

Triangulating Peace

*Democracy, Interdependence, and
International Organizations*

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International Systems: Vicious Circles and Virtuous Circles

We hoped to build our relations with Russia, Ukraine, and the other new independent states on the basis of democracy and free markets. . . . These nations had little in the way of democratic traditions, and we were far from certain that democracy would take root. But we did not want to create a self-fulfilling prophecy by pursuing a pure balance-of-power policy that assumed from the outset that these states would eventually return to authoritarianism. (Baker 1995, 654)

In this statement, James Baker, secretary of state under President George Bush, tried to address some of the central questions of international relations. They come down to these: Why can some states live at peace with their neighbors, neither fighting nor threatening them, while others seem to be constantly enmeshed in acts of violence and intermittent war? And why do some states, after a long history of conflict, change their basic relations and embark upon peaceful coexistence and cooperative relations? How are we to understand the dramatic turnaround in Soviet American relations that ended the cold war, the harmonious coop-

eration between the United States and Canada, or the increasingly important relations between a growing China and the West? Certainly basic military and economic factors affect countries' relations with each other. But, as we will see, so does the character of their domestic politics, whether they share economic interests, and the extent to which they cooperate in international governmental and nongovernmental organizations. To comprehend these influences on national decisions for war or peace requires understanding the complex international system in which those decisions are made. This book is about seeking that understanding.

People who talk about world politics often refer to an international or global system. When they use the word "system," they imply that states, the units of the system, interact in a variety of ways within an environment of relatively stable conditions. Geography, the distribution of power, alliances and other international organizations, etc. constitute the environment of interstate relations and constrain national decision makers in important ways.

The Modern State System

In world politics, the actors most commonly considered are countries, often referred to as states. They are certainly not the only actors, nor always the most important ones. Other actors include international organizations, both intergovernmental organizations (IGOs) and international nongovernmental organizations (INGOs). IGOs are those whose constituent members are states. They are formed by treaties or other formal agreements and have some form of long-term organization. The United Nations, NATO, the North American Free Trade Agreement (NAFTA), the Association of South East Asian States (ASEAN), the African Telecommunications Union, and the Inter American Children's Institute are examples. INGOs are organizations whose members are either other nonstate organizations or individuals. INGOs are far more common than IGOs and include transnational organizations devoted to professional (the International Political Science Association), political (Amnesty International), religious (the Catholic Church), economic (trade and industry associations), and cultural (the English-Speaking Union) matters. Whether their purpose is overtly political or not, they may affect national and international politics profoundly. Even many nongovernmental orga-

nizations located wholly within a single state can have important effects. So, too, sometimes can private individuals.

The global system is comprised of all these actors. To some degree, they interact, affecting one another. A system consists of institutions, patterns of interaction, and causal relations linking its component units. Of course, many of the components do not seriously affect the system most of the time on many issues. For example, states may be the most important actors, but some states are more important than others. We start with states as the principal actors in the global system, but throughout the book we give considerable attention to how states are governed internally, to the economic linkages among them, and to international organizations. A narrow focus on states alone would give a very deceptive picture of how international relations work.

States are the institutions that govern the people within their territorial boundaries. The interstate system developed most deeply and extensively in Europe, beginning in the late medieval era and extending to the present. Although this process was gradual as well as uneven, many observers regard the Treaty of Westphalia, which ended the horrendously destructive Thirty Years War in 1648, as a key moment in the emergence of the European international system. In this treaty, the principle of sovereignty was central. The king (or queen, prince, or other royalty) was declared sovereign; legitimate rule within the realm's boundaries stemmed from him and this legitimacy extended to the ruler's offspring according to the principle of dynastic succession. As a means of managing the religious conflict between Catholics and Protestants that had inspired the bitter Thirty Years War, the treaty recognized a general right of the ruler to decide the religion of his people, although in many cases there was tolerance and more than one faith was practiced within a country. Even then, however, the ruler had the right to make such decisions on behalf of those he governed, and other states had no right to interfere in this "internal" matter. Nor was there any superior authority over states and kings that could interfere. The power of both the Holy Roman Emperor and the pope was a thing of the past. States, at least in principle, were sovereign. They had "internal sovereignty," authority over their subjects and others living within their territories, and "external sovereignty," which gave them autonomy and independence of action vis-à-vis other sovereigns and powers. In theory, no external power had the right to tell a sovereign state what to do (Bull 1977).

Of course, not all states were of equal size or power, and weak states often had to accept a great deal of interference from more powerful neighbors. They might even, as a result of losing a war, lose their sovereign independence entirely, such as happened to Poland at the end of the eighteenth century. Nevertheless, the normative principle of sovereignty provided a guide to behavior that was considered both right and prudent. As such, it offered some protection to weaker states, which jealously guarded their rights. Strong states frequently did act with restraint, if only to prevent a breakdown of the new system and a reversion to the old—which would have meant a return to the intense competition among powerful states and frequent interventions in the affairs of the weak, just the situation that had led to the Thirty Years War. Restraint was strengthened by the common interest sovereign rulers had in reinforcing one another's claims to legitimate rule over their own peoples. Interference had the potential to undermine that general claim.

This system of competitive states has been called anarchic, but anarchy should not be equated with chaos. Derived from Greek, anarchy means "without a ruler." Certainly the Westphalian international system had no overarching authority, but even in anarchy there may be a good deal of order and predictability. Even antagonistic states could collaborate, coordinate, and cooperate in diplomacy, trade, and a host of other mutually beneficial activities. Yet because there was no superior power above the state to enforce the principle of sovereignty and punish rule-breakers, all rulers were dependent on the power they could muster, and their wits, to look after their own interests in the interstate system. It was a self-help system. This gave rise to the "security dilemma," whereby one state's actions, even if intended as defensive, nevertheless were likely to endanger the security of others. This aspect of the anarchic system meant there was always the risk of spiraling conflict and war.

