasons, at least, when analyzing the emergence of European nationalism. Mann argues that European nationalism emerged before the Industrial Revolution, so geopolitical reasons are more suitable than industrialization for explaining the emergence of European nationalism. It should be noted that the above causes of the emergence of nationalism do not conflict each other, and further studies on nationalism, such as on the

emergence of nationalism in Asia, Africa and Latin America, may reveal more specific causes. It seems to me, though, that the emergence of nationalism as a whole is the effect of world integration, in which the industrialization, communication and geo-politics (even wars) are the integrative tools. We have no real world history before the emergence of commercial capitalism. Relatively isolated nations and civilizations wrote their individual histories, though there were occasional mutual impacts on each other.[5] In this sense, WST is correct: we have had only one real world system so far, the capitalist world system; we have had only one world market, the capitalist world market. The integration and interaction among states made claims of their identitifications necessary, and this process led to the rise of nation-state. In brief, nationalism is the product of world integration. Simultaneously, the rise of nationalism was in response to the impact of liberalism as well.

Michael Mann defines nationalism as an ideology which asserts the moral, cultural and political primacy of an ethnic group (real or constructed). Such an ideology is shared by many people right across a territory (Mann, 1992:137-141, and Gellner, 1983). In other words, nationalism is primarily a political principle and a theory of political legitimacy

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[5]McNeill (1986) argues that the conquest, disease and trade, all worked in the direction of the prevalence of polyethnicity in civilized societies before 1750. However, the background of this human past was not a whole.

(Gellner, 1983:1) related to the establishment of nation-state (Mann, 1992:163).

With the general concept of nationalism in mind, we can return to our discussion of economic nationalism. Economic nationalism, like economic liberalism, is an ideology of pursuing industrialization through political power (the state machine) within the territory of the state, in the context of geopolitics. The central idea of economic nationalism is that economic activities should be subordinated the goal of state building and the interests of state.

The philosophical foundations of economic nationalism are mainly opposite to that of economic liberalism. First, economic nationalism assumes that seizing power is the natural tendency of human beings, of the most importance is the political power. Second, it stresses collectivism and order, so the nation's security and interests have priority. Third, economic nationalism has a "single boat assumption" (Reich, 1991). All of the nation's citizens take one boat which is roughly rising and sinking together; economy is equated with the national economy. In brief, in the eyes of nationalists, economic development is one of the responsibilities of the state; thus forced development is urgent (Hall, 1985).

In the world trade market, nationalists note that the terms of free trade tend to favour the most industrially advanced economy (Gilpin, 1987:184), and that specialization leads to the high dependency of LDCs which in turn, makes

their states vulnerable (Amin, 1990). In contrast to liberals, nationalists emphasize the cost of free trade.

Like liberalism, nationalism has its own dilemmas, as shown by the socialist experience. In case of modern China, the strong nationalism was shared by both the Nationalist and the Communist Parties. With the help of the massive peasants, the Communist Party finally seized the power. A long history of self-reliant rural economy which was not dependent on market was merged with Marxist nationalism expressed in Mao's version. In consequence, the socialism with Mao's style disconfirmed the primary ambition of Marxist nationalists; surpassing Britain within thirty years and catching up to the United States within fifty years. As Reich (1991) indicates, "complete security is equivalent to autarky. But autarky deprives a nation's citizens of all of the advantages of economic interdependence with the wider world. You cannot have it both ways" (p.158). In a broader sense, the Third World has been recognized as the strong defender of nationalism. However, the Third World no longer exists as a meaningful single entity. In its place is a highly differentiated collection of nation-states: "the dilemma is that the same nationalistic spirit frequently undermines their efforts to cooperate with one another and to form an economic alliance against the developed countries" (Gilpin, 1987:300).

Liberalism and nationalism, then, represent two ideologies, two forces, and two philosophies (see Table 1).

They oppose each other, and yet also complement each other; as a matter of fact, human life is organized by both ways. From a macro point of view, the dilemmas of both liberalism and nationalism are derived from either their separation or their confrontation.

Table 1 Comparison of Economic Liberalism and Nationalism

Ideology	Liberalism	Nationalism
Foundations	Individualism Freedom	Collectivism Order
Assumption	Multi-boats	Single boat
Driving Forces	Economic Force (money) Free Trade Natural Development	Political Force (power) State Intervention Forced Development
Sources of Dilemma	Diffusion Geopolitics Institutionalization	Isolation Geopolitics

With different rationales, liberalism emphasizes the importance of wealth, nationalism stresses the importance of power. What is the justice in human life? Marxists prefer to ask this question. In the mind of the young Marx (1845), the development of liberalism would finally result in a just social system, socialism, and later communism. Indeed, Marxism temporarily allied with liberalism against nationalism. Nevertheless, Marxist successors chose to combine Marxism with nationalism against liberalism, which resulted in the existing socialist states. Searching for justice, Marxism has poised itself between liberalism and nationalism. Wealth, power and justice, all fill in human life. However, realities are always

crystallized as different results, some compatible, others conflicting. In short, the natures of liberalism and nationalism determine their mutual intervention.

3. Embedded Liberalism

Ruggie (1982) characterizes the postwar international economic order as "embedded liberalism":

> Unlike the economic nationalism of the thirties, it would be multilateral in character; unlike the liberalism of the gold standard and free trade, its multilateralism would be predicated upon domestic interventionism" (p.393).

This raises the question about the "embedded liberalism": does the pure liberalism exist in the international economic order? Michael Mann's comprehensive study, A History of Power in Industrial Societies, provides a historical analysis:

> The political economy of industrial capitalism had never been fully laissez-faire. Mercantilism had moderated into selective national protectionism and tariffs and import quotas were never entirely absent. German, French, and American economists had long advocated defending home produce against foreign (largely British) goods, and industrialists had always sought selective protection (Mann, forthcoming: 275).

This study indicates that even in the gold standard period, liberalism was still embedded. Friedrich List (1789-1846), a German nationalist, pointed out that the British had actually used the power of state to protect their own infant industries against foreign competition (List, 1966). Indeed, it is not difficult to find evidence of state intervention at any time since the Industrial Revolution.

"Embedded liberalism" as a long-term phenomenon may be

easily understood by tracing to the origin of its "twin"-nationalism. Alexander Hamilton's Report on the Subject of Manufactures, presented to the U.S. House of Representative in 1791, contains the early intellectual origins of modern economic nationalism and the classic defence of economic protectionism. Nonetheless, when List brought Hamilton's ideas back to Germany, his work, The National System of Political Economy (1841) became the first major critic of Adam Smith and David Ricardo, the fathers of economic liberalism (Szporluk, 1988:147). List's central argument is that the humanity is divided into nations. The concept of nation, like Marxist concept of class, is the key to understand List's political economy. In expressing his philosophical idea, List said:

> I would indicate, as the distinguishing characteristic of my system, NATIONALITY. On the nature of nationality, as the intermediate interest between those of individualism and of entire humanity, my whole structure is based (List, 1966:xxix-xxx).

In other words, "between each individual and entire humanity stands the nation" (List, 1966:174). Through the nation, the individual obtains mental culture (such as language, social values), the power of production, security and prosperity. Emphasis on the role of nation involves the whole system of List, which can not be fully addressed here (see Szporluk, 1988). However, for the purpose of this paper, I want to highlight List's central point of view of economic nationalism. He argued that domestic free trade was necessary for development; however, the survival and development of a

backward country (such as historical Germany) in the international society required the policy of state intervention (List, 1966:xxvi). In Hall's (1985) term, List appealed for "forced development": development under the intervention of state. State-pursued development provides an alternative for the "embedded liberalism", called the "opened nationalism". The interchangeability of these two concepts indicates that the international economic order is the product of an intercourse between liberalism and nationalism. If this argument holds, the logical inference is that liberalism is always embedded and nationalism is never purified. This argument, which modifies, rather than refutes Ruggie's "embedded liberalism", sets up the basis for the arguments of the present work.

III. A Critical Review on Theoretical Perspectives

In connection with the theme of the thesis, several theories are reviewed in this chapter in accordance with their ideological commitments. Their strength and weakness are also discussed.

1. Dualism

Dualism has commitments with economic liberalism. According to dualism, there are dual sectors in both domestic and international economies: namely, the traditional and modern models of production. Transforming from traditional

mode of production to modern one is a process of diffusion by efficiency - modernization through the global expansion of the market, in which technology plays a key role. The process of modernization is evolutionary instead of revolutionary. On the basis of international division of labour through specialization, free trade could modernize backward countries through comparative advantage, even backward advantage. Why did economic miracles not occur in most LDCs? Liberals perceive the basic obstacles to economic development within LDCs themselves, such as social conditions and development strategies (Bauer, 1976). Liberals tend to support export-led growth instead of import-substitution strategy. In a comparative study on development, Krueger (1990) concludes that Korea became a NIC because it took the export-led growth strategy, but Turkey did not always do so. Such a difference put Turkey much behind Korea now although they were at a similar level of development in 1950s.

The origin of the concept of dual economy could be traced to the era of Adam Smith. However, the different assumptions of classic and modern versions allow us to distinguish between an crthodox comparative advantage and a modified comparative advantage. The former views trade as essentially a way for countries to benefit from their differences, such as climate, skills, resources. Each country have a comparative advantage in producing goods for which its particular character suits it. They claim that "where perfect competition does not

prevail, free trade will not be optimal" (Bhagwati, 1991:23). The case for free trade is therefore alive and well. In order to defend his standpoint, Bhagwati further argues that this is not to say that we have not learned about its strengths, weaknesses and subtleties in light of the new developments. We shall not cease from exploration and the end of all our exploring will be to arrive where we started and know the place for the first time (1991:26-7). As an ideal, Bhagwati is right: perfect competition is the best condition for free trade. The comparative advantage on the basis of differences among countries remains true in terms of the trade between North and South. However, in reality, competition is not complete because of the intervention of the state. In brief, the orthodox liberals maintain that comparative advantage comes from the differences among countries under conditions of perfect competition. Such standpoints make it difficult for the orthodox liberals to explain many new phenomena in the world trade market, such as intra-firm trade and counter-trade. I will return to this question in detail in the fourth chapter.

Since World War II, however, a large and generally growing part of world trade has come to consist of exchanges that cannot be attributed so easily to underlying advantages of the countries that export particular goods. Instead, trade seems to reflect arbitrary or temporary advantages resulting from economies of scale or shifting leads in close

technological races (Krugman, 1986). New liberals hold that the comparative advantage comes from the economies of scale in the conditions of imperfect competition. Thus the modified comparative advantage brings liberals into the areas which are beyond the scope of orthodox liberals.

2. Realism

Realism as a whole emphasizes the conflict among states. Realists assume that state leaders always pursue their own state's interests and security. These emphases are congruent with the commitments of nationalism. The two major versions of realism, Hegemonic Stability Theory and the Theory of Power Balance, are reviewed in the forthcoming sections.

A. Hegemonic Stability Theory

On the basis of realist principles, Krasner (1974) utilizes the concepts of openness and closure, representing liberal and nationalist orders respectively, to describe the world trade structure. He asserts that "the structure of international trade is determined by the interests and power of states acting to maximize national goals" (Krasner, 1974:317). The basic state interests include four elements: aggregate national income, social stability, political power and economic growth.

By using the ratio of trade to aggregate economic activity (1800-1960) and ratio of trade to GDP (1950-1975),

Krasner examines the degree of openness of ten states.[6] Specifically, he reports four major findings: (1) large, but relatively less developed states are unlikely to accept an open trading structure; (2) small states are likely to opt for openness; (3) openness is most likely to occur during periods when a hegemonic state is in its ascendency; and (4) the reaction of medium size states is hard to predict. Thus, the United States was basically protectionist throughout the nineteenth century and reversed its position in 1940s. The British encouraged openness in its heyday of the nineteenth century and has favoured protectionism during its descendence. If all states pursue their own interests, then the conflicts among them are unavoidable. In this regard, the key concerns of HST are how to make conflicts manageable and, in turn, to maintain a liberal order. Krasner contends that a hegemonic distribution of potential economic power, defined by the size and level of development of individual states, is likely to result in an open trading structure (1974: 318). In other words, an open and liberal order of international trade needs the presence of a dominant core country, such as Britain in 19th century or the United States in the postwar era. It seems that Hobbes' concepts of social contract and the absolute monarchy are revived by Krasner, but with respect to the international scene, since

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[6] The 10 states are USA, UK, Germany, France, Denmark, Italy, Japan, Sweden, Netherlands and Norway.

> the hegemonic economy performs several roles crucial to the operation of the world economy. It uses its influence to create international regimes defined simple as principles, norms, rules, and decision making procedures around which actor expectations converge in a given issue area (Krasner, 1982:185).

Conversely, with the relative decline of hegemony in general and American power in particular, and the rise of economic powers that have different conceptions of legitimacy, the future of the liberal world economy has become severely threatened (Gilpin, 1987:228). Krasner (1985) further avers that the liberal international order has been threatened by the Third World, which requires to establish a new international economic order. According to HST theory, the relative fall of the United States is the main reason for the rise of protectionism and regional trading blocs (Belous and Hartley, 1990).

HST has its strengths, for it helps us to understand why we have had a stable liberal order in the postwar period. As a whole, HST insists on the three important points: first, the presence of hegemony is the necessary condition for an open trading system; second, balance of power is harmful to the liberal economic order; and third, LDCs are threatening the American system. None of these theses can be firmly held. As McKeown (1983) argues, Britain did not really push an open trading system in her heyday. She neither played a active role nor successfully reduced the tariff of other states: "when tariff liberalization occurred it was in the absence of British pressure" (1983:88). In this connection, the crucial

questions are: (1) If there was a hegemony, why did not it play its role? and (2) if there was no hegemony, why did an open trading system develop in many states (McKeown, 1983:88-9)? These two questions reveal the dilemma of HST. Therefore, McNeil concludes that the presence of hegemony is not a necessary condition for an open trading system (1983). Thus, the first thesis of HST has been refuted. The second thesis of HST implies that the balance of economic power could undermine the prospects for peaceful economic progress among states (Rosecrance, 1986). This thesis is contradicted by the historical facts: the balance of power was the principal institution served as one of the techniques for managing the international order (Watson, 1984:24). In other words, the gold standard was based on one of the vital conditions, the power balance. The third thesis indicates that Krasner was shocked by the oil crisis (1973 and 1980) launched by OPEC. As a matter of fact, the Third World is now too weak to alter the existing international economic order. The real challenges are from the members of the allies of the United States, such as Japan, Germany, and the NICs.

HST assumes that nationalism is the dominant force shaping international relations. It seems to me that this thesis has been brutalized to urge that the nationalism in hegemony should crush the nationalism in other states, in consequence to guarantee the liberal order. This result is inherently against the principles of liberalism. Nationalism

is totally regarded as a conflict force by HST. As Rosencrance indicates, such a thesis neglects the complementarity and cooperation in the international relations (1986:49). It is also a mistake to suggest that all the success of the world economy in the immediate post-war years depended upon a "system" erected by the United States, since European recovery during 1947-1958 was beyond the liberal world order. During that period, the Bretton Woods Agreements did not work effectively (Hall, 1988:218-219).

B. Theory of Power Balance[7]

From the same general tradition of realism, Rosecrance (1986) stands opposed to HST. He asserts that from realist principles we can reach a conclusion that a firm balance of power is the best guarantee of peace (p.47). Balance of power theorists maintain that hegemonic stability has not been needed because only a balance in economic and military power will safeguard the interests of the members of the system. As an exception of realists (Mann, forthcoming), Rosecrance provides the two ideal types of international relations: a territorial system and a trading system. Obviously, "hegemony is a theoretical means of establishing stability in a military-political system" (Rosecrance, 1986:57) and the balance of power favours the development of trading system. He

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[7]Polanyi (1944) distinguishes the three meanings of balance of power: policy; historical law; and principle or system (pp. 259-264). Here, I discuss the balance of power in the third sense.

claims that the world has been poised between two fundamentally different modes of organizing international relations since 1945. "The success of one depends upon either balance or failure in the other" (Rosecrance, 1986:211). The perception of the costly territory system, such as the lessons from the two world wars, provides the necessary condition, and the decline of the hegemony or the territory system provides the possibility for the rise of the trading system. A triumph of the trading system in international relations today would be the best possible guarantee of sustained world peace in the future (Rosecrance, 1986, cf. Cohen, 1990:265-6). Mann develops similar arguments:

> I reject the self-serving imperial ideologies of 19th century Britain and 20th century America. Peace and order have not depended on their benign hegemony; nor is 'order' necessarily benign. Just as subsequent history has disconfirmed Hobbes' belief that domestic peace and order required a single powerful Sovereign, so it disconfirms the notion that international peace and order need an Imperial Hegemon" (Mann, forthcoming: 280).

Based on the investigation of history, Mann rejects HST. Slightly differently, Rosecrance asserts that the territorial system could occasionally function well (1986:61), so his theory does not totally reject HST but rather provides an alternative. Although Rosecrance believes that in the long run the trading system favours peace, the decline of the hegemony favours the rise of trading states. In contrast to HST, TPB emphasises that nationalism could be a force of cooperation in case of power balance, in turn, prefers the trading system.

Derived from the same tradition, the disputes of HST and TPB indicate that nationalism can be both a force against liberalism and one in cooperation with it. Which is the case largely depending on the distribution of power. In a territorial system, nationalism tends to be a conflict force. Conversely, in a trading system, it is likely to be a cooperative force.

In fact, the relations among balance of power, trading system, and peace are not straightforward. The notion of the balance of power meant that the security of each individual state and the general peace could best be maintained if the power and ambition of any state or combination of states could be checkmated by a rival combination. In this regard, the balance of power is "the systematic practice of anti-hegemonialism" (Watson, 1984:24). Further, the principle of national self-determination is incompatible with the notion of a balance of power, since balance means precisely that no single interest or principle can assume sole or overriding importance (Kedourie, 1984:349). Therefore, we must distinguish between two kinds of balance of power. If the balance of power is based on the principle of national self-determination, then independence is more important than peace, since a balance of power can easily lead to war. Thus, peace is related to the balance of power based on the principles of interdependence which have priority to the independence of national self-determination.

