

## Actors and Preferences in International Relations

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INTERESTS are central to the study of international politics. To understand relations among countries we must take into account their interests, just as to analyze national foreign policy making requires due attention to the interests of groups, bureaucracies, and other participants in national debates.

Yet, scholarly attention to the sources of national or subnational interests—or, as we call them, preferences—is wrought with confusion. Even definitions of preferences vary greatly within the study of international relations, and the analytical use to which they are put varies even more.

This essay makes two principal points about the role of preferences in explaining international politics. First, for most analytical purposes, preferences must be kept separate from other things—most important, from characteristics of the strategic setting. Otherwise, we are unable to distinguish between the causal role of actors' interests and that of their environment. Second, scholars need to be explicit about how they determine the preferences of relevant social actors. Whether preferences are variables of interest or control variables, it is essential that they be derived clearly and unambiguously.

This chapter is intricately linked to the next. I highlight the need for careful consideration of actor preferences in the analysis of international politics, while James Morrow emphasizes the role of the strategic setting. The two are essential components of the strategic-choice approach.

The analytical need to set preferences apart from other things, and to determine them explicitly, applies to theoretical issues, to explanatory questions, and to investigations of particular cases. For example, at the theoretical level, debates over the extent to which wars are caused by features of the international system or by conflicts of state interests need to be able to assign preferences to states. Otherwise, we could not tell whether wars were the result of bellicose aims of governments, in which

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case explanation rests on assertions about their preferences, or of a hostile and uncertain environment, in which case even the best of intentions would be overwhelmed by the setting.

At a less abstract level, the hypothesis that, for instance, countries are more likely to cooperate the more similar their interests are requires some way of determining their interests independently of their cooperative actions. By the same token, the hypothesis that a small group of countries is more likely to cooperate than a large group of countries needs to be able to control for differences in the degree to which the countries in question have similar interests.

The same is true for evaluations of specific episodes. Just as participants' views of the actions of Germany in the 1930s depended on their beliefs about Germany's goals (preferences), in ways detailed in the following chapter, so, too, do scholarly interpretations of German actions. It is plausible that Germany responded to the European power balance in much the same way as other countries might have—even those with very different ideological and other preferences. But it is also plausible that German actions primarily flowed from the unique, perhaps uniquely aggressive, preferences of the country and its leaders. The two interpretations require some prior notion of what, in fact, German preferences were, in order to investigate their effects on German policy.

The issue is especially important because although preferences are part of all explanations, they are not directly observable. Like participants, scholars of international politics observe only the behavior of states and their leaders; we cannot know their true motivations. And while the observed behavior might perfectly reflect an actor's preferences, it might just as well be powerfully affected by uncertainty, institutions, and other features of the strategic setting. This, then, requires careful attention to the independent impact and sources of actor preferences.

This chapter clarifies the role that preferences play in the study of international relations. It points to common errors, insists on the need for a clear demarcation between preferences and other factors, and explores different approaches to the derivation of preferences. The essay is meant not as an original contribution but rather as a summary and distillation of scholarly "best practice." The motivation is a practical concern for a common language that allows the work of scholars to contribute to the cumulation of knowledge rather than debates based on misunderstanding and misconception.

The first section presents definitions used to discuss preferences and preference formation. For this volume, actors are regarded as having preferences for outcomes, such as for wealth or territory; these preferences lead them to strategies, such as free trade and military offensives. The next section discusses the need for precision in evaluating preferences,

and in using them to explain other matters. It presents three common sets of errors made with regard to preferences: confusing them with strategies in a single interaction, focusing solely on preferences and ignoring their context, or focusing solely on the context and ignoring preferences.

In the third section I turn to the ways that analysts try to establish preferences for the purpose of analysis. Whether the units in question are individuals, bureaucratic agencies, interest groups, or nation-states, their actions cannot usefully be analyzed without some prior sense of their aims. These preferences can be assumed by the analyst, either by convention or by choice. Preferences can themselves be investigated empirically. Or—in what I argue is the most satisfying but in some ways the most difficult research strategy—actors' preferences can be deduced from prior theoretical principles.

The fourth and final section gives examples of how the approach suggested here might assist scholars. I argue that explicit attention to preferences helps illuminate enduring issues in international relations, both at the theoretical level and in empirical applications.

#### DEFINITIONS: PREFERENCES AND STRATEGIES

The words *preference* and *strategy*, and others equivalent to them, are used continually in the social sciences but are often invested with different meanings. Here we adopt simple definitions, recognizing that there is no universally accepted set of terms and that they are not a matter of principle.

The essential point is that in any given setting, an actor *prefers* some outcomes to others and pursues a *strategy* to achieve its most preferred possible outcome. As indicated in chapter 1 of this volume, an actor's preferences rank the outcomes possible in a given environment. The actor's strategy is its attempt to come as close as possible to the outcome it most prefers.

These definitions refer to a particular interaction—one box, which may well be inside other boxes, to use the first chapter's metaphor. An interaction in this sense could last a long time, such as Anglo-German relations from the 1870s until World War II, or a short time, such as Anglo-German relations in the 1938 Czech crisis. The distinction is complicated because what are considered preferences in one "box" might be strategies in another. However, within any given interaction, preferences and strategies must be distinct, and preferences need to be held constant for the given interaction.

### *Preferences*

An actor's preferences are the way it orders the possible outcomes of an interaction. If, as in most instances of interest to us here, the environment is one of strategic interaction (a game), this involves ranking the terminal nodes of a game tree.

Preferences are taken as given in one defined interaction and used to analyze other factors. A firm's preference for trade protection is usually used to explain something else, such as its lobbying behavior. For example, a firm might face a choice of whether to ask the government for a tariff or for a quota or to seek no protection at all. Illustrated in Figure 2.1 is a firm that prefers a quota to a tariff to no protection, a pattern of preferences that is taken as given and unchanging for this interaction. In this figure, government responses to the firm's lobbying efforts are also represented. If the firm seeks a quota and the government complies, the firm obtains its most preferred outcome which has a payoff of, say, 2. The firm secures its next best outcome if it seeks a tariff and the government agrees. This brings the firm a lower payoff of, say, 1. Finally, the firm gets its worst outcome and lowest payoff if it does not seek any protection or if the government rebuffs its lobbying efforts.

Suppose further that the firm knows there is a conflict of interest between it and the government. In this very simple example, the government prefers free trade to other alternatives, mildly dislikes tariffs, and abhors quotas, but it also wishes to meet constituents' demands. Therefore it prefers no trade barriers (when none are demanded) to granting a tariff, in turn prefers granting a tariff to denying a constituent demand, but prefers to deny a constituent rather than grant a quota.<sup>1</sup>

Given these preferences and this simple strategic setting, the firm's best course of action is to lobby for a tariff even though its most preferred outcome is a quota. If the firm seeks a tariff, the government will yield to its lobbying efforts and the firm will obtain a payoff of 1. If, by contrast, the firm pushes for a quota or does not lobby at all, it will not receive any protection and will be left with a payoff of 0.

Although this example is extremely simple (chapter 3 considers more complex strategic interactions), it makes an important point about preferences. The firm has preferences that determine how it orders possible outcomes: quotas over tariffs over no protection. In this particular interaction, it receives its most preferred outcome, its highest possible payoff,

<sup>1</sup> This highly stylized example assumes that firms cannot bluff or oversell their case and that the government will only provide something a firm demanded. In a more complex—and perhaps more realistic—setup, it might be the case that demanding a quota would be a good strategy to obtain a tariff. But we are purposely keeping the interaction simple for the sake of argument.

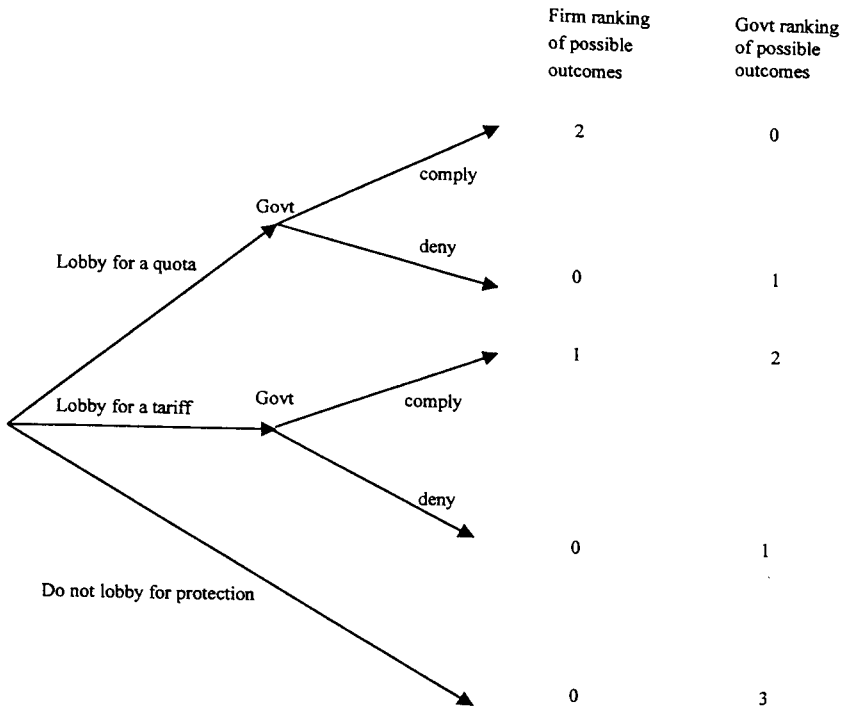


Figure 2.1. A firm's preferences for one interaction may be used to analyze other actions. In this example, a firm's preference for trade protection is used to explain its lobbying behavior.

if it pursues the strategy of lobbying for a tariff, which the government grants. It obtains a worse outcome and a lower payoff if it lobbies for a quota, which the government denies—even though, in the abstract, it prefers a quota to a tariff.

This simple example shows how the seemingly straightforward notion of preferences as a ranking over possible outcomes can obscure important subtleties. Preferences depend on the specification of the problem, and this points toward the hard questions that are the subject of this essay.

