omy, a war triggered by an aggressive dictatorship, or a global environmental catastrophe could cause a collapse in the system that was so painfully constructed on the desolation of two world wars and a third, nuclear, near miss. Once broken, the same relationships in reverse could lead to a negative spiral: declining trade, failed democracies, further wars, and impotent international organizations. This would no longer be a Kantian system but would represent a return to a Hobbesian system of insecurity, economic decline, and war. Proponents of peace may be able to relax periodically, but they can never sleep. Every good thing must be re-won each day.

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Bruce Russett and John R. Oneal. 2000. *Triangulating Peace: Democracy, Interdependence, and International Organizations.* New York: W.W.Norton, Chapters 2-5.

From Democratic Peace to Kantian Peace[1]

> Truth has the property that it is not so deeply concealed as many have thought; indeed, its traces shine brightly in various places and there are many paths by which it is approached. (Galilei [1590] 1960, chap. 9)

We start from the observation that democracies very rarely, if ever, make war on each other. This statement, commonly known as the democratic peace proposition, should be considered a strong probabilistic observation (democracies rarely fight each other), rather than an absolute "law" (democracies never fight each other). In Chapter 3, we conduct statistical tests of the basic hypothesis that there is a separate peace among democracies. As in many analyses that we and others have reported before, we find strong support for this view. That democracies rarely fight each other is now generally, if not universally, accepted, so we do not

[1]Harvey Starr collaborated on an earlier version of this chapter (Russett and Starr 2000).

spend much time discussing it in this chapter.[2] Instead, we address a wide range of related issues to show the ways in which democracy, and other consequences of free choice, affect foreign policy. Doing so brings several benefits. It gives us a framework within which to place the empirical analysis of the next chapter, and it provides a springboard to the rest of the book, where we explore the full Kantian triangle for peace. The democratic peace thus becomes one of those phenomena that, as Galileo foresaw, shines unexpected light into many corners.

Democracy as the Focus

We begin by defining democracy. A democracy is a country where (1) most citizens can vote, (2) the government comes to power in a free and fair election contested by two or more parties, and (3) the executive is either popularly elected (a presidential system) or is held responsible to an elected legislature (a parliamentary system) (Dahl 1971). Democratic institutions appear most frequently in Western Europe and the states that once were part of the British Empire. Indeed, some critics call this definition culturally bound and ethnocentric, as not acknowledging systems where people may choose to vote for different individuals but political parties are not permitted or where there is little separation of powers between the executive and legislative branches of government. But systems sharing the characteristics of "Western" democracy now exist on every continent, and these characteristics have profound consequences for the way people govern themselves. For one, they insure that citizens will enjoy human rights and civil liberties, such as free speech and assembly. These characteristics—notably, control over the executive branch and the expectation that a leader who does not serve the interests of most of the people can be voted out of office—are key to theories about why democracies rarely fight each other.

[2]This conclusion is reached by three extensive review articles: Chan 1997; Ray 1997, 1998. Book-length studies supporting it include Bueno de Mesquita and Lalman 1992; Russett 1993; Singer and Wildavsky 1993; Ray 1995; Risse-Kappen 1995a; Maoz 1996; Weede 1996; Owen 1997; Rummel 1997; Weart 1998; and Gaubatz 1999.

Various scholars have rated the countries of the world over time according to how closely they approach the democratic ideal. They have used somewhat different specific criteria to identify democracies in an objective and comparable way. This is important because in social science and in this book we seek to make generalizations covering not only political systems in the contemporary world but also historical cases over an extended period of time. The practices and institutions expected of a true democracy have changed and evolved over time. It is not always easy to identify a democracy. Different rating systems, especially over long periods, produce somewhat different rankings of states.[3] This is to be expected when we consider democracy as a matter of degree rather than of kind. The world is not neatly divided into democracies and dictatorships, nor is any democracy in the real world a perfect one. Some, like those in Scandinavia, come closer to the theoretical ideal than do others. Others, like contemporary Russia, meet most elements of the definition formally but concentrate so much power in the executive branch that no one can call them fully democratic. Consequently, we need a continuous scale that ranges from very democratic states to very autocratic—even totalitarian—ones, with mixed systems in between.

Several features of these rating systems are important to note. First, none was produced by a scholar who was involved in research on the democratic peace or had staked out a prior position as to whether the democratic peace proposition was correct. In fact, they were produced before many analysts took the democratic peace proposition seriously, or even knew about it. Rather, scholars produced the rankings primarily to study the political conditions within countries, for example, to learn why some governments are more stable than others or what political or social characteristics make democracy stronger or weaker.

Second, most of the rating systems were created by American social scientists, but a scholar from Finland (Tatu Vanhanen) produced one of the earliest. Thus, whereas all adopt the perspective of Western democracies and use similar criteria consistent with this view, not all reflect what might be considered a North American bias.

Finally, these systems, though compiled independently, are in substan-

[3]For example, see the Freedom House annuals beginning with Gastil 1978; Vanhanen 1984, 1990; Jaggers and Gurr 1995.

tial agreement, with correlations among the most prominent ones ranging in recent decades from above .80 to more than .90 (Jaggers and Gurr 1995; Bollen 1993). Furthermore, Jaggers and Gurr, the source we prefer, concur with Vanhanen on the key cases of big countries participating in big wars; both agree, for example, that Germany in the years before World War I had some characteristics of both autocracy and democracy but that overall it was less democratic than was Great Britain. Most important, the basic conclusion that democracies rarely fight one another appears to be solid regardless of the rating scheme used. Support for the democratic peace is, then, "robust": the conclusion is basically the same despite different tests and measures.

It is also now generally accepted, as a corollary of the democratic peace proposition, that pairs of democracies are much less likely than other pairs of states to fight or to threaten each other in militarized disputes less violent than war. This extension has survived very sophisticated scrutiny (e.g., Beck, Katz, and Tucker 1998), providing greater confidence for the conclusion about war between democracies.[4] This is important, as wars are rather rare historical events, which makes it hard to establish strong generalizations about them. Thus, in this chapter (and in our tests in subsequent chapters), we consider the incidence of conflict between democracies across a broad range of intensity and destructiveness. We address a variety of issues raised about the democratic peace and, in the process, provide an overview of theory and research. We do not attempt, however,

[4]Moving to low-level disputes does not just increase the number of cases. It also permits asking whether pairs of democracies are less likely to initiate such disputes, and also whether they are less likely to escalate them once they have begun. Usually the answer to both questions is yes (Bremer 1993; Maoz 1993; Russett 1993; Hewitt and Wilkenfeld 1996; Rousseau et al. 1996; Hart and Reed 1999). The low frequency of democratic-democratic escalations is important, since some game-theoretic perspectives suggest that a strong and well-known aversion to initiating wars between democracies could lead them, for bargaining purposes, to initiate or escalate crises with one another, knowing that the process would stop short of war. Senese (1997, 1999) claims evidence for within-crisis escalation between democracies, but he uses a more problematic escalation scale than do Rousseau et al. The most recent analysis finds that democratic dyads are only minimally less likely than others to escalate their disputes, but that pairs of democracies avoid war chiefly by not getting into lower-level disputes (Reed 2000).

a complete review of all the work on the basic finding that democracies rarely fight each other.[5]

This chapter is more about theory than empirical results. It is especially a report on extensions of research on the democratic peace. We are particularly interested in the propositions that plausibly follow from the initial one—that democracies do not fight each other—and whether these extensions are supported by evidence. We look at these developments as part of a progressive research program, one that brings the pieces together and integrates them. Deductive logic has produced a range of auxiliary puzzles or hypotheses that lead to encouraging empirical findings.

Two Dimensions: Pairs of States and Individual States

The most widely accepted assertion of the democratic peace project concerns the behavior of pairs of states. (Pairs are sometimes called "dyads," a term used often in this book.) The democratic peace is sometimes defended as an absolute historical statement about democracies and war. James Lee Ray (1995, 125) claims, for example, that none of the several possible exceptions to the rule "is appropriately categorized as an international war between democratic states," either because the states were not both democratic or because the conflict was not serious enough to be considered a "war." Since Ray wrote, there has been just one war between democracies, despite the

[5]Russett (1995, 1996a) addresses some early critiques of the democratic peace. The most thorough response to the quantitative critiques is by Maoz (1997, 1998). An edited collection (Elman 1997) uses a comparative case-study method. It reaches a mixed conclusion and suggests some modifications to the democratic peace thesis; it is marred by conceptual inconsistencies and the absence of any clear research design to guide the selection of cases. A proper framework for case studies must address the mystery of the dogs that do not bark. Focusing just on crises between democracies to determine whether the character of their political regime was critical to avoiding war ignores, for example, the question of why militarized disputes between them are so rare. One might address this question by comparing the behavior in crises of states involved in enduring rivalries where both states were at some times democratic but not at others. One might also systematically compare cases of crisis bargaining and management between democracies to such behavior between otherwise comparable autocracies or democratic-autocratic pairs.

continued expansion of the international system and the spread of democracy within it. The India-Pakistan conflict of 1999 is the exception.[6] Most proponents of the democratic peace both expand the range of conflict considered and more cautiously express the proposition as a probabilistic statement: democracies rarely use military force against each other even at levels of violence below the threshold of war. For wars, however, and allowing for some ambiguity in the determination of which states are democratic, joint democracy does seem to be virtually a *sufficient* condition for peace between two countries (Russett 1996a; Starr 1997a, chap. 7; Chan 1997).

This does not, of course, mean that joint democracy is a *necessary* condition for peace. Many pairs of states, particularly small ones far from one another (such as Uganda and New Zealand), have neither the opportunity nor the willingness to fight each other. They lack the military means to threaten or attack at great distance, and they do not have issues in dispute. Many other dyads that have both the opportunity and the willingness to fight are dissuaded from doing so by well-understood realist influences, such as a great imbalance of power. The weak know better than to make war, the strong know they can get their way without it. Alliance configurations or even domestic constraints unrelated to democracy may also effectively prevent states from resorting to force. Even two democracies may be constrained from fighting each other by power or other considerations although some popular movements are clamoring for a fight.

Nonetheless, the general pattern is clear: the pairs of states, or dyads, most likely to be at peace, whether we speak of wars or lower-level military disputes, are those composed of two democracies. Two autocracies are much more prone to wars and disputes, as are dyads containing a democracy and an autocracy. Because democracy is a continuous variable rather than an either/or condition, perceptions regarding another state can differ, and disputes are more likely when one state is only marginally democratic than when both are clearly so.[7]

Perhaps the most prominent puzzle about the democratic peace pivots on the distinction between pairs of states and individual states. If researchers focus on individual states, they ask how the political characteristics of a state affect its relations with *all* other states rather than just with particular kinds, such as other democratic states. The big question is whether democracies are more peaceful in general (that is, when considered individually) than nondemocracies? There has long been skepticism that they are. The authors of an early investigation (Small and Singer 1976) are well known for asserting that democracies in general are as war-prone as other states. They were so convinced of this that they even dismissed their evidence that democracies rarely made war on one another. They believed that the relationship was spurious, perhaps merely a result of democracies' being physically far apart. Almost all scholars now reject Small and Singer's second conclusion regarding pairs of democracies, at least in the twentieth century (Bremer 1992, 1993; Henderson 1998; chaps. 3–5 of this book). But their other conclusion, that democracies are no more peaceful in general than are other states, is still widely accepted.[8]

[6]The Polity data by Jaggers and Gurr label both countries democratic (Pakistan at 7, just at the usual cutoff point for characterizing a state as democratic rather than having mixed characteristics). Battle deaths probably did exceed 1,000 (the Correlates of War Project's criterion for a war), but many of those were of Islamic guerrillas, not regular Pakistani troops; thus, the conflict may not qualify as a true interstate war. Ethiopia and Eritrea clearly fought a war from 1998 to 2000, but Polity scores both right in the middle of the twenty-one-point combined democracy-autocracy scale (Eritrea at -2 slightly on the autocratic side and Ethiopia at +1). The border conflict between Ecuador and Peru in 1995 probably fell short of 1,000 deaths, and in any case, Polity rates Peru under President Fujimori's emergency powers as just +2, in the anocratic (mixed) part of the scale. Yugoslavia/Serbia is consistently autocratic (-5 to -7) in the 1990s. The recent Polity codings are from www.bsos.umd.edu/cidcm/polity/polity98.htm; conflict information is from Wallensteen and Sollenberg 1998 and a communication from Professor Wallensteen.

[7]Peceny (1997) makes this point in regard to the Spanish-American War in the context of a "constructivist" argument about the importance of perceptions in shaping people's sense of who is like them and who is different. Oren (1995) and Bachteler (1997) carry the constructivist perspective further. It is probably more useful to recognize that perceptions will vary concerning political regimes that are on the margins of the standard categories. It is also important to note that the categories themselves will vary over long periods of time.

[8]Even one author of this book leaned toward acceptance of what then was nearly a consensus: "Though there are elements of plausibility in the argument that democracies are inherently peaceful, it contains too many holes, and is accompanied by too many exceptions, to be usable as a major theoretical building block" (Russett 1993, 30–31). There have always been those who have accepted that democracies are more peaceful generally. Rummel is conspicuously in this group, as his recent book (1997) reminds us. The position has subsequently been advanced by Ray (1995), Benoit (1996), and Oneal and Russett (1997).

If it were true that democracies rarely fought each other but were not more peaceful in general, we would need a good theoretical explanation for that. Many people have tried to produce one. But if democracies are generally more peaceful than autocracies are, the implications are much more profound. Indeed, the emerging view seems to be that democracies are more peaceful overall, especially if we consider which states initiate militarized disputes (Rousseau 1996; Rousseau et al. 1996; Rioux 1998). Crises are more often initiated by autocracies. That democracies are more often the victim of aggression than its instigator is masked when one looks only at states' involvement in conflict. The effect of democracy on the likelihood of conflict at the level of the individual state is not nearly as strong as the dyadic effect that emerges when the interactions of two states are considered. This is one reason why so many people at first missed it. Two other reasons may help explain why the state-level evidence was initially ignored or underappreciated.

The first reason is that in the early stages of research, too few analysts thought in terms of multiple influences. A simple count of political systems and the number of wars or militarized disputes in which they were involved ignores the other influences on conflict, notably the challenges states face in global and especially regional systems. Since geographical proximity makes conflict more likely, it is important to know what types of regimes democratic states have as neighbors: one would expect those with many autocratic neighbors to have more conflicts than those largely surrounded by democracies. Throughout the nineteenth century and much of the twentieth, democracies were rare. Democracies, therefore, usually had autocratic neighbors, and if autocracies are prone to conflict (as we contend they are), we would expect the few democracies to have been involved in many disputes with them. For example, France has long been a democracy, but until the end of World War II many of the states on its borders were autocracies (Germany, Italy, Spain), so France was involved in frequent wars. Now, as more and more countries become democratic, France and other democracies are increasingly peaceful (Gleditsch and Hegre 1997).

This means it is important to situate each country within its politically relevant environment, looking at the network of relations it has with its neighbors and with the great powers. We must also consider whether these states were allies or significant trading partners, and we must estimate the balance of power among them. As we would expect if they are generally more peaceful than other states, democracies have had lower military expenditures and have experienced far less international conflict when their political environments were predominantly made up of other democracies (Garfinkel 1994; Maoz 1996, 1998). On the other hand, when democracies were in the minority internationally, there were more disputes because of the aggressiveness of the autocracies (Maoz and Abdolali 1989).

Thinking about multiple influences can help us solve another puzzle, regarding the effect that the *process of democratization* has on the likelihood of conflict. Some have argued that the transition from autocracy to democracy might make a new government politically unstable and so lead it into greater conflict in the short term—even if it will be more peaceful once its democratic institutions are well established. Mansfield and Snyder (1995) agree that there is a separate peace among mature democracies, but they make a strong theoretical argument, with some empirical support, that democratizing regimes are more war-prone than stable political systems, whether autocratic or democratic. As old dictatorships fell, especially in Eastern Europe and the successor states of the old Soviet Union, this seemed a particularly important question (Kozhemiakin 1998). Would the new democracies find themselves at war with their neighbors over disputed boundaries or because of ethnic rivalries?

Efforts to reproduce Mansfield and Snyder's results, however, have not been very successful. Their findings are not robust when analysts employ different data sets, indicators, and analytical procedures. It is not at all clear, for one thing, that democratizing states are typically the initiators, rather than the victims, of interstate violence. Moreover, regime instability in general may be the problem, not democratization. A process of autocratization (moving from a democratic to authoritarian regime) may be as likely to induce conflict as democratization, or more so.[9] Also, a big shift to a high level of democracy produces more peaceful behavior than do halting, tentative moves toward liberalization (Ward and Gleditsch 1998). In addition, many investigations of this phenomenon stop at the level of the individual country. Public opinion surveys in Eastern Europe

[9]Mansfield and Snyder 1996, 1997; Enterline 1996, 1998a; Maoz 1998; Thompson and Tucker 1997a, 1997b.

and Russia (Braumoeller 1997) suggest that the more people in democratizing states *perceive* their neighbors as democratizing the less they expect to fight them. Analyses taking into account the characteristics of states' neighbors, with a good multivariate set of controls, find that democratization does not affect the likelihood of conflict (Oneal and Russett 1997; Rousseau 1997; Enterline 1998b). Gleditsch and Ward (2000) report that democratization generally reduces the risk of war, but that large swings back and forth between democracy and autocracy raise that risk.

It is important to resolve the debate regarding the effects of democratization because it has important implications for policy. If democratization encourages wars, even in the short term, we would have to be cautious about urging democratic reforms abroad, especially if a gradual approach to liberalization seemed necessary. If, however, new democracies are not particularly prone to conflict, the promotion of democracy, for its own sake and for its long-term pacific benefits, would clearly be warranted. We will return to this topic in the next chapter.

The failure early on to recognize that democracies are more peaceful in general than autocracies also arose from not thinking in strategic terms, that is, how two states interact when each must anticipate how the other will behave. This important perspective became prominent in investigations of international relations only after the initial empirical observation—that pairs of democracies are unusually peaceful—was established. Indeed, it was the need to explain this empirical generalization that prompted sophisticated efforts to think strategically. Among other things, it means asking whether democracies are threatened by autocracies. Perhaps autocratic leaders behave like bullies, trying to take advantage of democracies, which prefer peace but will fight rather than surrender too much. The run-up to World War II in Europe, between an aggressive Hitler and appeasing British and French leaders, is a prime historical example. A strategic perspective demands that we consider the sequence of events that leads to war, not just its end point: what kinds of states are likely to initiate disputes and war, and which are apt to be the targets of aggression? This theoretical innovation, which in turn prompted a fresh look at the evidence, shows how pieces of the puzzle regarding the democratic peace accumulated to produce a more nuanced and integrated understanding. We now consider some of these theoretical developments.

Theories of the Dyadic Democratic Peace: Culture or Structure?

A strong empirical relationship between democracy and peace alone is not enough. We also need to know *why* such a relationship exists; without a theoretical explanation, we do not understand the cause of the phenomenon and cannot be sure that the finding is not purely coincidental. Early efforts to explain the democratic peace fall into two categories (Maoz and Russett 1993; Starr 1992b). *Cultural explanations* emphasize the role of shared democratic principles, perceptions, and expectations of behavior. Democratic peoples, who solve their domestic political disputes without resorting to organized violence against their opponents, should be inclined to resolve problems arising in their relations with other democratic peoples in the same way. *Structural explanations,* on the other hand, stress the importance of the institutional constraints democracy characteristically imposes on decision makers. A separation of powers requires the executive to secure legislative approval and funding for war, and institutions that make democratic leaders accountable for bad decisions make democracies reluctant to go to war. The two explanations are really complementary: culture influences the creation and evolution of political institutions, and institutions shape culture. Kant, in *Perpetual Peace* ([1795] 1970), took an evolutionary view: a good constitution for representative government would, over time, generate a good moral culture.

There was an early notion that these explanations for the democratic peace must be mutually exclusive. They were treated as "contending" approaches, as though one were correct and the other incorrect. Rather than ask which theory is right and which is wrong, we should ask if and how they both could be true. One might be more important under some conditions and less important under others, and they might well reinforce one another (Most and Starr 1989). Treating them as contending approaches delayed investigation into how the two explanations are related and how they interact to generate peace between democracies.

It is more helpful to think of peace among democracies as "overdetermined," explainable by several related but conceptually distinct and reinforcing, perhaps sequential, causal mechanisms. The culture-structure debate obscured this. Just as there are multiple paths to war (Bremer 1996), there are multiple, "substitutable" paths to peace. Moreover, both the cultural and structural arguments are contextual theories, theories that consider how conditions existing within democracies constrain or

enable certain behaviors in international politics (Goertz 1994; Most and Starr 1989). As such, the two approaches can be reconciled to show how they affect the opportunity and willingness of decision makers to choose between conflict and cooperation under particular conditions. This sort of effort is promising, though no single deductive structure may ever cover the diversity of countries' experiences or satisfy those who expect theories to explain everything by means of just a few variables.

One of the first theories using strategic choice to explain why democracies rarely fight each other was offered by Bueno de Mesquita and Lalman (1992). Their international interaction game situates domestic factors within a general structure of decision making at two levels: a nation's leaders interact with the leaders of another country and within their own domestic political system. From their game-theoretic approach, Bueno de Mesquita and Lalman deduce the conditions that are logically associated with various outcomes of the interactions of two states. They develop the important idea that the demands states make of one another do not reflect solely a desire for more power vis-à-vis potential rivals. Rather, internal political processes and norms of behavior influence states' goals in the international system and their choice of the means to these ends.

Internal politics affects the democratic peace because the domestic political costs associated with the use of force differ for democracies and nondemocracies. Leaders of democracies typically experience high political costs from fighting wars—always from losing them, and often despite winning them. These domestic costs of war make the use of force less attractive to democratic leaders. Decision makers in the real world can never be sure whether an opposing state is a "dove," averse to the use of force, but they generally can tell whether another state is a liberal democracy. This gives them valuable information about the likelihood that it will use force in pursuing its interests. Decision makers know that democratic leaders will bear heavier costs than the leaders of nondemocracies if they use force and so will be under greater constraints and be more inclined to adopt peaceful foreign policies. All of this comes from the free movement of information in liberal democracies, the existence of opposition groups, and the accountability of national leaders, which make democracies *transparent* to outsiders.

The strategic logic of the international interaction game can also account for the widely held belief that democracies are as inclined to violence as nondemocracies when considered individually. An autocratic

bully, relatively unconstrained by domestic politics, may believe it can force a constrained democratic rival to capitulate, but even a democracy is apt to defend itself when attacked. Ironically, given reasonable assumptions about the cost of losing the military initiative versus the domestic costs of capitulating to a demand backed by force, a democratic leader may anticipate the consequences of delay and choose to preempt an attack it expects from its autocratic rival. In short, democratic constraints on the use of force can make democracies "vulnerable to threats of war or exploitation" and possibly liable to launch preemptive attacks against presumed aggressors (Bueno de Mesquita and Lalman 1992, 159).[10] In fact, preemptive attacks are rare (Reiter 1995a), but the international interaction game can provide one account of the peace between democracies and the belligerence between autocracies and democracies.

The assumption that the leaders of democracies have incentives to be doves is based on both cultural and structural arguments (Starr 1992a, 211). Separating opponents into hawks and doves affects the payoff a state expects from resorting to war and, hence, its choice of options. The political survival of decision makers is affected by both their participation in conflict and its outcome. Key to their survival is the nature of the constituencies to whom decision makers are responsible and the institutional context: "Leaders can anticipate that they will be held accountable for failed foreign policy adventures. Consequently, the choice of war-related behavior is likely to be dampened by the fear that the regime will be punished if things go awry" (Bueno de Mesquita, Siverson, and Woller 1992, 644). Leaders are punished for policy failures: they are forced from office. Democratic leaders are particularly subject to being forced out of office because of the electoral process, so they avoid wars, especially those they are likely to lose (Bueno de Mesquita and Siverson 1995).[11] (Authoritar-

[10]Schweller (1992) reports that dominant democracies, when declining in power relative to a challenger, do not initiate preventive wars. Preventive wars are deliberately planned and initiated to meet a growing threat, whereas preemptive wars arise out of crisis conditions favoring the side that makes a first strike.

[11]Bueno de Mesquita and Siverson (1997) and Bueno de Mesquita et al. (1999) expand and integrate these arguments. Such arguments assume that voters are "rational," stable in their opinions, and reasonably well informed on foreign policy. Almond (1950) contended they are not, but more recent work supports the affirmative. See Graham 1988; Nincic 1992; Russett 1990; Page and Shapiro 1992; Oneal, Lian, and Joyner 1996.

ian leaders are harder to dislodge but are more likely to lose their lives if they are, as Hitler and Mussolini discovered.) In addition, the citizens of democratic countries, accustomed to the peaceful resolution of political differences domestically, may expect their leaders to do the same internationally, at least in relations with other democracies. Thus, even successful uses of force may entail political costs for the leaders of democratic states.

Bueno de Mesquita and his colleagues assume that all national leaders are motivated by the desire to remain in power. To do this, leaders must satisfy a sufficiently large segment of those who influence the selection process (whether this is in formal elections or a "smoke-filled" room or through control of the nation's armed forces) so that they maintain a winning coalition in the game of domestic politics. To influence potential supporters, leaders distribute special benefits (private goods) to their supporters or pursue collective goods (public policies that benefit everyone). A combination of these strategies is most common, but democratic leaders have to satisfy a wide electorate, not just a small set of cronies or military officers. Consequently, they are driven less to pass along wealth to a small group and more to provide collective goods to large segments of the population (Olson 1993). They are expected to do so by democratic norms and held to account by democratic institutions. This gives them greater legitimacy and support from society (Lake 1992; Brawley 1993a).

A dictator like Saddam Hussein of Iraq, however, cannot easily be removed from office. It he takes the country into a war, the majority of the population may suffer, but there are no elections whereby voters can depose him. All he has to do to stay in power is buy off his clan and the army. However, in a state with a wide franchise, a leader cannot seek wealth for just a small group of supporters while spreading the costs of military action among the populace (Verdier 1994). Losing a war, or even winning a costly one, is a ticket to early retirement.

Another variant of the strategic perspective suggests that the democratic peace can be traced to democracies' historical satisfaction with the international status quo. Again, the argument addresses the utility of war and the use of force. Satisfied states make few demands to change the status quo; thus, they are less likely to generate disputes that could escalate to war (Organski and Kugler 1980; Gilpin 1981; Doran 1991). States that are satisfied with the status quo are deterred from challenging or attacking other states. The essence of deterrence is that one state, based on its calculation of costs and benefits, chooses not to undertake an action

because of the behavior of another state. A state seeking to deter another may either raise the costs to its opponent of undertaking some activity (the threat of punishment, which is how analysts usually think of deterrence) or increase the benefits of abstaining. We shall see later in this book that trade reduces the likelihood of conflict because trading partners derive major benefits from the economic status quo, benefits that would be disrupted by military conflict.

Democracies may have been more satisfied historically with the status quo than autocracies due to their greater well-being. This is potentially the result of two factors. First, democratic societies receive greater political, social, and economic benefits because their governments are limited and there is competition for public office. As a result, the wealth extracted by a democratic state from its society, by corruption or by sheer force, is lower than in an autocracy, where national leaders may be little more than bandits. In a democracy with a wide franchise, the government must provide high levels of public goods in return for taxes, as noted above. The domestic satisfaction that comes from greater political freedom and economic prosperity may easily translate into satisfaction with the international status quo, including satisfaction with the state's existing territorial boundaries.[12]

The satisfaction of democracies with the status quo, and their resulting peacefulness, may also be historically contingent on the fact that the most powerful state in the system, the "hegemon," has, since the end of the Napoleonic Wars in 1815, been a democracy. If the hegemon was powerful enough to distribute private benefits to other states and if democracies were likely to support its hegemonic position, then democracies have been more satisfied (and more peaceful) because they have been privileged in a system run by powerful democracies. In the nineteenth and early twentieth centuries, Britain was the leading power, and it was satisfied with the status quo it had shaped. German leaders, on the other hand, seeing deep social tensions between workers, capitalists, and the landed aristocracy, wanted to revise the system by acquiring new colonies. Such a change would have come at Britain's expense and would have strengthened an autocratic state. Both reasons may explain Britain's resistance to

[12]Rousseau et al. (1996) find that democracies' satisfaction with the status quo helps reduce their willingness to initiate and escalate crises, both with other democracies and in general.

German initiatives. Britain had less to fear from America's rising power, which occurred at the same time. Later the United States did eclipse Great Britain, but the privileged position of democracies remained. Analysis of the territorial demands of democracies in the contemporary period supports the idea that democracies are still satisfied with the status quo (Kacowicz 1998).

In this theoretical argument, the peace among democracies is linked explicitly to their support for and the benefits they receive from the international status quo. If this is correct, the democratic peace could be subsumed under what is called "power transition theory" (Lemke and Reed 1996). According to this theory, the power of the hegemon to reward states with which it maintains good relations is the key to understanding the pattern of interstate conflict. The implication is that if by historical happenstance the hegemons of the last two centuries had been autocracies, we could now be discussing the autocratic peace proposition. We address this argument in Chapter 5.

The essence of the strategic viewpoint is probably this: for any country, a decision to expand, make demands, and fight must clear a threshold of costs and benefits. The costs of conquest and then of ruling conquered lands must be less than the benefits that accrue from peace and the status quo (Lake 1992, 29). The costs of resorting to force become almost insuperable when one democracy faces another. This hurdle is especially high because democracies expect, thanks to both cultural and structural incentives, to reconcile their conflicts peacefully. As we will discuss below, a degree of mutual responsiveness is required for the development of the zones of peace found within security communities. Thus, theories of strategic decision making can combine cultural and structural explanations of the democratic peace in a framework that considers national leaders agents of other political actors within a particular domestic political structure. This framework forces us to consider both the incentives for leaders to fight and the constraints that prevent them from doing so.

The Convergence and Expansion of Theories

Models of strategic decision making built upon previous accounts of the democratic peace, explained the same phenomenon, and then expanded the domain of explanation. Other research has integrated diverse findings

regarding a broad range of interstate behavior and incorporated several explanatory models. As a result, we now have a more comprehensive and more persuasive theory. Indeed, rather than a simple descriptive statement—"pairs of democracies do not fight wars against each other"—we have a research program that embodies Imre Lakatos's (1970, 1978) notion of scientific progress. Thus, the basic descriptive proposition about peaceful relations among democracies served as the basis for developing theories to explain why that might be true. Generating theories and then comparing them to the evidence forced analysts to consider how well they explained not only this but other empirical phenomena. Some recent creative efforts (Bueno de Mesquita et al. 1999; Reiter and Stam 2000) are notable in this regard. Accounting for a new range of phenomena suggests a stronger theory. These exercises of expanding applicability and converging findings take two forms: looking either at alternative phenomena to explain or at different explanatory influences. We begin by exploring new phenomena that have been related to the democratic peace; that is, other cooperative or conflictual behaviors we should expect democracies to exhibit.

Common Interests

If democracies reap rewards from avoiding conflict with each other because they share common interests, we should expect those common interests to show up in a wide range of cooperative behavior. And they do. Democracies are more likely to collaborate with each other at the start of militarized disputes (Mousseau 1997), and perhaps to ally with one another.[13] Werner and Lemke (1997) show that, in deciding to join an ongoing war, democracies are more likely to align with other democracies, and autocracies with other autocracies. They also find that autocracies tend to bandwagon with stronger states whose power is growing but that democracies' decisions to form alliances are not very sensitive to changes

[13]Siverson and Emmons 1991; Raknerud and Hegre 1997. Democracies seem to have been more likely to ally with each other only during the cold war era, principally by forming defensive pacts, which are the strongest type of alliance, as contrasted with weaker ententes or neutrality pacts. See Simon and Gartzke 1996; Lai and Reiter 2000.

in power; ideological affinity is more important for democracies. Some of these empirical regularities may be due to the strong ideological differences central to the cold war. Nonetheless, alliances between democracies are more durable, apparently because democracies are able to make more credible long-term commitments. This is a result of the public way in which commitments are produced in their domestic political processes (Gaubatz 1996; Bennett 1997b).

Perhaps the most cogent realist critique of the democratic peace has been offered by Farber and Gowa (1995, 1997b). They argue that the empirical association between the character of political regimes and the likelihood of conflict is spurious. The peace among democracies, they suggest, is not primarily a result of these states' being democratic but rather a consequence of shared (and transient) strategic interests: during the cold war, democracies such as Britain, France, and the United States allied with one another in order to defend themselves against a common enemy, the Soviet bloc. If Farber and Gowa are right that alliances are just a consequence of the international balance of power and that allies rarely fight one another because they must remain united against their common enemy, then shared democracy would be irrelevant in explaining the pattern of conflict. Once the source of threat is eliminated, as with the end of the cold war, the peace among democracies would be expected to cease as well. Clearly this is an important issue, for both theoretical and practical reasons.

Yet the idea that alliances are formed against a common enemy ignores the deeper question of why the enemy is perceived as common. Certainly, some of the democracies' cold war allies, especially in Latin America and Asia, were dictatorships; but why were all the democracies that took a side in the cold war on one and the same side? Surely their wish to maintain democratic forms of government and extensive civil liberties shaped their conception of their vital interests. If democracies are particularly likely to trade with other democracies (and they are, as we shall see in Chapter 6), then the benefits of that trade, too, are part of the interests they seek to protect in becoming allied. Thus, their interests as liberal democratic states affect both their choice of alliance partners and the kinds of countries (expansive dictatorships, especially those with state-run economies) with whom they are likely to come into conflict. A broad conception of "national interest" can thus explain alliances as well as patterns of conflict.

It is certainly true, nevertheless, that the institutional bonds of military alliances make war among their members less likely. NATO, for instance, was formed by free-market democracies. Admittedly, Portugal and Spain were military dictatorships when they joined, and Greece and Turkey reverted to autocratic rule for a time after joining as democracies. But since 1983, NATO has been composed exclusively of democracies. It has defended democracy among its members and promoted democracy among its neighbors. Its members share the interests of democratic states in not fighting among themselves. To this the institutional benefits of the alliance have been added. Thus, when the possibility of war has arisen between Greece and Turkey, NATO has helped to mediate the conflict and discourage its escalation.

Similar relationships between democracy, common interests, and behavior emerge if we look at voting blocs in the United Nations. States that regularly vote together in the General Assembly are also unlikely to fight each other. Presumably, they vote together because they share common interests and policy preferences (Gartzke 1998). But the policy preferences themselves are derived to a substantial degree from the shared interests of liberal democratic states. Democracies often vote together in the UN, as do states that trade heavily with each other (Kim and Russett 1996). Democracy and the pattern of trade, therefore, affect the likelihood of military disputes both directly, for the reasons we have explored in discussing the Kantian peace, and indirectly, by shaping other shared preferences, as represented by UN voting. We explore this complex causal system in Chapter 6.

