Critical Realism versus Social Constructivism in International Relations

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Abstract: This article discusses the methodological differences between the British school and the American school of international relations. It attempts to demonstrate that Susan Strange, representative of the British school, could be considered a critical realist. The aim of the article is to show that her vision of international political economy fulfills the methodological reorientation initiated in economics by Tony Lawson at the end of the 90s. Strange's radical ontology claims that structural power determines human actions. The paper contrasts Strange's approach with that of John Ruggie, from the American school, who identifies himself as a social constructivist. Ruggie emphasizes the role of ideational factors in international relations and the constructed nature of social reality.

Keywords: international political economy, international organisation, structuralism, neo-utilitarianism

Introduction

Critical international political economy is a heterodox approach of international relations (IR) which addresses the relationship between States and Firms, by assuming that States are creating the structure in which Firms are acting as agency. The field of IR has evolved since the 1970s through a redefinition of the ontology. Susan Strange called for a more "economic" view of IR, States and Firms being the main actors on the international stage. States are not only confronting on political or security matters, but more on economic issues, concerning development and financing.
What is interesting is the way in which this ontological shift, pioneered by Strange, reflected in the rise of a new discipline, called *international political economy* (IPE). I will show in this paper that the important ontological move led by Strange with the IPE was essentially a critical realist one. My thesis is that Susan Strange could be considered a critical realist. My interpretation, which is based on Lawson’s 2003 book, will be defended and detailed in the first part of the paper. It is now recognised as the British IPE, dominantly structuralist, represented by the journals *Review of International Political Economy* (RIPE) and *New Political Economy* (NPE), a heterodox approach to international relations (IR) by its fundamental opposition to IR utilitarian mainstream.

On the American side, the mainstream IR approach, represented by the *International Organisation* (IO) journal, continues to be the academic reference. But in reaction to the British, critical IPE, the IO journal developed its own heterodoxy, a social constructivist one, later on in the 1990s. Social constructivist IR and critical IPE share a common view on interdisciplinarity and pluralism and a common rejection of the neo-utilitarian mainstream.

I interpret the social constructivist American school as a way to save the IO mainstream, to keep it dominant by building a distinct IPE, grounded in a postmodern philosophy. The American constructivist IPE did not completely cut with the mainstream, neo-utilitarian approach. According to Ruggie, there are many bridges between the two IO approaches, so the American constructivist IPE appears as an “orthodox heterodoxy” (Murphy & Nelson 2001). This will be treated in the second part of the paper.

The two heterodoxes, i. e. the British and the American one, are close to each other in their pluralism and openness to the ontology debate, but opposed with respect to their critical realist and social constructivist views. An example of this could be the importance placed on history: central to British critical realism, and marginal to American social constructivism.

This ontological concern stimulated fervour by giving birth to new insights, creating two distinct schools of thought on international organisations. I will focus on the methodological features of both schools, by analysing their respective visions, as they appear implicit for Strange (1994) and explicit for Ruggie (1998).
On the American side, postmodernist influence led to constructivism, which states that social reality is ideational, i.e. constructed by our mind, like all social phenomena, whether it be money or Valentine's Day (Ruggie 1998 inspired by Weber 1949). There is no pre-existing social reality. One of the constructivist paths (but not the only one, see Ruggie 1998) is discourse analysis, mixing structure and agency, by considering that international structure is not only conditioning state action, but is state action, reflecting identity and interests (Wendt 1987). The result of social constructivism is greater relativity in the way you conceive social phenomena and their continuous transformation. From the constructivist point of view, for example, one can study companies’ ecological turn as a response to a change in aspirations of the civil society, thus the collective intentionality becoming increasingly concerned with sustainable development. The overt commitment for a more socially responsible attitude as regards people and nature can be revealed by the discourse of the managers. This is the outcome of the influence that the civil society exerts on States and Markets, by reshaping their interests and redefining their identity. As Ruggie (1988) puts it, the increasing role of nongovernmental actors, of the transnational civil society, gives to the State a “multiperspectival” form.

The same fact is analysed differently from a critical realist perspective. The ecological turn in the companies’ behaviour can be interpreted in a structure-agency framework. The structural power, more political in nature, imposes the change to the economic sphere. The agency, which is the companies’ ecological activity, is indirectly determined by the structural power shaped by the States and international organisations through interventions, activism and campaigns. The companies adapt their strategy to the new market conditions in order to keep up with their competition.

Regarding US hegemony in IR, constructivists analyse the discourse of the US and their representation of their dominant role, identities and values, explaining changes in American diplomacy as a result of a mix of representations. The hegemony would then be the result of this socially constructed representation. In a critical realist perspective, Strange considers that we should understand US hegemony through its economic dominance, its structuring presence, defined mainly by its economic power. She opposes the international regimes approach, which seems temporarily fixed, exogenously given, and without considering the economic sector or the importance of production and finance. American multinational firms and their growing
international influence cannot be ignored by theorists of IPE. In order to understand and intervene in the State-Firm relationship, a critical analyst should infer their behaviour not only from their discourse, but also from their economic structure and political means. In defining its ontology, critical IPE insists upon historical facts, data, and is not concerned with language (Murphy & Nelson 2001, Ruggie 1998)

This paper will present the two different orientations in IPE by studying the works of the authors who made strong recommendations for methodology. These works provide rich material for research because they represent the emergence of a new paradigm, a process which increases the ontological concern and rises an institutional questioning of the future of a newly created discipline.

In the first part I intend to show that Susan Strange’s contribution should be considered a critical realist attempt to build a ‘radical ontology’. In the second part I will present the alternative approach of IR built upon social constructivist methodology.