Rather than look further at the interaction illustrated in Figure 2.1, we can open the "box" containing this situation to ask, for example, why, in fact, the firm prefers a quota to a tariff—both of which, after all, are themselves presumably means to more basic ends. For the analysis in this box, again we need to fix preferences, here for more protectionist rents over less protectionist rents. The firm's counterpart now is, say, a foreign producer (in a two-country, two-firm world market). The options available involve the foreign and home countries' trade policies. If both firms obtain quotas in their home markets, rents are maximized (foreign and domestic producers split the rents from a quota, while domestic producers

and the domestic government split the rents from a tariff).<sup>2</sup> The home firm knows that if it obtains a tariff, the foreign firm will also do so, and bilateral tariffs produce less protectionist rents than bilateral quotas produce. So the firm's preference for more protectionist rents over less, which is given and unchanging for this interaction, means that the terminal node that involves bilateral quotas is ranked above that involving bilateral tariffs.

We could continue to probe, on into the next box, perhaps asking why this firm prefers to seek policy-induced rents rather than concentrate entirely on market activity. In this box we fix the firm's preferences as for more profits over less (to maximize profits). Then we examine the environment within which the firm operates to see what it implies for the desirability of rent seeking. For a particularly dynamic firm, the opportunity cost of political lobbying might be too high to justify diverting precious managerial time from its extremely productive alternative uses. Or it might be—to take us back to the boxes discussed above—that for a troubled firm, the energy of otherwise unproductive managers is most profitably spent trying to get the government to provide rents. In this box, then, profit-maximizing preferences lead the firm to engage in the pursuit of protectionist rents.

Within a particular "box," political scientists are not usually interested in the preferences themselves but rather in how these preferences affect choices. Most commonly, preferences are of interest because of the behavior they engender. This is not to say that preferences are not to be explained, and indeed much of social science involves explaining differences in the preferences of firms, states, and other units. The point, from the pragmatic standpoint of making analysis possible, is only that within the interaction in question, preferences are taken as given and held constant. This is not meant as a description of reality but as an analytically useful bounding of the problem to be examined.

Often this notion is called *preferences over outcomes*. As expressed in chapter 1, actors' preferences are how they value different possible results

<sup>2</sup> The tariff is a border tax that raises domestic prices by the amount of the tariff: Domestic producers get the difference on their output sold domestically; the government gets the difference on foreign products imported and sold domestically. (This is why it is realistic to assume that the government strongly prefers tariffs to quotas.) A quota is a quantitative restriction that raises domestic prices; both foreign and domestic producers get the difference between the world market price and the domestic price. It is commonly argued that this helps explain why quotas—such as "voluntary" export restraints—give rise to less international conflict than do tariffs (see Hillman and Ursprung 1988 and Rosendorff 1996). In this instance, with bilateral quotas the home firm would get rents both at home and abroad, whereas with bilateral tariffs the home firm would only get rents at home. The example assumes a quota and a tariff with equivalent price effects.

of their actions and those of others. Actors do not have independent preferences over the means to achieve these results, only over the results.<sup>3</sup>

We can return to our trade-policy example, reversing the order in which the cases were presented above to accord more fully with the logic of the example. In the first instance, it is given that the firm prefers more profits to less, and within this setting the firm determines that protectionist rents are worth pursuing. In the second instance, it is given that the firm prefers more protectionist rents to less, and within this setting it determines that the best available result involves bilateral quotas. In the third instance, it is given that the firm prefers quotas to tariffs to nothing, and within this setting it ends up asking for tariffs because asking for quotas would yield an even worse outcome, nothing.

Preferences are not directly observable. The actor's preferences lead to its behavior but in ways that are contingent on the environment. As discussed in detail in the next chapter, the strategic setting can fundamentally affect the behavior of people, firms, and states. So without more information about the strategic setting and/or about the process of preference formation, it is impossible to know how the behavior maps back to the preference. A particular public trade bargaining position is conceivably consonant with a wide range of preferences. In the above example we observe only that the firm asked the government for a tariff; it would be incorrect, in this case, to infer that the firm preferred tariffs to a quota.

### *Strategies*

States, groups, or individuals require ways to obtain their goals, paths to their preferences. These paths must take into account the environment—other actors and their expected behavior, available information, power disparities. Given this *strategic setting*, strategies are tools the agent uses to get as close to its preferences as possible.

Strategies imply particular means to an end. As such, the unit in question has no *independent* predilection for one set of strategies or another; it wants only the best means to the desired end. Strategies are derived from preferences; they are ways to achieve goals given the anticipated actions of others, differential capabilities, knowledge and information,

<sup>3</sup> This somewhat elastic definition of preferences is not universally accepted. Some (such as Hirshleifer 1995, 264–67) define preferences only in terms of primitive preferences, referring to such broad concerns as personal or national security or wealth maximization. In these terms, everything else is a series of strategies. But this seems too restrictive for our purposes.

and other features of the setting; some of the most important informational features are dealt with by James Morrow in chapter 3.<sup>4</sup>

The direct unobservability of preferences has its parallel with regard to strategies. It is never inherently obvious whether action is the result of preferences or strategies, underlying interests, or the environment in which they play themselves out.

In any *given* setting preferences are fixed, and strategies derive from them. However, by the "boxes within boxes" standard, a preference in one box may well be the strategy from a previous box. Returning to trade policy, in one interaction the preference to maximize profits led to a strategy of rent seeking; in the next interaction, the preference for maximal rents led to a strategy of bilateral quotas; in the final interaction, the preference for quotas over tariffs over nothing led to a strategy of demanding a tariff.

A progression is implied by the terms. Given its preferences, an actor forms strategies based on the possibilities presented by the environment. In a subsequent interaction, which must be analytically separated, the strategies of the first instance can be seen as preferences, toward the achievement of which the actor develops strategies, again based on the constraints of circumstance. Each step in this progression involves a preference, then an evaluation of the setting within which this preference is to be pursued, and finally a derived strategy to obtain the preference. Preferences, in a determined environment, give rise to strategies.

The desirability of a clear progression from exogenously given preferences to strategies does not rule out attempts to explain preferences themselves. What is taken as exogenous in one context might be "problematized" and investigated in another. In some settings it is useful to start with a firm's preference for trade protection and investigate how this affects the firm's lobbying behavior; in other settings it is useful to try to determine the source of the firm's trade-policy preferences.

Important as it is to question the origin of national or other preferences, it is desirable to hold them constant for one "round" of analysis. If we are interested in diplomatic relations between two countries, it does little for our analysis simply to assert that one of the countries' preferences changed in the middle of the interaction. Of course, this may well have been the case—governments are overthrown or voted out of office and replaced by others with different preferences—but this is better regarded as changing the character of the interaction so that it is another round or game.

<sup>4</sup> It is not uncommon to see strategies referred to as "policy preferences." This is because the actor's preference is for an outcome, and policy is often a direct means toward that end. A firm that prefers maximum rents may have a strategy that involves a policy of a quota toward this end. The distinction between preferences and policy preferences, like that be-



To summarize this section, for the purposes of this volume a preference represents the most desired outcome of an interaction. The preference, in a particular setting, leads the agent to devise a strategy. In one interaction, preferences (ends) within the given setting determine the choice of strategies (means). It is practically and analytically important to separate the preferences of states, groups, and individuals, from the strategic environment they face. By the same token, it is practically and analytically important to hold preferences constant for one round of interaction. This allows us to explore how different preferences and environments affect outcomes.

Scholars disagree about the appropriate preferences to assign to countries, groups, firms, or individuals. But the pursuit of legitimate disagreement is only hampered by unclear definitions; in this light, we propose a common language within which to carry out theoretical and empirical debates. In what follows, I move on to discuss how preferences can be assumed, examined, or deduced, and how this derivation of preferences affects analysis. First, however, it is useful to point out some of the problems associated with the concept of preferences and its usage in international relations.

### PROBLEMS WITH PREFERENCES

The preference-strategy-outcome distinctions seem straightforward, yet the role of preferences in explanation is often glossed over with easy assertions or muddled with ambiguity. Indeed, a great deal of confusion in international relations can be traced to imprecision in the definition and use of preferences and strategies as analytical concepts.

Typically the goal of social-scientific inquiry is to explain *outcomes*, observed trends or events. Analyzing outcomes usually involves comparative statics, the "conceptual experiments" discussed in chapter 1. We can ask, for example, how an outcome might be affected by changes in the preferences of one actor or by changes in the strategic setting. James Morrow, in the next chapter, gives many examples of how changes in the strategic setting can affect outcomes; Ronald Rogowski, in chapter 4, provides many examples of how changes in one particular component of the strategic setting—the institutional environment—can affect outcomes. Much of social science has to do with conceptual experiments in which changes in one or another such ingredient affects events.

In fact, analysts of international relations have long debated how preferences and the strategic environment affect outcomes, jointly and sepa-

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tween "preferences over outcomes" and "preferences over strategies (policies)," is analogous to the preferences-strategy distinction.

rately.<sup>5</sup> Many debates in the field have to do with whether outcomes are primarily the result of the constraints of the international system or of differences among national preferences. A strong variant of realism, for example, implies that state preferences are so swamped by the pressures of interstate competition that all states must pursue essentially identical strategies. A strong domestic-dominance perspective might, on the other hand, argue that different state strategies flow primarily from different national characteristics and preferences.<sup>6</sup> Assessment of the explanatory effects of variations in national interests and international constraints—preferences and the strategic setting—is central to the study of international relations, and it requires clear analytical separation of the two.

We cannot carry out the conceptual experiments necessary to evaluate these contrasting positions without clearly separating preferences, strategies, the environment, and other factors whose impact we want to evaluate. Specifically, we cannot determine exactly how preferences and the environment interact to affect outcomes by observation alone. Preferences are unobservable independent of outcomes; it may, in fact, be the case that the actors' interests explain an event, but it is rarely self-evident whether an effect was caused by the untrammelled intentional action of a group or individual, or whether it was the result of interactions among groups and individuals, in a changing environment. In evaluating such possibilities, a clear prior picture of the agents' preferences is crucial.<sup>7</sup>

In other words, where actors are strategic, we cannot infer the cause of their behavior directly from their behavior. We need to take into account both their underlying preferences and the strategic setting within which they design their actions. If a policy affects only one actor in a completely unambiguous way, the translation from preferences to behavior and outcomes might be simple. Where more than one actor (or group of actors) is involved, the possibility of strategic interplay among them arises. If the informational environment is problematic—there is uncertainty about the true characteristics of the world or of others—the arrow from desire to action to effect becomes harder to draw. As the next chapter points out, much of politics can be described in these terms, so, for a wide range of problems of interest to us, neither a simple knowledge of preferences nor a simple knowledge of the strategic environment is sufficient to understand political causes and effects.