The legitimacy of the system was thus reinforced when states followed the rules of the game; but when they violated them, the system threatened to break down into something nastier and more dangerous—either a free-for-all conflict or an effort by one state to become dominant and extinguish the independence of others. The French Revolution and the Napoleonic Wars posed this latter threat. The French republic proclaimed the doctrine of popular sovereignty; that the legitimacy of rule derived from the will of the people rather than from a dynastic ruler. This had wide appeal in Europe and so undercut the legitimacy of other states. In

addition, Napoleon Bonaparte, drawing on popular enthusiasm, created a large nationalist army drawn from the mass of the French citizenry, rather than from professional soldiers and mercenaries. This nationalist army, combined with Napoleon's military genius, had the potential to overwhelm the old, more aristocracy-based armies of other states. Consequently, France threatened to become the dominant state, a hegemon, that could reduce all others on the continent to a more or less subservient status.

It took the other states of Europe, especially Great Britain, Prussia, Russia, and Austria-Hungary, nearly thirty years to bring the French challenge under control. Once they had succeeded, the victors recognized their close call. They learned from the near failure, and tried to revise the system even as they reinstituted it. Their formation of the Concert of Europe marked an effort, like the Treaty of Westphalia, to create an era of peace following a catastrophic period of Europe-wide warfare. The victorious allies tried to restore dynastic authority but in a form tempered to the republican spirit that could not be erased from Europe's consciousness. They also allowed France to recover and reenter the system as an equal partner in great-power politics. The Concert of Europe established certain normative principles: states have a right to security and independence, states should respect each other's legitimate interests and observe international law, and differences should be settled by diplomacy and negotiation. These rules were to be backed by military power: no state was again to aspire to dominance, nor be permitted to make the effort. Threatened by an expansionist state, other states would join together to "balance" (actually, overwhelm) the belligerent to guarantee their collective security (Watson 1992; Schroeder 1994).

This restored but modified Westphalian system worked reasonably well for a century. Since then, it has been repeatedly reaffirmed, and extended to the entire world. Two major challenges in world war, both led by Germany, threatened to establish a hegemon over Europe and perhaps the globe, but both challenges were beaten back by a large alliance created to preserve the system. Following each of these wars, the victors attempted to create a universal international organization whose purpose would be to prevent another great conflict while at the same time preserve the essential elements of the interstate system. The first of these, the League of Nations, foundered in part because the United States failed to join, despite the fact that President Woodrow Wilson was the league's most fer-

vent advocate. It also failed because of institutional weaknesses, which left it unable to deal with the breakdown of the world economy during the Great Depression of the 1930s and the subsequent turn of many countries (Germany, Italy, Japan, and most of Central and Eastern Europe) to dictatorial rule. When those dictatorships waged war on their neighbors, the major powers in the league could not agree on whether or how to respond.

The United Nations, founded at the end of World War II, was also an organization that lacked, at the insistence of its member states, any substantial supranational authority. Perhaps there was the potential for it to develop over time into an institution with real power over matters of peace and security, but that potential was quickly lost as the cold war developed. In any case, the founders knew that the UN could not function as a powerful institution without agreement among the great powers. This understanding underlay the rule that any one of the five permanent members of the Security Council (the United States, the USSR, Britain, France, and China) could veto any action. The UN has always possessed some, limited means of modifying states' behavior so as to reduce the risk of war, but it has not been permitted to compromise its members' sovereignty in any fundamental way. Indeed, the organization has promoted the interests of sovereign states. As former colonial powers such as Britain, France, and Portugal yielded their overseas territories to independence movements, the UN became a principal instrument for expanding the state system throughout the globe and for protecting the principle of sovereignty as applied to newly independent states.

Since as early as the sixteenth century elements of a global economy had existed, tying together plantations, manufacturing industry, and consumers through the market. British, Dutch, Portuguese, and other traders, backed by their countries' naval power, were the principal creators of this system. The slowness and cost of transportation and communication, however, reduced the impact of these transactions. Although market towns and port cities across the globe were part of the system, millions of people were little affected. Hundreds of millions were not even organized politically into sovereign states. Beginning in the middle of the nineteenth century, however, modern technologies of transportation, communication, and weaponry extended the European state system, both its political and economic elements, into one that affected, directly and powerfully, the whole globe. The connections thus forged made the wars that

began in 1914 and 1939 world wars. Even then, however, vast areas of the world, notably in Africa and Asia, were colonies of the great powers and were not yet organized as independent states.

After World War II, the role of international organizations in global politics began to catch up with economic and technological influences. The United Nations, under the influence of an ever-expanding majority of non-European states, helped delegitimize colonialism and assisted former colonies in securing their independence. Through this process, the global economic system, based on the rapidly evolving technologies of communication and transportation, was transformed into a global state system, one still organized according to the principles codified at Westphalia three centuries before. In particular the principle of sovereignty has been continually reaffirmed. A recent, notable example was the United Nations' approval of action by a large coalition to restore Kuwait's independence after Iraq's invasion in 1990. Quite a few states have seized pieces of others' territory since 1945, and a few have voluntarily surrendered their independence, as East Germany did in 1991. But it is important to note that in no case has a state's sovereignty been extinguished by force in the post-World War II period.

Leaders of the capitalist states who emerged victorious from World War II also laid plans to restore and stimulate the global economy. Delegates meeting in 1944 in Bretton Woods, New Hampshire, agreed to plans, put forth especially by the United States, to establish new global institutions loosely associated with the UN. One, the International Monetary Fund (IMF), was charged with stabilizing exchange rates for international currencies. A second, the International Bank for Reconstruction and Development, subsequently known more commonly as the World Bank, was initially devoted primarily to rebuilding the shattered economies of postwar Europe. As that task was accomplished, its attention shifted to supporting programs of economic development in the world's poorer countries. A third global institution, the General Agreement on Tariffs and Trade (GATT), was formed in 1948 to reduce tariffs and other barriers to international trade, on principles of reciprocity and nondiscrimination. Initially GATT dealt largely with trade in manufactured goods, but it ultimately expanded, as the World Trade Organization (WTO), to include all elements of international trade. Together these three institutions represented a compromise between national autonomy and international norms (Ruggie 1982). Although during the cold war

most of the Communist states stayed outside of them, these global institutions deserve much credit for the enormous growth in international commerce and interdependence in the second half of the twentieth century.

