

Chapter 6

Comparative Regionalism

The end of the Cold War has induced many scholars and politicians to shift the focus of the security problematique away from the “causes of war” to search for the “causes of peace.” A look through the more recent literature on security studies points to the prominence of the “democratic peace proposition” as a most-favored perspective in our attempts to come to terms with the post-Cold War era and to define a “new world order.” The sudden shift from war to peace as the main topic of inquiry has been most dramatic; the drama itself reflects a general euphoria and profound optimism evoked by the sudden and unexpected demise of Communism as a global force and so, also, the Superpowers’ ideological contention and nuclear confrontation as a global source of insecurity.

Yet just beyond the simple, elevating observation that liberal democratic states have not made war with each other, an observation raised by some to the status of scientific axiom and empirical law, the inquiry into the causes of peace plunges into the great, extant debate and philosophical abyss of detailing what democracy is and, more specifically, how liberal democracy produces peace.¹ The tight locus of the budding post-Cold War consensus immediately fans out in an enormous array of opposing views and a cacophony of criticism. A full recounting of the democratic peace literature and the many issues raised is beyond the scope of the present study, but a brief overview of the conflict behavior characterizing the democratic peace will be informative.²

The point of departure defining the present research is in establishing a proper relational, or systemic, context for the treatment of the special form of conflict behavior symbolized as the democratic peace. The geopolitical scope of international relations inquiry can be divided into three basic perspectives: *internationalism* (focusing on the dyadic behavior of states, in lieu of a defining system), *regionalism* (focusing on the particular patterns of behavior among geographically-proximate and culturally-similar states), and *globalism* (focusing on the coordination problem of states in a general system of interaction). The convention of inquiry in the democratic peace examines the dyadic behavior of democratic states within the global universe of possibilities. Possible regional

effects are not usually explored, even though it is often commented that some sort of regional effect must be considered in cross-national research designs.³ On the basis of the results of the research reported in this book, the interconnectedness of social processes and, thus, some form of regionalism should be considered an important intervening dynamic in the complex political processes defining our world and, so, in leading inquiry to a generalizable theory of democratic peace.

The research detailed in this chapter explores the special type of political transaction that characterizes the relationships of states designated as liberal-democratic: the structure and medium of exchange (specifically trade and communication) and the effects of such exchange on the security problematique. The first section will discuss the characteristics of the democratic peace and the context within which these empirical observations may be most meaningful: regionalism. The second section will detail the particular research issue: the relationships among communication, trade, and security; and the specific research problem: overcoming the “prisoner’s dilemma” of individual state actors in the systemic context. The third section will present a research design and empirical results.

Democratic Peace or Regional Alliance?

The consensus for acceptance of the concept of the democratic peace confines both elemental concepts, democracy and peace, to very specific meanings. The political phenomenon thus described is based on the observation that there has been no *major war between* any dyad of *liberal* democratic states in the modern era. (Gleditsch 1992; Manicus 1989; Morgan 1993; Ray 1993; Weart 1994; Weede 1992) Having accepted the basic premises of the democratic peace, the research task is to discover and describe the special conditions that generate that particular form of “peace” and to explain why the special conditions obtain the valued outcome: a reduction in the incidence of warfare. Several of our most prominent research scholars have engaged this task with varying results, emphases, and explanations. (E.g., Chan 1993; Dixon 1993 1994; diZerega 1995; Doyle 1986; Ember, Ember, and Russett 1992; Hermann and Kegley 1995; Kegley and Hermann 1995; Lake 1992; Maoz and Russett 1992 1993; Mintz and Geva 1993; Morgan and Campbell 1991; Morgan and Schwebach 1992; Owen 1994; Ray 1995; Russett 1993 1995; Starr 1992.) The resulting qualifications of the “fact” of the democratic peace are enormous, the independence of the events that comprise the “peace” is questionable, and the affected sample so small and time-bound that taken together these may well render the “fact” of the “peace” statistically inconsequential and, therefore, make the theoretical explanations and implications of the “empirical law” suspect. (Gowa 1995; Layne 1994; Spiro 1994) A concomitant observation to the absence of war between liberal democracies is

the presence of war between liberal democracies and other regime-types. Liberal democracies are, in general, no more pacific than other types of states. (E.g., Chan 1984; Garnham 1986; Hagan 1994; Maoz and Abdolali 1989; Schweller 1992; Small and Singer 1976; Weede 1984.)