<sup>5</sup> For four examples, see Bueno de Mesquita and Lalman 1992; Levy 1990–91; Rhodes 1989; and Stein 1990. Snyder and Diesing (1977, 471–80) make an analogous distinction between structure, pattern of relations, interactions, and internal characteristics.

<sup>6</sup> Bueno de Mesquita and Lalman (1992) indeed evaluate these two perspectives empirically and find for the latter, but the issue is by no means settled.

<sup>7</sup> The presentation here closely parallels the exceptionally clear discussion of payoffs in Snidal 1986, 40–44. For another articulate statement of the importance of preferences and an argument that their derivation is central to “liberal” approaches to international rela-

In our trade-policy example, the government granted a firm tariff protection. Analysis of this outcome would presumably focus on attempting to understand how firm preferences, the preferences of other actors, and the strategic setting interacted to lead to the observed policy. Melding preferences and strategies might lead the analyst to conclude that the government preferred tariffs to other policies—after all, that is what it implemented. It might also lead the analyst to conclude that the firm preferred tariffs to quotas—after all, that is what it demanded from the government. Both conclusions would be incorrect; in our setup, the government preferred no trade protection to tariffs, and the firm preferred quotas to tariffs.

Only a more complex research design, or series of conceptual experiments, could establish the true chain of causation. First, we need a clear separation of preferences from strategies and careful consideration of the action of both. Second, we require some prior way of establishing which firms are expected to hold which preferences. I return to the latter problem (determining preferences) in the next section and focus here on the pitfalls of inadequate attention to the former problem.

Political science and international relations are rife with violations of the principles of clear separation between preferences and the environment, and careful consideration of the possible impact of each on the outcome. These violations typically fall into three categories, which I call sins of confusion, of commission, and of omission.

The first, *sins of confusion*, mixes preferences and the strategic setting in ways that do not allow their independent effects to be examined. This confusion has infused one of the oldest and least fruitful debates in international relations: the debate over the preferences of nation-states in “realist” approaches.<sup>8</sup> Many early realists argued—as some still do—that states maximize power or the probability of survival. Both are positional and analogous to maximizing “relative gains” (I take the two as analogous although they are somewhat different).

The most direct interpretation of this assertion is that the desire for power is an actual preference of states, and indeed this is often stated explicitly: Power or survival are in states’ utility functions. This implies that states value power for its own sake and would be willing to subjugate all other goals to power, no matter what the setting.

This is almost certainly not what most realists have in mind; indeed, they often make explicit that it is the international system that forces

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tions, see Moravcsik 1997. Legro (1996) emphasizes nonmaterial aspects of preference formation.

<sup>8</sup> For examples of this long controversy, see Waltz 1979; Grieco 1988a; Powell 1991; Snidal 1991a; and Niu and Ordeshook 1994. In my view, the articles by Powell, Snidal, and Niu and Ordeshook essentially ended the debate. I use the term *realist* to encompass both classical realist and “neorealist” writing on these issues.

states to maximize power or survival probability.<sup>9</sup> If so, then power maximization is not a preference but a strategy. This means that state preferences are not defined by realists, which makes their analysis inherently incomplete.

One possible interpretation is that realists believe (and therefore assume) that the international environment is so powerful that it forces all states, no matter the differences in their preferences and in the environments they face, to pursue identical strategies of power maximization. This means that size, shape, socioeconomic and political makeup, and the international setting have no effect on the power-maximizing strategies of states.

The logic of the realist position, then, is that national preferences are irrelevant in international politics. This is so because systemic constraints are so tight that all states must pursue identical power-driven strategies. The implications of this extremely strong assertion are not always appreciated.

This illustrates the importance of clear definitions. At least some theoretical confusion in international relations has been caused by the use of such terms as *preferences* and *strategies* in a variety of ways, often with very different meanings.

For example, it is common in international relations to combine interests and geopolitical conditions into one overarching explanatory variable. To take one instance, Steve Walt (1987) proposes a revision of balance-of-power analysis that he calls "balance of threat." By this he means that countries respond not only to the power ratios they face but also to perceived threats posed by other countries. The perception of threat incorporates such considerations as aggressive intentions, geographical proximity, and ideology. Walt clearly has in mind characteristics that include the preferences of the states involved, for example, the degree to which there are inherent "conflicts of interest." This blends national preferences, strategies, and the environment into a single factor: not only how powerful the actor is, but what it wants, how it proposes to get it, and the setting in which this takes place.

It is not surprising that this blend of preferences and strategies outperforms a simple focus on power (i.e., strategies that flow from a nation's relative position) itself, for it expands the range of explanatory factors. Walt's empirical application to the formation of alliances (see also Walt [1991]) indeed combines several factors into what he calls one: the preferences of a state, plus the strategies it pursues given both its preferences and characteristics of the environment (such as its power).

<sup>9</sup> It should be noted that contrary to common assertions, this view is not analogous to the relationship of firm preferences to competition in the marketplace: It is not product

The problem is that this approach makes it *impossible* to know how outcomes were affected by international power relations, by different national interests, and by other features of the environment that are bundled together as the perceived threat. First, the slurring of several potential causal variables makes it hard to see the logic of the argument in full—whether and how, for example, conflicts of interest affect the strategies of states or are themselves affected by power disparities or are affected by the intentions of other states. The logic of the theory would be stronger were a state's preferences—perhaps as a function of its ideology—analytically separated from its strategies—that is, the “aggressiveness” of its actions. Second, empirically it is impossible to disentangle how national policy and outcomes might respond to changes in preferences, the environment, and other factors. The aggressiveness of intentions might be affected by geographical proximity, ideology, or power differentials, and the inability to hold one or the other constant makes impossible the conceptual experiments that most have in mind in trying to explain alliance patterns: How would alliances be altered by more similar preferences among states, by better information, or by smaller power disparities?

The entangling of preferences and strategies also causes theoretical confusion. Walt appears to regard his argument as a slight amendment to an emphasis on power (the strategic environment). But this is incorrect: he insists, in fact, on the significance of both preferences and the strategic setting, in contradistinction to realists' belief in the predominance of systemic constraints.

Attention to both preferences and strategies is certainly an advance over focusing on only one or the other. However, the inclusion of both makes it that much more important to ensure that they are separated analytically. Failure to do so serves to confuse, not clarify, explanation; it also confounds careful consideration of the theoretical implications of the arguments and evidence so presented.

Beyond confusion, that preferences are not directly observable independently of outcomes makes two other sorts of mistakes common, and damaging. One, which I call sins of commission, is to assert that variation in outcomes is *solely* owing to variation in preferences. The other, which I call sins of omission, is to assert that variation in outcomes has *nothing* to do with variation in preferences. Each sin involves the failure to carry out one of the conceptual experiments discussed in chapter 1. The first set of *sins* neglects the comparative statics exercise of holding the properties of actors constant while varying the environment; the second neglects

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market competition that leads firms to prefer profit maximization but the preferences of firm owners.

the exercise of holding the environment constant while varying the properties of actors.

*Sins of commission* arise when analysts observe an outcome and draw a direct line from it back to the preferences of actors. Typically such analyses assert that because the result benefited some actors, they and only they caused it. This commits the logical fallacy of asserting that the preferences of those most favored by an outcome must have determined the outcome itself, ignoring the possibility that strategic interaction might have fundamentally transformed the process and its end point. Indeed, such arguments are often doubly circular: They infer powerful actors' motivations from the outcome, then go on to argue that the outcome was determined by the powerful actors.

Such sins of commission, then, ascribe outcomes to preferences without careful attention to strategic interaction and other factors besides actors' preferences. It may well be the case, as is commonly asserted, that the causes of interstate conflict must be sought in the belligerent nature of particular nations, or that trade protection is adopted because of the influence of those who stand to gain from it. However, we cannot know whether these views are accurate without assessing the potential effects of factors other than preferences themselves. In the next chapter James Morrow gives both general guidelines and specific examples about the impact of the strategic setting on behavior.

A common variant of this lapse is to explain changes in interstate relations simply by *asserting* that national preferences changed.<sup>10</sup> Careful attention to the interaction in question is required before we rule out the possibility that an altered outcome was owing to modification in the strategic environment, such as increased information or changed bargaining conditions. Too many analysts, faced with a change in relations among states, surrender to the temptation to explain this by invoking a change in states' preferences themselves. While this may often be the case, assessment of the argument requires rejection of the possibility that preferences remained constant while the environment—things that alter the character and results of strategic interaction among a fixed group of governments—might have changed. For explanatory purposes, the direct translation of preferences into outcomes cannot be taken for granted.

On the other hand, *sins of omission* involve assertions about the impact of strategic interaction and other environmental factors without controlling for actors' preferences. This is especially common among those scholars who emphasize the importance of the setting within which the

<sup>10</sup> To avoid giving too much offense, I can cite my own work (especially Frieden 1988) as an example of this shortcoming. Even one of the most careful studies in this mode, Conybeare 1987, sometimes slips into ascribing changes in results to changes in preferences in a somewhat ad hoc manner.

behavior in question takes place—such as great uncertainty or the absence of a third-party enforcement mechanism (such as the “anarchy” of international politics). This often leads analysts to ascribe outcomes to strategic interaction itself, without paying careful attention to the actors’ underlying preferences. Disagreements among states might be owing to the difficulty of sustaining cooperation in an uncertain and information-poor world that lacks third-party enforcement; or they might, in fact, occur because of inherently antagonistic goals of two or more states. Trade protection could be the result of a breakdown of cooperation or of a simple desire on the part of both countries to reduce their imports—for whatever domestically derived reason.