Anarchy as a Potentially Vicious Circle

The anarchic system of sovereign states has maintained itself for centuries—though sometimes precariously. “Realist” theories of world politics emphasize that because there is no supranational government, the international system has the characteristics Thomas Hobbes attributed, in the seventeenth century, to a country undergoing civil war. (Hobbes wrote his book *Leviathan* right after a bitter civil war between royalists and republicans in Britain.) To Hobbes, chaos was the greatest danger: a war of all against all. An additional danger is the potential for strong states to establish hegemony over others in the international system. According to realist theories, for these reasons, states must always be vigilant. They must be prepared to act vigorously to confront emerging powers controlled by ambitious, aggressive leaders. Preferably they must act preventively, before the emerging power becomes too great. Consequently, military strategy may have a hair trigger. And states may feel obliged to react against emerging powers regardless of the others’ intentions; for if the power of a potential adversary becomes too great and what seemed originally to be (or in fact was) limited ambition turns out to be something more, a challenge to a state’s sovereignty could only be beaten back at great cost, or possibly not at all. The necessity for vigilance is especially great in periods when military technology and organizational doctrine are evolving rapidly or seem to favor the offense over the defense. If by quick and powerful invasion (like Hitler’s blitzkrieg early in World War II) an attacker can overwhelm defenders, then even a defensive-minded state may feel obliged to strike first just to protect itself. It may not feel able to afford the luxury of waiting to figure out whether its opponent’s intentions are, like its own, merely defensive.

Here then is an example of a potentially vicious circle, a series of strategic interactions within a Hobbesian system that magnify hostility and end in war—even though neither state originally intended it. The danger in international politics is that reasonable, defensive behavior can lead to a

self-perpetuating downward spiral of action and reaction that produces an outcome no one desired. One state’s military capabilities are seen to threaten another state, whether or not that is the intention. Indeed military leaders are trained to focus on the capabilities, not the intentions, of other states and to plan for the worst case because intentions can change. Frequently states regard their own intentions as clear and defensive and, to be prudent, regard their capabilities as relatively weak. But at the same time, they fear their adversaries are strong and expansionist. This was so in the crisis that produced World War I (Holsti 1972). The security dilemma may merely drive an escalating arms race or the competition for spheres of influence, but growing military capabilities, reduced diplomatic and economic contacts, and increasing distrust can end in a catastrophic war (Choucri and North 1975). Indeed, those who counsel a “realistic” strategy of military preparedness and constant vigilance because of the dangers of international politics may create a self-fulfilling prophecy (Smith 1986, 48). Of course, realists do not believe that war is equally probable with everyone, and states do not always assume the worst is likely to happen (Brooks 1997); but the Westphalian system is vulnerable to vicious circles.

The extreme form of an anarchic system is Hobbesian; a less severe form can be termed Lockean, after John Locke, another great seventeenth-century English thinker. In his *Second Treatise on Government*, Locke emphasized the need for a civil society to moderate the exercise of power. This need applies to international relations as well as to national governments. A sense of respect by states for one another’s right to a sovereign existence is key to a Lockean international system, and over time that recognition has become more generally accepted. Respect for other states’ sovereignty in itself does not abolish war, aggression, or seizures of territory, but it can help prevent them. Because all states wish to exercise the prerogatives of sovereignty, they may be reluctant to violate the sovereignty of others, especially by absorbing or eliminating them (Bull 1977; Wendt 1999; Doyle 1997). The experience of turning back Axis occupation of many states during World War II and then the liberation of many colonial territories strengthened adherence to that principle even more. By the late twentieth century, most of the world had accepted Lockean principles. The Middle East seems the biggest exception, although the eviction of Iraq from Kuwait in 1991 and recent developments in the Arab-Israeli peace talks show some progress even there.

The Creation of Virtuous Circles

There are also virtuous circles in world politics. Much of international relations involves peaceful interactions that are not seen as threatening but rather as mutually beneficial. These benefits can increase over time and expand in scope. What began as a vicious circle can sometimes be broken by deliberate policy and turned into a virtuous circle. Perhaps the most prominent case of such a reversal occurred in Western Europe after World War II. With tens of millions dead, their economies in shambles, and cities in ashes, the new European leaders consciously decided to break the old pattern of hostility and war. Those leaders, including Konrad Adenauer, Alcide de Gasperi, Jean Monnet, and Robert Schuman, did not make the change all at once simply by an act of will. Rather, they set up an intricate system of political, economic, and social institutions designed to reinforce one another, creating a set of virtuous circles that would both directly and indirectly promote peaceful relations. This system depended upon three elements that are key to "liberal" theories of international relations.

First was the *promotion of democracy*. The post-World War II European leaders believed that the breakdown of democracy had played a key role in destroying peace. Dictators had been aggressively expansionist, and World War II could readily be blamed on authoritarian or totalitarian states, especially Germany, Japan, and Italy. Even World War I could plausibly be blamed on the ambitions or incompetence of authoritarian rulers in Austria-Hungary, Germany, and Russia. The initial task, therefore, was to establish stable democratic institutions throughout Europe and to root out old nationalist and authoritarian ideologies. In this the victors were aided by the total defeat and discrediting of the old authoritarian leaders (some of whom were executed for war crimes) and by institutional changes put in place by the Allied occupation of western Germany.

The second element in establishing a virtuous circle was the *bolstering of national economies*. European leaders realized that authoritarian governments had arisen in large part because of the breakdown of the world economy in the 1930s and the poverty induced by depression. During the course of the depression, most governments tried to protect their own citizens' income by restricting trade; it seemed better to preserve jobs at home than to import goods produced by foreign workers. In its extreme

form, this kind of economic policy leads to economic isolation, or autarky. Autarky has a basis in eighteenth-century doctrines and practices of mercantilism, which were intended to strengthen a state's security by promoting exports, controlling and discouraging imports, and producing an inflow of gold and foreign currency that the state could tap to build its power. The Soviet Union practiced a modern version of this extreme policy in its quest to construct an independent military and industrial base, and in various periods, so, too, did China and some other poor countries.