For psychological reasons Kedourie argues that the operation of the balance is not automatic. To establish and maintain a balance require acumen, boldness, cool heads, and moderation. Because the necessary wisdom and the requisite political skills were not always available, and because miscalculations could always happen, the balance would sometimes overbalance and war would ensue. To end a war in a manner such that the balance could be re-established required as much skill and wisdom as to keep an existing balance in place. The outbreak of war in 1914 proved the most serious failure in balance of power politics in modern European history, and the so-called settlement which followed in 1918-1919 was likewise the most serious failure to re-establish a balance - a failure whose consequences have proved infinitely ruinous for Europe and the world (Kedourie, 1984:347).

In a broader sense, Polanyi (1944) argued that the balance of power could not by itself ensure peace. Because trade was dependent on the stable international financial system, the balance of power was made to serve it: "take this economic system away", Polanyi argues, "the peace interest would disappear from politics" (p.18). In sum, when discussing the preconditions of an open trading system, we should distinguish the different types of power balance and further regard it as one of the preconditions.

3. World System Theory

Another prevalent theory in the study of international

relations is WST which derived from and boosted dependency theory. According to WST, the capitalist world system consists of three tiers of states: the core, the semi-periphery and the periphery. The standards of this interstate stratification are: (1) the core commands power in all its relevant forms and its economy is highly diversified; (2) the periphery exports food and raw materials and is, in varying degrees, politically weak, dependent on and exploited by the core. The essential difference between the two types of states is in the strength of the state machine and this, in turn, leads to transfers of surplus from the periphery to the core states which further strengthen the core states. The core/periphery division is maintained by the ability of the core states to manipulate the working of the system as a whole to suit their possible needs. In other words, the unequal exchange between core and periphery through intervention of state is a necessary condition which the capitalist world system could survive (Chase-Dunn, 1982 and 1989; Gorin, 1985; Wallerstein, 1974, 1976, 1979:71, 1992). The theses of WST on trade could be roughly summarized as: 1) trade of LDCs depend highly on the developed counties; 2) the prosperity of the core countries is based on exploiting LDCs.

The major empirical debate is not on the trade dependency but on its causes and effects, since every developed country, including the United States and Japan, is an example of dependent development. Japan remains a highly dependent

country on foreign markets and raw materials. The debate then is on the interpretations of various theorists. In this aspect, WST's interpretations on trade have been challenged by many other theorists. Gilpin (1987) argues that the North core has served as an engine of growth for the South throughout the last century without either depending on or exploiting periphery (p.85). The prosperity of the north core depends on its efficiency instead of exploitation. Hall (1985) also doubts dependency theory's view of trade relations, because the advanced world is its own market (pp. 223-5). WST has its ideological commitments with Marxism. They believe the present capitalist world system will be finally replaced by the socialist world system, although they deny that the existing socialist states are socialist (Wallerstein, 1974, 1992). WST stresses that the capitalist world system is unjust and engaged in unequal exchange, these perspectives have had a significant influence on the developing countries, especially their foreign policies. WST has be regarded as a theoretical weapon of the Third World. However, the domestic factors and internal efficiency, which have been neglected by WST, has been increasingly taken into account on the conditions of the economic miracles of NICs and the collapse of USSR.

4. Rapprochement and Criticism

World trade has long been a battlefield of theorists and policy-makers. The concepts of liberalism, dualism, nationalism, mercantilism, protectionism, regionalism, and

Marxism, all frequently emerge in the debates. The numerous debates around international trade have led to confusion for students in studying political economy. There are conflicting theories and we can not answer some questions from trade practice (Cohen, 1990). It seems the time is right for pluralism to take over the extreme standpoints. Thus, Gilpin (1987) announced that the reality of world trade in the 1980s narrowed the gap between nationalism and liberalism (p. 221). This is true for several reasons: (1) reality is mixed. No nation has yet chosen to pursue either on exclusively free trade or on exclusively nationalistic policy. The interplay of domestic and international factors has produced swings between liberal and nationalist trade regimes over the past two hundred years (Gilpin, 1987:190). (2) International trade is a moving picture, never static in its composition from one year to the next (Strange, 1988:168). Therefore, no single theory is capable to explain international trade in all commodities and at all times (El-Agraa, 1983). (3) Through the past century, liberal trade theory has moved in the direction of nationalist contentions (Gilpin, 1987:222) - at least, liberals and nationalists accept the rationale for protecting infant industries (Corden, 1974: ch 9). Theoretical rapprochement, therefore, seems necessary.

Obviously, Gilpin takes a standpoint of pluralism to avoid the dilemma of trade theories. Nevertheless, both Strange (1988) and Reich (1991) assert that the existing trade

theories have failed to explain the trade reality. The failures of trade theories have been attacked from two directions: their incompleteness (Strange) and their false foundations (Reich).

Strange (1988) argues that all trade theories failed to explain the world trade reality because those theories did not distinguish the primary structures (including security, production, financial and knowledge) from the secondary structures (including transportation, trade, energy and welfare). Strange's argument has its advantage in that she tries to explain the subsystems, such as trade, through a larger system. "The common weakness of trade theories" she says "is that they seek to explain and to treat trade in too great isolation" (p.179).

Challenging the foundations of trade theories, Reich (1991) asserts that their failure is due to their "one boat" assumption. Gilpin holds just such an assumption, in saying that, in the modern world, whether one is relatively rich or poor has become increasingly a function of the particular nationality into which one is born (1987:264). According to Reich such an assumption was only suitable to describe the traditional high volume industry. The modern high value industry has had changed the one boat assumption, because there will be no national products or national corporations, no national industrials, and even Americans are no longer in the same economic boat (1991:1-7). So the one boat assumption

is invalid for describing high value industry of the present. Reich's work, Preparing Ourselves for 21th- Century Capitalism, represents the strong voice of liberalism. Because capital, information, and knowledge have no country, people even within a single country are differentiated according to their contribution and efficiency. This seems to be the logical operation of economic liberalism. However, I suspect that such a differentiation will be considerably interrupted by state intervention.

Theoretical debates between liberals and nationalists focus on whether, despite their extremely complicated relations, nationalism is prior to liberalism or vice versa. Furthermore, the realist tradition has been divided in terms of different emphases on nationalism. Marxists ask where justice is in either liberalism or nationalism. At least in the present, no society satisfies the three pursuits of human beings: wealth, power, and justice. In many circumstances, the three pursuits do conflict each other. Human beings indeed live with their dilemmas. Those questions are not new in nature but new in forms. Looking to the controversies among Smith, Ricardo, List and Marx (Szporluk, 1988), we may find questions similar to those which all of us are facing now. Theorists have created many "possible worlds", which should be tested in reality - by refutation, not confirmation (Popper, 1959). To this end, the dialectic relations of liberalism and nationalism will be explored empirically and systematically in

the following chapters (see also Appendix I).

IV. Trade Expansion and Protectionism

1. Expansion of the World Trade Market

The world trade market has been changed greatly, not only quantitatively but also qualitatively, since the postwar period. A discussion of these two aspects of market expansion is the subject of this section.

A. Quantitative Expansion

The expansion of the world trade market is very fast. As Table 2 shows, the total trade value (export plus import)

Table 2 **World Trade and World Output**
(Value in billion US dollar)

Year		1938	1948	1978	1983	1987	1990
Trade	Value						
	Export	22.7	57.5	1204.6	1676.1	2353.5	3339.6
	Import	25.4	63.5	1248.6	1734.3	2421.0	3450.6
	Growth Rate						
	Export	—	—	15.0%	-2.1%	18.3%	14.7%
	Import	—	—	16.6%	-3.1%	17.2%	14.9%
Growth Rate of Output		—	—	4.5%	2.1%	2.7%	2.2%

Sources: Direction of Trade Statistics Yearbook; and World Economic Outlook, IMF, 1991. Yearbook of International Trade Statistics, UN, 1975

increased from $121 billion in 1948 to $6790.2 billion in 1990. In principle, the growth of trade depends on the growth of production. However, trade between countries in most years

has grown faster than their total output. From 1978 to 1990, the average growth rate of trade is much higher (over 10%) than that of world output (less than 4%). This imbalance between world trade and world production indicates that more and more parts of the domestic markets are involved in the world market each year.

The expansion of the world trade market did not hide another fact, namely that its distribution is greatly uneven. Table 3 shows that a large proportion of the world trade market is shared by industrial countries, and since 1938,

Table 3 World Trade Percent Distribution between Industrial and Developing Countries[1]

Year	1938	1948	1958	1978	1983	1987	1990
Industrial countries							
Exports	66.5	63.7	65.7	68.7	68.5	73.5	73.3
Imports	70.5	64.9	64.7	70.2	67.8	72.5	72.5
Developing countries							
Exports	33.5	36.3	34.3	28.2	29.2	24.8	25.0
Imports	29.5	35.1	35.3	28.6	31.6	27.0	27.1

Sources: Direction of Trade Statistics Yearbook, IMF, 1985, 1991.
Yearbook of International Trade Statistics, UN, 1975

this share has changed little. Still, it seems that the gap of North and South has grown slightly in the past two decades.

[1]The dichotomy of the developed and developing countries by IMF seems outdated. For example, the GNP per capita is US$ 8620 in Hong Kong and US$7940 in Singapore (World Tables, 1988-89 edition), though both are still classified as the developing countries. Therefore, the share of the percentage of the world trade between developed and developing countries has only a relative meaning. In fact, international competition always causes the rise and fall of the trading states. The international organization, such as IMF, may not be able to reflect the dynamics in time.

Between 1978 and 1990, the industrial countries' share of world export rose from 68.7% to 73.3% (while developing countries' fell from 28.2% to 25.0%) and their share of world import rose from 70.2% to 72.5% (while developing countries' fell from 28.6% to 27.1%).

Of the industrial countries, the United States, Japan and Germany have occupied the most important positions in the world trade market. Table 4 shows that the United States absolutely dominated the market in the immediate postwar period. It was a single super exporter with over 21% of

Table 4 Trade Balance and Share of Percentage of the World Trade by the United States, Germany and Japan
(Value in Billion US Dollar)

Year	1938	1948	1958	1978	1983	1987	1990
The United States							
Export	3.60	12.55	17.76	143.76	200.53	252.88	393.11
Import	2.18	7.18	13.30	186.10	269.88	424.07	517.02
Balance	0.88	5.36	4.46	-42.30	-69.4	-171.2	-123.90
Export%	13.50	21.80	16.30	11.90	12.00	10.70	11.80
Import%	8.60	11.30	11.60	14.90	15.60	17.50	15.00
Germany							
Export	NA	0.78	9.41	142.45	169.44	294.17	409.27
Import	NA	2.69	7.93	121.76	152.94	228.34	346.46
Balance	NA	-0.91	1.48	20.70	16.50	65.80	62.80
Export%	NA	1.40	8.70	11.80	10.10	12.50	12.30
Import%	NA	2.70	6.90	9.80	8.80	9.40	10.00
Japan							
Export	1.11	0.26	2.88	98.34	146.97	231.33	287.68
Import	1.07	0.68	3.03	79.90	126.52	150.91	235.31
Balance	0.04	-0.43	-0.16	18.40	20.50	80.40	52.40
Export%	4.90	0.40	2.60	8.20	8.80	9.80	8.60
Import%	4.20	1.00	2.60	6.40	7.30	6.20	6.80

Notes: 1. Data after 1978 calculated from: Direction of Trade Statistics Yearbook, IMF, 1985, 1991.
2. Data before 1978 calculated from: Yearbook of International Trade Statistics, 1975.

world's export market and $5.36 billion surplus in 1948. Its hegemonic status in the world trade market was unquestionable.

By contrast, both Germany and Japan were initially very weak due to the damage of the Second World War. The available data show that Japan had 4.9% of the world export in 1938, which fell to 0.4% in 1948, and 4.2% of the world import in 1938 which fell to 1% in 1948. Even at the end of 1950s, Japan still had not recovered to the level of its share of the world market before the Second World War (both export and import were 2.6% in 1958). Since 1970s, things have changed. The United States runs its trade with a huge deficit almost every year. Conversely, Germany and Japan not only greatly increased their share of the market, but also have had a considerable trade surplus.

The world trade market as a whole has been greatly expanded, and the share of the market has concentrated on industrial countries, further on the United States, Germany and Japan. Such an expansion only indicates the quantitative, not qualitative changes of the world market. As a matter of fact, the latter has had more fundamental influence on the world trade market in recent decades, which is a matter closely related to the development of multinational corporations (MNCs).

B. Qualitative Development

The domination of the world economy by MNCs seemed assured in the 1960s (Gilpin, 1987:232). The market principle is the basic mechanism of expansion of MNCs. Specifically, their global dominance is due to the increased importance of

economies of scale, monopoly advantage, and barriers to entry in particular economic sectors. The principal objective of MNCs is to secure the least costly production of goods for the world market; this goal may be achieved through acquiring the most efficient locations for production facilities or obtaining taxation concessions from host countries. In this sense, the domination of MNCs is the triumph of economic liberalism. The growth of MNCs has brought some new facts, though, which challenge the traditional trade theories.

1) New Facts in the World Trade Market

With the steady growth of MNCs, what is new in the world trade market? First, the industrial countries have similar trade structures. They exchange the similar products, such as automobiles, consumer durables and computers. Ricardo's classical example, the exchange of cloth and wine, which may be still valid in North-South trade, has become outdated. Second, intra-firm trade, as the product of MNCs, has increased rapidly. In the United States alone, intra-firm trade accounts for approximately 60% of American imports (Ruggie, 1983:475). Japan supplies something like 40% of American component parts in electric, automobiles and other sectors (Gilpin, 1987:255). It appears that trade of products originating in the same sector, (intra-industrial trade) is growing far more rapidly than trade involving products of different sectors (Ruggie, 1982:400). The major form of intra-firm trade is exchange of components and intermediate goods.

This indicates that fragmentation of production contributes to intra-firm trade which takes advantage of economic scale, different cost and tariff. Related to intra-firm trade, there is the third new fact of counter-trade. In counter-trade, components made in one country are sent to another country for final assembly into finished products and then exported back to the original exporting country where the products are ultimately marketed. Furthermore, counter-trade takes the form of barter. The U.S. Commerce Department estimates that between 1976 and 1983, counter trade increased from approximately 2-3% to 25-30% of world trade (Goldfield, 1984:19). Fourth, invisible trade (ie. trade of service), such as financial services, has become important. In 1986, services accounted for approximately one quarter of the $2 trillion annual value of world trade (Gilpin, 1987:199).[9] Financial and other services account for 70% of the American GNP (ibid. p.200), which is the important earners of foreign currency helping in the national balance of payment (Strange, 1988:111). American invisible export at least partly explains why it can run its visible trade with a huge deficit.

2) Economies of Scale and Development of World Trade Market

All these new facts have been greatly changed the quality

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[9]The statistical data of GATT (1990) shows that the service trade (export) only shared 19% of the total world export in 1989. The difference between Gilpin and GATT is clear. However, the quality of GATT's service data is lower. Because this percentage was calculated using only data for countries that reported commercial service trade to the IMF on a balance of payment basis for that year.

of the world trade market. Orthodox comparative advantage, which is based on the differences among countries, has been modified; the importance of economies of scale, information and knowledge must be emphasized. However, exploring even one of these new facts could be a massive and controversial task. For example, why does intra-firm trade happen? Product cycle theory asserts that intra-firm trade is the result of product cycle (Gilpin, 1987:236). During each phase of product cycle, different types of economies have a comparative advantage in the production of the products or component.

Industrial Organization Theory asserts that intra-firm trade is caused by vertical integrated firms which produce many products in several countries (Helpman and Krugman, 1985). The strategy of the vertically integrated multinational is to place the various stages of production in different locations throughout the globe. They pursue lower costs of production, local tax benefits, tariff schedules, and so on. Because it emphasizes the importance of economies of scale, Industrial Organization Theory gains several advantages in explaining the new facts. According to Helpman and Krugman (1985), the traditional way to model trade in the presence of increasing returns has been to assume that these scale economies are external to the firm. With the vertical integration, the economies of scale now are internal to the firm. Moreover, the same authors argue that economies of scale in production provide an incentive for international

specialization and trade that can supplement the incentive created by cross-country differences in factor endowments, giving rise to trade even in the absence of such differences. Further, the theory of comparative advantage is alive and well, though it has lost some of its prominence since comparative advantage resulting from differences between countries is not the only reason for trade. Economies of scale provide an additional incentive and will give rise to trade even if countries are identical in tastes, technologies, and factor endowments. However, Helpman and Krugman conclude that "the models support a basic view in which trade patterns reflect comparative advantage plus additional specialization to realize scale economies" (ibid. pp. 261-2). The emphases on economies of scale and imperfect competition could powerfully explain most of the new factors discussed above. For example, the countries are engaged in trade with the similar structures, intra-firm trade, and invisible trade, because the economies of scale have their advantages and information and knowledge have become more important. In accounting for different types of trade, Helpman and Krugman say that these "countries with very different factor proportions mostly engaging in interindustry trade and similar countries engaging mostly in intra-industry trade" (ibid. p.263).

I have no intention to explore here the details of various theoretical efforts on explaining the new facts in the world trade market. Viewed from macro-level, the growth of

MNCs is due to the forces of market, which is congruent with liberalism. Because of this, some say that MNCs defend liberalism and resist nationalism (Sen, 1984:241-5). Others claim that MNCs increase the struggle for the global product (Gilpin, 1987:261). It is not easy to believe in such general claims, because, as argued earlier, no pure nationalism and liberalism exist. Either conflict or cooperation between liberalism and nationalism depends on their specifications. The success of MNCs not only depends on market principle as well as nationalist support (Maxfield and Nolt, 1990).