Kenneth Oye (1986b, 6–9) gives a particularly clear argument for why careful attention to preferences is analytically important. He notes that many instances of international conflict or cooperation are ascribed to structural factors when, in fact, they might more accurately be attributed either to irreconcilable or to harmonious national preferences, which makes attention to environmental constraints superfluous. One cannot assert that the strategic setting led to cooperation among states without first establishing that there might otherwise have been some reason for disagreement, and vice versa. Martin (1992b) thus distinguishes among interstate interactions in which preferences are essentially harmonious and those in which there is, in fact, a real or potential conflict of interest. This avoids sins of omission, in which the strategic setting is taken to determine outcomes without adequate attention to preferences.

A full understanding of the sources of international political outcomes requires careful attention to both preferences and the strategic environment. It also requires a careful delineation of the two, as well as careful theoretical and empirical consideration of the explanatory importance of each.

However, this requires first and foremost some way of determining actors’ preferences. As discussed above, preferences are not directly observable; this means that it is not easy to “assign” preferences to particular individuals, groups, or nations. Indeed, one of the most daunting problems in the social sciences, and in international relations, is determining agents’ preferences. It is to this problem I now turn.

#### PREFERENCES ASSUMED, OBSERVED, AND DEDUCED

Because preferences are so important to analysis, it is crucial to have some way to know these preferences. Scholars typically specify preferences in one of three ways: by assumption, by observation, and by deduction. These methods are not mutually exclusive, but they are different.

Each method has advantages and disadvantages. I believe, however, that the most analytically satisfying route is to deduce preferences on the basis of prior theory.<sup>11</sup> However, when analysis requires *national* preferences, it must be admitted that we have few theories of preferences at the national level—that is, ways of determining what a nation's preferences will be solely on the basis of the nation's properties. This means that “national preferences” are best deduced from theories of the preferences of subnational units—especially individuals, firms, and groups—along with theories of preference aggregation at the national level. This is a daunting path, but it is the most promising one. Partly because of the difficulties of the option for which I argue, it is worthwhile to explore alternatives. These include assuming and observing preferences.

### *Assumption*

It is easiest to assume preferences. In the principal application in international relations to the preferences of nation-states, the simplest assumption might be that states attempt to maximize national welfare. But this is either vacuous, leaving open how national welfare is defined, or implausible, assuming that governments accurately reflect their citizens' preferences by some simple criterion.

We might assume that states prefer to maximize national wealth or size. Niou, Ordeshook, and Rose (1989, 49), for example, assume that states maximize national resources.<sup>12</sup> In principle, any set of goals can be assumed for states and other units of analysis. Indeed, assuming preferences is the method most similar to that used in economics, and, despite long debates, it seems appropriate there.

However, there are problems with assuming national preferences. It is no accident that contentious discussions of preferences in international relations contrast with the relatively straightforward way that preferences are used in economics. A comparison of the two realms, in fact, helps clarify why assuming preferences can be so problematic in international political analysis.

<sup>11</sup> Again, this point closely follows Snidal (1986, 40–44).

<sup>12</sup> Even here, the authors fold strategic considerations into preferences by making the preference for resource maximization conditional upon the survival of the state. While this may be technically necessary, it is difficult to see an analytical basis for it. Indeed, it is interesting and potentially important to note that solely a preference for resource maximization cannot lead to anything approaching power balance: At some margin, states will find it more attractive to be absorbed by other states rather than to maintain their sovereignty.



In economics, it is typically assumed that individuals and firms are wealth- (or profit-) maximizing.<sup>13</sup> Most economists accept that this is not an accurate description of reality, simply a useful one for economic analysis. They posit preferences for wealth or profit maximization, and, on this basis, build models of how individuals and firms act within different circumstances to maximize their income.

In this context, all actors have essentially identical wealth-maximization preferences, and everything that flows from these preferences is a strategy.<sup>14</sup> Variation in outcomes is the result of firms and individuals with identical preferences finding themselves in different settings. Prices are different in competitive than in oligopolistic markets because of the market structure, which is exogenous to any one firm, not because of the preferences of firms. The behavior of firms in competitive markets is different from that in oligopolistic markets, not because of variation in preferences—all are profit maximizers—but because they face different settings. Different outcomes (prices, quantities) or different behaviors (marketing or investment strategies) are not the result of different preferences—some firms for wealth maximization, others for security—but of different conditions.<sup>15</sup>

The situation is not quite so simple, to be sure. A large body of literature in economics is devoted to “problematizing” the preferences of firms, in the sense that it starts with the individuals who make up a firm and then attempts to see how relations among these individuals affect the firm’s goals. The notion that firms are not pure profit maximizers but, rather,

<sup>13</sup> To be completely accurate, the basic assumption is that individuals are utility maximizers, that wealth is translatable into utility, and, in fact, that wealth maximization is a strategy to achieve maximum utility. Of course, utility is unmeasurable so this step is somewhat superfluous for all purposes except those of logical completeness.

<sup>14</sup> Some strategies, to be sure, are not strategic in the usual sense. In competitive markets, actors need not take the actions of other individuals into account: They are price takers rather than price makers. A wheat farmer does not strategize about his planting decisions, as he knows that his actions will have no impact on the price of wheat. Technically, however, not strategizing is also a strategy. The wheat farmer can best maximize his income by not wasting energy strategizing where it can make no difference. This is the distinction between decision- and game-theoretic analyses, both of which make important contributions. When numbers are small enough, and there is some reason to try to anticipate the reactions of others, actors are strategic in the traditional (game-theoretic) sense. There are indeed few enough television producers or automobile manufacturers or major investment banks in the world that they may act strategically in designing their company investment, production, marketing, labor, and pricing policies.

<sup>15</sup> This highlights, to repeat, the confusion of Waltz (1979) and many other realists, despite their invocation of oligopolistic markets as analogues to international politics. In economic models, firm preferences are all the same and their strategies vary according to market structure; in the Waltzian mistranslation, state preferences may all vary, but their strategies are all the same because of the international political structure.

reflect the wealth maximization motives of the individuals who constitute the firm is, in fact, widely accepted, and many economists have explored how firms are constructed out of large numbers of individuals.<sup>16</sup> (The parallel to political scientists' attempts to specify nations' preferences by looking at those who constitute them is obvious.) Nonetheless, this has not kept most economists, most of the time, from using the simplifying assumption of profit-maximizing firms.<sup>17</sup>

Three characteristics of the study of international politics make the simple assumption of national preferences more difficult than the assumption of preferences in economics. First, in economics there is limited variation in the cast of characters, namely, firms and individuals. It seems reasonable that, with regard to market transactions, firms have relatively similar preferences to one another, as do individuals, and, indeed, that the two sorts of preferences are analogous: profit maximization for firms, wealth maximization for individuals. But international politics involves individuals, firms, groups, nation-states, international organizations, transnational actors, and perhaps others. And there is little reason to expect all these varied actors to have analogous preferences, or even for the preferences of the same kinds of actors (states, groups, international organizations) to be homogeneous.

Second, even if we could agree on some principal homogeneous actors in international politics, there is no unambiguous preference we could assume for these actors. Scholars who use models in which nation-states are purposive unitary actors do not agree about what purpose (preference) should be assumed for them. In other words, economics-like consensus on a generally accepted assumption, and on a generalized equivalence of actor preferences, is lacking.

Third, international relations deals with a multiplicity of issues on many dimensions. Economics is primarily about interactions within markets, and, although it is common that market actors have to deal with more than one concern (price, quantity, and quality, for example), this pales in comparison to the complexity of international politics. States, or whatever else may be the relevant units of international political analysis, are likely to have preferences about, and strategies toward, a wide range

<sup>16</sup> The literature is too vast to cite in detail; Williamson 1985 is a standard summary, while Grossman and Hart 1986 is a particularly influential example of attempts to understand the problem.

<sup>17</sup> Nor is the distinction between preferences and strategies quite so clear, even in economics. Sometimes analysts take the strategy, derived from the firm's profit-maximizing preference, as a given. They then use this strategy as a preference in a subsequent interaction. For example, firms in oligopolistic industries might be asserted to have a preference for greater market share; scholars would then go on to examine how different strategies (limit pricing, advertising) might increase a firm's market share. But it is understood that greater market share itself is desired only as a means to profit maximization.

of concerns: trade, money, and national defense, to be sure, but also cultural and linguistic ties, cross-border pollution, immigration, human rights, ideology, and ethnicity. It is not hard to imagine how to derive a profit-maximizing firm's strategies toward price, quantity, and quality, but it is difficult to see how to assume preferences that would be both nontrivial and useful to analyze the international components of French cultural policy, British immigration policy, Iranian religious policy, or American drug policy.

For all these reasons, the simple assumption of preferences common in economics is often dissatisfying in international relations. While economists typically begin their analysis with an unproblematically profit-maximizing firm, scholars of international politics must pay much more attention to the preferences of the actors.

This is not to deny that valuable analyses can be performed with assumed state preferences. As in much else, this is likely to be where we have some reason to believe that the assumption is realistic—perhaps by working backward, unpacking boxes within boxes, until we get to a level at which it seems relatively clear what we need to assume. This might be the case of international public goods with few obvious distributional consequences, such as preventing global warming or controlling infectious diseases. A preference for reducing these threats at the lowest possible cost to the country is not far-fetched. Relatively unproblematic preferences might also be assumed where the interaction is limited to a one-dimensional realm. It seems reasonable that in a major crisis nuclear powers might have similar preferences for victory without war over victory with war over defeat without war over defeat with war. Similarly, in negotiations between creditor and debtor countries over debt repayment, it seems reasonable to assume that debtors want to pay as little as possible and creditors want to be paid as much as possible.

In fact, even this begs the question. To say we feel comfortable about assuming preferences that “seem reasonable” simply hides the underlying theoretical or empirical arguments about those preferences. It would make more sense to pay explicit attention to what it is that makes some preferences seem more reasonable than others. So, while practical analysis often requires an assumption of exogenously determined national preferences, we have reason to want more.

