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Leonard J. Schoppa. *Bargaining with Japan: What American Pressure Can and Cannot Do.* New York: Columbia University Press, 1997. xviii + 406 pp. $32.00 (paper), ISBN 978-0-231-10591-0; $76.00 (cloth), ISBN 978-0-231-10590-3.

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U.S. trade disputes with Japan began with the 1956 wrangle over textiles, and continue today. These disputes for years remained "ad hoc" in nature, although the large U.S. Department of Agriculture staff in Tokyo kept farm issues on the agenda throughout. But as the frequency of disputes increased with the explosion of U.S. trade deficits under Ronald Reagan, the U.S. began to systematize its negotiations with Japan. This started in 1985 with the first of several rounds of MOSS (Market-Oriented Sector-Specific) talks, followed in 1989 by the Structural Impediments Initiative (SII) under Bush, and in 1994 by the Framework talks under Clinton. The results have been mixed.

Len Schoppa sets out to analyze why. His focus is on the new pattern of structured trade negotiations, specifically the SII and Framework talks. As an analytic framework, he develops the "two-level game" model of foreign policy, which in effect accepts the claim that all politics are local: success or failure depends on the ability of American negotiators to sway domestic political actors in Japan. He then develops a list of tactics that enhance the ability of the U.S. to get its way: find allies within Japan, recognize that leverage (sanctions) must be both focused and credible, stick to issues viewed as "legitimate," try to bundle multiple items to increase leverage, and expand negotiations to involve parties beyond the target groups (who, after all, will be the ones to resist the most). That list in hand, he provides five case studies, four on the central issues of the SII (macroeconomic stimulus, distribution, land prices and competition policy) and one on the Framework talks.

The book is quite useful for the set of detailed case studies, and for the careful elaboration of the domestic stories that comprise the heart of the two-level approach. It thus is a real contribution, both to those interested in U.S.-Japan trade issues, and to specialists in international relations theory. But it is less successful in meshing the two. Does the two-stage approach really prove to be the explanatory tool that Schoppa claims? Furthermore, will it provide practical guidance in future negotiations? The problems lie in part with his choice of cases to study, in part with an often one-sided application of two-level games, and in part with an uneasy tension between his approach and the "realist" unitary state "power is king" model that he sets up as the antithesis of his approach.

Throughout the book, in fact, Schoppa wants to contrast the "realist" approach of the "State" as the unitary actor with that of "two-level games" dominated by multiple political actors. His case studies certainly document the varied interests on issues such as the revision of the large-scale store law and the importance of macroeconomic stimulus. Indeed, he argues quite convincingly that in trying to get the Japanese economy to grow faster (and hence import more), U.S. negotiators were successful in expanding participation beyond the Ministry of Finance, who were the lead negotiators for this issue, to include politicians interested in pork barrel projects for their home district. In effect, the issue was redefined from one of budgetary balance, which was firmly under MOF control, to public works projects that involved other ministries and even politicians themselves. It was thus U.S. "gaiatsu" (foreign pressure) that brought about a real change of policy.

I am a natural skeptic of such claims, but so is Schoppa, who insists on developing a web of circumstantial evidence before accepting claims of success. His example of shifting budgetary policy and others like it are documented by a critical reading of media accounts complemented by interviews in Japan and the US. Schoppa is also careful to lay out the wider environment that might provide alternative sources of policy change. As a result, I find myself willing to accept his evaluation of when U.S. pressure did (or did not) make a difference. He is convincing therefore in making his case that local politics matter, and that a "realist" model of undifferentiated pressure has little explanatory power.

Nevertheless, the fact of the matter is that several of the sectoral areas in the SII negotiations ended without the U.S. obtaining substantive concessions from Japan. Schoppa demonstrates that domestic factors made some issues easy wins. That said, why was the U.S. not willing to go from push to shove on the others? Did not failure merely reflect an unwillingness to expend "power" over SII goals that were of little import to the U.S., or made no sense at all? Schoppa argues that by restricting his analysis to the core SII issues he is able to hold "power" constant and hence isolate and test the role domestic "two-level" political factors. I find this less than convincing. Schoppa notes that the SII round started out with a list of 200 demands. Clearly many of these did not matter to the U.S. and would not have resulted in an attempt to wield "power" to get Japan to accede to them. Similarly, I am skeptical that the U.S. really viewed all the remaining issues as equally important, and hence applied, or was willing to apply, equal leverage to achieve them. A more varied set of case studies would help, but skeptics (of which I am not one!) might still claim that all of Schoppa's observations can be explained by the differential application of power and that his two-level analysis introduces needless and even misleading complications. For example, Japan also presented the U.S. with a long list of demands. It would seem silly, though, to engage in a time-consuming two-level analysis of U.S. domestic politics to understand why that list was ignored!

