

# CIS News

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CIS News



## Regulatory Diversity and International Trade

**Dramatic declines in tariffs, quotas, and capital controls have increased international sensitivity to nominally domestic regulations. Substantial uncertainty over environmental and health risks contributes to cross-national diversity of regulatory responses. At the same time, uncertainty precludes easy judgments on the legitimacy of regulatory differences when international trade disputes over such differences arise. Researchers at the Swiss Federal Institute of Technology (ETH) in Zurich, the Massachusetts Institute of Technology (MIT), and the University of Tokyo investigate the causes of regulatory diversity and its consequences for international trade.**

At the CIS, Erika Meins compares labeling regulations for genetically modified food and regulations on food irradiation. Ladina Caduff investigates the regulation of growth hormones in beef production. Thomas Bernauer analyzes the international trade implications of cross-national regulatory diversity. He co-directs the research project together with Renate Schubert of the Center for Economic Research at the ETH. The project is sponsored by the Alliance for Global Sustainability, a partnership between MIT, the University of Tokyo, and the ETH.

Although international conflicts over domestic regulations are not new, the frequency of disputes appears to be increasing. There seem to be two principal reasons for this trend. First, reductions in formal barriers to trade and investment have amplified the economic consequences of domestic regulatory variation, environmen-



*Investigating the causes of regulatory diversity and international trade: Ladina Caduff, Erika Meins and Thomas Bernauer (from left)*

tal and non-environmental alike. Second, these tensions have been compounded by rising uncertainty in environmental decision making, uncertainty that has increased the complexity and variability of domestic regulations.

There is intense debate within trade and environmental circles over the causes and consequences of regulatory diversity. Some view differences in regulations of products as bona fide responses to environmental and health risks, while others see them as non-tariff barriers to trade. Some see variation in regulations governing production processes as legitimate and efficient responses to national differences in environmental preferences, environmental conditions and wealth, while others see them as parochial efforts to attract investment and improve the competitive position of firms.

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## Calendar

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- **Immigration Policy in Europe: Between Domestic Reform and Europeanization**  
Workshop.  
December 8, 2000, University of Zurich, Switzerland.
- **Staat, Kirche und Religion in den USA: Überraschende Aktualität im Wahljahr 2000**  
Public lecture, Dr. Rudolf Stamm.  
December 12, 2000, University of Zurich, Switzerland.
- **Politics, Religion, and Modernization in the Central Asian Republics**  
Public lecture, Dr. Shirin Akiner.  
January 10, 2001, University of Zurich, Switzerland.
- **Globale Religion oder globales Ethos? Überlegungen zur Globalisierungsproblematik aus theologischer Sicht**  
Public lecture, Prof. Hans Küng.  
January 17, 2001, University of Zurich, Switzerland.
- **The Religious Factor in World Politics**  
Public lecture,  
Prof. Samuel P. Huntington.  
January 24, 2001, University of Zurich, Switzerland.
- **Peace Support Operations – Lessons Learned and Future Perspectives**  
International Conference.  
February 8-9, 2001,  
Auditorium Maximum,  
Swiss Federal Institute of Technology (ETH),  
Zurich, Switzerland.

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The range of contemporary international conflicts over domestic product and process standards is striking. Conflicts over regulations establishing product standards are now endemic. European restrictions on food produced using somatotrophin (BST) and growth hormones are viewed with disfavor by US agricultural interests. French restrictions on importation of British beef were protested against by British beef producers. Most recently, European restrictions on food produced from genetically modified organisms (GMOs) are being challenged by American agrobiotech firms.

In each of these cases, critics have suggested that product standards were unnecessarily restrictive, discriminatory and scientifically unsound. In each of these cases, defenders have argued that product standards are justified as means of protecting the environment, health and safety. Conflicts over domestic environmental, health and safety standards have been played out through institutionalized multilateral mechanisms for adjudication, including GATT/WTO panels and EU mechanisms, ad hoc bilateral channels, and transnational forums such as Codex Alimentarius.

International conflicts over regulations that directly affect production processes are less common and less intense than conflicts over product regulations. Regulations governing ambient air and water quality, industrial and agricultural emissions and occupational safety can affect production costs. Regulatory differences can create incentives for firms to site facilities where production costs are lower, while governments may form regulations with an eye to effects on the competitive position and locational choices of firms. Within the realm of environmental regulation, conflicts over differences in domestic standards are now subjects of negotiations within regional forums. The EU has enacted a variety of regulations designed to harmonize national regulations, differences of which might otherwise distort economic competition within the internal market. Such harmo-

nization efforts have often been a source of considerable controversy in the EU.

**«International conflicts over regulations that directly affect production processes are less common and less intense than conflicts over product regulations. Within the realm of environmental regulation, conflicts over differences in domestic standards are now subjects of negotiations within regional forums.»**

The results of the theoretical and empirical research will be summarized in a book, which will be finalized in the course of this year. Empirical case studies cover GMO regulations, regulations on growth hormones in beef production, food irradiation, ambient air pollution standards, the regulation of automobile emissions, regulations on dioxin emissions and other policy areas. In discussing the trade implications of cross-national regulatory diversity, the authors will consider domestic and international remedies jointly. Scientific uncertainty over environmental risks and mitigation costs may place a premium on designing domestic regulations to elicit information on risks, side effects and mitigation costs and on improving the adaptability of regulatory decision making to new information. But such efforts to improve domestic environmental and consumer decision making may complicate efforts to manage international trade disputes by increasing the complexity of regulations. Joint consideration of domestic and international institutional design is a critical step toward improving environmental and consumer protection outcomes.