Even less extreme mercantilistic practices can turn into the kind of competitive imposition of tariffs and other trade barriers characteristic of the "beggar my neighbor" policies of the Great Depression (Kindleberger 1973). One of the countries hardest hit by this vicious circle of economic policies was Germany. The Weimar Republic, established in 1918 after the forced abdication of Kaiser Wilhelm, was distrusted by supporters of the old autocratic system. Only slowly recovering from World War I, Germany was especially damaged by the drop in global prosperity and trade of the early 1930s. Millions of Germans, impoverished by unemployment and inflation, turned away from democracy. They became ready to accept drastic action by Hitler, who promised to restore prosperity and their country's glory. After World War II, Europe's new leaders understood that real prosperity, and an approach toward American living standards, would require the efficiencies and economies of scale made possible by a market bigger than that of any one European country. The economies of Europe were relatively small, at least as compared with the United States, especially after the destructiveness of the war. Adenauer, de Gasperi, Monnet, and Schuman believed that democracy must rest on a foundation of prosperity and that the economic well-being of each of their countries depended on stable, cooperative economic relations among themselves and with others.

To this the leaders of the new Europe added a further insight. A complex network of economic interdependence would not only underpin democracy, thereby indirectly contributing to peace, it would also strengthen peace directly. Businessmen, companies, and workers with strong economic interests in other countries would naturally oppose war with those countries. If they were dependent on other countries for markets, for vital raw materials and other supplies, they would resist any policy or movement that threatened to break those economic ties. If international investment could be encouraged, capitalists would resist

war, because to permit their country to attack another would risk the destruction of factories they owned in that other country. War would be economically irrational: those with important economic interests would suffer from war, and so they would use their political power to oppose policies that might lead to it. Consequently, European leaders in the late 1940s planned to open their markets to trade and investment with one another. They expected this to lead to stable economic relations, prosperity, and peace.

These efforts at economic integration began with the industries—coal and steel—then considered most important to an industrialized economy and especially to its war potential. In 1951, European leaders formed a new institution, the European Coal and Steel Community, designed to create a common market in these vital commodities, to facilitate investment across national borders and to insure that Germany could not again turn its heavy industries into a war machine. This was followed by a similar plan for the nuclear industry (Euratom) and others. Despite some concerns that a united Europe might become an economic and political rival to the United States, American policy makers encouraged this program of economic integration. Indeed, the United States insisted that its aid for European recovery from World War II, provided through the Marshall Plan, be coordinated by a new organization, the Organization for European Economic Cooperation. This ultimately became a global organization, the Organization for Economic Cooperation and Development (OECD), with members around the world, including a number of newly industrialized countries.

Thus emerged the third element in establishing a virtuous circle in Europe after World War II: the construction of a thick web of international institutions, based on the belief that trade and other forms of economic interchange would not develop unless there were organizations empowered to promote cooperation and to make rules that encouraged and protected that cooperation. European leaders therefore created international institutions that would promote freer trade in goods and services. As they did so, it became apparent that all the benefits of a free trade area could not be achieved if member states had radically different labor or social policies. True economic interdependence meant dismantling the regulatory barriers to free movement not just of goods but of services, capital, and workers, too. Travel and even immigration, for example, had to be freed of old restrictions. With the old regulations eliminated, then the legal gaps had to

be filled by writing new regulations based on common principles. Common environmental policies and health standards were necessary if producers in countries with lax standards were not to have a market advantage over those in countries with strict controls. Economic policies had to be coordinated, and fluctuations in the relative value of national currencies brought under control. Therefore, one form of economic liberalization led almost inevitably to others in related areas of activity. This process is called “spillover”: institutions built to fulfill particular needs or functions create the necessity for cooperation in other, related areas of society. Theorists of economic integration had foreseen that this would occur (Mitrany 1966; Haas 1958; Lindberg 1963): the European Common Market, once established, became the European Community and ultimately the European Union. At each stage of development the institutions assumed much broader functions. The process and institutionalization of integration was so successful that other countries wanted to join, bringing the EU to a total of fifteen members with more likely to join in the near future.

The EU clearly has elements of supranationality in its powers. It can collect taxes (called “fees”) from its member states. The European Commission, one of the EU’s principal institutions, can produce and enforce common regulations covering a wide range of activities. The Council of Ministers acts as an executive body in which important decisions concerning the internal market must be approved by a 70 percent vote in a weighted-voting scheme, meaning that a small minority of Europe’s population cannot block action. The European Parliament is directly elected by the citizens of member states (though its powers are limited). The European Court of Justice settles conflicts between the separate institutions of the EU and takes referrals from states for the interpretation of EU regulations, and EU laws prevail over national ones. A non-EU institution, the European Court of Human Rights, has elaborated a bill of rights to which citizens may appeal against their national governments. For example, court rulings have required Britain to change its policies in order to permit gays to serve in its military and to restrict the use of corporal punishment in its schools. With the achievement of the Economic and Monetary Union among some of the EU members on January 1, 1999, the European Central Bank took over greater supranational authority than had been achieved by any institution since the founding of the European Coal and Steel Community, in this case, in the vital area of fiscal and monetary policy.

At the same time, much of what the EU does is as an intergovernmental body, and the member states preserve important elements of their traditional sovereignty. An attempt to form a European army through the European Defense Community failed in 1954. Recently, the Maastricht Treaty of 1991 declared that the EU "shall define a common foreign and security policy." Despite some steps in that direction, including strengthening of the Western European Union, the creation of a limited European military force for crisis intervention, and steps toward some kind of joint command, the member states still do not have a common foreign policy nor, in significant form, common defense institutions.¹ The breadth and success of the move toward full economic and monetary union is still uncertain. Most of the EU's citizens still direct their primary political loyalties to their particular states. Although elements of supranationality have developed much further in Europe than elsewhere in the world and citizens feel multiple loyalties, to Europe and to local units (such as Scotland or Catalonia) as well as to states, the system of separate states has not been abolished. But it has been made to work in ways far more productive of stable peace among those states and in line with the visions of the late 1940s.

This move toward European integration was begun during the cold war, when the security of Europe depended to a substantial degree upon the strategic protection of the United States and the United States was eager to see its allies more integrated and therefore stronger. Thus Western concerns regarding the global balance of power surely helped propel this process. It is also true, however, that this integration has expanded beyond the initial cold war allies, has become deeper than originally envisioned by most, and has outlasted the cold war. European economic interdependence and its political and economic integration did not depend on cold war imperatives. The European experience of the late twentieth century shows that it is possible to establish virtuous circles that solidify peaceful relations even while states retain many of their traditional Westphalian characteristics. And, as we shall see in subsequent

¹ On the EU's foreign policy, see Nuttall 1992. Other good discussions of the European experience with integration include Keohane, Nye, and Hoffmann 1993; Archer 1994; Urwin 1995. Armstrong and Bulmer (1998) stress the role of institutions, while Moravcsik (1998) emphasizes the importance of economic interests. A useful collection of documents is Nelsen and Smith 1998.

chapters, peaceful relations can often be achieved even without such extensive institutional structures as the Europeans have now built.

