TOWARDS A NEW UNDERSTANDING OF STRUCTURAL POWER

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By presenting a new concept of structural power, this paper will offer a way to include the structural level into the analysis of power in IR. The purpose of this article is to redefine the term structural power, which was introduced by Susan Strange (1987) but which appears to be hardly operationalizable/feasible. The inclusion of the concept of the Outside Option (OO) as well as of adjusted and modified concepts of goods and needs, will be in the center of this redefinition. It will be argued, that a state possesses structural power, if a state possesses a specific set of goods (basket) which it may offer for exchange in an international bargaining situation and parts of the composition of his basket meet the demand of other actors particularly well AND his own needs are highly compatible with the range of supply (baskets of all other actors) in the system the state is embedded in. Due to the former aspect, the possibility rises to be an OO for other players, because of the latter aspect the number of potential OOs for the actor himself rises. This article aims at introducing a concept of structural power that is independent of a concept of predetermined power (sub-)structures and resources, and instead, is based on a conception of structure that defines structure as the sum of all (potential) interactions among the states. This redefined concept of structural power is able to explain change in the political power structure of IR.

Keywords: structural power, outside option, needs, goods, power analysis
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The study of power in International Relations (IR) can be seen as the search for the cornerstone of our discipline. Hardly any theory or approach of IR can claim evidence and explanatory power without at least implicitly addressing the question of the ontology of power.

In doing so, most approaches to power in IR focus on an understanding of power which defines power either as the possession of certain relevant capabilities, or as the ability to get one’s way within a relational context. In a world in which negotiations and structures have become increasingly important in order to achieve political results on a global level it is necessary to develop theoretical concepts able to include all factors into analysis: capabilities, as well as the relational context of power and furthermore also the structural level of power. (cf. Zimmermann 2007: 27ff).

In this article we will, by introducing our concept of structural power, offer a new path towards understanding a concept famously introduced in the 1980s by Susan Strange (1987, 1988a, 1988b), but still lacking clarity in operationalization and application.

Relying on the concept of the Outside Option (OO) and on adjusted and modified concepts of goods and needs, we will present a new concept of structural power. The term structural power can be applied, because it is assumed, that the value of a good in a specific bargaining situation is not only defined by the relation of the negotiating actors, but in fact depends on the totality of all possible interactions (structure) and therefore on the sum of available OOs. By addressing the questions: “How does structural power work? / How does structural power change the rules of the game? / How is structural power constituted? / Through which kind of transmission channels does structural power affect the power position of states? / What are the underlying power resources of structural power? What is the relationship between structural power and other forms of power?” our approach to structural power will, by answering these questions, offer an new approach towards the study of power in IR and will foster the understanding of a concept which can help to understand international relations in an interdependent age. We

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1 Here we define structure as the interrelation or arrangement of parts in a complex entity.
will present a concept of structural power which differs distinctively from the concept of Susan Strange.

By examining the importance of states’ needs and goods and the available Outside Options (OOs) for states’ structural power positioning in international relations, our approach follows a new track on the path towards a more sophisticated understanding of structural power. The aim of this article is to foster a new understanding of structural power, by introducing a concept of structural power independent from the assumed, but empirically not proofed existence of a specific number of dominant power (sub-)structures and certain resources, but based on a model of structure able to enclose changes in power structures in international affairs.

To lay the foundation, we first give a brief overview of the existing approaches and debates on power in IR. Secondly, we present our core assumptions and propositions. In a third step, we introduce our theoretical framework of structural power. We then will also address the question of how structural power can be understood and how its effects can be explained. Furthermore, it will be shown how structural power works and how a state might be able to improve its own position in terms of possessing structural power.

**(Structural-)Power in International Relations**

In the field of IR, a variety of approaches have been developed to understand what power in international affairs actually means, how it is used, what sort of overt or covert mechanisms it relies on and what kind of power sources should be considered more important than others (see Baldwin 1979; 2002). Typically, realist and neo-realist theories conceptualize power as the overall amount of capabilities possessed by a state. They regard hard power, mainly military might and pure economic power, as dominating other means of power application (Waltz 1979; Walt 1991, Gilpin 1981).

In this understanding, the possession of a larger number of relevant resources (like GDP, territory, population, size of the military etc.) transforms more or less automatically into more power and therefore into more security for the state in an anarchic international system (Baumann/Rittberger 1999: 250). According to the neo-realist school in international relations, the amount of resources possessed by a state (power-as-resources understanding) constitutes its hard power capabilities and is therefore essential for identifying its power position in the international structure. It is assumed that the larger a state’s power resources are, the greater is the probability of its ability to achieve the superior national preference (Waltz 1990, Mearsheimer 1995, Grieco 1995: 27).
For instance, the United States of America today hold an undisputed pre-eminence in the international system with regards to hard power capabilities (Norrlof 2010, Joffe 2009), especially when it comes to military power - a pre-eminence which is almost second to none in historic comparison (Ferguson 2005, BPSM). However, although these hard power capabilities should allow the U.S. to shape outcomes in a way that matches their preferences in international politics, as the hard power approach would assume, empirical research has shown that over the last decades the USA have had increasing difficulties satisfying their preferences unilaterally in many sectors. A number of studies (e.g. Zakaria 2011) have shown, however, that the mere possession of hard power is no guarantee for the automatic achievement of preferences on the international stage. As, among others, Zimmermann (2007) remarked, it can be assumed that the modus of negotiations in international relations is nowadays the most important instrument for decision making and the achievement of preferences. In this context the possession of general capabilities is less relevant for the enforcement of interests than the ability to offer precisely those goods that are valuable to the other actors. Also Nye’s concept of soft power (Nye 1990a, 1990b, 2004a, 2004b) is shortcoming. When it comes to explaining the whole range of international relations and advocates of soft power have so far failed to clarify when and where governments of great and middle powers changed their position on major issues due to the ideational attractiveness and normative persuasion of other countries. While there are cases in history in which hard power played a crucial role in allowing one party to coerce another to subdue, proponents of soft power theory found it much harder to present such examples and to present an analytical framework which allows us to operationalize soft power in international relations (see Kagan 2002).