**Ontology of Critical IPE: a critical realist assessment of the British School**

*The critical realist project*

In 1997, Tony Lawson of Cambridge University (*Economics and Reality*) called for the reorientation of economics and social science in general, for a greater consideration of the nature of its subject and towards a stronger interest in ontology (“nature of social reality”). The choice of methodology should rest on the understanding of the nature of the studied object. What distinguishes social science from other sciences is the nature of its subject. As these ontologies differ, they cannot be studied in the same way. For example, understanding the structure of a material makes it possible to deduce its characteristics (e.g. in physics: strength, conductivity, permeability) and to predict certain physical or chemical actions or reactions. In social sciences, the structure and actions of the agents interact; it is difficult to explain certain economic behaviours without understanding the social or political structure in which they take place. Future behaviour is conditioned by the nature of these interactions: “Just as social structure cannot be understood independently of considerations of human powers, the natural order in which both the social and the psychological are
embedded, and upon which they can act back, must be recognised as a condition for social action and thus as an object of social study.” (Lawson 2003: 161)

Ontology supposes, on the one hand, an understanding of the often implicit concepts of the nature and structure of reality (which are presumed by the utilisation of the practices and procedures of research) and, on the other hand, the construction of a model of reality (nature and structure) which encompasses all of the current developments as well as particular cases. This results in greater theoretical pluralism, and thus fulfils the most cherished wishes of Susan Strange. Indeed, no theoretical approach could claim to be “universal”, and this is why the current state of economics is a “failure of the modern discipline to match its methods to the nature of its subject-matter. Indeed, modern economics provides a very clear example of a rather narrow way of doing research being unthinkingly and erroneously universalised a priori, with unfortunate consequences.” (Lawson 2003: xviii). Lawson is implicitly referring to the “homo oeconomicus” hypothesis applied to economics, and which claims universality thanks to its use in political sciences, via approaches to Public choice. A more realistic approach, more in keeping with the underlying world vision would make it possible to adapt the method to the reality to be studied, to render ontology explicit and achieve a realist social theorising.

Today, it is becoming more and more evident that mathematical formalisation is a necessary condition to become a card-carrying member of the mainstream. It is at the heart of teachings at university economics departments, which is not the case for business schools or political sciences institutes. This explains the fact that IPE provides an institutional alternative for the accomplishment of the pluralist project, because it enables non-mainstreamers to evolve and develop a heterodox approach with a richer, more explicit ontology. It will enable theorists of different approaches to define their vision of the world and to understand economics, and politics as branches of social science, each one shedding light on aspects of social life and of the reality they are studying. The interdisciplinary thus becomes pluridisciplinary, opening the door to other disciplines, in an approach that will leave more room for criticism and ontology. Cooperation between disciplines will become a vector for the study of different facets of the same reality. To explain this, let us consider globalisation, which is the central issue of the new political economy. This reality comprises a multitude of facets, among which we can cite: local-global tensions, structural issues, political power that is shaping the economy and vice-versa, relationships
between States and foreign firms, between national actors and global institutions.

Integration of the “international” in the new political economy is one example of concerns about ontology. Political economy cannot be restricted to the national sphere, as very few fundamental issues have remained strictly national. The international and the national are inseparable, state-market dynamics embedded in partnerships, agreements or international standards (a state-market condominium, an integrated system of governance).

**Structure-agency view**

The *structure-agency* relationship defines the nature of the political economy. According to Lawson, social phenomena depend on “human (intentional) agency”. Social science, which includes economics, has set out to discover the social structures (rules, social relationships) that comprise what we can call “social reality”, the researcher’s field of investigation. The existence of this reality has been demonstrated by a relationship of causality. Indeed, it is the “scientific” nature of the economic and more generally social discourse that requires demonstration that these social phenomena, inasmuch as they are the objects of study, are real and irreducible. The causality which allows us to confirm this reality arises from intentional human activities, such as speaking, withdrawing money from the bank and driving, all of which are perfectly observable. These acts are only possible through the existence of language rules, a banking system or a highway code. These rules pre-existed and determined the acts cited. This pre-existence confers autonomy, and consequently their reality is proven. “If it is the dependency of such structures upon human agency that marks them out as being social, it is their ability, in turn, to make a difference to (to enable as well as to constrain) physical states, or actions, that (just as with non-perceivable objects of the natural realm such as gravitational and magnetic fields) establishes that they are real” (Lawson 2003: 148).

In the social field, human structures and human agency are interdependent. They are two aspects of the same process; it is therefore necessary to understand the nature of this process. To understand social mechanisms, we must carry out a historical and geographic analysis as an “inescapable hermeneutic moment in social science” (Lawson 2003: 149). Indeed, to explore the interdependence of structures and social practices we need to go back to the origins of these
practices, back to the elements that will enable us to explain the social function. Consequently, Lawson defends the non-predictive and purely explanatory nature of social science:

“Recent developments in realist social theorising have shown the ‘deductivist’ framework of mainstream economics, with its ultimate recourse to positing correlations of events or actualities (whether real or fictitious), to be unsustainable as universalising orientation for social research and historically responsible for the contemporary failings and disarray of the economics discipline. The perspective stylised here as critical realism gives reason to resist any insistence upon always pursuing (strict) event regularities of the sort in question. Rather it construes science as a fallible social process which is primarily concerned to identify and understand structures, powers, mechanisms and their tendencies (my emphasis) that have produced, or contributed in a significant way to the production of some identified (real) phenomenon of interest – mechanisms, etc., which if triggered, are operative in open and closed systems alike. It is a conception in which science is characterised by its retroductive mode of inference, by the move from knowledge of some phenomenon existing at any one level of reality, to a knowledge of mechanisms at a deeper level or stratum of reality, by which the original phenomenon of interest was generated.” (Lawson 2003: 150).

Lawson is calling for a more critical conception of social theorising. The next session intends to demonstrate how critical IPE responds to this challenge.

“States and Markets”: a critical realist assessment

I will examine the work of Susan Strange, one of the most influential IPE authors, hence compare Critical IPE with the 'Economics as Social Theory' project.