Background and Legacy of the European Achievement

The post-World War II leaders of Europe were not the first to recognize that these three key elements—democracy, economic interdependence, and international institutions—had great potential to create a system of virtuous circles supporting each other and, together, underpinning peace between states. A number of eighteenth-century writers had theorized about the conditions that would produce a stable long-term peace. The most famous of these writers was Immanuel Kant, whose 1795 essay, *Perpetual Peace*, is still widely cited. Kant thought peace could be rooted in relations between states governed by three principles of conflict resolution. One is what he called "republican constitutions," which in the present era we interpret as *representative democracy*, with freedom, legal equality of subjects, and the separation of governmental powers. An understanding of the legitimate rights of all citizens and republics in turn creates, in Kant's view, a moral foundation upon which a ("pacific union") can be established by treaty in *international law and organization*. Finally, what he called "cosmopolitan law," embodied in *commerce and free trade*, creates transnational ties of material incentives that encourage accommodation rather than conflict. Kant's vision was remarkably perspicacious for a time when he could have little practical experience with key parts of it. There were very few democracies in the world in the late 1700s and no international organizations as we now know them. Kant's vision was complex and subtle, and we will refer to it throughout the book. Our theoretical analyses and empirical tests build explicitly on his insights and those of the founders of the European Union.

Other classical writers stressed various elements of the same vision. There have been advocates of free trade for several centuries and from many countries. Their position came to be expressed most powerfully in the eighteenth and nineteenth century in Britain. Adam Smith linked free trade to both prosperity and peace in his famous book *The Wealth of Nations*, which was published in 1776. Later, Richard Cobden, a manufacturer and parliamentary leader, further developed this argument, suggesting that trade would both strengthen economic interests with a stake

in avoiding the disruptions caused by war and serve as an instrument of communication to promote understanding between countries. We will consider the development of these arguments and their implications in Chapter 4. Hugo Grotius, a Dutch contemporary of Hobbes, was an early advocate of the pacific benefits of international law, which he believed could ameliorate conflict not only directly but also by providing a basis for the promotion of trade and a sense of community among states.

In the modern era, Woodrow Wilson expressed Kant's three principles in the Fourteen Points he laid out as the basis for a more peaceful world after World War I. Wilson did not explicitly invoke the need for universal democracy, since not all of America's wartime allies were democratic. But his meaning is clear if one considers the domestic political conditions necessary for his first point: "Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind but diplomacy shall proceed always frankly and in the public view." Point three echoed Kant's notion of "cosmopolitan law" in demanding "removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance." The fourteenth point expressed his vision of a "pacific union": "A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike." He made this last the basis for the League of Nations.

In 1945, the founders of the United Nations were certainly realistic about the necessity of pursuing power politics in a dangerous world, but many also shared a commitment to incorporating Wilson's principles into their plans (Ikenberry 1996). These principles are clearly evident in the structure of the UN, with major units devoted to peace and security (notably the Security Council and the mediation activities of the secretary general), economic development and interdependence (especially the UN Development Programme, the Economic and Social Council, and UN-associated institutions such as the International Monetary Fund, the World Bank, and the World Trade Organization), and, following the Universal Declaration of Human Rights in 1948, human rights (UN High Commissioners for Human Rights and for Refugees, the Council on Human Rights, and the new International Criminal Court). Many of these

institutions have developed their powers over the years, but they are not nearly as extensive as those of the European Union.

Europeans had learned from their historical experience, particularly the world wars of the twentieth century, what needed to change. They were aided in their efforts to reshape the regional interstate system by having begun from a greater degree of cultural and political homogeneity and a higher level of economic development than those which characterize most other parts of the world. Nevertheless, while Europe has advanced furthest in establishing the three Kantian principles, other areas of the world have also achieved substantial success but with less development of intergovernmental organizations. The United States, Canada, and increasingly Mexico constitute one such area; cooperation among the Nordic states another; and Japan's relations with the United States and other industrialized democracies both in Europe and the Pacific yet another. (Like Germany, Japan drastically changed its domestic and international policies following its World War II debacle. Japan, again like Germany, had some precedent in its history for this transformation: its period of Taisho democracy in the 1920s was marked by parliamentary politics and a wide franchise, and cooperative economic and political engagement with the world.) States within these three areas abide by Kantian principles and refrain from power politics.

Others have made efforts to break out of the vicious circle of fear, hostility, and war. Mikhail Gorbachev, the last president of the Soviet Union, deserves significant credit for ending the period of East-West hostility. Gorbachev was certainly not alone in bringing an end to the cold war, and his reasons surely were rooted in his understanding of what was best for his country and his own ruling group. Nor did he understand the full impact his policies would have, leading as they did to the political and economic collapse of the Soviet Union and the end of power for himself and most of those around him. Yet his actions changed the destructive pattern of relations in which the Soviet Union had become mired. As important as anything else, Gorbachev and his advisers accepted the idea that there are "universal interests and values" (Brown 1996, chap. 7; Wohlforth 1993, chap. 9). In this, they may well have been inspired by the success of Western Europe in establishing peace and prosperity based on the three principles discussed above.

Understanding the implications of democracy, economic interdependence, and international organizations may help us understand the end of

the cold war: not simply why it ended, but why it ended prior to the drastic change in the bipolar distribution of power, and why it ended peacefully. In November 1988, British prime minister Margaret Thatcher proclaimed, "The cold war is over." By the spring of 1989 the U.S. State Department stopped referring to the Soviet Union as an enemy of the United States. The fundamental patterns of East-West behavior had changed, on both sides, beginning even before the razing of the Berlin Wall in November 1989, the unification of Germany in October 1990, and the dissolution of the Warsaw Pact in July 1991. Even after these events, the military power of the Soviet Union remained largely intact until the dissolution of the USSR on the last day of December 1991. None of these events was resisted violently by Soviet leaders.