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## Discover the New ISN

A new and improved version of the ISN's website ([www.isn.ethz.ch](http://www.isn.ethz.ch)) went online in September with several new services. The ISN is an international network initiative in the fields of international relations and security policy. The purpose of ISN services is to provide a specialized portal for access to relevant information and to serve as a platform for discussion and cooperation. The new services and improved navigation functionalities on the revised ISN website will further contribute to the ISN's main objectives of promoting networking, dialogue and cooperation in the international security community.

Information and communication have attained new strategic significance in the past few years. Intelligence services that select, prioritize, and consolidate information are becoming increasingly important. The ISN is an essential component of Switzerland's participation in NATO's Partnership for Peace (PfP) initiative. The Swiss initiative is geared towards an urgent need, expressed by the international specialist community, for a mechanism that filters and orders open source information and training in this field.

The ISN belongs to the most frequently used Internet services in the fields of international relations and security policy, with an average of 50,000 hits a day. Also, the growing number of international organizations who have signaled an interest in formalizing cooperative relations with the ISN testifies to the considerable international interest that this Swiss project has attracted. The ISN comprises a number of electronic services, made available to the international security community through a single platform on the Internet. On the new website the individual services are grouped into the following sections:

### Security Watch

The ISN now offers a daily information bulletin which covers all relevant security policy developments in the PfP area. Sources include international news agencies and online news services. The service provides additional information in the form of background reports and links to documents and other relevant Internet sites. All news items are added to a database, and users can search this archive by keywords and dates.

### Information Services

The full-text search engine ISN LASE allows searches of websites from all security policy organizations, official agencies, and renowned research institutions in the PfP area. The Links Library contains a

ditional relations and security policy. The ISN also maintains the PfP Documentation Center where the results of selected PfP events can be accessed. The Parallel History Project on NATO and the Warsaw Pact contains archival materials dating from the Cold War.

### e-Learning

The promotion and use of modern information and communication technologies in training and education is a further ISN cornerstone. The e-Learning section provides access to educational modules on security policy topics on CD-Rom and on the Internet, the annual Empire award for outstanding products, and the development of an electronic platform for the distribution of curricular content in security policy.

### Conferences and Seminars

The information revolution fundamentally alters structures and processes within organizations as well as professional demands on staff at security policy institutions. The ISN addresses these challenges with a tailor-made program of courses and seminars in the PfP context. Further, the ISN participates actively in the organization of major conferences, reflecting the ISN's commitment to fostering personal contacts.

### Associated Services

The ISN maintains several associated websites, including the homepage of the Swiss Foreign and Security Policy Network (SSN), the website Partnership for Peace Switzerland, and the Civil-Military Relations Network.

The screenshot shows the ISN website homepage with the following sections:

- Information Services:** ISN LASE (Global area search on international security), Links Library (106 new links added in the last 30 days), Conference Calendar (For events in foreign and security policy), FIRST Reference Database (Global security statistics, trends, and facts).
- Security Watch:** 05.10.2000. News items include: Pappa congratulates Kerkoma on election win, Protectors take charge of Belgrade, Blair to speak out for EU enlargement, ETA suspects arrested in Spain, US may ease trade ban on Cuba.
- e-Learning:** Products (CD-ROMs and online courses), EMPAC Grant and Gert Scale (Awarding excellence in education programs), Advanced Distributed Learning (ADL) Initiative (for learning any time, anywhere).
- Research and Publications:** Publishing House (Books, journals, bulletins, and newsletters), PfP Documentation Center (Collection of PfP seminar proceedings), Parallel History Project (NATO and Warsaw Pact archive material).
- Conferences and Seminars:** ISN Courses for PfP (Putting information technology into practice), What's On (ISN involvement in various events), ISF (International Security Forum) (A leading trans-Atlantic conference series).
- Associated Services:** SSN (Swiss Foreign and Security Policy Network), CMRN (Civil-Military Relations Network), PfP Switzerland.

comprehensive database of all relevant security policy Internet addresses, and the Conference Calendar provides a specialized register of scholarly conferences. The reference directory Facts on International Relations and Security Trends (FIRST) offers statistical data and facts on important security policy topics.

### Research and Publications

The Publishing House makes available selected publications in the fields of interna-

## Contact

Visit the new ISN website at  
<http://www.isn.ethz.ch/>

For more information please write to:  
[isn@sipo.gess.ethz.ch](mailto:isn@sipo.gess.ethz.ch)

# Conference Announcement

## Peace Support Operations - Lessons Learned and Future Perspectives

International conference.

February 8-9, 2001,

Swiss Federal Institute of Technology Zurich, Auditorium Maximum.

Organized by the CIS, Prof. Kurt R. Spillmann.

### Programme:

THURSDAY, FEBRUARY 8, 2001

• **Overall Aspects and Strategies of International Stabilization and Peace Support Operations (PSO)**

Speakers: Javier Solana (provisional acceptance), Secretary General, Council of the EU, High Representative Common Foreign and Security Policy.  
John Mackinlay, Centre for Defence Studies, London.