A second school of scholars in political science has introduced a concept of power, seeing power as a relational concept. Based on Max Weber’s definition, defining power as “the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance” (Weber 1947, Dahl 1957 also uses this concept), power derives from the relationship between two or more actors and the context the actors are imbedded in and not only from capabilities themselves. The value of capabilities in this concept is determined by the relational context (cf. Baldwin 1979). By emphasizing the relational element of power, proponents of a relational concept of power have provided a reasonable and necessary extension of the term power, particularly with regard to the inclusion of social relations characterized by relational interactions between actors. But, as we will show in the elaboration of our concept of structure, the relational concept of power per definition focuses only on spatially and

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2 Take for example the problems of the U.S. to achieve its preferences in the North-Korea and Iran conflicts, as well as in the sphere of international trade (e.g. implementing the Singapore topics into the WTO regime). The more general question whether U.S. hegemony is in decline or remains unchallenged is still to be answered. (Ikenberry 2003, Katzenstein 2005; Ferguson 2003; Mann 2003; Bacevich 2008, Joffe 2009, Zakaria 2011).
temporally limited relations between directly involved actors and does not offer a concept of structure beyond the mere sum of these relations. Therefore the relational approach does not offer a possibility to conceptualize the effects of structure beyond the sum of spatially and temporally limited relations. Thus, it does not offer an epistemological independent concept of structure which is able to explain general effects of structure outside the logical conception of spatially and temporally limited relations.

This problem was also recognized by Shambaugh (1996), who stated that for the determination of the value of resources it is not sufficient just to look at the particular relationship itself, but also at factors outside the relationship. Shambaugh therefore proposed to look at the dependencies that exist among the actors by using an adapted approach of the interdependence theory (Shambaugh 1996). Although Shambaugh was able to show, that factors outside the relation context must be included into analysis to understand the exercise of power in IR, the concept of interdependence offers no explicit toolkit to describe the broader context of the relationships the actors are involved in. Despite the fact, that the implicit logic of the concept of interdependence foreshadows the relevance of a structure, it does not make the last necessary step of conceptualizing this structure as independent variable of analysis. Without this step, the concept of interdependence remains faulty, because with every new further step of the analysis of relations, we have to derive the new context of interdependence. This shortcoming becomes most obvious in Shambaugh’s analysis, which is basically an analysis of a market and its structural effects, but without ever reconsidering the market as a structure or adapting a structural approach towards the market. Therefore, although we agree with a wide range of the general assumptions of the concept of interdependence, it cannot be used on a conceptual level to carve out the general effects of factors outside the relationship for an actor’s power positioning except for a case-by-case basis. Furthermore, the concept of interdependence has great struggles to include non-material/ideational factors into the analysis, due to the fact that it is quite difficult to identify the manner of dependencies for these factors.

The third widely debated understanding of power in international relations depicts power in structural terms. Proponents of this understanding see power as mainly related to the establishment of structures, or the control over structures, in international relations. The concept of structural power became popular with the writings of Susan Strange (see Lawton et al. 2000). Strange defines structural power as the power “to decide how things shall be done, the power to shape frameworks within which states relate to each other, relate to people, or relate to

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3 E.g.: By using Adam Smith's definition of market.
corporate enterprises” (Strange 1988a: 25). She adds that structural power “means rather more than the power to set the agenda of discussion or to design” (ibid.). Strange emphasizes that “power over structures” is more important than “power from resources”, thus arguing for a reconsideration of the actual value of economic resources and military capabilities for the outcomes of divergences between great powers in the modern world (Strange 1996: 25-30). In Strange’s understanding, power cannot only settle outcomes within interstate relations due to material or ideational factors but “even more importantly”, power can shape and define the structures or tacit bargains states are actually embedded in and these structures become a resource of power by framing the rules of the game in favor of the actor. States that have the ability to exert control over those international relevant power structures (security, finance, production, knowledge) thus influence the framework defining their relations with other states. This comes close to what Steven Krasner (1985: 14) calls meta-power, i.e. the power “to change the rules of the game”.

Thus, Strange does neither provide information for her reader on the relation between the formation of the structure and resources, nor on the relation between the formation and the effects of structures and the substructures. Hence Strange’ concept presents itself as a serious challenge to the scientific community in terms of applying and operationalizing (Lawton et al. 2000).

Guzzini (1993) describes that other authors have tried to distinguish different categories of power, related to the control or effect of structures (indirect institutional power, non-intentional power, impersonal power), but as Guzzini shows, first, they failed, to offer a way for a sufficient application of these concept in IR and more importantly, and second, they failed to explain in a conceptual matter why non-intentional effects should be qualified for being classified as power. Guzzini proposes to distinguish between agent power and impersonal governance and to avoid the term structural power for impersonal effects. Impersonal Governance defined by Guzzini as the “capacity of intersubjective practices to effect” (Ibd: 471) however looks quite the same as focaultian, gramscian and poststructuralist conceptions of the effects of social and discursive structures on the subject’s position within the structures. In this regard, the concept of impersonal governance faces the same problems regarding its application and operationalization in IR, as focaultian, gramscian and poststructuralist concepts do (fuzziness of the assumptions, lacking generalization…). Furthermore, also Guzzini’s argument against the use of a structural conception of power in IR is not satisfactory. There is neither an epistemological argument, nor an empirical argument against the use of a structural conception of power.

David Baldwin (2002: 178-179) again introduced a multi-dimensional concept of power: power in his concept can be analyzed in terms of its scope, weight, means
and domain. To understand power in its total character, Barnett and Duval (2005) also developed a multi-level approach towards power: They presented an approach which combined material, relational and structural components of power. Barnett and Duval distinguished on an analytical level between compulsory, institutional, structural and productive power, asserting that those four forms would be able to explain the whole picture of power in IR (Barnett/Duval 2005). Lukes once again pointed out the importance of the relationship between power and interests, as well as the importance of winning the “hearts and minds” of another actor in order to successfully exercise power (Lukes 2005). Other authors in IR – especially postmodern and critical scholars – understand power as being productive in terms of creating subjectivity, norms and discourses. Power in this understanding constitutes subjects by normalizing them throughout the overt and covert effects of norms and discourses (cf. Foucault 1972). These effects cannot be controlled by a single actor or small group of actors. Furthermore, norms and discourses become own sources of power, controlling the behavior and belief-system of human beings. Power in this understanding is “making up people” (Hacking 1986).

Looking back, it can be said that numerous scholars of IR have undertaken remarkable efforts to address the questions of the ontology, the causes and the effects of structural power in international relations. However, the existing approaches fail short when it comes to the operationalization of the concept of structural power for the analysis of international relations and when it comes to the theoretical explanation of the causation mechanisms of structural power. Sticking to specific and restricted ontological prepositions existing approaches fail short to explain structural changes. Having discussed the existing approaches in political science/IR towards power/structural power we will present our approach towards structural power, starting with the prepositions and assumptions of our concept in the following chapters.