### *Observation*

A second method used to fix the preferences of nation-states in the international arena is by observation (or, as it is sometimes called, induction). In this case, the scholar attempts to determine the national preference by investigating the country's behavior. These observed (or “revealed”)

preferences are then used to analyze interaction among states or between state and nonstate actors.

A variety of examples exist; indeed, most investigations of enduring goals of nation-states fall into this category. Typically scholars study statements and actions of the nation and of its policy makers, and, on this basis, impute the functional equivalent of a national preference.

Broad-based national ideological conceptions are often presented as definitive of preferences. These include national identities (Larson, in Jervis and Snyder, 88–92) and widely shared beliefs about appropriate national goals. Charles Kupchan refers to this as “strategic culture,” something that “provides a deeply embedded notion of what constitutes national security” (Kupchan 1994, 89). One examination of this type (Krasner 1978) studied American policy toward overseas raw materials investments and concluded that the American “national interest” was largely ideological.

National preferences are often traced, more narrowly, to the ideological perspectives of national elites. These are more specific than national cultural characteristics; Kupchan (1994) distinguishes between strategic culture, which inheres to the whole population, and strategic beliefs. The latter, in his account, are a matter for elites and include such things as “the relative weights assigned to military, economic, and reputational considerations in setting geographic priorities” (Kupchan 1994, 68).

The invocation of national grand strategy typically refers to goals defined by elites over a relatively long period but not so inherent as, say, ethnic identity.<sup>18</sup> Presumably cold war era American and Soviet commitments to capitalism and socialism, respectively, fall into this category. The same might be said of enduring features of national public opinion. These are all closely related to the invocation of ideological or other ideational sources of preferences that the observer determines by investigation.<sup>19</sup>

A step removed from identifying national preferences in and of themselves is asserting that these preferences are determined by enduring subnational interests that dominate the formation of national preferences. This typically involves “inducing” not the *nation's* preferences, but those of powerful actors, who then, it is argued, determine national goals. In other words, rather than looking for the revealed preferences of the na-

<sup>18</sup> Mearsheimer (1983), along these lines, invokes such broad national purposes in explaining choices about military strategies in the first years of World War II; see pages 77–79 on Britain, for example. Lake (1996, 1999) develops a notion of grand strategy that attempts to explain its origins. The articles in Rosecrance and Stein (1993) explore the impact of domestic factors on the evolution of national grand strategies.

<sup>19</sup> The articles in Goldstein and Keohane 1993 and Goldstein 1993 represent similar examples of attempts to understand how such ideational factors affect the behavior of groups or countries.

tion, scholars look for the revealed preferences of groups, parties, bureaucracies, or others, who, it is claimed, set national priorities.

Some, for example, focus on the enduring impact of important private or public groups for the definition of a country's "national" preferences. They argue that German or Japanese bureaucrats, for example, determine national goals and thus we can derive national motives from the interests of bureaucrats. Cain and Hopkins (1993a, 1993b) make a case for the centrality of the landed gentry and the financial sector in the formation of British international economic and political preferences from the mid-eighteenth century to the present. Within countries, some scholars associate different parties with different preferences with regard to the international choices they face; Eichenberg (1993) does so for Germany and the United States, and he uses these differences and their evolution to help explain the course of NATO policy toward the intermediate nuclear force between 1977 and 1988. Again, the actors' goals are determined by observation, but this variant also includes an argument about the impact of particular groups on national preferences.

Scholars also sometimes observe national preferences on the basis of temporary national political conditions. This is especially appealing if the matter to be explained is of short duration or limited scope. Issues of war and peace may involve broader concerns, but most international politics is not about such earth-shattering choices. We can explore national preferences in a more restricted realm, such as fisheries policy or human rights.

All these ways to pin down the preferences imputed to nation-states for use in further analysis share a major problem, common to the investigation of anything that cannot be directly observed. The attempt to "induce" preferences by observation risks confounding preferences with their effects. The behavior observed—policies, statements, responses to surveys—is used "inductively" as indicative of preferences. Yet, in all these instances it may well be that this behavior results only partially, perhaps misleadingly, from underlying preferences. Perhaps the environment within which the behavior takes place is responsible for it in important ways that make it impossible to "read back" from behavior to preferences. This problem is well understood by survey researchers, who spend a great deal of time trying to make sure that the observation (the answer) is as true a reflection as possible of the individual's beliefs (the opinion).<sup>20</sup> But the problem is more general.

The position of a government representative, politician, manager, lobbyist, or union leader typically embeds in it calculations of what the impact of this position might be. This is especially daunting if we are trying

<sup>20</sup> For an investigation of the problems of measuring and explaining public opinion, see Zaller 1992.

to read preferences back from the postures countries (or other actors) take in bargaining. We anticipate that public positions reflect both the actor's preferences and its expectation of how its stance will affect the actions of others. A country that prefers compromise over a territorial dispute could adopt an intransigent tone if it judged this most likely to induce movement toward a settlement. We would be misinterpreting the country's preferences if we were to impute to it belligerent or expansionist preferences on the basis of its behavior (including its statements). In other words, to repeat what has been stated above, an actor's behavior incorporates *both* its underlying preferences *and* its strategic response to the setting it faces. In no way can the two be separated by observation alone.

There is no avoiding this problem. Our observations are largely limited to the behavior of individuals, groups, or governments (including what they say), rather than to their underlying motives. Any attempt to infer a government's preferences from its actions runs the risk that these actions reflect both preferences and the environment. This is particularly disturbing when, as is very often the case, the attempt to establish preferences by observation is undertaken in order to be able to see how these preferences affected outcomes. If the observation, thus the preference inferred, includes other factors, the causal conclusion drawn will be incorrect.

For example, a scholar might set out to investigate the impact of German national goals (preferences) on the coming of World War II, as discussed in more detail in the next chapter. He might look at the actions and statements of German leaders in the years before the war and find a myriad of peace offerings and expressions of pacific sentiments. Like British and French policy makers at the time, the scholar would be remiss to conclude (or "induce") from this that German preferences were for the status quo and peace. German leaders may well have wanted expansion and even war but have downplayed their belligerence in the interest of lulling others into complacency or in an effort to obtain as much as possible without violence. So long as German actions and statements were colored by prior German calculations of their potential impact (as we would expect them to have been), we cannot use them to draw conclusions about German preferences nor can we use preferences thus arrived at to explain outcomes.

It is especially egregious to "induce" preferences from observed behavior and then use these preferences to explain this very behavior. If American bargaining positions toward Japan are used to "induce" an American preference for free trade, it is tautological to argue that these positions were the result of an American preference for free trade.

This is not to say that observation is useless in establishing actors' preferences. In many instances, it may be the best research strategy available. And although public statements and actions may be unreflective of prefer-

ences, scholars often have access to more accurate private information—from archives or interviews, for example. But the observational or inductive approach to determining preferences has serious shortcomings.

### *Deduction*

The final way that preferences can be established is by deducing or deriving them on the basis of preexisting theory. In this case we know features of the actor, and theory predicts that in a determined context these will lead to a particular set of preferences.

This posits a prior theory of preferences. As an actor's features vary or the context varies, the actor's preferences vary in ways anticipated by theory. In other words, the preference used in the "box" of interest is deduced from a prior "box." If we want to know a firm's preferences over trade protection, we start one level up, in a bigger box, in which the firm's properties and environment are known, and which lead it to order its trade preferences. To take our earlier example, a very primitive theory of preferences might be that firms' preferences for protection increase as their profitability declines: The less profitable firms are, the more they prefer protection.<sup>21</sup> On the basis of this "theory," if we know the firm's profitability, we can infer its preferences for protection.

This applies preexisting theory to identifiable characteristics of the actor and the environment in order to derive the anticipated preferences of different actors. The smaller the country, the more favorable it is to trade liberalization; the more negative the industry's trade balance, the more favorable it is to trade protection; the better endowed the worker with human capital in a human capital-rich country, the more favorable he is to trade liberalization; the larger the country's net foreign assets, the stronger its preference for stable international property rights; and so on. These preferences of nations, groups, and individuals are then used in the analysis of the interaction in question.

This sort of comparative static exercise, using actors' features and the context to derive their preferences on the basis of theory, is analytically valuable for two reasons. First, the preference to be used in subsequent analysis is itself not assumed but derived. It should be clear that the prior preference (from which the preference to be used in analysis is derived) is, in fact, assumed or observed in precisely the ways described earlier.

<sup>21</sup> This extremely primitive example makes it possible to abstract from the difficulties of independently observing how competitive a firm is with imports or how dynamic it is. There are many ways of categorizing firms and industries so as to be able to derive trade-policy preferences, but to go into them in detail would introduce far more complexity than is desirable here.

The trade-policy example above did not derive the firm's preference for maximum profits; it assumed it and then went on to derive preferences over protection. *Something* is always exogenous. The choice is this: How far back do we push our search for theoretically based preferences? The deductive method described here takes as given, for example, firm profit maximization and derives firm preferences about trade protection on this basis.

Second, the preferences deduced in this way are expected to vary along with conditions that are more readily or "objectively" assessed than the preferences themselves. Typically the exercise is structured so that the features that determine the preferences to be derived are relatively easy to observe. The predicted preferences about trade discussed above are a function of the profitability of the firm, which is amenable to more direct measure than its trade preferences. To take other examples, inasmuch as geography and resource endowments are more or less readily evaluated, it is meaningful to deduce that similar countries in different geographical circumstances will hold different preferences or that similar countries with different resource endowments will hold different trade preferences. What these preferences might be, of course, depends on the geostrategic or political economy theory used.

This method can also be used to explain or predict changes in preferences. If an actor's characteristics change, its preferences are expected to change: A firm that becomes more profitable, in our simple example, prefers free trade more. As countries develop, their resource endowments change, which might be expected to affect preferences in predictable ways. If theories about preferences are accurate, they explain variation over time as well as across units.