2. Protectionism

1) Rise of Protectionism

Who is most powerful in protecting domestic market and launching the strategic trade? The state! As Gilpin (1987) observes, states (especially large ones) have begun to extensively use political and economic leverage to increase their relative gains from international economic activities (p.395). The oil embargo by OPEC and the subsequent massive rise in the price of petroleum demonstrated that the nation-state had not lost its capacity for counterattack. The state still carries out its own logic, to capture and control the process of economic growth and capital accumulation (Heilbroner, 1985:94-95). Even in the eyes of liberals, each nation's primary political task will be to cope with the centrifugal forces of the global economy which tear at the ties binding citizen together (Reich, 1991:3). The functions

of the state may vary over time, but one thing is for sure: as long as the state system exists, it tries to prove its existence. On the scene of the world trade, the question of protectionism carried out by state has become a glaring one in recent years.

Two clear facts seem contradictory. On the one hand, trade is rapidly expanding; on the other, protectionism is significantly rising. What has happened in the world trade market? First, bilateral trade has increased. The U.S. Commerce Department estimates that between 1976 and 1983, counter trade[10] increased from approximately 2-3% to 25-30% of world trade (Goldfield, 1984:19). Second, "sectoral" or "liberal protectionism" has increased. For example, protecting agricultural sector has been a lengthy debate in GATT's multilateral trade negotiations. Over the period of 1979-81, Japan ranked first in supporting her agricultural production, with an average subsidy rate of 59.4 percent, followed by the EC and the United States, with average subsidies 42.8 and 16 percent respectively (Secchi, 1990:62-3). Moreover, one of the key debates on the Uruguay Round of GATT's negotiation (October 1986 - present) is the EC's subsidy on its agriculture.[11] Furthermore, the new sectoral protectionism is

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[10] Counter-trade includes barter arrangement, bilateral clearing accounts, switch trading and compensation (or buy-back).

[11]It is not easy for EC to abandon their subsidy on their agricultures, because decision-making is in the hands of the EC council, which is undoubtedly much more sensitive to

focusing on high technological sectors, such as telecommunication, space, and computer, because high technology will determine the world market share of the countries. Third, there is a tendency toward managed or strategic trade. By one estimate, the ratio of managed to total trade has increased sharply from 40% in 1974 to 48% in 1980 (Gilpin, 1987:195). By the end of 1980s, even in the largest "free market" of the world, almost 1/3 of the standard goods manufactured in the United States by value, were protected against international competition (Reich, 1991:71). As a matter of fact, most protectionism now comes from industrial countries instead of LDCs, simply because of their dominant share in the world market as well as the "boomerang effect" in those countries. On the surface of the market, the rate of tariff has been decreased through GATT's negotiations in recent decades (see Table 5 below). However, the above discussion indicates that the new protectionism appears mainly in the form of non-tariff barriers, such as export subsidy, quota of import, and barter between two countries.

It is not difficult to provide evidence to indicate the rise of protectionism. The subtlety of the present argument is that the world trade market is rapidly expanding on the basis of rising of protectionism. This argument seems counter-intuitive. However, in order to explain the superficial

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national interests, particularly those supported by powerful interest groups, although the EC Commission would probably like to reduce the subsidy on agriculture (Secchi, 1990:66).

contradiction of the rise of protectionism and the expanding of the trade market, we have two choices: one choice is to assume that market forces greatly surpass the forces of protectionism, or that there are other conditions, instead of protectionism, which contributed to the rapid growth of the market. However, this choice fails to explain why protectionism is rapidly rising even in industrial countries, and thereby fails to support the assumption about the negative effect of protectionism on the expansion of the world market. Our second choice is to accept reality: protectionism provides the condition for the rapid expansion of the world market, especially when the hegemony declining. To elaborate this argument, we need to reconsider the relations of state and market.

Again, the relations of state and trade are not straightforward. For example, taxation on trade is one of the important sources of state's revenue.[12] Table 5 shows that, for the years 1973 and 1988 respectively, the ratio of tariff in America was 12.8% and 3.9%, Germany 12.5% and 5.7%, and Japan 16.3% and 4.5%. Obviously, the tariff as one of the

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[12]Tariff is a complicated question. For one thing, the rate of tariff is changed over time. For example, U.S. tariff was 11.5%, EC 9.5%, and Japan 11% in 1973; now all have changed to approximately 6.2% because of GATT's several round negotiations (GATT, 1990). For another, the rate of tariff varies for different products. For example in 1989, the rate of tariff on all agricultural products in Japan is 14.7%, and on raw materials is just 1.3%. (Trade Policy Review, Japan, 1990) Therefore, the revenue from tariff only has a relative meaning, and states are probably more interested in the indirect benefit from tariff.

important sources of the revenue has decreased in the last decade. However, this decrease is not the function of market but the function of the compromise among states through GATT's negotiations. Since imports are a source of state revenue,

Table 5 Ratio of Tariff in Revenue, USA, Germany and Japan

Country	1973	1988
America	(Value in billions of 1987 US Dollar)	
Import	271.3	599.6
Tariff Rate	11.5%	6.2%
Tariff Income	31.2	37.2
Revenue	243.9	962.6
Ratio of Tariff in Revenue	12.8%	3.9%
Germany	(Value in billions of 1987 Deutsche Mark)	
Import	317.8	558.6
Tariff Rate	9.5%	6.2%
Tariff Income	30.2	34.6
Revenue	242.3	609.6
Ratio of Tariff in Revenue	12.5%	5.7%
Japan	(Value in billions of 1987 Japanese Yen)	
Import	20985	37283
Tariff Rate	11.0%	6.2%
Tariff Income	2308.4	2311.5
Revenue	14204	51892
Ratio of Tariff in Revenue	16.3%	4.5%

The Table Re-Calculated from World Tables, 1991 and Trade Policy Review, GATT, 1990

the state has reason to promote them and imposes a high tariff rate. However, a high tariff rate not only has the function of decreasing imports from foreign countries but also of reducing the opportunity to export the domestic products (because of the principle of equilibrium). This conflict requires that states reduce the rate of tariff and promote exports. When the rate of tariff decreases, the non-tariff barriers play the major role of protectionism. In brief, state must play a

balancing game between its imports and exports. The functioning of this balancing game shows that the state promotes market in one way and limits it in another. The steady expansion of the world market has been contributed to partly by the market force and partly by the state's behaviour.

The interactions of states and MNCs also provide another powerful example to explain states' attitudes toward market. First, the relations of MNCs and their home counties are two-sided. On the one hand, the home states view their multinationals as instruments of national policy: maintaining a share of the world market, diplomatic policy, balance of payment. For example, Germany regarded their MNCs as a means of increasing economic ties with the Soviet bloc (Appendix III. A, B and Appendix IV. A, B). On the other hand, because of the "boomerang effect", some critics have argued that multinationals exported the jobs and should be forced both to invest in the American economy and to limit severely the transfer of American technology to competitor's economies (Gilpin, 1987:244). Despite differences of home state attitude toward MNCs over time, the states function according to their own logic, encouraging free trade for gains and protecting domestic market to avoid losses. Second, the relations of MNCs and host countries are also two-sided. Obviously, the MNCs increase the trade dependency of the host countries, which may have negative political consequences, cultural and social

beings, environmental problems (such as transferring the heavy and chemical sunset industries to LDCs). In some circumstances, MNCs even destroy the infant industries of host countries. In this sense, host countries need protectionism. Despite the risk, most states are still willing to bargain with MNCs, and both state and corporation have proven themselves to be remarkably resourceful and versatile in dealing with one another (Gilpin, 1987:252). Joint ventures show the special advantages in dealing the relations between MNCs and state. The result of this internationalization of industrial production has been the creation of a complex web of interlocking relationship among nation-states and the world's giant corporations (ibid. p. 261). In this regard, the host countries also encourage free trade. The double sided attitudes both home and host countries have toward MNCs intend to support the argument: successful development depends on the solid alliance of liberalism and nationalism. Without successful nationalism, liberalism may be destroyed by social revolutions. Conversely, without liberalism, successful nationalism will erode itself. From the 1911 Revolution to the 1978 Reform, China's development underwent two stages which could provided examples of both situations. Before 1949, the socialist revolution destroyed the liberal development; after 1949, successful nationalism undermined its foundation by rejecting liberalism. It is unquestionable that, since 1980 or so, few countries want to disengage from the international

market. In this sense, the protectionism as a part of states' behaviour plays a role to smooth the steady growth of the world trade. World trade expansion, then, seems to follow a circle: Trade Expansion (lower level) ▸▸ Protectionism ▸▸ Negotiation ▸▸ Compromise ▸▸ Trade Expansion (higher level). Protectionism is, indeed, a necessary condition for the solid world trade expansion.

2) Regional Trading Blocs and GATT

One of the important challenges to GATT has been the emergence of regional trading blocs (Belous and Hartley, 1990). It is estimated that some two-thirds of the increase in trade from 1955 to 1973 is accounted for by 'intra-continental' trade, specifically, trade within Western Europe and within North America (Ruggie, 1982:400). There is the same tendency in Asia. Intra-Asian exports have increased from 26.2% in 1984 to 33.1% in 1990, and the imports from 23.3% in 1984 to 31.0% in 1990 (IMF, 1991). In terms of the total world trade share, the intra-regional trade has also expanded very

Table 6 Shares of Intra-regional Trade Flows in World Merchandise Trade, 1980 and 1989

	North America	EC	Asia	Total
1980	4.0	27.1	6.5	37.6
1989	5.3	31.1	10.0	46.4

Source: GATT, International Trade 89-90, Vol. II (1990)

rapidly (see Table 6). Between 1980 to 1989, and as a proportion of world trade; intra-North American trade increased from 4% to 5.3%, intra-EC trade rose from 27.1% to 31.1%, and intra-Asia trade grew from 6.5% to 10%. The three

intra-regional trades shared 37.6% of the total world trade in 1980 and 46.4% in 1989. In other words, almost half of the 1989 world trade was engaged in intra-regions. If inter-regional trade is included, three regional trading zones,

Table 7 Share of the World Trade by Three Regions in 1989

	North America	EC	Asia	Total
Export	16%	44.5%	23.5%	84.0%
Import	19%	43.5%	21%	83.5%

Source: GATT, International Trade 89-90

North America, EC, and Asia, absolutely dominate the world trade market. The three regions shared 84% of the world total export and 83.5% of the import in 1989 (Table 7). Besides the above facts, international traders also contain the perception of the growth of regional trading blocs. In a survey conducted by the National Planning Association, 88% of respondents (mostly executives of Fortune 500 corporations) believe that the international trading system is fragmenting and shifting in the direction of more regional trading blocs (Belous and Hartley, 1990:5).

GATT's operation has been based on two premises: liberalism and the hegemony of the United States. These two foundations go hand-in-hand, with one change necessarily affecting another. In this sense, HST is right: the decline of the hegemony is threatening the "hegemonic liberalism". Their mistake consists in regarding hegemonic stability as the best, even the only, way to maintain liberal international order, ignoring the alternative, "embedded liberalism" on the basis

of power balance. The key principle behind the GATT system is nondiscrimination. However, the formation of regional trading blocs moves trade on the basis of discrimination or preference. As a result, economic liberalism may increase within a regional trading bloc while, conversely, economic nationalism may become a stronger force outside the bloc. Belous and Hartley (1990) believe that GATT is the best choice and regional trading bloc is the second best choice (p.7). It seems to me, the question raised in the previous chapter re-emerges in this part in a broader context: the world trade expansion is on the condition of rising of protectionism. Regional trading blocs may become a bridge between nationalism and GATT. The eroding of the foundations of GATT's operation (liberalism and the hegemony) urges the establishment of the bridge: the regional trading blocs. The formation of the "embedded liberalism" on the basis of power balance, or the alliance of liberalism and nationalism, is taken two steps: protectionism is extended from the nation-state to regional blocs, while, the principle of the "free trade" is extended from domestic market to the regional trading blocs.

In contrast to hegemonic liberalism, the new embedded liberalism could have more solid foundations: Firstly, it is based on the balance of powers, and thus takes advantage of interdependence. Secondly, the interaction of the world market and state intervention is forming the alliance of liberalism and nationalism. Thirdly, the formation of the regional

trading blocs takes a solid step toward universal liberalism. (The details of this solid foundations will be further explored in the next chapter).

V. Rise and Fall of Trading States

This fifth chapter reports the empirical analyses of international trade relations. Network and correlation analyses show three basic patterns of the world trade flows: North-North, South-North, and South-South. Ranking and trade balance analyses are also reported which reveal the rise and fall of trading states. The last part of this chapter explores the conditions for successful competition in the world market.

1. Three Basic Patterns of the World Trade Flows

A. Major Trade Flow: North versus North

The first pattern of trade flow is North versus North, which is detected by the clique analysis. The distribution of cliques is one of the indicators of structural characteristics of a network. A clique is a set of actors in a network who are connected to one another by strong relations (Burt, 1982:37). In this project, a clique means that at least three actors are engaged in trading at the same trading level, either 5% or 10% of their own total trade values (see Appendixes III. and IV.). The trading cliques are found by using MacEvoy and Freeman's UCINET of 1991 version (a network analysis software) on the trade networks. The clique analysis (Table 8) reveals four

important facts: Firstly, the domination of the world trade market by United States, Germany, and Japan suggested by other analysis (see above) is further supported by the trade clique analysis. Almost all cliques are involved in trade with these three strong powers between 1978 and 1990 (Appendix III. and IV.). For instance, at the 5% trading level, US shared 143 cliques in 1978 and 112 in 1990, Germany 112 and 118, and Japan 63 and 68 respectively. At the 10% trading level, US

Table 8 The Number of Cliques the Three Powers are Involved in

Year	1978		1990	
Trading Level	5%	10%	5%	10%
Total Number of Cliques	198	77	172	64
Involvement of the Countries				
US	143	40	112	27
Germany	112	28	118	31
Japan	63	28	68	21
US and Japan	46	21	50	15
US and Germany	81	0	70	0
Japan and Germany	0	0	37	0

See also Appendix III. and IV

shared 40 cliques in 1978 and 27 in 1990, Germany 28 and 31, Japan 28 and 21 respectively. Secondly, the domination of the proportion by the three strong powers has subtly changed because of competition. For instance, US and Japan were jointly involved in 46 cliques in 1978 and 50 in 1990; US and Germany 81 in 1978 and 70 in 1990 respectively. Japan and Germany were not mutually involved in 1978 but were in 1990 (37 cliques). As a whole, the US decreased its share of world

trading cliques for both trading levels during the period, while, Germany increased its share in both trading levels, Japan increased its share at the 5% trading level and decreased its share at 10% trading level. Thirdly, competition among the three powers took the form of state macro-strategies. The involvement of cliques of the three powers suggests that at the 5% trading level, Germany decreased its competition with US (from 81 clique involvements to 70), however, Japan increased its competition with both US (from 46 to 50) and Germany (from 0 to 37). At the 10% trading level in both 1978 and 1990, Germany show an apparent macro-trading strategy, never competing with either US or Japan (i.e., zero involvement). Germany's trading partners have been concentrated in Europe including Soviet Union and Eastern Bloc. For example, at 10% level in 1990, Germany shared 31 cliques 15 of which involved European nations, 6 the Soviet Union, 7 Africa, and 3 the Middle East. By contrast, Japan for the same year shared just 21 cliques, in which 15 competed with the United States, the remainders were concentrated in Asia (4 cliques). In this sense, Japan has more competition with America than does Germany. The US was heavily involved in competition in Western Europe and Asia, and carried out its Cold War policy, little involved with the Eastern Bloc. For example, at the 10% trading level in 1990, the United States had 27 cliques, 10 of which were in Asia, and 4 in South America. The remainders were divided among different

continents.

In brief, although the basic world trade structure has not changed substantially since 1978, the significant change in the share of the trading cliques among the three strong powers and their different trading strategies in the last decade have subtly altered the international trading relations. Furthermore, this change indicates that the hegemony of the United States in the world trade market has been mainly challenged by Germany and Japan not by the Third World as Krasner (1985) suggests. The trade flow of North versus North is a question of who will be able to compete for the domination of the world trade market through manipulating market force and state power. Although the evidence of the clique analysis in this project is not strong enough, it tends to support the conclusion that the winners have adopted the macro-trading strategies to reinforce their capability to compete in the world trade market. As I will show below, the same mechanism also can be used to explain the rise and fall of other nation-states in the world trade market.

B. Dependent Trade Flow: South versus North

The second pattern of trade flow is South versus North, which is detected by the centrality analysis (see Appendix, III. C, D and IV. C, D). Centrality describes inequality in the extent to which actors are involved in relations (Burt, 1982). Freeman (1979) provides a formula to calculate the centrality of a network:

$$\text{Centrality} = \Sigma_j \, (C_{max} - C_j) / (N-2)$$

where C_{max} is the highest centrality observed in the network, C_j is the total degree of centrality for each actor, and N is the number of total cases. In our case, because the network is asymmetrical, the column sums do not equal row sums. Therefore, we have row sum (out-degree) and column sum (in-degree). In the case of the row sum, the formula of calculation is the same to the column one but change the column to row. If this equation equals 1, then a system is completely centralized; if it equals 0, then actors are equally involved in relations.

The centrality analysis suggests several things: Firstly, network centralization is high in terms of in-degree (the total sum of each column). At the 5% trading level, the centrality is 77.4% for 1978 and 71.8% for 1990; at 10% trading level, it is 55.1% for 1978 and 50.5% for 1990. Contrarily, the centrality is low in terms of out-degree (the total sum of each row). At the 5% trading level, the centrality is 4.1% in 1978 and 5.2% in 1990; at the 10% trading level, the centrality is 1.8% in 1978 and 2.9% in 1990.