One response to the challenge posed by Farber and Gowa comes from changing the question: instead of asking who fights whom, let us ask who wins after a fight is begun. If both shared democracy and common security interests (as measured by alliances) have prompted democracies to settle disputes among themselves peacefully, we can sort out the relative importance of these two variables by asking which state in a dispute is likely to prevail under different conditions. The existence of an alliance offers no prediction about this, but a realist would surely predict that the more powerful state will usually win. The democratic peace perspective predicts, on the other hand, that in disputes between democracies, shared norms and institutional procedures for peaceful conflict resolution will temper the dominance of power. Gelpi and Griesdorf (1997), therefore,

looked to see which side won or lost in all disputes over most of the twentieth century. The realist prediction that relative power matters holds true in most instances, but among democracies, relative power has no effect.

Interventions

If democracies rarely fight each other and share many common interests, why have democracies sometimes intervened in the internal affairs of other democracies? Several critiques of the democratic peace raise this question (Forsythe 1992; James and Mitchell 1995). One form of such intervention is covert action. The United States, for instance, conducted covert operations against left-leaning governments in Guatemala, in 1954, and in Chile, in 1973, both of which came to power through democratic elections.

Two questions about these operations need attention: First, why did the United States support the violent overthrow of these regimes if democracies share common interests and nonviolent modes of conflict resolution? This question is raised by critics of the democratic peace. But we should also ask why the United States intervened covertly and not openly, with its own troops? The answer is that the administrations that undertook these operations feared they would be widely denounced, so they hid their actions. Fear of criticism in a free press—a feature of democracies, of course—increases the incentives to keep an intervention covert (Van Belle 1997). Covert action by one democracy against another would usually be perceived as illegitimate by citizens of the intervening power. Citizens differentiate between democracies and autocracies as potential targets of military action (Mintz and Geva 1993; Geva, DeRouen, and Mintz 1993). Policy makers who do not share this sentiment have political incentives to keep their actions low-key in the hope that they will remain secret or at least not attract much public attention. Overt intervention with high levels of military force would invite political opposition because public norms do not support such inherently antidemocratic activity (Russett 1993, 122–24).

This is what happened when an initially covert intervention against the leftist revolutionary Sandinista government of Nicaragua became public and escalated in the 1980s. The U.S. Congress explicitly forbade the administration to support military action to overthrow the Nicaraguan government. To evade those constraints, the administration undertook illegal arms sales to finance its activities, but these were exposed in the Iran-contra scandal and led to the prosecution of some of the officials responsible. Thus, consideration of the political necessity of covert operations—in violation of democratic norms and institutions—ameliorates the challenge to the democratic peace raised by the cases when democracies have intervened in the internal affairs of other democracies. We may never know how many efforts at covert influence or even subversion are directed by democratic governments against officially friendly regimes, especially other democracies. These efforts—in defiance of democratic norms—are probably the least likely to emerge into the light of day.

With regard to overt interventions by military forces, the data more clearly support the existence of a separate peace among democracies. While powerful democratic states have sometimes intervened in weaker democratic or semidemocratic states, it has not been common;[14] and in most instances, the action was taken either to protect the intervenor's citizens or their property or to support the government. Only a minority of cases were hostile acts of coercive diplomacy. This finding is in keeping with the preferences of democratic citizens. The American public, for example, has supported presidents when they use force to resist aggression but not when they seek to engineer internal changes in other countries (Oneal, Lian, and Joyner 1996). Moreover, democracy helps inoculate a country against overt interventions. Democracies have been less likely than nondemocratic states to suffer such aggression, whether by democracies or by autocracies. This may be because the internal political strength of democracies (Hermann and Kegley 1996) discourages intervenors.

Although there are counterexamples (U.S. troops in Vietnam), states subjected to military intervention by the United States during the cold war generally became more democratic as a consequence, especially if the U.S. president declared this to be his goal (Meernik 1996; Hermann and Kegley 1998). The invasion of Grenada in 1989 is an example. An analysis of U.S. interventions over a century-long period concludes that although intervention itself did not generally promote democracy, when

[14] At first, Kegley and Hermann (1995) reported that democracies were more likely to intervene in other democratic or partly free states than in autocracies. When they analyzed different data, however, they found this was not true (Kegley and Hermann 1997).

the United States actively supported free and fair elections, the result was often profound (Peceny 1999). Open interventions, especially when the promotion of democracy was a goal, have not generally had antidemocratic consequences. Whether that makes them acceptable violations of traditional norms of sovereignty and noninterference in the internal affairs of another country is another matter.

Conflict Management

The public's ability to observe the making of public policy and its implementation means that democratic political systems are transparent, and the political competition characteristic of democracies contributes importantly to this. Transparency, in turn, helps democracies signal their interests more clearly and credibly and, if they are willing to use force, to communicate that resolve more effectively.[15] If a democracy is determined to achieve a certain objective and the political opposition supports the government, it can communicate this resolve and often prevail without war. But if the political opposition does not want to confront a foreign power, the government will be in a weak position. If it were to initiate a dispute under these circumstances, its adversary would likely interpret that initiation as a bluff. Consequently, democracies are more likely than autocracies to settle disputes peacefully, less likely to initiate disputes, and less likely to escalate a dispute when they do initiate it (Schultz 1998). Key to this process are the transparency of political decision making in democracies and the ability this gives them to communicate resolve internationally.

Numerous studies have extended the logic underlying the democratic peace to explain conflict management and cooperation among democracies. States engaged in long-term rivalries are more likely to end those rivalries at times when both states happen to be democratic (Bennett 1997a, 1998). Disputes between democracies are both shorter (nearly half lasted only a day) and less severe than those between other kinds of states (Mitchell and Prins 1999). Leeds and Davis (1999; also Leeds 1999) constructed a game-theoretic model to show that pairs of democracies engage

[15]See Fearon 1994a; Schultz 1999; Partell and Palmer 1999; Eyerman and Hart 1996.

more in cooperative behaviors than mixed democratic-autocratic pairs do. Democracies are much more likely to conclude preferential trade agreements (Mansfield, Milner, and Rosendorff 2000). Democracies use different conflict-management techniques and institutions than autocracies do. They are more likely to settle conflicts peacefully through mutual concession and compromise and to use third parties for mediation (Dixon 1993, 1994, 1998; Mousseau 1998). If, however, one focuses on the involvement of third parties with powers of arbitration or adjudication to impose binding settlements, the picture becomes murkier. Democracies are more likely to submit their disputes to arbitration, but the results of arbitration are not more durable than for nondemocratic pairs (Raymond 1994, 1996). This may result from the reluctance of nondemocratic states to use binding third-party mechanisms to resolve their disputes. When they do, it may be because they are ready to abide by the imposed solution, as when Libya accepted the International Court of Justice's finding in its border dispute with Chad in 1994.

What constitutes a legitimate cause for democracies to use military force against other democracies is limited by their cultural norms. People living in a democracy know that the citizens of other democracies share norms of limited self-government, civil liberties, and democratic transparency. They expect their government, consequently, to find appropriate modes of nonviolent conflict resolution in the event of an interstate dispute. Thus, the range of legitimate reasons to use force is greatly restricted between democracies. Moreover, the transparency of democracies, along with shared democratic norms and procedures, makes it very hard for democratic leaders to dehumanize people living in another democracy by manipulating images of the other to portray them as the "enemy." In contrast, authoritarian and totalitarian states are less transparent to others and limit their own people's access to information, encouraging the development of harsh images of the adversary on both sides. In the Gulf War of 1990–91, President Bush could characterize the Iraqi leader as another Hitler, and Saddam Hussein could equally demonize the American leadership. Such accusations would be unimaginable between the leaders of two democracies.

Experimental work on the political incentives for peace between democracies supports this argument. Mintz and Geva (1993) found that in laboratory settings their subjects interpreted the use of force by one democracy against another as incompetent leadership—incompetent be-

cause peaceful conflict resolution should be possible and, therefore, is expected. These results are consistent with Bueno de Mesquita and Lalman's arguments (1992) about pairs of international "doves." The leader of a democracy, after her political cost-benefit analysis of war against another democracy, sees no gain in it. Decision makers leading democracies can expect less support for the use of force against other democracies than for the use of force against dictatorships.

We began this discussion with the strong result of the dyadic democratic peace and considered a variety of related analyses that link democracy, both dyadically and individually, to less violence and more cooperation. We then considered the whole range of conflict: the onset of disputes, their escalation and de-escalation, and the dynamics of conflict management that move conflicts away from violent outcomes. Democracies are not pacifists; they do participate in violent conflict and even initiate it at times. Yet by analyzing how they interact strategically with other governments, we are better able to appreciate the peacefulness of democratic states and to understand the conditions (i.e., types of opponents and situations) that may prompt democracies to threaten and to use force.

Why Do Democracies Win the Wars They Fight?

It has been carefully documented that democracies win most of the wars they fight (Lake 1992; Bueno de Mesquita, Siverson, and Woller 1992; Stam 1996; Bennett and Stam 1996). But it is not obvious why this is so. One view is that the citizens in democratic societies are more motivated to support their state and that their participation in policy making produces better decisions (Russett 1993, 137). An alternative view is that democracies are better able to generate wealth and military capability, making them more powerful and more likely to prevail in wars (Lake 1992; Huntley 1996). By limiting the scope of government's involvement in the economy, for example, democracies make themselves more attractive to lenders of international capital; hence, they are more able to raise the resources needed to compete with authoritarian powers in international politics (Schultz and Weingast 1997). Other analysts (Reiter and Stam 1998b) doubt that democracies fare better because they mobilize greater material capabilities. Rather, they say that democracies choose to fight only wars they are likely to win because of the high costs that a

democratic leader can expect to pay for losing a war. This argument is strengthened by the fact that, historically, democracies have been particularly likely to win only those wars they initiated, rather than those in which they were the target of an attack and did not actively choose war.

Democratic leaders not only fear losing wars; they also fear incurring casualties. There are severe political consequences of soldiers' not returning home alive. Recall President Clinton's insistence on using air power and not ground forces in the war in Kosovo—avoiding *any* American battle deaths in this case. Democracies generally suffer fewer casualties in war than autocracies do (Siverson 1995). If democracies continue wars for very long, civilian support and military morale drop because of mounting casualties.[16] The decline is faster in democracies than in autocracies, and the longer the war lasts, the less likely democracies are to triumph. The United States' experience in the Vietnam War illustrates this vividly. So democratic leaders must win their wars quickly (Bennett and Stam 1998). How can they do this? Again, part of the answer is in carefully choosing which wars to fight. Democratic leaders try to initiate wars they are likely not only to win but to win quickly. Once involved in war, democracies do exhibit superior organizational effectiveness and leadership, though the logistical competence and morale of democratic armies declines over time (Reiter and Stam 1998a). Democratic leaders are more likely to choose maneuver strategies in wartime, and those strategies can win with lower human costs. Such strategies, however, require granting considerable autonomy to field commanders, something autocratic governments are usually less willing to do (Reiter and Meek 1999).

The characteristics of democratic and autocratic governments affect operations on the battlefield in other ways, too. Remember that democracies' wars are virtually always with autocracies. Autocracies treat prisoners of war far more brutally than democracies do, regularly violating the Geneva Convention. Soldiers from democratic states know this and are motivated to fight harder to avoid that fate. In their wars with democracies, on the other hand, soldiers of autocratic states often vote with their feet to become POWs (Reiter and Stam 1997). This account of the motivations of individual soldiers helps explain why democracies usually win the wars they fight.

[16]Mueller 1973; Lian and Oneal 1993; Oneal and Bryan 1995; Gartner and Segura 1998.

Ultimately, for a variety of reasons, democracy is a source of security, not vulnerability, even in a Hobbesian world. Democracies win most of the wars they choose to fight and, in so far as possible, stay out of the wars they cannot win or can win only at great cost. In a major theoretical and empirical synthesis, Reiter and Stam (2000) account for these phenomena within a model of consent: democracies win wars because their citizens will withdraw their support from governments that make bad choices and because the armed forces of democratic states are better able to conduct successful operations when called upon to do so.

The Domestic Conflict–Foreign Conflict Puzzle

A long-standing hypothesis is that governmental leaders may pursue diversionary policies to promote their own political interests; that is, confronted with domestic political troubles a leader may try to invoke a "rally 'round the flag" by diverting his people's attentions toward foreign "enemies." Some Republican leaders accused Clinton of this tactic when he ordered the bombing of suspected terrorist sites in Sudan and Afghanistan during the Monica Lewinsky scandal in 1998. President Bush was accused of the same thing when new attacks against Iraq were made at the time of the Republican convention in 1992. Are such actions especially common in democracies, where public opinion affects the power of the president and his ability to promote his agenda and where the government must present itself periodically for elections? Is the use of force more likely to occur just before elections? And does a bad economy increase the chances that force will be used abroad? A government's popularity depends heavily on whether its people are suffering from inflation or recession, so the temptation to divert attention from economic troubles could be strong. If democratic governments are prone to use force for domestic political advantage, this would pose a major challenge to the belief that democracies are more peaceful than autocracies.

Recent inquiries into these questions have produced mixed results, with no preponderant evidence that democratic leaders are more inclined to pursue diversionary adventures than dictators are.[17] Several studies

[17] Heldt 1997a reviews the recent literature; Levy 1989b is the standard earlier survey.

(Lian and Oneal 1993; Oneal and Bryan 1995; James and Rioux 1998) find only modest support for the existence of a "rally" effect following a use of force by an American president. There is also little systematic evidence that American leaders have tried to invoke a rally at politically convenient times (Gowa 1999, p. 69),[18] or that other democracies experience international conflict according to internal political or economic cycles (Miller 1999; Leeds and Davis 1997; cf. Gaubatz 1999). International influences usually have greater impact on American decisions to use force than domestic conditions do, especially if one looks at situations in which the U.S. government might have used military force but did not (Meernik 1994; Meernik and Waterman 1996; cf. James and Oneal 1991). Wang (1996) finds that both internal and international influences operate but that force is invoked *less frequently* when elections are near (perhaps because the rally effect is too unreliable) and more often to avoid a foreign policy defeat that would be politically damaging than to achieve outright political gains.

We need to address these issues in a more theoretically sophisticated way. If the use or threat of force is associated primarily with international conditions, then one must consider the particularly dispute-prone relationships embodied in democracies' rivalries with authoritarian states. Democratic leaders who do not respond as "realists" to a dictator's challenge may be vulnerable at home (Huth 1996). Remember that many crises are provoked not by a democracy but by its autocratic adversary. If a dictator believes that a democratic government might respond forcefully as a way of diverting attention from its domestic political troubles, the dictator might be especially careful not to provoke democratic leaders during such times (Smith 1996; Leeds and Davis 1997; Miller 1999). Saddam Hussein, for instance, seems to have been careful not to challenge Clinton at the height of the impeachment hearings. Thinking about multiple influences and relations with particular countries and considering both countries as sophisticated strategic actors are the best ways to untangle this troublesome puzzle. This approach provides no reason to

[18] Gowa seems to consider this to be evidence against the democratic peace. But since the vast majority of U.S. militarized disputes have been with autocracies, it is hard to see how it bears on the dyadic democratic peace proposition. As for the individual state level, at most it suggests that domestic politics made the United States neither more nor less dispute-prone than its international situation would require.

believe that democracies are especially prone to violent foreign policy acts as a means to rally support for domestic political objectives.

Civil Wars

A consideration of politics within countries suggests another extension of the democratic peace: democracies should have fewer civil wars than nondemocratic states. Indeed, they do. Perhaps this is because of higher levels of legitimacy in democracies. Effective governance in a democracy requires leaders to attend to a wide range of societal interests. States that are thoroughly democratic and those democracies that are effective experience the least amount of violence within their borders.[19] Actually, the relationship between the character of the political system and the incidence of civil wars is probably curvilinear. Partial democracies experience violent state failures more often than either full democracies or autocracies do. Countries with little international trade are also prone to domestic conflict.[20] The vast majority of civil wars in the twentieth century occurred neither in democracies nor in effective totalitarian states able to repress opposition vigorously. Rather, they occurred in regimes of mixed political characteristics or in decaying autocracies. Transitional regimes may evoke dissatisfaction and frustration just when their people are first able to vent it.

Democracies experience less domestic violence *in general*, especially what Rudolph Rummel has called "democide," the killing of people by their own government. Drawing on both cultural and institutional constraints (and linking economics and politics as well), Rummel (1985, 1994, 1995a, 1995b, 1997) shows that authoritarian governments are more likely to use force domestically and to engage in mass murder (also see Krain 1997). The obvious examples are, of course, Hitler, Stalin, and Mao. Rummel concludes that in addition to peacefulness abroad, democracy is a "method of non-violence" at home.

The American Civil War is often cited as an important exception to the domestic peacefulness of democracies. Undoubtedly it is. As with military disputes between democracies, the number of civil wars in democracies is small, not zero. In understanding the American case, it is important to remember, however, that democracy is a matter of degree. In this case, though both the Union and the Confederacy had important elements of democratic government, there was considerable difference between them. While its voting franchise was limited to males, the North arguably represented the most democratic large political system in the world at the time. In the South, not only did females have no vote, one-third of the total population, in addition to lacking the franchise, was legally no more than property. Weart (1998) plausibly labels the South not as a democracy but as an oligarchic republic run by a slave-owning landed aristocracy. Thus while the difference in political systems between North and South was less than between, say, the North and tsarist Russia, it was so great that it is hardly surprising the two systems could not coexist within the same state.

[19] Hegre et al. 1997; Krain and Myers 1997; Benson and Kugler 1998; Gurr 2000.

[20] Muller and Weede 1990; Ellingsen and Gleditsch 1996; Ellingsen 2000; Henderson and Singer 2000; Esty et al. 1998.

Beyond the "Democratic" Peace

We have been asking what other phenomena, besides the democratic peace, democracy can explain. This has led to our discussions of why democracies win wars, intervene in other countries, and experience fewer civil wars. We now ask a different question: Of what is democracy an example? In other words, what broader phenomena are represented by democracy? The democratic peace, we might say, provides the base camp for the expedition undertaken in this book, not the summit.

Chapter 1 introduced the idea of a Kantian peace, that peace is the result of multiple and overlapping liberal behaviors (democracy, economic interdependence, and international law and organizations). In the rest of this book, we will look in detail at the full triangle of factors underlying Kant's prognosis for peace. In his view, the three elements are intricately interrelated; it is not simply that each is useful. Democracy may be the keystone, but trade and international organizations contribute importantly to the establishment of a stable peace (Doyle 1997; also see Cederman's learning model [2000]).

As we suggested earlier, the Kantian perspective is strengthened by considering the various relationships linking democracy, trade, and peace. Free trade was a central concern of the nineteenth-century liberals who

contended that the economic interests of traders would promote not just prosperity but also peace between nations. This was necessary if trade and prosperity were to be maintained. Chapter 4 will look at this theoretical perspective in detail and consider the evidence for it. And Chapter 6 will consider whether the correlation between peace and trade is primarily the result of trade's reducing conflict or of conflict's reducing trade.[21] Chapter 6 will also show that, after allowing for the influences typically employed by economists to predict trade patterns (size of economy, distance, and relative costs), democracies trade more with one another than with autocracies. Because they share common interests and are able to employ nonviolent means of resolving disputes, democratic leaders need be less concerned that a democratic trading partner will use its gains from trade in ways that threaten their country's security. In addition, private actors prefer, where possible, to trade with enterprises located in states with which relations are stable. The democratic peace provides them with this assurance. They also can be more confident in the business practices and laws of another democracy than in those of an autocracy, where capricious acts such as expropriations might threaten their interests.

Another matter regarding the causal relationship between democracy and economic development is hotly contested and beyond full review here. The position that high levels of economic development facilitate democracy is generally accepted. Some of the most comprehensive work (Burkhart and Lewis-Beck 1994; Przeworski et al. 1996; Przeworski and Limongi 1997) confirms at least a strong correlation. Wealthy democracies survive: no state that has achieved both democracy and a moderately high level of prosperity (the level Argentina attained in 1975) has subsequently become undemocratic. In less affluent countries, democracy is more likely to survive if the economy is growing, inflation is moderate, and economic inequality is limited and narrowing. It is less clear whether democracy causes growth. Some recent work suggests that it does once it

[21]Weede (1996, chap. 7) contends that free trade increases prosperity (for evidence, see Frankel and Romer 1999), which in turn promotes democracy (and thus peace). The experience of industrialized countries (Volgy and Schwarz 1997) poses a long-term concern for Weede's argument, however. Free trade can magnify income inequality, which may ultimately endanger democracy. This perspective is part of the international debate about the consequences of free trade, globalization, and the creation of common markets.

has become institutionalized and stable (Feng 1997; Leblang 1997). This seems to have happened in contemporary Poland, the Czech Republic, and Hungary. Other countries in Eastern Europe, Asia (notably Indonesia), and Africa (including Nigeria) still have a long way to go to attain either stable democracy or steady economic growth.

The belief that international organizations and international law have a beneficial effect on interstate relations derives partly from arguments analogous to those made in norm-based explanations of the democratic peace. We have discussed some of the evidence that democracies extend their domestic processes of conflict management and resolution to their dealings with other democracies, that they employ "democratic" means in dealing with other democracies. These processes, we argue below, are manifestations of community, legitimacy, and responsiveness.

Organizations, rules, and norms are constructed within societies to reduce decision costs, to provide buffers against costly mistakes, and to make implementing policy more efficient. Democratic societies create not only laws but also procedures for how laws are to be written, interpreted, applied, appealed, and changed. Legislatures, courts, instruments of mediation or arbitration, as well as the whole range of political and social organizations serve these functions. Political and social organizations of a wide variety of types exist to facilitate the application of law in conflict management and resolution; they also facilitate societal responsiveness: the willingness of most citizens most of the time to comply voluntarily with the legitimate demands of the government and of other citizens. They socialize members to accept common norms and to generate narratives of mutual identity: to believe that "they" are part of "us." (This is how nations are built from a mix of ethnic and religious groups.) Within democratic societies, organizations and rules are core components of complex systems that ease interactions among individuals and groups, permit the recognition and pursuit of common interests, and manage conflict.

Consistent with both cultural explanations and with analyses of strategic behavior, democratic leaders expect to use international organizations and law—elements of international civil society—in a similar fashion when interacting with other states, especially other democracies. Democratic leaders use international organizations and law because these offer means to achieve their state's objectives and meet their people's expectations regarding the proper conduct of relations with other democratic

states. As we argued above, leaders who do not do so will be considered incompetent.

International organizations are often regarded as weak and ineffectual, particularly on matters that critically affect states' security interests. It is true that in most circumstances international organizations lack the coercive power over states that states have over their citizens. But international organizations, whether global, regional, or organized to accomplish a particular functional objective, can and do fulfill many of the same functions among nation-states that domestic organizations do within them. Consequently, we will consider whether pairs of states that belong to many of the same international organizations are less likely to engage in militarized disputes with one another than are states that share few international institutional affiliations. We undertake this analysis in Chapter 5. We will also consider, in Chapter 6, whether militarized disputes reduce states' readiness to become involved in the same international organizations. Is there a virtuous circle whereby peace and IGOs strengthen each other? Finally, are democracies and economically interdependent states more likely to join international organizations with one another, bringing together the three elements of the Kantian peace? If so, this would provide powerful additional evidence that a Kantian system of feedback loops, or virtuous circles, operates within a big part of the international system.

Democracy and Political Integration

The democratic peace can be seen as a consequence of the processes of integration and social communication explored by Karl Deutsch et al. (1957).[22] Deutsch et al. argue that these processes are capable of producing a security community, composed of a population—whether within a

[22]Starr (1992a, 1997a, 1997b) argues that Bueno de Mesquita and Lalman's international interaction game (1992) can explain how Deutsch et al. (1957) got from a process of social communication and responsiveness (Russett 1963) to a security community. Deutsch et al.'s model has begun to attract renewed interest, as, for example, the collaborative enterprise stimulated by Adler and Barnett (1998); see also Wendt 1994.

single country or consisting of numerous sovereign states—that does not expect war to occur with other members of the community and so does not prepare for such an eventuality. A security community is the consequence of a wide array of transactions within civil society. The people involved in those political, economic, social, and cultural transactions learn that they bring mutual benefits. As interactions expand and become institutionalized, the people become more and more interdependent, and the costs of stopping such exchanges go up. Because these interactions are especially rich and varied for democracies, democracies may benefit most from the experience (Reiter 1995b).

As peaceful interactions increase, people develop greater responsiveness to one another; they develop the expectation that their wants and needs will be met. At some point, this produces the "we-feeling," trust, and mutual consideration, which Deutsch et al. (1957) call "community." The experience of the European Union exemplifies this process. It is a matter of mutual sympathy, trust, and loyalties that are found in greater identification of self-images and interests. It thrives on mutually successful predictions of behavior. It operates as a dynamic process of reciprocal attention, communication, perception of needs, and responsiveness. Responsiveness and community arise out of social transactions through which people learn to respect and trust others, and through which they receive respect and trust in return. Dense networks of social exchange are an essential form of social capital: the denser such networks are in a community, the more easily citizens can cooperate for mutual benefit (Putnam 1993). Community reduces uncertainty and so lowers the cost of collective problem solving (Taylor and Singleton 1993).

The security community represents one of the most tangible and significant outcomes of the process of integration. Countries within a security community have given up the military option in their mutual interactions and replaced it with "dependable expectations of 'peaceful change' " (Deutsch et al. 1957, 5). This need not involve the creation of a single supranational entity (amalgamation); states can retain their sovereign independence, forming a pluralistic security community with a high degree of shared identity (Risse-Kappen 1996). The European Union is not a "United States of Europe," as some originally envisioned, but it has, nevertheless, achieved a stable peace. If leaders are to incur the significant costs of breaking the bonds of interdependence, then they will have to

present compelling reasons for doing so. Within a security community, this is effectively impossible. Bonds of mutually rewarding transactions and feelings of community make the costs of using force prohibitive.

Foreign-policy decision makers must distinguish between states that are potentially threatening and those with which mutually beneficial, peaceful relations are likely. The process of integration provides them with an abundance of relevant information, which gives them confidence in their ability to make this determination. If knowing that a state is a democracy raises the prospects of correctly identifying it as a dove, relationships of mutual responsiveness, interdependence, and community—the bonds that unite the members of a security community—create virtual certainty in identifying friendly states. A recent volume "thinks the unthinkable: that community exists at the international level, that security politics is profoundly shaped by it, and that those states dwelling within an international community might develop a pacific disposition" toward one another (Adler and Barnett 1998, 3).[23] This is why we carefully examine the role of international organizations in subsequent chapters.

Legitimacy, Liberalism, and Society

Many writers stress Kant's attention to republicanism as the core of liberalism; others stress the rational self-interest of economic actors in expanding markets and profits. Analyses of the liberal state, which supports the pluralism necessary for both the popular selection and replacement of governmental leaders and the workings of a market economy, are also important. Rational-choice models provide a useful tool for analyzing the operation of liberal societies. Yet while each of these perspectives makes a contribution, they do not capture all that is important. Democracy works through three central relationships: (1) among individuals and groups

[23]When we look closely at the Deutschian social-communication model of the integration process, as well as at the neo-functional model of Haas (1958), we find all the components of the two main theories of the democratic peace. The structural constraints model involves interdependence, organizations, and formal laws or institutions; the democratic culture argument involves the presence of community, responsiveness, shared values, and norms.

within society, (2) from society and its various components to government, and (3) from government to society. These elements of liberalism also need to be considered.

The first relationship is straightforward. Models of social community account for nationalism (Deutsch 1953) and for how humans form relationships with family, neighbors, and strangers on the street. Three elements of community are shared values, beliefs, identities, and meaning; multiple and multifaceted direct relationships; and recognition of long-term interests, reciprocity, and even altruism (Taylor 1982). Democracies have a particular kind of community based on values such as legal equality, democratic process, and civil and political liberties; but democracies are not free from conflict: "Conflict flourishes at all levels precisely because it is contained within well-accepted limits and channelled through procedures and institutions to which loyalty is assured. The role of those devices is not to turn conflict into consensus; it is to find for limited conflicts solutions that are inspired by the procedural and substantive consensus which keeps the system going, and which solutions strengthen in turn" (Hoffmann 1995, 22).

The second relationship, between society and government, is characterized by legitimacy. If a government is regarded as legitimate, citizens are more willing to respect its laws. They also expect it to take their needs into account when setting policy. Both political culture and the institutional structure contribute to the legitimacy of a political system, and the legitimacy of security communities rests on the same supports. A regime is "legitimate to the extent that it can induce a measure of compliance from most people without resort to the use of physical force" (Jackman 1993, 98). Legitimacy is the "cement of society": a good democracy "requires relatively little punitive or physical coercion. . . . social governance for the majority of citizens is, in essence, noncoercive, voluntary, and compliant" (Nie et al. 1996, 2). Just as the norms and procedures for citizens' interactions with one another in a democratic society are externalized, so are the norms and procedures by which citizens in democracies interact with their governments. The responsiveness and legitimacy of these relationships are assumed for other democracies as well, and they fashion relations among democracies.

The third key relationship in the functioning of liberal democracies concerns how government sees and reacts to society—what obligations the government has to the individual in a liberal state (Onuf and Johnson

1995). Doyle (1995, 84) calls liberalism "a family portrait of principles and institutions" recognizable by "a commitment to individual freedom, government through democratic representation, rights of private property, and equality of opportunity."[24] Ruggie (1982) adds, with his concept of "embedded liberalism," the idea of a shared social purpose. A shared social purpose is essential for a successful political and economic system, as Western countries learned in the Great Depression of the 1930s. Individuals must be allowed to pursue their own interests, to pursue happiness, as Jefferson put it in the Declaration of Independence, but unbridled economic competition is dangerous economically and politically. A successful economy, certainly one that is open internationally, requires a degree of social protection if there is to be social peace (Polanyi 1944). Garrett (1998) contends that the success of the rich industrialized countries was built on interdependence, growth, and social democracy.

From the societal integration that orders behavior among individuals in a democracy and the legitimacy that establishes society's obligations toward government, there emerges the responsibilities of government: how it ought to behave, both toward its own citizens and toward other states internationally. In economic terms, a democratic state must insure domestic stability by promoting economic growth, providing the greatest good for the greatest number, but it must also maintain a minimum standard of social welfare for those least well-off. We expect democratic governments to serve the people in ways that go beyond the mere calculation of utility. As Kant affirmed in his "moral imperative," we are not to treat others as mere means to our own ends. Each individual is to be treated with dignity. This moral imperative applies not only to us as individuals but also to our agents, especially governments because of the extensive powers they are granted.

Democratic governments approach this ideal most closely. Major famines have occurred only in authoritarian states in the twentieth century (Sen 1981), where information could be suppressed and protest repressed. Over twenty-five million Chinese starved as a result of misguided agricultural policies that could not be challenged under the Communist rule of Mao Zedong (Rummel 1991, 249). At all levels of development, democracies have lower infant mortality rates than autocracies, partly because fewer citizens are hungry (Zweifel and Navia 2000). Internationally, the inclination of democratic governments to observe the Kantian imperative underpins the democratic peace and explains why they are more respectful of international laws regarding human rights (Arat 1991; Poe, Tate, and Keith 1999). Democracies may also be better able to resist forces causing environmental degradation (Gleditsch 1997).[25]

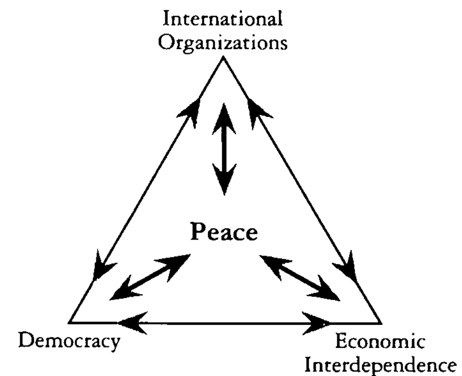
[24]See also Moravcsik 1997 and McMillan's discussion (1997) of "sophisticated liberalism."

A sense of community among individuals, the respect of citizens for legitimate authority, and the responsibility of government toward society are central to our understanding of democracy. Together they form the basis for both cultural and structural theories of the democratic peace and their derivatives. In sum, democracy promotes cooperation and peaceful conflict resolution internationally through (1) its domestic legitimacy and accountability, (2) institutional checks and balances, (3) the transparency that emerges from free communication and political competition, (4) the crediblity of its international agreements, and (5) its sensitivity to the human and material costs of violent conflict (Solingen 1996, 84). No democracy is perfect, but to a significant degree these forces shape the preferences and perceptions of democratic leaders and thus the choices they make globally. Similar elements in a liberal international system, which seems in the process of emerging, may also provide for a more just international society (Brilmayer 1994; MacMillan 1998).

All good things do not necessarily go together. There is no free lunch. Democratic liberties can be debased. The inequalities of capitalism may run wild. A global authority or hegemon could become a Leviathan. Peace does not always mean justice. There are trade-offs and hard choices to be made. Yet in the world as it is, the roots of peace lie not simply in force and the mechanisms of realpolitik but also in the structures and culture of freedom.

[25]Midlarsky (1998b) disputes this; however, his data exclude Communist countries.

Democracy Reduces Conflict



As terrible as it is, war sometimes seems necessary to most people. Certainly, national governments, and the people who support them and die for them, sometimes wage war or use lower levels of military force to protect their sovereignty and security or to promote national interests. Nevertheless, most countries at most times are at peace. A few, like Switzerland, have not engaged in a major military confrontation with another state for a century or more. Many others have experienced a serious military dispute more recently, but the vast majority of even these states have been at peace during most of their existence. In 1997, for example, there were no international wars and few serious crises. The usual condition of interstate relations is, therefore, peace, though "peace" is a broad category that includes the "special relationship" of the United States and Britain, indifference (Burundi and Ecuador, for example), as well as a lull in ongoing hostilities (Israel and Syria over much of the last few decades). And though most people think war is occasionally necessary, the great majority would prefer to have few of them. People typically desire peace

not just for the absence of killing but for the chance to live normal lives. Peace is not only common; it is desirable. Accordingly, most people expect their governments to preserve it as long as they can without making unacceptable sacrifices.