• **International Division of Labour in PSO and the Future of UN Peacekeeping**

Speakers: Mats Berdal, International Institute for Strategic Studies, London.  
Wolfgang Biermann, Former Danish-Norwegian Research Project on UN Peacekeeping (DANORP).

• **Military Aspects of Peace Support Operations**

Speakers: Michael Rühle, Political Affairs Division, NATO.  
Klaus Reinhardt, Commander, Joint Command Centre NATO.

• **Presentation of the Information Management System for Mine Action (IMSMA)**

Speaker: Reto Häni, IMSMA.

FRIDAY, FEBRUARY 9, 2001

• **A First-Hand Perspective**

Speaker: Bernard Kouchner (provisional acceptance), Special Representative of the UN Secretary General, UNMIK.

• **Civilian Aspects of Peace Support Operations**

Speakers: Jakob Kellenberger, President, International Committee of the Red Cross.  
Michael Pugh, Plymouth International Studies Centre.

• **National Views of Participation in Peace Support Operations**

Speakers: Günther Greindl, Austrian Military Representative to NATO.  
Bruno Rösli, Colonel GS, Swiss Ministry of Defence.  
Bruno Lezzi, Neue Zürcher Zeitung.

• **Panel Discussion**

### Registration:

Registration fees:

February 8 and 9 CHF 100

Special offer for Students CHF 50

February 8 or 9 CHF 50

The conference fee includes attendance at all sessions on one or both days, refreshments and conference documentation as made available by the speakers. The fee does not include luncheons and accommodation.

**Limited places are available.**

**Please book now.**

Return this registration form to:

Yvonne Rosteck  
Center for International Studies  
ETH-Zentrum / SEI  
CH-8092 Zürich  
Phone: +41 (0)1 632 79 68  
Fax: +41 (0)1 632 19 42

**Or register via e-mail or Internet:**

cispostmaster@sipo.gess.ethz.ch  
<http://www.cis.ethz.ch>  
Registrations must be made before  
January 8, 2001.

I wish to attend the conference „Peace Support Operations“:

Name, First Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

Postcode \_\_\_\_\_

Country \_\_\_\_\_

Phone \_\_\_\_\_

Fax \_\_\_\_\_

E-Mail \_\_\_\_\_

Signature \_\_\_\_\_

February 8 and 9, 2001 CHF 100

Discount rate for students CHF 50

February 8 or 9, 2001 CHF 50

### Methods of payment:

Please charge my VISA/American Express/  
Diners Club/ Eurocard/Master Card

Cardholder: \_\_\_\_\_

Card Number: \_\_\_\_\_

Card Expiry Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Direct bank transfer to:

Schweiz. Nationalbank, CH-3003 Bern.

Account number: 1530-5-30-ETHZ.

Reference: PSO Conference.

Transfer to Postal Account:

ETH Zürich, Finanzabteilung, CH-8092

Zürich. Account number: 30-1171-7 ETHZ.

Reference: PSO Conference

Cheque enclosed. (Please send cheque to the  
CIS Zurich, address above)

## Upgrading the Social Sciences at ETH

The 10,000 students at the Swiss Federal Institute of Technology (ETH) can obtain degrees in the fields of architecture, engineering and the natural sciences, but there is no degree program in the social sciences. Of the 20 programs offered, only a handful include mandatory courses in the social sciences, and until recently the professors teaching these subjects were spread across most of the 16 different departments. This is now changing. ETH is implementing a number of measures that will increase the importance of the social sciences.

The most important decision was to introduce a mandatory social science requirement. For incoming students it is taking effect this fall, and in four years it will cover the entire student body. During their four to five years at ETH, each student will have to obtain a minimum of eight credit points (or four courses) in the social sciences. The humanities are also included among the offerings.

**«There is little doubt about the usefulness of social science courses for students in the “hard” sciences. Large corporations, too, expect ETH graduates to have a basic understanding of economics, business or law.»**

Students are relatively free in their choice. Some may decide to take various introductory lecture courses, while others might opt for one introduction to a particular field and several more advanced offerings, including interdisciplinary seminars. All courses are subject to graded examinations.

There is little doubt about the usefulness of social science courses for students in the “hard” sciences. Increasingly, graduates start their own companies or enter small and medium enterprises where managerial skills are necessary. Large corporations, too, expect ETH graduates



*GESS Director of Studies Prof. Jürg M. Gabriel*

to have a basic understanding of economics, business or law. Many may also find it personally enriching to increase their competence in psychology, sociology, political science, history or literature. It is also a fact that ETH graduates are experiencing growing competition from graduates of the new universities (“Fachhochschulen”). While the scientific training may not be as advanced as that of ETH graduates, they possess more practical experience, useful for their actual performance on the job.

A second decision of importance was to reorganize the faculty. Traditionally ETH had two departments in the social sciences, and the divisions were anything but clear. One department included the professors in the humanities (literature, philosophy, history) but was also comprised of sociologists and psychologists. The other department was made up of faculty in law, economics and politics. In 1999 the two units were merged into one, called the Department of Humanities, Social and Political Science (“Geistes-, Sozial- und Staatswissenschaften - GESS”). The new department's main function is to

“service” the other sixteen, to offer courses broadening the horizon of architects, engineers and natural scientists.