The higher percentage for in-degree indicates that the network is highly centralized, especially at the 5% trading level (77.4% in 1978 and 71.8% in 1990). This is a significant indicator of the trade dependency because it shows that trade relations have not been equally distributed. In other words,

the trade of LDCs depends on developed countries, or South depends on North. For example, the United States was engaged in trade with 86 countries in 1978 at 5% trading level of LDCs and other developed countries; however, only three countries reached 5% trading level with the United States because of its huge trade values. The same trend occurs in the cases of Germany, Japan and other large developed countries (Appendix III. and IV.). Secondly, although there is no difference between in-degree and out degree according to the mean (because the number of 1s and 0s in one matrix are fixed), the standard deviation and variance show that the differences between in-degree and out-degree are great. For example, at the 5% trading level, the standard deviation is 1.65 of out-degree and 13.5 of in-degree, and the standard deviation is 2.71 of out-degree and 182.21 of in-degree in 1990. These numbers also reflect the huge trading distance between LDCs and the developed countries, as well as the dependency of the former on the latter. The trade flow of South versus North is a matter of how successfully LDCs compete in the dependent world trade market. Because of trade dependency, LDCs are more vulnerable than countries of the North; therefore, forced development is essential for their successes. Unfortunately, not all LDCs have an equal chance to successfully combine liberalism and nationalism, this leading to the rise and fall of trading states.

C. Weak Trade Flow: South versus South

The third pattern of trade flow is South versus South. Earlier, the clique analysis indicated that the trade flow of South versus South is indeed weak because few trade cliques are formed exclusively by LDCs (Appendix III and IV). Conventional wisdom explains such a weak trade flow in terms of their similar trade structures. In order to examine their trade structure, a correlation analysis is introduced. Twenty LDCs are selected as variables and their export values (for 1987) of the two-digit Standard International Trade Classification (SITC) including 99 products (such as meat, petroleum, chemicals, iron, road vehicles, telecommunication and sound equipment) are used as observations. In our sample:

Total Number of Correlations=N(N-1)/2=20*19/2=190.

If we set a correlation coefficient of 0.7 as the standard of the similarity of trade structure,[13] there are 13 correlations above 0.7 and 177 correlations below it (Table 9). Thus, the results of the correlation analysis do not confirm the conventional wisdom. Most of the export structure of South countries are dissimilar. The comparative advantage based on different export structures does exist. Why, then, is the trade flow so weak in South countries? The possible

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[13]The rationale of this standard is that the US, Japan, and Germany, all show their correlations of export structure above 0.7.

Correlations	
US-JAPAN	0.7419
US-GERMANY	0.7454
GERMANY-JAPAN	0.8940

explanations are: (1) the difference in North-South trade structure is greater than that of South-South, making South-

Table 9 Correlations of Export Structure of South Countries

Correlations	1 YUGOSL	2 CHINA	3 BRAZIL	4 INDIA	5 KOREA	6 HK
1 YUGOSLAV	1.0000	0.2680	0.6616	0.2440	0.2468	0.2547
2 CHINA	0.2680	1.0000	0.2203	0.6543	0.5720	0.6349
3 BRAZIL	0.6616	0.2203	1.0000	0.3103	0.0720	0.0376
4 INDIA	0.2440	0.6543	0.3103	1.0000	0.4977	0.5507
5 KOREA	0.2468	0.5720	0.0720	0.4977	1.0000	0.8719
6 HONG_KON	0.2547	0.6349	0.0376	0.5507	0.8719	1.0000
7 EGYPT	0.1757	0.8085	0.2274	0.4121	0.2240	0.2257
8 SINGAPOR	0.0790	0.4026	0.1149	0.1902	0.5241	0.4025
9 MEXICO	0.2752	0.4686	0.3711	0.1829	0.0456	-0.0076
10 VENEZUEL	0.0525	0.4506	0.1615	0.1246	0.0340	-0.0217
11 SAUDI_AR	0.0331	0.4482	0.1422	0.1202	0.0286	-0.0214
12 MALAYSIA	0.0456	0.0858	0.0227	0.1054	0.3086	0.2588
13 CZECHOSL	0.4744	0.1583	0.2555	0.1875	0.3739	0.2313
14 INDONESI	0.0795	0.5005	0.2426	0.2267	0.0886	0.0556
15 THAILAND	0.0163	0.1384	-0.0093	0.1898	0.4464	0.3845
16 TURKEY	0.3390	0.7000	0.1787	0.6305	0.6277	0.7171
17 POLAND	0.4488	0.2698	0.2529	0.1906	0.4019	0.2684
18 ARGETINA	0.1653	0.2113	0.2291	0.1997	0.0840	0.0154
19 CHILE	0.2604	0.0750	0.2956	0.0565	-0.0170	-0.0106
20 PHILIPPI	0.1623	0.3507	0.2123	0.3239	0.5030	0.4957

(continuation of Table 9)

Correlations	7 EGYPT	8 SINGAPO	9 MEXICO	10 VENEZUE	11 SAUDI_A	12 MLYSIA
1 YUGOSLAV	0.1757	0.0790	0.2752	0.0525	0.0331	0.0456
2 CHINA	0.8085	0.4026	0.4686	0.4506	0.4482	0.0858
3 BRAZIL	0.2274	0.1149	0.3711	0.1615	0.1422	0.0227
4 INDIA	0.4121	0.1902	0.1829	0.1246	0.1202	0.1054
5 KOREA	0.2240	0.5241	0.0456	0.0340	0.0286	0.3086
5 HONG_KON	0.2257	0.4025	-0.0076	-0.0217	-0.0214	0.2588
7 EGYPT	1.0000	0.4772	0.7528	0.7597	0.7502	-0.0020
8 SINGAPOR	0.4772	1.0000	0.5702	0.5909	0.5934	0.3837
9 MEXICO	0.7528	0.5702	1.0000	0.9523	0.9491	-0.0380
10 VENEZUEL	0.7597	0.5909	0.9523	1.0000	0.9967	-0.0297
11 SAUDI_AR	0.7502	0.5934	0.9491	0.9967	1.0000	-0.0340
12 MALAYSIA	-0.0020	0.3837	-0.0380	-0.0297	-0.0340	1.0000
13 CZECHOSL	0.0678	0.2406	0.0902	0.0297	0.0258	0.0658
14 INDONESI	0.7411	0.5808	0.8932	0.9257	0.9215	0.0885
15 THAILAND	0.0318	0.5015	-0.0133	-0.0213	-0.0213	0.5801
16 TURKEY	0.3918	0.1829	0.1093	0.0531	0.0536	0.1103
17 POLAND	0.1310	0.2482	0.0870	0.0196	-0.0006	0.1753
18 ARGETINA	0.1512	0.0342	0.0709	0.0443	0.0407	0.0487
19 CHILE	0.1665	0.0041	0.0778	0.0342	0.0175	0.0766
20 PHILIPPI	0.1738	0.3666	0.1046	0.0588	0.0485	0.5378

(continuation of Table 9)

Correlations	13 CZECHOS	14 INDONES	15 THAILND	16 TURKEY	17 POLAND	18 ARGTINA
1 YUGOSLAV	0.4744	0.0795	0.0163	0.3390	0.4488	0.1653
2 CHINA	0.1583	0.5005	0.1384	0.7000	0.2698	0.2113
3 BRAZIL	0.2555	0.2426	-0.0093	0.1787	0.2529	0.2291
4 INDIA	0.1875	0.2267	0.1898	0.6305	0.1906	0.1997
5 KOREA	0.3739	0.0886	0.4464	0.6277	0.4019	0.0840
6 HONG_KON	0.2313	0.0556	0.3845	0.7171	0.2684	0.0154
7 EGYPT	0.0678	0.7411	0.0318	0.3918	0.1310	0.1512
8 SINGAPOR	0.2406	0.5808	0.5015	0.1829	0.2482	0.0342
9 MEXICO	0.0902	0.8932	-0.0133	0.1093	0.0870	0.0709
10 VENEZUEL	0.0297	0.9257	-0.0213	0.0531	0.0196	0.0443
11 SAUDI_AR	0.0258	0.9215	-0.0213	0.0536	0.0006	0.0407
12 MALAYSIA	0.0658	0.0885	0.5801	0.1103	0.1753	0.0487
13 CZECHOSL	1.0000	0.0228	0.1256	0.2366	0.5785	0.0947
14 INDONESI	0.0228	1.0000	0.0091	0.1395	0.0249	0.0496
15 THAILAND	0.1256	0.0091	1.0000	0.2452	0.2448	0.1100
16 TURKEY	0.2366	0.1395	0.2452	1.0000	0.3119	0.1901
17 POLAND	0.5785	0.0249	0.2448	0.3119	1.0000	0.1723
18 ARGETINA	0.0947	0.0496	0.1100	0.1901	0.1723	1.0000
19 CHILE	-0.0571	0.0619	0.0242	0.1411	0.2468	0.1285
20 PHILIPPI	0.0845	0.1810	0.6346	0.5476	0.2716	0.3285

(continuation of Table 9)

Correlations	19 CHILE	20 PHLPIN
1 YUGOSLAV	0.2604	0.1623
2 CHINA	0.0750	0.3507
3 BRAZIL	0.2956	0.2123
4 INDIA	0.0565	0.3239
5 KOREA	-0.0170	0.5030
6 HONG_KON	-0.0106	0.4957
7 EGYPT	0.1665	0.1738
8 SINGAPOR	-0.0041	0.3666
9 MEXICO	0.0778	0.1046
10 VENEZUEL	0.0342	0.0588
11 SAUDI_AR	-0.0175	0.0485
12 MALAYSIA	0.0766	0.5378
13 CZECHOSL	-0.0571	0.0845
14 INDONESI	0.0619	0.1810
15 THAILAND	0.0242	0.6346
16 TURKEY	0.1411	0.5476
17 POLAND	0.2468	0.2716
18 ARGETINA	0.1285	0.3285
19 CHILE	1.0000	0.3793
20 PHILIPPI	0.3793	1.0000

North trade more attractive than South-South trade; (2) the weak economies of South are urging to protect their infant industries and competition in the South for the North market likely makes LDCs ignore the South market; and (3) North countries even help LDCs to carry out the protectionist trade policy in order to gain their monopoly advantage (Maxfield and Nolt, 1990). **The weak trade flow of South versus South and their potential comparative advantage may provide another path of development for LDCs besides the North market, which requires adjusting the trade strategy of LDCs through the state's macro trade policy.** However, though the three basic patterns of the world trade flows raise different questions and have different impacts on the world trade market, the successes of the trading states are really determined by an organic combination of liberalism and nationalism.

2. The Rise and Fall of Nation-States in the World Trade Market

The dynamics of the world trade market allow nation-states to rise and fall in rank over time. On this basis, and for any given time period, we may distinguish three types of countries: those whose ranks do not change; those whose ranks rise; and those whose ranks fall. For the period 1978-1990, twelve countries did not experience a rank change in their trading position (Table 10 A.). However, only nine countries can legitimately be said to have had stable positions because of their strong

Table 10
Ranking of World Trading Partners

A. Countries with Stable Rank

Rank Change	Rank 1978	Rank 1990	COUNTRY	1978 Total Trade	1990 Values
0	1	1	UNITED STATES	332812	912830
0	2	2	W. GERMAN	258585	742462
0	3	3	JAPAN	176007	541501
0	4	4	FRANCE	154384	437838
0	5	5	UK	142900	393686
0	6	6	ITALY	112541	348121
0	7	7	NETHERLANDS	103874	261179
0	8	8	CANADA	92892	243829
0	9	9	BELGIUM	91316	235418
0	36	36	UNITED ARAB	15164	30904
0	33	33	YUGOSLAVIA	16220	37389
0	55	55	COLOMBIA	5971	12461

status in the world trade market during last decade. The unchanged positions of Colombia, Yugoslavia, and the United Arab may be due to chance.

Fifty countries have raised their ranks during 1978-1990 (Table 10, B.). Positive rank changes range from a high of 28 (Liberia) to a low of 1 (Cameroon, Finland, Bahrain, and Switzerland). They show several features: Firstly, most of these countries (42 out of 50) are LDCs. This figure also suggests that LDCs are competing with each other for a share of the trade dependency (the market in advanced countries). Secondly, significant progress was made by the large LDCs, such as China (13 points), Mexico (12 points), and India (7 points). Thirdly, the distribution of these countries is not equal with respect to regions. Of the countries which raised their ranks, sixteen are Asian, eight are African, thirteen are European, eight are South American,

Table 10 (continued)

Ranking of World Trading Partners

B. Countries with Positive Rank Changes

Rank Change	Rank 1978	Rank 1990	COUNTRY	1978 Total Trade Values	1990 Total Trade Values
28	89	61	LIBERIA	1425	6498
24	87	63	ANGOLA	1572	5793
24	106	82	MACAO	563	3580
20	54	34	TURKEY	6967	34869
19	46	27	THAILAND	9400	56628
19	51	32	PORTUGAL	7666	41978
16	83	67	SRI LANKA	1773	4877
15	95	80	CYPRUS	1230	3591
15	39	24	MALAYSIA	14859	62610
15	81	66	BANGLADESH	1797	4982
14	100	86	MALTA	902	3206
13	43	30	IRELAND	12887	43769
13	25	12	CHINA	20242	138802
12	34	22	MEXICO	15921	73033
11	108	97	ZIMBABWE	56	2189
11	69	58	TUNISIA	2849	8922
11	71	60	OMAN	2726	7915
10	86	76	DOMINICAN R.	1575	4044
9	24	15	TAIWAN	21608	118942
9	49	40	ISRAEL	8518	25217
9	93	84	ICELAND	1309	3373
9	27	18	SINGAPORE	19761	104012
8	101	93	MAURITIUS	789	2809
8	21	13	HONGKONG	24057	137004
8	91	83	URUGUAY	1382	3435
7	50	43	CZECHOSLOVAKIA	8214	22992
7	38	31	INDIA	14962	43196
6	96	90	YEMEN ARAB R	1227	2947
6	60	54	PAKISTAN	4667	12529
6	20	14	KOREA	26380	123205
6	53	47	NEW ZEALAND	7317	19150
6	44	38	GREECE	11886	29015
5	84	79	JORDAN	1665	3632
5	104	99	REUNION	686	2111
5	42	37	POLAND	13757	29442
5	67	62	PERU	3184	6342
4	77	73	BRUNEI	2012	4133
4	56	52	CHILE	5534	16129
4	78	74	COSTA RICA	1914	4116
4	68	64	BULGARIA	2951	5718
4	48	44	PHILIPPINES	9037	22600
4	15	11	SPAIN	32618	140124

Table 10, B. (continued)

4	76	72	CUBA	2070	4434
3	59	56	MOROCCO	4687	12036
2	98	96	VIET NAM	1131	2351
1	79	78	CAMEROON	1898	3636
1	29	28	FINLAND	17102	54908
1	66	65	BAHRAIN	3194	5299
1	11	10	SWITZERLAND	49531	141837
1	105	104	MARTINIQUE	609	1789

five are Middle Eastern.[14] During this period, Asia has indeed shown its striking growth of trade. Fourthly, some of countries show excellent performance in the world trade market. For example, China moved its position from 25th in 1978 to 12th in 1990, Taiwan from 24th to 15th, Hong Kong from 21st to 13th, Korea from 20th to 14th, and Singapore from 27th to 18th. Obviously, a strong state plus market economy and export-led growth strategy are the most important reasons to contribute to the growth of those countries (Hong Kong is an exceptional case). Although some small countries gained more than these countries in terms of their rank (such as Liberia's 28 points, and Angola 24 points), countries within the top 20 have a significant impact on the world trade market because they have huge trading values.

Finally, forty-six countries experienced downward movement in the world trade market between 1978 and 1990 (Table 10, C.). The most striking cases are Iran (from 13th to 35th), Saudi Arab (from 10th to 21st), Brazil (from 18th to

[14]For the purpose of this regional comparison, New Zealand is considered as an Asian country and Mexico is categorized as a South American country.

26th), and Soviet Union (from 12th to 17th). Roughly speaking, there are three types of decline: (1) countries which were involved in war during this period tend to decline - for example, Iraq, Iran, Lebanon, Kuwait, all involved in war in the Middle East.[15] (2) countries undergoing rapid social

Table 10 (continued)

Ranking of World Trading Partners

C. Countries with Negative Rank Changes

Rank Change	Rank 1978	Rank 1990	COUNTRY	1978 Total Trade	1990 Values
-1	102	103	PARAGUAY	772	2004
-1	80	81	PANAMA	1887	3586
-1	107	108	BURUNDI	171	262
-1	28	29	INDONESIA	18815	48692
-2	17	19	AUSTRIA	28136	91148
-2	23	25	NORWAY	22300	59948
-2	47	49	EGYPT	9073	17854
-2	14	16	SWEDEN	42086	111454
-3	65	68	ECUADOR	3239	4828
-3	103	106	MOZAMBIQUE	706	1212
-3	99	102	AFGHANISTAN	1004	2021
-3	92	95	PAPUA N.GUINEA	1348	2429
-4	16	20	AUSTRALIA	29986	80770
-4	19	23	DENMARK	26421	65011
-5	41	46	HUNGARY	14117	19350
-5	12	17	SOVIET UNION	44873	106862
-5	82	87	JAMAICA	1777	3199
-5	45	50	ARGENTINA	10844	17628
-5	64	69	QATAR	3573	4823
-7	63	70	SYRIAN	3575	4812
-7	52	59	E.GERMAN	7327	7964
-7	35	42	ALGERIA	15194	23408
-8	31	39	SOUTH AFRICA	16901	27427

[15]The cited countries also have no solid foundation of development, since oil resources and the rise of oil prices helped them rise in the world trade market. In this sense, their declines also were contributed to by the vulnerability of their nation-states and economies.