Though governments use military force on occasion, there are constraints on their ability to do so. In this chapter, we consider the importance of some obvious constraints, those usually emphasized by the realists. These include geographical distance, alliances, and the balance of power. But we also consider the more voluntary constraint posed by democratic government, the influence found on the lower left of the Kantian triangle at the head of this chapter. To illustrate that it is the focus of this chapter, the arrow from that lower left corner is darker here. We find that democracy has a great impact on reducing conflict: democracies do not fight other democracies and they are more peaceful in general. On average, democracies fight less than autocracies, other things being equal. The evidence also shows that newly democratizing countries are not more prone to international disputes than older democracies are. Before we present these results, however, it is first necessary to think about how some kinds of researchers, as in medicine, or politics, analyze evidence in order to generalize about the causes of disease or, in this case, conflict.

The Epidemiology of War and Peace

To understand some of the influences that promote or inhibit interstate conflict, in much of this book, we will be using the same methods that medical scientists use to understand the causes of disease. More and more, international relations scholars are adopting such scientific methods to investigate the causes of war. There are some differences, but it is enlightening to consider the similarities between our approach and those of medical epidemiologists. As with nations and peace, the usual condition of most individuals is health, though, as with peace, the quality of people's health varies from vigorous physical and mental fitness to the mere absence of disease. One difference between the study of international relations and medicine is that some fortunate and wisely governed nations may avoid war indefinitely, but individual human beings ultimately die. Still, most of us try to delay that day by all reasonable means,

and the practitioners of medical science help us do this. They attempt, by a combination of theory and empirical research, to identify the conditions that promote or prevent disease. Their job is to find out how we can avoid illness and postpone death. Our job, in trying to understand international relations, is to find out how to prevent or mitigate violent conflict.

Much of medical research is experimental, or it is clinical and focused on the details of particular cases, but a large proportion is "epidemiological" in character. Epidemiological research analyzes the distribution of particular diseases in large populations in order to understand why some individuals contract a disease while others do not. Very large computerized databases containing information on who has died, where, and when of various diseases and about the life experience and genetic heritage of those individuals are now available. They allow scientists to use statistical methods to uncover the causes of disease and, ultimately, to devise regimes for their prevention or treatment. Frequently, these databases include records on hundreds of thousands of individuals. These are never fully accurate and complete, but if they are reasonably so, a skilled researcher with keen intuition or a sharply honed theory can perform statistical analyses to discover conditions that are correlated with disease. Indeed, statistical tests are valuable because they do not require the data to be perfectly accurate. They are designed to reveal the message in the midst of considerable noise.

If her theory is sound and well developed, a researcher may be able to move beyond simple correlations to suggest the causal mechanisms whereby something in individuals' heredity, or their environment, actually causes a disease. Epidemiological or "macro" research is rarely conclusive in establishing a causal mechanism, which typically must be confirmed in controlled experiments and micro-level studies of individual patients or by laboratory research at the level of the cell. Nonetheless, good macro-level epidemiological work can provide strong indications of causality and, even before the micro-level mechanisms are well understood, can offer practical advice about what kinds of exposures or behaviors individuals should avoid if they wish to stay healthy. Reports of this kind of work appear almost daily in newspapers.

Consider the kind of results one might see from a large-scale epidemiological investigation of the causes of heart disease. Certain characteristics of individuals have been shown to be strongly associated, probably

causally, with the incidence of this disease. One obvious relationship is that a person's chances of dying from heart disease increase as he or she ages. A second is that the probability of a person's having a heart attack is greater if one or both parents died of heart disease: heredity is important. The researcher might not be able to tell just why having a parent with heart disease increases the likelihood that an individual will also experience it, but the empirical correlation itself is important. We also know that on average males are more likely to have heart attacks than females are, at least when such other influences as age and heredity are held constant in the analysis. All these "risk factors" are influences over which the individual and his medical advisers have essentially no control. One cannot keep the years from advancing, change one's parents, or—except at high costs of various kinds—change one's gender. With only this information, a physician can do little more than advise those patients at high risk to be sure they keep their life insurance paid up. And for some patients that would be valuable—if unwelcome—advice.

But of course neither patient nor physician will stop there, and other findings of epidemiological research have been found to be helpful in the prevention of disease. We now know that certain lifestyles or habits are associated with the risk of heart disease and that these habits can be modified if an individual is sufficiently motivated. For instance, smokers run a much higher risk of heart attack than do nonsmokers. So, too, do those who consume a diet high in cholesterol and saturated fats or those who engage in little physical exercise. Each of these influences to a substantial degree operates independently of the others. That is, smoking by itself increases the risk of a heart attack whether or not one has a family history of heart disease and regardless of diet. Therefore, a doctor can say to a patient, "Based on your age, sex, family history, and lifestyle, statistically you run a two percent risk of having a heart attack in the next year. You can't totally eliminate the danger, but if you will quit smoking (or go on a diet, or get off the couch), you can cut that risk in half. In fact, if you change your lifestyle dramatically—quit smoking, go on a diet, *and* get off the couch—you can cut your risk by three quarters." In other words, some things are beyond the ability of either the doctor or the patient to change or control, but a lot of other things can be done to improve our health, if we want to do them badly enough.

None of this implies that any one of these influences is a perfect predictor of contracting heart disease. Some people who have never smoked

nevertheless have heart attacks. And many smokers live a long time. The predictions are probabilistic; they are about greater and less risks, not about certainties. We should also acknowledge that the research that forms the basis for the doctor's advice is never final: estimates of the relative importance of the different risk factors may change on the basis of subsequent research. New, more reliable data may become available, for example, data gleaned from actually monitoring what people eat or how much they exercise rather than from what people report about their habits to an observer. Further research may also identify new influences that affect the probability of acquiring heart disease, or it may show that relationships thought to be important are actually spurious. It will never be possible to develop a perfect model that will predict all heart attacks. For such a complex biological phenomenon, the theory can never be complete. There are too many unique qualities of our heredity and experience, and chance events play a significant role. Yet at some point, physicians and patients decide that the science is sufficiently conclusive to use as a guide for behavior. Political scientists, too, can provide only partial, tentative conclusions about what countries can do to avoid violent conflict; nevertheless, the science seems sufficiently clear to warrant certain prescriptions.

What Causes or Constrains States' Use of Force?

Most people are reasonably healthy most of the time, but the possibility of serious disease or even death is always present; it is inherent in the human condition. Similarly, though most states are at peace most of the time, the possibility of a serious military confrontation or war is inherent in international relations. International relations for many centuries has been anarchic because countries cannot look to a higher authority to protect them. The constancy of the danger of war is a central theme of writers on international relations, from the time of Thucydides, historian of the Athenian wars with Sparta, to the present. A great twentieth-century scholar, Quincy Wright (1965, 1518), put it very strongly: "Peace is artificial; war is natural." States must find the policies, and the material means, to look out for themselves. By force of arms, the assistance of allies, or appeasement, they must seek to prevent the inherent possibility of international violence from becoming manifest. In considering whether

to use force in their relations with another state, national decision makers must consider various constraints on their freedom of action.

Geography

Both distance and topography affect the probability that two states will become involved in a militarized conflict. The effect of distance is straightforward: the farther two states are from one another, the less likely they are to fight. Neighboring states are more likely to fight each other, unless other constraints discourage it. Among individuals as well, most violence occurs between people who regularly interact. There are two reasons why distance reduces the probability of conflict. First, it is hard to exert great military power at a substantial distance. It is one thing to mount an incursion against a bordering state, but it is quite another to conduct military operations against a country thousands of miles away, as the United States discovered in its war in Vietnam. The cost of using military power increases with distance for logistical reasons. Second, interstate conflict is unlikely between widely separated states because in most cases they have few reasons to fight.

The great majority of international wars arise over territorial issues, chiefly the location of a disputed border (perhaps involving territory that has changed hands in previous wars) or the ownership of valuable natural resources (oil, minerals, water, or fishing grounds, for example). Many other conflicts between contiguous states arise over the treatment of ethnic minorities, groups of people who may be a majority in one country but are an ill-treated minority in the other. For a variety of reasons, the border between two countries may have been delineated in a way that divides people from ethnically similar groups across the border. From the late nineteenth to the mid-twentieth century, Prussia (later Germany) repeatedly fought its neighbors in an attempt to unify Germans under a single government. Wherever borders have been recently constructed and create ethnically artificial divisions—as many have been in contemporary Africa because of colonialism—there is the possibility that one country will intervene in another on behalf of an ethnically related minority. The current conflict in the Republic of the Congo is an example. At times, ethnic ties provide an excuse if not the actual cause for war. Again, the fighting in the Congo provides some examples.

Geographical proximity, then, increases both the opportunity and the

willingness for states to fight. As a consequence, distance is the most important constraint on the use of military force. Clearly, however, the constraining influence of distance is much greater for small or poor countries (which includes most of those in the world) than it is for those few states we call "great powers." A great power has the ability to exercise military force even over long distances. The cost of doing so is higher than against a neighbor, all other things being equal, but a great power, by definition, has the resources to exercise its influence widely. Napoleon had a big enough army to permit him to move across Europe all the way to Moscow (though extending his lines of supply so far ultimately cost him dearly). In the eighteenth and nineteenth centuries, great navies provided Britain with the capacity to build an empire—protected by the threat to use force—upon which the sun never set. In the twentieth century, air power and eventually intercontinental ballistic missiles armed with nuclear weapons provided the instruments whereby a few states, big enough or rich enough to afford them, could strike anywhere. Although even the great powers are constrained by distance, they have the ability to mitigate that constraint. In addition, by acquiring colonies—or spheres of influence, or allies, or markets, or sources of vital raw materials—great distances away, they are more likely to have reasons, and the willingness, to fight adversaries at a distance.

Power

Another important constraint on states' ability and willingness to use force, emphasized in traditional accounts of international relations, is power. The balance of military capabilities undoubtedly influences decision makers contemplating the use of force against a rival. States seek to constrain their adversaries by increasing their military strength. Deterrence has been an element of statecraft as long as there have been states. The line of thought runs like this: "I will make myself strong enough to deter others from attacking me. I will create military capabilities that will deny them the ability to invade me successfully. Or if that is not possible, I will at least be able to impose such a high cost on an attacker that the potential gains will not be worth the price." In the nuclear era, even the most powerful states have had to settle for the threat to punish rather than the ability to deny an attack. Topography can help a state succeed at deterrence. Contrast the situation of Switzerland, surrounded by the Alps;

the strategic benefits enjoyed by the United States from having two oceans on its borders; or the safety provided by the great depth of the Russian territory with the vulnerability of such small states as Belgium or the Netherlands, located on the northern plain of continental Europe. But topography must be supplemented by real military power.

Saying that military power is an important constraint on interstate relations does not answer a key question, however, and one that has been debated for thousands of years: Is the probability that two states will fight lowest when there is an equal balance of power between them, or is it lowest when one side has much more power than the other? Many realists, including Waltz (1979), believe that international peace is best maintained by a balance of power. When two states have equal military capabilities, each will be uncertain whether it can defeat the other in a war, and thus they will both be reluctant to start one. If one state had a preponderance of power, it would, according to this view, use its advantage to conquer its weaker adversary. Other realists, such as Organski and Kugler (1980), contend that wars are actually tests to determine what the real balance of power is. According to this school of thought, militarized disputes are most likely when two states have different expectations about which would win a fight. When one is clearly predominant over the other, the outcome of a military contest is predictable, so the weaker side will not fight a war it knows it will lose. Better to concede what the more powerful state demands and at least avoid the cost of fighting a losing battle. Power preponderance, in this view, is associated with peace. As the emissary of the powerful Athenian empire said harshly to the weak city-state of Melos in Thucydides's famous "Melian dialogue," "the strong do as they will and the weak do as they must."

Most recent research supports the view that preponderant power is more likely to discourage military conflict than is a balance of national capabilities. A strong state is usually able to deter a weaker one from challenging it by using or threatening to use military force (Fearon 1994b). Clearly, however, peace for the weak often comes at the price of domination and exploitation. We will see, through the use of statistical tests reported in the rest of the book, whether the evidence generally supports the view that preponderant power induces peace. Here, we simply leave it as a hypothesis.

Alliances

Another constraint on the use of force is an alliance. A major motive for many states to form an alliance is protection. Small states may seek to ally themselves with bigger protectors. Or, preferring to avoid too close a relationship with a great power, they may seek to put together an alliance with several smaller states. Even the great powers may see an advantage in becoming allied, either with another major power or with small but strategically located states. They may also form alliances to insure that a country important to their security will not join an opposing coalition. Sometimes, too, a big power brings a smaller state into an alliance as a means of controlling it, perhaps to keep it from provoking a regional adversary in a way that might drag the big state into a war it wishes to avoid. The United States and its European allies brought West Germany into NATO in 1955 partly to bolster Western defenses against the Soviet bloc but partly also to insure that Germany would not take actions that would endanger the peace in Europe. Alliances thus are partly a way of constraining the likelihood of war with nonallies and partly a way of reducing the likelihood of war among their members.

Not all alliances succeed in deterring or constraining military action, however. Indeed, sometimes they make conflict contagious, dragging states into ongoing wars that they would otherwise have avoided. In the world wars of the last century, the fighting spread rapidly beyond the initial protagonists. Most countries in central and Eastern Europe were drawn into war, even though their small size meant they had little to contribute.

Geographical location, distance and topography, and to a large degree the ability to be a great power are not matters over which states have any real influence. They are more like givens, more like an individual's age, family history, and sex in our medical analogy. Building up relative military power and forming alliances, however, are more like diet and exercise; they are influences over which a state can, over time, exercise some degree of control. Yet all these factors—the importance of distance, the historical role of the great powers, the central place of power and alliances—share the common characteristic of being familiar elements of realist theories.

Kantian influences

In this book, we combine the realist and liberal perspectives. Realism and liberalism are sometimes presented as antithetical understandings or theories of international relations, but that is not the position we adopt. Kant and other classical liberals did not deny the importance of the realist outlook in attempting to understand and avoid war. Realism presents a baseline against which the effect of the liberal influences can be compared. Kant, for example, shared Hobbes's understanding that anarchy meant the continued threat of war. Like Hobbes, he believed that in the state of nature, nations "like lawless savages, exist in a condition . . . of war" (Kant [1797] 1970, 165). And he agreed with Hobbes that great power could sometimes be used to prevent war, but even Hobbes and other realists acknowledge that this sort of "peace" is tenuous. Kant and other liberals have stressed this point and insisted that the realist perspective alone is incomplete, that it misses too many important elements of international relations. Kant was convinced that a stable, genuine peace—a "perpetual peace," as he put it—could be developed within a "federation" of liberal republics. For countries that share democratic institutions and are economically interdependent, powerful constraints limit the use of force (Doyle 1997, chap. 8; Huntley 1996). According to liberals, then, theories of realpolitik do not identify all the factors that affect whether states will engage in violent conflict. Perhaps even more important, they do not emphasize the constraints over which states can exercise the most control.

A positive peace, we believe, must rest more on the three Kantian supports—democracy, interdependence, and international law and organizations—than on power politics. The pacific federation Kant envisioned was not a world state, which he expected would be a "soulless despotism." Its members remain sovereign, linked only by confederational arrangements relating to their collective security, economics, and social interactions. The difference between realism and liberalism is that liberalism sees democratic governance, economic interdependence, and international law as means by which the security dilemma rooted in the anarchy of the international system can be mitigated or even superceded—although the threat of violence remains among states not much linked by these ties.

Thus, we begin by assuming that the international system is anarchic and power politics is important over much of the globe. The possibility of violence is inherent. Yet states do not fight all others at all times even

realist assumptions

where and when realist principles dominate; they are constrained by power, alliances, and distance. Ultimately, realists are concerned only with states that have the opportunity and incentive to become engaged in conflict (Most and Starr 1989, chap. 2). Accordingly, we incorporate these constraints as central features of our theoretical model. But to these realist variables, we add measures of the three Kantian influences, hypothesizing that democracies will be constrained from using force, at least against other democracies; that economically important trade creates incentives for the maintenance of peaceful relations; and that international organizations constrain decision makers by positively promoting peace in a variety of ways. Since the modern international system is far from being a "pacific federation" of democratic states, we expect both realist and Kantian factors to affect interstate relations, and we include both in our analyses. We also consider the effects of characteristics of the international system, both realist and liberal, on the incidence of conflict. For instance, if more states become linked by Kantian ties over time, does their example or influence help change the behavior of other states in the system? Has the deepening of such ties among interdependent democracies over the last half century induced some change of behavior even in states that are not especially interdependent or democratic? Or, as many realists believe, is a powerful international leader or hegemon able to constrain other states from fighting?

The first of the Kantian variables is the character of states' political systems. We hypothesize that democracies will rarely fight or even threaten each other, and perhaps also that democracies will be more peaceful in general. In this chapter, we concentrate on the effect that democracy has on the likelihood that two states will become involved in military conflict. We save for subsequent chapters consideration of the effects of trade and international organizations.

A Database for Epidemiological Studies of Interstate Conflict

Just as medical researchers create and examine data on the life histories of individuals, we need information on the relations of countries: whether they were peaceful or in conflict, the character of their governments, their level of trade, and other characteristics. Most early analyses were confined to the cold war era (1950–85), but we now have information for most in-

dependent countries in the world over the period 1885–1992. This allows us to see whether the patterns initially discovered hold in other periods and, if so, to make generalizations regarding countries all over the globe and over a long span of time. We can, therefore, examine the effects of democracy on conflict as this form of government has spread around the world and as democratic institutions have evolved and deepened. We take a special interest in whether the effect of democracy on the likelihood of conflict is the same in different historical periods.

One important thing that has changed over time is the fundamental configuration of power in the international system. Realists contrast multipolar systems with bipolar systems, though they disagree on how best to determine polarity. Polarity is sometimes defined according to the number of major alliance systems confronting each other. If alliances are the defining characteristic, then in the decade or so immediately preceding World War I, the system was bipolar because the alliance of Austria-Hungary, Germany, and Italy was arrayed against the competing coalition of Britain, France, and Russia. But alliances can shift and be broken. Italy actually fought on the other side in the Great War, against Austria and Germany. Therefore, it is preferable to determine polarity not by the number or relative power of alliances but by the number of major powers in the system (Waltz 1979, 98–99). If there are several—as there were before World War I—then the system is multipolar. On the other hand, if there are only two states whose power substantially exceeds all others, then the system is bipolar. By this criterion, the international system was multipolar for centuries preceding 1945 but bipolar during the cold war. We should consider, therefore, whether international relations were different in the two eras.

Since the end of the cold war, the global system has no longer been bipolar. The cold war ended sometime between 1988 and 1992, depending on how one judges the importance of various events. Communist governments in most of Eastern Europe collapsed over the course of 1989. The Soviet Union proved unable or unwilling to preserve even its important client state East Germany, which in 1990 reunited with West Germany to form again a single country. The Warsaw Pact, created by the Soviet Union to counter NATO, was formally disbanded in July 1991, but for almost two years previously, it had had no military significance. Finally, at the end of 1991, the Soviet Union itself was dissolved. It is hard to determine a single date for the end of the cold war, but the tearing down of the Berlin Wall in 1989 is probably as good as any other. It effectively marked the end of the bipolar system. After 1989, the world has been neither bipolar nor multipolar. Perhaps it is best understood as unipolar, at least as indicated by the relative power of the United States if not its will to control or shape the international system. Therefore, we also need to consider whether interstate relations have been different since the cold war ended. This will be hard to do with no more than four or five years of post–cold war data, but it is important to try.

Our information about the international system has two short gaps: all but the first year of both World War I and World War II are missing from our analyses because good data on who traded with whom are unavailable. What information does exist is greatly distorted by the worldwide disruption of normal commerce caused by the war. For similar reasons, we omit the years immediately following those wars, 1919–20 and 1946–49. Even though we postpone analyzing the effect of trade to the next chapter, we limit our analyses in all chapters to the years 1885–1914, 1921–39, and 1950–92. It is best to use a consistent database for all our analyses rather than to drop or add cases as the available information contracts or expands. If omitting these years biases our results in any way, it biases them *against* finding evidence to support the democratic peace. During the world wars, peace between the democracies was especially strong: all the warring pairs of countries were composed either of two autocracies or of a democracy and an autocracy.[1]

Since our basic perspective is that countries can in principle fight any other country (although they are usually constrained from fighting particular countries), all our analyses will be carried out using data regarding *pairs* of countries. For example, we are concerned not with Germany individually but with Germany's relations with Austria, Belgium, France, Italy, Japan, Russia, Sweden, Turkey, and so forth. Thus, a case (or observation) is the experience of two states in a single year, say, Germany and Austria in 1890, or the same two countries in 1891, or Germany and France in 1892. From a statistical analysis of thousands of historical cases, we can compute the likelihood that a pair of countries having certain constraints on conflict (for example, two contiguous states, members of a

[1]The only exception is Finland in World War II, which fought against some of the Western Allies, but democratic Finland's real quarrel was with the Soviet Union, and no deaths arose from conflict between Finland and other democracies.

common alliance, two democracies) will have experienced a militarized dispute in a year, and how this probability compared to the risk of a "typical" pair of countries or to the risk of conflict for a pair of states that experienced other constraints.

Militarized Disputes

Our information base was compiled by many scholars and organizations. We are particularly indebted to those who have worked so hard to make the study of war a science. To determine which states were involved in conflicts in which years, we use data compiled by the Correlates of War (COW) Project regarding militarized interstate disputes (MIDs). We are interested in all international militarized disputes, not just wars. Wars, as we have noted, are (fortunately) rare events; consequently, as with rare diseases, it is hard to find patterns in where and when they erupt. Casting our net more widely, to include all organized uses of violence between countries, including the threat to use military force, gives us a better chance to discern the causes of interstate conflict. Militarized disputes short of war are about thirty times more common than wars. Also, most wars begin with some threat or more limited use of violence. War virtually always starts with a sequence of symbolic words and acts that serve as threats or warnings that more damaging acts may follow (O'Neill 1999, 16).

World War II is a good example. It was preceded by a long series of diplomatic threats, military moves, and crises. They began with Germany's remilitarization of the Rhineland in March 1936. This was followed by Hitler's annexation of Austria in March 1938 and then, in more rapid succession, by the Munich crisis that fall, the occupation of Czechoslovakia in March 1939, and German territorial demands on Poland in the spring of 1939. Finally, in September, the Germans invaded Poland and full-scale war began. As with each of these events, many militarized disputes have the potential to escalate to war. Overall, the influences and constraints that affect the occurrence of wars do not appear to differ much from those that are relevant to militarized disputes in general. Therefore, it makes sense to investigate the more inclusive but still dangerous phenomena of militarized disputes.

The COW data record each year a dyad was involved in a dispute, that is, when one state threatened to use force, made a demonstration of force, or actually used military force against another. For our analysis, a militarized dispute requires an action that is explicit, overt, not accidental, and government approved. (For example, cross-border attacks by independent guerillas, not under the control of the government on whose territory they are based, are not counted; nor are civil wars.) In this electronic database, a 1 is entered for the variable DISPUTE if any kind of militarized dispute was ongoing between two states in a particular year and a 0 is entered if there was no dispute.[2] Many disputes are purely bilateral, that is, between only two countries. Many others, however, are multilateral, bringing in allies or adversaries of one or both of the initiators. We count every conflicting pair that was involved in a dispute, deliberately giving full weight to expanded, contagious, multistate disputes. Our MIDs data are dominated by events short of war, with about 70 percent of these falling into the category of a use of force but not war. (Recall that a "war," according to the COW Project, involved at least 1,000 deaths in battle.) The rest of the disputes are mostly demonstrations of force, such as posting a warship offshore of another country as a warning but not actually firing any shots.

Most explanations of the democratic peace predict that democratic dyads will be less willing to threaten each other militarily or to use force even at low levels than pairs of nondemocracies. In this view, pairs of democracies should experience fewer militarized disputes of any type, and they should be less likely to escalate low-level disputes (say, those involv-

[2]These and other data from the COW Project are available at http://pss.la.psu.edu/MID_DATA.htm. Some researchers urge that only the initial year of a dispute be used, since a dispute in one year increases the chances of another or continued dispute in the next year and events in each year are not statistically independent. But rational leaders frequently reevaluate their positions, whether to escalate, deescalate, halt, or maintain the existing strategy. Fully half of all militarized disputes involve a change in the level of force employed over the course of the dispute or a new dispute that arises before the first has concluded. We have performed many analyses using only the first year of disputes and found few material differences from those reported below (see Oneal and Russett 1999a, 1999c). Because, for other reasons noted above, we exclude all but the first years of the two world wars from our data, the impact of continuing disputes on our analysis is much reduced.

ing a verbal threat) to a higher level that actually causes casualties. Other theories, emphasizing the ability of democracies to signal their resolve by threats or low-level uses of force, suggest that precisely because one democracy normally does not expect another to go to war with it, it may be willing to initiate low-level disputes as part of diplomatic bargaining and posturing.

We disagree with this second view. If even low-level disputes carry some potential to escalate into war, we predict democracies will avoid stepping onto this slippery slope with each other. Moreover, if democracies are confident that they will not go over the brink to war, the initiation of a low-level MID by one democracy would be recognized by another as a bluff, what game theorists call "cheap talk." Insofar as normative theories of the democratic peace are correct, it would also be seen as a threat lacking legitimacy in domestic politics, where peace with other democracies is expected and desired. Diplomatic actions by one democracy against another—ceasing to cooperate in an international organization, cutting aid, or applying trade quotas—may be common, but threats to use military force will not be.

Democracies are raucous, contentious places, where the public expression of competing interests is common, but those conflicts are generally resolved nonviolently because of the nature of democratic institutions and culture. It would hardly be surprising if democracies experienced a variety of conflicts with one another over matters such as environmental controls or trade policy. Such conflicts may even be voiced more frequently among democracies than among nondemocratic states. We are concerned with the threat and use of military force that may lead to war. We do not consider in our analyses mere diplomatic disputes. This, then, is our prediction: democratic dyads will be much less likely to cross the threshold between nonviolent and violent acts than other pairs of states. Because there is theoretical disagreement about how democracies behave with regard to low levels of violence, our prediction in one sense poses a harder test of the democratic peace than does just the prediction that wars will be rare.[3]

[3]We do not examine patterns of escalation short of war within disputes, in part because we do not believe that portion of the COW scale is truly ordinal; for example, a threat to initiate a nuclear war is coded lower than a forcible seizure of a fishing boat without casualties in the COW data.

Influences and Constraints: Democracy

In our statistical analyses, we consider a variety of influences that affect the likelihood that two states will become involved in a militarized dispute. These are suggested by theory and, in many cases, previous work by ourselves and others.[4] Because some factors can themselves be influenced by the occurrence of a dispute (for instance, conflict can reduce trade just as trade can reduce conflict), we assess all the explanatory variables in the year prior to that in which the existence of a dispute (or peace) was recorded. This precaution cannot settle all the questions we might have about the direction of causality, but it is a reasonable beginning. Later in the book, we will look at some of the most important reciprocal relationships, such as the effect of conflict on trade, to get an idea of the importance of the feedback loops discussed in Chapter 1.

Democracy is our special concern in this chapter. We use the Polity III data to compute a summary measure of the political character of regimes.[5] The codes are based on three characteristics of national governments: (1) the competitiveness of political participation, (2) the openness and competitiveness of executive recruitment, and (3) the level of institutionalized constraints on the chief executive. The evaluation of states according to these criteria allows us to distinguish democracies from autocratic (or authoritarian) governments.

These criteria, as we noted in the last chapter, are standard elements of the concept of democracy as it has evolved in the West and spread across the globe. Not every state that has the word "democratic" in its name qualifies. The "people's republics" and "people's democratic republics" of the Communist bloc during the cold war are excluded. The underlying

[4]In this book, we keep to a minimum the technical discussion of the sources, definitions, and measurement decisions necessary to turn concepts and theory into variables and hypotheses we can employ in a systematic scientific study. Readers who wish to examine these matters further can do so in previously published reports of our research. The information used here is described extensively in Oneal and Russett 1997, and as noted in the preface, all the data are on our Web sites.

[5]This method is recommended by the originators of the Polity III data (Jaggers and Gurr 1995). The data are available from http://isere.colorado.edu/pub/datasets.polity3/may96.data. It is important to note that these data, like those on disputes, were created by scholars who were not pursuing research on the democratic peace and thus were not subject to bias in its favor.

idea behind the Polity III codings is that the institutions, principles, and practices of Western-style democracy provide powerful constraints on arbitrary government. The constraints on the leaders of autocratic states are usually much weaker. While the concept and its measures are creations of Western political thought and scholarship, there is, nevertheless, a great deal of agreement among alternative indicators of democracy. They do differ to a degree on individual cases, but there is little evidence that the Polity data are systematically biased in the way they score different countries. If we were to use the data of other scholars, our conclusions would not be much affected.

No democracy is "perfect," and even the most totalitarian government has some limits on arbitrary rule. Indeed, many states are a mixture of democratic and authoritarian features, and sometimes the balance is so close that one cannot really put a country into either one category or the other. Therefore, democracy must be understood as a matter of degree, and our measure of it should reflect this. Referring back to our medical analogy, one can smoke (or exercise) a lot, very little, or some amount in between. In the Polity data, each country is coded on a scale of 0 to 10 according to various characteristics of democracy and on an autocracy scale that also runs from 0 to 10. Subtracting each country's score on the autocracy scale from its score on the democracy scale gives us a country's summary evaluation on a twenty-one-point democracy-autocracy continuum. We refer to this measure as DEMOC. It ranges from −10 for an extremely autocratic or authoritarian state to +10 for those that are the most democratic. During the cold war, most European democracies were +10, and most communist states were −10. Our hypothesis is that the higher the degree of democracy, as indicated by the DEMOC variable, the greater the constraint on a country's leadership's use of military force and, hence, the less likely it is to become engaged in militarized disputes with other countries.

We should note that the Polity III scores are not perfectly comparable over the many years, 1885–1992, that we study, and this has implications for our effort to make generalizations about this long period. Even in the few republics of Kant's time, the voting franchise was tightly restricted, with little philosophical or political challenge. As late as 1918, about 40 percent of British males (mostly working class) were disfranchised by residence requirements; female suffrage was granted partially in 1918 and fully only in 1928. In the United States, women achieved the vote only in

1920, and blacks were systematically excluded in many parts of the country until the 1960s. In most Western democracies, women did not obtain the vote until after World War I. Swiss women obtained the franchise only in 1971. In the Polity data, the United Kingdom goes from 6 to 7 on our democracy scale in 1880, to 8 in 1902, and jumps to 10 only in 1922. But Switzerland is coded at 10 from 1848, and the United States from 1871, despite the limitations on the right to vote. The consequences for foreign-policy making of these restrictions on the participation of women and minorities may not be trivial. In the contemporary United States, women are significantly more averse to the use of military force than men are, and they vote in part on this basis (Chaney, Alvarez, and Nagler 1998). Thus, the exclusion of women from the franchise in earlier periods could have profoundly reduced the constraint on even the most "democratic" states to avoid the use of force. Unfortunately, this state of affairs is only partially reflected in the data.[6]

In order to specify precisely how we will test the democratic peace, we need to think about how a dispute might occur. The key point is that it can result from the actions of a single state. Either state in a dyad can issue a threat, make a show of force, or launch an attack. It may take two to tango, but it only takes one to start a military conflict. If we are trying to assess the probability that a conflict will occur, we must be particularly concerned with the state that is less constrained from using force. This state is the principal threat to the peace. We hypothesize, therefore, that the likelihood of conflict depends primarily on how strong the constraints are on the less constrained state in each pair. In effect, that state is the weak link in the chain of peaceful dyadic relations. We expect, therefore, that the probability of a dispute depends mainly on the lower democracy score ($DEMOC_L$) in each dyad. The more democratic the less democratic state is, the more constrained it will be from engaging in a dispute and the lower we expect the chance of a militarized dispute to be.

In some of our previous studies, we found that the *difference* between

[6]New data on government type compiled by a European (Vanhanen 2000) correlate fairly well with the Polity III data (usually above .80) from the 1920s onward, but much less so (under .60) from the 1880s to World War I. (A perfect correlation would be 1.00, a perfect negative correlation −1.00, and no correlation 0.) Vanhanen's measure identifies substantially fewer states as democratic in the earlier period. Doorenspleet (2000) concurs.

states' political regimes also affects the likelihood of conflict: democracies and autocracies seem to fight like cats and dogs. To explore this, we also include in some analyses the democracy score of the more democratic state in each pair: $DEMOC_H$, the higher democracy score of the two. Using both the lower and the higher democracy score in a single equation allows us to see whether the "political distance" separating two states along the democracy-autocracy continuum affects the likelihood that they will fight. We expect that two democratic states will fight least, but we also want to determine the chance of conflict for two autocracies and for a mixed pair of one autocracy and one democracy. This allows us to see not only whether two autocracies get along better with one another than they would with a democratic state but also whether there is an "autocratic peace," in which pairs of autocracies are as peaceful as pairs of democracies are. Finally, analyses that include both $DEMOC_L$ and $DEMOC_H$ enable us to determine whether democracies are more peaceful in general or whether the democratic peace operates only between democracies.

Realist Constraints

We do not, of course, look only at the effects of states' political systems on interstate conflict. International politics takes place in an environment heavily influenced by realist considerations. These are influences that apply to some degree to all countries, democracies and otherwise. In assessing the democratic peace, we must address the concerns of the realists.

Contiguity and distance

The potential for international violence exists when at least one member of a dyad can reach the other with military force. For most states, the ability to do so is determined foremost by geographical proximity. Many countries are virtually irrelevant to each other's security concerns because of the effects of geography. The importance of distance is apparent. You do not need a Ph.D. in political science to know that, but many tests have confirmed that geographical proximity has the greatest, most consistent influence on the likelihood that conflict will occur. To take it fully

into account we use two different variables. One is the great-circle distance separating two countries. This is the shortest distance around the surface of the globe between their capitals; it is the route a plane would fly if it were to fly directly from one capital to the other.[7] This variable measure of distance is a good indicator of the constraints imposed by geography, but we also need to recognize the effects of colonial holdings on the likelihood of conflict, especially as we move back in time.

In the late nineteenth and early twentieth centuries, several of the great powers controlled territory far from the metropolitan country. Countries may have both reasons and the ability to fight each other across colonial boundaries as well as from one home country to another. Many international disputes, and some wars, began that way. So we created an additional measure to capture this influence. It is a simple indicator of contiguity that equals 1 if two states are *not* contiguous. If they share a boundary on land or are separated by less than 150 miles of water, our indicator takes a value of 0. In making this determination, we consider both the geographical locations of the home countries and their colonies or other dependencies. We call this measure "*non*contiguity" because we want to think consistently in terms of constraints on the use of force. Being contiguous facilitates conflict. Since it takes colonies into account, our measure of noncontiguity is only moderately correlated with the distance between states' capitals. These two variables are not redundant, therefore, but complementary.