The point of comparison will be Strange’s book “States and Markets”. I have selected this book for discussion for two reasons. First because of the enormous impact it had on the future development of IPE, especially concerning the British School. Second, because of the importance given to the nature of theorisation in social science (one section of the book is entitled “Nature of the theory in social science”) with an overriding concern for not only ontology, but also methodology, thus revealing a desire to adapt the method of investigation
and explanation to the nature of the object being studied. This was pioneering work, with strong implications for the future orientation of theoretical developments. Strange and Lawson share the same conception. For Strange, like for Lawson, the structure-agency relationship is at the heart of political economy. Applied to IPE, this relationship can be translated as “authority-market” (Strange 1994: 232). In Strange’s view, the authority is represented by the state, the non-state and international organisations. International bureaucracy (IMF, WTO) and national governments shape the rules for the market play in the era of globalisation. This explains the “social reality”, the existence of social structures as pre-existing rules in Lawson’s sense. These structures interact with human agency, both being aspects of the same process. Strange asserts that markets (the play of human agency) and authority are interdependent. The “social reality” of markets is perfectly observable and can be considered as an autonomous object of study. Strange describes the “geometry of markets” (Strange 1994: 232) in terms of general trends in prices, the number of producers and buyers. The variable geometry of markets calls into play structural changes. The different social groups (producers, consumers, creditors, debtors) are affected by the distributional consequences of these changes. Integrated world markets reshape the market-authority balance in the sense that it gives a few states great influence on the international rules. The powerful states will influence other states and international organisations, and will benefit from the new distribution of wealth. A perfect illustration of this effect could be, for example, the way trade performance in global markets invested China with an increasing authority in IR. By including markets in her approach of IPE, Strange initiated a “new realist ontology” (Tooze 2000: 287), away from state-centred analysis which predominated in mainstream IR. This new ontology is a radical one, because it denies the validity of mainstream ontology (Tooze 2000: 287).

The work States and Markets by Susan Strange was an attempt to apply a politico-economic synthesis to IR. According to Strange, trans-national actors (firms, financial organisations, religious organisations, universities and scientific communities) are indispensable partners for States. However, she distanced herself from R. Cooper’s interdependence theory of 1968, which set the foundations for the American IPE School. Cooper’s reasoning concerned the erosion of international regimes. Strange felt closer to Krasner’s vision, which considered regimes a variable determinant of hegemonic power and its objectives,
whereas the American school considered regimes a 'status quo', and questioned neither the sources of the power nor the reasons for which certain principles, standards or rules were imposed on others. In Strange’s vision, the concept of “power” could not be limited to the effect exerted by the state directly on the market but included the effects exerted indirectly on the conditions in which the market operated. This means that the state does not need to intervene directly to influence the market but only needs to modify the rules of the game. Power determines the relationship between authority and market, i.e. the way authority is exercised in deciding how big a role to give markets and under what rules to let them function. Let us consider two different forms of authority, such like a state-run, command based economy versus a free market, private enterprise economy. Strange draws attention to the importance of the two forms in shaping the context for the market play. That is not only a matter of freedom for market operators, but the context reflects a certain distribution of power. The context can be depressed, stable, booming, secure or insecure, and this is an indirect effect of authority on the context in which markets function. For example, the deregulation of air transport reflects a loss of authority by the IATA cartel over the air travel market. This is a direct effect. [11] The indirect effect operates on the tourism industry, on reservation and hotel building companies (Strange 1994: 23).

For Strange, there are three sources of power - force, wealth and moral authority (powerful ideas being accepted). The fundamental question is the way in which power is used, how it distributes wealth to different social groups in the system (companies, organisations). The critical IPE envisioned by Strange has its starting point in the examination of power. This is a critical realist feature, as Lawson put it, identifying and explaining structures, powers, mechanisms and their tendencies (Lawson 1997). The IPE agenda can be summarised in three steps: who-gets-what, the mix of basic values, and political solutions to change the system.

Susan Strange’s ambition was to formulate an approach that reconciled the different ideologies, with the dynamics of change at its centre. She signalled the end of dominance by the mainstream current of IR, by developing an approach that was more in keeping with structuralism. Strange was inspired by Antonio Gramsci, a structuralist who was close to Marxism and who favoured radical change in economic and social relations, a “post-Westfalian” world order that would be set free from the predatory behaviour of States.
For Strange, from the 1960s onwards, change dynamics no longer existed at the level of States and international organisations (as was the case in the mainstream IR approaches), but existed at the level of the relationship between States and Companies (States and Markets). This historically dated paradigm change calls for a theorisation of political economy, perceived in the world of political science as an aphorism: “the economists are to blame”. Strange claims that the distinction between two possible forms of power – structural and relational [2] – became far more relevant than the previous one between economic and political power. Structural power is far more important than relational power in shaping the global economy conditions for states, for organisations, for companies, professionals and scientists. [3] The use of structural power as a unifying concept rebuilds the political economy project dismissed by mainstream economics, and attempts to build the interdisciplinary, pluralist social science envisioned by Lawson.

Social theory: structure - agency

Strange and Lawson share the same point of view concerning the meaning of the “scientificity” of social science, in particular the non–predictive nature of its theories: “This is where social science differs from natural science. Natural science can aspire to predict. [...] Social science can never confidently predict. [...] The one social science that has most notably aspired to predict is economics. But its record of success is so abysmal that it should make all those who seek to emulate the economists and to borrow from them try something else. Economists are particularly bad at predictions when it comes to the world economy because many of the basic themes regarding international trade and exchange rates are based on assumptions that no longer hold well in the present state of the integrated world market economy.” (Strange 1994: 11)

For Strange, the scientific criteria are rationality and impartiality, and the systematic formulation of explanatory propositions. She deplored the inferiority complex that “social scientists” felt with regard to “natural scientists” and more specifically that felt by “political economists” with regard to “economists” (Strange 1994: 10-11). She revolted against the meaningless search of laws of international systems or regularities. [4]

Strange offered a structural analysis of the relationship between States and Markets: “I am suggesting here a way to synthesize politics and economics by
means of a structural analysis of the effects of states – or more properly of any kind of political authority – on markets and, conversely, of market forces on states.” (Strange 1994: 13-14) The relationship between states and markets reflects the interdependence between human agency and structure. Structure is determined by market relationships as defined previously by political power.