Table 10, C. (continued)

-8	18	26	BRAZIL	27701	58532
-8	90	98	HONDURAS	1389	2175
-8	97	105	BOLIVIA	1213	1537
-11	10	21	SAUDI ARABIA	60886	76982
-12	73	85	KENYA	2515	3370
-13	88	101	ZAMBIA	1461	2077
-13	94	107	NICARAGUA	1260	751
-13	58	71	COTE D'LVOIRE	4898	4760
-14	74	88	GUATEMALA	2266	3148
-14	37	51	LIBYA	15119	17253
-14	61	75	BAHAMAS,THE	4656	4073
-15	85	100	NORTH KOREA	1602	2092
-15	26	41	VENEZUELA	20125	23932
-17	72	89	ZAIRE	2697	3075
-17	40	57	KUWAIT	14475	11486
-18	30	48	IRAQ	16995	17987
-19	75	94	GHANA	2121	2676
-20	57	77	NETHERLANDS ANTILLES	5318	3688
-21	32	53	ROMANIA	16548	15064
-21	70	91	LEBANON	2820	2883
-22	13	35	IRAN, I.R. OF	43537	30935
-23	22	45	NIGERIA	23186	19884
-30	62	92	TRINIDAD AND TOBAGO	3669	2819

change tend to decline. The transformation of socialism in Soviet Union (falling 12th to 17th) and Eastern Europe (Hungary falling from 41st to 46th, East Germany from 52nd to 59th, and Romania from 32nd to 53th) are examples of this pattern of decline. Such rapid social revolutions destroyed the old social and economic orders, but were unable to set up new one immediately. (3) the highly indebted countries also tend to decline - such as Argentina (from 45th to 50th), Brazil (from 18th to 26th), Venezuela (from 26th to 41st), Nigeria (from 22nd to 45th), Bolivia (from 97th to 105th), and Cote D'Lvoire (from 58th to 71st). In sum, countries involved in war may be not able to develop the effective market, because economic activities must be subordinated to the

nation-state's goals of the war. Socialist states carry out planned economies against market forces, i.e., against the economic liberalism. Highly indebted countries borrowed money from foreign countries, but did not effectively invest it in production, in consequence, led those countries unable to pay the money back. All types of decline, at root, are the confrontation of liberalism and nationalism in one way or another.

3. Balance of Exports and Imports

A rough balance of export and import in a long run is a basic requirement for trading countries, as well as for the world trade order in general. In terms of finance, this is a question of balance of payment. Plotting world export and

Figure 1. **Plot of World Trade in 1978**
(in million US dollars)

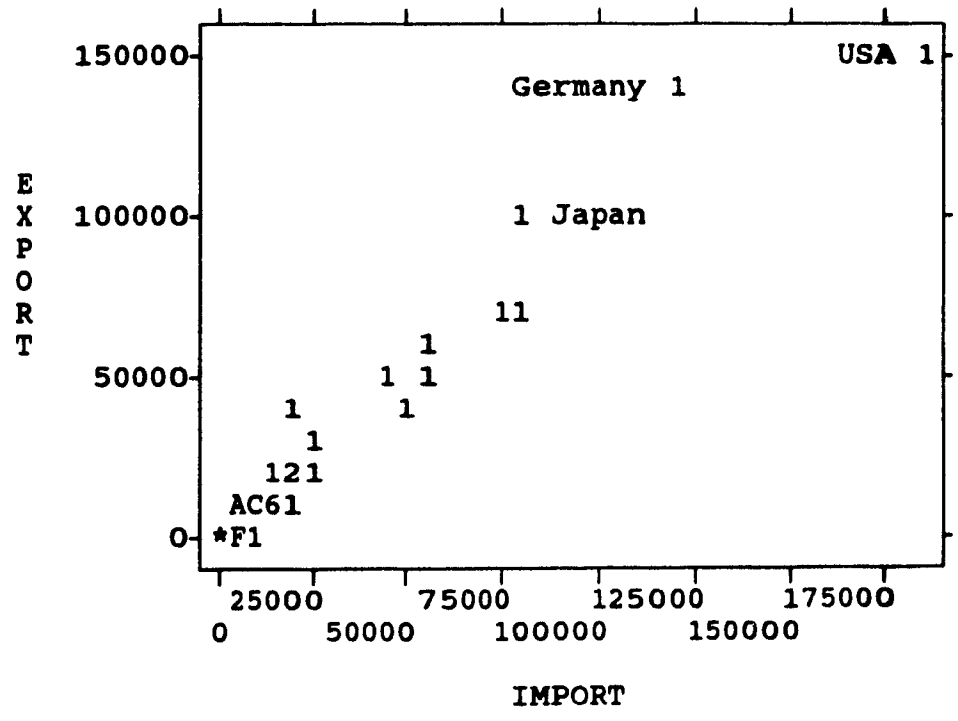

Figure 1. (continued)

Rank	Country	Total	Export	Import	Balance
1	UNITED STATE	332812.19	149512.81	183299.38	-33786.57
2	W. GERMAN	258585.13	137813.66	120771.47	17042.19
3	JAPAN	176007.31	96925.06	79082.25	17842.81
4	FRANCE	154384.11	74436.20	79947.91	-5511.71
5	UK	142899.75	68138.15	74761.60	-6623.45
6	ITALY	112541.25	56827.65	55713.60	1114.05
7	NETHERLANDS	103873.73	50399.80	53473.93	-3074.13
8	CANADA	92891.67	49328.91	43562.76	5766.15
9	BELGIUM	91315.75	42745.53	48570.22	-5824.69
10	SAUDI ARABIA	60885.56	41165.99	19719.57	21446.42
11	SWITZERLAND	49530.50	25791.57	23738.93	2052.64
12	SOVIET UNION	44873.15	21547.15	23326.00	-1778.85
13	IRAN, I.R. O	43537.22	24089.22	19448.00	4641.22
14	SWEDEN	42085.72	21958.65	20127.07	1831.58
15	SPAIN	32618.33	14221.06	18397.27	-4176.21
16	AUSTRALIA	29985.73	16062.83	13922.90	2139.93
17	AUSTRIA	28135.54	12214.54	15921.00	-3706.46
18	BRAZIL	27700.88	12799.30	14901.58	-2102.28
19	DENMARK	26421.31	11782.31	14639.00	-2856.69
20	KOREA	26379.69	11491.16	14888.53	-3397.37
21	HONGKONG	24056.50	10763.80	13292.70	-2528.90
22	NIGERIA	23185.78	10796.78	12389.00	-1592.22
23	NORWAY	22300.49	10945.49	11355.00	-409.51
24	TAIWAN	21608.23	11519.73	10088.50	1431.23
25	CHINA	20241.53	10219.23	10022.30	196.93

Figure 2. Plot of World Trade in 1990

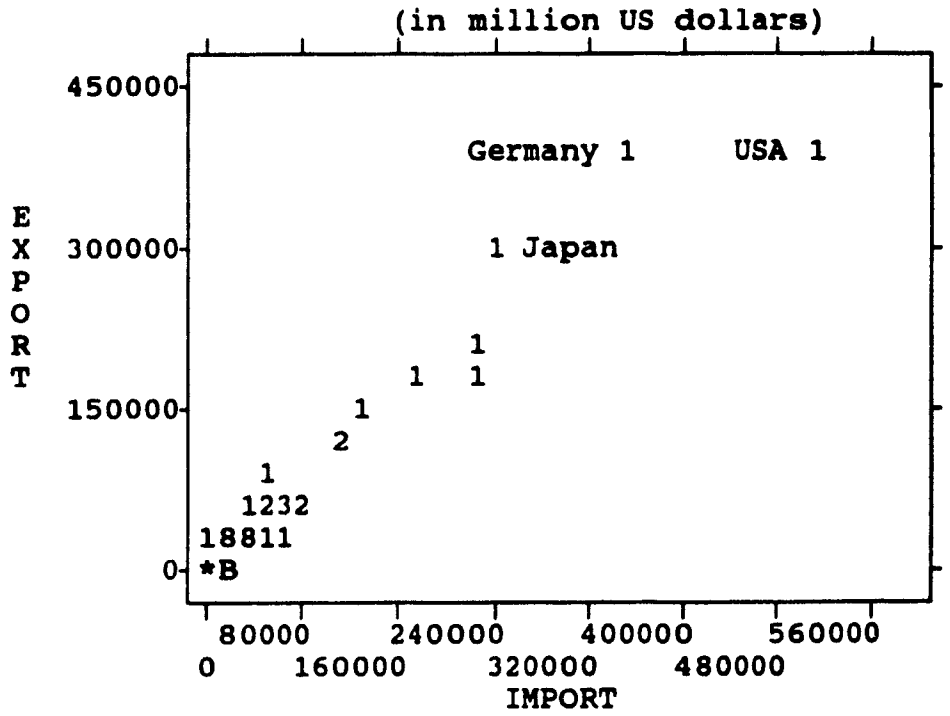

Figure 2. (continued)

Rank	Country	Total	Export	Import	Balance
1	UNITED STATE	912830.20	399020.20	513810.00	-114789.80
2	W. GERMAN	742461.54	397311.54	345150.00	52161.54
3	JAPAN	541501.08	307414.08	234087.00	73327.08
4	FRANCE	437837.97	212214.97	225623.00	-13408.03
5	UK	393686.48	173260.48	220426.00	-47165.52
6	ITALY	348120.65	167895.65	180225.00	-12329.35
7	NETHERLANDS	261178.65	135840.65	125338.00	10502.65
8	CANADA	243828.96	129054.96	114774.00	14280.96
9	BELGIUM	235417.74	116811.74	118606.00	-1794.26
10	SWITZERLAND	141837.19	73152.19	68685.00	4467.19
11	SPAIN	140123.50	53843.50	86280.00	-32436.50
12	CHINA	138801.68	87044.68	51757.00	35287.68
13	HONGKONG	137004.17	54634.17	82370.00	-27735.83
14	KOREA	123205.09	59051.09	64154.00	-5102.91
15	TAIWAN	118942.06	69656.30	49285.76	20370.54
16	SWEDEN	111454.21	58146.21	53308.00	4838.21
17	SOVIET UNION	106861.90	46970.90	59891.00	-12920.10
18	SINGAPORE	104011.63	43729.63	60282.00	-16552.37
19	AUSTRIA	91147.86	41925.86	49222.00	-7296.14
20	AUSTRALIA	80770.46	41869.46	38901.00	2968.46
21	SAUDI ARABIA	76981.74	50048.74	26933.00	23115.74
22	MEXICO	73032.81	40551.81	32481.00	8070.81
23	DENMARK	65010.61	34011.61	30999.00	3012.61
24	MALAYSIA	62610.06	33896.06	28714.00	5182.06
25	NORWAY	59947.85	33575.85	26372.00	7203.85

import in 1978 and 1990 (Figures 1 and 2) shows that all countries closely follow the balance line of export and import, except the United States, Germany and Japan, which run

Table 11
Trade Balance Analysis
(In Million US Dollars)

A. Countries Running Trade Deficits (1990)

Rank 1978	Rank 1990	Country	Value 1978	%	Value 1990	%
1	1	UNITED STATES	-33787	26.3%	-114790	30.3%
2	2	UK	-6623	5.2%	-47166	12.5%
6	3	SPAIN	-4176	3.3%	-32437	8.6%
15	4	HONGKONG	-2529	2.0%	-27736	7.3%
3	5	SINGAPORE	-6047	4.7%	-16552	4.4%
5	6	FRANCE	-5512	4.3%	-13408	3.5%

Table 11, A. (continued)

19	7	SOVIET UNION	-1779	1.4%	-12920	3.4%
22	8	ITALY	1114	0.9%	-12329	3.3%
9	9	GREECE	-3630	2.8%	-10221	2.7%
26	10	THAILAND	-1202	0.9%	-9592	2.5%
14	11	PORTUGAL	-2666	2.1%	-7911	2.1%
8	12	AUSTRIA	-3706	2.9%	-7296	1.9%
7	13	EGYPT	-3832	3.0%	-6995	1.8%
16	14	TURKEY	-2150	1.7%	-6232	1.6%
11	15	KOREA	-3397	2.6%	-5103	1.3%
36	16	ROMANIA	-952	0.7%	-3496	0.9%
32	17	PHILIPPINES	-1113	0.9%	-3323	0.9%
44	18	INDIA	-432	0.3%	-3024	0.8%
22	19	ISRAEL	-1534	1.2%	-2527	0.7%
28	20	LIBERIA	506	0.4%	-2463	0.7%
20	21	BAHAMAS, THE	-1642	1.3%	-1902	0.5%
18	22	PAKISTAN	-1857	1.4%	-1880	0.5%
23	23	NETHERLAND ANT	-1402	1.1%	-1860	0.5%
31	24	LEBANON	-1123	0.9%	-1846	0.5%
43	25	REUNION	-451	0.4%	-1822	0.5%
37	26	BAHRAIN	-862	0.7%	-1806	0.5%
4	27	BELGIUM	-5825	4.5%	-1794	0.5%
42	28	CUBA	-576	0.4%	-1774	0.5%
53	29	E.GERMAN	-142	0.1%	-1720	0.5%
33	30	TUNISIA	-1107	0.9%	-1685	0.4%
35	31	JORDAN	-1075	0.8%	-1558	0.4%
48	32	CYPRUS	-254	0.2%	-1532	0.4%
49	33	BULGARIA	-242	0.2%	-1523	0.4%
28	34	MOROCCO	-1167	0.9%	-1451	0.4%
40	35	BANGLADESH	-713	0.6%	-1322	0.3%
46	36	MARTINIQUE	-337	0.3%	-1291	0.3%
41	37	KENYA	-634	0.5%	-1252	0.3%
50	38	MALTA	-235	0.2%	-943	0.2%
10	39	YUGOSLAVIA	-3420	2.7%	-809	0.2%
47	40	AFGHANISTAN	-284	0.2%	-458	0.1%
61	41	MOZAMBIQUE	-31	0.0%	-421	0.1%
36	42	NORTH KOREA	166	0.1%	-402	0.1%
52	43	MAURITIUS	-161	0.1%	-391	0.1%
63	44	SRI LANKA	-28	0.0%	-350	0.1%
55	45	JAMAICA	-115	0.1%	-338	0.1%
38	46	NICARAGUA	142	0.1%	-239	0.1%
44	47	HONDURAS	12	0.0%	-142	0.0%
60	48	GUATEMALA	-43	0.0%	-133	0.0%
64	49	BURUNDI	-10	0.0%	-125	0.0%
51	50	BOLIVIA	-183	0.1%	-67	0.0%
39	51	PAPUA N.GUINEA	122	0.1%	-1	0.0%

their trade either with a deficit or a surplus. Who has deficit and who has surplus? A trade balance analysis (Table 11) indicates that four of the so-called G7 (Group of Seven

Partners) countries accounted for 35.8% in 1978 and 49.7% of the world trade deficit in 1990: the United States (from 26.3% up to 30.3%), UK (from 5.2% up to 12.5%), France (from 4.3% down to 3.5%), and Italy (from 0.9% of the world trade surplus down to 3.3% of the world trade deficit). The remainders of the G7, by contrast, accounted for 31.7% of the total world trade surplus in 1978 and 37.0% in 1990: Japan (from 13.9% up to 19.4%), Germany (from 13.3% up to 13.8%), and Canada (from 4.5% down to 3.8%). Among the three countries, Canada is an exception, because much its trade (about 70%) has been with the United States. To explain why the G7 are divided into the two sub-groups, we need to consider their different macro-strategies on trade and their industrial policies described earlier (cf. Gilpin, 1987; Hall, 1990).

The balance analysis also suggests that the export-led growth strategy has been adopted by more and more countries.

Table 11 (continued)
Trade Balance Analysis
(In Million US Dollars)

B. Countries with Trade Surplus (1990)

Rank		Country	Value	%	Value	%
1978	1990		1978		1990	
2	1	JAPAN	17843	13.9%	73327	19.4%
3	2	W. GERMAN	17042	13.3%	52162	13.8%
35	3	CHINA	197	0.2%	35288	9.3%
1	4	SAUDI ARABIA	21446	16.7%	23116	6.1%
19	5	TAIWAN	1431	1.1%	20371	5.4%
6	6	CANADA	5766	4.5%	14281	3.8%
17	7	BRAZIL	-2102	1.6%	13804	3.6%
39	8	VENEZUELA	-777	0.6%	10704	2.8%
12	9	NETHERLANDS	-3074	2.4%	10503	2.8%
11	10	ARGENTINA	3449	2.7%	9474	2.5%
24	11	MEXICO	811	0.6%	8071	2.1%

Table 11, B. (continued)

21	12	NIGERIA	-1592	1.2%	7846	2.1%
29	13	POLAND	-1136	0.9%	7746	2.0%
45	14	NORWAY	-410	0.3%	7204	1.9%
9	15	UNITED ARAB	4845	3.8%	6856	1.8%
5	16	LIBYA	6057	4.7%	5803	1.5%
13	17	MALAYSIA	3225	2.5%	5182	1.4%
7	18	INDONESIA	5696	4.4%	5082	1.3%
16	19	SWEDEN	1832	1.4%	4838	1.3%
4	20	IRAQ	8571	6.7%	4777	1.3%
15	21	SWITZERLAND	2053	1.6%	4467	1.2%
8	22	KUWAIT	5474	4.3%	3714	1.0%
25	23	ALGERIA	-1204	0.9%	3116	0.8%
13	24	DENMARK	-2857	2.2%	3013	0.8%
14	25	AUSTRALIA	2140	1.7%	2968	0.8%
56	26	CHILE	-106	0.1%	2832	0.7%
23	27	OMAN	845	0.7%	2611	0.7%
24	28	HUNGARY	-1395	1.1%	2522	0.7%
33	29	ANGOLA	276	0.2%	2373	0.6%
34	30	IRELAND	-1089	0.8%	2237	0.6%
10	31	IRAN, I.R. OF	4641	3.6%	2235	0.6%
20	32	QATAR	1214	0.9%	2004	0.5%
12	33	SOUTH AFRICA	3382	2.6%	1967	0.5%
29	34	CZECHOSLOVAKIA	372	0.3%	1856	0.5%
31	35	COLUMBIA	320	0.2%	1517	0.4%
59	36	PANAMA	-76	0.1%	1143	0.3%
25	37	PERU	753	0.6%	1094	0.3%
26	38	COTE D'LVOIRE	657	0.5%	1086	0.3%
32	39	ECUADOR	302	0.2%	960	0.3%
42	40	CAMEROON	27	0.0%	900	0.2%
18	41	FINLAND	1454	1.1%	884	0.2%
43	42	URUGUAY	26	0.0%	866	0.2%
44	43	ZAIRE	12	0.0%	788	0.2%
34	44	ZAMBIA	264	0.2%	730	0.2%
17	45	BRUNEI	1481	1.2%	688	0.2%
40	46	MACAO	66	0.1%	494	0.1%
41	47	ZIMBABWE	42	0.0%	475	0.1%
38	48	VIET NAM	-785	0.6%	474	0.1%
58	49	TRINIDAD AND T	-80	0.1%	467	0.1%
27	50	NEW ZEALAND	535	0.4%	354	0.1%
57	51	DOMINICAN R.	-102	0.1%	264	0.1%
54	52	COSTA RICA	-131	0.1%	193	0.1%
30	53	SYRIAN	-1130	0.9%	189	0.0%
30	54	GHANA	321	0.3%	148	0.0%
62	55	ICELAND	-30	0.0%	143	0.0%
37	56	PARAGUAY	144	0.1%	112	0.0%
27	57	YEMEN ARAB R.	-1169	0.9%	39	0.0%

For example, there were 64 countries with trade deficit in 1978, which reduced to 51 in 1990. Among trade debtors, 23

countries reduced their deficits between 1978 and 1990 and 13 countries even went from trading with deficits to trading with surplus; only 15 countries increased their trade deficits. However, taking the export-led growth strategy does not guarantee solid development. An exploration of the key conditions of successful competition in the world market is the topic, now I turn to.