There are many such "theories of preferences," most commonly related to individuals and firms. Theories of preferences are best developed in the realm of political economy, where scholars have long speculated about how the characteristics of nations, groups, firms, and individuals affect their interests. Preferences toward trade policy have been analyzed in great detail, although the relevant trade theories sometimes give rise to different expectations.<sup>22</sup> Analogous theories of preferences exist, in full or in part, with regard to foreign direct investment, immigration, financial liberalization, and many other international economic issues (see, for example, Froot and Yoffie 1993; Wong 1997; Goodman and Pauly 1993). The advanced state of these theories owes partly to the fact that economists have developed clear "maps" of the distributional implications of many economic outcomes, and it is easy to read these distributional impli-

<sup>22</sup> For surveys, see Hillman 1989 and Alt and Gilligan 1994.



cations back to the anticipated preferences of those expected to be affected by the policies.

While political economy has the best-developed theories of group preferences, largely because of its reliance on prior theories of the incidence of economic policies, other areas of international relations have also given rise to important work in this regard. A wide variety of scholars believe that military bureaucracies tend toward particular preferences: Mearsheimer (1983, 63–64) associates them with a desire for decisive victories, Posen (1984, 1991, 16–19) with a preference for the offense.<sup>23</sup> Typically such claims are based on some theoretically grounded idea of how military organizations stand to gain from particular outcomes, although it is sometimes the case that these assertions about preferences could stand to be more clearly deduced.

Theories of preferences can involve either variation in actor properties or their environment. Where actor characteristics remain the same, changes in the setting can lead to different preferences. New technologies can influence travel time or relative abilities to produce goods and services in such a way as to alter preferences.<sup>24</sup> Again, these comparative statics are feasible because the changes in question—such as the development of new technologies—are observable.

Technical advances that affect the ability of goods and capital to move across borders can alter the environment and thus the preferences of nations and groups (Frieden and Rogowski 1996). The railroad, steamship, and telegraph helped recast such countries as Argentina and Australia from backwaters into thriving agricultural exporters, and so transformed preferences. High levels of capital mobility in the last twenty years have, in many analyses, altered the preferences of groups, firms, and nation-states (Frieden 1991, 1994a; Goodman and Pauly 1993; Strange 1992).

It is frequently argued that in recent decades, advances in telecommunications and exponential increases in scale economies have changed the preferences of firms and industries. Firms once content to dominate domestic markets behind protective barriers are now driven by rapidly rising economies of scale to desire open markets at home and abroad.<sup>25</sup> The rise

<sup>23</sup> See also Snyder 1984a, 1984b; and Van Evera 1984; 1986, 95–99. The claim has not been universally accepted; see especially Sagan 1986.

<sup>24</sup> Again, in a prior box the actor has an exogenous preference, and, given this, technological or other change affects the strategy chosen—where the strategy is the preference we are interested in. So a firm with a preference for maximum profits might, given technological change, jettison its protectionist preferences in favor of free-trade preferences.

<sup>25</sup> The literature on strategic trade is based on the alleged importance of large-scale economies, and there is some evidence that firms and governments have responded to increased economies of scale by redefining their goals. See Milner and Yoffe 1989 and Richardson 1990 for examples, and Chase 1998 for an application to regional trade agreements.

of the multinational corporation, in great measure the result of technological change, has, in the view of many (e.g., Helleiner 1977; Milner 1988), transformed trade-policy preferences, typically moving them in the direction of greater desire for liberalization. In all these instances, characteristics of the actors and their environments lead to predictable preferences over trade, money, regulation, and a host of other things.

In addition to such forces as geography, resource endowments, and technology, other factors exogenous to the relationship under investigation can provide theoretical grounding for the derivation of preferences. For these purposes, many aspects of the global environment can be considered exogenous, even when they are not completely so.<sup>26</sup>

These theories provide useful comparative statics that we can bring to bear on further analysis. Differences among groups in their factor ownership, import and export competition, and scale economies, coupled with the national economic setting, lead to clear expectations about the economic preferences of groups. These different preferences can then be used for analyses of the domestic pressures on international economic policy making—or, more broadly, the determination of national preferences.

Whereas theories of firm and individual preferences are common, few true theories of national preferences exist, although some approaches push, or could be pushed, in this direction. Geography is widely expected to affect national preferences, although theories to this effect are rudimentary at best. From early geopolitics on, the fundamental difference between an island and an exposed plain has been central to security studies.<sup>27</sup> States with different geographical characteristics are expected to have different preferences: If the United Kingdom or Australia were not island nations, their geostrategic preferences would be very different.

Some theories also associate technological change with variation in national geostrategic preferences. Technical developments can alter the costs of military conflict or the relative attractions of offense or defense in ways that affect the preferences of nations. An island's geography has different implications for its geostrategic preferences in a world with airplanes than in a world without, and these preferences may be different still in a world with intercontinental ballistic missiles. The nuclear revolution may have fundamentally altered countries' preferences; so, too, may the develop-

<sup>26</sup> Of course, technology itself is not really exogenous. Indeed, advances in long-distance shipping and railroad transportation may have been the result, not the cause, of the opening up of extremely fertile land in the New World. After all, the invention and development of new technologies respond to economic opportunities just as much as the reverse. But for any one nation or group, technological progress can be assumed to be part of the environment, at least as a first approximation.

<sup>27</sup> For example, Walt 1987 incorporates proximity expressly into his evaluation of states' propensities to ally.

ment of long-distance delivery systems for weapons of mass destruction have reduced the value of holding territory, which could have a substantial impact on national preferences.

In most instances, however, national preferences do not emerge seamlessly from existing theories. Typically the application of theories of preferences to social collectivities requires a complementary theory of the aggregation of preferences, from individuals and firms up to groups, sectors, classes, and nations. The higher the level of aggregation, the more complicated the derivation of the "collective preference." Firms and individuals can constitute themselves into groups, regions, industries, or parties in many different ways, and in just as many different ways can these latter categories affect the formation of national preferences. It is not enough to determine the preferences of domestic actors; we must also show how these preferences are aggregated to the national level.

Preference aggregation is an age-old problem of the thorniest type, and I do not address it here. The goal, for our purposes, is to look for arguments that provide regularities in national preference formation. The range runs from patterns of group organization through broader social organization to characteristics of the political system. Chapters 4 and 5 in this volume—by Ron Rogowski and Peter Gourevitch, respectively—discuss these issues more fully. Theories of preference aggregation contribute to theories of national preferences inasmuch as they contend that institutional or other factors affect the formation of national preferences in predictable ways.

This, I believe, is the most compelling manner to deduce national preferences. Preexisting theories of individual and group preferences, and of the impact of individuals and groups on national politics, are used to establish the preferences of governments. This is all prior to the analysis of interest and provides the raw materials for this inquiry.

While the deductive approach to preferences may be the most theoretically satisfying, it is not without problems. First, the preferences deduced from preexisting theories are only as good as the theories themselves. Every theory of preferences mentioned here is controversial, and using one among these many requires choosing among alternatives in a way that may simply push the debate back to the original theory.

Second, while there are many theories of preferences, there is not a ready-made toolbox for all purposes. Scholars often analyze processes or events that have not yet given rise to substantial bodies of theories; indeed, this is often the attraction of the analysis. In such circumstances, the analyst has to provide his own prior theory of preferences, perhaps by analogy to some roughly similar problem. This at least doubles the work involved and similarly doubles the likelihood that others will disagree.

Nonetheless there are many reasons to use preexisting work that associates features of actors and the environment with actor preferences. This is the theoretically soundest method and is also the one that lends itself most obviously to a cumulation of theoretical and empirical knowledge.

Whichever of the three modes presented here may be chosen, the principal point is that there are ways of using preferences carefully for political analysis. Preferences can be assumed, examined, or deduced on the basis of the intrinsic features of the unit and the environment within which it operates. Based on this, we can analyze interstate (or domestic) interaction; but it is crucial to have some set of stable preferences as building blocks for further analysis.

### ILLUSTRATIVE EXAMPLES: INTERNATIONAL TRADE RELATIONS AND IMPERIALISM

Many controversial issues in international relations are about the relative importance of interests (preferences). Often analysts disagree as to the preferences of relevant actors. At other times they disagree about the relative explanatory importance of actors' preferences, on the one hand, and the environment within which they operate, on the other.

For this reason it is important to have clear definitions, both of preferences and other things, to separate preferences from other things, and to make explicit the origins of the preferences used in analysis. But in too many cases, disagreements persist without an analytically sharp delineation of their character.

To illustrate this point, I discuss two broad debates of long standing among scholars of international politics. My goal is not by any means to be exhaustive with regard to the content of the debates but rather to show that explicit attention to preferences can help elucidate an issue and ways to analyze it.

The first topic has to do with explaining international trade relations, which I present as a positive example of how explicit attention to preferences has enriched our understanding. The second topic is explaining colonial imperialism in the nineteenth century, which I present more negatively, as an example of how confusion about preferences can impede scholarly progress.

#### *Explaining International Trade Policy*

Observers have long noted that there is a great deal of variation in trade policy. At the global level, the international economy appears to go through periods in which trade is very tightly controlled and those in

which trade is relatively free. At the national level, countries vary substantially in how open or liberal their trade policies are. At the subnational level, there are major differences in the activities and industries that are protected. All three dimensions of variation in trade policy are of interest, and all have been discussed at great length by scholars.

The analysis of trade policy has been much enhanced by clear attention to the preferences of social actors and by the accurate use of these preferences in trying to explain outcomes. Indeed, this issue area serves as something of an example of clarity in the treatment of preferences. This may be because it is easier to establish preferences with regard to economic matters or because the area has simply attracted a great deal of analytical attention.<sup>28</sup>

The study of trade policies has, in fact, typically been organized by scholars with the three steps—the boxes within boxes—recommended here. First comes the theoretically grounded derivation of preferences at the domestic level. Then the aggregation of these interests to “national” preferences is considered. Finally, the interaction of national preferences and the international strategic environment is examined to explain outcomes. Although not all the literature follows this pattern, enough does so that substantial analytical progress has been made in the past twenty-five years. And a look at the trade-policy literature helps establish that clearer analysis does not mean the end of disagreement—only a better ability to understand and evaluate disagreements.

The first step, then, is to fix the trade-policy preferences of actors at the domestic level. The simplest view is a naive neoclassical one, for which all nations prefer free trade all the time (absent an optimal tariff). This is so simple-minded that it is not an entry in the literature, but it is an important presumptive baseline from which to start: Why, after all, might states not prefer a policy that increases aggregate national welfare? The typical answer to this question locates the origin of trade-policy goals in interest groups, especially firms, for which they provide redistributive opportunities.