Ontological research in IPE appears clearly in Strange’s book: she advocates the adaptation of the analytical method to the object being studied, asking for more realism and pragmatism in a normative field: “What we have to do, in short, is to find a method of analysis of the world economy that opens the door of student or reader choices and allows more pragmatism in prescription; and, secondly, a method of analysis that breaks down the dividing walls between the ideologues and makes possible some communication and even debates between them.” (Strange 1994: 16-17)

Strange chooses taxonomy instead of theory building. She refutes simplifying devices borrowed from other social sciences like the prisoner’s dilemma or demand curves, while claiming that quantitative techniques are merely platitudes reinforcing conventional wisdom. In Lawson’s vein, theory is not meant to prescribe and predict like in natural sciences, because there are many irrational factors in human behaviour. Both Lawson and Strange report the abysmal success of economic predictions. When it comes to prescription, there are value choices involved in it and these are exogenous to the theory (Strange 1994: 12). Like Strange, Lawson insists on the non predictive and purely explanatory nature of social science because there are no such “laws” or “regularities” like in natural sciences. He scrutinizes the social phenomenon using a “retroductive” or “abductive” (Lawson 1997: 80) mode of inference, which moves from the surface of the phenomenon (knowledge) to the mechanism underlying it.

Strange insists on the role of structures and of the history of institutions in the determination of human agency, i.e. acts and decisions of international players, belonging to different structures, but, at the same time, interacting with each other, creating new international rules. As for critical realism, social structures are the product of past actions and are ontologically irreducible to “current human agency and interaction” (Lewis 2004). “The definition, therefore, that I would give to the study of international political economy is that it concerns the social, political and economic arrangements affecting the global systems of
production, exchange and distribution, and the mix of values reflected therein. These arrangements are not divinely ordained, nor are they the fortuitous outcome of blind chance. Rather they are the result of human decisions taken in the context of man-made institutions and sets of self-set rules and customs. [...]

Consequences today – for states, for corporations, for individuals – imply causes yesterday. There is no way that contemporary international political economy can be understood without making some effort to dig back to its roots, to peer behind the curtain of passing time into what went before. Of course, there is no one ‘correct’ interpretation of history. [...]

But that does not mean that history can be safely ignored.” (Strange 1994: 18)

According to Strange, there are basic social values: wealth, security, freedom, justice. Different societies combine these values according to their priorities, which Strange represents by a pyramid, each face of which corresponds to one of the four values. She also uses a comparison with chemistry; the structure of different societies is like the structure of molecules composed of elements in different proportions:

“Once you have a society, therefore, you have arrangements made which provide some wealth, some security, some element of freedom of choice for the members or groups of them, and some element of justice. These basic values are like chemical elements of hydrogen, oxygen, carbon, and nitrogen. Combined in different proportions, they will give quite different chemical compounds. Societies differ in the proportions in which they combine the different basic values.” (Strange 1994: 17)

If these values can be accepted as choices made by individuals and by society as a whole, we are obliged to abandon assumptions of pure economic rationality. According to Underhill, who endorsed Susan Strange’s IPE approach, Homo oeconomicus metamorphosed into a “social” individual, whose choices and actions are both economic and political: “We are all political and economic agents at one and the same time, whatever the historical context. This argument is important because it re-establishes the role of agency, the capacity to make normatively informed policy choices concerning the nature and direction of the current global transformation.” (Underhill, 2000: 824)

The next session argues that Strange’s structural power is a critical realist approach of IR.
Structural power from a critical realist perspective

For critical realists, the distribution of power within society enables certain individuals to control the activities of others by persuading them to act in their interests and according to their objectives even though these choices are not in keeping with the wishes of the individuals being controlled. This is made possible by limiting choices. It is the power to impose constraints that conditions the activities of many humans. Lawson scrutinized social mechanism as causal power of structures: “The conception I am proposing: complex thing [...] which, by virtue of their structures, possess certain powers [...] to act in certain ways and to facilitate various activities and developments.” (Lawson 1997: 21) Lawson argued that by investigating structures we can infer something about their powers. The aim of science is to analyse the structure of internal relations underlying power (Lawson 1997: 133).

Power is the main actor in Strange’s work. Her aim is to show “how power has been used to shape the political economy and the way in which it distributes costs and benefits, risks and opportunities to social groups, enterprises and organisations within the system” (Strange 1994: 24). Keeping in mind ontology, she goes so far as to consider power as inherent in the IPE, and therefore requiring appropriate hypotheses and a methodology, which take into account the different ideologies and systems of underlying values: “it is particularly important to try to clarify the assumptions about power that underlie a particular view, such as mine, of the nature of the IPE and how it works.” (Strange 1994: 24)

According to Strange, structural power influences decisions without manifestly showing it; it fixes the rules of the game without putting direct pressure on agents to make certain choices. History is important to explain the origins of power. The huge oil companies have the power to look for petroleum and sell it. In the 1950s and the 1960s, petroleum producing States could sell their concessions. The royalties paid by the oil companies gave them structural power over the oil producing States. This source of revenue was extremely important, and this is why, later, when the States had consolidated their financial situation, they were able to defy the power of the companies, as happened in Iran and Indonesia in 1951. Structural power gives decisive power to one of the parties in a negotiation. This example unveils the peremptory influence of structural power, which may seem less visible than relational power. Without
apparent pressure on the others, the possessor of structural power can narrow or broaden their range of choices.

Susan Strange identified four sources of power [6]: production, finance, security and knowledge. Power is gained 1) by controlling the security of individuals, 2) by deciding the production conditions, 3) by the offering of credit and 4) by managing technological knowledge, beliefs and ideas. Added to these four main sources are the secondary sources: means of transport, trade, energy and wealth.