4. Determinants for Successful Competition

Liberalism and nationalism have complex relations with state and market. The logic of the market is to make money where it is most profitable, whereas the logic of the state is to seize power which makes things under control. The market is a place for exchange, while the state is both place and actor (Mann, forthcoming). In contrast to the market, the state is more active and flexible, because the state in most cases has power to control the market, either by promoting or repressing it, in accordance with national goals. Under these considerations, there are three ideal types of competition: (1) state with state (geo-politics); (2) market with market (free market), and (3) state with market (either state intervention in the market or the market surrounding the state, which fluctuate around the balance line between gains and losses).

Competition via geo-politics may be roughly equated as Rosecrance's territory system. The World Wars, colonization and the Cold War, are all confrontations of geopolitics.

However, "the changed competition between states makes the acquisition of land less important and of market shares more important. Armaments are useful for the conquest of territory, less so for the sale of goods and services" (Strange, 1988:60). It is not easy to conclude that the ending of the Cold War meant the ending of the territory system. But it indeed favours the rise of the trading system.

Competition through the free market is a natural channel as well as the ideal of liberals. Unfortunately, it may not exist in its pure form, the reality is mixed competition. The state may utilize market forces to reach state ends. The market also can take advantage of state to make profits. Thus, the state needs the market and vice versa. The key point is that such a choice is taken by the process of crystallization of various elements, which is beyond personal will. For simplicity, as well as for the goals of this paper, the three elements of liberalism, nationalism and Marxism are taken into account in the process of crystallization.

Table 12 provides the basic results of the crystallization of liberalism, nationalism and Marxism. Under free capitalism, we see liberalism against nationalism and Marxism. As described earlier, this form won great success in Britain and the United States during their heydays. However, "both Britain and the United States adhere to a full-blooded marketist ideology - seen most clearly in the financial sectors and in the absence of industrial policies of varied

types - that make it hard to adapt within capitalist society"

Table 12 Crystallization of Liberalism and Nationalism

Ideologies ▸ / State type ▾	Liberalism	Nationalism	Marxism	Rank of Success
Free Capitalism	+	-	-	2
Nationalist Capitalism[16]	+ -	- +	-	1
State Socialism	-	+	+	3
Communism	+ ?	-	+	?

Note: "+", "-" and "+-" indicates accept, rejection, and conditionality, respectively.

(Hall, 1990:143). Britain has already declined and the United States has relatively declined. The dilemma of liberalism has shown some significant signs of this pattern. In the second pattern, nationalist capitalism, we find nationalism plus liberalism against Marxism internally, and against liberalism externally. The variety of signs show that this form has been taking over the domination of the first form, especially in economic areas. Macro-industrial policies play an important role in their economic competition. The Japanese strategy of competitive development and the German policy competition also makes them more capable to compete. "Japan's success is the result of a remarkable capacity to design a cohesive national

[16] I did not find the proper words to express this pattern. Germany and Japan in the postwar era represent this pattern of states.

strategy so as to prosper inside the world market" (Hall, 1988:228). Indeed, the success of the Asian NICs, as compared to other LDCs, is due primarily to their greater flexibility and the strong intervention of states (Deyo, 1987). In the near future, the new international relations are likely to be shaped by the forces coming from this pattern of states. In the third pattern, we see nationalism plus Marxism against liberalism. Socialist states belong to this pattern. Within the framework of planned economies, the free market was abandoned. In consequence, the inefficient economy caused serious problems for these states. The reform in China has moved its economy toward a market type. If we ignore their oral commitment to socialism, this regime seems to be approaching the second state pattern. The collapse of the USSR also made it possible for their separated republics possible to move toward this pattern.[17] In the fourth pattern, ideal communism, we see Marxism plus liberalism against nationalism, and finally destroy liberalism.[18] This pattern reflect Marx's early thought, especially in his List Critique (1845). It seems to me that this pattern is still an Utopia, at least in

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[17]I may greatly exaggerate the probability of success of the existing socialist states. The present or potential chaos is still facing those states in both political and economic areas.

[18]When Marx criticized List, he said that nationalism is the viewpoint of the bourgeoisie in a backward country that wants to be protected from the more advanced and more powerful bourgeoisie abroad (Szporluk, 1988:35-6). Marx supported free trade, because he thought that the free trade would hasten social revolution (ibid. p.41).

the foreseeable future.

The validity of the different state patterns should be tested by its real and potential capability for development. What are the most important conditions for development? First, it requires strong states, because strong national societies can compete in the world economy (Hall, 1988:204-213). Second, investment in human resources and an efficient market are the hallmarks of the successful developing economy (Hofheinz and Calder, 1982). Nevertheless, the strong state dependent on state building goes hand-in-hand with successful nationalism as well as with an efficient economy. And the valid investment and efficient market require the guide-line of the state's macro-policies. The whole arguments in this theses are supported by a more concise argument made by Hall: "A vital foundation of liberalism in the modern world is that of successful nationalism" (1988:204). The intercourse (crystallization) of liberalism and nationalism is gradually eroding (or destroying) international relations supported by the hegemony and evolving (or creating) new relations on the basis of power balance. The process of the crystallization displays the dynamics of international relations, which has played, and will continually play its role. The solid alliance of liberalism and nationalism may be capable of narrowing the gap of human development in the new form of international relations.

VI. Summary and Conclusion

The unifying thread of this thesis has been an analysis of the dialectical relations of liberalism and nationalism, connected with the market and the state, on the scene of world trade. My arguments have developed along a logical chain, from abstract to specific, although they can not be separated in reality. In this sense, the analysis is deductive. However, the empirical data analysis also has been conducted to support my arguments. On the level of ideology, the philosophical foundations of liberalism and nationalism have been given attention. Both forces are regarded as the foundations of modern international relations, the success of one side depending on the other. In this connection, Ruggie's embedded liberalism has been extended to the whole range of modern history. Several theories - WST, HST etc. - have been discussed in terms of their ideological commitments. The rapprochement of nationalism and liberalism implies that their original one-sided standpoints need modifying. Historical evidence and the recent development of international relations have challenged HST, because a liberal international order did not necessarily require the presence of hegemony. Empirically, different state patterns are regarded as the results of crystallization. The rise of protectionism and regionalism reflect the erosion of existing international relations. The second pattern of states, in the context of a power balance, is likely to be a strong force to alter the international

trade relations in the near future, because in this pattern successful nationalism sets up the foundation for the solid development of liberalism under the political framework of democracy.

All in all, the questions of contemporary international relations have reflected a basic debate: is the United States declining? There are different opinions about whether the hegemony of America has declined. Despite their different conclusions, HST, TPB and WST, all believe in the relative decline of the United States (Gilpin, 1987; Krasner, 1985; Rosecrance, 1986; Wallerstein, 1992). However, Strange (1987) argues that the hegemony of America did not decline in terms of four major structural powers - security, production, finance and credit, and knowledge - which are still dominated by the United States. She thinks that the structural power decides outcomes much more than relational power does. In other words, American hegemony has been functioning in the different ways, and its structural power has increased. So the myth of lost hegemony is a forged story. My paper follows Hall's (1992) claim that America has indeed declined, but that the decline has been exaggerated.

Once we accept the fact of the relative decline of the United States, the first question is: Is the lost hegemony a necessary process or not? Most structuralists claim that it is, though its policies may accelerate or lessen this process. The second question is: Is the decline due to internal or

external factors? Realists assert that the main reason for American decline is the struggle of the Third World for establishing a new international order. Such a struggle undermines liberal principles, norms and the policy-making process which is against global liberalism (Krasner, 1985). As if playing a game, the Third World wants to change the rules. HST contends that the cause of the decline of the American system is the hegemon's dilemma: to be a hegemony, you must pay the price for the decline. Hall claims that the diffusions through efficiency and geopolitics are the external causes of decline. The institutionalization of hegemonic success made it difficult for America to adapt to the new demand of capitalist society, which, in turn, became the internal cause of its decline.

Predicting the results of the relative decline of American power distinguishes scholars as either pessimists or optimists. HST theorists are pessimistic because they are losing a defender of liberal international order - the hegemony of the United States. TPB theorists, in opposite to that of HST, are optimistic because nationalism can be the force for cooperation under power balance circumstances. Their happiness and sadness depend on whether the capitalist system prospers or declines. Like HST theorists, proponents of WST theorists see an American decline, but because they favour the establishment of the socialist world system, they are not pessimistic. They share the optimism of TPB, but their

optimism is contingent on the demise of the capitalist system. "God has distributed his blessing to the United States... in the present, prosperity; in the past, liberty; in the future, equality" (Wallerstein, 1992:1). The liberals' standpoint is asserted by Reich, who says that "the economic pessimists are as misled as the optimists. Both begin from the wrong premises" (1991:6). He is optimistic on symbolic analysts and pessimist on others (Blue Collars). The three standpoints indicate that the question has been developed. However, in the present, no one can claim victory. Following the logic of this paper, a cautious optimism is held by author. The new round of the uneven growth of national economy has caused the centre of the world economy to shift from the Atlantic toward the Pacific Basin (Gilpin, 1987:383 and Hall, 1990:116). Perhaps, this shift indicates the sunrise of the new international economic order.

The intercourse of liberalism and nationalism has been shaping modern international relations. It seems that the extensive research in this paper explain some of the causes and effects along the axes of liberalism and nationalism. Unfortunately, we never can prove their necessary relations in an empirical world, because a universal proposition cannot be confirmed (Popper, 1959). However, liberalism and nationalism are so fundamental in our modern life, I have no doubt that the debates on them are durable tasks in which theorists and policy makers are likely to join from different angles.

Appendix I Data Collection and Processing

1. Data Collection

The collection of data in this thesis includes two parts: a network analysis and a non-network analysis. In the process of collecting data, the following operations have been conducted.

1) Sampling Trading Partners

The empirical analysis covers two time periods: 1978 and 1990. The network samples are drawn from the trade direction of yearbook of IMF according to the criteria that the state has $ 2 billion (US) of total trade value (export plus import) in 1990, except Burundi, Mozambique, Reunion, Bolivia, Martinique, and Nicaragua. As the result of this sampling, the analysis of network is based on 108 trading partners over the world (there are 182 countries and areas on the list of IMF Trade Direction 1990). In the non-network analysis part, data covers a longer period time from 1938 to 1990, and include all trading countries as well.

2) Collecting Data

For the network analysis, the 108 trading partners' data are collected from IMF trade directory. From IMF trade directory, two 108 by 108 matrices set up.[19] Import data for

[19]IMF did not list Taiwan's trade data before 1982, the Taiwan's Statistical Yearbook is used as a complementary source in the data sets.

each country and area were collected in column vectors.[20] In so doing, each row vector contains the trade data of export for each country because of the corresponding relations of trade data. For the non-network analysis, the data and tables are drawn from: Statistical Yearbook of the Republic of China, Taiwan 1978 - 1991; IMF: World Economic Outlook and Yearbook of Trade Direction; Yearbook of International Trade Statistics, United Nations, 1975; World Tables, 1988-89 and 1991 Editions; GATT; International Trade 89-90, Volume II; Trade Policy Review, USA. 1989, Germany, 1990, Japan, 1990.

2. Data Processing

The raw data were arranged in two 108 by 108 asymmetric matrices. By transposing each matrix and then adding it to the original matrix, we obtain two symmetric matrices which include the total trade volumes for pairs of countries. Choosing each country's total trade volume as a denominator, we obtain the percentage of each country's trade with another. Because country's total trade volumes differ from each other, the denominators are different as well. Therefore, the percentage matrices are again asymmetric.[21] We next decide on

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[20]It is generally believed that import data are more accurate than export data (see Nemeth and Smith, 1985).

[21]For example, the trade in 1990 between China and Japan account for 14% of China's foreign trade while China only accounts for 4% of Japan's trade. A high percentage on either side may suggest an important relationship. Although China accounts for a relatively small share of Japan's foreign trade, the high percentage on the Chinese side not only suggests China's dependency on Japan but also indicates Japan's market share in China. In this sense, the trade is

two cut-off points 5% and 10%, which indicate two level of trade engagement. While random trade engagement should be 0.9%, 5% indicates a moderate trade engagement and 10% a high engagement. Hence the percentage matrices are transformed into two adjacency matrices (a matrix of 1s and 0s) with the percentage above or equal to the cut-off point (5% or 10%) being changed into 1s and those below into 0s. We then used network methods implemented in MacEvoy and Freedman's (1991) UCINET software in analyzing the network data embodied in the adjacency matrices. For the non-network analysis, the necessary calculation and re-arrangements are carried out in the data processing.

3. Data Limitations

Since trade data are a secondary data, in a sense, limitations are unavoidable. First, trade data are based on the US dollar, however, each country has its own monetary unit, and the exchange rate of the US dollar against other monetary unit is not fixed (since 1973). The problem of exchange rate likely makes trade data imprecise, especially in developing countries[22] and the USSR bloc. Second, the content of trade transaction varies over time. For example, the intra-firm trade already has been important in advanced economies.

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important for two sides.

[22]For example, China's Renminbi exchange rate against US dollar was $1.5 in 1980 and $5.2 in 1990, which devalued for 346%. (EIU, China and North Korea 1991-1992) The devaluation of China's currency is likely to make China's trade analysis biased.

Unfortunately, the data sets used by our network method did not reflect this. Furthermore, the trade data do not properly reflect "invisible trade", such as services, which is increasingly important. So the complementary data sources are necessary. Third, the structure of commodities is also an important index of trade relationship, but the data sets also did not contain such information. Fourth, IMF's trade data is based on each country's report. Basically, a pair of countries' report on import and export should be roughly equal, because it is the same thing counted by two sides. Unfortunately, this is not the case for most trade data reports because of differences of statistical standards and the other errors.[23]

For this project, network methods require us to transform the quantitative data into qualitative ones (1s and 0s). The two cut-off points of 5% and 10% trade volume of pair of countries made the data limitations tolerable in certain sense. Because the random trade engagement of pair of countries is only 0.9%, the 5% and 10% trade volume could exclude the effect of chance in detecting the world trade structure.

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[23]For example, China reported exporting $7372 million to the United States in 1990, however, the United States claimed importing $16296 millions from China. The difference is $8924 millions. The main reason for this huge difference is because the United States counts entrepot trade, but China does not. It is very clear that the exporting sources of Hong Kong are mainly from China.