Some of the actions that led to the end of the cold war were initiated by the West, and the West in time also reciprocated Soviet initiatives. Nevertheless, Gorbachev's policies of glasnost (openness) and perestroika (restructuring) were key to the unfolding of events. He instituted substantial political liberalization and movement toward democracy in the Soviet Union, with consequent improvements in free expression and the treatment of dissidents. Though his reforms fell short of full democracy, they were the beginning of a process of democratization, a major step in the journey away from authoritarianism. Notably, Gorbachev also permitted the process of liberalization to develop in the East European satellites, not just at home.

The Soviet and East European economies were in dire shape; they had been stagnant or in decline for a decade. In the early Stalinist years of the cold war they had been very autarkic, with most trade limited to the Communist bloc. Slowly they opened to the West, but the reform was insufficient. Gorbachev decided that imminent collapse of these economies could only be avoided by seeking economic interdependence with the West. This would allow the Soviet bloc access to Western markets, goods, technology, and capital. To get these, Soviet military and diplomatic behavior toward the West had to become markedly less antagonistic.

Gorbachev and the "new thinkers" around him also showed greatly increased interest in international organizations. In the late 1980s, perhaps anticipating political instability in parts of the empire they could no longer afford to maintain (outposts in Africa, Asia, Latin America, and even Eastern Europe), Soviet foreign policy leaders took a number of initiatives to revitalize the United Nations and considered innovative ways,

including greater use of the International Court of Justice (Roseanne 1995, 258), by which it might be strengthened. When, after Iraq's aggression against Kuwait in 1990, the United States chose to work with and through the UN to legitimate American military actions, Gorbachev was supportive. Some other experiences of the Soviet Union's involvement with international organizations were unanticipated. The Conference on Security and Cooperation in Europe (CSCE, later the Organization for Security and Cooperation in Europe) and the human rights accords of the Helsinki agreements of 1975 were important for legitimating dissent in the Soviet Union and Eastern Europe. The Soviet Union did not repudiate these agreements and even came to see the CSCE as a potential bulwark for a new kind of political stability (Adler 1998).

One other world leader who has appreciated the importance of the Kantian principles and their interrelatedness should be acknowledged. Boutros Boutros-Ghali (1993, paragraphs 10–12), who was secretary general of the United Nations from 1992 to 1996, declared that the United Nations needed to support three interlinked efforts:

The real development of a State must be based on the participation of its population; that requires human rights and democracy. . . . Without peace, there can be no development and there can be no democracy. Without development, the basis for democracy will be lacking and societies will tend to fall into conflict. And without democracy, no sustainable development can occur; without such development peace cannot long be maintained. And so it has become evident that three great concepts and priorities are interlinked, and they must be addressed at every level of human society.

A Complex System of Interactions Supporting Peace

The view of international politics as potentially cooperative, at least among large numbers of states, is by no means universally held. The Westphalian system is a European construction, and key realist thinkers such as Machiavelli and Hobbes wrote around the time of its origin, in the sixteenth and seventeenth centuries. Not only were the states of that era ruled by autocrats, but most were fairly self-sufficient economically rather than interdependent, international law was little developed, and international organizations were virtually nonexistent (Grotius and Kant are interesting exceptions; both lived in small trading states, and the

Dutch Republic where Grotius lived was relatively liberal.) These characteristics remained true of the international system up to the nineteenth century. (Cobden and the British liberals lived in a trading state that was democratic, but the popular control of government was still limited: only men with property had the right to vote, for example.)

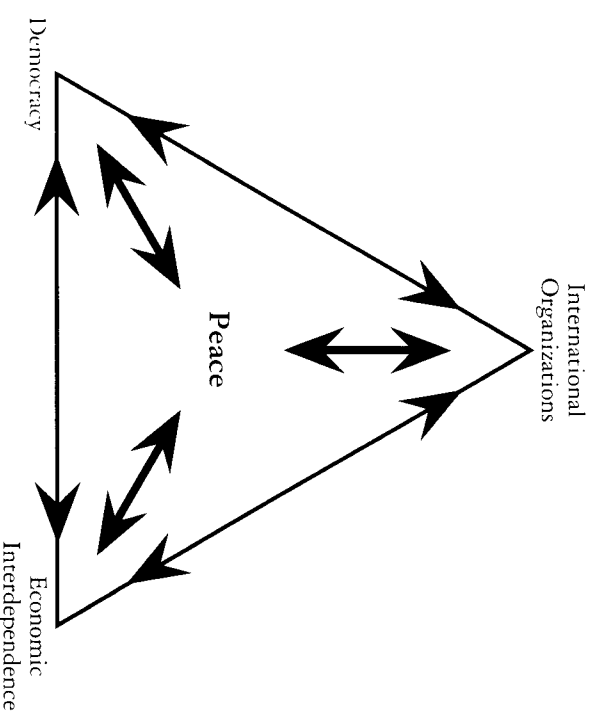
Even in the twentieth century, the spread of the Kantian principles was limited. The colonial systems established by the European powers remained in place until after the end of World War II, and the colonies were, of course, not democratically governed. Nor were they allowed to develop interdependent economic relations or participate in international organizations. Understandably, leaders of countries outside the West are now vigorous defenders of the concepts of state sovereignty and nonintervention. Moreover, early Asian theorists who wrote in periods of political independence—such as Kautilya in India and Sun Szu in China, both in the fourth century B.C.—observed Asian interstate systems that were very like the Westphalian system that later developed in Europe. Their rulers were autocrats, controlling substantially self-sufficient states, essentially unconstrained by concepts of international law. The Communist tradition of Marx, Lenin, and Mao Zedong—still represented in somewhat weakened form in China, North Korea, Cuba, and Vietnam—constitutes another overlay of beliefs about the inherently conflictual and dangerous character of international relations. Even now, democracies live close to autocracies in Asia, where economic interdependence has become significant only recently and the network of international organizations is less dense than in Europe or even Latin America. It is therefore hardly surprising that, to this day, many Asian leaders adhere more to realist views than to liberal ones. Still, we have seen how, in a variety of historical times and circumstances, some political leaders have tried to reverse vicious circles with a new pattern of behavior drawing upon mutually reinforcing influences for peace. Contemporary Germany and Japan, for instance, having experienced disastrous consequences from abiding by the principles of realpolitik, now largely follow liberal policies (Maull 1990–91).