Distance constrains great powers, which have the ability to deliver substantial military forces to targets far away, much less than it does small states. The major powers have been identified by the COW Project based on the consensus of historians. For the entire period of our analysis, 1885–1992, Great Britain, France, and Russia/Soviet Union qualify as

[7]Actually, we modified this procedure in two ways. For the largest countries, we considered the location of their major ports and used the distance from one of these ports to the capital of another country when the port was closer to the other member of the dyad than its capital was. Thus, we sometimes use Vancouver instead of Ottawa for Canada, Vladivostok for Russia/Soviet Union, and New Orleans or San Francisco for the United States in computing the distance to another country. Also, for all dyads, we use the natural logarithm of distance to capture the effect of geographical separation. While the cost of moving troops and equipment increases with distance, the rate of increase drops because fixed costs are important.

great powers. Austria-Hungary is included until its defeat and dismemberment in 1918. Italy and Germany are included until 1945. (Italy had been somewhat marginal as a great power anyway, and West Germany ceased to play a significant military role beyond its own borders.) Japan is considered a great power after defeating China in 1895, but it lost this status after its defeat in 1945. The United States remains a great power from its victory over Spain in 1898 to the present. China is counted after the Communist takeover in 1949. It is worth emphasizing the importance of major or minor power status. Because of their wide-ranging interests, the great powers become engaged in many more disputes than small states do. A major power is more than five times as likely as a minor power to become involved in a militarized dispute. Thus, despite its democratic institutions and culture, the United States gets into more militarized disputes than many smaller states do. Because major and minor powers behave so differently, we include a variable that distinguishes two kinds of dyads. It is coded 1 when a dyad includes only minor powers (because they are the states more constrained from fighting); it equals 0 otherwise. Some contiguous dyads also include one or two major powers; these are the dyads most at risk.

Two types of dyads have a particularly high potential for conflict: dyads containing contiguous states and dyads containing at least one major power. Together, they constitute a set of cases that we characterize as "politically relevant dyads" because these include most of the pairs for which security relations are especially important. They are easily the most dispute-prone dyads in the international system. While they constitute just 22 percent of all the dyads for which we could compile data, they account for 87 percent of all the disputes. In other words, the politically relevant dyads are twenty-four times as likely to experience a militarized dispute as those deemed to be "irrelevant." Overwhelmingly, then, these are the dyads at risk. Furthermore, some disputes among the nonrelevant dyads are the result of the "contagion" of large conflicts: distant small states getting drawn into disputes. Often these small states do not take much military action or incur casualties. The disputes involving contiguous states or a major power are the most serious and the ones on which we should focus our attention.

The statistical analyses in this book, therefore, are limited to the set of almost 40,000 observations we have for the politically relevant dyads over the period 1885–1992. These are the cases for which our theories

of conflict are most applicable. Elsewhere (Oneal and Russett 1999a, 1999c), we have analyzed all possible pairs of states, not just the politically relevant dyads. Those results are very similar to what we report here.

Power ratio

Realists are always concerned with the balance of power. To measure the military capabilities of dyadic members, we use the COW composite capabilities index (Singer, Bremer, and Stuckey 1972). It is composed, in equal weights, of a country's share of the international system's total population, urban population, energy consumption, iron and steel production, military manpower, and military expenditures. Together, these six dimensions of power tap a variety of elements that contribute to national power. Some can be utilized immediately for military purposes (manpower and expenditures); others indicate the longer-term military potential of states. In a protracted conflict, a state can mobilize substantial parts of its total population, particularly if many people live in cities, and divert its industrial base (indicated by energy consumption and iron and steel production) to the war effort. No measure of power is perfect, especially over a century-long period that witnessed major innovations in technology and strategy, but this measure is reasonable and is the standard way of tapping this important element of international relations. Our variable POWER RATIO is the logarithm of the ratio of the stronger state's capability index to that of the weaker state. We use the logarithm of the power ratio because we think having more and more power brings only declining marginal gains.

Alliances

Allies do not usually fight or threaten one another with military action. The fact that they are allied indicates that they share common strategic and security interests. Were they to have military disputes among themselves, they would weaken the common front they have formed against their enemies. During the cold war, the NATO allies rarely became involved in disputes among themselves, and except for those between Greece and Turkey, these never reached the point at which casualties were inflicted. Some potential conflicts may have been averted not just by the

efforts of the two countries directly involved but also by the efforts of other, especially larger, allies. Usually this involved an offer to mediate or arbitrate a disagreement, but other forms of diplomatic pressure were also used. Militarized conflicts among the Warsaw Pact countries were also rare, but not unknown. There were few open disputes between the smaller members of the pact, but several times the Soviet Union intervened with military force (Hungary in 1956, Czechoslovakia in 1968) or with military threats to keep its smaller allies from changing their governments and weakening or leaving the alliance.

Sometimes countries switch their allegiance despite the existence of a formal commitment to provide military support. For example, at the start of World War I, Italy had a treaty with Germany and Austria-Hungary, but it did not enter the war on their side. Despite the alliance, Italy regarded Austria-Hungary as an adversary because the Austrians still claimed and occupied big sections of territory populated by Italian-speaking people. The Italian government wanted to incorporate this territory and its people into Italy. So in 1915, it joined the British-French-Russian side against its "allies."

An alliance may reduce the likelihood that two states will become involved in conflict with one another, but it is clearly no guarantee. Ultimately a treaty is just a "scrap of paper." As a result, we need to find out just how important a mutual alliance really is in reducing the risk of a militarized dispute. We do that here by using an updated set of data on alliances, information initially compiled by the COW Project. These data tell us which states were allied and how long the alliance lasted. Our variable ALLIES is coded 1 if the members of a dyad were linked by a mutual defense treaty, a neutrality pact, or an entente in a particular year; otherwise, it equals 0.[8]

Analyzing the Global Experience of a Century

To uncover the relative importance of the Kantian and realist influences on the likelihood of international conflict—the risk that a dyad will en-

[8]The original data are from Singer 1995, which we updated based on Rengger 1995.

gage in a militarized dispute—we use a method like that employed by epidemiologists to study the influences of environment, heredity, and lifestyle on illness. Logistic regression is one type of what statisticians call multiple regression analysis.[9] It allows us to estimate the independent effect of each one of our variables on the likelihood of a militarized dispute, while holding all the other variables constant. By "independent effect," we mean the change caused by one variable while simultaneously taking into account the effects of the other variables in the equation. With our example of heart disease, such an analysis tells how much the average patient's risk of a heart attack would be reduced if his blood cholesterol level were twenty points lower while nothing else changed (e.g., the amount of exercise, smoking habits, etc.). With militarized disputes, we can ask how much lower the risk of a dispute would be if both states were very democratic, or if they were allied, while holding constant all other influences, such as the capability ratio and the distance between them.

Our unit of analysis is the dyad-year; that is, an observation about the behavior of a pair of states in a single year. For example, we know whether or not Germany and France were involved in a militarized dispute in 1910. Combining information about different pairs of states with information regarding these pairs through time gives us a "pooled" data set. This kind of analysis is mathematically complex and requires statistical adjustments because many of the observations are not truly independent of each other, as we assume they are when we use regression analysis. For instance, a German attack on Belgium was certain to bring France into a war, and once Germany and France were at war, it was more likely that they would be at war in the next year as well. The analysis here employs standard statistical adjustments that are discussed in the appendix. This area of statistics continues to develop, and there are difficult issues involved; but we have conducted our tests in a variety of ways, and as we have reported in various other publications, we are confident

[9]Logistic regression is appropriate when the dependent variable, i.e., the variable to be explained, is nominal (dispute or no dispute) rather than continuous (fine gradations in the scale of violence from no conflict to big wars). We use the routines for logistic regression found in the statistical package Stata (*Stata Reference Manual* 1999).

that the results we will discuss here are robust. In general, different corrections for various statistical problems do not affect our results very much.[10]

In adopting the scientific method, we do not mean to suggest that all of international relations is amenable to the kind of statistical analysis presented here. Historical and philosophical studies are also important. Here, we try to formulate an explanation (or model) of militarized interstate disputes that incorporates the most important influences identified by both realist and liberal scholars. Each of these factors is thought to make an independent contribution to the pattern of conflict around the globe at any one time and for pairs of states through time. We consider only theoretical influences that are amenable to measurement, albeit imprecisely. This permits us to conduct statistical tests. We think this is important because it aids in the accumulation of knowledge, but we acknowledge that many things are missing from our model. First, some important influences, for example, decision makers' perception of events, are difficult to measure and so are excluded. Second, we do not look in any detail for different patterns of behavior for particular subgroups of states within the global system (say, by geographical region), and our analyses of the effect of change over time, even in the variables we believe are important, are limited. There is as yet little agreement on satisfactory methods for addressing some of these important issues. Finally, we acknowledge that there is an important element of unpredictability in all of human affairs. Small changes sometimes have big effects. "For want of a nail the shoe is lost, for want of a shoe the horse is lost, for want of a horse . . ." These limits to the scientific study of international relations will undoubtedly be pushed back as our methods and understanding develop. This

[10]These include corrections to produce robust standard errors and for clustering by dyads, and controls for time dependence using the general estimating equation (GEE). We reestimated our basic 1885–1992 equations for democracy and for trade (in Chapter 4) with the fixed-effects model (Oneal and Russett 2000a, 2001) and also found the results robust in this regard, as have Bennett and Stam (2000). Also see Beck and Katz 2001 and King 2001. These results are also not significantly affected by using the peace-years method of adjusting for temporal dependence (Beck, Katz, and Tucker 1998). These and other methodological decisions are discussed in the appendix to this book.

book is no more than a building block in an ongoing process of discovery.[11]

With these cautions, we now look at our first set of results. Table 3.1 presents the effects of the various risk factors on the likelihood of conflict. They are expressed in terms of the increase or decrease in the probability of a militarized dispute induced by a change in the factor of interest. This is the clearest way to consider the consequences of democracy and the realist variables and is how epidemiological results are given. Table 3.1 shows the effect of each of the variables that is, at least in principle, subject to policy makers' intervention if they wish to lower the probability that a military dispute will occur. (Distance, contiguity, and major power status were included in the analysis, and as expected, all strongly affected the probability of a dispute. But since these variables are not amenable to change by a state, we do not include them in this table.)

To show the effect of one influence on the probability of conflict, we must first compute a baseline probability against which to make comparisons. We want to know what the chance of a dispute is for some "typical" dyad; then we can see how each of the variables of interest affects this. We assume that our typical dyad is contiguous. Since these are the states most prone to conflict, they warrant particular attention. We also assume that the typical dyad is not composed of allies and does not include a major power. (Minor power dyads are more common in the international system than are those containing a major power.) Next, we set the democracy score at its midpoint (0) and set every other continuous variable at its

[11]We owe this threefold analytical distinction to Allan C. Stam. Jervis (1976) is identified with the view that decision makers' actions depend heavily on their perceptions. This adds to the complexity of international relations (see also Jervis 1997 and Cioffi-Revilla 1998). Wendt (1999) develops the constructivist argument that certain pairs of states may develop a sense of mutual identity that causes their baseline behavior to evolve in a cooperative direction. He is not sanguine that these effects can be established by social science, but the recent work of Green, Kim, and Yoon (2001), looking for what statistical analysts call fixed effects, is an effort to measure them. Nonetheless, fixed-effects models may not capture the phenomenon, noted by Wendt, that shared identities can be reversed as well as developed over time. Gartzke (1999) argues that uncertainty is inherently unmeasurable and so cannot be included in systematic analyses. Debates about the proper methods for studying international relations will surely continue.

average value for the contiguous dyads. With these values and the coefficients from Table A3.1, in the appendix, we can estimate the annual probability that this typical dyad would experience a military dispute. The baseline probability is about .06—six chances in a hundred of a dispute's arising during any given year. Next, we change the variables one at a time, making the dyad allied or adding a comparable amount of change (one standard deviation) to each of the continuous measures.[12] This allows us to compute the change in the risk of conflict induced by each alteration in the dyad's characteristics.

Table 3.1: Percentage Change in Risk for Annual Involvement in a Militarized Dispute, 1886–1992: Contiguous Dyads, Realist Variables and Democracy

All variables at baseline values except:	
ALLIES equals 1	−46%
POWER RATIO increased by one standard deviation	−29
$DEMOC_L$ increased by one standard deviation	−42
$DEMOC_L$ decreased by one standard deviation	+69
$DEMOC_L$ increased to +10	−54
$DEMOC_L$ decreased to −10	+109

Our results correspond well with both Kantian and realist perspectives. As noted above, contiguity strongly increases the chance of conflict, distance strongly decreases it, and major powers fight more than smaller states do. Of the realist variables subject to policy action, an alliance between two states is associated with a drop of nearly half from the baseline

[12]Standard deviation is a statistical measure that allows us to compare the effect of changes in indicators that have different units of measurement: units along the democracy-autocracy continuum, fractional changes in the ratio of national capabilities, etc. The "normal" or bell-shaped curve is a statistical distribution that has a bulge at the mean (or average) of the distribution and then trails off to the sides in either direction. Under the normal curve, 68 percent of all observations fall within one standard deviation of the mean, and 95 percent lie within two standard deviations. By using a standard deviation as our unit of comparison, we consider the effect of changes that are plausible and substantively meaningful, neither trivial nor extreme.

rate—46 percent—in the likelihood that they will have a dispute. (Remember that this reduction in risk results from changing the dyad from unallied to allied, while not changing any other variables from their baseline values.) It is not entirely clear to what extent allies are less likely to become involved in disputes *because* they are allied and to what extent states ally with one another because they share common interests and common adversaries and already maintain friendly relations. Too quickly attributing causation for this relationship would be like saying that people who don't exercise much are more likely to get heart attacks. That is true, but it is also true that people who are already sick, with bad hearts, may not be able to exercise. For them, lack of exercise would be more the consequence than the cause of illness. The alliance-dispute relationship probably also works both ways.

The next relationship, that between relative power and the likelihood of a dispute, also lies at the heart of realist theory. Our findings are clearly consistent with the hypothesis that a preponderance of power inhibits the overt expression of a militarized dispute, while a balance of power is dangerous. If both sides can confidently predict which would win a military showdown, there is little need to pay the high price that armed conflict entails. The weak state will usually concede what is demanded by its strong adversary, without a fight. That way, at least it avoids the financial cost and human casualties of war. The result—29 percent lower probability of conflict—however, is somewhat misleading because it comes from a very big difference in power. It reflects to a large degree the success of the five major powers in deterring conflict with the many small states of the world. Adding one standard deviation to the capability ratio increases the advantage of the larger state from about 6:1 to over 26:1. Apparently, securing peace by deterrence requires a substantial military advantage. Because our measure of national capabilities includes measures of population and industry, which are very slow growing, it would certainly not be practical to advise policy makes who wish to prevent disputes to increase their military superiority fourfold.

Now look, in Table 3.1, at the effect of democracy on the likelihood that two states will be involved in a military dispute. First, we report the effect of making the less democratic state in the pair more democratic by one standard deviation. As reported, the probability of a dispute drops by 42 percent. This means that if we change the less democratic state from a neutral reading of 0—the midpoint on the democracy-autocracy scale—

to +7, there is a greater change in the likelihood of peace than if the balance of power is increased from 6:1 to 26:1. The difference between 0 and 7 on our scale is, for example, the difference between Pakistan under the "tutelary democracy" of the 1960s, when it had a centralized presidency and a rubber-stamp legislature, and its more democratic regime of the 1990s, before the 1999 military coup. Seven and higher readings on the democracy-autocracy scale are what Jaggers and Gurr (1995) call "coherent" democracies. If the less democratic state in a dyad is a true democracy, of course, the more democratic state will be one as well. Thus, this is strong evidence that two democratic states are unlikely to become involved with one another in a dispute. The effect on the likelihood of conflict is even larger if we make the less democratic state in our pair an autocracy, reducing its democracy score from 0 to −7, again holding the other variables constant. In this case, the two states would be about 69 percent more likely to get into a militarized dispute. The chance of a dispute in a year rises from six chances in a hundred to ten chances in a hundred.

These effects are even stronger if we make the less democratic state a full democracy at the +10 end of the scale (like Japan or most of Western Europe), or extremely autocratic at the −10 end (like the old Soviet Union and most Communist states of Eastern Europe). With full democracy, the likelihood of conflict drops 54 percent below the baseline probability, but when the less democratic state is fully autocratic, the chance of a dispute rises 109 percent above the baseline. The most autocratic states are therefore much more dispute-prone than are less extreme autocracies.

Another common way to estimate whether the influence of one variable on another is important is by computing the variable's statistical significance; that is, how often one would by chance find a positive (or a negative) relationship in a sample even if there were in fact no such relationship in the full "universe" of cases. This is a useful procedure for survey research, for instance, where a sample of perhaps 1,000 voters is interviewed, out of the millions of voters in a country. The meaning of statistical significance is less clear when, as in our tests, nearly the complete universe of cases is being analyzed. Nonetheless, computing the level of statistical significance helps us gauge the likelihood that our results are really just due to chance. As it happens, all the variables in Table 3.1 are statistically significant at the .001 level. This means, for example, that when we say allies are less likely to get into military disputes with each other, the odds are less than one chance in a thousand that there is actually no relationship between these two variables.[13]

Was the Effect of Democracy Different in Different Periods?

Do these relationships hold true throughout the long period we are considering, or are there different patterns within different subperiods? Do we have the basis for strong generalizations or only for ones limited to particular historical eras? The long period, from 1885 to 1992, covers several different eras of international relations. We noted earlier that the cold war ran from after World War II to around 1988 or 1989 and that conditions in the international system have been markedly different after the cold war. They were also different before it.

As noted in the previous chapter, some observers of international politics have argued that peace among democracies is primarily a product of the cold war, when democracies shared similar security interests and sought to protect their interests and sovereignty against an opposing alliance that was composed of authoritarian states. In this view, the democracies did not fight much among themselves because they were too worried about the security threat from their common enemy. But this begs an important question: Why did the Western democracies share common interests? Was it only because of the existence of the Warsaw Pact, which was coincidentally composed of autocracies? Or did democracies oppose the Warsaw Pact because they shared an interest in maintaining their democratic practices and institutions as well as the network of international economic relations within the "free world"? Surely both influences had an effect: they had common interests because they were allied against a common foe, but they were also allied because they had common interests that went beyond issues of national security. To address this criticism of the democratic peace, we must ask whether democracies have been more peaceful toward each other outside of the cold war era.

We will summatize several additional analyses designed to answer that

[13]Because most of our hypotheses predict either a positive or a negative relationship between a variable and the risk of a dispute, we use one-tailed tests of statistical significance rather than two-tailed tests, which are appropriate when no particular direction is anticipated.

question. In short, the democratic peace is not just a phenomenon of the shared interests particular to the bipolar cold war years. We do not have dispute data for 1993 and more recent years, but we can ask whether the pacific benefits of democracy were evident during the four years from 1989 to 1992. This means treating 1989 as the first year in which a different pattern of disputes, characteristic of the post–cold war era, might have emerged. This is consistent with most Europeans' views and with an analysis that found a clear shift in the pattern of Soviet-American interactions at this time (Dixon and Gaarder 1992). Analysis of the 1989–92 period, admittedly a short span of time, reveals that democracies became somewhat *more* peaceful among themselves with the end of the period of bipolarity.[14]

A democratic peace is also evident when one examines the years before the cold war, 1886–1939, in their entirety. This is an appropriate period over which to conduct a separate analysis. There is an abundance of cases for these years, nearly 12,000, and they differ from the cold war era in at least two important ways. First, relations among the great powers then were multipolar, not bipolar. There were always at least six great powers in the system and sometimes as many as eight. No two states were ever nearly as dominant as the United States and the Soviet Union were after 1945. At times (just before the two world wars), the great powers did form into two opposing alliances, but these were not rigid and fully predictable, as we have noted. If the polarity of an international system is judged by the relations among the great powers and not by the number, power, or configurations of the alliance systems (Waltz 1979), then all of the 1886–1939 period constitutes a period of multipolarity. The second big difference between these early years and the post–World War II era is the existence of nuclear weapons. The destructiveness of nuclear weapons markedly changed the calculus of peace and war from that which had operated previously.

[14]The difference in the peacefulness of democracies in the cold war and post–cold war eras is not statistically significant; the important point is that there is no indication that democracies have become less peaceful. Technically, the analysis is done by adding an interactive term, the lower democracy score times a dummy variable that identifies cases in the post–cold war period, plus this dummy variable, to the basic equation. We use the same technique to analyze the democratic peace in the other time periods discussed below.

Analysis of our data clearly shows that the peace among democracies also held during the pre-1945 period as a whole, and this relationship was statistically significant, though not as strong as it became after 1945. The most important difference between the years before and after World War II concerns not democracy but alliances. After World War II, allied states had fewer disputes with each other than did nonallies, but alliances made no statistically significant difference in the incidence of disputes over the full pre–World War II era. In those years, allies were as likely to fight or threaten each other as they would have been had they not been allied.

Breaking the pre–cold war era down further is problematic. If one cuts up any set of data into very small subgroups, the relationships one finds become unstable—sometimes positive, sometimes negative—and ultimately it becomes impossible to find *any* statistically significant relationships. This is especially true in the analysis of uncommon events. To avoid this, the choice of subgroups must be informed by theory, either about the key explanatory variables themselves (is there some reason, for example, why our measure of democracy might not be accurate in certain years?) or about other influences that might affect their operation (does the structure of the international system change the effect of democracy?).

There is no reason to divide the pre–World War II era on grounds that the character of the international system changed significantly. Throughout, it was multipolar and nonnuclear in nature. There may be reason to believe, however, that the characteristics of democracy changed in important ways. In discussing the measurement of democracy earlier in this chapter, we noted that in Britain roughly 40 percent of males did not have the vote before World War I, and that there, as well as in many other countries that are coded in the Polity III data as democratic, women did not get the vote until after 1919. Widening the franchise to this degree, making it nearly universal, is a major change in the character of democracy, one that might affect countries' international behavior. Therefore, it does make sense to break the pre–World War II era into two groups: the years 1886–1914 and the interwar era 1921–39.

The interwar period contains nearly 8,000 observations, and as we would expect from the expansion of the right to vote, the influence of democracy remains strong. While the relationship is somewhat weaker during the interwar era than it is during the cold war era, the difference between the two periods is not statistically significant. It is clear that

democracies enjoyed relatively peaceful relations with each other between the two world wars. In the pre–World War I years, however, the democratic peace is much less evident. But on closer scrutiny, it appears that although democracies fought at a somewhat greater frequency than the typical nondemocratic pair during the first decade or so for which we have data (1885–95), they then began to experience the peacefulness that characterizes their relations to the present. For the politically relevant dyads, the turning point came around 1896: after that time, democracies avoided militarized disputes with one another.[15] This is close to our earlier results (Oneal and Russett 1999c) in analyses with all pairs of states, when we placed the turning point at around 1900. Gowa (1999, 98–100) also reports that democracies became less likely to engage in militarized disputes with each other in the decade leading up to World War I and that this democratic peace continued during the interwar years. This important shift is obscured by treating the years 1886–1914 as a whole.

In light of this evidence, if the democratic peace was absent through much of the nineteenth century, it is that absence—not its presence in the cold war era—that is the unusual result or anomaly to be explained. The explanation may lie in the restricted suffrage that existed during that century, rather than in characteristics of the international system. Even in the nineteenth century, a careful look at the evidence (see Gowa 1999, Table 6.7) discloses that disputes between democracies were *far less likely* to escalate to high levels of violence than were those involving autocracies.

Peaceful Autocracies?

As noted earlier, we expect the political character of the less democratic state in each dyad to be primarily responsible for determining the likelihood of conflict. This is the state that is less constrained from using force. But we also noted that the political regime of the other state, the one with the higher DEMOC score, might also affect the prospects that force will be used. In a previous study, we found that the most dispute-prone pairs of states were those that contained one democracy and one autoc-

[15]Looking for a break at other years, such as 1891, 1901, and 1906, shows that the shift to greater peacefulness occurred no later than 1896.

cats & dogs effect - previous support but none now?

racy. We called this the "cats-and-dogs effect" (Oneal and Russett 1997). Other analysts (Bueno de Mesquita and Lalman 1992; Leeds and Davis 1999) have reported similar results. It is certainly plausible that two states with very different political systems would have a lot to fight about. The cold war, as we have argued, was not just about security and foreign policy but also about how national political and economic systems should be organized, the rights of citizens, and other domestic issues. Because there are a variety of such issues in contention, it also seems reasonable that democracies and autocracies would mistrust one another. Finally, if democratic states are reluctant to go to war or are inhibited from doing so by the institutional restraints of their systems, their slowness to engage in military action might be exploited by less constrained, authoritarian states.

To discover whether democracies and autocracies are particularly prone to fight, we added the variable $DEMOC_H$ to our basic equation. If the hypothesis is correct, then the higher the level of democracy in the more democratic country ($DEMOC_H$), controlling for how democratic the less democratic country ($DEMOC_L$) is, the more dispute-prone the dyad will be. This is because if $DEMOC_L$ is held constant, the "political distance" between the two states will increase as $DEMOC_H$ increases.

The cats-and-dogs effect was not confirmed, either for the post–World War II era in particular or for the whole period 1885–1992. Pairs of democracies are much more peaceful than either pairs of autocracies or mixed democratic-autocratic pairs. In the analysis for all years, when both states are +7 democracies, the rate of disputes is 41 percent below the rate for the typical dyad. The rate for mixed pairs is 73 percent above this baseline, and the rate for a pair of autocracies is 67 percent above it. The slight difference between mixed and autocratic dyads is not statistically significant.[16] *Thus, there is no evidence of an "autocratic peace" to match the peace among democracies* (Gowa 1999, 106–8). Nothing comparable to the effect of democratic norms and institutions produces a generalized pattern of dispute-avoidance among authoritarian states. This is not surprising. Many different types of political regimes are characterized as autocracies.

[16]Earlier indications (e.g., Oneal and Russett 1997) that mixed autocratic-democratic pairs were significantly more dispute-prone than autocratic pairs were primarily due to the absence of statistical adjustments for heteroskedasticity and temporal dependence that are now standard and are applied here.

These include fascist states and Communist ones, which had many conflicts between them; Islamic theocracies; monarchies; Latin American juntas; and governments dominated by a single, charismatic ruler.

The results of our analyses of the influence of the level of democracy for both states in a pair also mean *that on average, democracies, as individual states, are more peaceful than autocracies.* This is true in the sense that the likelihood of conflict goes down or remains unchanged if we replace an autocracy with a democracy in a dyad. Consider first the consequences of starting with an autocratic-democratic dyad. If we replace the autocracy with a democracy, this creates a democratic-democratic pair. The likelihood of conflict would drop from 73 percent above the baseline rate (or a probability of .103) to 41 percent below it (a probability of .035). If, however, we start with two autocracies and make one of them democratic, the risk of a dispute stays essentially unchanged. Apparently, democracies act according to realist principles in their dealings with autocracies but are no more prone to fight them than are other autocracies.

Perhaps most important, the fact that democracies are indeed more peaceful generally means that *the incidence of conflict should go down over time if more countries become democratic.* Newly established democracies can be peaceful with their democratic neighbors, and being democratic will not make them more prone to fight autocratic neighbors than if they themselves had remained autocratic. If instead autocracies and democracies were especially likely to become involved in disputes, as previous results indicated, then the incidence of conflict would rise in a region originally populated solely by autocracies as each state became democratic. This rising incidence of regional conflict would continue until the democratic states had mostly democratic neighbors and were at peace with them. Our latest results are very encouraging, then, because it seems likely that more and more states will become democratic.

Are Political Transitions Dangerous?

This observation about the effects of having more states become democratic returns us to an important question raised in Chapter 2: Do states that have recently become democratic behave less peacefully than do countries that have long been democratic? In the results we just discussed, we did not consider whether a democracy was newly established or of long standing. We need to investigate the idea, associated with Mansfield and Snyder (1995, 1996), that countries in transition from dictatorship to democracy are war-prone. We also want to consider whether political change in the opposite direction, from democracy to autocracy, affects the likelihood of conflict. Perhaps dramatic political change in the regime of a state in either direction, indicative of political instability, makes for a dangerous situation.

The "diversionary" theory of war has long been of interest to international relations scholars, but Mansfield and Snyder offer a new reason to consider the effects of domestic politics on the foreign behavior of states. They carefully discuss the role that nationalist ideology and coalition politics in newly democratizing states might play in producing a heightened danger of conflict with their neighbors. It is easy to imagine reasons why democratization, or political change generally, might affect a state's foreign policy. A newly installed political system, whether democratic or autocratic, is more likely to be unstable. This could tempt neighbors to threaten or attack it while it is weak and not fully in control of the resources of the government and the nation. This temptation seems to have seduced Iraqi president Saddam Hussein when he attacked the new revolutionary government of Iran in September 1980. In addition, dramatic changes in government often occur at times of social and economic turmoil, when the populace's standard of living is sharply reduced or endangered. A domestic crisis may encourage a new regime to pick a quarrel with another state in order to solidify its support at home. This may be especially true of new democracies, dependent on popular support for their continued survival.

Examples concerning the dangers of democratizing and autocratizing states abound. The French Revolution of 1789 began a chain of events that can be cited in support of the heightened belligerence of both types of new regimes. It started with the installation of a democratic government that first sharply restricted the power of the monarchy and then violently abolished it. By April 1792, France was at war with Austria, a war that both sides apparently wanted; the war quickly widened, and by February 1793, Britain, the Netherlands, Sardinia, and Spain were added to France's adversaries. The revolutionary ideology promoted by France threatened all the monarchies of Europe. They, in turn, sought to eliminate the threat at its source. Meanwhile, the French republicans became increasingly radical and violent toward their domestic opponents and ri-

vals, and France deteriorated into a reign of terror and dictatorship. In 1798, Napoleon staged a coup d'état and eventually crowned himself emperor. The Napoleonic Wars soon swept over Europe, reaching from Spain to Moscow. Peace was only restored in 1815, with Napoleon's final defeat at Waterloo. From 1789 to 1815, France, in both its democratic and imperial periods, waged war on many states.

Germany and Japan in the 1930s, too, illustrate well the turn to external violence that can follow the installation of autocratic regimes. When Adolf Hitler came to power in 1933, for example, he quickly moved to end the Weimar Republic and consolidate a dictatorship. Within three years, he had precipitated the first of a string of major foreign policy crises with Britain and France by reoccupying the Rhineland, which had been demilitarized by the Versailles Treaty ending World War I.

The political changes associated with the end of the cold war and the wave of democratization in Eastern Europe and the former Soviet Union led to fears in many quarters of a consequent surge of international disputes and wars fueled by ethnic conflicts. There are a lot of new democracies in the region, and there have been a number of disputes. The question is: Are these phenomena causally related? In fact, democratization cannot be implicated in any of the wars that have arisen. Certainly, there have not been any wars by newly democratic states against democratic neighbors. Conflicts did loom between a newly democratic Hungary and several of its neighbors over the status of large Hungarian-speaking minorities in semidemocratic Romania and Slovakia and in authoritarian Serbia. Yet none of these were allowed to escalate to war, and conflicts with the first two have largely been resolved by diplomacy.

So many examples and counterexamples exist that the effect of democratization must be determined through a systematic analysis. Also, it is not obvious theoretically that new democracies, even if they are unstable, will be prone to conflict. The opposite possibility also exists: being weak, new democracies may be cautious and avoid becoming engaged in conflict with their neighbors precisely because they cannot count on a lot of popular support. To address the question scientifically, we must consider all militarized disputes and not just those that come easily to mind. It is also important to control for those influences that we expect to affect the likelihood of conflict. One is whether a new *shift* or transition toward democracy has any effect over and above the effect of the *level* of democracy in the current governments of the two states in the pair. Unlike vir-

tually all previous analyses (Oneal and Russett 1997 is an exception), we control for such influences here.

To get some sense of the matter, we modify our basic analysis by adding two new variables; these identify states that have undergone a dramatic political change over a five-year span. We ask whether either member of a dyad markedly changed its position on the twenty-one-point democracy-autocracy scale over the previous five years. The first new variable, AUT-to-DEM, identifies those dyads that experienced a change in at least one state from autocracy (–7 or less on the democracy-autocracy scale) to democracy (+7 or more). This variable takes a value equal to the magnitude of the shift, if there was one. That is, if a state shifted from –7 to +7 at any time in the previous five years, AUT-to-DEM equals 14. This allows the size of the shift to affect the likelihood of conflict, because the theory suggests that a bigger shift should have a greater effect on foreign policy. If there was no dramatic change from the autocratic to the democratic side of the political spectrum, AUT-to-DEM equals 0. Because we also wish to consider whether the process of autocratization influences the likelihood of conflict, we created a second new variable, DEM-to-AUT, which records in a similar fashion dramatic shifts in the autocratic direction.[17]

This procedure is not designed to pick up small shifts in political regimes. Most versions of the theory talk about substantial movements from autocracy to democracy, not merely a strongly autocratic regime undertaking mild liberal reforms. Minor changes in the character of political regimes are not expected to affect the incidence of militarized disputes. Also notice that our test does not set an unrealistically high level for a new democracy and does address the possibility of short-term instability. Remember that a score of +7 is equivalent to Pakistan in the 1990s, not to Sweden or the United States; also, the effect of a transition runs for only five years.

To discover whether the process of democratization increases the prospects of conflict, we added to the basic analysis of Table 3.1 the two variables that identify political change. Adding indicators of autocratization as well as of democratic change allows us to find out if democratiza-

[17]If fewer than five years' information on government type is available and no shift in the character of either regime occurred in the shorter period, we drop the dyad from the analysis.

tion leads to international conflict and also whether "backsliding" from democracy to autocracy is dangerous. Perhaps it is not democratization but political instability in *either* direction that is the cause of disputes. The results, which do not require a new table, lend little support, however, to either theory. Over the entire 1886–1992 period, the effect of democratization was effectively nil. If the less democratic state in a dyad scored at least a +7 on the democracy-autocracy continuum, the probability of a dispute was almost 46 percent below the baseline rate for the typical dyad. Yet if one of the states had only become democratic within the last five years, the effect of that alone was to raise the chance of a dispute by just a single percentage point—a trivial and statistically insignificant change. Much the same was true if one state shifted from democracy to autocracy. If the less democratic state was a –7 on the political spectrum, the dyad's dispute rate was 80 percent above the baseline. If either member had recently become autocratic, there was no additional effect.[18]

These results do not change appreciably if one uses shorter or longer periods over which to measure political change. If anything, the influence of democratization is usually to lower the risk of disputes, but the effect becomes statistically significant only if the time period is lengthened to ten years or more, as the newly democratic regimes have had more time to stabilize. Nor does it matter much if smaller shifts in domestic politics are studied, as, for example, a shift from very autocratic (–8 to –10) to the middle of the scale (–3 to +3). And no difference emerges if the shifts are bigger, say to +8 or +10. Consistently, it is the *level* of democratic government achieved by both members of a dyad, not whether this was achieved recently, that affects the likelihood they will experience a dispute.