Further complicating the democratic peace proposition is Mansfield and Snyder's (1995, 6) argument that a transition period from autocratic to democratic forms of governance is fraught with difficulties that may increase the propensity and probability of warfare during the process; "democratizing states are more likely to fight wars than are mature democracies or stable autocracies...reversing the process...[does not] reduce this risk."⁴ Of course, it has long been argued that liberal democracy itself is a consequence, rather than a cause, of affluence and strong performance. Both of these propositions lead to questions regarding the general accessibility of liberal democracy and, so, to its feasibility as a model for development and prescription for peace. Forsythe (1992) adds a more insidious qualification to the "peace" by arguing that democratic forms of governance are more open and so more susceptible and vulnerable to coercive external political manipulations, or covert actions, short of actual warfare and that such manipulations are often conducted by the more powerful democratic states wishing to control political processes within their weaker "partners."

What we may see reflected in the democratic peace literature, then, is either the same altruistic, yet enigmatic, dream that has animated utopian idealists since Kant. Or, on the other hand, we may see a subtle form of self-aggrandizing praise for the very recent "final" victory of the liberal democratic order in the centuries-long battle for supremacy in Europe and the most recent modification of the Eurocentric world system: from a regional state system to global colonialism to a global state system to a world market, all forms dominated politically by the West European and Europeanized states. The democratic peace may then be criticized as being a formula *not* of global "peace" but, rather, as a regional alliance structure of peace made necessary within the context of changing political conditions (post-colonialism) to maintain an advantageous global distribution of power using less-costly mechanisms of control.⁵ This more skeptical (cynical?) interpretation appears to be gaining adherents outside the privileged zone, those situated in the "zones of turmoil" or tottering on the brink.

The systemic value of democratic peace can only be assessed, impartially, in terms of whether there is more or less war in the world system under present conditions than there was under previous conditions, that is, has the incidence of warfare decreased (i.e., is the systemic quality of the democratic peace *peace-creating*) or has it simply been redefined or relocated (i.e., is the system, rather, *war-diverting*)? Equally important are questions as to whether liberal democracy can be identified as the primary cause, rather than a consequence, of any change in the systemic incidence of warfare (i.e., a necessary and/or sufficient condition), whether it is more or less efficient (than other contingent/causal conditions) in the production of the valued outcome, and whether the condition itself is

accessible/attainable to all who desire its benefits. To these questions, then, can be added the purely academic question: if liberal democracy is an efficient cause or condition of peace, how does it produce or facilitate the valued effect; and the purely practical question: how may we best implement and manage a global transition to liberal democracy?

What appears to be significant in regard to the inquiry thus described are the global patterns of peace and war that characterize contemporary global political relations. The preceding chapters have detailed the distinct patterns, or clusters, of war and peace in the post-World War II global system. Two implications of the protracted regional conflict observations are that 1) war and peace are not randomly distributed either spatially or temporally and 2) that a conventional peace (i.e., the absence of major war between states) can and does obtain in regions that are comprised primarily of non-democratic states.

Perhaps the most startling observation is that the most pacific security complex of states seems to obtain in the South America region where external warfare, in any form, has been extremely rare throughout their long history, whereas the states participating directly in the democratic peace are largely reformed miscreants who continue to support and/or engage in, often extremely intense, war with non-democratic states outside their own territory and home region. The characteristic that appears to enable the liberal democracies to give themselves the peace nod is their claim of superior performance in the provision of civil security and the recognition of human rights, and even that becomes debatable in light of the high incidence of group discrimination, self-destructive behavior, and violent crime, especially in the United States. Is there a connection between these special domestic social problems and the United States' assumed role as "global enforcer" of the democratic peace?