At present GESS has 25 full professors; and, as the latest course catalogue shows, it offers an attractive and wide range of lectures grouped under five different headings. Once all of the 10,000 students are taking their social science requirement, the teaching load for the 25 professors will increase dramatically and lead to the creation of new chairs. Therefore, in the coming years, a number of new appointments can be expected. The change will also affect the teaching of the four ETH professors at CIS, Prof. Thomas Bernauer, Prof. Jürg M. Gabriel, Prof. Kurt R. Spillmann, and Prof. Andreas Wenger. In the future, they, too, will be confronted with a larger number of students.

### Contact

For more information please visit the GESS-website at:

<http://www.gess.ethz.ch>

## Hannah Arendt-Conference in Zurich

**“Good and Evil and Politics” was the title of the Hannah Arendt Conference from 14-16 April 2000 in the City Hall of Zurich. The event was an invitation for reflection and discussion about NATO's first military engagement carried out against a sovereign nation in Kosovo and legitimized as a fight for human rights.**

The Hannah Arendt Conference, which has taken place annually in Zurich since 1996, is an independent forum aimed at furthering political-cultural understanding. This year it was jointly organized by the Zurich association “politikinitiative”, the Mayor Office of the City of Zurich, and the CIS. The goal was not to discuss the relationship between ethics and politics or to explain the Kosovo conflict and define future international policy, but rather to engage in a discussion encompassing law, ethics, politics and philosophy. What does the War in Kosovo mean for the future of international relations? What are the conditions for a humane society? Prof. Kurt R. Spillmann was responsible for the program of the first two days. On his invitation, distinguished experts as Joachim Gauck, Gesine Schwan, Gret Haller, Daniel Thürer, Jörg Paul Müller and General Olshausen discussed these issues.

After the opening speech of the Mayor of Zurich, Josef Estermann, Joachim Gauck, the Federal Commissioner for the Documents of the State Security Service of the former GDR, expounded upon the difficult process of becoming a civil society. He described his experiences with the mechanisms of a disempowering upbringing, accompanied from the earliest childhood by adaptation, silence, and a loss of discernment. To be able to cast off powerlessness, it must first be recognized. That recognizing powerlessness is not a privilege of the intellectuals is shown by their failure in the GDR. Change did not come about where there was much thinking, but where there was much suffering. Political action and judgement concerns everyone and requires time. Conflicts like those in Kosovo or in Chechnya not only have their own historical

backgrounds, but also considerable historical repercussions - even if they are resolved for the benefit of a human future.

The second day began with a paper by Daniel Thürer, University of Zurich, who dealt with the question regarding whether the law of nations contains an ethical basis for politics. The law of nations arises from peoples' sense of justice, and positive law is often only legitimized insofar as it aims at justice. That means that domestic conflicts such as in the former Yugoslavia are no longer primarily discussed from a state approach but from a human approach. From the point-of-view of state sovereignty, NATO's intervention in Kosovo was not justified; from the human rights point-of view, however, it was at least legitimate. New ways of substantiating justice are developing, which demand the appropriate legalization of international relationships from a standpoint aiming at protecting people.

The reports of the experiences of the lawyer, Gret Haller, who worked as the high-representative for human rights in Bosnia and Hercegovina, and of General Klaus Olshausen, representative of the KFOR Commander-in-chief in Kosovo, threw light upon the Europeans views of themselves in these conflicts. Gret Haller complained about Europeans' lack of responsibility both in the past, in face of the events in the former Yugoslavia, and in the present, in the face of the necessity to establish stable legal and institutional structures. Europe has not complied with its own human rights tradition, but has largely left matters in the hands of the USA. Europe has to clarify the foundation and regulations of international intervention. General Olshausen also pleaded for a stronger commitment from Europe, which must become conscious of the significance of the financial basis and the basis of civility. The military intervention in Kosovo was part of a political-diplomatic effort serving to reestablish civility and political order. The KFOR had to take on tasks of a civil security authority, which it was very poorly prepared for. Finally, only a portion of the

financial aid promised by the EU was made available. Both empirical reports showed how closely a lack of clarity in deciding on international problems is accompanied by uncertainties in concrete political action.

Gesine Schwan, Dean of the European University Viadrina in Frankfurt/Oder, leaned upon views from sociology and developmental psychology in her paper, “Power, Authority and Guilt in Politics.” She views the development of a peaceful society as dependent upon the development of individuals' own self-worth. Sufficient democratic principles will only come about if past injustices are addressed and then redressed through forgiveness and reconciliation. This is true both in regard to the relationship between ethnic groups, as in the former Yugoslavia, and between the diverse population groups and generations.

The philosopher of law, Jörg Paul Müller, discussed the traditional view of just war on the basis of Kant's statements on the conditions of internal and external freedom. A just international order requires internal order; a lack of democracy correspondingly threatens international relationships. The Kosovo conflict needs to be examined with a view to the participants and the democratic resolutions of the action.

On the third day Pierre Hassner, CERI Paris, dealt with the 20th Century as an era of mass crime and with the efforts to prevent mass crime in the future. He described the efforts to expand the domain of human protection and at the same time pointed out that none of these measures are without deficiencies and undesired consequences. Instead of aiming at universalizing the good, we ought to aim at rejecting evil. But what is evil? Hans Saner, a philosopher from Basel, took up this question. He described the paths of thought followed by Hannah Arendt in her confrontation with evil. The Hannah Arendt Conference concluded with a round of talks in which conference attendants openly discussed the conference issues from diverse perspectives.