Structural power derives from these various sources, as illustrated by the United States. In the wake of the Second World War, the United States demonstrated its military and strategic superiority in its conventional forces vis-à-vis European States as well as in its non-conventional forces vis-à-vis the Soviet Union. According to Strange, however, this military superiority alone would not have been enough to impose American domination on Western economies. It was considerably aided by US superiority in both production and financial infrastructures (through the status of its currency, the dollar), by the US ‘moral authority’, by the confidence in the ability of the United States to take on both this hegemony and the creation of a new world order. Strange (1994) considered the United States a vast deterritorialized empire, organized around huge multinational companies. This hegemony will last as long as the United States maintains its ability to persuade the rest of the world to cover its huge deficit. [7]

Social construct in IR: the International Organisation School

Opposing mainstream neo-utilitarianism

The social constructivist project [8] in the field of IR emerged in the 1990s and clearly defined itself as an alternative way of thinking, distinct from the mainstream, in the International Organisation journal (Special Issue 52:4, 1998). The project was described in detail by Ruggie (1998) in a paper that triggered a rethinking of the theoretical development of IR and IPE. This new orientation, inspired by the Weberian sociology, linguistic philosophy (Searle, 1995) and post-modern or post-structuralist theory [9], was clearly stated by Ruggie as being a constructivist one, whereas, as we have demonstrated above, Susan Strange’s radical ontology should be viewed as critical realist. As a
The American School gained impetus to become the dominant philosophy in IR, while the British critical IPE remained somehow marked with Marxist suspicion. It is important to know that Susan Strange did not want to appear as a leader of one particular school of thought, but as being really concerned with a pluralistic approach, leaving space for different world visions to coexist.

However, both heterodoxies have a critical orientation, dealing with the limitations of the mainstream neo-utilitarianism (i.e., neo-realism and neo-liberal institutionalism both being dominant approaches in the 1980s). We will see that their responses also have common features. Both are directed against the hypothetic-deductive method and claim a more realistic approach, one being more Weberian and the other more Marxist in orientation. Moreover, they are both concerned with a shift from the very limited mainstream ontology. In this way, we can call them heterodoxies. They are inductive in orientation, treating time and space contingency as an endogenous factor in explaining structure, agency and system transformation.

In his article, Ruggie (1998) stresses the ‘ideational factors’ and their role in international life. These factors encompass “identities, norms, aspirations, ideologies or simply ideas about cause-effect relations” (Ruggie 1998: 855). However, they are difficult to grasp using the dominant post-war IR theories. Even idealism, developed after realism and liberalism, was not enough to understand the importance of ideational, intersubjective factors and how they function. Like Lawson, Ruggie is unsatisfied with the homo oeconomicus assumption imported from microeconomics and the strictly utilitarian rationality.

For Ruggie, there is a subjective dimension of human activity, which cannot be taken into account by using rationality in the utilitarian frame. The attitude is defined by social constructs (culture, identity, ideology) and not only by the objective pursuit of material interest: “America’s choice of the specific features of the post-war institutional frameworks – be it the United Nations, indivisible security commitments in NATO, or non-discriminatory norms in trade and monetary relations – cannot be rendered accurately merely in terms of marginal utility but also reflected America’s sense of self as a nation.” (Ruggie 1998: 863). The social constructivist project is thus concerned with the socially created reality which rests on linguistics. Unlike Lawson, who proved the reality of
social facts since they can be observed in the material world, constructivists hold that social facts cannot be observed. For social constructivists, human mind or consciousness in IR is the origin of socially constructed reality, revealing identity and interests. In fact, the actors on the international stage are not *homo oeconomicus*, but interconnected social beings, with a subjective insight. Social constructivism does not question the constrained nature of human behaviour (since structure conditions human agency) but considers that this is not the whole picture. Constructivists search for a larger, more encompassing view than structuralism, which is only a part of the social scientific enterprise. Structure and human agency are simultaneous, interacting through human consciousness. Social constructivists and critical realists agree upon the significance of ideational factors in international life and the fact that they depend on time and place, but disagree when it comes to explaining this dependence. For constructivists, identities are generated in part by international interaction in a continuous causal relation. States' identities and interests are not given and fixed. There is no pre-existing reality, or pre-existing structure to condition human action, either at individual or aggregate level:

“Social constructivism rests on an irreducibly inter-subjective dimension of human action. As Max Weber insisted at the turn of the century, we are *cultural beings*, endowed with the capacity and the will to take a deliberate attitude towards the world and to lend it *significance.*” (Weber 1949: 81). This capacity gives rise to a class of facts that do not exist in the world of physical objects: social facts, or facts that, in the words of the linguistic philosopher John Searle, depend on human agreement that they exist and typically require human institutions for their existence (Searle 1995: 2). “Social facts include money, property rights, sovereignty, marriage, football, and Valentine’s Day, in contrast to raw observational facts such rivers, mountains, population size, bombs, bullets, and gravity, which exist whether or not there is agreement that they do. In short, constructivism is about human consciousness and its role in international life. In contrast to neo-utilitarianism, constructivists contend that not only are identities and interests of actors socially constructed, but also that they must share the stage with a whole host of other ideational factors that emanate from the human capacity and will of which Weber wrote.” (Ruggie 1998: 856).

All elements composing the sense of self as a nation are determinant factors which shape states’ interests. The Gorbachev revolution in the Soviet Union can
thus be read as an identity shift towards a transformation of the nation’s interests. In the social constructivist perspective, the change in interest is not only the result of constraints and opportunities in the international context, but also the result of an endogenous shift in identities, which are embedded in the domestic norms and institutions. All the elements defining national identity and aspirations are socially constructed and fluctuating. Social constructivists seek to identify and explain these elements before turning to IR. Institutions and organisations must be understood in a non-linear manner, by revealing their multi-facets and permanently changing nature. For constructivists, the ideational factors are endogenous factors in IR, thus escaping from their “exogenous variables” status in mainstream theory (Ruggie 1998). They are part of the ontology. In order to assess the impact of ideational factors on IR, regarded as complex systems of beliefs, the social constructivist researchers attempted some documented, empirical studies among which one can find studies on decolonization, on the growing significance of human rights, on the role of multilateral norms in stabilizing the consequences of rapid international change, and on the increasingly non-discriminatory humanitarian interventions.