The fact that there are distinct and particular patterns of conflict behavior and political violence lends some credence to the essentially psychological claim that peace obtains when war is not chosen, that peace (and war) is first a normative condition and only thereafter an empirical fact. (See e.g., Vasquez 1993; Wendt 1992.) In this regard, the present inquiry concurs with Chan (1993, 209) that we need to pay homage to the "broader theoretical context of decision-making." It also agrees with Gowa (1995, 512) that the specific context of change must be accounted in research and "attribute the relationship between democracies and peace in [the post-World War II] period to the pattern of interests that the onset of the cold war [and decolonization] precipitated." The present democratic peace is probably best viewed, analytically, as a very special regional security community (Starr 1992) and a globalized regional alliance structure. But this practical, political facet of the democratic peace qualifies rather than negates the value of the proposition and its potential for restructuring political engagement and systemic conflict management.

A Political Economy of Regionalism

The potential of regionalism as an explanatory variable in security studies is profound. Cultural, environmental, and geopolitical differences and distinctions are acknowledged in international relations and comparative politics literature, although, like most social variables, the “vivid” distinctions blur around the edges making exact demarcations of meaningful “regions” for analytical purposes problematic. The spatial element in inter-state relations (or “territorial contiguity” to use Vasquez’s terminology) is strongly associated with political and economic interactions in general and with conflict behavior and political violence (war) events specifically (Vasquez 1993). Kirby and Ward (1987, 308-09) go so far as to contend that political borders are purely an artifact of social interaction and conflict and that both conflict and cooperation are “a function of the spatial structure as a whole....” Regional analyses of security and conflict behavior characterize the work of several scholars, including Deutsch’s “security community” (1957), Väyrynen’s “regional conflict formations” (1984), Buzan’s “security complexes” (1991), Maoz’s “politically-relevant international environments” (1993), and this book’s “protracted conflict regions.” Regional markers are also used extensively for organizing economic data.

The subject of “security” in international relations, on the other hand, is an essentially contested concept and in international political economy “security” remains a largely underdeveloped factor in analysis. In classic liberal economics, economy is generated by civil society and separated from politics and the provision of societal security, whether that security is in the form of internal social order and control or external protectionism and promotionalism. (Goodwin 1991; Ross 1991; Waterman 1993) In the Weberian state, the provision of security is a legitimate state monopoly that precedes and enables economic activity; it is a largely non-economic, non-competitive, exogenously-determined political activity producing an essential and elemental public good and its social costs are distributed “equally” to all members of society.⁶

The idea that security is an elemental cost to society and defines that society’s political aspect provides a crude measure of the societal costs of security: that is, total governmental expenditures. The idea that defense expenditures, a sub-set of total governmental expenditures, are largely exogenously-determined (by the security environment) comports well with the concept of regional security and integration theory. Integration theory is premised on the notion that the domestic and external security functions of the state are linked and that an increased functional cooperation among proximate states will reduce the perception of hostility and security threat and, consequentially, the social costs of providing security. The experience of functional cooperation, the accompanying perception of increased amity (security), and a consequential reduction in elemental societal costs will “spillover” to facilitate economic coordination, raise productive effi-

ciency, speed societal and systemic development, and create lasting peace. (See e.g., Deutsch 1957; Etzioni 1962; Haas 1958; Mittrany 1966; Nye 1971.)

Early excitement about the prospects of regional integration and development schemes were predicated on the performance of the European experiment and when that situation began to stagnate in the late 1960s and early 1970s, and other regional schemes failed, the field of (neo)functional integration became moribund. Studies of European integration turned to intergovernmentalism and “pooled sovereignty” reasoning, whereas the more general studies of integration focused on incrementalist concepts of globalism, interdependence, hegemonic stability, and the problems of collective action. At the present point, globalism and regionalism appear to diverge into competing, rather than complementary, concepts of commercial liberalism concerned primarily with issues of trade.⁷

A simplified explanation of the relationship between trade, welfare, and warfare can be established by reference to open and closed systems as conditioning environments to the general societal tendency towards greater social aggregation and welfare-maximization, a tendency described by Choucri and North (1975) as “lateral pressure.” (See, also, Ashley 1980.) In a closed system characterized by non-communication and/or non-cooperation among constituent social actors (i.e., anarchy), differential growth rates among system members originating from differences in factor endowments combines with increasing competition over the welfare-maximization function among members of a common-pool resource situation to define the relevant security problematique. This peculiar problematique favors a greater reliance on relative instrumental capabilities (i.e., ability to successfully wage war; relative power maximization) as the predominant conflict management mechanism and technique. Utility in the welfare-maximization function combined with fungibility between the welfare and security of one actor produces externalities (disutilities) in the security- and welfare-maximization functions of other actors (termed the “security dilemma”). Due to a general lack of cooperative alternative schemes among actors in a closed system, increases in the lateral pressure of individual actors tend to produce a greater incidence of dyadic and systemic warfare.