# The Compatibility of Swiss Neutrality with UN Membership

In 1986 the Swiss people voted for the first time about whether to become a member of the United Nations (UN). Back then about three-quarters of the population voted against such a step. The main reason for this negative attitude of many was the concern that, by becoming a member of the UN, Switzerland would have to restrict its neutrality and give up its self-declared role as an international special case (“Sonderfall”). In 2002, a good 15 years after the negative outcome of the first votation, the Swiss people will again decide on whether to join the United Nations or not.

The CIS organized a conference in October 2000 to discuss the question of how to argue the issues about Swiss neutrality and UN membership in view of the upcoming votation in 2002, so that the goal of becoming a member can be attained. In order to facilitate as open as possible a discussion on this subject the circle of participants from science, management, the media and the UN Initiative Committee was deliberately kept quite small.

As far as the two CIS research assistants and organizers of the event, Thomas Fischer and Daniel Möckli, could determine in the context of their research work at the CIS, the lost vote of 1986 had largely been a vote about upholding Swiss neutrality. Back then the population had not been convincingly presented with the possibility of neutrality



*Thomas Fischer and Daniel Möckli (from left), the organizers of the conference, pleaded for a more active communication strategy on the question of Swiss neutrality and UN membership.*

and UN membership. As for the votation in 2002, according to the organizers, resistance to becoming a member of the UN will again hinge on this question of neutrality. It was this realization that created the idea of entering into a dialogue with politicians and media representatives working on this topic.

The discussion was launched with two presentations by Möckli and Fischer, who advanced the view that the question of neutrality in connection with the upcoming UN membership vote had not been sufficiently addressed by the Federal Council. They pleaded for a more active communication strategy on this topic. According to them, both the changes around the world and in the UN since 1989, as well as the new direction taken in the department of Swiss foreign affairs at the end of the cold war should

be clearly stressed in the argumentation about membership. In the afternoon there followed lectures by Ambassador Erwin Hofer, who presented the communication plans of the Federal Council for the UN vote, and by Emmanuel Jenni, the head of the UN division in the foreign affairs department. He explained the positions of the cantons, political parties, other organizations and citizens on this subject of neutrality and UN-membership. After both sessions there followed intensive discussions in which the representatives of the UN Initiative Committee, the National Councillor Rene Gysin (SP - Social Democrats) and a retired member of the Federal Council, Rudolf Friedrich, as well as the attending professors of CIS, Jürg M. Gabriel, Kurt R. Spillmann, Andreas Wenger, and other participants joined in the debate. Everyone present agreed that the goal of joining the UN should be worked towards by communicating positive images of the close Swiss-UN interrelationship.

The event facilitated an open discussion amongst scientists, the media and politicians about an important question concerning the future foreign affairs of Switzerland and was seen by all sides as very fruitful.

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*Prof. Andreas Wenger talking to Emmanuel Jenni and Prof. Kurt R. Spillmann in discussion with Ambassador Erwin Hofer (from left).*

## Of Cake-Cutting and Formal Rational Choice Approaches

Cutting a cake, dividing up property in an estate, determining the borders in an international dispute – how can parties in a negotiation obtain a fair settlement? Formal rational choice approaches seek to identify universal explanations for political behavior and determine procedures that can provide solutions to a problem. A CIS workshop organized by Prof. Thomas Bernauer and Dr. Vally Koubi in May 2000 brought together a small group of researchers from the USA and Switzerland to present their work on formal theory.

Formal theorists make assumptions about the motives of the political actors and construct simple mathematical models (formal theories) which can account for important empirical patterns and predictions concerning real world behavior. The use of mathematics helps to ensure the development of logically consistent theories, especially in complex cases where the use of ordinary language might lead to ambiguities, logical errors and vague conclusions.

In the CIS workshop Prof. Steven Brams (New York University) demonstrated how constructive procedures can be applied to help the disputants to reach a fair settlement. He presented his work conducted with A. Taylor on fair division “From cake-cutting to dispute resolution.” Brams and Taylor have developed an algorithm that, in a variety of situations, produces an allocation of goods among two or more players



Prof. Steven Brams and Prof. Thomas Bernauer (from left)

that is not only equitable but also envy free. An envy-free division is one in which every person thinks that he or she receives his (her) target allotment (what he or she perceives to be the most valuable portion of something desirable). The algorithm has been applied to situations such as divorce settlements, estate division, treaty negotiations, auctions, and elections.

Prof. Simon Hug (University of Texas) presented a model of international bargaining applied to the Amsterdam treaty (“Ratifying Amsterdam”, together with T. Koenig). Drawing on datasets covering the positions of negotiating rational governments and rational political parties, he highlighted the differences in the treaty ratification procedures across the EU member states. Based on his empirical analysis, he concluded that

member states excluded half of the bargaining issues in order to ensure a smooth ratification.

Finally, Dr. Vally Koubi (CIS) explained her work on “Military technological races and the international distribution of power” (together with D. Lalman). In this work, she characterized the dynamics of technological arms races as a function of the degree of international competition and of the level of economic development. Several interesting results emerged that may help us better understand the path of military R&D efforts. While actual competition supports a higher level of development of new weapons than no competition at all, the threat of potential competition generates an even higher rate. Cost asymmetries for R&D across countries tend to restrain the rate of development as leader nations become complacent and followers are discouraged by their cost disadvantages. The analysis predicts that a USA-China technological rivalry will be more intense in its early stages than the USA-Soviet Union one during the cold war.