Some of the earliest work on trade policy assumed simply, and not implausibly, that all firms preferred protection for their own products. This led to explanations of outcomes that emphasized the ability of firms to organize in order to achieve protection and consumers' inability to organize to counter protectionist pressures. The notion that trade policy could largely be understood as the result of firms with identical (protectionist) preferences having different capacities to influence policy, given the strategic setting, was central to Schattschneider's classic 1935 study

<sup>28</sup> It might be noted that the analysis of some other economic policies is also well developed; most prominent are international monetary relations, on which see Eichengreen 1989b, 1992.

of the Smoot-Hawley Tariff (Schattschneider 1935). It was made explicit in Gourevitch's classic analysis of responses to the Great Depression of 1873 to 1896 (Gourevitch 1977). Even where researchers posited differences in trade-policy preferences, as both Gourevitch and Kindleberger (1951) did, these preferences were largely based either on observation of the statements of the principals or on assumption.

Further theory and analysis led scholars to move away from such simple notions of trade preferences, toward more theoretically grounded ones. The Heckscher-Ohlin approach and its Stolper-Samuelson extension emphasizes the impact of factor endowments on trade-policy preferences, with more locally scarce (abundant) factors more favorable to protection (free trade): In a capital-rich country, labor is protectionist and capital is free-trade.<sup>29</sup> The Ricardo-Viner approach focuses on factors specific to particular industries: Labor and capital in import-competing industries favor protection; labor and capital in exporting industries favor free trade.<sup>30</sup> Analyses of international trade with imperfectly competitive markets often emphasize the scale of industries or firms: In some variants, for example, smaller firms, or industries from smaller countries, will be more favorable to protection (Richardson 1990; Milner and Yoffie 1989; Chase 1998). Other approaches focus on the impact of domestic or international diversification, which weakens national sectoral attachments (Schonhardt-Bailey 1994; Milner 1988).

Greater attention to the preferences of individuals, firms, industries, and classes (factors) has not ended disagreement. Indeed, explicit consideration of preferences has led to heated debates over them. But this is all to the good: Clearly stated arguments have allowed for logical and empirical assessment of their claims.<sup>31</sup>

The trade preferences derived from these theories must be analyzed as they are mediated through the national strategic setting. This requires explicit assessment of the process of preference aggregation, from domestic actors to national policy. Of course numerous possible approaches to this exist. The simplest is that mentioned earlier, emphasizing the role of concentrated and diffuse interests: The more concentrated the interest, the more likely it is to be successful in organizing to achieve its goals. More recent work has brought into play features of the political system, such as the organization of interests and parties, and the effective size of the constituency being represented. Rogowski (1987) asserts that proportional representation predisposes governments toward freer trade; Loh-

<sup>29</sup> The best-known application of this approach to domestic and interstate politics is Rogowski 1989.

<sup>30</sup> Again, Hillman 1989 and Alt and Gilligan 1994 provide excellent surveys.

<sup>31</sup> As is done, for example, in Magee 1980; Ray 1981; Marvel and Ray 1983; Eichengreen 1989a; and Mansfield and Busch 1995.

mann and O'Halloran (1994) argue that the greater the influence of the American Congress, the more protectionist trade policy is likely to be (see also Alt and Gilligan 1994). Still others focus on ideological or other institutional characteristics of the political system (Kindleberger 1975; Goldstein 1993).

Institutional approaches of more general origin can be applied to the trade-policy arena. There is a common view, for example, that "corporatist" political economies allow decisions to be made in a bargained, consensual manner (Katzenstein 1985). This, it is said, leads socioeconomic actors to internalize the effects of policies adopted, so that more efficient policies are likely to be chosen—compensation over trade protection, for example. Tsebelis (1995) associates political systems with multiple "veto points," such as those involving divided powers or federal structures, with a bias toward the status quo; where trade-policy making requires changes in policies, this would have a systematic impact on outcomes as well.

The final step is to examine how these domestically derived preferences play themselves out in the global strategic setting. Some scholars emphasize aspects of the international environment that affect trade-policy *strategies*. For example, world macroeconomic conditions can alter a nation's policy even where its goals remain the same. The same country might pursue liberal trade relations in times of global growth but turn toward protection in times of crisis. In an analogous way, international monetary conditions are sometimes given as potential sources of trade policy: Stability is conducive to commercial liberalization, whereas breakdown and competitive devaluations encourage protection (Eichengreen 1989a, 1992). There might be several interpretations of this correlation, but a common one focuses on how such international instability shortens time horizons, increases uncertainty, and thus makes interstate cooperation more difficult.

The most prominent feature of the global strategic setting scholars invoke to translate preferences into outcomes are those imposed by differential national capabilities and bargaining—power, in a word. Some argue that hegemony, or more generally a concentration of power among a few states, makes trade liberalization more likely (Krasner 1976; for a more recent survey, see Lake 1993). Others argue that countries use liberal trade policies to reinforce preexisting alliances (Gowa 1989, 1994). All take as given national preferences and accent the causal significance of the strategic setting, typically characteristics of the global political or economic order.

It is easy to see the logical progression and empirical implications of the different arguments at all three steps, and to see how the steps might fit together. This, of course, does not mean scholars agree—only that most

agree on how to formulate and evaluate their disagreements. Indeed, many differences of interpretation remain.

One axis of disagreement, as usual, is over the relative explanatory importance of preferences and the strategic setting. There is some affinity between preference-based explanations and domestic approaches to explaining trade policies and, similarly, between constraint-based views and "systemic" explanations. Partisans of the explanatory predominance of preferences point out that national governments often prefer unilateral protection to free trade and that exogenous conditions are irrelevant in the face of this.<sup>32</sup> Others argue that most of the explanatory power is given not by different preferences but by changing strategic conditions.<sup>33</sup>

Another axis of disagreement, as already described, is over the various theories of preference formation. This includes the determinants of individual, firm, and sectoral trade-policy preferences and how these preferences are aggregated. That the analytical debates are easy to state and that their comparative statics properties are simple to derive is an indication of how important careful definitions are to scholarly progress, including scholarly disputes.

It may well be, of course, that some factors are more important to some outcomes than others. It would not be surprising to find that features of the global environment are especially important in affecting trends in international levels of trade protection over time, whereas domestic factors predominate in determining the structure of protection among industries. Here, again, the careful structuring of the research questions and designs helps us to arrive at sounder conclusions.

Indeed, progress in the analysis of international trade (and monetary, financial, and investment) policies has brought forward new classes of questions. One of the more intriguing is the possibility that the international setting has an impact on domestic preference formation. This might be because changing global conditions come to alter the preferred policies of subnational groups or because they change domestic coalitional arrangements and strengths.<sup>34</sup>

An example of this can be drawn from Latin American economic policy. The massive terms of trade shocks of the 1930s, and the general inward turn of the developed world's trade policies in the 1930s and 1940s, was associated with a Latin American shift from free trade toward protectionism. By the same token, in the 1980s the debt crisis and the quickening of global financial and commercial integration was associated with a turn away from protection and toward trade liberalization. In both instances,

<sup>32</sup> For some examples, see Kindleberger 1951; and McKeown 1983, 1986.

<sup>33</sup> Conybeare 1987 is a good example, and Lake 1993 provides a good summary of one class of variants.

<sup>34</sup> The articles in Keohane and Milner 1996 attempt to clarify how this might work both theoretically and empirically.



a case can be made that the dramatic shifts in trade policies were the result of changes in the international strategic setting, with global closure in the former and "globalization" in the latter. Or the policy shifts might have been owing to changes in the dominant coalitions in Latin American countries: The collapse of commodity prices in the 1930s weakened free-trade commodity exporters, while the collapse of domestic markets in the 1980s weakened protectionist import-substituting industries. Or international conditions might have changed the policy preferences of domestic actors: Foreign markets looked much less attractive in 1935 than in 1895, much more attractive in 1995 than in 1955. Whether these assertions are correct, their consideration helps highlight the possibility of building both new conclusions and new questions on the basis of carefully structured debates.

Studies of international trade relations have benefited from clear statements of the explanatory importance assigned to trade-policy preferences, the domestic setting, and international conditions. Such studies are, in turn, most convincing inasmuch as scholars clearly state the preferences of the major actors—be they states, politicians, firms, groups, or individuals—and provide presumptive, empirical, or theoretical justifications for the preferences in question. This sort of clarity would help the long-standing debate on nineteenth-century European colonial imperialism.

### *Explaining Classical Imperialism*

Debates over the causes of the rush for colonies by European countries (and Japan and the United States) in the late nineteenth century go back to the events themselves. Yet, disagreements remain as confused and confusing as they were then, and there is little sign of significant scholarly progress on many important issues. A great deal of this, I believe, is the result of confusion about the analytical role of preferences.

There are three particularly enduring, and enduringly contentious, explanatory issues in the literature. They are the importance of economic and noneconomic causes of imperial expansion, the relative impact of domestic and international sources of imperialism, and the causal importance of conditions in the underdeveloped regions themselves.<sup>35</sup>

The first question is the extent to which imperialism was driven by the prospect of financial gain, either to the colonizing nation or to groups

<sup>35</sup> Even the surveys in the literature are so numerous that only a few representatives can be mentioned here. They include Fieldhouse 1961; Landes 1961; Cohen 1973; Smith 1981; and Doyle 1986b. The three-way division used for convenience here is similar to that which motivates Doyle's categories of metropolitan dispositional, systemic, and peripheral approaches, respectively.

within it. The so-called economic theory of imperialism<sup>36</sup> is associated with the view that the search for imperial profits (more likely, rents) was a strong motive for colonialism. The most famous variant, that of Lenin and Hobson, asserts that the maximization of returns to financial capitalists was the goal of the imperial powers.<sup>37</sup> Opponents insist that economic motives were not a major source of colonial imperialism. They posit principal causal factors that range from the military through the ideological to the bureaucratic.<sup>38</sup> The most common counterargument (for example, Cohen 1973) is that the Great Powers accumulated colonies for the purpose of military security, as part of broader attempts to amass power.