An open system, on the other hand, may be viewed as a potential “antidote” to the “war trap.” The openness of the system diffuses lateral pressures by enabling and promoting communication, cooperation, and coordination among systemic units; the presence of alternative, non-violent conflict management schemes (i.e., regimes, organizations, and institutions) defuse, channel, or transform systemic tensions away from system-disrupting behaviors and enable greater welfare returns by maximizing productivity and efficiency and minimizing waste, destruction, and predation. Trade, in the open system, substitutes for war as the primary medium of exchange among units in the welfare-maximization function while simultaneously decreasing security costs and preserving essential unit autonomy. Utility in welfare-maximization is coordinated among actors and made congruent with the utility of individual actors in the security-maximization function; the

incidence of dyadic and systemic warfare is thus minimized and a “peace dividend” further elevates the general welfare function.⁸

It must be noted that trade, welfare, and security are simultaneous functions and that each must be supposed to have substantial effects on the others. The complex relationship between welfare and security functions (“guns and butter”) is an elemental issue in security studies and is extensively treated in the literature. Trade promotes welfare and is both a consequence of increased welfare and a victim to decreases in welfare. Trade generates amity and is stimulated by increases in dyadic amity but is negatively affected both by an increase in dyadic and general systemic hostility. (See e.g., Domke 1988; Gowa and Mansfield 1993; Mansfield 1994; and Pollins 1989.)

Assuming that communication and exchange in an open system is the preferred (optimal) strategy for simultaneously maximizing both the welfare and the security functions of systemic actors, the under-provision of this condition (suboptimality) must be viewed as a structural problem. Conybeare (1984) presents a lucid and compelling argument as to why the under-provision of free trade should be considered a prisoners’ dilemma game rather than a public goods problem. The importance in this distinction lies in the nature of the policy prescriptions for overcoming the problem of deficient outcomes produced by the imposition of externalities: “[i]n a public good game the problem is one of inducing everyone to actively contribute resources to the provision of the public good. In a prisoners’ dilemma the problem is to make everyone refrain from taking action which is in their individual interest.”⁹ (Conybeare 1984, 20)

A condition of anarchy in a political economy comprising multiple actors presents the necessary structural features for an iterated prisoners’ dilemma game and its characteristic outcome (i.e., suboptimality). These structural features, once definitive of international relations, are increasingly difficult to obtain and maintain in a real world situation, however. Communication, information, reputation, and the “shadow of the future” have all improved and increased their influence in mitigating the prisoners’ dilemma outcome. These qualitative changes should serve to reduce the incidence of prisoners’ dilemma outcomes. Yet, the continuing existence of protracted conflict regions suggests that, despite generalized technological advances in information and communication and the presence of an increasingly open and extensive global system and world market, severe prisoners’ dilemma outcomes are still obtained under special conditions.

Experiments by Dawes, van de Kragt, and Orbell (1990), Majeski and Fricks (1995), and Dawes and Orbell (1995) reinforce our understanding of the importance of communication in social interaction schemes. Both Majeski and Fricks (1995) and Dawes and Orbell (1995) extend their experiments to test the results of a relaxation in the fundamental structural constraint against withdrawal from the game (or optional play); they concur in their conclusions.