**Prepositions and Assumptions**

We agree with a broad range of scholars assuming deep interdependence of international relations (most famously Keohane/Nye 2011, Keohane 1984, Baldwin 1980). This means that the actors, to an increasing extent, are unable to satisfy the full range of their own needs themselves and are therefore dependent on cooperation, trade and negotiations. The actors’ only, yet limited, alternative might be war (we consider states as the primary, though not sole, agents of IR). However, this alternative becomes more and more costly and unattractive, especially when nuclear powers are involved and/or it comes to negotiations
between strategic partners (Nye/Keohane 2001: 23-25). Accordingly, actors try to satisfy their own needs in ongoing negotiations with each other. They act boundedly rational, which means that they are comprehensively – but not fully – informed. Therefore the distribution of information can be significant in negotiations.

Furthermore, we assume that goods satisfy the needs of states. Theoretically, any need may be completely satisfied (a satisfaction of 100%) or not at all (a satisfaction of 0%) and the state of interest will be located on some place between these two theoretical poles. We define goods more widely, as anything that may meet a need and can hypothetically be exchanged for other goods. We also follow the assumption that needs of states accumulate from the needs of different groups (social, economic, etc.) and that we are able to identify these needs through analysis and to rank needs, like e.g. Moravcsik (1991, 1993, 1997), Schirm (2011, 2009, 2005), Dür (2007) and others have shown. It is not the objective of this paper to develop a method to measure the needs in qualitative terms, but it is important to note that it is possible to elaborate and rank the needs by using analytical tools, which are already well introduced (Moravcsik 1997). Needs as well as goods differ in quality, as we will show below.

**Goods and Types of Goods**

First, let us clarify the difference between resources and goods. Resources are anything an actor can theoretically access freely within his cruising radius. These resources turn into goods, when another actor articulates a corresponding need and an exchange with another good becomes possible. As a result, material and positional goods exist physically as resources, but only turn into goods when they are related to a need. Ideational goods, however, are only materialized when they are met by a need. We basically distinguish three types of goods: *material*, *positional* and *ideational* goods.

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4 The quality of needs stated in percentages is used in this paper for the purpose of better illustration and exemplification and not for analytical purpose.
TABLE 1: DIFFERENT TYPES OF GOODS

<table>
<thead>
<tr>
<th>Source</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>material goods</strong></td>
<td>Resources turn into goods, when another actor articulates a corresponding need and an exchange with another good becomes possible.</td>
</tr>
<tr>
<td></td>
<td>Money, technology, rare-earth materials, manufactured products, etc.</td>
</tr>
<tr>
<td><strong>positional goods</strong></td>
<td>A convenient positioning, may it be in geographical terms, e.g. a passage for transport, or in terms of a negotiation, e.g. a certain asset in an IGO.</td>
</tr>
<tr>
<td></td>
<td>Chair in IMF board of directors, permanent UN Security Council seat, etc.</td>
</tr>
<tr>
<td><strong>ideational goods</strong></td>
<td>Ideational goods arise only from a specific need for them. In contrast to material or positional goods, ideational goods are of a virtual nature; they only exist as long as there is a need for them.</td>
</tr>
<tr>
<td></td>
<td>Need for Good governance in a developing country, need for compliance with universal human rights, etc.</td>
</tr>
</tbody>
</table>

Examples for material goods are money, manufactured products etc. The term positional goods refers to a convenient positioning, may it be in geographical terms, e.g. a passage for transport, or in terms of a negotiation, e.g. a certain asset in an IGO such as the IMF, or the UN security council. Ideational goods are more problematic to define. These goods do not per se exist as mentioned above, but arise only from a specific need for them. In contrast to material or positional goods, ideational goods are of a virtual nature; they only exist as long as there is a need for them. Without the idea of general human rights, for example, there can be no need for the good “human right. Should an adequate need for the idea of compliance with the universal human rights arise in a country such as Germany, then good governance or human rights in China could be seen as an ideational good, which would be suitable for satisfying Germany’s ideational need. Moreover, a state’s need for greater recognition or legitimacy may be satisfied by a good, e.g. in the form of a visit by the U.S. President.
Such a wide conceptualization of goods allows us to include a full range of IR-issues in our analysis. This conceptualization is also a far more realistic vision of interstate relations, in which the bargaining processes contain a much broader spectrum of issues than just the exchange of material goods. In particular, since the vast majority of today’s interactions and negotiations of states in international affairs, are about positional or ideational goods (asset in an IGO etc.).

Summing up, we can argue that material and positional goods exist as physical resources and that they become a good when there is a need for them. Ideational goods only exist, if they fulfill the correlating need.

Since we assume that goods can generally be exchanged in any combination, this distinction is primarily made for the subsequent operationalization.

**Availability of Goods**

More important than the distinction between the different types of goods is the aspect of availability. Basically, we distinguish three levels of availability – goods of general availability (e.g. soil, wind, low-tech products etc.), goods of limited availability (e.g. oil, rare earths, know-how, UN Security Council membership, key markets etc.) and goods of exclusive availability (such as certain patents and technologies, access to certain geographic areas like the Panama Canal, certain raw materials and ideational goods, etc.). As a measure of scarcity, availability of the goods is not primarily dependent on the number of goods potentially available but on the amount of goods actually available for exchange. A raw material may be widespread, i.e. a general good, but if it is extracted only in relatively small amount, without an option to increase its amount in the short term (e.g. due to long development terms of new fields etc.) it becomes a limited good. This implies that the availability of goods may be artificially limited by the actors or may generally be very limited due to an actor’s strategy. Know-how is in principle unlimitedly reproducible, but is usually spread by the owner in a very limited way.
Since the vast number of goods falls in the categories of limited or exclusive goods because of their quantitative limitations or limited provision, actors permanently compete for goods, especially in those cases where the needs of two or more actors overlap. Goods inevitably become objects of trade if one actor needs them and is not able to produce them himself or to substitute them at acceptable costs. Consequently, players are at any given time engaged in different negotiations with states and non-state actors to satisfy their own needs via acquisition or exchange of goods. Critical to the significance of goods is not only their availability, but the correlation of the characteristics of the goods themselves and the nature of actors’ needs in the particular constellation.

**Needs**

We understand a *need* as the aim an actor is not able to achieve on his own, but rather by means of (foreign) policies and which he articulates in a way that is noticeable by other actors. If an actor, for example, determines the necessity to provide a certain number of energy resources in order to guarantee his own functioning, the necessity does not, according to our concept, turn into a need as long as he is able to satisfy the demand on his own (e.g. through mining) and does not show an interest in the goods (e.g. oil or gas) of other actors. As soon as he articulates a desire to exchange the required energy resources for other goods he has to offer, the necessity turns into a need.