### Vally Koubi: Military Technology Races

International Organization, Vol. 53, Issue 3, Summer 1999, pp. 537-565

In this article, Dr. Vally Koubi studies the dynamics of a race to develop a new weapon as a function of a nation’s absolute and relative technological position as well as of the characteristics of the weapon. She finds that a technological breakthrough by one of the rivaling nations stimulates higher spending, especially by the countries that are lagging behind. A nation losing its technological lead intensifies its development efforts, whereas a nation enjoying a lead shows signs of relative complacency. A weapons race that is tied is more intense in later stages of the development process than in earlier stages.

Her theory predicts that military development programs in the United States would accelerate as a result of US perceptions of either falling behind or losing its technological lead and decelerate as a result of surging ahead of the former Soviet Union. This prediction is consistent with the dynamics of the actual US-Soviet missile race during the Cold War. The theory can also explain the recent nuclear tests by India in the context of the China-India competition and predicts that weapons development by India and Pakistan will intensify if China tries to close its technological gap with the United States.

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## The State vs. the Market?

**As a consequence of economic globalization, the developed state is facing a crisis as the 21st century unfolds. This has caused increased discussion on the role of the state and on economic freedom. While economists see state functions as determined by market failure, political scientists take the view that state policy, and not the economy, should determine state functions. In any case, the relationship between state and market must be redefined.**

The symposium «State functions and economic freedom», held on 4 February 2000, aimed at an unbiased discussion about what the state should and can achieve. The symposium was organized by the CIS, the Swiss Institute of International Studies and the Institute of Political Science, University of Zurich. Thirty-five renowned academics, government officials, and business and media representatives participated. These included the mayor of Zurich, Josef Estermann and members of Parliament Barbara Haering and Erika Forster-Vannini. The interdisciplinary approach of the event was a success: the discussion proceeded without polemics, and it became increasingly obvious that the essence of the answer to the problem lies in reducing the failings of politics and the market, rather than in defining an ideal distribution of the respective tasks.

At the outset of the symposium, Dr. Markus Rauh, president of Swisscom, and Dr. Bernhard Weilharter, associate director of Arthur D. Little, reported on their practical experiences in the privatization of previously state-owned enterprises. The telecommunications and electricity sectors were used as examples to show that less state intervention can minimize market failure. Dr. Rauh emphasized that Swisscom faces certain difficulties in securing its future position in the European market as long as the state is its major shareholder. Dr. Weilharter rated Switzerland's ability to compete internationally in the electricity sector as good. However, he warned that



*Prof. Dieter Ruloff (center), symposium organizer, in conversation with Prof. Klaus von Beyme (right) and Dr. Thomas Schlieper.*

the longer the state delayed structural adaptations, the fewer chances Swiss companies had to keep up with their EU competitors, who have already experienced liberalization.

The second part of the symposium dealt with questions concerning global competition for location. Governments around the world are attempting to create the best possible conditions for private sector investors. Does the resulting tax competition lead to reduced state services? Professor Thomas Bernauer's (ETH Zurich) research led him to conclude that the effects of tax competition are minor, and that there is no "race to the bottom". Professor Klaus Armingeon (University of Bern) raised the question of which political measures would achieve the highest level of employment. Economists demand of politicians that they dismantle the welfare state and deregulate the labour market. According to him, both these demands were problematic. He suggested that the battle against unemployment should focus rather on labour supply management.

The afternoon agenda concentrated on state functions and on the primacy of politics or the economy. Professor Ulrich Klöti (University of Zurich) pointed out that the concept of market failure was too narrow to allow a systematic definition of the role of the state. Furthermore, a basic consensus on the state's responsibilities already existed. In response, Professor Gebhart Kirchgässner (University of St. Gallen) remarked that the power of the market should not be underestimated. The key question, so

Kirchgässner, was to know when a market solution was appropriate.

According to Professor Hermann Lübke (University of Zurich), state policy has precedence over market forces. He argued that modern states have sanctioned the growing role of the economy in international relations, for as modern life has become increasingly complex, public administrations have become less able to fulfill certain functions. Professor Klaus von Beyme (University of Heidelberg) agreed in principle with Prof. Lübke, arguing that the economy has a significant influence only in certain areas, for example, in implementing legislation. He further argued that corruption is increasing, and the only way to combat this problem is by making financial incentives available to political actors.

Reforms and a reduction of the failure of the market and of policy are needed to resolve the basic problems facing developed states in the 21st century. In the face of well-organized and firmly established interests, there is a demand for broad public consensus. The symposium and the associated book «Den Staat neu definieren» [Redefining the State] are intended as a small contribution to this consensus. n



**Dieter Ruloff (ed.), Den Staat neu definieren [Redefining the State]**

Studies in Social Sciences of the Swiss Institute of International Studies, Band 29.  
Zurich: Verlag Rüegger, 2000,  
ISBN 3-7253-0676 (in German)

# A Borderline Experience: Seminar on International River Management

**The borderlines between a forest and an open field or between the ocean and the shore host rich ecosystems. Likewise, the borderlines between scientific disciplines, the natural sciences and social sciences in particular, and between researchers and practitioners, create an environment that can lead to new insights. A seminar for doctoral students entitled “Sustainable Management of International Rivers”, directed by Prof. Thomas Bernauer from the CIS and Prof. Bernhard Wehrli from the Swiss Federal Institute of Environmental Science and Technology (EAWAG), had precisely this aim: to create a borderline environment for the study of rivers that cross international boundaries.**

Often, when people move from one country to another, they have to speak a new language. The 20 doctoral students taking part in the seminar, held this spring at the Swiss Federal Institute of Technology (ETH) Zurich, quickly found out that their coming from different disciplines created communication problems. The environmental scientists tended to refer to everything as “ill-defined problems”, the social scientists preferred the term “problems of collective action”, and the engineers wanted to quantitatively measure everything. Were they ever speaking about the same thing?