Other measures of democratization and autocratization might give somewhat different answers. Some studies have found that differences in the time period, the way political change is measured, or the precise form

[18]These percentage changes in risk are a little greater than those reported in Table 3.1, perhaps due to a reduction in the sample size as a result of measuring political change over several years. The percentages are always only approximate estimates, varying somewhat for different samples, measures, and analytical techniques. What matters is that they stay consistently at about the same level and have the same theoretical implications. All the statistical significance levels for regime change use two-tailed tests, since competing hypotheses expect opposite effects.

of the equation can affect the results. But few find anything consistent, and none offers a convincing theoretical argument as to why any particular method should be preferred. How then can we square our statistical results with the impression, backed by fairly numerous examples, of conflicts involving new democracies?

First, the existence of some instances of newly democratized states engaging in militarized disputes is consistent with our statistical results. As we have seen, relations between a democracy and an autocracy are dominated by the same realist logic as are relations between autocratic states. It matters whether one's geographical neighborhood is populated largely by other democracies or by autocracies. Consider the situation in Eastern Europe, where most of the post-Communist countries have experienced little militarized international conflict. The highly democratic states in the area (the Czech Republic, Hungary, Poland, and Slovenia) have had no militarized disputes with one another and few even with their less democratic neighbors (Slovakia, Romania, and Croatia). The vast majority of their disputes have been with nondemocratic Serbia. Likewise, the three democratic Baltic states that split off from the old Soviet Union (Estonia, Latvia, Lithuania) have avoided militarized disputes among themselves and largely even with Russia, their less democratic but powerful neighbor. Our analysis accounts for this by embedding changes in a single government within a larger political context that controls for whether *both* states have reached a high *level* of democracy, even recently.

Furthermore, when we say that there is no general relationship between democratization and conflict, we mean just that. While there are examples of conflict involving new democracies, there are also counterexamples where democratizing states have been peaceful. Overall, these two tendencies cancel each other out, leaving us with no evidence that democratization in general is dangerous. Because democratizing states sometimes do get involved in disputes, it would be useful to have an additional theory to understand the particular circumstances under which this process might be dangerous. Snyder (2000) makes an important start in this effort. He considers how democratization can combine with exclusionary nationalism to incite either domestic or international violence. We have only examined international conflict here.

Finally, most of the examples of democratization and violence involve states that are still incompletely democratic, where democracy has not been consolidated at a high level. This means these examples tell us less

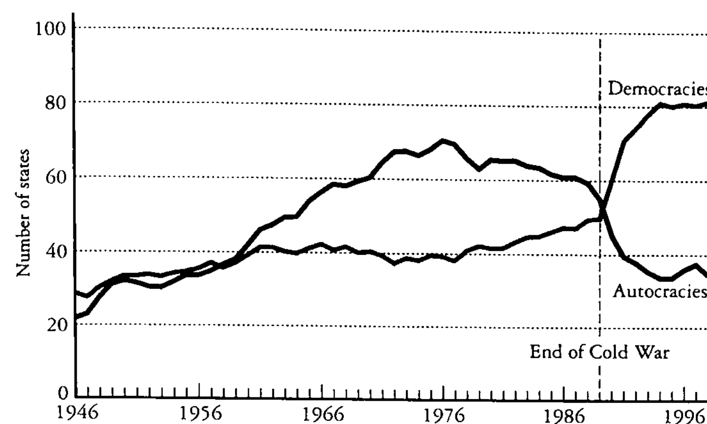
about the danger posed by new democracies than about the risk of conflict for states that have not yet reached a high level of democracy. Our analyses and those of others (Beck, King, and Zeng 2000) indicate that once a state becomes a well-institutionalized democracy, the likelihood of conflict falls sharply. States that are only partly democratic will be more conflictual than coherent, institutionalized democracies but more peaceful than autocracies. Democratization is, therefore, good, but it is best when complete. In short, the higher the level of democracy a state achieves, the more peaceful that state is likely to be, regardless of whether or not its transition to democracy occurred recently.

The results we report, then, are consistent with most other analyses: neither a transition to democracy nor a turn toward greater autocracy makes much difference in whether states get themselves into militarized disputes. Thus, there is no compelling evidence to support a "go slow" policy toward democratization in Eastern Europe or elsewhere. Transitions in themselves do not appear dangerous. It is important, however, that a transition become consolidated at a high level of stable, institutionalized democracy. Democracy, old or new, strongly encourages peace. Peace will prevail throughout a region when all the states there are democratic.

More Democracy and More Peace

We discussed several theories of the democratic peace in the previous chapter. To some degree they are competing explanations, but for the most part, they can be considered complementary. We also considered some of the evidence that has been offered for them. In this chapter, we focused on new empirical analyses. These provide further evidence for the pacific benefits of democracy. Pairs of democracies are much more peaceful than other kinds of dyads. This generalization applies to the whole twentieth century. In addition, democracies are in general more peaceful than other kinds of states. If an autocratic state becomes democratic, its chance of conflict with another democracy drops dramatically, while its risk of a dispute with an autocracy remains unchanged. And we find no evidence that transitions in political regimes—either democratization, backsliding to autocracy, or political instability generally—endanger the

Figure 3.1: Global Democracy and Autocracy, 1946–1998



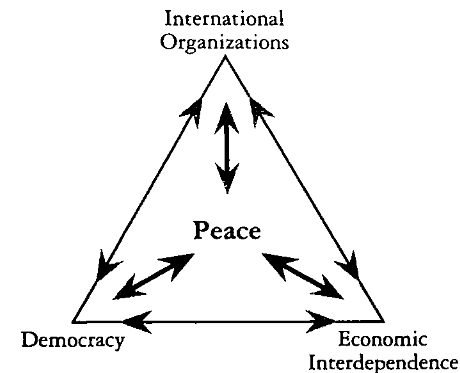
Source: Adapted from the figure titled "Global Democracy and Autocracy, 1946–1998" by Monty G. Marshall and based on Polity98 data of the Polity IV Project, Center for International Development and Conflict Management, University of Maryland.

peace. The analyses reported in this chapter serve as the basis for additional empirical tests in the following chapters, where we explore the effects of the other Kantian influences.

The emergence of new democracies in the last decade of the twentieth century presents the possibility for widespread peace in the international system. For the first time in world history, a solid majority of states are democratic. As shown in Figure 3.1, the proportion of Western-style democracies among the world's governments has grown dramatically. By 1998, slightly over half of the world's population lived in democracies (Freedom House 1998). In 1999, some big countries, notably Indonesia and Nigeria, made precarious but promising transitions away from authoritarianism. Of course, the process of democratization is far from complete in many parts of the developing world, and some of the new democracies rest on tenuous foundations. Consequently, this global democratic wave may crest and then fall part of the way back, as earlier ones have done. Even so, this is a remarkable achievement, and the prospects for sustaining democracy globally are more favorable than in earlier eras.

Imperialism, balance-of-power politics, the fear of communism, and the absence of accepted norms of human rights—all hampered democratization in previous periods. All of these impediments are now substantially gone (Green 1999). This provides hope that the zone of democracy can be sustained and even further enlarged. If that effort succeeds, world politics will be very different.

Both Democracy and Economic Interdependence Reduce Conflict



The results we reported in Chapter 3 indicate that democracy is a strong force for international peace. Yet we should resist the temptation to accept that evidence as conclusive until we consider at least one other influence: commercial relations that create a high degree of economic interdependence. Perhaps what looks like the effect of democratic institutions and culture is really the result of the interdependence that arises most naturally between states with open economies. Almost all democracies, though varying to a degree in the role played by the state, have capitalist economic systems that involve extensive competition in free markets among economic agents, including those in other countries. Consequently, democracies tend to trade extensively with one another. Because of the correlation between democracy and open markets, we need to reconsider the consequences of democracy through tests in which we control for the influence of interdependence.

There are three possibilities. The first is that the apparent benefits of democracy for interstate relations are mostly, or even entirely, the effect

of economic interdependence. The second is that economic interdependence and peace are both consequences of democracy, so that consideration of interstate commerce adds nothing to our understanding of the causes of war; it is only democracy that is important. The third possibility, the one most consistent with the Kantian perspective, is that democracy and economic interdependence make independent contributions: both constrain the use of force by creating powerful incentives for peace. In this case, those pairs of states that are both democratic and economically interdependent would tend to be more peaceful than pairs that are either only democratic or only interdependent. This chapter seeks to determine which of these three possibilities is correct. Here we expand our examination of the democratic peace to consider the effects of economic interdependence on the likelihood of conflict.

In the liberal view, trade and foreign investment, as well as the institutions and practices of democratic governance, should reduce the incidence of militarized disputes between countries. This thesis, like the liberal account of the peacefulness of democracies, has its origins in a classical literature that most clearly addressed the individual characteristics of states, arguing that democratic states and those economically open will be more peaceful in their diplomatic and military relations with others. But consideration of the pacific benefits of trade, as with the study of the democratic peace, has progressed through careful attention to the conflict-reducing potential of interdependence in dyadic analyses. Indeed, the effects of either democracy or interdependence on states' behavior can be obscured unless careful attention is paid to their bilateral consequences.[1] Consequently, we begin the empirical analyses reported below by examining the effects of economically important bilateral trade. We consider as well, however, whether a country's openness to trade with all countries, not just its relations with the other member of a dyad, also reduces the likelihood of conflict. Together, these analyses mirror our earlier interest in the peaceful relations that occur when both members of a dyad are democratic and the finding that democracies are generally more peaceful than autocracies.

[1]The importance of analyzing the behavior of pairs of states is all the more evident when the liberal peace is evaluated within the wider context of international relations theory. Realism stresses the importance of alliances, relative power, and geostrategic location—influences best represented dyadically.

Our analyses here develop and build on those of the previous chapter. To reflect our attention to the second of the Kantian variables, the graphic at the head of this chapter includes a second dark arrow, from the lower right corner of the Kantian triangle to the center. The principal question of this chapter is whether trade makes an independent contribution to the probability that a pair of states will experience a militarized dispute. We also want to know if democracy, alliances, and the balance of power continue to be important influences when our measures of the economic importance of trade are added to our explanatory model. The tests we report below allow us to compare the relative benefits of the liberals' political and economic prescriptions for peace. Other questions, notably whether economic growth also contributes to peace—or provides the means for the exercise of power—are also explored.

If trade does appear to contribute to peace, we need to consider the reciprocal relation. Perhaps economic interdependence is largely a consequence, rather than a cause, of the absence of international disputes. After all, commercial agents can be expected to avoid the risks and costs of international violence where possible, and trading with the enemy is usually prohibited or extensively regulated by national governments. There may well be an association between trade patterns and conflict, but it may be primarily conflict that affects commerce, rather than the other way round. This chapter will not fully resolve that question, but it provides a good start, and we shall return to this issue later in the book.

The Liberal Peace: Classical Perspectives and Recent Research

The classical liberals advocated policies to increase liberty and prosperity. They sought to empower the commercial class politically and to abolish royal charters, monopolies, and the protectionist policies of mercantilism so as to encourage entrepreneurship and increase productive efficiency. They also expected democracy and free-market economics to diminish the frequency of war. Political scientists have addressed the connection between democracy and international conflict in recent years, but they have shown less interest in the consequences of free trade and economic interdependence. Yet, expanded trade was advocated as a remedy for war even before democracy was a realistic possibility in most countries.

In the early seventeenth century, Emeric Crucé concluded that wars

arose from international misunderstandings and the domination of society by the warrior class and that both could be reduced by expanding commerce: trade would create common interests and increase the prosperity and political power of the peaceful, productive members of society. Similarly for Kant,

> The *spirit of commerce* sooner or later takes hold of every people, and it cannot exist side by side with war. And of all the powers (or means) at the disposal of the state, *financial power* can probably be relied on most. Thus states find themselves compelled to promote the noble cause of peace, though not exactly from motives of morality. And wherever in the world there is a threat of war breaking out, they will try to prevent it by mediation. (Kant [1795] 1970, 114; italics in original)

Kant's view is especially interesting because of when and where he wrote. He lived in Königsberg, a city in Prussia in the late eighteenth century. (Königsberg is now a part of Russia and is called Kaliningrad.) Königsberg was no democracy, but was part of a hereditary monarchy. International law was not extensively developed at the time, and there were essentially no international organizations. But Kant knew firsthand about the political effects of foreign commerce, for Königsberg had long been an independent trading state and was involved in economic exchange with much of Europe. In thinking about the causes of peace, he embedded trade within the right to "hospitality," or temporary sojourn, whereby foreigners could carry on the peaceful pursuit of their livelihoods while temporarily on the territory of other states. Königsberg had been a member of the Hanseatic League during its heyday from the thirteenth to the seventeenth centuries. The Hanseatic League was a loose confederation of independent, self-governing trading towns, devoted to promoting and protecting its trading monopolies in northern Europe. It was able to coordinate economic sanctions or even war against nonmembers, and it had sufficient dispute-settling mechanisms to avoid wars among its members (Lister 1999, chap. 3).

François Quesnay, Anne Robert Turgot, and the French Physiocrats; Adam Smith, David Ricardo, and John Stuart Mill, in England; and Thomas Paine, in the United States, were other theoreticians or political figures who emphasized the role of economic relations in promoting peace (Howard 1978). In the mid-nineteenth century, Richard Cobden and the Manchester school of "commercial liberalism" argued that the

cost of war made it anachronistic, as did Norman Angell and Joseph Schumpeter somewhat later. In Cobden's terms, "Besides dictating the disuse of warlike establishments, free trade (for of that beneficent doctrine we are speaking) arms its votaries by its own pacific nature, in that eternal truth—*the more any nation traffics abroad upon free and honest principles, the less it will be in danger of wars*" (1886, 222; italics in original). Over time, trade also encouraged the development of international law and organizations, because these were needed to regulate and manage commercial relations, just as similar institutions were necessary in domestic economies.

The free traders—especially of nineteenth-century Britain—had an economic interest in the ideology they promoted. They sought a commercial republic of the world, of economic attraction rather than political rule (Semmel 1970), because economic interdependence was thought to create transnational ties that encouraged accommodation rather than conflict. In this way, economic interdependence reinforces the pacific benefits of democratic institutions and norms. Thus, material incentives add their force to law and morality. The benefits of interdependence are also central to functionalist accounts of political integration in Europe (Mitrany 1966) and are reminiscent of some socialists' emphasis on the virtues of internationalism (Domke 1988, 43–51).

Despite this impressive intellectual pedigree, the role of economic interdependence in preventing conflict has until recently been neglected (Levy 1989a). The benefits of trade may not be symmetrical and may favor the side with the stronger economic power in the market, but trade is always to some degree a mutually beneficial interaction; otherwise, it would not be undertaken. This gives each party a stake in the economic well-being of the other—and in avoiding militarized disputes. The nineteenth-century liberal argument derived primarily from a view that individuals act rationally in accordance with their economic interests. It is hardly in a state's interest to fight another if its citizens sell their goods, obtain imports (raw materials, capital goods, intermediate products, or consumer goods), or have financial investments or investors there. If my factory is located in your country, bombing your industry means, in effect, bombing my own property. Of course, trade can be redirected, at least over time, by political leaders who see the clouds of war on the horizon. But goods and services from alternative suppliers would cost more and/or be inferior in quality, and shifting exports means competing with

existing suppliers elsewhere, lower prices, and less profit. Indeed, the need to switch to the second-best trading partner may involve such high costs that a state is seriously vulnerable to a disruption of trade (Keohane and Nye 1977, 8–13).

Many interest groups, economic and otherwise, compete for the attention of government leaders and seek to influence their choices. Some of these interest groups will not care much about foreign policy, and some may even have economic interests linked to international conflict (for instance, arms manufacturers or those whose products could, in times of conflict, be sold in place of goods currently imported). The political influence of domestic economic interests will always be most important; this is especially true in large countries, which tend to be less dependent upon international trade. Yet if commerce between two countries constitutes a substantial share of the national income of one or both, important commercial interests will have a political stake in maintaining good relations. Commerce increases the power of special interest groups that benefit from foreign trade and investment. This includes not just bankers and the captains of industry but also their workers, consumers, suppliers, and the whole network of secondary economic beneficiaries: the automobile dealer who sells cars to those who work in factories that export abroad, those workers' grocers and restaurant owners, and many others. Rational political leaders want to stay in office, and to do so they must respond to the demands of constituents who are economically and, hence, politically powerful. If maintaining trade is important to continuing national prosperity and growth, leaders will be responsive to its beneficiaries. They may also see this as an important element of national security.

A somewhat different argument linking economic interdependence and peace focuses on the role of trade and foreign investment as media for communicating on a broad range of matters beyond the specific commercial exchanges that take place. Trade exposes a state's citizens to the ideas and perspectives of citizens of other countries on a wide range of issues (Lerner 1956; Russett 1963; Rosecrance 1986). These communications, too, form an important channel for averting interstate conflict. Economic interdependence contributes to the construction of a "security community" (Deutsch et al. 1957), in which shared values make the resort to force unimaginable. Common values create a shared sense of identity, which Deutsch calls "we-feeling." Very likely, both rationalist and constructivist arguments are correct. One influence may be stronger than the

other in one situation or another, but ultimately they are complementary.

Democracy, with its commitment to individual liberty, may reduce conflict not just directly but indirectly by encouraging interdependence. In democracies, economically powerful groups are likely to be politically powerful as well (Papayanou 1996). Political and economic freedoms allow individuals to form transnational associations that may be able to influence policy (Verdier 1994; Risse-Kappen 1995a). Trade agreements among democracies may be particularly long lasting. Because executives in democratic countries must persuade and accommodate other powerful groups—the legislature, their political party, interest groups, the public—they may be more likely to abide by their international commitments than nondemocratic leaders, whose power is less subject to checks and balances. Consequently, democracies should be better at promoting and sustaining interdependence because economic ties require credible commitments regarding the terms of trade, regulation of capital flows, and the adjudication of contractual disputes (Martin 2000). As we shall see later, democracies are indeed inclined to trade with one another.

A challenge to the liberal view comes from those who emphasize that economic ties not only offer the prospect of mutual gain but may also transmit economic ills and create rivalry over the division of benefits. In the seventeenth century, England and Holland—both major trading states—fought heavily over colonial territory and access to foreign markets. Some analysts of the age of Western imperialism, such as the liberal J. A. Hobson (1902) and the Marxist revolutionary V. I. Lenin ([1916] 1929), vigorously developed such arguments. Lenin, in fact, regarded imperialism as the "highest stage of capitalism." He considered imperialism an inevitable consequence of the growth of monopolies in capitalist economies and believed that it would lead to such terrible wars among the great powers, all of whom were scrambling for economic gain abroad, as to destroy the capitalist system and open the door for socialism worldwide.

More recently, critics of capitalism have shifted their attention away from the potential for conflict between imperial powers and focused instead on the likelihood of conflict between a powerful state and a much smaller economic partner. When the political, military, and economic power of states is vastly different, dependency theorists suggest, trade and investment create not interdependence but dependency. This disproportionately benefits the larger country because it is able to use its power to

manipulate the terms of exchange. In this view, too, trade can be a source of conflict (Hirschman 1945; Keohane and Nye 1977; Kroll 1993): asymmetrical economic relations lead to dependency, exploitation, and militarized disputes (dos Santos 1970; Rubinson 1976; Mearsheimer 1992). If a small economy is dominated by a big one, popular resentment may bubble over and lead to violence. Or a revolutionary government may seize great agricultural estates, mineral assets, or factories owned by nationals of the great power, provoking military threats or retaliation. Consequently, conflict can arise because the weaker party resists what it sees as unfair treatment and exploitation or because the stronger state seeks to enforce its advantage. Some analysts doubt, therefore, that trade makes an important contribution to world peace, at least between states of greatly unequal size.

It is certainly possible to find historical examples that support dependency theorists' view. Something like this happened in Cuba after Fidel Castro's revolution in 1960. Castro was committed to a program of socialism, which entailed large-scale expropriation of private property and of Americans' property in particular, because they owned much of the agricultural land that was used to produce sugar, Cuba's principal export. Castro not only nationalized foreign holdings but he also switched Cuba's pattern of trade. He bartered Cuban sugar—no longer given a privileged position in the U.S. market—to the Soviet Union in exchange for oil, which had previously been imported from the United States. The result was a rapid deterioration in relations between the United States and Cuba, leading to a series of economic sanctions. In 1961, the United States sponsored the disastrous Bay of Pigs invasion by Cuban exiles. Castro then openly allied himself with the Soviet Union, accepting the Soviet weapons that prompted the Cuban missile crisis of 1962. The possibility of disputes arising out of asymmetrical economic relations must be considered in any systematic examination of the consequences of trade for interstate conflict.

However, despite some examples to the contrary, recent social scientific research has generally concluded that trade does reduce conflict.[2] Nor is the evidence for this beneficial effect limited to the post–World War II era. Way (1997) found strong support, in both the nineteenth and twentieth centuries, for the pacific benefits of bilateral trade as well as democracy. Similarly, Domke (1988) reported that countries with high levels of total exports relative to the size of their economies were less likely to initiate wars than countries that were relatively self-sufficient. Indeed, he found that countries that were open to the global economy were more peaceful than democratic states that were not open. Looking at the international system as a whole over nearly two centuries, Mansfield (1994) found that a high level of world trade reduced the number of wars initiated in the subsequent five years. One recent review, while cautioning that "outstanding empirical and theoretical questions" make "elevating this hypothesis to the status of a social scientific 'law' . . . premature," concludes that "the position advocated by liberalism is strongly supported by the existing literature."[3]

[2]Polachek 1980; Gasiorowski and Polachek 1982; Gasiorowski 1986; Polachek 1992; Polachek and McDonald 1992.

Analytical Problems

In accord with the findings of most—though not all—social scientific studies regarding this link, we, too, have found that economically important trade reduces interstate conflict. In previous articles, we reported the results of analyses using different sets of cases, over different periods, and with a variety of measures of interdependence. Below we report new empirical analyses that provide additional support for this conclusion. First, however, we must address some important analytical issues.

One involves how the effect of trade is to be assessed. If trade is to affect national decision makers, its beneficiaries must be politically important. They will be more influential, as we suggested above, when trade is more important to the national economy. For instance, the value of France's exports to Belgium is, allowing for shipping costs, reporting errors, and some technicalities, identical to the value of Belgium's imports from France. Likewise, France's imports from Belgium are the same as Belgium's exports to France. But since France's total economy is six times larger than Belgium's, this trade is more important economically to Belgium than it is to France. Consequently, Belgium's leaders are more subject to the political influence exercised by the economic actors who

[3]McMillan 1997, 34; for more recent reviews, see Oneal and Russett 1999a; Barbieri and Schneider 1999.

benefit from this exchange. Therefore, unlike Barbieri (1996), in assessing the impact of trade on the decisions of national leaders, we must calculate the value of trade relative to the size of a nation's economy, usually as measured by its gross domestic product (GDP). Presumably, the smaller country will have more incentive to avoid the costs of conflict with the bigger country than vice versa.

In assessing the effects of trade on dyadic relations, it is also important to control for the distance separating two countries. As common sense and the evidence of the previous chapter tell us, countries' ability to fight one another depends heavily on how near they are. Distance limits their ability to exert effective military power against one another. Trade, too, is clearly affected by distance. Distance increases the costs of trade, even today when technological innovation has dramatically reduced the expense of shipping by air or sea; distance influenced economic relations much more fifty or a hundred years ago. As a result, countries that are far apart trade less with each other than do close ones, all other things being equal (Tinbergen 1962; Deardorff 1995). Because proximate states tend both to fight more and to have higher levels of trade, if we are not careful, we might conclude that trade increases the likelihood of conflict. This would be a mistake, and it is a common one when analysts (e.g., Gaddis 1987, 224–25) note that states that have high levels of mutual trade (and, not coincidentally, are contiguous) often fight each other. To estimate the benefits of trade properly, we must control for the effect of distance on the frequency of militarized disputes. The right question is: With distance held constant, is trade positively or negatively related to the probability that two states will fight? In other words, of two states that are equally distant, which is more likely to become a country's military adversary, the one with which there is a high level of trade or the one with which commercial relations are minimal?

It is especially important to control for distance when investigating the effect of trade. There is little need to worry that distance is an important influence on whether two states are both democratic and on whether they are likely to fight. Two countries can be democratic even if they are on opposite sides of the globe, though to a degree, democracy does seem to be "contagious" among neighbors. But in investigating the effect of trade on conflict, not only do we run the risk of finding a correlation between high levels of trade and conflict if we fail to control for distance, we could also observe many "false negatives," where we mistakenly attribute the lack of conflict between, say, Iceland and China to their negligible economic ties. Much of the confusion about the benefits of trade arises from not recognizing the importance of distance.

In testing the liberal thesis regarding the pacific benefits of interdependence, it is also important to think carefully about the direction of causation. Economically important trade is expected to reduce military conflict because conflict would disrupt this trade and impose significant economic costs on those involved. Thus, the theory argues not only that trade will limit the use of force but also that conflict will reduce the level of trade. Indeed, it is because militarized disputes are likely to reduce trade and adversely affect economic interests that interdependence is expected to lower the chance that disputes will occur.

There are two reasons why this feedback of reciprocal relation between the two variables should occur. The first is simple enough: traders are assumed to be rational economic actors. They will stop trading if their goods (or their lives) are endangered by military hostilities. At a minimum, they will seek a greater profit margin to compensate for the greater risk, but these higher costs will lower demand and reduce commerce. Indeed, traders may see war clouds on the horizon and, out of self-interest, limit their commercial activity so as to cut their risks. Thus, trade may fall in response to conflict, and it may fall in anticipation of it. Accordingly, declining trade may signal deteriorating political relations. It may even exacerbate interstate tensions by reducing the flow of valuable communications or heightening the alarm of national leaders, who may be encouraged to turn to military action to limit or reverse the economic consequences of the lost trade (Copeland 1996).

Conflict will also influence the level of trade because states usually take steps to prevent their citizens from "trading with the enemy." Commerce between states at war was not uncommon in earlier centuries (Barbieri and Levy 1999), but modern states are more effective in limiting such activity. States can impose a variety of economic sanctions to weaken or punish their adversaries, including a complete embargo on trade and investment. States can also act against countries with which they are not actually at war; for example, by limiting the sale of goods that are considered strategic: key raw materials or technological products with possible military applications. Many restrictions of this type were imposed on East-West trade during the cold war, and there are still significant limitations on U.S. trade with China, Russia, and other countries. The United

States also maintains a virtual embargo on trade with Cuba, Iran, Iraq, Libya, North Korea, and Serbia. Indeed, many types of military equipment can only be sold to members of the NATO alliance, Israel, and a few other countries that have a "special relationship" with the United States.

These are all examples of how conflict or governments' fear of conflict can lead to policies that reduce the level of trade with another state, but states can also act to increase their economic interdependence with those with which they have good relations. Various political scientists, such as Pollins (1989a, 1989b), Gowa and Mansfield (1993), and Gowa (1994), have shown that trade is influenced by states' security interests. A state is apt to trade more with an ally because it need not fear that the economic gains that arise from their commercial relations will be used to threaten its security. After World War II, the United States deliberately opened its markets to Japan to facilitate that country's revival as a prosperous and democratic ally. Consequently, we need to look at whether interdependence has important pacific benefits when the influence of alliances is held constant, just as we controlled for the influence of alliances in assessing the effects of democracy.

There is substantial evidence that the peace-inducing effects of trade remain significant even when the reverse impact, of both conflict and the state of political relations on trade, is estimated simultaneously (Polachek 1992; Mansfield 1994; Reuveny and Kang 1996; Kim 1998). In order to get the temporal sequence right in the analyses we report, we explain conflict in one year by referring to conditions, namely, the level of trade, in the previous year. This precaution is particularly important in evaluating the effects of trade on interstate conflict and helps us avoid clearly erroneous causal inferences. In Chapter 6, we explore further the reciprocal effect of conflict on trade with an analysis that predicts the level of bilateral trade from looking at conflict in the previous year and other influences.

We adopt one other method in this chapter in an effort to get the causal inference correct. We look at the effect of a country's total trade, that is, its exports to and imports from all other countries, on the likelihood of military conflict. In the discussion so far, we have emphasized the role that the trade between two states is expected to play in their relations with one another. That is where the effects of trade on conflict should be most evident. But the classical liberals thought that states that were integrated into the world economy would be peaceful. Economic openness, as indicated by the ratio of a state's total trade to its GDP, should also constrain the use of force, even against another state with which bilateral trade is limited. This is because an ongoing dispute is apt to discourage some traders and investors from third countries from engaging in economic activity with the disputing states. States with open economies must be concerned about these indirect costs of resorting to military measures. Consequently, the total trade-to-GDP ratio, as well as states' dependence on bilateral exchange, indicates the costs associated with the use of force. This provides a valuable test of the causal influence of economic interdependence on the likelihood of conflict because it is difficult for a state to manipulate the economic importance of its trade with all countries simultaneously. It is relatively easy for a state to restrict its bilateral trade with a potential adversary while increasing its commercial relations with others, but it would be much more costly to reduce trade with all states in anticipation that conflict were imminent. National economies are not so easily restructured.

For example, by the end of the nineteenth century, Great Britain worried about the effects that conflict might have on its trade and on its economy. Having adopted the policy of free trade, with few artificial supports for domestic agriculture, Britain had become largely dependent on imports of food to feed its people and on the export of manufacturers to pay for those imports. This dependence on trade—and its vulnerability to disruption—meant that a protracted war in Europe would seriously hurt the standard of living of the British people. Britain's leaders must have been mindful of this danger. Russia, by contrast, was much more self-sufficient in this period because of its great continental territory and had less to fear from a disruption of foreign trade.

The vulnerability of a state that is dependent on trade was illustrated more recently, when in 1996, Taiwan too openly asserted its independence from the Chinese government on the mainland. In retaliation, Beijing fired missiles into the ocean near Taiwan. This did not so much disrupt commerce between the two countries, which was not very great, as frighten Taiwan's important trading partners. The possibility of conflict in the Taiwan Strait made that commerce much more risky and costly, for both Taiwan and its commercial partners, as shipping and insurance costs rose sharply. Because Taiwan is heavily dependent on trade with many countries, this proved to be a significant threat.

Much of the theorizing in the nineteenth century about the influence of trade on interstate relations centered on the effects of openness to the global economy generally rather than on the effects on bilateral relations. The liberals advocated free trade because it would lead to specialization according to comparative advantage and higher levels of international trade and investment. This would encourage economic growth and create in each state a large political constituency for maintaining the interdependent global system. All this necessitated peace. Thus, high levels of economically important trade were expected to create broad commercial interests that would encourage peace with everyone, not just with a state's closest trading partners. As David Ricardo put it, "The effects of war may so raise the freight and insurance on its conveyance, that it can no longer enter into competition with the home manufacture of the country to which it was before exported. In all such cases, considerable distress, and no doubt some loss, will be experienced by those who are engaged in the manufacture of such commodities" (Sraffa 1951, 255). Thus, in the analyses we report below, we consider the effect of economic openness, as indicated by the ratio of state's total trade (exports and imports) to its GDP, as well as of bilateral interdependence, on the likelihood of interstate conflict.

Testing the Effects of Trade

To sort out the evidence for these varied claims about the effect of trade requires analyses like those in the previous chapter. We will look at the same set of politically relevant dyads over the years 1885–1992, using the same method of logistic regression analysis. This means that we explain the probability of a dyadic dispute with the same control variables—a measure of the distance separating the members of a dyad, an indicator of whether they are contiguous states or not, and one showing whether the dyad contains only minor powers—and the same policy-relevant influences—level of democracy ($DEMOC_L$), whether the pair was allied, and a measure of the bilateral balance of power.[4] To these we add trade

[4]We omit the higher democracy score ($DEMOC_H$) from the analyses in this chapter because it did not prove to be statistically significant. Adding it makes little difference to the effects of the other variables considered below.

and economic growth. As before, we lag all explanatory variables by one year to give us some protection against confusing the direction of any causal relationship, so the first year of disputes we explain is 1886.