### Table 2: Availability and Value of Goods

<table>
<thead>
<tr>
<th>Character</th>
<th>Impact on structural positioning of the actor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>goods of general availability</strong></td>
<td>Access is not or only marginal limited or restricted by natural or artificial restrictions.</td>
</tr>
<tr>
<td><strong>goods of limited availability</strong></td>
<td>Access is limited or restricted by natural or artificial restrictions.</td>
</tr>
<tr>
<td><strong>goods of exclusive availability</strong></td>
<td>Only one state possesses the good exclusively.</td>
</tr>
</tbody>
</table>

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Needs differ in their relevance and urgency. Here we partly follow the bargaining theories (see Muthoo 2000, Schneider 2005). The relevance of the needs of an actor depend on the accumulation of the relevance and the urgency by endogenous groups trying to shape the government’s policy - the more a group is able to push its needs, or the more groups share common needs, the stronger their relevance.\(^5\) The urgency of the needs depends on the discrepancy between the extent to which an actor has already satisfied a need and the (theoretical) possible maximum coverage. For example, in a fictional case, the need for security in Germany may be covered at 80\%, in contrast to Israel’s at only 40\%. Hence, the urgency in Israel in this area is much higher. We can derive the relevance and urgency of the actor’s needs, for example by analyzing the preference of the state (for example through the interpretation of strategy papers, government files, news coverage, interviews, documents, speeches etc.).

**Rare Goods**

The significance (as a quality) of goods is the combination of their availability on the one hand, and the relevance and urgency (as well as their accumulation among the actors) on the other hand. A combination unfavorable for an actor (low availability on the one side and/or high relevance and urgency of the needs on the other) leads to rarity of goods, which is why we speak of rare goods. Hence “rare” does not mean scarcity of goods per se, but a high demand in contrast to the amount of goods available. Rare goods are by virtue of their quality more important than non-rare goods.

The value of a good is calculated as follows: It is the result of the correlation of availability (the less available, the more valuable) and articulated needs for the specific good in combination with the relevance and the urgency of the need. The more actors have a need for a good and the higher the relevance and urgency of the need may be, i.e. the more important the good is for the actor, the more valuable is the good in a bargaining situation. While the price of a good in market economy is determined by supply and demand, the value of a good in international relations, in our understanding, is determined by the relation of availability and needs. There is a significant difference between the market in economy and international negotiations by states: The market evaluates a good in a distinct monetary way (price in monetary unit) and therefore offers a reliable mean for barter. A certain amount of monetary units acquires a certain quantity or quality of goods. The intrinsic value of the monetary units used in barter, i.e. the fact that money has a value at all, is guaranteed by a central authority (as a rule by central banks and governments) and thus establishes reliability. By contrast, in

\(^5\) Cf. e.g. Moravcsik (1997).
international relations there is no equivalent to money in the market. The price of a good is defined by the above described process and is “paid” in exchange for other goods and not for money (although monetary values can constitute a good). The exchange of goods in IR more often resembles the character of barter transaction in its original meaning. Therefore, it is possible to describe the process of determining the value of a good in international relations and - in a larger degree - the “payment” for a good under the condition of a missing superior authority, as an archaic barter trade without money. In international relations there is no reliable and generally accepted instrument of payment, like money which has a certain well known universal value (universal, because 100$ have the same purchasing power regardless of who is using them to buy a good and regardless of the good’s rarity), which would empower a state to buy goods by the use of this payment medium (money) and, thus, to pay the fair market value of the good. Therefore, the current price of a good in international relations must be paid for with other goods through barter trade, and the “purchasing power” of the goods offered as payment for exchange vary. Hence, in a barter trade the price cannot be paid in monetary units as determined by the market. Instead it has to be paid for with other goods, whose value as mean of payment is solely determined by the contextual relationship of availability and needs. In other words: The market on the interstate level, with its inherent logic, reminds us less of a modern market economy, but more of a bazaar-economy.

**Basket**
The total of all goods that can be offered by an actor for exchange is his *basket.*

**Structural Power**

After these preliminary considerations, we will introduce the core of our approach to structural power. Let us look at the outside option variable. Player A can strengthen his position vis-à-vis actor B if he can boast an outside option (OO) in a negotiating situation. This OO (player C) possesses a good that meets the needs of A and is offered under comparable or better conditions. Player C has to be apparent as an (willing and able) OO for B. Since B’s perception of C being an OO for A is crucial, it gives A the possibility to bluff. It also makes a situation possible where B is aware of C being A’s OO, but does not realise A’s

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6 Likewise connected to this consideration is the lack of structural power in the case of martial conflicts, in which no negotiations of any kind take place. Here the resources are only used for one’s own needs (for attacking or defense), so that in this case any measurement results in measuring resource power.
non-awareness of C being an OO. In this case, the structural power of A has a non-intentional character.
Goods that C will be offered by A in exchange do not need to be the same goods as are offered to B. The more OOs actor A is able to accrue, the weaker is B’s position in negotiations with A in this round, since we assume the power relation here to be a zero-sum game. In addition, A may be an OO for C in some other bargaining situation. Accordingly, this may mean a power gain for C in a parallel negotiation round. Due to the fact that a reasonable alternative exists, A now possesses (structural) power (e.g. A may play C off against B), even though A’s capability endowment remains unchanged. Only the specific situational context, namely the emergence of one or possibly even several OO gives A (structural) power.

**Figure 1: The Importance of Outside Options in International Affairs**

The ability to attract OO and also to become an OO for third actors depends on how rare the goods in the basket of an actor are. Basically, the rarer the goods in the basket are, the higher is the probability of attracting OOs or of becoming an OO for other actors. The main point for our considerations is that the combination constituted from the needs of all players and all goods offered by them for exchange constitutes a structure which may provide actors with structural power in negotiations. Accordingly a state has structural power if:
A state possesses a specific set of goods (basket) which it may offer for exchange in an international bargaining situation and parts of the composition of his basket meet the demand of other actors particularly well AND his own needs are highly compatible with the range of supply (baskets of all other actors) in the system the state is embedded in. Due to the former aspect, the possibility rises to be an OO for other players, because of the latter aspect the number of potential OOs for the actor himself rises.

Based on these prepositions, let us have a closer look of how this concept works:
On the one hand it can be stated that an actor (actor A) holds power over another actor (actor B), if he is the only one able to offer goods desperately needed by B. B does not have any OOs and thus holds a much less favorable bargaining position. If, however, one or more actors appear who offer B the same good – provided that the vendors have not formed a syndicate – B now has several OO apart from A. His bargaining position has improved drastically.

On the one hand the power of those actors who are now able to serve as OO has increased; on the other hand B’s power has been extended since he can from now on in any bargaining situation realistically threaten to choose an OO. The position of the actor who can now act as OO – which he could not do before – as well as that of the actor in need of the good have improved in relation to A (gain of power). Actor A has suffered a loss in structural power in relation to B due to the emergence of credible OOs for B.