After they had listened to two days of lectures from expert practitioners and researchers, the participants had picked up enough about the natural and social science aspects of international river management to start choosing a subject for their group work. With some 300 major rivers crossing international borders, and with a wide variety of problems, such as pollution, floods, water scarcity, lack of river development in some countries and too much river development in others, the range of topics for the four-day seminar appeared unlimited. The lecturers had suggested some topics, but in the end the participants mostly came up with their own ideas. These included

“Organic Farmers’ Potential to Reduce Diffuse River Water Pollution”, “Cyanide Spills”, “Exotic Species”, “River Restoration”, “The GAP project in Turkey”, and “The Nile Catchment Area”. Once the research topics had been agreed upon, the groups discussed the parameters of their projects, how to approach them and what methods to use.

In traditional disciplinary work, as in interdisciplinary work, the complexity of a given topic must be reduced. The single disciplinary researcher does this by using few methods, applying these to many cases and problems. Conversely, interdisciplinary research often uses many methods and approaches but applies these to a specific case. Yet four days are not enough to learn new methods. The group work at the seminar was mainly interdisciplinary because different sections of each subject were dealt with in different ways and were tackled by different people. Thus, the most valuable learning occurred during the synthesis of the various sections. The participants argued with each other, but also learned to respect different ways of approaching a problem. The social scientists were under-represented. Nevertheless, since the lec-

**«Interdisciplinary research and teaching is tough: those working in this area, apart from facing communication problems, often feel they are not entirely at home in their subject, that they are not fully experts. Nevertheless, many real life problems can only be tackled in an interdisciplinary way.»**

tures and supervision of the group work were organized by political scientists at the CIS, Prof. Thomas Bernauer and Christa Brunnschweiler, the participants could benefit from a substantial amount of input from the social sciences. The other ETH faculty members and lecturers involved were mostly from the EAWAG, particularly

from its limnological research center. They ensured that the previously “ill-defined problems” were properly defined.

A shell clinging to the rocks may end up in hot or cold weather when the tide recedes, and the diversity of species in borderline environments is partly due to the environments’ toughness. Interdisciplinary research and teaching is tough: those working in this area, apart from facing communication problems, often feel they are not entirely at home in their subject, that they are not fully experts. Nevertheless, many real life problems can only be tackled in an interdisciplinary way. Thus, for doctoral students, who often work in a very narrow field of expertise, interdisciplinary seminars are essential learning opportunities.

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# Recent CIS Publications



Jürg Martin Gabriel (ed.), Schweizerische Aussenpolitik im Kosovokrieg (Swiss foreign policy in the Kosovo War)

Zurich: orell füssli, 2000, ISBN 3-280-02814-0 (in German)

The eight authors contributing to this publication analyze and evaluate Switzerland's foreign and security policy during the Kosovo War, from a political, legal, ethical, and sociological perspective. Various documents and reports would have enabled the Swiss government to play a constructive role, most importantly the 1993 Foreign Policy Report. The implementation of these documents and the actual performance during the Kosovo conflict was highly inconsistent, however. The authors conclude that the Kosovo War was the first test of Switzerland's newly formulated foreign policy and that the results were mixed. Constructive suggestions from the contributors reveal potential areas for improvement.



Kurt R. Spillmann and Joachim Krause (eds.), Kosovo: Lessons Learned for International Cooperative Security

Bern: Peter Lang, 2000, ISBN 3-906765-16-4

The Kosovo crisis of 1999 was one of the most challenging events for cooperative security. Since the end of the Cold War, the European states, the United States and Canada have made progress in devising a new security architecture. However, the wars in the former Yugoslavia seemed to indicate that the new international order was not able to meet expectations. This book critically examines the various efforts to resolve the Kosovo problem by ways of cooperative security. It also deals with the problems that emerged after the agreement of June 1999. Furthermore, it tries to shed light on the broader regional and international aspects of that crisis.



Andreas Wenger and Jeremi Suri, The Nuclear Revolution, Social Dissent, and the Evolution of Détente. Patterns of Interaction, 1957-74

Zurich: Center for Security Studies and Conflict Research, 2000, ISBN 9-905641-69-0

As new archival material becomes available, the origins and eventual failure of détente in the 1960s and 1970s have to be rethought. Previous explanations of détente have neglected some important dynamics. They have emphasized the balance of power in a bipolar nuclear system, but they have underestimated the roles of ideas and institutions in an increasingly multi-polar environment. The authors argue that détente fell victim to the nuclear revolution which initially made a period of hopeful peace possible but which could not endure. The authors determine distinct patterns of interaction between the nuclear revolution, social dissent, and the evolution of détente and conclude that the nuclear peace provided the fungus for the failure of détente.