Communication, particularly in conjunction with the option to withdraw, greatly increases cooperation and substantially reduces defection among groups. Communication appears to help groups allay fears that the opposing groups will defect. By providing a safe and more valuable option, the withdrawal choice also reduces defection without eroding cooperation to any significant degree. (Majeski and Fricks 1995, 637)

Dawes et al. (1990) go on to argue that purely egoistic incentives (welfare) are inferior in performance and stability to the combination of egoistic incentives and identity integration (based on “universal promising”).¹⁰ Intuitively speaking, this claim appears to favor regionalism over globalism as a contravention to anarchic nationalism and as a potential solution to the prisoners’ dilemma in trade and security. Some form of regionalism, because of its smaller scale, would also increase the possibility of a “*k* group” solution to the prisoners’ dilemma by narrowing the scope and reducing the “*n*”.¹¹ Realistically speaking, instances of supra-national social identity and consistent inter-state cooperation have been rare and ephemeral. Of course, peace has exhibited similar frailties and neither the possibility of supra-national identity nor that of peace should be dismissed or discounted for lack of empirical evidence. Peace is a highly-valued and almost universally-sought condition; identity and peace (as ideal concepts) are posited to be coterminous and concomitant outcomes of systemic integration.¹²

Moribund for over a decade, interest in the subject of regional integration has increased substantially since the dramatic political transformations in Europe in the late 1980s. The scholarly literature is again flooded with discussion, debate, and research. (E.g., Anderson and Blackhurst 1993; Caporaso 1992; Gambari 1991; Hine 1992; Huelshoff 1994; Langhammer 1992; Ruggie 1993; Schneider and Cederman 1994; Streeten 1991.) The most obvious change in the “neo-regionalist” literature is that it must contend with a better-developed discipline sporting a strong tradition of globalist and interdependence thought. Neo-regionalist research continues to be dominated by institution-building and institutional-performance studies, tends to focus on regional trade agreements that are small in scope and defensive in nature (i.e., “safe-havens” from globalist pressures), and relies mainly on “a classical Vinerian trade-creation/trade-diversion framework.” (Srinivasan 1993, 53) In short, neo-regionalism appears to disapprove of regionalism, identifying it with a tendency to form “blocs” and impede the progress of globalism; the potential security efficiencies are overlooked. What is generally overlooked in both the democratic peace and the neo-regionalist literature are the structural conditions that contribute to or otherwise help to determine the probabilities of success for alternative political strategies.¹³

Any particular organizational scheme of the global trading system will generate distinctive security externalities.¹⁴ (Gowa 1989; Mansfield and Gowa 1993) These security effects will, in turn, influence the pattern and distribution of

systemic benefits and help to determine the systemic “winners and losers” and their relative gains. This, as always, will inform and fuel the political aspect of the scholarly debate. However, the present study is most interested in the absolute welfare gains resulting from the reduction in aggregate warfare and the concomitant increase in “systemic peace.”

Comparative Regionalism

The empirical work of this chapter begins with the assertion that the answer to the impartial assessment of the democratic peace and the fundamental question posed above, namely, whether there is less warfare in the world system under present conditions than there was under previous conditions, is an emphatic and qualified “NO!” The detailed description of the Third World War seriously disputes any claim that the incidence of warfare has lessened since the Second World War. Yet, no answer of global proportions could possibly be that clear and simple, especially as regards the complex realities of political violence. I have argued above, and elsewhere, that the definitive, empirical law of human social progress can be summarized simply: “the utility of [and therefore the general resort to] war, violence, and coercion lessens with the development of human society.” This simple law must be qualified, equally simply: “the technical capacity to effect war, violence, and coercion, a capability made possible through the technological development of human society, has steadily increased over the same period.” (Marshall 1998, 2-3) The utility and legitimacy of warfare decrease while the possibility of social conflict, the vulnerability of societal networks, and the destructive potential of violence increase. The disruptive potential of warfare in the global system appears to remain roughly constant throughout time. How can we properly evaluate the comparative context of warfare?

A corollary systemic question was also posed above: has the incidence of warfare decreased (peace-creating) or has it simply been redefined or relocated (war-diverting)? The answer to this question is situationally dependent: the incidence of (actual or “hot”) warfare has decreased dramatically in the northern hemisphere; it has remained fairly low and constant in South America; it has increased traumatically in the six protracted conflict regions of the Third World described above; it appears to be lessening in four of the six protracted conflict regions after wreaking great devastation in those areas; and it seems concentrated in two regions (i.e., the Middle East PCR and a newly emerging Middle Africa PCR) and stagnated in one other (South Asia) in the 1990s. The incidence of warfare is both redefined (now mainly civil, rather than inter-state, warfare) and relocated (from Europe and east Asia in the early half of the present century to the Third World protracted conflict regions in the latter half). And, it continues to be redefined and relocated. Even though the ravages of warfare and enormous human

suffering have affected different peoples at different times and in different ways, the greatly increased costs of systemic security are being borne “equally” by all system members. It seems safest to conclude that our global conflict management scheme remains simply ineffective.