Our hypothesis, derived from Kant and other classical liberals, is that the probability two states will become embroiled in conflict is inversely related to the degree to which they are economically interdependent. Interdependence both raises the economic interest countries have in continuing peaceful exchange and provides a medium of communication that can be useful in preventing or resolving disagreements short of violence. For the post–World War II era, we use International Monetary Fund data regarding the direction and value of trade as the basis for our measure of bilateral economic interdependence (IMF 1997). The IMF reports reasonably complete information on its member countries' exports to and imports from their trading partners.[5]

Information about international trade becomes more problematic

[5]The IMF does not report the value of trade for all possible pairs of states; data are sometimes missing. IMF members sometimes report that the value of their trade with a particular country is zero, but often they do not report the absence of trade. This is true both for small, distant countries and for dyads involved in long-term rivalries, such as many of the Arab-Israeli dyads. Syria, for example, does not report that it had no trade with Israel. It makes no mention of Israel at all in its report to the IMF, unwilling even to acknowledge the existence of the Jewish state. For both types of dyads, no entry in the IMF statistics really indicates that no significant trade took place. To minimize the loss of cases due to missing trade data, we first supplemented the IMF statistics with data collected by Katherine Barbieri, which are available at http://pss.la.psu.edu/TRD_DATA.htm. Then we assumed that trade data for IMF members that were still missing indicated zero (or near zero) trade. According to an official in the IMF's Statistics Department, this is a reasonable assumption because IMF members are required to report trade and a variety of other statistics to the IMF by the terms of their agreement with the fund. If neither member of a dyad belonged to the IMF, we made no assumption about their level of trade. Most notably, this meant the loss of about 2,500 observations (dyad-years) involving two Communist countries during the cold war. Many dyads involved in the Korean and Vietnam Wars are omitted because of missing data on the gross domestic products of the Communist states. As shown in Oneal and Russett 1999a, evidence for the pacific benefits of trade does not depend upon assuming that missing data means that there was no trade. In our earliest analysis (Oneal et al. 1996), we used other assumptions to reduce the problem of missing data and there, too, found strong support for the pacific benefit of trade.

when we move to the years before World War II. The League of Nations contemporaneously compiled data on bilateral trade in current values, along with exchange rates, during the years 1920–38 (League of Nations, various issues). While the accuracy and comparability of these data are undoubtedly not as good as the later IMF reports, they are the best available. There are no institutional compilations of trade data for the years of the two world wars or for the period before 1914. Before World War I, the annual editions of *The Statesman's Yearbook* (Epstein 1913 and other editors and years) are the closest approximations, but the data there are less standardized, the appropriate exchange rates for converting them to a common currency are less certain, and there are more missing data. So we took several steps to minimize the effect of missing data and to insure that what we had was as accurate as possible.[6]

We expect trade to influence dyadic relations to the degree that it is economically important. Only then will the economic agents involved—the exporters and importers, shippers, and consumers—be politically powerful and motivated to influence national leaders. To calculate the economic importance of trade, we divided a country's trade (exports plus imports) with its dyadic partner by its gross domestic product. This gives

[6]We took several steps to minimize the effect of missing trade data in the 1885–1949 period. We used information about one state's exports to another to infer its partner's imports. We collected estimates from other sources, compared them to the data from *The Statesman's Yearbook* and the League of Nations, and adjusted the data from our principal sources as appropriate. These sources include Mitchell 1981 for Europe and other volumes by Mitchell for all other regions of the world and for the United Kingdom; U.S. Department of Commerce, *Historical Statistics of the United States: Colonial Times to 1970*; and Katherine Barbieri's data. Exchange rates come from U.S. Federal Reserve Bank sources, *The Statesman's Yearbook*, and Global Financial Data Company (www.globalfindata.com). We also interpolated between known values of trade and used the average value of a dyad's trade to extrapolate. Finally, if neither state in a dyad reported exports to or imports from the other, we assumed that there was no trade between them. We conducted several tests to see if these methods might have biased our results. First, we dropped all zero values of trade, and then we dropped all interpolations and extrapolations. Analyses with the remaining "real" data for the pre–World War II period were consistent with those discussed in the text.

us a measure of the degree to which it is economically dependent upon this bilateral commerce (DEPEND).[7]

We must acknowledge that dyadic trade, even when adjusted for the size of the overall economy, is an imperfect indicator of economic interdependence. For one thing, the composition of trade is not considered. A country like Japan that imports large quantities of oil and food, for example, may experience greater vulnerability than our measure of dependency indicates. Yet to the extent that international prices reflect the true value of commodities, including the possibility of disruptions to existing channels of supply, the dyadic trade-to-GDP ratio will accurately measure a country's dependence on its trading partner.

It would also be good if we were able to analyze the effect of foreign investment on the likelihood of conflict. This type of interdependence has become increasingly important in recent decades. Between 1970 and 1997, worldwide GDP more than doubled in constant dollars, and trade quadrupled, but foreign direct investment expanded to more than 700 percent of what it had been (Rosecrance 1999, 37). Foreign investment and the globalization of production, like trade, should increase the incentive for peace. Investment creates similar networks of shared interest and communication. Military conflict raises the risk that foreign investments will be expropriated or destroyed. Unfortunately, dyadic investment data comparable in coverage to the trade data simply do not exist; they are particularly sparse and unreliable prior to the 1950s. Yet trade and foreign investment are highly correlated, so consideration of this important influence is not completely absent from the analyses we conduct. It is true that trade and foreign investment are to some degree substitutes: a manufacturer may export goods to another country rather than make them there. But even traditional forms of trade often involve the establishment of for-

[7]We used GDPs in current dollars to be consistent with the trade data. We began with the estimates of constant dollar GDP in Summers et al. 1995 for the years after 1949 and with Maddison's estimates (1995) for fifty-six countries in all regions of the world for 1870–1992. We regressed those estimates on year and COW's estimates of annual energy consumption to predict data for additional years and additional countries. Energy consumption is a good correlate of incomes, as Morgenstern, Knorr, and Heiss 1973 note (see also Oneal 1989), but the efficiency with which energy is converted to useful output (GDP) varies through time. We converted these constant dollar GDPs to current dollars using Maddison 1991b.

eign commercial operations. Increasingly, however, trade takes place within multinational corporations. Some 40 percent of all merchandise trade involves transactions between subsidiaries of the same company (Alworth 1988, 208; Spero 1990). We can be reasonably confident, therefore, that our trade measure reflects this important dimension of international economic relations, too.

We assume that the state with the lower bilateral trade-to-GDP measure is the one less constrained from using force and, therefore, that it has the greater influence on the likelihood of dyadic conflict. This state has greater freedom to initiate violent conflict because its economic costs and the beneficial effect of communication would be less. An example is provided by events in Guatemala in 1952. The leftist government of Jacobo Arbenz seized vast areas of agricultural land, including a quarter of a million acres belonging to United Fruit, an American multinational corporation. Only small sums were paid for the land, which was then turned over to landless Guatemalan farmers. The economic stakes for the United States were small relative to its huge economy, so there was no significant constraint preventing the Eisenhower administration from adopting a tough line. Severe economic sanctions were imposed on Guatemala. The Guatemalan government fell increasingly under Communist influence, and in August 1953, the U.S. National Security Council defined the situation, which took place at the height of the cold war, as a threat to national security.

Arbenz tried to avoid worsening his relations with the United States, but diplomatic conditions deteriorated, and the U.S. government increased its military assistance to a group of rebels, led by Castillo Armas, which operated from bases set up with CIA support in Nicaragua. In January of 1954, Arbenz made arrangements to buy arms from Communist Czechoslovakia. In turn, the United States set up a naval blockade of Guatemala to stop arms shipments from Eastern Europe, concluded a military assistance agreement with Guatemala's neighbor Honduras, and began shipping tanks and planes to Honduras to support an invasion. In June, with heavy covert support from the CIA and the Pentagon, Armas invaded Guatemala and the Arbenz regime collapsed (Cullather 1999). Although the Arbenz government certainly provoked U.S. displeasure, it was the United States that militarized the dispute: supporting Armas and his rebels, initiating the blockade, and ultimately encouraging the invasion. While Washington was not prepared to commit the U.S. Army to

the effort, the invasion could not have occurred without U.S. support. The United States was far less constrained from using force than Guatemala was.

This example illustrates why we expect the less constrained state in each dyad to be primarily responsible for the presence or absence of conflict between them. It is the weak link in the chain of peace. Accordingly, we include in our statistical analyses the bilateral trade-to-GDP ratio for the state with the lower dependence score ($DEPEND_L$). To determine if asymmetric economic relations increase the probability of conflict, as dependency theorists suggest, we can add a second trade variable ($DEPEND_H$) to our model of conflict. If one country is much more dependent on existing commercial relations than the other, exploitation (or a perception of exploitation) may make political relations subject to conflict, or it may at least reduce the benefits of economic exchange from what they would be if their trade were equally important to both and the two states were truly interdependent. Since the numerator (dyadic trade) is the same for both countries, the state with the smaller economy will have the higher trade-to-GDP ratio. The difference between $DEPEND_L$ and $DEPEND_H$, as in the case of the United States and Guatemala in 1953, can be very great.

The recent trend in economic relations, as well as their most recent level, may also affect the likelihood of military conflict. To measure the trend in relations, we calculated the change in the bilateral dependence of states over a three-year period, from four years prior to the current year, when the state of dyadic relations (peace or a dispute) is being assessed, to the year just before a possible conflict. A decline in the economic importance of bilateral trade should be associated with an increase in the likelihood of dyadic disputes. On the other hand, a rising level of trade may signal improving interstate relations. The relatively long four-year span helps to maximize the chance that a decline in trade may be more a cause of worsening political relations than simply a near-term reflection of an anticipated violent conflict.[8] We assess the consequence of change in the economic importance of trade by including in our analyses the magnitude of the change in the trade-to-GDP ratio (negative or positive) for whichever state in each dyad experienced the greater change.

[8]To minimize the loss of cases, we substituted the change in trade over a three- or two-year span when values were missing at the beginning of a dyadic time series.

We also consider the effect of total trade on the likelihood of a dispute in order to take into account the economic effects of conflict on third parties. Economic openness, a state's trade with all countries as a fraction of its GDP, is a measure of a state's interdependence in the global economy generally. As with Britain in the late nineteenth century or Taiwan in the twentieth, open economies are subject to disruption by wars and rumors of war (Rosecrance 1999). We measure openness (OPEN) as a country's total exports plus its total imports divided by its GDP.[9] We expect the less open state ($OPEN_L$) to be less constrained from resorting to violence because its economy is less subject to the disruption that hostilities might cause.

The degree to which a country depends upon international trade is influenced by the size of its domestic market. Small countries tend to be more open than larger ones. A small country will find it difficult to be highly self-sufficient. It will need many goods and services that it cannot produce efficiently on a small scale, so it will import them. To be able to afford these imports, it will have to specialize in making goods that it can produce relatively efficiently and sell abroad what it does not need for its own consumption. Consequently, small countries have little choice but to concentrate on the export of natural resources (oil, mineral, specialized agricultural products) if they have them (as does Kuwait) or on a set of high-tech manufacturers or services for which they possess a comparative advantage (as does Singapore). Big economies, with internally varied climates and resource endowments and a large number of consumers, can produce a wide range of products at close to the prices that prevail in the world market, so they are usually more self-sufficient.

Some states make a greater political commitment to the liberal principles of free trade and comparative advantage than do others, so the correlation between economic size and openness is far from perfect. At the end of the nineteenth century, Great Britain had a substantially more open economy than its competitor Germany, although they were comparable in size. In 1968, the United States, with a GDP more than twice that of the Soviet Union, imported and exported goods equal in value to 8 percent of its GDP, whereas the openness of the Soviets was under 3 percent.

[9]Our data for total trade for 1950–92 are from Summers et al. 1995. For the years before 1950, we relied primarily on the volumes by Mitchell identified above.

For West Germany and Japan in the same year, then with very similar GDPs, the trade percentages were 33 percent and 18 percent, respectively. Thus, the relative impact of the international economy on a state's politics depends not just on the size of its GDP but also on other economic and political factors, including the policies adopted by the national government. This is fortunate because we want to be sure we are measuring economic interdependence, a liberal variable, and not size, which is associated with national power and the argument of the realists.

Trade Does Reduce Conflict

We are now ready to evaluate the liberal thesis that trade reduces the likelihood of military conflict. First, we consider the consequences of economically important bilateral trade by adding the bilateral trade-to-GDP ratio for the larger and thus less dependent state to the basic regression equation we used in the last chapter. Thus, the variable $DEPEND_L$ is combined with our measure of democracy and the various realist variables. We use the entire 1885–1992 set of politically relevant dyads. Then, in turn, we ascertain the effects of asymmetric trade (as indicated by $DEPEND_H$), of openness, and of growth in dyadic trade. As in the previous chapter, we evaluate the effects of each of the theoretically interesting variables by first setting them all to their baseline values and then estimating the likelihood of a dispute for this "typical" dyad. Thus, we make the measure of democracy equal to 0, assume the dyad is unallied, and set each of the continuous variables at their means for the contiguous subset of dyads.[10] Then, one by one, we add one standard deviation to each of the risk factors while holding the others constant. This tells us the independent risk-reducing effect of that variable. This information is reported in column 1 of Table 4.1.

These results provide strong support for the liberal peace. Both democracy and economically important trade are strong and statistically significant constraints on the use of force. The likelihood of a dispute is much lower when states are dependent on bilateral trade or are democratic.

[10]We use the median of $DEPEND_L$ as its baseline value. It is more representative than the mean because of the skewed distribution of this variable.

Table 4.1: Percentage Change in Risk for Annual Involvement in a Militarized Dispute, 1886–1992: Contiguous Dyads, Realist Variables, Democracy, and Economic Interdependence

All variables at baseline values except:	*(1) With Dyadic Variables*	*(2) Adding Openness*
ALLIES equals 1	−47%	−35%
POWER RATIO increased by one standard deviation	−34	−33
$DEMOC_L$ increased by one standard deviation	−36	−31
$DEMOC_L$ decreased by one standard deviation	+54	+44
$DEPEND_L$ increased by one standard deviation	−44	−35
$OPEN_L$ increased by one standard deviation		−27
$DEPEND_L$ and $OPEN_L$ both increased by one standard deviation		−52

Both influences are substantial despite the fact that democracies tend also to have higher levels of trade than other states. Controlling for the benefits of interdependence, democracy still reduces the probability of a dispute by 36 percent. The impact of the bilateral trade-to-GDP ratio is even bigger: an increase of one standard deviation makes a dispute 44 percent less likely. There is less than one chance in a thousand that the close association between either interdependence and peace or democracy and peace would have occurred by chance. Kant and the other classical liberals were right: both democracy and trade increase the prospects for peace. The other variables perform as expected: alliances are strongly associated with less dyadic conflict, and an overwhelming imbalance of power (POWER RATIO) still has an important deterrent effect. The reductions in risk associated with these influences are 47 percent and 34 percent, respectively. All the variables (including distance, contiguity, and minor power dyads, which are not shown in the table) are statistically significant at a very high level (.001).

The pacific benefits of economically important bilateral trade seem

well illustrated by the experience of the United States with China over the past twenty years. After the Communist government began to open its economy in the late 1970s, its political relations with the United States became far more peaceful than they had been during the cold war. This thaw in relations began with a deliberate political decision to improve them, but as trade increased, both sides gained a greater stake in keeping them peaceful. This happened despite the fact that China did not become significantly more democratic.

Next we assess the view of dependency theorists that asymmetric dependence on trade reduces the pacific benefits of commerce. Asymmetry is said to give a powerful state the opportunity to exploit its trading partner. This may provoke disputes as either the disadvantaged state rebels or the powerful state uses military force to enforce its advantage. The example of U.S.-Guatemalan relations in the early 1950s might be an example of a general tendency. To test whether trade between a large and a small state has different implications for interstate relations than trade between states of equal size, we add to our equation the higher bilateral trade-to-GDP ratio ($DEPEND_H$) in each pair of states. The coefficient of this variable will be positive if, holding the trade-to-GDP ratio of the bigger state constant, greater dependence on the part of the smaller state increases the likelihood of interstate conflict. This analysis is similar to the one in the preceding chapter where we asked whether autocracies and democracies are particularly prone to fight.

Contrary to the expectation of dependency theorists, the benefits of trade do not depend upon the states' being of similar size. The estimated coefficient of $DEPEND_H$ was not significantly different from zero. This means that the benefits of trade are not importantly affected by the higher trade-to-GDP ratio, only the lower one. Indeed, the coefficient was negative, not positive. What little effect an unequal balance of trade has is to reduce the likelihood of conflict further. Economically important trade between large states and small states increases the prospects for peace just as it does for states of equal size.

We can only speculate why this is true. One possibility is that the economic domination of small states by big trading partners is so complete that acts of resistance are not undertaken. If the political system of a small trade-dependent state is heavily dominated by an elite (such as plantation owners or mining companies in Central American countries) trading with

the big country, that state's restraint in avoiding overt conflict may deter it from any actions that would cut off profitable trade. If the small country does not resist the powerful one, there may be no need for the latter to exercise its military might.

The alternative explanation, and the one that would be emphasized by liberals, is that trade really does significantly benefit both partners. Trade is not forced. It is voluntary. If a buyer and a seller agree to a transaction in a free market, it is because both expect to be better off than they would have been without the exchange. If both are better off, neither one would prefer to see the relationship disrupted by hostilities. We cannot settle this debate here, but this second explanation coincides with doubts that the international economy works to the disadvantage of developing countries (de Soysa and Oneal 1999).

Are Open Economies More Pacific?

Next we ask whether pacific benefits also accrue from a high level of economic openness generally, or whether it is only bilateral trade that affects the likelihood that two states will become involved in a militarized dispute. We report in column 2 of Table 4.1 the results of estimating the independent effect of high levels of total trade, controlling for bilateral interdependence, democracy, and the realist variables. Adding openness ($OPEN_L$) to our model of interstate conflict provides strong support for the general thesis that economic interdependence reduces the likelihood of military conflict. All of the variables that had a statistically significant impact in the analysis reported in column 1 still do. As before, all the variables are significant at the .001 level, meaning that there is less than one chance in a thousand that such strong correlations would be found if the information used was just a randomly generated series of numbers.

Even when both dyadic trade and general openness are included in the same analysis, each makes a substantively important independent contribution to reducing the probability of a militarized dispute. Again, dyadic trade has the greatest impact, reducing the risk of a dispute by 35 percent, as much as if the two states were formally allied. A higher level of democracy reduces the likelihood of conflict by 31 percent, but openness to the world economy also has a notable impact: an increase of one standard deviation reduces the risk of a dispute by 27 percent.[11] The impact on the likelihood of conflict of democracy, bilateral trade, and the existence of an alliance all fall slightly because these variables are correlated with one another. That is, states that are democratic trade more with one another, tend to be allied, and have more open economies generally.[12] The most important thing to note is that, despite these interrelationships, the independent effect of each variable is still quite dramatic.

It is not surprising that bilateral economic relations are a better predictor of the tenor of dyadic relations than openness is, but it is encouraging that total trade also has an independent, statistically significant, and substantively important impact. Countries that are open to external economic relations are constrained from using force even against rivals with whom commercial ties are limited. It is worth estimating the combined effect of high levels of dyadic trade and openness. Because we are estimating the probability of a dispute, which must lie between 0 and 1, their combined effect is not as big as adding 35 percent and 27 percent together. Nevertheless, if both dyadic trade and openness are increased above their baseline levels, the likelihood that two countries will experience a dispute falls by more than half (52 percent). It is the isolated countries of the world that represent the greatest danger to peaceful international relations.

We also looked at whether the trend in bilateral trade dependence affects the probability of conflict. To do this, we performed new analyses that included measures of the level of economic interdependence and of the change in the level over the previous four years. There is no need to present these results in a table; they are easily summarized. Contrary to

[11]As noted earlier, smaller states tend to have more open economies than large states. To make sure that our measure of openness was not acting as an additional measure of national power, rather than interdependence, we conducted an analysis adding the ratio of the larger state's GDP to the smaller state's GDP to the model. If openness were really indicating just economic size, this measure would have been negatively related to the onset of conflict, as is the POWER RATIO derived from the COW data. In fact, the GDP ratio had the wrong sign and was far from statistical significance; $OPEN_L$ remained significant at the .002 level.

[12]A country's total trade is, of course, the sum of all its bilateral commercial exchanges, but $OPEN_L$ and $DEPEND_L$ are only moderately correlated ($r = 0.33$) since trade can be shifted from one country to another while maintaining the same level of total exports and imports.

our expectations, we found no significant evidence that the trend in trade makes a difference in the likelihood of dyadic conflict. We measured change in economic relations in several ways. None of them indicated that falling levels of trade are an additional portent of danger or that rising levels per se reduce the probability of a dispute. In these analyses, it was the level of trade, not recent changes in it, that proved useful in accounting for interstate violence.

This does not mean that falling levels of trade are unimportant. If economic interdependence declines, the prospects of conflict do increase, because the level of trade is closely associated, as we have seen, with the incidence of conflicts. It is just that low and declining trade does not herald greater danger than does trade that has been low over all of the four most recent years. The Great Depression, as we briefly noted earlier, is a dramatic reminder of the dangers that attend economic crises. In the 1930s, there was a sharp decline in living standards and then an even sharper drop in the volume of international trade, as states imposed new tariffs and other trade restrictions to protect their domestic markets from foreign competition. These "beggar-my-neighbor" policies invited retaliation in kind. As the retaliatory policies took effect, states became less dependent on maintaining good political relations with each other. This led to a downward spiral or vicious circle of hard economic times, failed democracies in much of Europe and in Japan, and darkening clouds of war. International organizations, notably the League of Nations, were too weak to act effectively. Interdependence reduces the prospects of violent international conflict. If the links of interdependence are broken, however, so too are important constraints on conflict.

As with the democratic peace, one of the key questions about the consequences of trade is whether the benefits of interdependence are confined to the post–World War II period. It is often noted, for example, that World War I occurred at a time when the countries of Europe were more interdependent than they had ever been before and more interdependent than they would be until many years after the end of World War II. We will look at this matter in detail when we consider the effects of the full set of Kantian influences, including international organizations, in the next chapter. For now, we will say only that the benefits of trade have been greatest in the years after 1950, but they were substantial for the years 1886–1939 as well. We do not find any reason to think that the liberal peace is limited to the cold war. As we noted in the last chapter, the biggest difference between the cold war and earlier periods was that alliances became associated with reduced conflict only after World War II.

Economic Growth and Conflict

Our consideration of the influence of economic conditions on the likelihood of international conflict should not stop with trade. The role of economic growth also warrants attention. States with strong economies, those that enjoy prosperity and are experiencing economic growth, may be disinclined to fight. Their populations are likely to be satisfied with the economic and political status quo, and as liberals have emphasized, violent conflict is inconsistent with many financial and commercial relations. One reason why the rich industrialized countries gave up wars of imperialism in the latter part of the twentieth century was that their prosperity and continuing growth made such wars look unattractive from any reasonable cost-benefit perspective (Mueller 1989). The higher the rate of economic growth, presumably the greater the popular satisfaction and the less inclined the people should be to engage in militarized conflicts.

Moreover, leaders do not have an incentive to start a conflict if the economy is prospering. In Chapter 2, we discussed the substantial literature on the hypothesis that some wars stem from an effort by leaders to divert attention from domestic difficulties, such as a failing economy, toward foreign adversaries (or scapegoats). Presumably, the greater is the rate of economic decline, as indicated by falling personal incomes, the greater will be the incentives for leaders to divert attention from economic conditions. The evidence for that effect from previous research is mixed, as we noted, but the hypothesis is interesting and plausible, so we want to explore the possibility here. Both these considerations—about the conflict-mitigating effect of economic growth and about the conflict-inducing effect of economic decline—suggest that the state with the lower rate of economic growth will be the greater danger to peace.

Although the diversionary theory of war seems a plausible account of some individual cases, such as the Argentine invasion of the Falkland Islands in 1982, the effect that we should expect the economy to have on the likelihood of conflict is not entirely obvious. Some have suggested that economic growth *increases* the prospects of war and that economic

decline reduces it. If a country's economy is deteriorating, its industry may be incapable of producing the war material necessary to support an extended conflict with another country. Or domestic dissatisfaction with the government could be so serious that the public will not support it in a foreign dispute. It is commonly believed that the war with Germany in 1914–17 only added to the dissatisfaction of the Russian people with the tsar; it did not divert attention away from the economic suffering and instead provided an additional reason for a revolutionary explosion.

Rapid economic expansion, on the other hand, may provide the "fuel," in the form of greater material capabilities, for military adventures and may encourage a general sense of optimism about the strength of the country that would embolden them. To this could be added the hypothesis that rapid economic growth intensifies the need for imports of vital commodities. Both Hobson's and Lenin's theories of imperialism, formulated at the height of the era of imperialism at the turn of the last century, stressed the danger of international conflict inherent in efforts to acquire colonies in a diplomatic and military competition with other imperial powers. This idea was taken up by later social scientists (Choucri and North 1975; Goldstein 1988; Pollins and Schweller 1999), who argue that economic growth creates "lateral pressure" that forces states to look abroad for resources, raising the danger of war as they encounter others on the same quest. These various considerations agree in predicting a greater danger of conflict with greater economic growth and less conflict when states are in decline.

When faced with such conflicting predictions about the effect of economic growth on conflict, empirical analysis is particularly important. To evaluate the rival hypotheses, we used information regarding personal incomes—real GDP per capita—to calculate economic growth rates over three years. The term "real" indicates that the effects of inflation have been factored out and that the variability of prices in different countries is also taken into account; thus, we are assessing change in the average person's actual standard of living. The initial hypothesis was that a strong economy discourages conflict and economic decline encourages it. We conducted a couple of tests of this view. In the first, we assumed that the likelihood of conflict depended mainly on actions by the less constrained state in each dyad. According to liberals and those who think wars occasionally serve a diversionary purpose, this would be the state with the lower rate of growth. Thus, in our first test, we used the variable $GROWTH_L$. As in our other tests, we sought to insure that the disputes we were trying to explain had not influenced the variables we were using for that very purpose, so we used the lower rate of growth in each dyad over the three years *preceding* the year in which conflict might have occurred.

We wanted to consider carefully the experience of both members in each dyad, so we also conducted a second test. In this analysis, we created one variable that recorded the faster rate of growth in each dyad and a second that measured the severity of the worse decline.[13] In this way, we hoped to capture the effect of growth on interstate conflict in more complex situations, for example, if one member of a dyad is growing rapidly while the other is experiencing a declining standard of living. These variables also allowed us to investigate the alternative hypothesis that economic growth creates wealth that enables states to act more aggressively and that a declining economy limits the use of force.

However we measured the effect of growth, we found no significant influence on the occurrence of militarized disputes. There seems to be no systematic relationship between conflict and either a successful, growing economy or economic decline. Our measures of growth in both tests never approached statistical significance. Consequently, we do not report any effect of this factor on the risk of disputes. This evidence suggests that ***economic growth is neither the enemy of peace nor essential to it.*** More important are the ties of interest and communication that derive from substantial commercial transactions with other states, the character of states' political regimes, whether they are allied, the balance of power, and the other influences we have been discussing.[14]

[13]Heldt (1999) suggests that the effect of growth be assessed in this way. One variable indicates the higher rate of growth in the dyad if one or both states experienced growth at a positive rate. If both states experienced a decline in their per capita GDPs, this variable equals 0. Similarly, the other variable equals the change in GDP per capita of the state that experienced the greatest economic decline. If both states experienced actual growth in incomes, this variable is set equal to 0. Heldt also asks whether democracies are more prone to use force under various economic conditions than autocracies are, but he finds no systematic effect.

[14]Mousseau (2000) and Hegre (2000), however, suggest that democracy and economic interdependence may have little dispute-reducing effect for very poor countries, such as Bangladesh.

Economic Interdependence and Peace

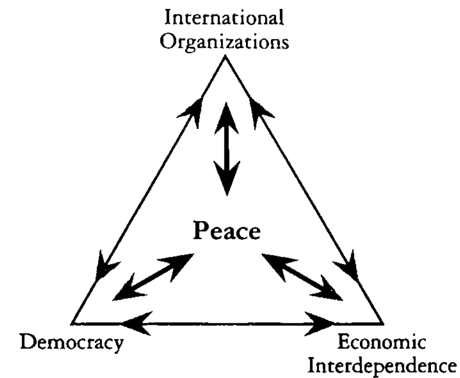
We can now summarize the results we have reported in this chapter. They are important and encouraging. There is strong, consistent evidence that economic interdependence, like democratic institutions and norms, significantly reduces the risk that two states will become involved in a militarized dispute. Over the years, liberals have claimed that democracy and free trade not only increase individual liberty and prosperity but also ameliorate international conflict. Our analyses indicate they have been right: the pacific benefits of both democracy and economic interdependence are evident and substantial. In addition, neither variable eliminates the importance of the other. Higher levels of economically important trade, as indicated by the bilateral trade-to-GDP ratio, are associated with fewer incidences of militarized international disputes. A one standard deviation increase in the bilateral trade-to-GDP ratio reduces the annual probability of a dispute more than one-third below the baseline rate. Such a powerful benefit appears even when we control for a variety of potentially confounding, theoretically interesting influences, such as geographic contiguity, the balance of power, alliance bonds, democracy, and economic growth rates. Nor are the pacific benefits of trade reduced by asymmetric economic relations, as dependency theorists have feared.

Economic openness (the total trade-to-GDP ratio) is also associated with a reduced risk of conflict. Even when we hold constant the effects of bilateral interdependence, a one standard deviation increase in openness makes a dispute 27 percent less likely. If both bilateral trade and openness are increased, the likelihood of dyadic conflict drops by 52 percent. This evidence for the pacific benefits of openness is important for two reasons. First, it indicates that states recognize the consequences of militarized disputes for their economic relations with third parties. As a result, even when bilateral trade and investment is limited, states can be constrained by wider economic forces from taking military action. Second, the significance and substantive importance of openness as a predictor of peaceful relations increases our confidence that economically important trade affects the probability of conflict and is not just a consequence of peaceful relations. Deteriorating political relations might cause a state to reduce its economic dependence on a potential adversary, but it is much harder for a state to manipulate its total trade-to-GDP ratio by restricting economic ties with all states simultaneously. Our analyses with openness do not dispel all doubts about the causal influence of trade on conflict. We want to get a better indication of the strength of the influence of conflict on trade, and so we return to this issue in Chapter 6 when we investigate the influences that shape bilateral trade.

We found no support for some other hypotheses. The short-term trend in bilateral interdependence has little impact on the likelihood of conflict. We found no evidence that change in the level of the bilateral trade-to-GDP ratio indicates states' expectations regarding the future of their relations or that declining trade exacerbates interstate relations. It is the economic importance of current levels of trade that affect the prospects for peace, not change in the level. Nor did we find a systematic relation between economic growth (or decline) and states' involvement in militarized disputes with each other. Neither liberals, who think growth might have significant benefits, nor those concerned that growth might trigger conflict as states compete for resources can find support here. Nor is there evidence that the leaders of states are inclined to divert attention from economic difficulties by engaging in foreign military adventures. Perhaps the benefits are too uncertain.

Overall, evidence we have presented in this chapter provides a strong indication that both elements of the liberals' agenda—interdependence and democracy—make independent contributions to the prospects for peace. Indeed, the pacific benefits of trade are not limited to the countries normally considered liberal—the Western democracies—or relations among them. ***Countries that are interdependent bilaterally or economically open to the global economy, whether democratic or not, have an important basis for pacific relations and conflict resolution.*** Still, as the liberal theorists anticipated, those that are democratic, interdependent, and economically open—as are the economically advanced democracies of the West—are most likely to be at peace.

International Organizations Also Reduce Conflict



The final element in Kant's vision of "perpetual peace" is international law, which, building on an understanding of the legitimate rights of all republics and their citizens, provides a legal framework for the peaceful resolution of interstate conflicts. In Kant's view, the three legs of the tripod are not truly independent elements that are individually useful in preventing wars. Rather, they are integrally related. Democracy, by its recognition of individual liberty and responsibility, encourages entrepreneurship and the expansion of commerce, ultimately beyond the boundaries of a single state. As the economic activities of citizens make countries more and more interdependent, there is an increasing need for institutions that can regulate and facilitate trade and investment. Thus, international law and institutions are established in response to the actions of the citizens of democratic states pursuing their interests over a constantly expanding geographical area. The three elements of the Kantian peace are, therefore, part of a whole that contributes to a stable peace (Kant [1795] 1970; Doyle 1992). In the contemporary world, interna-

tional law is often expressed in international organizations. So we now expand our analysis of the Kantian peace to include the contribution of international organizations, as illustrated by the third dark arrowhead in the triangle above, pointing from the apex of the triangle to the center.

Kant believed that international law would operate most powerfully among democracies (republics), which would form a loose "federation" of sovereign states (an international organization) to facilitate their peaceful relations and provide a framework for collective security against threats from states that were not republics. These same elements inspired the practical vision and actions of the leaders of Europe following World War II. Establishment of the European Common Market—and its evolution into the European Union—required that they restore stable democratic governments; ease the flow of goods, services, capital, and labor throughout Western Europe; and establish a network of multinational institutions that could solidify democracy and facilitate markets. The experience of Europe over the last fifty years records their success. The creation of a security community has made armed conflict between France and Germany, for example, unthinkable. The absence of war—or even the serious possibility of it—among members of the EU is a remarkable achievement, particularly in light of the continent's earlier history. It has freed tremendous resources from preparations for armed conflict to more productive activities. Europeans in the postwar period have demonstrated the efficacy and practicality of a liberal response to the problem of war, one that others beyond the borders of Europe can emulate.

In examining the conditions that promote peace, we have concentrated to this point on the effects of democracy and economic interdependence. We have seen that each makes an important, independent contribution to reducing the frequency of interstate conflict. In this chapter, we turn our attention to the third Kantian element, asking whether dense networks of intergovernmental organizations (IGOs) also reduce the incidence of militarized disputes. To answer this question, we gathered information on states' participation in IGOs and then counted for each pair of states the number of organizations to which they both belonged. This gives us a measure of the availability of institutions that can resolve potential disputes. In the analyses reported below, we show that shared IGO memberships do reduce the risk of interstate violence, completing the Kantian tripod for peace.

After incorporating all the Kantian elements, we undertake several additional tests designed to differentiate their dyadic effects, which we have been considering until now, from those connected with the international system generally. We want to know whether peace is more likely when the system has a higher proportion of democratic states, the average level of interdependence is greater, and there are more IGOs. Can the norms and institutions of the system under these conditions exercise a beneficial influence on pairs of states that are not themselves democratic, or interdependent, or closely linked by international organizations? Once we have distinguished the systemic consequences of the Kantian variables from their purely dyadic effects, we next consider several important realist theories regarding the influence of the international system on the likelihood of conflict. Is peace more likely when there is a very powerful state, a "hegemon," that can reduce interstate conflict by its management of the system? Does the political character of the hegemon account for the democratic peace? In answering these questions, we have new opportunities to assess the relative importance of realist and liberal theories of international politics.

In this chapter, we focus on intergovernmental organizations (IGOs), not on the far more numerous international nongovernmental organizations (INGOs). While many of the latter also can be expected to make a direct or indirect contribution to international peace, their membership consists chiefly of individuals or private organizations rather than states, and their functions are even more diverse than those of IGOs. It is better to begin, in an analysis of states' actions in the realm of war and peace, by considering the effects of organizations that are composed of states and that directly address the responsibilities of states.

Networks of Intergovernmental Organizations

Arguably, the first IGO was the "congress system" in Europe. It was inaugurated with the Congress of Vienna in September 1814 and was designed to bolster the peace that followed the end of the Napoleonic Wars. It continued with regular institutionalized consultations among the great powers. The congress system ended with the assembly in Verona in 1822; its successor, the Concert of Europe, lacked significant institutional structure. Proposals to establish international organizations in order to maintain the peace are much older, however, going back as far as Pierre Dubois

in the thirteenth century (Jacobson 1984). The oldest extant IGO, the Central Commission for the Navigation of the Rhine, was formed in 1815 in response to the economic interdependence of states along one of Europe's most important rivers. Although other important IGOs were created in the nineteenth century, the phenomenon is primarily a twentieth-century one. Growth in the number of international organizations has been especially great since the end of World War II.