Let’s have a closer look at this situation using the theoretical example of Official Development Assistance (ODA) and investments for Africa. Before China presented herself as a donor country in Africa, the African states had mainly been dependent on ODA from the USA and the EU. Those two actors had agreed to their payments under very similar terms (good governance, transparency, human rights etc.) – one might say they had based their conditions on their (EU and USA) mutual understanding. Apart from a very few exceptions (geo-strategically important countries, which were able to offer goods to the USA and the EU such as stability, efforts to fight terrorism, oil, etc. and thus held a favorable positions themselves) the African states had had to accept those terms if they had wanted to receive the good ODA. Due to the lack of OOs there had been no alternative for those countries than to accept the terms. The structural position of the USA and the EU had been strong (quasi a monopoly on the needed good ODA), that of the recipient had been weak (no OOs). When China presented herself as donor country, the situation changed radically. China refused to join the “condition-syndicate” and assigned her ODA to African states without any general

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conditions. China thus became an OO for the African countries. They were now able to receive ODA without having to meet “tedious” conditions such as good governance or others – an interesting option especially for authoritarian regimes. The position of the USA and the EU in relation (within the structure) to the African states, which are interested in achieving their own preferences, was perceptibly weakened due to the appearance of a realistic OO. They lost structural power since they are no longer the only provider of a desperately needed good. China could for the first time act as provider of these goods and thus as OO and may be able to use this OO in other bargaining situations in favor of their preferences. The African states also gained power; they are now able – due to the new structural situation – to choose between several options.

The interdependence theory can sufficiently explain the power dynamics between recipient and donor country. These power dynamics are to a large extent characterized by asymmetrical dependency, in which the African recipient countries are dependent on ODA and therefore show a high degree of vulnerability. When China entered the international stage as a new source of ODA, the interdependence theory was able to explain the gain of power for the African states (because the relation of interdependence between them and the US/EU changed significantly), but not China’s gain in power towards the US and the EU, because no new interdependencies between these three actors (EU, US and China) developed. The cause for China’s gain in power towards US and EU is explainable only in structural terms (the occurrence of China as OO for African states weakened the structural positioning of the US/EU, without any changes in the dependency relation between China and the US/EU).

**Figure 2: The Emergence of China as Outside Option (OO)**

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*8 China bases her promise of payment on terms such as supply of raw materials.*
CONCEPTION OF STRUCTURE

It becomes clear that our structural concept varies greatly from Strange’s idea of structure: Hyperbolically said, in Strange’s concept the structure resembles a labyrinth in which the powerful actor opens and closes doors and even moves walls for the mice that are inside. He is thereby able to determine the routes they take and to shape the labyrinth according to his wishes. According to Strange’s understanding of structure the structure is established throughout the interplay of the four main power structures in world politics (security, production, finance and knowledge) and these four separate structures influence each other. Therefore a state holds structural power, first: if he possesses important capabilities related to the main power structures and second: if he is able to exercise authority/control over the structures.

Our understanding of structure and structural power follows a different concept. We understand structure as a fluid, emergent network of interactions and relations of the actors involved, which is constituted by the goods or rather their attributes as well as by the needs of the actors and thus determines the quality of the goods contained in the actors’ baskets. The quality of the goods can be influenced by all actors, both directly and indirectly, and provides the context for power-as-resource. The resources, and accordingly the resource power, influence the structure, but are located on a different level (see figure 3) than the structure and the structural power. Resources and resource power influence structural power without being an immediate part of it.\(^9\)

The implicit logic of this understanding of structure resembles Adam Smith’s notion of a market: The market is constituted by simultaneous actions of self-interested actors that do not fully control their actions’ effects; it influences the actors’ further actions (Balaam / Veseth 2008).

This shows that structural power possesses a resource-based as well as a relation-based character. Resource-based, because - according to our concept - resources have a major influence on the composition of a state’s basket: The possession of resources correlates, as expected, strongly with the availability of material and positional goods for the actors – the more resources are available to an actor, the

\(^9\) Resources are determining inasmuch as they are on the one hand the source for some part of the goods (essentially for material goods, but not necessarily for positional or ideational goods), and on the other hand as resources are crucial for determining the needs of an actor (a need occurs then and only then, when it cannot be satisfied by one’s own resources). The quality of the goods can be influenced by all actors, both directly and indirectly, and determines the context for resource-power (Hard Power). The resources furthermore influence the structure, so that structural power can never be detached from resource-power. But the resource-power has to be located on a different conceptional level than structure and structural power. Thus the resource-power has in part the same source, but it generates its own logic.
more goods he potentially has to offer, the greater is the statistical probability that a larger number of rare goods is among them (furthermore a great concentration of resources in one spot may also be a rare good).

At the same time, as mentioned above, our concept of structural power also contains an important relational aspect: Resources in general are of limited value. Their value is significantly influenced by the relation between resources (the own as well as the competitor’s ones) and the needs which in turn in their totality (in a global context) constitute a structure. This structural context codetermines the value (rarity) of the resources and significantly influences their quality as goods.

This structural context is also the reason why we talk of structural instead of relational power. This nomenclature is based on the assumption that although relations determine the quality of an actor’s goods, this determination can only be carried out by including the entire “market” / structure with all its elements and their causal relations, that is all baskets noticed by the actors with all the contained goods as well as adjunctive needs. The said determination positions an actor within the structure. In the end, resource- as well as relation-related aspects are inextricably linked to this structure, yet they are conceptual situated on a different level than the structure formed by them (see Figure 3). Moreover, this structure is not monolithic but contains substructures, as will be shown later.

At this point, it is justified to ask if it is really necessary to introduce a further structural level similar to the relativizing effects of the relational concept of power. Looking closely at the concept of relational power, certain shortcomings become obvious. A relation requires the interaction of two or more actors; it is constituted by interaction. The relation between this limited number of actors results into an ad-hoc structure which only exists for the limited duration and scope of this specific action. Therefore the effect is purely linked to the intention of the actors involved (because a relation needs an active start by the actors), as well as restricted to specific duration of the process. This concept implies the isolation of the actors involved from all other previous, simultaneous and subsequent interactions on a temporal and spatial level. It is therefore unable to offer an understanding of a structural Meta level independent from the specific interactions of a limited number of actors. In contrast, our concept of structure offers a context which logically connects the multiple relations taking place under the conditions of interdependent anarchy by focusing on a meta-level. Effects caused by interaction may be intentional or non-intentional, as shown above, and unfold independently from the rigid borders of a specific relation.