One of the key explanations of the impact of shared beliefs on the patterns of IR is the existence of “epistemic communities” as a dominant way of looking upon the social reality (Ruggie 1998), that is to say transnational networks of knowledge-based experts who have a growing influence on policy, international and domestic agendas. They disseminate norms and thus contribute to the social construction of reality (Finnemore & Sikkink 2001: 402). This is the case, for example, with ecological organisations pushing forward their vision of the future through intense lobbying and activities. Ideational factors and organisations are shaping each other so that it is very difficult to treat them in a simple cause-effect sequence. To escape this dilemma, constructivism prefers to treat them as reasons for action instead of causes of action. Like critical realists, they reject the deductive method and adopt the explanatory framework: “Sufficient to say that these factors ideationall fall into the category of reasons for action, which are not the same as causes for actions. Thus, the aspirations for a united Europe has not caused European integration as such, but it is the reason the causal factors (which presumably include bipolarity and economic interests) have had their specific effect – in Weber’s words, produced an outcome that is historically so and not otherwise. Absent those ‘reasons’, however, and the same ‘causes’ would not have the same causal capacity” (Ruggie 1998: 869).
Ruggie’s assertion allows us to think more broadly about the nature of causality. General, global causes have specific, local effects. Social norms have different influences on different agents. Sustainability norms, for example, are spreading worldwide. But their implementation is highly dependent upon local conditions, history, cultures, institutions and social aspirations of the populations. These sustainability norms will not cause the same sustainability policies everywhere. The reasons for action are specific and intervene in different local situations. For example, a strong commitment to environmental preservation in certain places, like in the Scandinavian Peninsula, represents a strong reason for action. On the contrary, a lack of concern about the environmental risks renders the sustainability norms inefficient, because local agents (companies, organisations, individuals) will not strive for their implementation.

**Constitutive rules**

The ideational factors, such as social constructions, are reasons for actions. They can change the causality chain and reorient it towards one which is more in tune with the system of “intersubjective beliefs” (Searle 1995). According to the linguistic philosopher John R. Searle, these beliefs are social facts, and as such, they are an object of study.

Given these considerations, how can we explain the “intersubjective beliefs”? As social constructs, they are based upon individual beliefs which emerge in individual minds. Individuals believe and then intend to take a given action. But when each individual “intends”, this is only a small part of a “collective intentionality”. As Searle puts it, “we intend” is the result of many “I intend as part of our intending”. This is the way he defines “collective intentionality”. Beliefs and intentions remain essentially individual, while their effect is collective because they are present in all minds as a social fact.

To clarify this point, let us consider conventions. They are a social fact, existing in individuals’ minds and collectively accepted. They condition the functioning of society as a whole, like norms and rules. The individual intentionality is part of the collective one, characterised by shared beliefs. At this point, another question arises. What makes these shared beliefs emerge? According to social constructivism, money is a social construct. It exists by virtue of collective intentionality. Individuals believe that the money is accepted by the others, so they intend to exchange money any time in any place. The erosion of this shared
belief will drastically modify the collective intentionality. Consider, for example, the dollarization taking place in Latin American countries. Individuals no longer believe that their fellow man will automatically accept the local money, but they believe that their fellow man will accept the dollar as replacement money. The collective intentionality will thus confirm the new monetary system based upon the dollar.

Social facts exist because there is a shared belief and a corresponding norm emerging from it. This observation is highly important because it distinguishes social facts from physical or natural facts. According to Ruggie, social facts exist by virtue of constitutive rules: “We can readily imagine the act of driving a car existing prior to the rule that specified ‘drive on the right (left)-hand side of the road.’ Specifying which side of the road to drive on is an example of a regulative rule. Rather, the rules of chess create the very possibility of playing chess. The rules are constitutive of the chess in the sense that playing chess is constituted in part by acting in accord with the rules. Regulative rules are intended to have causal effects – getting people to approximate the speed limit, for example. Constitutive rules define the set of practices that make up a particular class of consciously organized social activity – that is to say, they specify what counts as that activity” (Ruggie 1998: 871).

The distinction between constitutive and regulative rules is at the heart of the social constructivist project. An activity is defined by its constitutive rules. Payment by credit card depends on the constitutive rules of the monetary or banking system. The act of selling a house is based upon the constitutive rules of the property rights. Every social activity must be understood as fundamentally determined by constitutive rules. The regulative rules intervene at a later stage, when or if there is a need to modify or restrict an activity. In the case of the two previous examples – money and property rights – regulative rules restrict, for example, the use of money and the fixation of prices. They may change, but this change does not fundamentally affect the social nature of money and property rights. They only alter their functioning. By contrast, constitutive rules generate the necessary preconditions of human activity: “Constitutive rules are the institutional foundations of all social life. No consciously organized realm of human activity is imaginable without them, including international politics” (Ruggie 1998: 873).
In the field of IR and IPE, constitutive rules define, for example, the sovereignty of the states. The constitutive rules can be found at the origin of the international organisations (the UN, the Monetary Fund and the World Bank). The regulative rules intervene afterwards and allow a smooth, adaptable activity in each organisation.

Social constructivists consider themselves as contributing to building and explaining theoretical foundations of IR and IPE, like that of organisation studies in general. Their contribution would thus go far beyond the limits of modern economic theory. As a matter of fact, the marginal utility analysis does not account for the constitutive rules of markets and organisations, as they consider them to be exogenous factors. Social constructivists want to fill this gap by searching for endogenous explanations of social facts. In this context, constitutive rules are used to describe reasons for actions that condition cause-effect chains. Market conventions, for example, are the constitutive rules which allow market rationality such as the maximization of revenue to emerge.