The growth in the number of international organizations has even exceeded that of democracy and economic interdependence. The number of democratic states has expanded rather steadily since 1885, but more slowly than has the number of IGOs. Interdependence, on the other hand, was greater in the years before World War I; but by the 1970s, it had surpassed its earlier peak, especially among the European states. By one common count, there were 37 IGOs in 1909, 132 in 1956, and 293 in 1990. The last figure is somewhat below the total achieved in the early 1980s; some specialized organizations later curtailed their activities or were absorbed into more comprehensive institutions (Union of International Associations 1992–93, 1610–11). The decline in the number of IGOs in the 1980s shows that it is not inevitable that their number will increase. They can cease to exist or become dormant as states' interests change. Nevertheless, most IGOs have proven to be fairly stable and long-lived. According to one study, of the 34 IGOs that existed in 1914, 18 were still operating in 1989. The average age of those that disappeared was about twenty years (Cupitt, Whitlock, and Whitlock 1996).[1] This is consistent with the requirement that a political actor must have "a claim of institutional coherence and authority" and with a definition of institutions as "persistent and connected sets of rules, formal and informal" (March and Olsen 1984; Keohane 1990).

An intergovernmental organization can be defined as a formal, continuous institution established by treaty or other agreement between governments with a long-range purpose. IGOs are multilateral; the Union of International Associations specifies that there must be three or more members. They have secretariats to record their activities and monitor their affairs, and they meet more or less regularly. Legally, they are considered to be international "persons," which means they have standing in law (Feld, Jordan, and Hurwitz 1994, 10–11). The system of international organizations can be characterized as decentralized and nonhierarchical; it is composed of quasi-universal as well as regional organizations. An organization's purposes or functions may be general or limited to specific economic, social, cultural, political, or security matters. The League of Nations was the first multipurpose, quasi-universal intergovernmental organization. In the post–World War II era, the most prominent universal organization has been the United Nations. In addition to the UN proper, there are its various specialized agencies, whose memberships vary to some degree. Switzerland, for example, does not belong to the United Nations itself but has joined many of its affiliated institutions.

[1]Using a broader definition of IGOs that includes "emanations," Shanks, Jacobson, and Kaplan (1996, 599) find that, of all the IGOs extant in 1981, only 68 percent were still alive in 1992.

The creation of the UN and a substantial number of other, nearly universal organizations means that by the 1950s the great majority of states shared some common memberships with almost all other states. That base of institutional association has expanded in various degrees by memberships in regional groupings defined primarily in geographical terms (such as the Americas, Europe, the North Atlantic, or Southeast Asia). For the period of our analysis, 1885–1992, the number of shared IGO memberships ranges from zero to 130. The densest network of international organizations is found in Europe (particularly in Western Europe), followed at some distance by Latin America. Interestingly, these are the areas of the world exhibiting the least interstate conflict since World War II. At the other end of the spectrum, some pairs of states are not members of any of the same IGOs. Despite the existence of several "universal" organizations, a few states choose not to join or are not allowed to do so. Most notably, the People's Republic of China was excluded from almost all before 1971. Consequently, the United States (and many of its closest allies) shared no memberships in IGOs with the PRC during this period. There were far fewer IGOs in the nineteenth and early twentieth century, so the number of dyads that shared no common memberships was greater then, too.

Why and How IGOs Might Matter

The literature on the contribution of particular IGOs to world peace is vast, but there are few social scientific studies of how IGOs in general af-

fect interstate relations. Previous research shows that IGOs are often established during the peaceful periods following major wars; hence, one would expect to see a correlation between IGOs and peace, but this does not necessarily show a causal link from IGOs to peace (Vasquez 1993, 269 ff.; also Jacobson, Reisinger, and Mathers 1986, 156). Domke (1988, chap. 6) found in his study of the nineteenth and twentieth centuries, however, that rapid growth in the number of IGOs in the international system was followed by fewer outbreaks of war. Other studies show that shared IGO memberships increase the level of cooperation among allied nations (Oneal 1990a, 1990b; Oneal and Diehl 1994).[2]

Before undertaking new statistical analyses, it is essential to consider *how* international organizations might promote peaceful relations. Like other institutions, IGOs serve various purposes. These range from acting in a quasi-supranational capacity to enforce established agreements by military action, through facilitating members' pursuit of their individual self-interests in ways that are consistent with their common cause (a standard liberal understanding of the role of institutions), to "teaching" a set of norms that may sharply revise states' conception of their interests and preferences (Finnemore 1993; Finnemore and Sikkink 1998).

Many commentators on world politics (for example, Mearsheimer 1994–95) believe that international organizations are unimportant because they typically lack independent means of enforcing their own decisions in particular or international law in general. Whatever authority they have, it is argued, is simply derivative of the power of their members. They are not, therefore, independently important. But most international organizations, while rarely able to exercise centralized means of coercion, fulfill many other functions of "government" (Milner 1991). Relatively decentralized institutions may encourage cooperation by enhancing facilities for consultation, coordination, and the creation of norms. They may make it possible for member states to make and enforce cooperative arrangements among themselves. Somewhat more centralized organizations may produce instruments of efficiency, legitimacy, and weak enforcement (Abbott and Snidal 1998; Snidal 1997). Indeed, international organizations can serve any of six functions. We consider these in turn.

[2]General dyadic studies are few. One early investigation reported a positive relationship between dense IGO memberships and the frequency of conflict (Russett 1967, 200), but that relationship is apt to be spurious because IGO memberships—like alliances and trade—are found predominantly among countries that are geographically close to one another.

Coercing norm-breakers

The use of coercion to maintain or restore peace is straightforward. It is an aspect of international relations more easily derived from realist theories than from the liberal view of global politics. Realists and liberals, of course, disagree on how important IGOs are likely to be in this respect. In theory, the UN, with the Security Council acting as the agent of its collective security system, acts on the principle of unified action of all against *any* state, even a member, that breaches the peace. The organization may also act to deter a threat to the peace. The founders of the United Nations were realistic enough to recognize the difficulties the institution would face if the great powers, which constitute the core of the Security Council, were in serious conflict. In this they anticipated events as they actually transpired, with the outbreak of the cold war. Nonetheless, those who wrote the UN Charter gave the organization the power to act forcefully when circumstances were right. Alliances such as NATO and the former Warsaw Pact also may act coercively. They are directed against states outside the alliance, of course; but in the interest of solidarity, they may operate to suppress violent conflict among their members, too.[3] They use various mechanisms for this purpose, including overt military coercion. Institutions with coercive powers often exercise many of the following functions as well.

Mediating among conflicting parties

International organizations may play a legal role, adjudicating and arbitrating disputes. These activities are important because they reduce the cost of enforcing contracts, encourage their creation, and promote exchange (Stone Sweet and Brunell 1998a). This in turn facilitates interde-

[3]The line between collective security organizations and alliances, like the difference between internal and external targets of action, is often blurred (see Kupchan and Kupchan 1991 and Claude 1984). The congress system was not very institutionalized, and the Concert of Europe was even less so. On their role as collective security institutions, see Schroeder 1994.

pendence and adds to global prosperity. Institutions such as the European Court of Justice or the Permanent Court of Arbitration may incorporate a degree of voluntarism in states' participation, and rarely is enforcement carried out by the threat or use of military force. IGOs can also mediate disputes or provide diplomatic "good offices," where the capability of enforcing settlements is explicitly absent.[4] For example, Manlio Brosio, as secretary general of NATO, helped mediate the dispute between Greece and Turkey over Cyprus in 1967 and was able to avert the widening of the war. Even while caring for refugees fleeing across interstate borders from civil wars, as in Rwanda, IGOs may provide useful services of mediation.

Reducing uncertainty by conveying information

The International Telecommunication Union, established in 1865, and the International Telecommunication Satellite Organization (INTELSAT), since 1964, are examples of IGOs primarily concerned with facilitating international communication, but every institution constitutes "a set of channels for processing information, solving problems, and transmitting capabilities" (Russett 1967, 98). All institutions reduce transaction costs (Coase 1937). "Information-rich institutions . . . may help governments pursue their own interests through cooperation" by reducing uncertainty (Keohane 1984, 146–47). In this way, IGOs make it easier to identify states that are not abiding by their international agreements and increase the opportunity for other states to impose sanctions. During the cold war, NATO's annual report was designed to show every member's contribution to the alliance in order to encourage cooperation and discourage free riders. As with trade, in their information-carrying roles, IGOs may be important in promoting accurate perceptions of states' political characteristics and thus more correct expectations of how they will behave in crises. Democracies are more likely to use IGOs in resolving their conflicts than are other kinds of states, and regional IGOs (though not universal ones) are reported to be more successful in preventing violence in crises that involve democracies.[5]

[4]Bercovitch and Langley 1993; Haas 1993; Miall 1992; Young 1967.
[5]Coplin and Rochester 1972; Bercovitch 1991; Dixon 1994; Raymond 1994; Hewitt and Wilkenfeld 1996.

Problem-solving, including expanding states' conception of their self-interest to be more inclusive and longer term

"International organizations may provide arenas within which actors learn to alter perceptions of interest and beliefs" (Caporaso 1992, 602). From the perspective of rational choice theory, institutions may establish expectations for gain and a congruence of interests that did not previously exist. For example, to the degree that the World Trade Organization succeeds in promoting economic interdependence, all its members come to share a common interest in the long-term prosperity of other economies. They become, among other things, reliable sources of imports and markets for exports. These common interests encourage a growth in IGOs because the requirements of coordination "spill over" from one issue into related areas, as anticipated by functionalist and neo-functionalist writers (Mitrany 1966; Haas 1964, 1990). Institutions with responsibilities in several areas create the possibility of linking negotiations on one issue to others, permitting trade-offs and side payments that facilitate agreement (Keohane 1986; Kupchan and Kupchan 1991; Martin and Simmons 1998).

Socialization and shaping norms

Institutionalists "emphasize the discursive, deliberative, and persuasive aspects of communication and argument. The interstate system is a forum as well as a chessboard, and its actors debate, argue, and justify as well as signal moves" (Caporaso 1992, 627). Institutions provide legitimacy for collective decisions and so promote adherence to what has been agreed. Norms and rules developed within IGOs may facilitate arms control and delegitimize the use of force. The Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean, for example, helped to free the region of nuclear weapons. Shared norms create common interests and facilitate cooperation. IGOs may develop interests and preferences that are more stable than and to a degree independent of those of their member states (Barnett and Finnemore 1999). These can serve as a basis to influence members in accordance with the original purpose for which the IGOs were created, and they may even create new purposes.

Generating narratives of mutual identification

We have already considered Deutsch et al.'s work (1957) on the importance of building a shared sense of values and identity among peoples. Mutual identification means that, as others are incorporated into one's essential reference group, their interests become not just instrumentally relevant but integral to one's own purpose. Deutsch and his colleagues were skeptical of the role that "amalgamated" supranational institutions with coercive powers could play in this process, but they acknowledged that institutions and people's sense of community can reinforce and strengthen each other. Recent theoretical works have picked up this theme, giving greater credence to the ability of international organizations to "construct" mutual identity (Wendt and Duvall 1989; Wendt 1994). This process is evident in the European Union. When people in the member states were asked whether they saw themselves primarily as citizens of the EU, their country, or a region, 16 percent identified themselves most strongly with the EU. In addition, 50 percent of those interviewed said that having European citizenship, in addition to their national citizenship, was necessary for the future of Europe (European Commission 1996, 86–87). One analyst contends that the porous and transparent character of democracies makes them, in relations with other democracies, "likely to develop a collective identity facilitating the emergence of cooperative institutions for specific purposes. . . . Democratic features of liberal democracies enable the community in the first place. But the institutionalization of the community exerts independent effects on the interactions. In the final analysis, then, democratic domestic structures and international institutions do the explanatory work together" (Risse-Kappen 1995a, 215).

In summary, IGOs are apt to reduce the propensity for states to resort to force in a variety of ways. Some of these mechanisms will be more developed in some types of organizations than in others. The ways that alliances affect interstate relations, for example, will not be the same as the ways that institutions with economic functions operate. This makes it difficult to design empirical tests to determine the relative importance of these institutions. The challenge seems greater even than in previous efforts to distinguish between the normative and structural aspects of the democratic peace. It will ultimately require more fully developed theory. This might follow from detailed analyses of individual historical cases in which the process of IGOs' influence on events is carefully traced. A refined theory would enable us to improve our measurement of IGOs' involvement in interstate affairs beyond the simple variable we use below and would increase the chance of detecting their influence.

Indirect Effects and Reverse Causality

Risse-Kappen's suggestion, quoted above, that IGOs composed of democratic states can strengthen those domestic democratic institutions is a reminder that IGOs may have important indirect effects on the prospects for peace as well as having the direct effect we will investigate in this chapter. Because democracy and economic interdependence reduce the incidence of disputes, IGOs can have important indirect effects by supporting democracy and interdependence. The evidence that IGOs promote democracy and interdependence is largely unsystematic, but the connection is nevertheless widely asserted. Indeed, it is central to the thesis of three major reports issued by the previous UN secretary general (Boutros-Ghali 1992, 1995a, 1996) and several proposals for reforming the United Nations (Russett 1996b). The current secretary general, Kofi Annan (2000), also shares this view.

We need to be attentive, therefore, to the possibility that our key variables are complementary: IGOs may promote and strengthen democracy and economic interdependence just as all three help to promote peace. There are numerous historical examples of how IGOs have encouraged the spread of democratic institutions. The Conference on Security and Cooperation in Europe and the human rights "baskets" of the Helsinki Accords legitimated and sustained political dissent in the Soviet Union and Eastern Europe in the 1980s, contributing importantly to the dissolution of the Communist autocracies in the region. The European Union's insistence on democratic government as a condition of membership has certainly discouraged some reversions to authoritarianism. Various agencies of the United Nations have assisted recently autocratic states or colonial territories in making the transition to democracy. A little-appreciated part of the UN system, the Electoral Assistance Division in the Secretariat, for example, has aided and monitored democratic elec-

tions in more than seventy states. Its services include far more, however, than the supervision of elections; it also offers advice on establishing political parties, constitutions, electoral laws, and freedom of the press (Boutros-Ghali 1995b; Joyner 1999). Many parts of the UN, and several regional IGOs, have engaged in efforts to rebuild peaceful relations in war-torn regions, creating the preconditions for free elections and democratic governance. Their record, discussed in Chapter 6, includes notable successes as well as conspicuous failures (Bertram 1995; Ratner 1995; Zartman 1995).

There are a large number of IGOs devoted to economic development, financial stability, and the freer flow of international goods, services, and capital. These contribute importantly to global interdependence. They include the Bretton Woods institutions (the World Bank and the IMF), the World Trade Organization (formerly GATT), and numerous regional institutions that provide advice to governments on ways to improve the performance of their economies. They help establish norms and principles for international exchange. Increasingly, they emphasize the necessity of "good government" and "transparency"—virtually synonyms for "democracy"—as well as offer more conventional economic prescriptions. These international organizations have also played a major role in reconstructing war-shattered societies. They have provided badly needed capital but have also built institutions and taught appropriate norms. Arguably the recent creation of such powerful IGOs in the realm of finance and economics provides an institutional basis for an international regime that makes interdependence a more effective force for peace than in earlier decades (Brawley 1993a; Murphy 1994; Wendt 1999). Their accomplishments deserve recognition, though we should not ignore critiques that they have been too attuned to the interests of international capital and the economically advanced countries and insufficiently concerned with those least well-off.

In discussing the multiple paths of causality within a well-articulated Kantian framework, we also need to consider the reciprocal relationship between international institutions and peace. States sometimes form institutional links with other states (e.g., in the United Nations) precisely because their political relationships are *not* peaceful and stable. When this process succeeds, it is possible to say that the institutions contributed to the improvement in relations. But other institutions (for example, the EU and its institutional predecessors) reflect both an aspiration for peace and

a readiness to deepen institutional ties because their members already share substantial common interests and confidence that their relations will be peaceful (Keohane and Martin 1995). The Kantian hypothesis linking international organizations to peace is plausible. The six functions performed by IGOs discussed above are means by which this causal influence might take place, but the issue of reciprocal causation is important. Establishing a correlation between joint participation by states in IGOs and the existence of peaceful relations is just the beginning. It is impossible to establish in detail the effects in each direction, but an analysis in the next chapter suggests that the mechanism of causation does work both ways.

The Analysis of Dense Networks

To investigate the effect of intergovernmental organizations on the likelihood of conflict, we use the same basic method of analysis employed in the two previous chapters, where we established the role of democracy in reducing the likelihood of militarized disputes (the democratic peace) and then demonstrated the additional, independent benefits of economic interdependence (the liberal peace). Here we consider how dense networks of IGOs complete the Kantian tripod.

We gauge the importance of international organizations for dyadic relations by counting the number of IGOs in which two states shared membership in a year. We call this variable simply IGO. We include all "conventional international bodies" listed as intergovernmental organizations in Sections A–D of the *Yearbook of International Organizations*; "dormant" organizations are not counted.[6] This is a crude measure, in

[6]For 1965 and earlier, we used data compiled by Wallace and Singer (1970) and made publicly available through the Interuniversity Consortium for Political and Social Research. We compiled the subsequent information, as they had done, at approximately five-year intervals. Intervening years were filled in by linear interpolation; other missing data were estimated by extrapolation. IGOs are identified in the *Yearbook* at the bottom of the listing before 1980 or by the designation "*g*" at the end of the code number after that. We did not include purely bilateral organizations, as Wallace and Singer did. The difference is minimal because they found only a few bilateral cases, chiefly organizations that were originally multilateral but temporarily comprised only two members.

which all organizations are weighted equally. This is a necessary assumption at this stage, but it is one that we know to be inaccurate. All IGOs are not equal. Many are weak and only tenuously related to security. One might expect alliances or collective-security organizations to have the greatest impact, but they, too, differ greatly in their effectiveness. Over much of the late twentieth century, some Arab countries saw each other as enemies almost as much as they did Israel. The Arab League, therefore, has not remotely had as great an effect on promoting peace among its members as NATO has. In fact, other types of organizations, such as those promoting human rights or economic interdependence, may have greater pacific benefits than weak security alliances. They may make important contributions to the management and resolution of conflicts in nonsecurity fields, which reduce tensions that might lead to a military conflict. As noted earlier, we lack a theory to guide us in assigning greater importance to different types of IGOs or in differentiating effective from ineffective institutions within particular categories. Any prior weighting, therefore, would be arbitrary.[7] For now, our hypothesis is a simple one: the greater the number of IGOs in which both states of a dyad are members, the more forums there are for peaceful conflict resolution and the greater the prospects for peace.

Save for the addition of the IGO variable, our first empirical test is the same as the basic analysis conducted in Chapter 4. We consider the historical experience of the politically relevant dyads during the period 1885–1992. In addition to hypothesizing that greater involvement in the same international organizations aids states in avoiding militarized disputes, we expect that the other two legs of the Kantian system will also contribute to peace. As before, we assume that the risk of conflict is primarily determined by the state that is less constrained from using force on each dimension: the more autocratic state in the dyad, as indicated by the lower democracy score ($DEMOC_L$), and the state less economically dependent on bilateral trade ($DEPEND_L$). We also test the effects of the balance of power and of alliances on the likelihood of dyadic conflict. All these influences are assessed while controlling for contiguity, whether direct or through colonies; the distance separating the two states; and whether the dyad contains a major power. Again, we lag the explanatory variables one year behind the year in which conflict is to be explained, so as to reduce the chance of getting the causal direction wrong.

[7]"Designing a simple, unambiguous, workable and satisfactory classification of IGOs as to 'political weight' or strength of political links proves virtually impossible" (Nierop 1994, 100; also Russett 1967, chap. 6). We are not so pessimistic as Nierop, but further research and considerable ingenuity will be required.

From the coefficients reported in the appendix, in Table A5.1, and the values used to represent our typical contiguous, nonallied pair of states, we estimate the chances of the typical pair's being involved in a militarized dispute in any year to be about three chances in a hundred. By changing, one at a time, each of the theoretically interesting variables from its baseline value, we can estimate the independent effect of each variable on the likelihood of a dispute. Table 5.1 shows the percentage change in the risk of conflict for a change of comparable magnitude (one standard deviation) in these variables.

Table 5.1: Percentage Change in Risk for Annual Involvement in a Militarized Dispute, 1886–1992: Contiguous Dyads, Realist and Kantian Variables

All variables at baseline values except:	
ALLIES equals 1	–40%
POWER RATIO increased by one standard deviation	–36
$DEMOC_L$ increased by one standard deviation	–33
$DEMOC_L$ decreased by one standard deviation	+48
$DEPEND_L$ increased by one standard deviation	–43
IGO increased by one standard deviation	–24
$DEMOC_L$, $DEPEND_L$, and IGO all increased by one standard deviation	–71

International Organizations Also Reduce Disputes

Once again, all the variables are highly significant statistically: at the .001 level for all. This tells us that the association observed between each of these factors and the incidence of conflict is unlikely to have occurred by chance. The influences that we are observing are consistent and reliable.

That is important, but we are most interested in the substantive effects of the variables. Do they make considerable difference in the likelihood of conflict? They do.

Alliances and a preponderance of power (not a balance) continue to be important. If two contiguous states are allied, they are 40 percent less likely to be involved in a dispute than if they are not. An imbalance of power reduces the prospect of conflict by 36 percent. But the Kantian variables, too, are important. An increase in democracy has about the same effect (a 33 percent reduction) as a large imbalance of power; a decrease in the lower democracy score makes conflict 48 percent more likely. Greater economic interdependence, too, has a very strong effect, cutting the probability of a conflict by 43 percent from the baseline rate. Our third Kantian variable, IGOs, also has a substantial impact on reducing the likelihood of a dispute.[8] A one standard deviation increase in the number of joint memberships shared by two states reduces the likelihood of a dispute by 24 percent. Again, each of these influences is independent of the others. IGOs make an additional contribution to reducing the frequency of disputes above and beyond those of democracy and trade. If we increase all three of the Kantian influences simultaneously, the effect is quite dramatic: the risk of a dispute drops by more than 70 percent. The prospects for peace are especially good when states are democratic, economically interdependent, and participate together in international organizations.

[8]Unlike our other basic Kantian results, our findings on the dispute-reducing impact of IGOs indicate that this impact is limited to the politically relevant pairs of states (the basis for this book) and does not affect distant dyads. Thus, Oneal and Russett (1999c) did not find it with all dyads, nor do Bennett and Stam (2000). Nor is that impact evident in a fixed-effects analysis, even one limited to the politically relevant pairs. We cannot yet tell whether these differences should be ascribed to theory, methods, or measurement. Also, IGOs are much more closely related to alliances, trade, and democracy than the last three are with one another. A regression of ALLIES, $DEMOC_L$, and $DEPEND_L$ explains nearly one-third of the variance in IGOs ($R^2 = .31$), whereas regressions to explain each of the other variables with IGOs and the remaining two variables have much less power: the equations produce R^2s, respectively, of .19 for ALLIES, .16 for $DEMOC_L$, and .12 for $DEPEND_L$. This collinearity of IGOs with the other variables means that we cannot confidently assign to one or another the effects of the variation that they share in common. It particularly decreases our ability to establish the full explanatory power of IGOs, which is probably underestimated when alliances and the other Kantian variables all are used to explain militarized disputes.

Kant was also correct on another point. The three Kantian variables are substantially correlated with one another: .35 for IGO and $DEMOC_L$, .30 for IGO and $DEPEND_L$, and .28 for $DEMOC_L$ and $DEPEND_L$. Clearly, these good things do go together. Democracies tend to be economically interdependent, and many IGOs are formed to promote economic relations among their member states. Indeed, half the IGOs in the post–World War II period were functional organizations concerned with the global economy (Jacobson 1984). In addition, democracies are more apt to cooperate with one another generally and within international organizations in particular (Dixon 1994; Raymond 1994).[9] The fact that the three Kantian influences are correlated—that democracies tend to be economically interdependent and to work together in IGOs—makes it all the more remarkable that we can discern a separate, statistically significant, substantively important effect for each influence. Where they converge (as especially for IGOs with trade and democracy), they diminish the apparent effect of one another. But there are enough cases where the Kantian influences do not go together to enable us to see something of their separate benefits.

Allies, too, should share common interests and be members of the same international organizations, and they do. The correlation between the two variables ALLIES and IGO is .43. Some IGOs are, of course, military alliances (NATO, the Arab League, the Warsaw Pact, etc.), so there is some degree of overlap in the two measures. In the previous chapter, when the variable ALLIES was in the analysis but the variable IGO was not, being allied reduced the likelihood of conflict by 46 percent—a somewhat stronger effect than appears here (40 percent). Some of what alliances seem to account for is better attributed to international organizations more generally.

These results are reasonably consistent even if we look at particular periods in the years from 1885 to 1992. IGOs had a strong and significant conflict-reducing effect during the post–World War II era and in the decades before World War I. Before 1914, international organizations were rare, so many states were not constrained by them from using force.

[9]Democratic states are somewhat more likely than autocracies to join IGOs. See Jacobson, Reisinger, and Matthews 1986; Shanks, Jacobson, and Kaplan 1996.

For states that did share memberships in IGOs, however, the benefit was substantial. Only during the interwar period—perhaps reflecting the failure and collapse of the League of Nations—were common IGO memberships not associated with lower rates of conflict. Democracy and interdependence, like IGOs, are strongly and significantly associated with reduced conflict in the post–World War II years. With all three Kantian variables in the equation, democracy was strongly related to dispute reduction during the interwar years; it had little impact one way or the other when its effect was estimated for the entire 1885–1914 period. But, as reported in Chapter 3, joint democracy began to be associated with fewer disputes before the beginning of the twentieth century. Finally, interdependence exerted a significant conflict-reducing effect before World War I and in the interwar period, though these benefits were not as strong as after 1950. Before World War II, alliances, in contrast, had no statistically significant effect on the incidence of disputes.

The contributions of the Kantian influences have remained largely intact even after the end of the cold war and the collapse of the bipolar international system. We should not make too much of the precise estimates for the post–cold war period, as we have noted before, because of the limited number of years available for analysis. The basic effects are clear, nonetheless. The influence of democracy actually increased after the cold war years, and the effect of IGOs, though weaker, was still evident. The benefits of economic interdependence were reduced. The principal conclusion to be drawn from these limited results is that the conflict-reducing benefits of the Kantian influences did not disappear with the end of the cold war.

World War I as an Example

It might help to consider our general statistical results in the context of a familiar historical case. An examination of the origins of World War I is particularly helpful, because a frequent criticism of the liberal hypothesis about the benefits of international commerce is centered on this dramatic event. Many observers allege that war began in 1914 despite high levels of economic interdependence among the key major powers. It is often said that interdependence was higher in Europe just before World War I than even in recent years after substantial integration within the European

Union (see, e.g., *Economist* 1997). Luttwak (1999), for instance, contends that "no two economies were more interdependent than the French and German" at the onset of the war. Of course, one counterexample does not disprove the liberal thesis, just as one smoker who does not get cancer does not show that smoking poses no hazards. Both theories are probabilistic in nature, ours being that the risk of conflict is less if states exchange economically important trade. Nonetheless, World War I is held up as a prominent counterexample, and some discussion of the circumstances of its eruption can illustrate our perspective.

Our rejoinder to those skeptical about the benefits of interdependence has two parts. First, the premise that trade was more important before World War I than now is flawed. As a share of their gross domestic products, total exports in 1913 were *not* at an all-time peak for the great powers and other important commercial states. The average value of exports as a proportion of GDP in 1913 for the most important of the European countries involved in World War I was 7.5 percent in 1985 prices, as compared with 10.7 percent for the same countries in 1973 and 15.0 percent in 1987.[10] An examination of dyadic relations must be carefully nuanced. For all countries, the average level of dyadic trade as a proportion of GDP was higher than it would be again until after World War II, but it had been dropping since a peak in 1906. Nor was trade so very great between most of the big 1914 adversaries. Luttwak's characterization of the Franco-German situation is mistaken. Germany's trade with France was much below that with Austria-Hungary and barely above that with the Netherlands, which had a much smaller economy than France's. French trade with Germany was only 75 percent of that with the United Kingdom and not much greater than with Belgium—a state far smaller than Germany. Austria-Hungary's biggest trading partner was its ally, Germany, which accounted for more than five times as much of its commerce as did France, Russia, or the United Kingdom. Of the six warring dyads, only two show high levels of interdependence. Russia and Britain were essentially tied as Germany's closest trading partners, while Germany was the largest trading partner of both Russia and, among the Eu-

[10]The data are from Maddison 1991a, except those for Russia, which are from Maddison 1989. These estimates are in 1985 prices. Estimates in current dollars follow a similar pattern: 13.1 percent in 1913, 15.2 percent in 1973, and 17.8 percent in 1987.

ropean states, Britain. But Britain's trade with the United States was about 40 percent greater than its trade with Germany (Mitchell 1981).

The second part of our rejoinder to skeptics concerns the influence of other factors on the likelihood of war in 1914. An understanding of any war, not least the Great War that began in 1914, requires a multivariate explanation, not consideration of a single factor. The rest of the story of World War I concerns the role of the other influences in our theoretical model, all of which point toward a high probability of armed conflict in 1914. The absence of constraints on conflict between democratic and authoritarian great powers played an important role. Consider the opposing alignments: the democracies—France, the United Kingdom, to a lesser degree Italy, ultimately the United States—against autocratic Austria and Germany. Autocracies fought each other (Russia fought Austria and Germany) and fought democracies, but no democracies, great or small, fought each other. Of the contiguous European great power pairs (Germany-Austria, Italy-France, Germany-France, Austria-Russia, Germany-Russia, Austria-Italy), the members of the last four became involved in the war on opposing sides.

Tightening alliances shaped the wartime alignments (Fay 1928), save for that of Italy, which switched allegiances by entering the conflict against Germany and Austria. The relative power of the opposing alliances was nearly equal, leading to high uncertainty about which side would win a war and thus poor prospects for deterrence. Finally, international organizations, the third element of our Kantian model, were less than 10 percent as numerous as in the 1980s. There were no multipurpose institutions, only narrow functional or regional organizations such as the Rhine Commission and the Universal Postal Union, so this restraining force for peace was quite underdeveloped. Of the Kantian influences, then, only economic interdependence operated as a significant constraint. In light of the few, weak IGOs and the incomplete spread of democracy in the region (and the limits on suffrage and civil rights even where it was greatest), this was not enough.

In sum, the Great War fits our theoretical model well: openness to trade was moderately high but not at levels characteristic of much of the post–World War II period, while a constellation of other circumstances—limited democracy, territorial conflicts, distinct military alliances, and insufficient power for effective deterrence—raised the probability of war. All these elements contributed to the outcome, and their separate influences cannot be neatly disentangled. Together, they indicate that the assassination in Sarajevo in June 1914 provided the incident to trigger a war that was already waiting to happen.[11]

Systemic Changes over Time

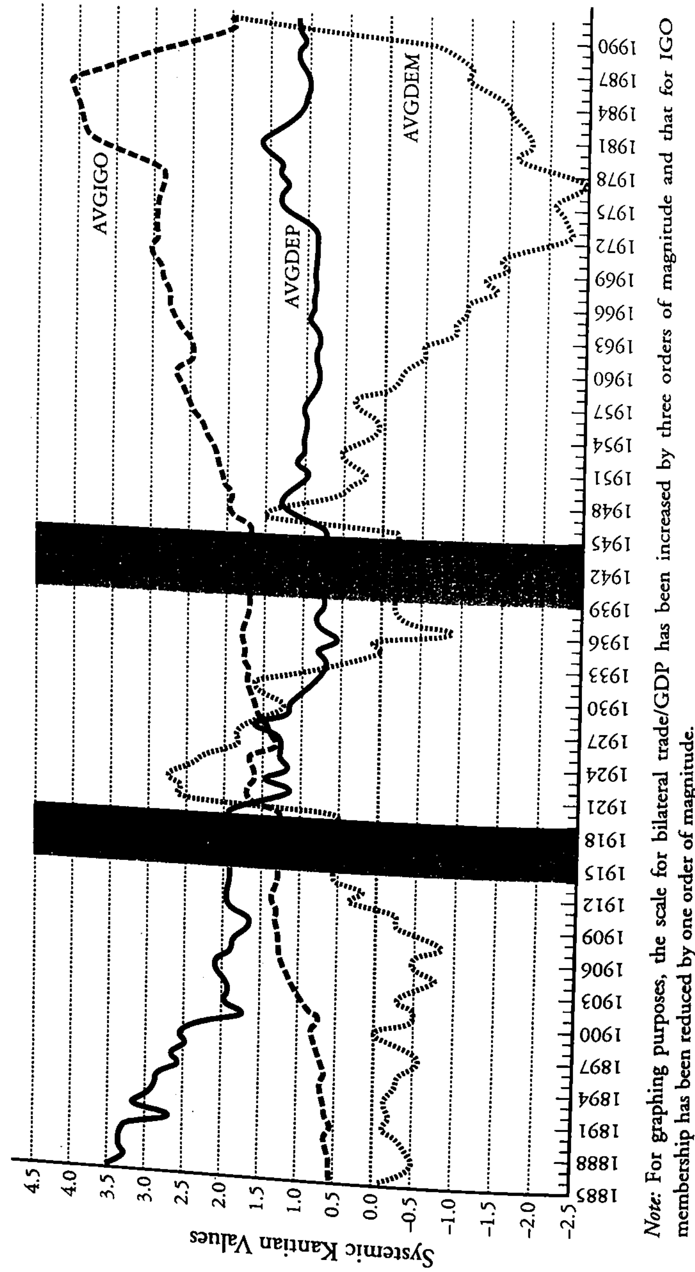
Considering the Kantian peace over more than a century provides opportunities to look at the effect of changes in the international system over time. How has the character of national governments, the economic importance of trade, and the number of international organizations changed? In Figure 5.1, we graph over the 1885–1992 period movements in the average democracy score for all states in the system, the average bilateral trade-to-GDP ratio, and the average number of joint memberships that dyads shared in IGOs.

Most apparent is the growth in states' participation in IGOs, with a drop in the late 1980s that was reversed after 1990. The emergence of a large number of international organizations associated with the globalization of the economy after World War II is evident. There is little evidence of a long-term trend toward greater democracy during most of the 1885–1992 period. The number of democracies in the international system did rise in the early decades of the twentieth century, but subsequently the pattern has been sporadic and wavelike (Huntington 1991). Evidence of democratization over the full period may be masked, as noted earlier, by codings that overstate the democratic character of states in much of the nineteenth century, before suffrage was extended to women, ethnic minorities, and those without property.