Of course we do not act on the assumption, that in practice the actors consider all possible options in a bargaining situation. Due to limited information and rationality as well as to the problem of convertibility of goods from different
sectors, the actors involved consider only a confined sector of the whole structure (or of a substructure) as relevant. Nevertheless the inclusion of all other substructures is potentially (and theoretically) possible and accordingly cannot be excluded from the concept. As Shambaugh (1996) has shown in his analysis of US information technology sanctions on European and Japanese partners, the case of Toshiba demonstrated, that rare goods in different subsectors (e.g. CPU, employment, distribution partnership in private in military sectors) enabled Toshiba to withstand the pressure by the US (unlike the Japanese government). Precisely the wide spread of both directly and indirectly offered goods allowed for a high degree of bargaining power towards the US when compared to Swedish and British manufacturers. Again, structural power does not operate on its own but through relativization. It influences the value of a possession in a specific context either positively or negatively. Whenever state A has access to more OOs than B to satisfy its needs and therefore possesses more structural power, the value of the resources B owns is relativized. Due to the existence of alternatives, B is no longer able to use his resources effectively as a coercive means towards A. Structural power influences A’s resource power relativizingly, by weakening or strengthening it with respect to actor B.

Even in a constellation in which only actor A and actor B enter negotiations (as for example in the case of exclusive goods), and in which OOs are available to none of the actors, structural power is present. In this case, however, structural power is located at two extremes: One actor (A) - the actor who possesses the exclusive goods and whom the other actor (B) is dependent on if he wants to satisfy his need for these goods - holds 100% of structural power, whereas B has 0% structural power. If no OOs exist, actor A possesses all the structural power and actor B none.

It is important to note that zero denotes an actual power level and therefore has to be a feature of power in theoretical considerations. A relationship in reference to power becomes an empty vehicle if a constellation in which one actor holds 100% of the power and the other holds 0% power is not possible. For a relation to work out, both sides need to have a “value” – without countervalue, the power position is inevitably absolute and tautological. At a proportion of 100% vs. 0%, the structure works completely in favor of the player who possesses 100% of the power. Here, the structure itself does not have a relativizing effect because one counterpart does not possess anything that could relativize resources of the other player and consequently its power position.

A very similar situation is to be found in constellations of 50% vs. 50%, that means in case of a par situation. Due to the fact that structural power takes effect with the same intensity on both sides, the relativizing effects negate each other. However, as soon as the constellation is 50.1% to 49.9%, structural power acts
minimally in favor of the actor holding 50.1%. As a result, in any negotiating situation neither structural power, nor resource power can exist on their own – they influence each other and are conceptual inextricably linked.

The question of the role of regimes and organizations in international relations must also be considered at this point, because they are often described as structures with their own character. But do the WTO and other international organizations constitute a distinct substructure with its own logic? From our point of view these organizations do not dissolve the logic of the overall structure, but rather create a regulated barter relationship between the regime members. The organizations define who, how and under which conditions certain goods can be traded. That way, the structure becomes somewhat static and the organizations establish a continuing corridor for bargaining with specific rules and patterns commonly accepted by the actors/states being members of these organizations. Therefore, the overall structure and the mode of relationships among the actors can become institutionalized and regulated in specific sectors of international politics (e.g. like in the case of global trade the WTO regulates the relations among the actors). Stephen Krasner’s famous definition of a regime, defining a regime as the set of “explicit or implicit principles, norms, rules, and decision making procedures around which actor expectations converge in a given issue-area.” (Krasner 1982: 185), and also Keohane’s understanding of regimes as “related complexes of rules and norms, identifiable in space and time” (Keohane 1988: 383) point out the importance of common acceptance, temporal consistency and a certain degree of regulation as characteristic for regimes. When we look at Keohane’s definition of regimes, defining regimes as “institutions with explicit rules, agreed upon by governments that pertain to particular sets of issues in international relations” (Keohane 1993: 28), it becomes quite clear, that equal to our understanding, in his understanding, regimes institutionalize specific patterns of the overall structure, based on common acceptance and therefore result in the creation of corridors in which bargaining and barter can take place under regulated conditions. It also becomes clear, that there can be a desire for renegotiating such regimes, due to the fact, that the creation and survival of regimes is dependent on the governments’ agreement upon the rules of the regimes themselves. As can be shown for the example of the WTO, the states’ desire for adjustment and renegotiation of this rules/regulations leads to the fact, that the overall structure is never complete static, but in fact under “ongoing” negation (Zimmerman 2007: 34-37). International institutions and regimes can always be renegotiated and altered. Further, due to a missing central authority in a Weberian understanding on the global level, breaches of agreements can hardly be sanctioned, and, if we consider war no alternative for settling such disputes, disputes over interpretation of agreements can only be settled diplomatically/in negotiations. In this respect regimes and institutions do not alter the logic of the
structure: They do not constitute their own structures, but rather open up corridors and paths for the consolidation of barter relations and interactions between sovereign partners. Hence, our concept of structural power can also be applied to renegotiations of the mode of operation of regimes (which goods and needs are involved and which OOs).

To sum up, the concept presented above works as follows:

*Goods that an actor can offer in exchange as well as the actor’s needs are derived from his resources, which can become material, positional or ideational goods. These resources turn into goods whenever another actor articulates a corresponding need, and the resources can be exchanged for other goods.*

*The relations between the goods and needs of all actors constitute a structure. This structure, at the same time, determines the quality (more or less rare) of the goods. The quality of the goods and therefore availability of OOs determines the actor’s structural power. Structural power can influence the actor’s (resources) power by relativizing it.*

**Figure 3: Interaction of the three types of power**

*In the previous paragraph, we addressed the link between the possession of resources and the possession of goods. There are basically two possibilities to influence one’s own structural power or that of the competitor, or rather to change one’s position within the structure in relation to the latter – by manipulation on either the resource- or the relational level. By manipulating his own basket or that of another, or by manipulating his own need for goods or that of another, any player can to a certain extent influence his structural power level.*
Greater rarity can be achieved by an actor manipulating his own basket or that of another, or by manipulating his own needs for goods or that of another. This may be done by any actor by upgrading own products (e.g. technological improvements, changes in conditions, occupation of important positions, limitation of the availability of goods, etc.) or the degradation of the goods of other actors (such as downgrading of nuclear threat by a missile shield, implementation of new practices, new way of goods delivery etc.), or also by manipulating the availability of OO’s by creation of a “cartel”. Both can also be achieved by influencing the needs or by creating new needs.

In this context, any race for technology and production advantages – may it be in terms of exercising control over raw materials or in terms of competitiveness, key patents or military strength – is nothing but an approach to relatively improve one’s own basket in comparison to those of other players. Hence, any effort in this direction does not only contribute to the – more obvious – hard and soft power, but also to structural power.