Another example is the exclusive territoriality defining the limits of land. This exclusive territoriality is so largely and commonly accepted that it ceased to be considered as a constitutive rule. It is a given, exogenous fact in international trade theory as much as in IR and IPE. The durability of exclusive territoriality rests on collective intentionality, even if at the beginning seizing a piece of land was a physical action. (Ruggie 1998). If the collective intentionality changes, as in the case of ex-Yugoslavia, it will be followed by conflicts and physical actions to redefine territorial limits. Social constructivists are concerned with the constitutive rules but do not have a theory yet. By contrast, neo-utilitarians do not include the constitutive rules in their ontology but limit themselves to regulative rules. Neo-utilitarian models of IR are imported from mainstream economics and analyse economic rules. Therefore, they totally ignore the fact that the economy is embedded in broader social, political and institutional frameworks, governed by constitutive rules that make possible the development of economic relations.

Let us consider the state system. The very concept of modern state resulted from a new constitutive rule, namely the reciprocal sovereignty that replaced the constitutive rule of heteronomy. The very concept of institution is absent from neo-utilitarian IR.
Another example is the hinge between the concept of promise, which is a regulative rule, and the institution of contracts, which is a constitutive rule. The problems of cheating and incomplete contracting are properly described within the framework of contract theory. Promises are embedded in contracts. The regulative rules are useless if the partners do not understand and legitimate the contract institution. Therefore, constitutive rules lay the foundation for social actions.

Structure and agency

With respect to structure and agency, the two views (critical realism and social constructivism) truly diverge. Critical realists consider the reality as given. In a given structure, the interests of different actors may be derived from the current state of knowledge, production, security and finance (Strange 1994). There is a clear causality link between structure and agency and thus no room for interpretation of reality as a conscious process in actors’ minds.

Unlike critical realism, social constructivism focuses on the active process of interpretation and construction of reality. What happens in the actor’s mind that will trigger action? How do actors understand circumstances? How do actors currently redefine their interests and preferences in times of crisis and discontinuities? Social constructivists have been criticized on the grounds that they mix up structure and agency. Is this attack justified? As an answer, constructivists put forward Giddens’ (1981) theory of structuration. According to this theory, structure has a dual nature, as it is at once constraining human action and (re)created by it. The crucial distinction from critical realism is the adverb “at once”. There is no delay between the creation of structure (which has been made by previous human actions) and the constraint exerted on agency as found in Lawson’s view. For constructivists, structure and agency are the two faces of the same phenomenon interacting in a simultaneous manner. According to Giddens, “structural principles are principles of organisation implicated in those practices more ‘deeply’ (in time) and ‘pervasively’ (in space) sedimented into society.” (Giddens 1981: 55). Giddens’ duality of structure has been applied in IR theory by Ruggie (1983), Wendt (1987) and Dessler (1989).

Giddens claims that transformation patterns are not predetermined. That is because of the time-space contingency of the duality of structure. The duality is in fact an inclusive concept which integrates structure and agency. Thus, for
social constructivism they are no longer separate objects of study. Agency and structure are born together in the process of identity formation and ideas. The structure simultaneously acts as a constraint and an enabler of social agency.

Concerning space, social constructivists go far beyond critical realists in assessing the changing nature of space: "It is a social construct that people, somehow, invent" (Ruggie 1998: 876).

But time contingency is not questioned by social constructivism, even if structure and agency overlap and even if history plays a very minor role in their approach. However, introducing time in the analysis as an endogenous factor is a common concern of social constructivism and critical realism. Both want to understand the "making" of circumstances and do not want to merely observe the "finding" of circumstances: "The distinction between finding and making circumstances is especially critical at times of discontinuity such as the world has experienced since 1989. The core foreign policy problem for states then becomes precisely how to redefine their interests and preferences vis-à-vis the international order. It is not surprising that the mainstream theories have been so incoherent in the face of these discontinuities." (Ruggie 1998: 877)

However, social constructivists and critical realists do not have the same reading of discontinuities. Social constructivists relay on discourse analysis in order to identify ideational factors. Consider the collapse of Soviet Union and the end of the Cold War as a major discontinuity in IR. Havel’s discourse to the NATO (1990) reveals his aspiration to Western identity, a purely ideational factor analysed by Ruggie in the following excerpt:

“The constructivist approach has received a ringing (though presumably unintended) endorsement from Czech President Vaclàv Havel, whose country has been invited to join NATO: 'If we in postcommunist countries call for a new order, if we appeal to the West not to close itself off to us, and if we demand a radical reevaluation of the new situation, then this is not because we are concerned about our own security and stability... We are concerned about the destiny [in our countries] of the values and principles that communism denied, and in whose name we resisted communism and ultimately brought it down.' In short, according to Havel, the would-be NATO members are asking for affirmation that they belong to the West – an affirmation of identity from which concrete interests and preferences flow.” (Ruggie 1998: 877)
For social constructivists, discourse analysis reveals the importance of ideational factors such as identities, aspirations redefining the interests of the actors, and thus of their agency. History is not ignored, but is considered insufficient to explain agency. Social constructivists integrate subjective factors in the analysis of the post-communist era. The reflexive thinking shapes individuals’ understandings of the structural conditions, and they adapt their behaviour to these new understandings. The changing social knowledge of society determines social action. For social constructivists, identities and interests are two expressions of the duality of structure. In this perspective, Havel’s discourse reveals both identity and interest. The collapse of communism is not a sufficient factor to explain the Czech President’s pro-NATO commitment in a predetermined frame. The ideational factor of identity and the understanding of the current situation are the reasons for action.

In contrast, critical realists analyse the Czech intention to join the NATO as an effect of the structural power of the US, which is conditioning the behaviour of ex-satellites of the Soviet Union. The same could be said concerning their intention to join economic organisations, financial structures and Western markets. Human agency expresses the power relations that stem from the structure of reality.

Final remarks

The social constructivist project asserts that ideational factors, and not only material ones, intervene in human agency. The most important ideational factors are to be found in “intersubjective beliefs”, and these shared beliefs explain the interests and identities of actors in IR (Finnemore & Sikkink 2001:393). The ideational ontology that characterises constructivism and its holistic perspective opposes individualism. This can be seen as a common feature between critical realism and social constructivism, generally speaking.