A second, related issue is whether imperialism was spurred by domestic or international developments. Domestic arguments, of which Lenin-Hobson is one variant, are based on the idea that something intrinsic about the industrial societies changed after the mid-1800s to drive them toward the acquisition of colonies. Noneconomic but nonetheless domestic explanations emphasize the "atavistic" groups discussed by Schumpeter (1951), imperial ideologies, or other metropolitan forces. A similar approach is that of Jack Snyder (1991), who argues that "cartelized" systems in which influence was concentrated in powerful logrolling groups had a strong tendency toward expansionist goals. Internationally driven explanations focus on global roots of imperialism. Most emphasize the struggle for military power and the displacement of intra-European conflicts to the periphery; some look at the rise of new military or other technologies in allowing Europe to dominate other societies.

The third major debate is over the role of peripheral societies themselves in the race for colonies. The "metrocentric" view that imperialism grew out of characteristics of the metropolitan powers was challenged by Gallagher and Robinson (1953), at least in the case of Great Britain. They argued that colonialism was only one of several means to Britain's aim of free trade and that it was pursued only reluctantly, where conditions in the periphery made it necessary. This places the roots of colonialism in the colonized regions rather than the metropolitan countries: Where peripheral collaborators for British free-trade imperialists were available, colonialism was superfluous (Robinson 1972).

<sup>36</sup> The phrase is misleading. An economic theory typically argues for relationships between variables, such as economic growth and income distribution; in the literature, however, it has taken on the meaning of a simple assertion that economic factors are important in explaining imperialism.

<sup>37</sup> Apart from the obvious (Lenin 1939), two useful discussions are Cain 1985 and Stokes 1969. More recent presentations or evaluations of the argument that the principal goals of imperialism were economic include Cain and Hopkins 1993a, 1993b; Davis and Huttenback 1986; and Lipson 1985. For a survey of the British case, see Cain 1980.

<sup>38</sup> Krasner 1978 is a parallel evaluation of contending views of American motivations in "neoimperialist" intervention in the developing world, which favors one that regards endur-

Despite the longevity of the controversy and outstanding historical research on the topic, little progress has been made in resolving the principal explanatory issues. At least some of this lack of progress can, in my view, be ascribed to the analytically faulty way that the discussion has been organized and conducted.

The debates are about two related issues in which preferences play a central part. The first is the relative importance to explaining imperialism of the preferences of the imperial powers and of the strategic setting. One set of scholars believes that if the strategic setting had been different—with changed European power balances or local conditions—the metropolitan countries would not have embarked on colonialism or would have done so in fundamentally different ways. Another set sees colonialism as the natural and direct outgrowth of the preferences of the metropolitan countries, with the strategic setting at best affecting the relative fortunes of different contenders for colonies. The second issue, closely related to the first, is precisely what the preferences of the major powers were. One group sees them as inherently economic, the others as noneconomic.

The debate is rife with the problems discussed here. The intermingling of preferences and the strategic setting confounds much of the literature. For example, two commonly presented positions are that of Lenin and what might be called a “power politics” perspective. Both views include an argument about preferences folded together with one about the strategic setting. They differ only with regard to preferences. The “Leninist” view sees metropolitan preferences as the maximization of returns to finance capital, whereas the latter sees state preferences as noneconomic, typically geostrategic. But both emphasize the impact of the competitive environment prevailing among colonial powers in the late 1800s. The disagreement is not, in fact, about the role of interstate competition but rather about the definition of state goals.

So, too, do many of the statements of contending perspectives confound preferences and the environment. The debate is often structured to imply that concern for interstate competition is in contradiction with concern for economic goals, and vice versa. But even the most economically motivated of states faces a strategic environment within which it tries to achieve the best possible outcome. A government primarily—even solely—motivated by the search for financial gain might engage in colonial expansion if, and only if, the strategic setting led it to believe that the acquisition or preservation of wealth depended on using colonialism to secure it. If the expansion of other countries threatened, immediately or prospectively, to reduce available economic opportunities, a wealth-maximizing country might well act strategically to preempt. The two

concerns—a preference for wealth maximization and a strategic setting that requires concern for power balances—are not in contradiction, and, indeed, one might flow from another. The same logic might work in reverse: A military strength-maximizing country might pursue colonialism to accumulate wealth that could be used for military spending.

Fruitful analysis requires a clear separation between preferences and the setting, and a clear sense of how the two interact. If current lines of demarcation were to be retained, the power politics school would need to specify precisely which features of the strategic setting drove all metropolitan countries, regardless of preferences, toward colonialism, and how these features led to a lack of colonialism in some regions and time periods. Proponents of preference-based explanations would, for their part, have to explain exactly what the preferences were that made colonialism so common in particular time periods and regions and why the environment was not a major constraint on the pursuit of these preferences.

One might hope, however, that a clearer statement of the problem would lead scholars to generate less heat and more light, perhaps to agree that the *interaction* of preferences and the setting determined outcomes. In this context they could endeavor to design research to help determine the character of this interaction in general and in particular historical instances.

Scholars need to state clearly their assumptions or assertions about the actors' preferences and about the strategic setting. They need to provide an analytical backdrop to conceptual experiments, for example, in which preferences are held constant and the strategic setting is altered. The number of observations is large: There is a wide variety of experiences including many different metropolitan nations and a large number of underdeveloped regions, from a long period of time in the nineteenth century. Scholars might specify how features of the strategic setting, for example, are expected to affect national behavior given constant preferences. Comparisons could then be made among different environments to see if a country's behavior varied as expected. Indeed, one of the great attractions of the "imperialism of free trade" approach, exemplified by Gallagher and Robinson (1953), was its insistence that British free-trade preferences were stable while *peripheral* conditions determined colonial *strategies*, which made the argument eminently subject to empirical evaluation.

But empirical evaluation of the interaction of preferences and the strategic setting requires some prior notion of national preferences, which brings us to the second big issue in the imperialism debate. Here, the two principal positions are relatively clear: One sees economic goals as paramount; the other, noneconomic goals.

However, the controversy over national preferences—the "economic theory of imperialism"—is dominated by attempts to do the impossible. It is largely oriented toward trying to observe preferences directly, to see

what countries and groups wanted on the basis of what they did. Much of the debate has thus taken the form of proponents of the "economic theory" finding cases in which colonialism was profitable, and opponents finding cases in which colonialism was unprofitable. These findings are taken as evidence that the governments in question were imperialist for, respectively, economic and noneconomic motives. But because preferences cannot be observed independently of strategies, empirical investigation simply cannot resolve the issue without a clear separation of actors' preferences from the setting. All we can observe is the outcome—a region colonized, for example—from which the causal mix of preferences and the strategic setting cannot be inferred.

Whether a colony ended up being profitable does nothing to resolve the question of the colonial power's goals. A government interested in engaging in colonialism for "economic" reasons (i.e., to increase private fortunes) might well have faced an environment in which unprofitable colonies were more desirable than no colonies at all (perhaps to deny them to competitors). Alternately, a government with no colonial economic motives might have found itself with profitable colonies as a by-product of its attempts to pursue other goals (perhaps, again, to deny profits to competitors).

To compound the problem, while preferences play so central a role to all aspects of the debate, there are few theoretically sound derivations of colonial preferences. In addition to a clear analytical separation between preferences and the environment, another way to move forward would be to focus on the development of theories of colonial preferences.<sup>39</sup> On the basis of these theories of preferences, we could formulate expectations about differences among national policies in similar settings or some other form of analogous conceptual experiment.

The debate over colonial imperialism in the forty years before World War I is an important one, both historically and theoretically. Yet, the current state of the debate does not lend itself to the generation of comparative statics, even less of testable propositions or observable implications of these comparative statics. And the argument can only move in this direction on the basis of a clear delineation of preferences and strategic environments, of their effects, and of the origin of colonial preferences.

## CONCLUSIONS

Insistence on close attention to the origin and influence of preferences is of more than pedagogical interest. Much of international relations is

<sup>39</sup> For my own tentative efforts to contribute to a theory of colonial preferences, see Frieden 1994b.

consumed in battles between views whose analytical positions are never carefully stated. Neorealists, neoliberals, intergovernmentalists, neofunctionalists, and other such coreligionists typically argue about principles rather than explanations. Often such arguments are inflamed and exacerbated by the lack of enough common language to evaluate contending explanations.

Many differences among students of international relations have to do with the character of the preferences of nation-states, groups, and individuals. Many other debates have to do with the relative explanatory importance of preferences and of the strategic setting. Of course, there is no unambiguous set of preferences that all might adopt, and, of course, both preferences and the environment matter for outcomes. However, the true nature of the disagreements is often masked by careless or inconsistent definitions and applications. And agreement on preferences, or on the impact of preferences and the environment, is impossible without explicit attention to them.

Indeed, these issues are rarely raised explicitly. The goal of improved analyses of international politics would be better served if they were—if preferences were defined more carefully, if they were derived more methodically, and if their implications for outcomes were stated and evaluated more systematically. More care toward these would, I believe, raise both the quality of debate and the quality of scholarly explanations.

Establishing the preferences of the units deemed important to international politics is, to be sure, but a first step in a complex endeavor. It is every bit as important, in general, to understand the constraints and opportunities within which the units labor, whether these constraints and opportunities are technological, informational, geostrategic, or otherwise. And the beliefs and perceptions of individual policy makers can also be of significance in explaining strategies and outcomes. The other essays in this volume examine these factors in some detail.

Nonetheless, no analysis of relations among actors—whether the actors are individuals, firms, groups, or nation-states—can be undertaken without a notion of the actors' preferences. Just as preferences alone give only a partial view of the world, so, too, is the strategic setting only part of the story. Insufficient, or insufficiently careful, attention to the role of preferences in international politics has been responsible for many fruitless debates and much poorly designed research.

Scholarship in international relations needs to pay closer and more careful attention to the explanatory role of preferences. This means working hard to differentiate preferences from the strategies to which they give rise and to provide convincing arguments and accounts of how we can know what these preferences are. Only on this basis can progress be made in the social-scientific analysis of international politics.

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