In addition, players can create new needs for other actors in their own interests or modify existing ones, making their goods more attractive and rare, e.g. through technological progress, framing, etc.. Apart from influencing the competitors’ needs, an actor can also try to manipulate his own needs – either by reducing them to a minimum or by substituting them with other needs that the state is able to satisfy by itself. An extreme example of this is North Korea, as will be shown later.

Furthermore, our conception is compatible with constructivist and discourse-analytic approaches on the effects of power/influence (for the discussion of constructivist approaches of power In IR cf. Guzzini 2005): Framing can influence one state’s own needs, as well as the needs of other states. For example, the need for good governance in a foreign state (an ODA donor country articulates this need towards the ODA recipient country) can be understood as a result of social-constructivist identity/norm building within the donor countries society.

The above stated conclusion can be applied to our concept of goods, too: as shown before, ideational goods are of virtual nature and only exist, if a need for them is articulated. Therefore, ideational goods themself can be understood as an outcome of social construction. In summary, our approach does not make an a priori statement regarding the question, which epistemological approach might be the best suitable approach to explain the process of the formulation of needs (systemic reasons vs. constructivist argumentations). Thus, the analysis of the sources of needs and goods in our approach is open for different epistemological approaches.

However, an increase in structural power in one area does not imply that the state in general becomes (structurally) stronger. Even though we assume that all goods
are principally exchangeable, we do not deny that negotiations and the exchange of goods are usually limited to particular sectors. The reason may be that trade patterns have long been established, or else linked to the problem of weighting the value of goods against each other precisely. It is for example easier to calculate the value of a barrel of oil in US$ than in the range of concessions in the field of TRIPS. This semi-permeability of sectors is, due to reasons of practicability, not the logic of the structure. This is also one of the reasons why a large amount of structural power in one area - e.g. security or environmental technologies - does not automatically imply that the actor holds a large amount of structural power in general.

However as sectors differ regarding their urgency and the relevance of adjunctive needs, the probability that they contain rare goods can also vary greatly. As rare goods are more uncommon in the textile than in the semiconductor sector, the importance of the actors’ positioning within the latter substructure is more important for their general structural power.

To avoid misunderstandings it is important to point out that there are semi-permeable substructures within the whole structure, which (other than Strange) cannot be conceptualized ex ante, but rather result from the correlation of goods, needs and their qualities. The advantage of this concept of structure and structural power is that the relation of goods and needs forms a structure, which is not dependent on highly disputable ontological prepositions. Take for example Strange’s ontological preposition, that there are four main power structures in world politics. Without a doubt, there might be something like a security structure and most scholars will also agree that there might be something like a production and finance structure and you might find also some scholars agreeing on Strange’s notions of what a global knowledge structure might look like, but her decision of choosing four main power structures and not three or five is mainly a deductively determined ontological statement without explicit empirical justification. Marxists and Neo-Marxists would argue that there is only such a thing like a production structure, which is more important than all other structures and determines world politics. Realists and mercantilists would argue for the security structures (and maybe the finance structure) as being the most important one(s). By conceptualizing structure and structural power resources/capabilities bound to a specific ontological statement about the character of the structure which consist of deductively determined ‘power structures’ and by arguing that control over structures is also a resource of power, the concept runs the risk of becoming tautological and of failing to encompass changes in structure on a meta level (What’s exactly the relation between ‘control over’ and ‘possessing resources’?). When there are only four (or even two, three, or whatever number of) superior ‘power structures’ with different relevant power-resources, and relevance of the resources is defined by the specific character of the structure itself, there remains
no room for explaining changes in structure “outside” these four (like the occurrence of a new ‘power structure’ (p.e. the “digital structure") or the descent of a existing one, due to the empirical reality of facts). Our concept of structure and structural power offers a way to overcome these problems. Just to remind us, in our understanding structure is an emergent network of interactions and relations of the actors involved which is constituted by the goods or rather their attributes as well as by the needs of the actors. It thus determines the quality of the goods contained in the actors’ baskets. Therefore our concept of structure does not depend on a disputable ontological statement about the character of structure, the value of different resources and/or goods in specific sectors and its relation, made a priori. Structure in our understanding is the result of the interactions and relations among the actors which take place on the fundament of the existing relationships of goods and needs of the actors and the urgency of these needs. The specific context a state is embedded in determines his needs and decides which goods he has to offer in his basket. The urgency of the need of the good ‘security’ of a state surrounded by enemies is higher, than the urgency of the need for the same good by a state surrounded by long lasting allies. If you have a broken leg, the urgency for ‘crutches’ is much higher, than without a broken leg and if you are not yourself able to produce crutches, you will have to trade them – what your needs are and what the urgency of these needs is, is determined by the goods you are able to hold at hand yourself (your basket) and by the context you live in.

Other concepts of structural power follow the logical conception of determining a priori that a specific kind of resources in a specific kind of context are of relevance and importance for exercising structural power while others are not. They therefore argue for an ex ante deductively defined structure-resources relation.

We propose a different conception. In our opinion you cannot a priori make a general ontological statement on which kind of resources are in any situation within a specific power structure of higher relevance and importance than other ones. In an international environment characterized by high and complex interdependence and complex interactions among the states in various spheres and sectors of affairs, you can just forecast trends. Like in Adam Smith’s market model, where the price for a good is determined by the market itself and where you are not able to recognize and determine its value a priori and out of the context of the market, you are also not able to determine the value of a resource/good in interstate power relations a priori. Since in the case of international relations and interstate bargaining processes, structure is the result of the relation between goods and the needs of the states, the importance and relevance of goods themselves must be defined by this relation, if we want to
avoid tautology. Or to say it more literally “the price of a good is determined by the market” or, in other words “res tantum valet quantum vendi potest” 10

**INFLUENCING STRUCTURAL POWER - TWO ILLUSTRATIVE CASES**

At this point we want to take a look at two examples to illustrate the functionality of our conception and to demonstrate possible empirical applications of our model: first, the enduring conflict over North Korea’s nuclear weapons program and second, the creation of the OPEC cartel/syndicate.

The continuing conflict on the Korean peninsula and the insensitivity of the North Korean regime towards the pressures and sanctions of states superior in hard and soft power (e.g. the USA, South Korea, Japan and even to some extent the PR China) can well be explained in terms of structural power. On the one hand, North Korea profits from limiting the material needs of its population and from substituting needs that cannot be met for ones that can be met on the basis of a government ideology. On the other hand, Pyongyang creates a strong need for security and normalization among its neighboring states and other actors by keeping up a constant threat. With regard to South Korea and Japan, this threat can be defined as the danger of a military conflict, which North Korea would not be able to win but which would cause a large number of casualties. From an American perspective, the threat is the danger that military technology could be sold for example to Iran. From a Chinese perspective, the North Korean threat can be seen as the danger of large numbers of North-Korean refugees crossing the Chinese border. From a general western perspective, the threat lies in a continued “hostage-taking” of the North Korean people by its own government.

