

Claus Hofhansel, *Commercial Competition and National Security: Comparing U.S. and German Export Control Policies*. London: Praeger, 1996. Pp. 232.

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The arrival of a new economic and military power on the international scene is one of the most destabilizing features of international relations. In Europe, that power is Germany. Despite Germany's entrenched democracy and Western integration, the "German Question" has dominated all serious debate about the future of Europe since the Berlin Wall's collapse. Few need to be reminded that the growth of German power allowed it to provoke two world wars in the twentieth century, and many speculate that that Germany will again seek the status of a great power in the 21st century.

The new "German Question" usually takes the following form: will accelerated European integration and a revitalized NATO subjugate German power and bind it more tightly to Western institutions and interests? Or do international regimes provide a veil behind which Germany will exercise self-interested economic and political dominance, both in Europe and on the international stage? After all, a national position shared by others is a national position strengthened. Often overlooked or forgotten in this debate, however, is Germany's ability to forever alter Western security arrangements through its important and growing share of trade in high technology and in components that contribute to weapons of mass destruction. Indeed, after the revelation that a German company supplied Libya with a chemical weapons plant, Germany was targeted as the main culprit in the export of key components for weapons of mass destruction to potential proliferators. Some studies suggest, for example, that almost half of the companies supplying goods for Iraq's weapons programs in the 1980s were German.

While the United States maintained clear superiority in weaponry and weapons-related technology during the Cold War, conventional wisdom has it that it also maintained strict controls over the export of that technology and created international regimes to ensure cooperation in technology export restrictions among its allies. It often used restrictions on strategic exports as a tool of foreign policy, linked to human rights concerns and other political issues, while its European allies—including Germany—attempted to de-politicize trade and minimize restrictions. Now, as the

world becomes more “multipolar,” and as Germany assumes the mantle of a “regional hegemon,” will it take on similar responsibilities in the control of sensitive technologies? Or will Germany maintain its widely perceived role as a “trading state,” continuing to defy multilateral trade restrictions and expand its exports—and its economic power—in response to what some observers view as domestic pressure, state strategy, and institutional rigidity?

This volume addresses these important questions. Through a careful comparison of US and German policies on export control of strategic technology, arms, and nuclear materials, Hofhansel attempts to find the source of foreign economic policy in these two important countries, weighing systemic, institutional, and domestic interest-based explanations against one another in a variety of specific cases. This comparison not only has important implications for policy makers concerned with the future of export control in an uncertain post-cold war environment, it contributes to our understanding of the sources of foreign policy in general and to our understanding of the missing analytic link between international relations theory and foreign policy analysis. It also provides a nuanced view of the current “German question” posed above.

Hofhansel’s analysis is judicious and circumspect, and his conclusions are cautions: German policies cannot be reduced to commercial interests and state strategies of export promotion, and US policies cannot be reduced to the security concerns of a global hegemon. Other factors enter into specific policy decisions, factors that defy conventional analytic categories. For example, the US refused to promote nuclear exports in the 1980s, not because of its non-proliferation concerns, but simply because the market for nuclear materials collapsed. And in the 1960s, West Germany maintained strict controls on the sale of major conventional weapons systems, despite its “trading state” reputation. Institutional differences did not seem to significantly affect policy content in either country. Hofhansel dismisses the explanatory power of the difference in relative power positions of the two countries with regard to policy preferences because those preferences did not uniformly conform to the behavior attributed to global hegemons, like the United States, and lesser export-oriented powers, like Germany. Finally, explanations focusing on domestic politics and interest-group pressure are found wanting: during the Cold War, German politicians were often more enthusiastic about promoting trade with communist countries than were German businessmen

Each of these findings is supported by detailed case studies, and Hofhansel believes alternative explanations must be combined to show how explanatory factors interact in any examination of foreign policy preferences. The country comparison could not be more apt in the attempt to isolate the causes of changing policy preferences: Germany is a rising regional power; in relative terms, US hegemony is declining. State strategies, institutional structures, and domestic politics and interest group pressure differ in each country. His strongest conclusions, however, lie somewhat outside of his carefully constructed analytic framework: in the future, technology diffusion, inconsistent US leadership, and commercial competition leading to policy conflict will make export control cooperation more difficult in the face of the weakening of export control norms in the aftermath of Communism's collapse. Internationally determined norms and values are the key to any understanding of policy preferences; they pervade institutions and shape state strategies.

This volume is a fine and most welcome example of rigorous comparative foreign policy analysis. The case studies are carefully chosen and justified on clear and sensible methodological grounds. Hofhansel has a good handle on the relevant theoretical literature on the sources of foreign policy. And he has conducted detailed research within an analytic framework that shows a careful reading of that literature. Further, he does not lose sight of that framework in his presentation of evidence. He is extremely cautious in his assessment, keeping his claims close to the evidence, risking no broad generalizations, and drawing no hasty conclusions.

This caution is both a strength and a weakness of this volume. As a rule, those who point out exceptions to the conventional wisdom enjoy a certain intellectual advantage over the those who seek to argue that patterns of behavior appear across time and space. Here Hofhansel remains on safe intellectual ground. An argument for policy complexity, inconsistency, and nuance can be made by enriching case studies with so much detail that generalizations seem artificial. Indeed, it is much more risky to abstract from the historical and descriptive complexity of the cases and propose a bold conceptualization of the sources of export control policy, weighing alternative sources against one another to determine which provides the most satisfying explanation. Hofhansel has not taken this step. And although he suggests that institutions, domestic politics, state strategies, and international strength *interact* to form policy preferences, he hesitates to generate hypotheses about that interaction.

Further, in my view, he dismisses international structural explanations far too easily in the face of his own evidence to the contrary. Germany's economic power grew significantly throughout the cold war. And one of Germany's most significant export control decisions was to tighten export controls considerably, much to the consternation of German exporters. Further, Germany has pushed for much tighter EU export control standards. Hofhansel's evidence traces the process by which the "domestic political climate shifted in favor of tighter export controls" in Germany, while in the US, "pressure has been mounting to relax national security export controls." (p. 134). His explanation for the shift in German policy seems to rest on the adverse international reaction to the Libyan chemical disaster, the crisis it precipitated in the German policy establishment, and institutional restructuring. For the loosening of US controls, the explanation rests on the decay of export restriction norms. Why isn't Germany responding to the normative decay in a similar fashion?

A more parsimonious explanation would suggest that Germany's recent behavior is surprisingly consistent with the behavior one might expect from a regional hegemon, seeking system stability. Dominant liberal states are known to identify their own self-interest with the stability of the system in which they operate; they sacrifice narrow self interest to achieve that stability. Why isn't Germany's structural position of rising dominance in Europe the key factor shaping Germany's more restrictive export control policy? Similarly, relative US technological decline and resulting competitive pressures could explain recent US preferences for the loosening of controls in favor of commercial benefits. Structural explanations may work best in explaining longer term policy trends, despite departures from those trends in specific cases.

These issues and conjectures, however, do not weaken the usefulness of this book for experts in the field of export control, students of international relations and diplomatic history, and those interested in comparative politics in general and comparative foreign policy in particular. Export control is often considered a highly technical and obscure aspect of foreign economic policy, and has thus remained somewhat understudied. This volume, however, demonstrates its importance as a key indicator the interaction of economic and security issues in international relations and it will be a source of rich empirical material for those wishing to test and construct arguments about the roots of states' foreign policy preferences.