The research problem can be stated, thus: the global “colonial” system has been transformed to the current “world market” system and, as a consequence of this systemic change, the attendant security externalities have been altered. These externalities have a powerful influence and condition the political process in special ways, producing a unique security problematique. Over time, the specially-affected political process will generate behavioral responses by states and other systemic actors as political actions, events, or episodes. The prevailing patterns of political conflict can then be identified and measured empirically.

As a qualification, it must be pointed out that empirical research is necessarily retrospective. As such, the results can not be projected casually on to the future. Recall, for example, the contrast represented by the global situation at the end of the second millennium between “extreme peace” and “extreme turmoil.” Also of interest here is the counterpoise between the democratic peace literature (referring to a condition of “mature” liberal democracy) and the claim by Mansfield and Snyder (1995) concerning the increased probability of violence during democratization (the “transitional” condition). The period from 1946 to, at least, 1990 may be defined as a transitional phase in the global system and it is punctuated with violence; can it be assumed that the violence is also transitional? Can it be claimed that the global system has “matured” as a single “world market” or is it still in transition? Those questions can not be answered empirically; they are basically tautological assertions. All that can be done is to detail the results and to note major variations in the principal effects. Once noted, these variations will point to differing conditional qualities. Those conditions can then be revealed through analysis. The rest is interpretation. On the other hand, it may be claimed that the incidence of political violence in the global system is constant and it is only the locus of the incidental violence that shifts (from the systemic core to the peripheral regions in the twentieth century). Of particular interest in the present inquiry are the very pronounced *regional* differences in conflict behavior in evidence, at least through the twentieth century.¹⁵

The appropriate temporal realm for an assessment of systemic performance is the period since the end of World War II, 1946 to the present. In order to uncover and identify conditioning qualities, the temporal focus should concentrate on the early years of system transformation. Fortunately, the proliferation of new states in the global context, increased attention to non-major actors, and important advances in data collection, compilation, coverage, and quality have combined to enable an expansion in political analysis and allow comparative studies of regional characteristics and dynamics. This additional scope in our analytic capability is especially important in light of the observed regional (i.e., situationally-specific) variations in crucial effects. Coverage remains limited, but meaningful quanti-

tative analysis is possible and informative at the global and regional levels of analysis. Due to the relative dearth of historical data, analysis at the global level remains exploratory, rather than being designed and operationalized theoretically. For the purposes of this study, the basic research design is determined by the structure of the state system and the subject matter is largely defined by data availability.

Research Model

The structure of the state system conditions the political process and provides the organizational scheme for data generation, collection, and compilation. The state is the fundamental unit and the interactions of states are all forms of communication and exchange. Trade is a positive form of exchange and also serves as an indicator of multilateral communication: discourse is necessary to accomplish trade. Warfare is a negative form of exchange and an indirect form of communication based on “signaling”: signaling is a unilateral communication device that uses action as its medium; it is unilateral in the sense that the action initiated is autonomous of any discourse. Relations among systemic units can be measured using warfare (security) and trade (welfare) statistics. The consequences (or outcomes) of those relationships manifest as changes in absolute and relative capabilities and as interactive events; these can also be measured.

The possibilities for relationships and interactions are defined by the structure of the system. States are the basic units, but they do not exist in a vacuum nor are they primarily mobile. States (in the contemporary system) are fixed units that are primarily stationary. Their capacity to interact with other units is a function of their capabilities and is conditioned by their spatial location and their access to systemic structures (facilitative devices). Their capabilities are endogenously determined and are correlated to their “size” as measured in total endowments. Under normal conditions, changes in the capabilities of units should conform to Gibrat’s law: that is, “during a given interval, [they should] grow at a rate that is independent of their sizes at the outset of the interval.”¹⁶ (Mansfield 1994, 30)