We have reached a point in our discussion where we can think explicitly not just of an international system of states but of a multilevel system that incorporates other important actors, such as IGOs and INGOs, that influence states to behave in certain ways and constrain their actions in others. We also include a wide variety of processes in our understanding,

of a system: not just political processes but economic, cultural, and informational ones. Finally, our conception is of a dynamic system, one not simply maintaining itself in some unchanging equilibrium but able to evolve. We will argue that certain virtuous circles exist that are self-reinforcing. This means that the probabilistic generalizations we will make (democracy, economic interdependence, and international organizations make military conflict less likely; democracies are more likely to be interdependent; etc.) are apt to become stronger, and the system itself more stable over time. This evolutionary development is not inevitable, but there are good reasons to believe that it will continue, especially if leading states adopt sound policies.

The Kantian Triangle

A simple diagram helps in visualizing the three elements of the Kantian system and the virtuous circles connecting them that we will discuss in detail in this book.



This schematic representation is a roadmap for the rest of the book. First, notice the arrows running toward peace from each of the three

points of the triangle. The one from the lower left (democracy) represents the widespread understanding that democracies rarely fight each other. As we will see, not only do democracies virtually never wage war on other democracies, they are also much less likely than other kinds of states to have serious military disputes or skirmishes with each other. Democracies are also more peaceful in general than are authoritarian political systems, although this proposition is more controversial and the evidence more mixed.² We will look at the theories and some of the evidence for the "democratic peace" in Chapters 2 and 3.

The arrow from the lower right (economic interdependence) represents the proposition that economically important trade and investment limit the likelihood that a state will use force against its commercial partner. It draws on the theoretical tradition in support of free trade strongly advanced by Smith, Cobden, and the other British liberals. It also finds strong support in recent evidence. Critics of the argument that democracies are less likely to fight each other do not contend that democracies are *more* likely to fight each other; at most, they maintain that democracies act in the same ways autocracies do, that the character of a state's political system is irrelevant in an anarchic international system. Critics of the argument that interdependence increases the chances for peace, on the other hand, sometimes do take the stronger position that trade can increase military conflict. Others maintain that economic relations, like domestic politics, do not much influence the probability that military force will be used. They claim that states fight over other issues, territory or access to resources, for example. In our view, the critical perspective on economic interdependence, in either its strong or weaker form, is not supported by the evidence. We will take up these issues in Chapter 4.

Finally, the arrow from the top (international organizations) to the center (peace) signifies that international organizations also make a direct

²A number of theoretical explanations have been offered to account for democracies' pacific relations with one another, and the evidence for the "democratic peace" is substantial and diverse, though not undisputed. Chapter 2 discusses some of the challenges, not so much to refute specific arguments as to illustrate the criteria for evaluating a scientific research program. In the process of discovery, new generalizations are contested, in ways that are partly adversarial and partly "objective." New claims are subject to modification as well as refutation. So far, however, the democratic peace proposition has held up well. Chapter 3 provides an illustrative empirical analysis.

contribution to preventing and resolving conflicts between countries. This proposition implies that the more international organizations to which two states belong together, the less likely they will be to fight one another or even to threaten the use of military force. International organizations may reduce the likelihood of conflict in various ways. They may directly coerce and restrain those who break the peace, serve as agents of mediation and arbitration, or reduce uncertainty in negotiations by conveying information. They may encourage states to expand their conception of the interests at stake, promoting more inclusive and longer-term thinking; shape general norms and principles of appropriate behavior; or encourage empathy and mutual identification among peoples. Different organizations concentrate on different activities. We return to this topic in Chapter 5.

In addition to these three arrows, there are separate arrows returning to each of the corners from the center. The reciprocal effects represented by these arrows are important in understanding the international system. Democracy is easier to sustain in a peaceful environment. States involved in serious protracted conflict or militarized rivalries with other states are likely to have bigger military establishments, to restrict public information about key government activities, and to limit public criticism of those activities. In more extreme forms, external threats become reasons or justifications for suspending normal civil liberties, elections, and constitutional government. On the other hand, if the states relevant to democracies' security become themselves more democratic, the democracies will reduce their military expenditure and get involved in fewer conflicts, as the end of the cold war indicates (Maoz 1996). This factor, too, will require careful consideration later, principally in Chapter 6.

Trade is discouraged by international conflict and especially by war. States do not look kindly on their citizens who try to profit from commercial relations with a national adversary. Economic sanctions are a common tool of policy in dealing with hostile nations, either as an alternative or as a supplement to military means. During the cold war, the Soviet Union tried to maintain a high degree of autarky so as not to have its military capabilities dependent on the West. Western states, in turn, developed a system for restricting the sale of weapons and a wide range of military-related technology that could strengthen their adversary. Private traders are naturally reluctant to trade with, or invest in, countries with which political relations may at any time be violently disrupted.

International organizations sometimes are created to reduce or manage tensions between adversarial states. These organizations may seek to strengthen uncertain or ambivalent political relations, perhaps by encouraging arms control or by becoming involved in crisis management. The United Nations is an obvious example, organized with the full knowledge that peaceful relations among its members, especially the great powers, could not be taken for granted. Most IGOs, however, depend on reasonably peaceful relations among their members to be effective. They are devoted to promoting international cooperation in a wide range of activities, including diplomacy, trade and investment, health and education, and human rights, as well as mundane things such as postal services, the standardization of weights and measures, etc. They are most often formed when a certain level of peace seems probable.

These reverse arrows, or "feedback loops," create the potential for the virtuous circles we want to emphasize in this book. But there are also arrows along the sides of the triangle. Some of these links are speculative while others are quite well established, as we shall see in Chapter 6. We show, for example, that democracies are more likely to trade with one another, partly because, confident in peaceful relations, they do not feel that the economic benefits that accrue from trade will strengthen a state likely to become an adversary. They do not have such assurance with authoritarian states, as was the case during the cold war. Interdependence in turn may induce a certain externally supported pluralism that encourages democracy. Democracies are more likely than authoritarian states to form and to join many international organizations, and international organizations (such as organs of the EU and parts of the contemporary UN) may overtly support and strengthen democratic governments. For example, countries that hope to join the European Union in order to benefit from economic interdependence must first meet EU standards for political democracy. Finally, IGOs may be formed specifically for the purpose of promoting international trade and finance, embedding free trade in a structure of liberal international institutions to promote an integrated world market-based economy (Gardner 1980; Ruggie 1982; Murphy 1994). In turn, a high level of interdependence among states is likely to create a need for institutions to manage and stabilize their commercial relations: the World Trade Organization, for example, plays an important role in arbitrating disputes over fair trading practices.