Nor is there indication in our graph of a long-term trend toward greater interdependence. Such a trend is obscured by two factors. First, the composition of our sample of countries changes over time. Dyads including less developed states of the periphery are underrepresented before World War I. Only with the establishment of the IMF and UN agencies does information on states' wealth and dyadic trade become reasonably complete. Thus, the average level of bilateral interdependence is somewhat overstated in the early years. Second, waves of decolonization cre-

[11]See Geller and Singer 1998, chap. 8, for another application of social scientific findings to account for the onset of the Great War.

Figure 5.1: Trends in Average Levels of Systemic Kantian Variables, 1885–1992



Note: For graphing purposes, the scale for bilateral trade/GDP has been increased by three orders of magnitude and that for IGO membership has been reduced by one order of magnitude.

ated dozens of newly independent states in the late 1950s and 1960s that were less democratic and less integrated into the global economy than the states already in the system, lowering the average score for both democracy and interdependence. Decolonization also helps to account for the leveling off of the number of joint memberships in IGOs shared by the average dyad in those years; the number of years a state has been a member of the global system is the strongest predictor of the number of its memberships in IGOs (Jacobson, Reisinger, and Mathers 1986).

Both democracy and interdependence do show a marked jump in the years just after World War II. The number of democracies has also grown steadily since the late 1970s, with a huge jump after the cold war ended. Similarly, the average level of economic interdependence as measured by the ratio of bilateral trade to GDP fell substantially before World War I and still further after that war, but rose again in subsequent years. Trade grew rapidly in the 1970s before the economic downturn in the 1980s that so adversely affected the many developing countries. Since 1987, growth in the number of democracies and the level of trade has corresponded with a precipitous drop in the number of interstate wars, despite the entry of many new states into the system (Marshall 1999).

Our analysis shows that higher levels of democracy, interdependence, and IGO membership reduce conflict: those states that share these Kantian qualities are less likely to become involved in conflict with one another. But it is also reasonable to expect that when the number of democracies increases, trade grows, and IGOs proliferate in the international system, the beneficial consequences will spill over to other pairs of states. In other words, we hypothesize that the spread of the Kantian influences reduces conflict even among states that are not themselves democratic, interdependent, or members of a large number of international organizations. Having measured the average level of the Kantian variables through time, we can begin to disentangle the effects of change in the international system on the likelihood of conflict from the strictly dyadic influences of the Kantian variables.

Changes over time in the average level of democracy, interdependence, and states' involvement in IGOs are apt to influence the norms and institutions of the international system. Wendt (1999), for instance, contends that world politics has slowly evolved from Hobbesian anarchy to a Lockean system wherein the security dilemma is ameliorated by norms recog-

nizing the right of sovereign states to exist. This effectively limits the use of military force in interstate relations.[12] States are no longer subject to elimination. Whereas twenty-two internationally recognized states were forcibly occupied or absorbed during the first half of the twentieth century, no state has lost its sovereignty through conquest since World War II.[13] The emergence of a Kantian subsystem of states, within which the unprovoked use of force is illegitimate, may have contributed directly to this evolutionary development. The Kantian states, we believe, have influenced the evolution of both international norms and institutions and, thereby, affected the probability that force will be used even by states that are not Kantian.

If democracies are more likely to win their wars than autocracies are, autocracies will have to be concerned about the security implications of weakening themselves in war, whether with democracies or other autocracies, especially as the number of democracies in the international system grows.[14] If most great powers are democratic, their peaceful relations should reduce the incentive for war for all states within and across their spheres of influence. If globalization increases and stimulates economic growth among interdependent states, nonliberal states will have to be concerned lest they be punished by trading states in global markets for instigating international violence that disrupts trade and investment. Even antagonistic dyads with little mutual trade, such as Israel and its Arab neighbors, may find it prudent to avoid conflict (Friedman 1999; Brooks 2001). And if international norms and institutions for resolving disputes grow, even nonliberal states may be impelled to use regional or international organizations to help settle their disputes rather than accept the political, military, and economic costs that would be imposed by the liberal community following a use of force. In these ways, increases in the Kantian influences at the system level may constrain the behavior of dyads that are not particularly democratic, interdependent, or involved in international organizations.

[12]See Huntley 1996; Gleditsch and Hegre 1997; Mitchell, Gates, and Hegre 1999; and Cederman 2000 for other discussions of the systemic effects of having a high proportion of democracies in the system.

[13]Russett, Singer, and Small (1968) provide dates of independence. Germany and Japan temporarily lost sovereignty after World War II but soon regained it (Germany as two states). Kuwait was briefly occupied in 1990–91, but a large, diverse coalition of states forced Iraq to withdraw under the aegis of the United Nations. This action was intended to protect the sovereignty of established states. South Vietnam is an exception to this generalization if one regards its unification with North Vietnam in 1976 as the result of external conquest rather than an internationalized civil war. Whereas state extinction as a consequence of international war has become rare, the ideology of ethnic self-determination has led to the breakup of several states and empires.

[14]A counterhypothesis would be that, as democracies become more numerous and more confident in their individual and collective strength, they will become emboldened and adopt more coercive relationships with the autocracies that remain. Chapter 2 discussed the evidence that democracies win most of their wars.

To assess whether the evolution of the system affects the behavior of all dyads, we need to determine, for example, whether change in the average level of democracy in the system has an independent effect on the likelihood of dyadic conflict, controlling for the level of democracy in each pair of states relative to the annual average. We will conduct the same sort of tests for interdependence and IGOs. The annual averages of democracy, bilateral trade as a proportion of GDP, and joint memberships in IGOs graphed in Figure 5.1 give us the means to do this. They record the pervasiveness of Kantian changes in the international system and document the success of liberal principles in the competition among nations. In the analyses we report next, these systemic Kantian variables are identified as AVGDEMOC, AVGDEPEND, and AVGIGO. We hypothesize that the greater these systemic averages, the more the global system will reflect the normative and institutional constraints associated with democracy, interdependence, and the rule of law. For example, we would expect the world to be more peaceful in the 1920s, when the norms and behavior of the relatively large number of democracies helped constrain even the autocratic states. Democracies would be less influential in the 1930s and 1940s, when their number had declined as a result of the rise of fascism and communism.

To distinguish the systemic and dyadic influences of the Kantian variables, we need to create three variables that record the standing of each dyad in each year relative to the three annual Kantian averages. These are RELATIVEDEMOC_L, RELATIVEDEPEND_L, and RELATIVEIGO. They identify the dyads that are most democratic, interdependent, and involved in intergovernmental organizations relative to the systemic aver-

age at each point in time.[15] The average number of joint IGO memberships (AVGIGO), for example, captures the changing prominence of international organizations through time, while the involvement of individual dyads relative to this average (RELATIVEIGO) identifies those pairs that are more (or less) linked through a network of IGOs in any year.

To summarize, we want to distinguish between the systemic and purely dyadic influences of the Kantian variables by substituting two new variables for each of the three previous Kantian measures (AVGDEMOC and RELATIVEDEMOC_L for DEMOC_L, etc.) in our analysis. Combining systemic and relative measures in a single model of conflict indicates the relative importance of changing values of the Kantian variables through time vis-à-vis the standing of dyads relative to the annual means at any point in time. We expect that both the relative variables and the systemic averages will contribute to explaining which dyads experience militarized disputes.

Table 5.2 reports these results. As usual, the impact of the realist influences—alliances and relative power—is strong. Respectively, they reduce the probability that two states will become involved in a dispute by about 43 percent and 42 percent. In addition, five of the six relative and systemic Kantian variables are very significant statistically (.001 level); the annual average of states' involvement in IGOs is weakly so (.06 level). Each of the first five makes a big contribution to reducing the frequency of militarized disputes. The effect of each Kantian influence is now split between the relative and systemic variables. Among the three relative variables, economically important trade and the density of international organization ties reduce conflict the most (29 percent and 35 percent reductions), but the benefits of democracy are still substantial, too. A dyad is 26 percent less likely to have a dispute if it is more democratic than the systemic average. Two of the three systemic Kantian variables also have important pacific benefits. The likelihood of conflict is much lower when the average level of economic interdependence in the system is high and

[15] $\text{RELATIVEDEMOC}_L = (\text{DEMOC}_L - \text{AVGDEMOC})$ / the standard deviation of DEMOC_L; $\text{RELATIVEDEPEND}_L = (\text{DEPEND}_L - \text{AVGDEPEND})$ / the standard deviation of DEPEND_L; and RELATIVEIGO = (IGO – AVGIGO) / the standard deviation of IGO. Dividing by the standard deviations permits us to compare directly the estimated coefficients of these variables.

Table 5.2: Percentage Change in Risk for Annual Involvement in a Militarized Dispute, 1886–1992: Contiguous Dyads, Relative Relationships and Systemic Averages

All variables at baseline values except:	
ALLIES equals 1	–43%
POWER RATIO increased by one standard deviation	–42
Dyadic relative scores:	
RELATIVEDEMOC_L increased by one standard deviation	–26
RELATIVEDEPEND_L increased by one standard deviation	–29
RELATIVEIGO increased by one standard deviation	–35
Systemic averages:	
AVGDEMOC increased by one standard deviation	–24
AVGDEPEND increased by one standard deviation	–35
AVGIGO increased by one standard deviation	–10

when there are more democracies.[16] These systemic effects (35 percent and 24 percent, respectively) are about as great as the dyadic ones. Even raising the average level of shared IGOs makes a difference: a 10 percent drop in the risk of a dispute.

These results are important for two reasons. First, they confirm that pairs of states that are relatively more democratic, interdependent, and involved in international organizations at any point in time tend to be peaceful. The benefits we found in our first analysis (Table 5.1) are not just a result of change in the levels of the Kantian variables over time. Sec-

[16] There is a mild downward trend in the likelihood of a dispute over the period 1885–1992. To insure that the systemic Kantian variables were not simply collinear with this secular trend toward decreasing rates of disputes, we reestimated the equations reported in this section with an indicator of the passage of time. The coefficients of the Kantian variables changed very little, and the average democracy score and trade-to-GDP ratio remained highly significant. The indicator of the passage of time, however, was never significant at the .05 level. Estimating this equation for just 1885–1939 did change the impact of the average level of interdependence, primarily because World War I occurred when the level of trade was higher than it was during the interwar years; the average level of democracy remained significant at the .001 level.

ond, our results show that the peace-promoting effects of democracy and trade, and to a lesser extent of IGOs, are important both within the Kantian subsystem and, through their systemic influences, beyond it. Increasing levels of democracy and trade have beneficial consequences for all pairs of states, not just for the liberal ones. States throughout the international system are more peaceful when democracies are more common and there is greater economic interdependence. Only the effect of IGOs is essentially limited to the states that are directly involved. The number of IGOs worldwide does not have a dramatic effect on states that are not extensively involved. Apparently, international organizations promote peace far more by what they do for their members than by their example or by their influence on others.

The results reported in Table 5.2 show that the benefits of the Kantian influences are robust and pervasive. We now have greater reason to believe that states can create more peaceful conditions by policies that increase democracy, interdependence, and participation in international organizations.

Or Is It Hegemony That Reduces Violence?

Throughout this book, we have considered the effects of realist as well as Kantian influences on the likelihood of violent conflict. This enables us to explore how the two theoretical traditions complement each other as well as how they compete. We can also do this when considering the effect of the international system on the likelihood of dyadic disputes. As we have noted, realists have long been interested in how the number of great powers in the system, the system's polarity, affects the incidence of conflict. They have also paid close attention to the influence of the most powerful single state: the hegemon. One prominent realist account of the role of the hegemon is known as hegemonic stability theory. It holds that the hegemon will often constrain weaker states from resorting to violence because it is in its interest to do so (Gilpin 1981). Realists argue that the hegemon is influential in the creation of the international system after major wars, such as those fought against Napoleon or World Wars I and II, and in its subsequent operation. Presumably, the hegemon creates a system that operates to its advantage. Its consequent satisfaction with the

status quo leads the hegemon, as a rule, to adopt conservative policies designed to maintain the system as it is.

Because wars disrupt the international system—by breaking economic ties beneficial to the hegemon, for example—the hegemon has an incentive to maintain the peace. The hegemon's efforts to do this manifest themselves in two ways. First, it uses its power to suppress wars within its own sphere of influence and, through its network of alliances, in the spheres of interest of allied states. Second, the hegemon actively deters potential adversaries from using military force in a way that would be detrimental to its interests. Whether through domination or deterrence, the ability of a powerful state to preserve peace in the system will depend upon its power relative to others. Thus, a simple but reasonable measure of the power of the hegemon is its share of the capabilities of all the major powers. As noted earlier, data regarding states' armed forces and their population and industry—indicators of immediately available military capabilities and the potential to develop greater might over time—are available from the Correlates of War Project. With these data, we have calculated the power of the hegemon relative to its principal rivals for each year in the period 1885–1992.

It is not always easy to identify a hegemon. Most scholars agree that in the thirty years before World War I the United Kingdom was closer to being hegemonic than was any other country, although its power relative to both Germany and the United States declined as time passed. During the interwar era, 1919–39, the United States clearly had greater economic strength and military potential than the United Kingdom, but their actual military capabilities were about equal. Moreover, the geographical position of the United States and its isolationist policy limited its involvement in the central European system. Consequently, we accept the judgment (Organski and Kugler 1980) that Britain was more nearly hegemonic than any other power during the interwar period as well. If any country can be said to have been truly hegemonic in the post–World War II period, it is the United States (Russett 1985; Oneal 1989). Consequently, we use the proportion of the major powers' capabilities held by the United Kingdom as the measure of the hegemon's power in the first sixty years analyzed and that held by the United States for the years after 1945.

This systemic indicator (HEGPOWER) dropped from 33 percent in 1885 to 14 percent in 1913; it fell below 11 percent by 1938. America's

hegemony is evident immediately following World War II when it controlled 52 percent of the major powers' capabilities. The U.S. share fell to 26 percent by the early 1980s but rose to 29 percent with the collapse of the Soviet Union in 1992. These movements are consistent with the judgment of historians, so our measure seems valid.

A related perspective on the international system is known as power transition theory. Originally developed by A. F. K. Organski (1968), it, too, draws attention to the power of the hegemon to constrain other states from resorting to military force. When many others believed an equal balance of power led to peace, Organski stressed the argument that it was an imbalance of power (or power preponderance) that made the use of force either unnecessary (for the strong) or impractical (for the weak). Power transition theory has also emphasized the role that states' satisfaction with the status quo plays in explaining who resorts to violence. It predicts that states rising in power will challenge a hegemon only if they are dissatisfied with the international system the hegemon dominates. Lemke and Reed (1996) recently extended this argument in an effort to subsume the democratic peace within power transition theory. Democracies have historically fought less, they contend, because the hegemonic power has been a democracy since the end of the Napoleonic Wars. First Britain, and then the United States, they argue, used its power to structure the international system so that benefits accrued disproportionately to itself and to its mostly democratic allies. Thus, democracies' satisfaction with the status quo created by the most powerful state (a democracy) and reinforced by its system of alliances is said to account for the peace among democratic dyads.

Lemke and Reed assess their argument by creating a measure of each state's satisfaction with the status quo based on the correspondence between its portfolio of allies and that of the hegemon. They do this with a statistical measure of association (tau-b). The more similar the list of one state's allies is to the list of the hegemon's allies, the more that state will share the hegemon's preferences for the management of the international system, the more it will assist the leading state in this effort, and the more it will be rewarded by the hegemon. Like Lemke and Reed, we also created a measure of the satisfaction each pair of states feels for the status quo. This measure of joint satisfaction (SATISFIED) indicates the degree to which each dyad is content with the distribution of benefits achieved

under the leadership of the dominant state.[17] If power transition theory is correct, the more satisfied two states are, the less likely they are to fight. Furthermore, if it is satisfaction with the status quo and not democracy per se that accounts for the democratic peace, then the variable SATISFIED will be significant when added to our model of conflict and, in its presence, our measures of democracy will not be.

Both hegemonic stability theory and power transition theory hold that the international system will be more peaceful when the hegemon is strong relative to its chief rivals. There is another way in which the hegemon might affect the level of conflict in the system. It might transmit tensions to other states. When the most powerful state is concerned about its own security, there are likely to be consequences for its allies, its rivals, its rivals' allies, and even neutral states. The adage "When elephants fight it is the grass that suffers" captures this phenomenon. It is also possible, to continue the metaphor, that when small animals fight, big ones will be drawn in. Large states, including the hegemon, may intervene in ongoing conflicts involving smaller states because they see an opportunity to achieve gains or avoid losses. In either way, international tensions may be contagious.

We assess this view by creating a measure of the hegemon's sense of its own security. We divide the leading state's defense expenditures by its gross domestic product. Thus, the variable HEGDEFENSE is the share of GDP the hegemon devotes to defense spending. The burden it bears to maintain its military establishment indicates the hegemon's concern with the state of the international system: the ratio of military expenditures to GDP will rise when the hegemon perceives greater dangers and fall when its interests seem less threatened.[18] Our hypothesis is that the global system will experience more numerous disputes when the hegemon is committing more of its resources to the military. We can also determine just

[17]To create the variable SATISFIED, we added 1 to the tau-b score for each state in a dyad, to make this measure positive, and then multiplied the two scores together.

[18]Information on military expenditures is available from the Correlates of War Project. Changes in the hegemon's defense burden are highly correlated with changes in the average defense burden for all the major powers. The great powers seem to agree when tensions are high in the international system. Of course, this may in part be a manifestation of the security dilemma, which was discussed earlier.

how widespread this phenomenon is. Is the effect largely confined to relations between the hegemon and other states in the system, or does the leader's sense of its security also significantly influence the likelihood of dyadic conflict for its allies or even for states unallied with the hegemon?

In the next analysis, we assess the central claim of both hegemonic stability and power preponderance theory: that conflict becomes more likely as the power of the leading state declines relative to the capabilities of its chief rivals.[19] We also test Lemke and Reed's suggestion that it has been the power of the (democratic) hegemon to reward its allies that accounts for the democratic peace. To do this, we add to the systemic analysis discussed earlier two new variables. One is our indicator of the power of the hegemon relative to the capabilities of all the major powers (HEGPOWER); the second is our measure of the joint satisfaction of the two states in each dyad with the international system (SATISFIED). It is appropriate theoretically to include both in the same equation. If the hegemon can regulate the level of conflict in the international system, then its influence should be greatest with those states with which it is most closely allied. Also, the advantages for a state of aligning itself closely with the hegemon should be greatest when the leading state's power is large relative to its chief rivals. It is then that the hegemon should be most able to confer benefits on its supporters.

The first column of Table 5.3 shows clearly that the relative power of the leading state has no effect on the likelihood of dyadic disputes. The measure of hegemonic power has but a trivial effect and is far from being statistically significant (.50 level). A powerful hegemony does not reduce the resort to violence in the international system. Even this essentially neutral effect, however, reflects the inability of a weakened hegemon (Britain) to prevent the outbreak of systemwide wars, World Wars I and II. In an analysis not reported in the table, the effect of hegmonic power became strongly positive when the first year of each of the world wars was dropped from the data set. Then, hegemony was *positively* related to the incidence of disputes in the system, and the relationship was statistically very significant (.001 level). Great hegemonic power does not dampen conflict in the system during these more normal periods of international relations, when there are no big wars among the major powers. *Rather, the*

[19]See Organski 1968; Modelski 1966; Gilpin 1981; Kugler and Lemke 2000; Spiezio 1990.

Table 5.3: Percentage Change in Risk for Annual Involvement in a Militarized Dispute, 1886–1992: Contiguous Dyads, Dyadic and Systemic Influences

All variables at baseline values except:	*(1) Systemic Kantian, Hegemonic Power, Satisfaction*	*(2) Systemic Kantian, Hegemon's Defense Burden*
Dyadic variables:		
POWER RATIO increased by one standard deviation	−42%	−44%
ALLIES increased by one standard deviation	−43	−45
RELATIVEDEMOC$_L$ increased by one standard deviation	−25	−27
RELATIVEDEPEND$_L$ increased by one standard deviation	−29	−27
RELATIVEIGO increased by one standard deviation	−34	−34
Kantian systemic variables:		
AVGDEMOC increased by one standard deviation	−24	−25
AVGDEPEND increased by one standard deviation	−36	−30
AVGIGO increased by one standard deviation	−10	−20
Realist systemic variables:		
Hegemonic power increased by one standard deviation (HEGPOWER)	+0.1	
Joint satisfaction increased by one standard deviation (SATISFIED)	−2	
Hegemon's defense burden increased by one standard deviation (HEGDEFENSE)		+36

level of dyadic conflict rises. There is no evidence in these results of a Pax Britannica or Pax Americana, contrary to both hegemonic stability and power transition theories.

Nor does the hegemon itself avoid conflict. The United States, for example, fought twelve international wars during its 217 years of independence, from 1783 to 1999. But one-third (four) of those came during the

fifty-five years when it could be described as a hegemon. Two (in Korea and Vietnam) occurred during the cold war era, and two (with Iraq and Serbia) came during the single decade, from 1990 to 1999, when the United States was the only superpower.

Neither is there any evidence that states' satisfaction with the status quo accounts for the democratic peace. The measure of joint satisfaction is statistically insignificant (.39 level), while the strong effects of democracy, through both the relative and systemic measures, are still very powerful and significant influences on the likelihood of conflict. It seems clear that the character of their political institutions and culture accounts for the separate peace among democracies, not the satisfaction they are said to have with the international system. It appears that power transition theory exaggerates the ability of even the strongest state to shape the international system for its benefit and the benefit of its allies. As in the previous analysis (reported in Table 5.2), the relative and average trade dependence variables and a high average and especially a high relative level of IGO membership are still closely related to the probability of conflict, as are alliances and the bilateral balance of power.[20]

Finally, we ask whether the hegemon's sense of its own security, as indicated by the proportion of its GDP devoted to defense expenditures (HEGDEFENSE), is associated with a heightened danger of conflict globally. As shown in the second column of Table 5.3, the defense burden of the leading state is closely associated with the risk of disputes. Indeed, the effect is quite large: an increase of one standard deviation in the ratio of the hegemon's defense expenditures to its GDP raises the risk of a dyadic dispute by 36 percent. When the hegemon feels endangered and increases its military spending, there are wide-ranging consequences for states throughout the international system. And the heightened danger of conflict is not limited to the world wars, as was the influence of hegemonic power, or significant only for the hegemon or its allies. In a separate analysis, not reported in the table, we confirmed that other states, too, experience more disputes when the hegemon is concerned with its own security and is devoting a large portion of its wealth to military preparations. Apparently, it is true, as the African proverb suggests, that the grass suffers when elephants fight.

[20]Alternative specifications for evaluating the role that states' satisfaction with the status quo plays made little difference.

Again, the dyadic realist variables—relative power and alliances—have substantial effects, and all the systemic and relative Kantian variables remain substantively important and statistically significant at the .001 level or better. In fact, in this last test, even the systemic measure of states' participation in international organizations makes a substantial difference (a 20 percent cut) in the likelihood that a pair of states will become involved in a dispute. Controlling for the hegemon's defense spending makes this systemic variable significant. Perhaps the effectiveness of IGOs depends in part on the major powers' not feeling a need to develop—and presumably use—large, independent military means for protecting and promoting their interests.

The analyses reported in this section provide consistent, clear evidence that the power of the leading state, the so-called hegemon, has little effect on the incidence of dyadic conflict. There is in our results, then, no support for hegemonic stability theory. Power transition theory is correct that a preponderance of power leads to peaceful dyadic relations; our results repeatedly show that an *imbalance* of power within a dyad increases the prospects for peace. But power transition theory, too, errs in believing that this dyadic effect has important systemic consequences, that a powerful state will be able or willing to pacify interstate relations throughout the system. In short, the benefits of having a hegemon to keep peace in the system appear to be hugely overrated—or even perverse. As noted earlier, except for the onset of the world wars, the incidence of disputes was actually higher in the period 1885–1992 when the hegemon was strong. Having more democracies and more trading states in the system, on the other hand, significantly reduces the probability of conflict, even for states that are not democratic or dependent upon trade.

Coercion or Persuasion?

Just how the Kantian systemic effects work—whether and when they are due more to coercion, persuasion, or example—is not something that can be established by the kind of statistical analysis we are using. A clue to this important inquiry is provided by the work of Antonio Gramsci (Hoare and Smith 1971), who developed the concept of "cultural hegemony" many years ago. Gramsci recognized that even the most powerful do not get their way solely (or even primarily) by means of force. This is

true whether we are thinking of individuals in a small group, groups in society, or states in the international system. Instead of resorting to force, the powerful, in Gramsci's view, maintain their position by shaping the desires and perceptions of others so that they conform to their own. The weak eventually come to accept the material and cultural artifacts preferred by the hegemon. Democracy and capitalism are important instances. With the demise of communism and the state that sponsored it, these liberal institutions no longer need to contend with coherent universalistic alternatives. Their influence operates directly by example: by having established in a great historical competition their superiority over autocracy and the state domination of markets. They also indirectly affect the preferences, perceptions, and choices of states throughout the system through the network of international institutions that support and extend democracy and the globalized economy. Thus, both norms and institutions are involved, and as noted before, their separate effects cannot readily be separated.

The importance of Gramsci's insight has been widely recognized by contemporary scholars. Joseph Nye (1990) calls this phenomena "soft power," and John Ruggie (1982) encompassed Gramsci's insight in his theory of "embedded liberalism." Francis Fukuyama (1992) may have exaggerated it, in proclaiming "the end of history," but his fundamental insight is sound: there is no longer significant debate over the relative merits of liberal democracy vis-à-vis either communism or fascism. Surely, many important questions remain to be decided about how politics and economics can best be organized, but a broad verdict of history at this time has been recorded. Boutros Boutros-Ghali, too, understood the power and potential of democracy and markets as part of a Kantian system of peace. When he was UN secretary general he did his best to promote their universal acceptance. As Gramsci and others have recognized, there are real limits to what naked force can accomplish, but we are convinced that power backed by insight can achieve great things—even transform the anarchic international system. A powerful Kantian state in concert with like-minded allies can encourage the formation of a zone of peace, but our empirical results provide powerful evidence that democracy, economic interdependence, and coordinating international organizations are more important to the success of this monumental task than are military capabilities. We return to the uses and limits of hegemony in future chapters.

The Three Kantian Legs

The analyses of this chapter, combined with those of previous chapters, indicate that each of the three elements of the Kantian peace makes a statistically significant, independent contribution to peaceful interstate relations. These pacific benefits are evident even when the influences of other theoretically interesting, potentially confounding factors—geographical contiguity, alliances, relative capabilities, economic growth, etc.—are held constant. More important than the statistical significance of the Kantian variables is their substantive importance. Increasing any one of the dyadic measures by a standard deviation, as shown in Table 5.1, reduces the likelihood of a militarized dispute by more than 20 percent. Even with the addition of our measure of states' participation in IGOs, there continue to be important pacific benefits from democracy and economically important trade. The independent contributions of the Kantian factors are sufficiently great that they are not masked by the correlations among these variables. Democracy, interdependence, and international law and organizations are mutually reinforcing, as we have noted, but to a degree, one element can compensate for weakness in the others. The magnitude of their combined effect is, however, particularly striking. The likelihood of a dispute falls by 71 percent if all three variables are increased simultaneously above their baseline rates.

The pacific benefits of the Kantian factors are most clearly exemplified in the contemporary international system by the experience of Western Europe. There, all three elements have become progressively stronger since the end of World War II. Consequently, a region that was frequently at war now is a stable zone of peace. Yet the contributions of the Kantian forces are not limited to that area, although their relative importance varies across time as well as across regions. The ten states of Southeast Asia are attempting, through ASEAN and other regional organizations, to build a network of economic interdependence and IGOs (Acharya 1998). This may, in time, establish at least a rudimentary security community despite continuing differences in their political systems, which range from quite democratic (Philippines, Thailand, and possibly Indonesia) through mixed regimes (Cambodia, Malaysia, and Singapore) to autocratic ones (Brunei, Laos, Vietnam, and Myanmar).

The Kantian elements certainly support each other, so to some degree, one element may be able to compensate for the weakness of another. No

single element, however, should be expected to carry all the burden. India and Pakistan, for example, share a long border and a territorial dispute over Kashmir of more than fifty years duration. They are not allied and have always obtained military assistance from different quarters (India from the Soviet Union, Pakistan from China and the United States). Although India is stronger, the power imbalance between them is not great (1.75 to 1 in 1990). Their level of mutual trade to GDP was less than one-tenth the median for contiguous states, and they shared membership in just thirteen IGOs, as compared with an average of thirty-one for contiguous states. Under these circumstances, even when Pakistan was relatively democratic, it would have been foolhardy to depend on joint democracy as the sole means to prevent war or other forms of militarized dispute.

Historically, the benefits of the Kantian principles are most evident in the post–World War II era, when all three made important contributions to the peacefulness of interstate relations. The peace-inducing effect of democracy was weak before about 1895, but it was even stronger in the interwar years than it was during the cold war era. Interdependence has had the most consistent benefits over the three periods—pre–World War I, the interwar years, and post–World War II. Its effect in reducing conflict was greatest during the cold war and interwar years and somewhat less before World War I. Data for the early post–cold war years indicate that the benefits of democracy especially have continued past the end of the cold war. The benefit of IGOs was greatest prior to World War I, when, however, their small number limited their effect. International organizations did not decrease the likelihood of conflict in the interwar years but have been an important force for peace in the years after 1945. International organizations have broadened their functions and deepened their powers. The supranational aspects of the EU and the powers of the WTO for resolving trade disputes are new. Even the often derided UN is a far more influential organization than was the earlier League of Nations. IGOs today are more complex and effective than were their predecessors. Perhaps the real strength of international organizations as a force for peace is only emerging. There is, then, some variation in the strength of the Kantian effects over time, although the overall picture is one of consistency rather than differences.

Distinguishing the influences of the Kantian systemic averages from the standings of each dyad relative to the annual averages makes the benefits of democracy and trade evident cross-nationally and through time. The international system is more peaceful when there are more democracies and when trade is more important economically. *All* pairs of states—even those not democratic or interdependent—become less dispute-prone at these times. The systemic effects of IGOs are discernible but weaker. Our results suggest that the pacific benefit of international organizations apply largely to their members, though this measure is probably the least satisfactory of our three Kantian variables. There have been fewer social scientific studies of the contribution of IGOs to peace than of the benefits of democracy or interdependence. Our measure of their importance, a simple count of joint memberships, ignores obvious differences in the importance of intergovernmental organizations. Also, we do not examine the contribution of nongovernmental organizations. Much more theoretical work and empirical study is needed in this area.

Some realist influences also significantly affect the likelihood of dyadic disputes. Greater distance between two states, a preponderance of power by one, and minor power status are all consistently related to a reduced chance of conflict. This is not surprising. The Kantian influences have not abolished power politics. Alliances were influential in the post–World War II period but only then. Their failure to have a significant conflict-reducing effect prior to the cold war is perhaps our most surprising finding. Realist influences at the level of the international system also make a difference. Both world wars occurred when Britain, the hegemonic state, was weakened. Yet hegemony does not work consistently, as the hegemonic stability and power transition theories suggest. In more normal periods of international relations, there were more militarized disputes when the hegemon was powerful than when it was weak. On the other hand, when the hegemon feels threatened (as evidenced by higher military spending), the likelihood of disputes rise throughout the system. Peace seems to owe less to the systemic effects of hegemony than it does to strengthened Kantian influences.

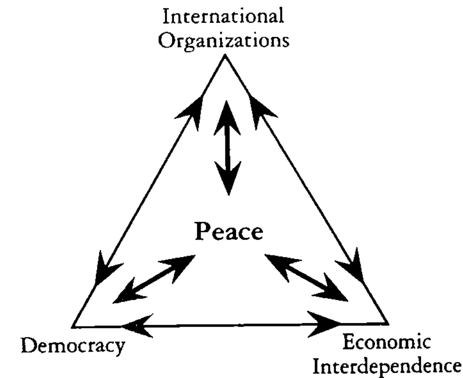
Some of these results may displease political ideologues of either the left or the right. Both may feel comfortable with our results linking democracy to peace. The benefits of either free trade or international organizations may be more unsettling to one side or the other. Modern-day liberals may applaud the role of IGOs but, aware of the economic dislocations and inequalities associated with capitalist competition, hesitate to accept that markets, too, can encourage peace. Conservatives, prone to

downplay the importance of international organizations, are apt to have the opposite bias. Nonetheless, in this chapter, we have considered the roles intergovernmental organizations can play to promote peace. In earlier chapters, we explored theories linking democracy and economic interdependence to a reduction in international conflict. Now a variety of empirical analyses support those theoretical expectations.

Our effort to understand the complex influences that shape interstate relations is far from complete. It is important to develop a more complete understanding of the ways many of the influences we have considered, including such realist factors as alliances, interact with one another. We will explore some of those interactions in the next chapter. There is a great need for theoretically informed case studies to expand our understanding. Crises like the one that preceded World War I need to be examined in detail, but other situations where the use of force was avoided or not even considered must also be studied. Understanding the causes of war requires not only an appreciation of situations where violence erupted, or was narrowly avoided, but of situations where violence was not an option that political decision makers seriously considered. We need to understand not just the circumstances that have led to particular wars, but also how countries with important differences on serious matters have avoided military action.

For many years, Americans, British, and Canadians, like Swedes and Norwegians, have had conflicts of interest, but the threat of military force has not played a role in their relations. For half a century now, this has been true also of Western Europe, despite its horrible experiences in the preceding decades. The United States and Japan have significant disagreements, especially over trade issues, but the Americans do not expect Japan to bomb Pearl Harbor again, and the Japanese do not expect the United States to drop nuclear weapons on their cities. Both countries have absorbed painful lessons from the past. A Kantian system has been built in these and other spots on the globe. It can be the base for further expansion of democracy, interdependence, and cooperation in international organizations. We explore some of the paths and hurdles to expanding and consolidating the Kantian system in the following chapters.

Virtuous Circles and Indirect Influences



Chapter 1 discussed a system of Kantian influences that were indirect as well as direct. For instance, if democracies and states with economically important trade join the same IGOs, and if IGOs promote both democracy and trade, then we have a set of feedback loops that result in virtuous circles. Or if democracies are especially likely to trade with each other and trade reduces disputes, democracy is having a beneficial indirect impact on the reduction of conflict—through promoting trade—as well as the direct effect we have already considered. Another possibility, mentioned in Chapter 4, is that militarized conflict hampers trade between states, so the evidence we have presented indicating that trade reduces conflict might be capturing the reverse causal relation. A similar question arises if peace promotes the growth of IGOs as well as growing contacts in IGOs increasing the likelihood of peace. Indeed, we expect in the last two cases that causal relations are strong in both directions, producing another set of feedbacks in a true Kantian system.