Figure 6.1 illustrates the universe of possibilities for unit interactions and patterns of interactions (relationships) given the relevant structure of the global system. The global system is the universe of possibilities but, in a unit-relative interactive scheme, it signifies a sub-set (w) of possible interactions: all those that are not defined more specifically ($w = Total - (x + y + z)$). The “core system” includes that sub-set of global actors that are the most politically-active and influential systemic units, termed Highly Institutionalized States in the preceding chapters; interactions with the core system signify the subset (x) of interaction possibilities available to each system unit. The core system includes the states of both the North Atlantic alliance and the Socialist Bloc (see Table 6.1 below) and are distinguished by their privileged access to global systemic structures. The

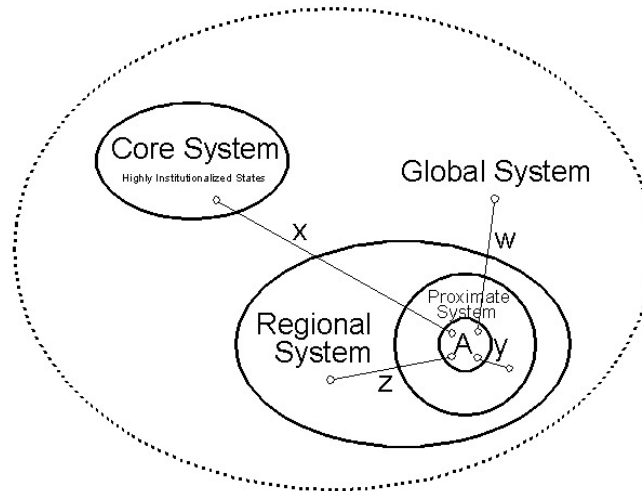


Figure 6.1 Systemic Interactions of States within the Global Context

“regional system” is situationally-, or geopolitically-, determined and unit-relative (subset z ; see discussion below). The “proximate system” is the unit-determined and unit-relative subset y ; it contains those states that share a border directly with the focal unit (A). As this is a general systemic study, the proximate system of each unit is not of special interest and so is not factored in the following analyses.

If only the pure transaction costs of interaction of each individual unit are considered, the preference ordering of each unit for exogenous interaction should be primarily a function of geographic distance from the unit (A). In this case, interactions with other units within the unit’s proximate and regional systems should be preferred over interactions with the core or global systems. The region is the level of analysis; the state is the unit of analysis. The temporal span of interest is thirty years, 1949-1978.¹⁷ These years are of particular interest to this exploratory study because we want to know more about the *formation* of the peculiar security problematic characterized by the protracted conflict regions described above.

An exact delineation of a regional system, as already mentioned, is problematic. Table 6.1 lists the states comprising the principal analytical regions examined in this study (the three-digit number is their standardized data code); data on aggregate population and land area are provided for comparison. There is a size criterion for units: only states with over one million population in 1990 are

Table 6.1
Global System — Analytic Regions

Global System—Core States

Modern Industrial Economies (14):	Industrial Command Economies (8):
002 United States	265 East Germany
020 Canada	290 Poland
900 Australia	310 Hungary
*** Western Europe (see below)	315 Czechoslovakia
	345 Yugoslavia
	355 Bulgaria
	360 Romania
	365 Soviet Union

Western Europe Region

11 States	1990 Population: 327,807,000	Land Area: 2,182,202 km ²
200 United Kingdom	225 Switzerland	260 West Germany
210 Netherlands	230 Spain	305 Austria
211 Belgium	235 Portugal	325 Italy
220 France		390 Denmark

South America Region

10 States	1990 Population: 296,470,000	Land Area: 17,338,287 km ²
100 Colombia	135 Peru	155 Chile
101 Venezuela	140 Brazil	160 Argentina
130 Ecuador	145 Bolivia	165 Uruguay
	150 Paraguay	

Middle East Region

20 States	1990 Population: 340,960,000	Land Area: 14,745,361 km ²
651 Egypt	640 Turkey	616 Tunisia
652 Syria	645 Iraq	630 Iran
660 Lebanon	670 Saudi Arabia	678 Yemen A.R.
663 Jordan	483 Chad	680 Yemen P.D.R.
666 Israel	520 Somalia	690 Kuwait
620 Libya	530 Ethiopia	696 U.A.E
625 Sudan		698 Oman

included. The regional systems are determined by reference to basic geopolitical criteria: the core region includes the states belonging to the competing Cold War alliance systems; the Western Europe Region includes the states actively involved in managing the previous Colonial world system;¹⁸ the South America Region is easily defined geographically as all states south of the isthmus of Panama; the Middle East Region is the most difficult to define and so the scheme established in the earlier chapters (i.e., the Middle East PCR) is used.

