

INTERNATIONAL RELATIONS

Restructuring of Arms Production in Western Europe.

Edited by Michael Brzoska and Peter Lock. New York: Oxford University Press, 1992. 240p. \$51.00.

Among the industries of Western Europe, the armaments sector generates among the most fascinating patterns of national policymaking. Producers and procurers of military goods are currently caught in a swirl of strategic alliances, multinational negotiation, industrial restructuring, and redefinition of policy. Superimposed on a vicious circle of increasingly complex technology, rising unit costs, declining production runs, and surplus capacity that has bedeviled the industry for decades, the last five years have seen the challenge of civilian multinationalization under "Europe 1992," the collapse of Less Developed Countries demand for imported arms, the reemergence of the United States as a dominant global arms exporter, the decline of procurement budgets as publics claim their post-Cold War "peace dividend," and the redoubling of efforts to foster trans-European cooperation through multinational institutions, most notably the Independent European Programme Group. A restructuring process of continental proportions is the result.

This book is indispensable to a proper understanding of this complex process. Those familiar with Stockholm International Peace Research Institute publications will not be surprised to find it filled with detailed data on policy and commercial developments in this fast-moving sector, compiled by an impressive multinational team of leading academic and public policy experts. The nature of the exogenous shocks and their impact on the industrial structures of European countries are carefully charted. Country studies chart distinctive national responses: privatization in Britain, concentration in Germany, export promotion in France, stagnation in Italy, modernization in Spain, vacillation in Sweden, and marginalization in Greece, Portugal, and Turkey.

Those who do not follow the armaments industry may be surprised that such detailed empirical research is possible, given the sensitive nature of the goods involved. Yet the arms industry is in many ways *easier* to study than comparable civilian high-technology sectors. Weapons systems tend to be large, lumpy goods with long development times. Procurement must often be approved by parliamentary committees, where it often becomes the object of spirited public debate. Multinational projects generate acrimonious diplomacy, in which selective leaks to the press (both by governments and by firms) are recognized tactics. The result is a rich body of information, making books such as this one possible.

Like nearly all studies of the global arms industry, however, this book remains oddly apolitical. Armaments production raises fundamental questions of comparative and international political economy: How much influence do different domestic actors—heads of state, ministries of defense or industrial firms, parliaments, and voters—wield over industrial restructuring? Why do governments respond in different ways to global surplus capacity? How do increasing returns, surplus capacity with high fixed costs, and other market imperfections

affect government trade policy? Do mercantilist policies reflect concerns of national security or industrial policy?

Yet this book stops well short of systematically posing—let alone answering—these theoretically (and politically) critical questions. Restructuring decisions and adjustment strategies are presented as policy dilemmas of optimization against an increasingly difficult fiscal environment, rather than as a source of political conflict between winners and losers. A coherent explanation for the persistence of massive waste that every author criticizes (estimated at one-third of European defense spending) thus eludes them. The final chapter offers summary, not synthesis.

Perhaps the most troubling consequence of this atheoretical mode of inquiry is the tendency of many authors in this book (often, one suspects, against their underlying beliefs) to cite uncritically the justifications of governments for autarky. Most, for example, assert that collaborative production is less efficient than single-country production, a proposition that has been, in my view, empirically disconfirmed. Several authors assert that French opposition to internationalization results from the desire, backed by the military, for "national independence," a claim that is flatly inconsistent with the position of French ministers of defense and prime ministers over the past two decades, as well as the French Navy's public preference for the McDonnell-Douglas F-18 over its indigenous rival, the Dassault Rafale.

All in all, then, those interested in the West European arms production will find this book a useful source of reliable data and interpretation. Political economists, however, will be frustrated by its lack of systematic political analysis. This failing is hardly unique to this book: it is common to the entire genre. Serious social-scientific analysis of European armaments production has, with very few exceptions, yet to be attempted, despite the high level of expertise enjoyed by many of the authors assembled in books such as this one. A wealth of tools for this enterprise can be found in contemporary theories of comparative foreign economic policy and international political economy, including endogenous theories of protection, strategic trade theory, interest group theory, and formal models of regulation. Armaments production—for a half-century the most important single area of industrial policy in nearly every Organization for Economic Cooperation and Development country—remains an unanswered challenge to modern social science.

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The Nature and Practice of Flexible Response: NATO Strategy and Theater Nuclear Forces since 1967. By Ivo H. Daalder. New York: Columbia University Press, 1991. 411p. \$49.50.

Ivo Daalder's new book represents a valuable addition to the literature on NATO and strategic studies more generally. Although largely limited to the nuclear aspects of NATO's military posture since the late 1960s,