Only Pyongyang is able to deliver the goods needed to satisfy the other players’ needs for security and normalization without an armed conflict. In this constellation, North Korea has few, yet exclusive goods in its basket and needs only a limited number of widely available goods - food and energy supplies. Pyongyang therefore holds a relatively large amount of structural power compared to its own resources.

Another already mentioned possibility to improve the own structural position is to form syndicates/cartels. This enables actor B, by making special agreements with A’s OOs, to deprive the later of his OOs and thus to prevent himself from being played off against them. It is obvious that this strategy helps - under normal circumstances – all actors (B und A’s potential OOs) not only to gain a stronger position within the structure, but also to increase their profit. Accordingly, it is not

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10 Ancient Roman saying: a thing/good is worth only what someone else will pay for it.
surprising that such a behavior is often to be witnessed in the field of IR (where no antitrust laws exist), whenever the interests of pooling actors match. A virtual syndicate like that was, for instance, formed by the representatives of the EU and the USA when it came to dictating terms for granting ODA to African states in the example given above.

A further prominent example is the OPEC.\textsuperscript{11} It was founded in 1960 as a response to the inability of the oil-producing states to stand up to the so-called 7 sisters, the largest western oil-companies, which had oligopolistically dominated the oil market since the early 20\textsuperscript{th} century and had thus formed a de facto syndicate themselves. During the 1960s oil was the primary – and in most cases the only – relevant good which the oil-producing states in the Middle East, Africa and South America had to offer. At the same time it was only conditionally rare due to the fact that, although oil already made up a large amount of the energy sources of the world’s economy, there was no scarcity of the black gold produced and sold by the 7 sisters, so that due to the excess production the actors were able to satisfy their needs without difficulty. In addition, the oil-producing states themselves had no OOs, because of the absolute dominance of the 7 sisters on the oil market and their close relations to each other as well as to the western states. Despite their resources their structural position was accordingly weak and their efforts to renegotiate certain concessions and oil prices were mostly without success.

The foundation of the OPEC-syndicate, however, improved the structural position of the oil producers. This new situation already became apparent when the new calculation formula for the dues on income tax of the oil companies was negotiated between 1962 and 1964. At first the oil companies, aware of the weakening of their position, refused to accept the OPEC as an actor and insisted on bilateral negotiations with the individual members in order to play them off against one another. Despite the oil-producing states’ threats of taking unilateral measures the oil companies were only willing to make minimal concessions. Only when the individual OPEC-members refused to enter into negotiations outside the OPEC, they were accepted. Afterwards, however, the 7 sisters still tried to isolate single members from the OPEC-front. Although the oil companies eventually succeeded in reaching an individual agreement with Iran and even though the remaining OPEC-members disagreed about their attitude, the latter still managed, despite their unfavorable structural position, to achieve a moderate success (Witte/Goldthau 2009) – they had increased their structural power by forming a syndicate.

A few years later the structure was changed by a serious shortage of the good ‘oil’. The worldwide rapidly increasing demand as well as the destabilization in

\textsuperscript{11} cf. for the OPEC Case Rose 2004 and Witte and Goldthau 2009.
the Middle East, caused by a series of political changes, turned the relation between availability of and demand for the good into reverse. In addition, a breakup of the 7 sisters’ syndicate by several independent oil companies offered the producing states a number of OOs. Those factors turned oil into a relatively rare good and strengthened the structural position of the OPEC-members and accordingly weakened the position of the West. However, during the oil embargo of 1973 the OPEC still did not manage to turn its new power position into political concessions regarding US and European politics on Israel. The main reason for that was that the OPEC was de facto unable to persuade its members to reduce the oil production. On the contrary, a few members hardly reduced their production, while others actually increased it in order to take advantage of the price rise for obtaining the desperately needed foreign currency. The OPEC thus merely succeeded in taking 14% of its output off the market with the result that no significant supply gap occurred in the West. It is evident that the OPEC-members were, despite their noticeably improved structural position in this specific area of the structure, not willing or – as a consequence of the very limited number of rare goods in their basket – not able to refrain from offering the good ‘oil’ in order to maintain the syndicate. Their structural position was altogether still weak and without the syndicate it was even weaker. It must, however, not be overlooked that the OPEC managed for the first time to dictated prices, without having agreed on them with the oil companies beforehand, and, thus to induce a power shift on the oil market (Witte/Goldthau 2009). But, in the end this increase of the price for oil was primary caused by the changed quality of the good oil which became considerable rarer than it had been 10 years before.

Apart from these considerations, the resolutions we mentioned prove another point. Whenever an existing interdependency is questioned, for example by threatening to withdraw it, the goods in question are once again put up for bargaining. It can usually be assumed that the party calling this constellation into question expects its counterpart to have no convincing OO. Even the act of threatening is a negotiation conducted one-sidedly by the threatening party, based on its own assessment. Of course, the players may bluff with regard to available OO or their own needs, as already mentioned above. Taking into account common trade conflicts, it becomes clear that such situations constitute a large part of the daily routine of IR
CONCLUSION

In this article we have introduced a new concept of structural power, which is able to encompass most of contemporary interactions among states in international relations. By presenting a modified concept of goods, which is able to include almost all goods that can be offered for barter by states in today’s international relations/diplomacy (material, positional and ideational goods) our concept offers an approach to understand the effects of states different basket composition for their structural power positioning. Further, by illustrating the importance of states needs for certain goods and by offering a model of how to connect the articulation of needs for specific goods to a state’s structural power positioning, namely by pointing out the importance of the Outside Option (OO), our concept delivers an applicable approach for the analysis of structural power in IR. The sum of the relations between all available goods and all articulated needs of the actors, constitute a structure that exist and work independent of a single transaction/relation among two or more actors and which makes the OO an important variable for a state’s power positioning. It was shown, that in an environment, in which bargaining plays a more and more important role, the possession of many rare goods in the basket enables an actor to appear as an OO in bargaining situations, and thus increases the structural power of state. It was also made clear: A state possesses more structural power the more available OOs it has available for satisfying his need, and the more itself can act as an OO for other states.

In other words, in our conception an actor possesses structural power, if a state possesses a specific set of goods (basket) which it may offer for exchange in an international bargaining situation and parts of the composition of his basket meet the demand of other actors particularly well AND his own needs are highly compatible with the range of supply (baskets of all other actors) in the system the state is embedded in. Due to the former aspect, the possibility rises to be an OO for other players, because of the latter aspect the number of potential OOs for the actor himself rises.
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