After a close scrutiny of both methods and their application in IR theory it is obvious that the frontiers between them are not so sharp. Both are heterodox approaches, wishing to break with the mainstream, neo-utilitarian theory of IR. They hold a pragmatic, more realistic view and search for a redefinition of ontology, thus giving birth to a pluralist approach.
The permeability of the frontiers becomes obvious if we consider that there are also versions of constructivism. Ruggie identified at least three constructivist approaches. Firstly, there is the neo-classical constructivism (Katzenstein, Ruggie) with a pragmatic orientation. Secondly, there is the postmodern constructivism, inspired by Nietzsche, then by Foucault and Derrida. Thirdly, there is a mixed constructivism (Wendt, Dessler), called “naturalistic constructivism”, a sort of a continuum between the first two versions.

The neo-classical version of constructivism is close to critical realism in its goal, i.e. a unified social science. Neo-classical constructivism has called for pragmatism and has developed analytical tools for intersubjective meanings, like the theory of communicative action, speech-act theory and evolutionary epistemology. It is also close to critical realism in its commitment to the idea of social science as being more “plural” and more “social” than the mainstream theory, and whose insights are temporary and unstable.

The postmodern version of constructivism stresses the “linguistic construction of subjects” and puts forward an epistemic break with modernism. This version clearly diverges from critical realism. For postmodern constructivism, ontology is based on discourse. It imposes a “hegemonic discourse” as object of study. Social science thus becomes a discourse analysis, which evacuates causality and leaves space for the coexistence of different modes of interpretation of social facts, each one with its own consequences.

The mixed version of constructivism also differs from critical realism in its naturalistic conception of social science. Lawson and Strange have insisted upon the difference between social and natural science, stressing the non-predictive nature of social theorising. But according to Wendt, a “naturalistic” social science is possible, rooted in the philosophical doctrine of “scientific realism” (Bhaskar 1979). The idea of an autonomous social reality can also be found in Ruggie: “Scientific inquiry of both material and social worlds deals largely with nonobservable, be they quarks or international structures, and much of the time even the intersubjective aspects of social life exist independently of the mental states of most individuals that constitute it.” (Ruggie 1998: 882) This scientific project of social constructivism reconciles it with the mainstream, neo-utilitarian approach and in the same way explains the coexistence of the two approaches in the American IO School.
An overview of these methodological options in IR calls for several remarks. The orientation that deeply marks the social constructivist project is sociology and linguistic philosophy. Divergent versions of constructivism coexist, which deny or accept the very possibility of a scientific method. In contrast, critical realism is characterized by a positivist approach, rooted in the realist view of science implicit in Marxism. Thus, there is nothing strange about the fact that the critical realist orientation has a more economic view. The British School is more concerned with economics than its American counterpart. That was one of the reasons why Susan Strange put such a great emphasis on the “States and Markets” topic. Another important feature of the British critical realist IPE is the importance of history. It is one of the epistemological touchstones of the British school because it rises so many questions about the best way to treat history in the analytical works of IPE.

My last point is a call for a thorough global perspective which combines the two methodologies. The two can complement each other and thus remedy reciprocally their main weaknesses. Social constructivism offers a way of addressing the nature of social life and social interaction, without making claims about their specific content. This constitutes a weakness. An analytical complement could be found in a critical realist approach, which would provide a more specific understanding of the relevant actors in IR. Similarly, critical realists tend to undervalue the ideational factors that shape international relations, as they are not concerned with human consciousness and its role in interpersonal and social life. An emphasis on ideas as vectors of human agency could help the understanding of human agency and structure in critical realist IR.

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Endnotes

[1] The direct effect is exercised by agent A on B, while the indirect effect is exercised by A on C via B (A-B-C transitivity).
Strange made a distinction between two forms of power: the first is relational (A orders B); the second is structural (A conditions B and influences the relationship between B and C).

Strange argues that structural power “shapes and determines the structures of the global political economy within which other states, their political institutions, the economic enterprises and (not least) their scientists and other professional people have to operate. […] it is the power to shape frameworks within which states relate to each other, relate to people, or relate to corporate enterprises.” (Strange 1994: 24-25)

"The ambition in the social sciences to imitate the natural sciences and to discover and elaborate 'laws' of the international system, patterns so regular that govern social, political and economic behaviour, is and always has been a wild goose chase.” (Strange 1994: 16)

Palan acknowledged the simplicity and efficiency of expression in Strange’s explanatory works but deplored her reluctance to engage in theoretical debates, which led some of her commentators to call her a ‘naive empiricist’ (Palan 1999: 122-3). In her view, a general, encompassing theory was neither possible nor desirable, so she never claimed to build a theory of IPE.

Strange’s vision of power breaks with the Marxist and neo-Marxist (Cox 1987) overemphasis on the structure of production.

Two additional examples address the origins of structural power. The first example is the Mafia organisation and its coercive force, its wealth and financial capacity to benefit from the lack of control of the state-based structures over drug and arms illegal markets. The second example reveals the coercive structural power of the Anglo-American navy over the market during World Wars I and II. Military Anglo-American forces could seize the ships and the cargo of merchants from neutral countries if they suspected them of trading with the enemy. (Strange 1994: 32-33)

For a thorough review of the constructivist project in IR, see Finnemore & Sikkink (2001).

Post-modernism is the broader term referring to a current of thought developed since the late 1960s. More specifically, postmodern theory refutes the modern belief that theory grasps reality. Instead, theoretical constructs are
cognitive representations that are historically and linguistically mediated. "Postmodern theory also rejects modern assumptions of social coherence and notions of causality in favour of multiplicity, plurality, fragmentation, and indeterminacy. In addition, postmodern theory abandons the rational and unified subject postulated by much modern theory in favour of a socially and linguistically decentred and fragmented subject." (Kellner, Best 1991: 10) The narrower term of post-structuralism refers to the works of five French theorists in the 1980s, namely Jacques Derrida (philosophy), Michel Foucault (history), Jacques Lacan (psychoanalysis), Julia Kristeva and Roland Barthes (literature). Their common attempt is to cross disciplinary boundaries and use rhetorical analysis to reveal the primacy of the signifier over the signified and emphasise the instability of meaning.

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