Appendix II. Number Labels of Countries
(for network analysis)

Label	Country	Label	Country	Label	Country
1	UNITED STATES	37	TUNISIA	73	LEBANON
2	CANADA	38	ZAIRE	74	LIBYA
3	AUSTRALIA	39	ZAMBIA	75	OMAN
4	JAPAN	40	ZIMBABWE	76	QATQR
5	NEW ZEALAND	41	AFGHANISTAN	77	SAUDI ARABIA
6	AUSTRIA	42	BANGLADESH	78	SYRIAN
7	BELGIUM	43	BRUNEI	79	UNITED ARAB
8	DENMARK	44	CHINA	80	YEMEN ARAB R.
9	FINLAND	45	HONGKONG	81	ARGENTINA
10	FRANCE	46	INDIA	82	BAHAMAS THE
11	W. GERMAN	47	INDONESIA	83	BOLIVIA
12	GREECE	48	KOREA	84	BRAZIL
13	ICELAND	49	MACAO	85	CHILE
14	IRELAND	50	MALAYSIA	86	COLUMBIA
15	ITALY	51	PAKISTAN	87	COSTA RICA
16	NETHERLANDS	52	PAPUA N.GUINEA	88	DOMINICAN R.
17	NORWAY	53	PHILIPPINES	89	ECUADOR
18	PORTUGAL	54	SINGAPORE	90	GUATEMALA
19	SPAIN	55	SRI LANKA	91	HONDURAS
20	SWEDEN	56	TAIWAN	92	JAMAICA
21	SWITZERLAND	57	THAILAND	93	MARTINIQUE
22	UK	58	VIET NAM	94	MEXICO
23	ALGERIA	59	CYPRUS	95	NETHERLANDS ANTILLES
24	ANGOLA	60	HUNGARY	96	NICARAGUA
25	BURUNDI	61	MALTA	97	PANAMA
26	CAMEROON	62	POLAND	98	PARAGUAY
27	COTE D'IVOIRE	63	ROMANIA	99	PERU
28	GHANA	64	TURKEY	100	TRINIDAD AND TOBAGO
29	KENYA	65	YUGOSLAVIA	101	URUGUAY
30	LIBERIA	66	BAHRAIN	102	VENEZUELA
31	MAURITIUS	67	EGYPT	103	BULGARIA
32	MOROCCO	68	IRAN, I.R. OF	104	CUBA
33	MOZAMBIQUE	69	IRAQ	105	CZECHOSLOVAKIA
34	NIGERIA	70	ISRAEL	106	E.GERMAN
35	REUNION	71	JORDAN	107	NORTH KOREA
36	SOUTH AFRICA	72	KUWAIT	108	SOVIET UNION

Appendix III. The Results of Network Analysis for 1978

A. Cliques of Trade in 1978 at the 5% Level

(Minimum Set Size=3, N=198)

1:	1 10 11 15 22 39 77	2:	1 10 11 15 21 22
3:	1 10 11 15 22 36	4:	1 10 11 15 22 38
5:	1 10 11 15 18 22	6:	1 10 11 15 22 62
7:	1 10 11 15 22 67	8:	1 10 11 14 22
9:	1 7 10 11 16 22 70	10:	1 7 10 11 22 38
11:	1 10 11 16 22 34	12:	1 10 11 19 22 77
13:	1 10 11 20 22	14:	1 10 11 18 22 33
15:	1 10 11 21 22 70	16:	1 10 11 22 76
17:	1 10 11 22 79	18:	1 8 11 13 17 20 22
19:	1 3 11 22	20:	1 11 16 22 24
21:	1 11 18 22 24	22:	1 11 16 22 28
23:	1 11 15 22 29	24:	1 11 22 45
25:	1 11 22 46 55	26:	1 11 22 50
27:	1 11 22 51 77	28:	1 11 22 55 68
29:	1 11 22 55 77	30:	1 11 15 22 68
31:	1 11 15 22 71 77	32:	1 11 22 83
33:	1 11 15 22 98	34:	1 11 22 101
35:	1 10 11 15 23	36:	1 7 10 11 25
37:	1 10 11 16 26	38:	1 10 11 15 26
39:	1 10 11 16 27	40:	1 10 11 15 27
41:	1 10 11 16 30	42:	1 10 11 15 30
43:	1 10 11 19 32	44:	1 10 11 15 32
45:	1 11 44 45 49	46:	1 11 44 55
47:	1 11 44 96	48:	1 10 11 49
49:	1 3 11 52	50:	1 11 53
51:	1 11 57 76	52:	1 11 62 63
53:	1 11 63 108	54:	1 10 11 15 64
55:	1 11 15 64 68	56:	1 11 15 65 108
57:	1 10 11 15 73 77	58:	1 10 11 15 74
59:	1 10 11 19 74	60:	1 11 74 82
61:	1 11 81 83 84	62:	1 11 81 84 85
63:	1 11 81 84 98	64:	1 11 81 84 101
65:	1 11 19 81	66:	1 11 15 81 98
67:	1 11 34 82	68:	1 11 68 82
69:	1 11 24 82	70:	1 11 77 82
71:	1 11 77 84	72:	1 11 86
73:	1 11 87 90 96	74:	1 11 89
75:	1 11 91	76:	1 11 96 102
77:	1 11 99	78:	1 11 33 102
79:	1 10 11 15 67 108	80:	1 11 46 108
81:	1 11 13 108	82:	1 4 39 77
83:	1 4 48 77	84:	1 4 51 77
85:	1 4 54 77	86:	1 4 55 77
87:	1 4 66 77	88:	1 4 71 77
89:	1 4 77 84	90:	1 3 4 5
91:	1 2 4 42	92:	1 2 4 102

(continuation of Appendix III, A)

93:	1 4 23	94:	1 4 28
95:	1 4 29	96:	1 4 30
97:	1 4 33 102	98:	1 4 34
99:	1 4 36	100:	1 4 43 54
101:	1 4 44 45	102:	1 4 44 55
103:	1 4 44 96	104:	1 4 45 54
105:	1 4 46 55	106:	1 4 46 108
107:	1 4 47	108:	1 4 50 54
109:	1 4 52 54	110:	1 3 4 52
111:	1 4 53	112:	1 4 56
113:	1 4 54 57	114:	1 4 57 76
115:	1 4 55 68	116:	1 4 75 79
117:	1 3 4 66	118:	1 4 81 83 84
119:	1 4 81 84 85	120:	1 4 81 84 98
121:	1 4 86	122:	1 4 87 90 96
123:	1 4 89	124:	1 4 91
125:	1 4 94	126:	1 4 96 102
127:	1 4 99	128:	1 3 5 22
129:	1 2 92 102	130:	1 10 22 31 36
131:	1 22 42	132:	1 47 100
133:	1 56 97	134:	1 3 22 66
135:	1 22 66 77	136:	1 22 75 79
137:	1 88 102	138:	1 22 92
139:	1 95 102	140:	1 89 97
141:	1 21 97	142:	1 97 102
143:	1 22 77 100	144:	6 11 15 21
145:	6 11 105	146:	9 11 20 22
147:	9 11 108	148:	10 11 12 15 77
149:	4 12 77	150:	10 11 15 37
151:	11 22 41 46	152:	11 22 41 51
153:	11 22 41 68	154:	11 41 46 108
155:	4 41 46 108	156:	4 41 51
157:	4 41 68	158:	10 11 15 58
159:	10 11 20 58	160:	11 44 58
161:	11 46 58	162:	11 58 63
163:	4 44 58	164:	4 46 58
165:	4 54 58	166:	11 15 22 59
167:	11 60 103	168:	11 60 105
169:	11 60 108	170:	7 11 22 61
171:	11 15 22 61	172:	10 15 22 69
173:	22 69 101	174:	4 69 84
175:	69 84 101	176:	16 22 72
177:	15 22 72	178:	22 51 72
179:	4 48 72	180:	4 56 72
181:	4 51 72	182:	10 11 15 78
183:	11 63 78	184:	10 15 22 77 80
185:	4 77 80	186:	10 11 15 103
187:	11 63 103	188:	11 19 81 104
189:	11 44 104	190:	2 4 104
191:	4 44 104	192:	4 81 104
193:	11 63 105	194:	11 65 105

(continuation of Appendix III, A)

195: 11 44 107
196: 4 44 107
197: 4 77 107
198: 11 77 107

B. Cliques of Trade in 1978 at the 10% Level

(Minimum Set Size=3, N=77)

1: 1 3 4 5
2: 1 4 30
3: 1 4 36
4: 1 4 39
5: 1 4 42
6: 1 4 43
7: 1 4 45
8: 1 4 47
9: 1 4 48
10: 1 4 50 54
11: 1 4 51
12: 1 4 53
13: 1 4 56
14: 1 4 57
15: 1 4 68
16: 1 4 75
17: 1 4 76
18: 1 4 77
19: 1 4 79
20: 1 4 85
21: 1 4 99
22: 1 13 22
23: 1 18 22
24: 1 5 22
25: 1 22 28
26: 1 22 34
27: 1 22 36
28: 1 22 39
29: 1 22 70
30: 1 22 75
31: 1 22 92
32: 1 24 82
33: 1 45 49
34: 1 81 83
35: 1 81 98
36: 1 77 82
37: 1 84 98
38: 1 84 101
39: 1 95 102
40: 1 77 100
41: 7 10 11
42: 7 11 16
43: 7 11 25
44: 8 11 20 22
45: 9 11 20 22
46: 9 11 108
47: 10 11 15 78
48: 10 11 19
49: 10 11 23
50: 10 11 26
51: 10 11 27
52: 10 11 37
53: 10 15 69
54: 11 17 20 22
55: 11 13 22
56: 11 18 22
57: 11 22 28
58: 11 22 29
59: 11 22 34
60: 11 22 36
61: 11 22 61
62: 11 22 70
63: 11 15 74
64: 11 15 61
65: 11 16 26
66: 11 60 105
67: 11 60 108
68: 11 65 108
69: 11 81 98
70: 4 41 68
71: 4 44 45
72: 4 44 107
73: 44 45 49
74: 3 4 52
75: 4 66 77
76: 4 77 80
77: 4 77 107

C. Freeman's Degree Centrality Measures
for 1978 at 5% level
Model: Asymmetric

	1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1	3.00	86.00	2.80	80.37
2	2.00	5.00	1.87	4.67
3	4.00	3.00	3.74	2.80
4	2.00	57.00	1.87	53.27
5	4.00	0.00	3.74	0.00
6	3.00	1.00	2.80	0.93
7	5.00	8.00	4.67	7.48
8	5.00	3.00	4.67	2.80
9	4.00	2.00	3.74	1.87
10	6.00	43.00	5.61	40.19
11	6.00	82.00	5.61	76.64
12	5.00	0.00	4.67	0.00
13	7.00	0.00	6.54	0.00
14	4.00	0.00	3.74	0.00
15	4.00	36.00	3.74	33.64
16	5.00	12.00	4.67	11.21
17	5.00	3.00	4.67	2.80
18	5.00	2.00	4.67	1.87
19	5.00	4.00	4.67	3.74
20	7.00	5.00	6.54	4.67
21	5.00	4.00	4.67	3.74
22	5.00	52.00	4.67	48.60
23	5.00	0.00	4.67	0.00
24	6.00	1.00	5.61	0.93
25	4.00	0.00	3.74	0.00
26	5.00	0.00	4.67	0.00
27	5.00	0.00	4.67	0.00
28	5.00	0.00	4.67	0.00
29	5.00	0.00	4.67	0.00
30	6.00	0.00	5.61	0.00
31	4.00	0.00	3.74	0.00
32	5.00	0.00	4.67	0.00
33	7.00	0.00	6.54	0.00
34	6.00	1.00	5.61	0.93
35	1.00	0.00	0.93	0.00
36	6.00	1.00	5.61	0.93
37	3.00	0.00	2.80	0.00
38	6.00	1.00	5.61	0.93
39	7.00	0.00	6.54	0.00
40	2.00	0.00	1.87	0.00
41	7.00	0.00	6.54	0.00
42	4.00	0.00	3.74	0.00
43	3.00	0.00	2.80	0.00
44	4.00	7.00	3.74	6.54
45	5.00	3.00	4.67	2.80

46	5.00	3.00	4.67	2.80
47	2.00	1.00	1.87	0.93
48	3.00	1.00	2.80	0.93
49	5.00	0.00	4.67	0.00
50	5.00	1.00	4.67	0.93
51	6.00	1.00	5.61	0.93
52	5.00	0.00	4.67	0.00
53	3.00	0.00	2.80	0.00
54	5.00	5.00	4.67	4.67
55	8.00	0.00	7.48	0.00
56	2.00	2.00	1.87	1.87
57	4.00	1.00	3.74	0.93
58	9.00	0.00	8.41	0.00
59	3.00	0.00	2.80	0.00
60	4.00	4.00	3.74	3.74
61	4.00	0.00	3.74	0.00
62	6.00	0.00	5.61	0.00
63	5.00	7.00	4.67	6.54
64	5.00	0.00	4.67	0.00
65	4.00	3.00	3.74	2.80
66	5.00	0.00	4.67	0.00
67	6.00	0.00	5.61	0.00
68	5.00	4.00	4.67	3.74
69	5.00	1.00	4.67	0.93
70	7.00	0.00	6.54	0.00
71	6.00	0.00	5.61	0.00
72	6.00	1.00	5.61	0.93
73	5.00	0.00	4.67	0.00
74	5.00	1.00	4.67	0.93
75	4.00	0.00	3.74	0.00
76	6.00	0.00	5.61	0.00
77	6.00	16.00	5.61	14.95
78	4.00	0.00	3.74	0.00
79	5.00	1.00	4.67	0.93
80	5.00	0.00	4.67	0.00
81	6.00	5.00	5.61	4.67
82	7.00	1.00	6.54	0.93
83	6.00	0.00	5.61	0.00
84	4.00	6.00	3.74	5.61
85	5.00	0.00	4.67	0.00
86	3.00	0.00	2.80	0.00
87	5.00	1.00	4.67	0.93
88	2.00	0.00	1.87	0.00
89	3.00	1.00	2.80	0.93
90	3.00	2.00	2.80	1.87
91	3.00	0.00	2.80	0.00
92	4.00	0.00	3.74	0.00
93	2.00	0.00	1.87	0.00
94	2.00	0.00	1.87	0.00
95	2.00	1.00	1.87	0.93
96	7.00	1.00	6.54	0.93
97	5.00	0.00	4.67	0.00

98	7.00	0.00	6.54	0.00
99	3.00	0.00	2.80	0.00
100	4.00	0.00	3.74	0.00
101	6.00	0.00	5.61	0.00
102	5.00	7.00	4.67	6.54
103	5.00	0.00	4.67	0.00
104	6.00	0.00	5.61	0.00
105	5.00	2.00	4.67	1.87
106	4.00	2.00	3.74	1.87
107	4.00	0.00	3.74	0.00
108	9.00	8.00	8.41	7.48

DESCRIPTIVE STATISTICS

		1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1	Mean	4.74	4.74	4.43	4.43
2	Std Dev	1.53	14.20	1.43	13.27
3	Variance	2.34	201.51	2.04	176.00
4	Minimum	1.00	0.00	0.93	0.00
5	Maximum	9.00	86.00	8.41	80.37

Network Centralization (Outdegree) = 0.041%
Network Centralization (Indegree) = 0.774%

D. Freeman's Degree Centrality Measures
for 1978 at 10% level
Model: Asymmetric

	1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1	2.00	60.00	1.87	56.07
2	1.00	2.00	0.93	1.87
3	2.00	2.00	1.87	1.87
4	1.00	35.00	0.93	32.71
5	4.00	0.00	3.74	0.00
6	1.00	0.00	0.93	0.00
7	3.00	4.00	2.80	3.74
8	3.00	0.00	2.80	0.00
9	4.00	0.00	3.74	0.00
10	3.00	16.00	2.80	14.95
11	2.00	45.00	1.87	42.06
12	1.00	0.00	0.93	0.00
13	3.00	0.00	2.80	0.00
14	1.00	0.00	0.93	0.00
15	2.00	6.00	1.87	5.61
16	2.00	3.00	1.87	2.80
17	3.00	0.00	2.80	0.00

18	3.00	0.00	2.80	0.00
19	3.00	1.00	2.80	0.93
20	2.00	3.00	1.87	2.80
21	1.00	1.00	0.93	0.93
22	2.00	21.00	1.87	19.63
23	3.00	0.00	2.80	0.00
24	2.00	0.00	1.87	0.00
25	3.00	0.00	2.80	0.00
26	3.00	0.00	2.80	0.00
27	3.00	0.00	2.80	0.00
28	3.00	0.00	2.80	0.00
29	2.00	0.00	1.87	0.00
30	3.00	0.00	2.80	0.00
31	2.00	0.00	1.87	0.00
32	1.00	0.00	0.93	0.00
33	2.00	0.00	1.87	0.00
34	3.00	0.00	2.80	0.00
35	1.00	0.00	0.93	0.00
36	4.00	0.00	3.74	0.00
37	2.00	0.00	1.87	0.00
38	2.00	1.00	1.87	0.93
39	3.00	0.00	2.80	0.00
40	2.00	0.00	1.87	0.00
41	3.00	0.00	2.80	0.00
42	2.00	0.00	1.87	0.00
43	2.00	0.00	1.87	0.00
44	2.00	2.00	1.87	1.87
45	2.00	2.00	1.87	1.87
46	1.00	0.00	0.93	0.00
47	2.00	0.00	1.87	0.00
48	2.00	0.00	1.87	0.00
49	4.00	0.00	3.74	0.00
50	3.00	1.00	2.80	0.93
51	2.00	0.00	1.87	0.00
52	3.00	0.00	2.80	0.00
53	2.00	0.00	1.87	0.00
54	3.00	1.00	2.80	0.93
55	1.00	0.00	0.93	0.00
56	2.00	0.00	1.87	0.00
57	2.00	0.00	1.87	0.00
58	2.00	0.00	1.87	0.00
59	1.00	0.00	0.93	0.00
60	2.00	2.00	1.87	1.87
61	3.00	0.00	2.80	0.00
62	1.00	0.00	0.93	0.00
63	1.00	3.00	0.93	2.80
64	1.00	0.00	0.93	0.00
65	2.00	0.00	1.87	0.00
66	2.00	0.00	1.87	0.00
67	2.00	0.00	1.87	0.00
68	3.00	1.00	2.80	0.93
69	2.00	0.00	1.87	0.00

70	3.00	0.00	2.80	0.00
71	2.00	0.00	1.87	0.00
72	2.00	0.00	1.87	0.00
73	1.00	0.00	0.93	0.00
74	3.00	0.00	2.80	0.00
75	3.00	0.00	2.80	0.00
76	3.00	0.00	2.80	0.00
77	2.00	7.00	1.87	6.54
78	3.00	0.00	2.80	0.00
79	2.00	0.00	1.87	0.00
80	2.00	0.00	1.87	0.00
81	2.00	2.00	1.87	1.87
82	2.00	1.00	1.87	0.93
83	2.00	0.00	1.87	0.00
84	1.00	2.00	0.93	1.87
85	3.00	0.00	2.80	0.00
86	2.00	0.00	1.87	0.00
87	1.00	0.00	0.93	0.00
88	1.00	0.00	0.93	0.00
89	1.00	0.00	0.93	0.00
90	2.00	0.00	1.87	0.00
91	1.00	0.00	0.93	0.00
92	2.00	0.00	1.87	0.00
93	1.00	0.00	0.93	0.00
94	1.00	0.00	0.93	0.00
95	2.00	1.00	1.87	0.93
96	1.00	0.00	0.93	0.00
97	1.00	0.00	0.93	0.00
98	4.00	0.00	3.74	0.00
99	2.00	0.00	1.87	0.00
100	2.00	0.00	1.87	0.00
101	2.00	0.00	1.87	0.00
102	2.00	1.00	1.87	0.93
103	2.00	0.00	1.87	0.00
104	3.00	0.00	2.80	0.00
105	3.00	0.00	2.80	0.00
106	2.00	0.00	1.87	0.00
107	3.00	0.00	2.80	0.00
108	1.00	5.00	0.93	4.67