We should also say something about the nongovernmental influences

on world affairs that are not represented in our diagram or discussed in any substantial way in this book. Our focus here is on relations between states, and so we might risk overemphasizing the role of states or organizations formed by states as their agents. That would be a serious error. Peace between states is also a result of actions taken by transnational actors or international nongovernmental organizations, such as multinational corporations, churches, international labor unions, charitable organizations, and a wide variety of other groups, of which there are thousands in the contemporary world. These INGOs may promote democracy or attempt to influence the policies of democracies, foster cultural exchange, encourage interdependence, or support the activities of IGOs. Individuals, too, can make a difference. The Swedish industrialist Alfred Nobel did so by funding the peace prize that bears his name; so, too, have many of the winners of that prize over the years. But one need not do something so grand to affect international relations and promote peace. Studying abroad and culturally sensitive tourism count, too.

Not all of the arrows in our diagram are equally important. Some of our hypotheses may even prove to be unfounded. But if most or even many of them are true, as we attempt to show in the chapters that follow, there is a basis for a dynamic international system that is able to perpetuate and enhance itself. Peace between states, the special focus of this book, would comprise a key product of, but also an ingredient in, this Kantian system of virtuous circles. In such a complex, dynamic system, it is inherently difficult to identify one or two single "causes" and say that they are key. Particular relationships cannot readily be plucked out and considered in isolation from the others.³ Nevertheless, we attempt to identify in the empirical analyses presented below those that affect most powerfully the prospects for peace.

It is also important to identify those processes most susceptible to human intervention and manipulation. Which influences can states, citizens, and private individuals most readily affect: the promotion of democracy, interdependence, or international organizations? The great

³In statistical analyses, which necessarily focus on only a few variables and relationships at any one time, the amount of variance explained by even the most significant variable may be relatively modest. The power of the hypothesized relations may only emerge from a set of analyses especially designed to pick up all the interactions and reciprocal relations.

forces of world politics may seem to influence and constrain us in ways over which we have little or no control. But human agents are not impotent against these great forces and structures. We hope to convince the reader in the following pages that there are sound grounds for optimism about the future of global interstate relations.

Different instruments will be available in different historical and regional contexts, so we need to consider when, where, and how they operate. In Europe after World War II, the most effective entry point in creating a virtuous circle may have been through promoting economic interdependence. In South America in the last decade or so, the effective entry point was probably the revival of democracy. Under military dictatorships, Argentina, Brazil, and Chile conducted an arms race in conventional weapons, especially in ships and aircraft. Argentina and Chile had serious border disputes that could readily have erupted into war, and the Argentine military actually seems to have wanted war in the 1970s and early 1980s. Argentina and Brazil were involved in a scarcely covert race to gain nuclear arms. All that changed, however, after the Argentine military regime was overthrown in 1983. This development was followed later in the decade by the restoration of civilian governments in Brazil and Chile. Between 1985 and 1994 Argentina's military budget fell from 3.8 percent of its gross national product to only 1.7 percent. Brazil decreased its military expenditures from 1.7 to 1.2 percent from 1990 to 1994. Argentina and Chile settled their border disputes with arbitration by the pope. Argentina and Brazil ratified the Nuclear Non-Proliferation Treaty and became fully compliant with the Treaty of Tlateloco, which established a regional nuclear nonproliferation regime in Latin America. They abandoned their nuclear weapons programs. In 1991, Argentina, Brazil, Paraguay, and Uruguay formed a regional trading market (Mercosur), and trade among the largest economies (including Chile) grew by 50 percent between 1991 and 1994. Thus the establishment of democratic governments in these countries was a sufficient condition for peace among them (Kacowicz 1998, chap. 3; also Hurrell 1998). Some of them had experienced peace for periods even under dictatorships. Yet conditions in the 1990s became much more cooperative, warmer than just a "negative peace" of no overt conflict, and a return to authoritarian government would put severe strains on their international relations. (One means to prevent this is the provision of Mercosur that requires member governments to be democracies.

In contemporary East Asia, a region that is still far short of a generalized system of virtuous circles and where there are only a minority of stable democracies, the most effective entry point for the promotion of peace may again be through continuing growth in economic interdependence. North Korea, while holding tightly to its authoritarian political system, seems to be inching toward partially opening its closed economy. China, though hardly democratic, now has a ratio of foreign trade to GDP higher than Japan's and has come far toward a more open economy and better integration into global economic institutions. All the Kantian elements of change remain severely restricted in China, but major improvements have occurred. The strength of internal forces with an interest in maintaining and extending political and economic reforms and constructive engagement in world affairs suggests this is likely to continue. Still, it is possible to imagine circumstances—an economic slump, internal political unrest, or a deterioration of relations with the West—that could halt or even reverse this trend.

The downside is that, like vicious circles, virtuous circles can sometimes be interrupted or broken. Hobbesian thinking emphasizes the danger of vicious circles of military threats and the impossibility of breaking out of them. The first efforts to build a global system of peace based on Wilson's version of Kant's vision failed. They were imperfectly instituted, as the United States refused to join the League of Nations. International trade took a dive in the Great Depression, spreading misery rather than prosperity. A really deep and sustained economic downturn is probably the primary threat to a Kantian system. Newly established democracy proved fragile in much of Europe, Japan, and elsewhere. The Weimar Republic collapsed and gave way to Hitler, and Taisho democracy fell to Japanese militarism. The League of Nations collapsed, and the world was once again at war.

Another possible threat to a global Kantian system—a clash of civilizations—is addressed in Chapter 7. Our findings show this danger is greatly exaggerated. Chapter 8 considers the cost of failing to integrate Russia and China fully into the Kantian system and how that outcome might be prevented. The revived Kantian vision emphasizes the *possibility* of changing international politics, especially with the peaceful end of the cold war, from one dominated by vicious circles into something more constructive. The next century of world politics may build on the achievements of the past century, or it may see them reversed. A collapse of the world econ-

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.

From Democratic Peace to Kantian Peace¹

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).