His analysis is weakened by a failure to trace the costs of employing "power." To "realists," failure can be rephrased as an unwillingness to resort to sufficient power, and success as evidence of the will to bring appropriate leverage to bear. Of course, this in turn begs the question of why the U.S. would refrain from wielding power, and of the differential political and economic costs from sector to sector of bringing leverage to bear. A complete analysis thus requires a similar two-level analysis of the U.S. side, so that we can understand why the U.S. might refrain from exerting more power on a given issue, and instead be willing to settle for little or nothing. Schoppa does devote a full chapter to the political background that resulted in the U.S. decision to propose the SII, and returns briefly to U.S. domestic politics during the advent of the Framework talks. Ironically, though, throughout the remainder of the book Schoppa implicitly portrays the U.S. from a "realist" perspective. That of course keeps the study to manageable proportions, and within the reach of an individual researcher–carrying out what might best be called a "four-level" analysis would be a truly formidable undertaking! But the tension of Schoppa's two-level portrayal of Japan with that of the U.S. as a unified state remains palpable.

These difficulties also undermine his claim that his analysis provides a practical guide to negotiation strategies. At a trivial level, the lack of a table summarizing the application of each of his techniques across the various case studies makes it difficult to understand which really matter where. But more significantly, his conclusion ("give up unilateral demands") maintains his "realist" analysis of the U.S., that American negotiators can choose their own agenda. Of course U.S. bureaucrats are not without power, but a tenet of U.S.-Japan comparisons is that they certainly don't have much. Instead, the agenda is set by one or another interest group. That agenda can be complex. The SII was clearly an attempt to manage trade disputes with Japan, and to make it clear to Congress that the Bush Administration was not sitting idle.

With an initial list of 200 demands, it certainly should not be surprising to find that a few "succeed." But those successes were clearly secondary. The real goal was to appease Congress with more than words, and for that purpose the mere existence of the SII negotiations proved sufficient. That is another reason why Schoppa's list of case studies needs to be expanded: with the SII and Framework talks, it is too easy to accept the wrong definition of "success."

Many of these problems are visible in the book's analysis of the automotive trade disputes of 1995. Schoppa does show that there were some successes even there, in terms of the stated targets, and that these fall out nicely when a two-level analysis of actors within Japan is applied. But failure had other roots. One is that the main target, the sales of Big Three vehicles in Japan, fell wholly outside the purview of government policy. The U.S., in talking to the Japanese government, was really asking the impossible. Of course, that is a general problem for American trade policy: even the GATT negotiations have largely run out steam, as few formal trade barriers remain untouched and hence talks must address increasingly amorphous issues such as competition policy. The problem in the Framework talks, then, was not in the sophistication of American tactics, or the presence of power, or the willingness to use power. The problem was in the goals themselves.

The metrics of success and failure are also problematic, as noted above, making evaluation difficult. For the Clinton administration, it was critical to be seen doing something for autos: the UAW is a major patron of the Democratic party, and going into an election campaign it was important to garner as many conservative-leaning

blue collar votes as possible in critical Midwestern states. Other interested parties–the Big Three–probably were secretly hoping that the talks would collapse in the end, and result in costly sanctions for their rivals. Motives were mixed, while the negotiation goals themselves were often arbitrary (as Schoppa notes). Even after the fact it becomes difficult to separate "tatemae" from "honne". To reiterate: failure to achieve stated goals did not mean that the talks were a failure from the standpoint of the Administration and other interested parties. But it is useful to note that negotiators can also be forced by domestic politics to pick fights that they are bound to lose.

Early on Schoppa argues that the "realists" reign in the realm of political science. I am not in a position to judge if that is the case. But if Schoppa is correct, then in the end his book is very successful, and indeed important, for it challenges that approach on many fronts, and ought to change the terms of the debate and of research in international relations. Even if he is attacking a straw man, he does make a good case that policymakers (or at least the revisionists among them) have been "realists" in urging that, if only enough "power" can be brought to bear, Japan will relent on the issue of the day. His book thus provides a cautionary tale for policymakers that some negotiations do end in failure, and that even a significantly greater expenditure of American power will fail to change that.

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