Kurt R. Spillmann, Andreas Wenger (eds.), Bulletin 2000 on Swiss Security Policy

Zurich: Center for Security Studies and Conflict Research, 2000, ISBN 3-905641-67-4 (in German)

In terms of security policy, 1999 was an eventful year. On the international scene, Kosovo was the focus of public interest. In Switzerland the Bundesrat presented the Report 2000 on Swiss Security Policy, which marked a shift to "security through cooperation". The Bulletin 2000 on Swiss Security Policy analyzes the new strategy and the historical underpinnings that impede the attempts of Swiss security policy to adapt to the new post-Cold War conditions. The Bulletin also examines interoperability as the key to the military's ability to act. Further contributions look into the modernization of the Swiss intelligence service, the deficits of Swiss policy on the UN, and positive strategies to foster the forming of public attitudes.



Thomas Bernauer, Jürg Martin Gabriel, Dieter Ruloff (eds.), Swiss Political Science Review

Zurich: Center for International Studies, 2000, ISSN 1420-3529 (in English, French and German)

Issues 2 and 3, Vol.6 (2000), of the Swiss Political Science Review, which is edited by CIS-Professors Thomas Bernauer, Jürg Martin Gabriel, and Dieter Ruloff, contain articles on political stability and economic growth; testing consociational theory with data on referenda; the effectiveness of voluntary environmental agreements; the relationship between direct democracy and citizens' satisfaction with life; the New Institutionalism; the legitimacy of secession; opinion formation in voting on foreign policy; as well as debates on consumer protection in a global market, and pros and cons of monetary valuation of external effects as an instrument of transportation policy.



Daniel Möckli, Neutralität, Solidarität, Sonderfall: Die Konzeptionierung der schweizer. Aussenpolitik der Nachkriegszeit, 1943-1947 (The conceptualization of Swiss post-war foreign policy, 1943-1947)

Zurich: Center for Security Studies and Conflict Research, 2000, ISBN 9-905641-68-2 (in German)

Swiss foreign policy between 1947 and 1993 was guided by the principle of neutrality and solidarity, a conception which set a course of rigid neutrality and self-isolation from multilateral political integration. This book analyzes the reasons behind these abstentionist policies. The author examines how the decreasing legitimacy and practicability of neutrality in an international context of collective security (1945-46) and bipolar confrontation (from 1947) caused Swiss policy makers to expand the maxim of neutrality. To rouse international acceptance of this key decision Swiss neutrality was ideologized and attached to rhetoric of Switzerland's political singularity - two features that left a lasting mark on Swiss post-war foreign policy.



Karl W. Haltiner, Kurt R. Spillmann, Andreas Wenger, Sicherheit 2000 (Security 2000)

Zurich: Center for Security Studies and Conflict Research and the Swiss Military College (ETH), 2000, ISBN 3-905641-71-2

The annual «Sicherheit» studies tap long-range trends and tendencies in Swiss opinion formation regarding security and defense policies. They are based on representative surveys of Swiss voters conducted yearly or every two years. «Sicherheit 2000» presents the current trend of opinions on neutrality, armament and the opening of Switzerland in foreign and security policy matters against the background of events in 2000, such as the EU's decision to sanction Austria and the Swiss mission in Kosovo.

## Articles

Thomas Bernauer / Christoph Achini: From "Real" to "Virtual" States? Integration of the World Economy and its Effects on Government Activity, in: European Journal of International Relations, Vol. 6, No. 2, 2000.

Thomas Bernauer / Sandra Lavenex: Abschied vom Sonderfall. Die 90-Prozent-Mitgliedschaft der Schweiz in den Vereinten Nationen, in: Vereinte Nationen, Vol. 48, No. 3, 2000.

Jürg M. Gabriel: Die Gegenläufigkeit von Neutralität und Humanitären Interventionen, in: Schweizerische Zeitschrift für Internationales und Europäisches Recht, No. 2, 2000.

Jürg M. Gabriel: Die Renaissance des Funktionalismus, in: Aussenwirtschaft, Heft 1, 2000.

Sandra Lavenex: France: International norms, European integration and state discretion, in: Joanne van Selm (ed.), Kosovo's Refugees in the EU, London: Pinter, 2000.

Sandra Lavenex: Refugees in an "Area of Freedom, Security and Justice", in: Adrian Favell (ed.), Immigration Politics in Europe, Special Feature, ECPR News 11(2), Spring 2000.

Dieter Ruloff / Manfred Elsig: Alternativen zu einer neuen WTO-Runde, in: Internationale Politik, 55. Jahr, No. 6, June 2000.

Andreas Wenger / Jon A. Fanzun: Schweizerische Sicherheitspolitik 2000: Umbruch oder Aufbruch?, in: Österreichische Militärzeitschrift, Heft 6, November/Dezember 2000.

## Order the Swiss Political Science Review!

The quarterly Swiss Political Science Review (SPSR) provides a forum for analysis and discussion of Swiss and international politics. Since 1998 the editing responsibility has been in the hands of the CIS.

Volume 6, Issue 3 of the SPSR examines the relationship between direct democracy and satisfaction of the citizenry, identifies novel challenges confronting new institutionalism and investigates secession as a moral problem of public international law. The two debates focus on consumer protection in a global market and the pros and cons of monetarization. Abstracts on all articles and the full-text versions of the debates are available on the SPSR web site at [www.ib.ethz.ch/spsr](http://www.ib.ethz.ch/spsr).



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