DESCRIPTIVE STATISTICS

	1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1 Mean	2.14	2.14	2.00	2.00
2 Std Dev	0.82	8.19	0.77	7.65
3 Variance	0.68	67.06	0.59	58.58
4 Minimum	1.00	0.00	0.93	0.00
5 Maximum	4.00	60.00	3.74	56.07

Network Centralization (Outdegree) = 0.018%
Network Centralization (Indegree) = 0.551%

Appendix IV The Results of Network Analysis for 1990

A. Cliques of Trade in 1990 at the 5% Level

(Minimum Set Size=3, N=172)

1:	1 4 11 69 84	2:	1 4 11 84 85
3:	1 4 11 84 98	4:	1 4 11 84 99
5:	1 4 11 21 70	6:	1 4 11 28
7:	1 4 11 29	8:	1 4 11 33 44
9:	1 4 11 33 57	10:	1 4 11 36
11:	1 4 11 39 46	12:	1 4 11 40
13:	1 4 11 42	14:	1 4 11 44 49
15:	1 4 11 47	16:	1 4 11 51
17:	1 4 11 53	18:	1 4 11 55
19:	1 4 11 56	20:	1 4 11 59
21:	1 4 11 80	22:	1 4 11 82
23:	1 4 11 13	24:	1 4 11 86
25:	1 4 11 89	26:	1 4 11 91
27:	1 4 11 96	28:	1 4 11 97
29:	1 9 10 11 20 22	30:	1 10 11 15 21 22 70
31:	1 10 11 15 19 22	32:	1 10 11 15 16 22
33:	1 10 11 15 22 36	34:	1 10 11 15 22 39
35:	1 10 11 15 22 59	36:	1 10 11 15 22 64
37:	1 10 11 15 22 80	38:	1 10 11 14 22
39:	1 8 10 11 13 16 22	40:	1 8 10 11 17 20 22
41:	1 10 11 22 31 36	42:	1 10 11 19 22 34
43:	1 10 11 24	44:	1 10 11 15 16 26
45:	1 10 11 15 19 26	46:	1 10 11 15 19 27
47:	1 10 11 15 16 27	48:	1 10 11 15 19 32
49:	1 10 11 15 38	50:	1 10 11 49
51:	1 10 11 15 67	52:	1 10 11 16 69
53:	1 10 11 64 69	54:	1 10 11 15 78
55:	1 10 11 85	56:	1 11 15 22 40
57:	1 11 15 22 33	58:	1 11 16 98
59:	1 11 16 22 28	60:	1 11 17 97
61:	1 11 17 82	62:	1 11 22 55
63:	1 11 22 29	64:	1 11 22 39 46
65:	1 11 22 51	66:	1 11 34 82
67:	1 11 81 84 98	68:	1 11 81 84 101
69:	1 11 87 96	70:	1 11 102
71:	6 11 15 21	72:	6 11 15 60
73:	6 11 105	74:	7 10 11 15 16 22
75:	7 10 11 15 22 70	76:	7 10 11 15 37
77:	7 10 11 15 38	78:	7 10 11 24
79:	7 10 11 25	80:	7 10 11 30
81:	7 11 22 46	82:	10 11 12 15 16 22
83:	10 11 12 15 22 59	84:	10 11 15 18 19 22
85:	10 11 15 16 18 22	86:	10 11 18 24
87:	11 15 18 22 33	88:	10 11 25 68
89:	4 11 25 68	90:	8 10 11 17 30
91:	4 11 30	92:	4 11 52

93:	4 11 53 58	94:	10 11 58

Appendix IV, A. (continued)

95:	11 15 60 108	96:	10 11 15 22 61
97:	11 15 62 103	98:	11 15 62 108
99:	11 62 105 108	100:	11 63 103
101:	11 63 108	102:	10 11 15 65
103:	11 15 65 108	104:	10 11 15 16 68
105:	4 11 55 68	106:	10 11 15 21 73
107:	10 11 15 73 78	108:	10 11 15 19 74
109:	11 44 104	110:	11 19 104
111:	11 96 104	112:	11 102 104
113:	4 11 44 107	114:	4 11 46 108
115:	4 11 96 108	116:	4 11 28 108
117:	11 15 27 108	118:	9 11 108
119:	1 2 4 96	120:	1 2 92
121:	2 96 104	122:	1 3 4 5
123:	3 4 52	124:	1 3 5 22
125:	4 41 108	126:	1 4 43 54 57
127:	1 4 43 48	128:	1 22 43
129:	1 4 33 44 45	130:	1 4 33 45 54
131:	1 4 44 45 49	132:	1 4 45 56
133:	4 45 58	134:	4 44 45 107
135:	1 4 47 48	136:	1 4 48 75
137:	4 30 48	138:	4 48 52
139:	1 4 50 54	140:	1 4 33 54 57
141:	1 4 42 54	142:	1 4 54 66
143:	1 4 54 75 79	144:	4 30 54
145:	4 52 54	146:	1 22 66 77
147:	1 4 66 77	148:	1 46 71
149:	1 69 71	150:	1 71 77
151:	1 4 72	152:	1 16 72
153:	1 22 75	154:	4 76 84
155:	1 4 51 77	156:	1 4 77 82
157:	1 10 22 77	158:	1 10 77 78
159:	1 22 51 77	160:	1 4 29 79
161:	1 81 83 84	162:	1 4 83 84
163:	1 16 83	164:	1 4 88
165:	1 88 102	166:	1 90 94
167:	1 22 92	168:	1 16 95
169:	1 95 102	170:	1 22 100
171:	10 16 106	172:	62 105 106

B. Cliques of Trade in 1990 at the 10% Level
(Minimum Set Size=3, N=64)

1:	1 4 66 77	2:	1 4 77 82
3:	1 3 4 5	4:	1 4 36
5:	1 4 42	6:	1 4 44 45
7:	1 4 47	8:	1 4 48
9:	1 4 50 54	10:	1 4 51
11:	1 4 53	12:	1 4 56
13:	1 4 57	14:	1 4 85
15:	1 4 99	16:	1 13 22
17:	1 14 22	18:	1 22 28
19:	1 22 36	20:	1 22 40
21:	1 22 92	22:	1 44 45 49
23:	1 69 71	24:	1 81 83 84
25:	1 84 98	26:	1 84 101
27:	1 95 102	28:	7 10 11 25
29:	7 11 16	30:	7 11 38
31:	7 11 70	32:	8 11 20
33:	9 11 20	34:	9 11 108
35:	10 11 15 19	36:	10 11 15 37
37:	10 11 18 19	38:	10 11 78
39:	11 15 74	40:	11 15 21
41:	11 15 36	42:	11 15 61
43:	11 15 65	44:	11 12 15
45:	11 13 22	46:	11 14 22
47:	11 16 22	48:	11 17 20
49:	11 17 22	50:	11 22 28
51:	11 22 36	52:	11 22 40
53:	11 22 61	54:	11 60 108
55:	11 62 108	56:	11 63 108
57:	11 105 108	58:	11 65 108
59:	4 30 48	60:	4 43 54
61:	3 4 52	62:	4 45 58
63:	4 48 75	64:	4 44 107

C. Freeman's Degree Centrality Measures
for 1990 at 5% level
Model: Asymmetric

	1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1	5.00	79.00	4.67	73.83
2	2.00	4.00	1.87	3.74
3	3.00	2.00	2.80	1.87
4	3.00	57.00	2.80	53.27
5	4.00	0.00	3.74	0.00
6	3.00	2.00	2.80	1.87
7	5.00	11.00	4.67	10.28
8	7.00	4.00	6.54	3.74
9	6.00	2.00	5.61	1.87
10	6.00	46.00	5.61	42.99
11	7.00	80.00	6.54	74.77
12	5.00	1.00	4.67	0.93
13	7.00	0.00	6.54	0.00
14	4.00	0.00	3.74	0.00
15	4.00	34.00	3.74	31.78
16	6.00	17.00	5.61	15.89
17	6.00	5.00	5.61	4.67
18	6.00	2.00	5.61	1.87
19	5.00	8.00	4.67	7.48
20	7.00	3.00	6.54	2.80
21	6.00	4.00	5.61	3.74
22	6.00	41.00	5.61	38.32
23	1.00	0.00	0.93	0.00
24	5.00	0.00	4.67	0.00
25	5.00	0.00	4.67	0.00
26	6.00	0.00	5.61	0.00
27	7.00	0.00	6.54	0.00
28	6.00	0.00	5.61	0.00
29	5.00	0.00	4.67	0.00
30	8.00	0.00	7.48	0.00
31	5.00	0.00	4.67	0.00
32	5.00	0.00	4.67	0.00
33	10.00	0.00	9.35	0.00
34	5.00	1.00	4.67	0.93
35	2.00	0.00	1.87	0.00
36	6.00	1.00	5.61	0.93
37	4.00	0.00	3.74	0.00
38	5.00	0.00	4.67	0.00
39	7.00	0.00	6.54	0.00
40	5.00	0.00	4.67	0.00
41	2.00	0.00	1.87	0.00
42	4.00	0.00	3.74	0.00
43	6.00	0.00	5.61	0.00
44	4.00	5.00	3.74	4.67
45	4.00	7.00	3.74	6.54

46	6.00	2.00	5.61	1.87
47	4.00	0.00	3.74	0.00
48	2.00	6.00	1.87	5.61
49	6.00	0.00	5.61	0.00
50	3.00	1.00	2.80	0.93
51	5.00	0.00	4.67	0.00
52	5.00	0.00	4.67	0.00
53	3.00	1.00	2.80	0.93
54	4.00	10.00	3.74	9.35
55	5.00	0.00	4.67	0.00
56	4.00	1.00	3.74	0.93
57	4.00	2.00	3.74	1.87
58	5.00	0.00	4.67	0.00
59	7.00	0.00	6.54	0.00
60	5.00	1.00	4.67	0.93
61	4.00	0.00	3.74	0.00
62	4.00	4.00	3.74	3.74
63	3.00	1.00	2.80	0.93
64	5.00	1.00	4.67	0.93
65	4.00	1.00	3.74	0.93
66	5.00	1.00	4.67	0.93
67	4.00	0.00	3.74	0.00
68	5.00	2.00	4.67	1.87
69	7.00	1.00	6.54	0.93
70	8.00	0.00	7.48	0.00
71	4.00	0.00	3.74	0.00
72	3.00	0.00	2.80	0.00
73	5.00	0.00	4.67	0.00
74	4.00	0.00	3.74	0.00
75	6.00	0.00	5.61	0.00
76	2.00	0.00	1.87	0.00
77	4.00	6.00	3.74	5.61
78	5.00	1.00	4.67	0.93
79	3.00	2.00	2.80	1.87
80	6.00	0.00	5.61	0.00
81	3.00	3.00	2.80	2.80
82	6.00	0.00	5.61	0.00
83	5.00	0.00	4.67	0.00
84	3.00	8.00	2.80	7.48
85	5.00	0.00	4.67	0.00
86	3.00	0.00	2.80	0.00
87	2.00	1.00	1.87	0.93
88	3.00	0.00	2.80	0.00
89	3.00	0.00	2.80	0.00
90	2.00	0.00	1.87	0.00
91	3.00	0.00	2.80	0.00
92	3.00	0.00	2.80	0.00
93	1.00	0.00	0.93	0.00
94	1.00	2.00	0.93	1.87
95	3.00	0.00	2.80	0.00
96	7.00	0.00	6.54	0.00
97	4.00	0.00	3.74	0.00

98	6.00	0.00	5.61	0.00
99	4.00	0.00	3.74	0.00
100	2.00	0.00	1.87	0.00
101	4.00	0.00	3.74	0.00
102	2.00	3.00	1.87	2.80
103	4.00	0.00	3.74	0.00
104	5.00	1.00	4.67	0.93
105	4.00	2.00	3.74	1.87
106	5.00	1.00	4.67	0.93
107	4.00	0.00	3.74	0.00
108	6.00	11.00	5.61	10.28

DESCRIPTIVE STATISTICS

	1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1 Mean	4.56	4.56	4.26	4.26
2 Std Dev	1.65	13.50	1.54	12.62
3 Variance	2.71	182.21	2.37	159.15
4 Minimum	1.00	0.00	0.93	0.00
5 Maximum	10.00	80.00	9.35	74.77

Network Centralization (Outdegree) = 0.052%
Network Centralization (Indegree) = 0.718%

D. Freeman's Degree Centrality Measures for 1990 at 10% level

Model: Asymmetric

	1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1	2.00	55.00	1.87	51.40
2	1.00	1.00	0.93	0.93
3	2.00	2.00	1.87	1.87
4	1.00	31.00	0.93	28.97
5	3.00	0.00	2.80	0.00
6	1.00	0.00	0.93	0.00
7	3.00	4.00	2.80	3.74
8	2.00	0.00	1.87	0.00
9	3.00	0.00	2.80	0.00
10	2.00	15.00	1.87	14.02
11	1.00	37.00	0.93	34.58
12	2.00	0.00	1.87	0.00
13	3.00	0.00	2.80	0.00
14	3.00	0.00	2.80	0.00
15	2.00	11.00	1.87	10.28
16	3.00	2.00	2.80	1.87
17	3.00	2.00	2.80	1.87
18	3.00	0.00	2.80	0.00
19	3.00	1.00	2.80	0.93
20	1.00	3.00	0.93	2.80
21	2.00	0.00	1.87	0.00
22	2.00	14.00	1.87	13.08
23	1.00	0.00	0.93	0.00
24	2.00	0.00	1.87	0.00
25	3.00	0.00	2.80	0.00
26	1.00	0.00	0.93	0.00
27	1.00	0.00	0.93	0.00
28	3.00	0.00	2.80	0.00
29	1.00	0.00	0.93	0.00
30	3.00	0.00	2.80	0.00
31	2.00	0.00	1.87	0.00
32	1.00	0.00	0.93	0.00
33	0.00	0.00	0.00	0.00
34	2.00	0.00	1.87	0.00
35	1.00	0.00	0.93	0.00
36	5.00	0.00	4.67	0.00
37	3.00	0.00	2.80	0.00
38	3.00	0.00	2.80	0.00
39	1.00	0.00	0.93	0.00
40	3.00	0.00	2.80	0.00
41	1.00	0.00	0.93	0.00
42	2.00	0.00	1.87	0.00
43	3.00	0.00	2.80	0.00
44	3.00	4.00	2.80	3.74
45	3.00	3.00	2.80	2.80

46	1.00	0.00	0.93	0.00
47	2.00	0.00	1.87	0.00
48	2.00	2.00	1.87	1.87
49	3.00	0.00	2.80	0.00
50	3.00	1.00	2.80	0.93
51	2.00	0.00	1.87	0.00
52	2.00	0.00	1.87	0.00
53	2.00	0.00	1.87	0.00
54	3.00	2.00	2.80	1.87
55	1.00	0.00	0.93	0.00
56	2.00	0.00	1.87	0.00
57	2.00	0.00	1.87	0.00
58	2.00	0.00	1.87	0.00
59	1.00	0.00	0.93	0.00
60	2.00	1.00	1.87	0.93
61	3.00	0.00	2.80	0.00
62	2.00	1.00	1.87	0.93
63	2.00	0.00	1.87	0.00
64	1.00	0.00	0.93	0.00
65	3.00	0.00	2.80	0.00
66	3.00	0.00	2.80	0.00
67	2.00	0.00	1.87	0.00
68	2.00	0.00	1.87	0.00
69	1.00	1.00	0.93	0.93
70	3.00	0.00	2.80	0.00
71	2.00	0.00	1.87	0.00
72	2.00	0.00	1.87	0.00
73	1.00	0.00	0.93	0.00
74	2.00	0.00	1.87	0.00
75	2.00	0.00	1.87	0.00
76	1.00	0.00	0.93	0.00
77	2.00	2.00	1.87	1.87
78	2.00	0.00	1.87	0.00
79	1.00	0.00	0.93	0.00
80	2.00	0.00	1.87	0.00
81	2.00	1.00	1.87	0.93
82	3.00	0.00	2.80	0.00
83	3.00	0.00	2.80	0.00
84	1.00	4.00	0.93	3.74
85	2.00	0.00	1.87	0.00
86	1.00	0.00	0.93	0.00
87	1.00	0.00	0.93	0.00
88	1.00	0.00	0.93	0.00
89	1.00	0.00	0.93	0.00
90	1.00	0.00	0.93	0.00
91	1.00	0.00	0.93	0.00
92	2.00	0.00	1.87	0.00
93	1.00	0.00	0.93	0.00
94	1.00	0.00	0.93	0.00
95	2.00	0.00	1.87	0.00
96	2.00	0.00	1.87	0.00
97	2.00	0.00	1.87	0.00

98	2.00	0.00	1.87	0.00
99	2.00	0.00	1.87	0.00
100	1.00	0.00	0.93	0.00
101	2.00	0.00	1.87	0.00
102	1.00	2.00	0.93	1.87
103	1.00	0.00	0.93	0.00
104	2.00	0.00	1.87	0.00
105	2.00	0.00	1.87	0.00
106	2.00	0.00	1.87	0.00
107	2.00	0.00	1.87	0.00
108	1.00	8.00	0.93	7.48

DESCRIPTIVE STATISTICS

	1 OutDegree	2 InDegree	3 NrmOutDeg	4 NrmInDeg
1 Mean	1.94	1.94	1.82	1.82
2 Std Dev	0.83	7.24	0.77	6.76
3 Variance	0.68	52.35	0.60	45.72
4 Minimum	0.00	0.00	0.00	0.00
5 Maximum	5.00	55.00	4.67	51.40

Network Centralization (Outdegree) = 0.029%
Network Centralization (Indegree) = 0.505%

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