The three Regional Systems analyzed are roughly similar in basic size and are similarly comprised of several states. Due to data coverage constraints, only two other regions had adequate data for inclusion: North America and Central America. These regions were analyzed but the results are not included in the regional comparison. North America is problematic because it has only three states and one (the United States) has vastly preponderant capabilities; the U.S. itself could be considered a regional system as it is roughly comparable to the three chosen, but comparable data on U.S. inter-state (domestic) interactions is not available. Central America is structurally similar to the chosen regions but it is much smaller than the others and its political economy is overshadowed and distorted by the enormous power and active involvement of the United States. The results of the additional analysis of these two regions is not inconsistent with the findings of the three regions presented here, however, and this lends greater confidence to the following interpretations.

Target Conditions

The prior discussion of the literature suggests several conditions that may contribute to the special qualities distinguishing the present situation: the “world market” global system and the democratic peace concept. These then are the target conditions that will operationalize the comparative regionalism methodology and inform the subsequent interpretations.

Political Violence and Security

The incidence of political violence and warfare in the global context presents an indicator of systemic output that is of primary importance to this analysis. It has been posited that the primary function of a political system, at any operative level of aggregation, is to maximize the group’s security and welfare. At a micro-level, the maximization of welfare may be accomplished, in part, by “exporting” a portion of the costs of the security function through the creation of security externalities. As such, an individual unit may increase its own welfare in ways that increase the general security costs but distribute part of the burden of those added security costs indirectly to other units in the system. Due to the presence of security externalities, the security function of each unit appears to be largely exogenously determined even though the externalities themselves are

endogenously defined and produced. As exogenous qualities, these security costs tend to receive preference in public policy priorities and uncritical approval by societal members. At the macro-level, however, these externalities are necessarily “endogenized”; that, of course, is the nature of the prisoners’ dilemma: the rational pursuit of unit self-interest is detrimental to the common-pool resource system, thereby limiting or decreasing the size of the pool to the detriment of all.

As it is the system that is the focal point here, the total incidence of political violence (including both inter-unit and intra-unit violence) is considered an indicator of the dependent variable: systemic security. From a unit perspective (i.e., the state), there is reason to differentiate between inter-unit (inter-state; exogenous) and intra-unit (civil; endogenous) security and warfare; this is the conventional approach to security studies. From a systemic perspective, all behavior, whether by state or sub-state actors, is endogenous and such actor-type distinctions are purely artifacts of system structures. Unfortunately, data on political violence is strongly influenced by the conventional, unit-level approach and limited by the dearth of unit-actors in the Colonial world system that conditioned global relations prior to 1945. Therefore, questions regarding 1) temporal change or constancy and 2) regional variation or locus-shifting in the general levels of systemic violence can not be assessed accurately or reliably, except in the contemporary (post-1945) period.

A longitudinal analysis of the political violence episodes involving the states in the three regions compared in this chapter reveals evidence of inter-regional differences and intra-regional changes over time. Figure 6.2 provides a graphic depiction of these differences over the full research period, 1951-1990.¹⁹ This depiction displays the following basic regional differences: South America has been involved in consistently low levels of political violence through the contemporary period; Western Europe shows evidence of a moderate and steadily declining involvement; and the Middle East suffers an extremely high and increasing level of political violence. Analysis of data on militarized inter-state disputes which measure, to some degree, the “threat of warfare” (COW 1994) duplicates and, thus, reinforces the trends revealed by the political violence data.²⁰

There are other regional differences that the composite indicator of political violence does not reveal. Unlike the other two regions, Western Europe’s experiences with political violence have taken place mainly outside the home region’s territory (i.e., wars of colonial independence and foreign interventions); all the other’s experiences of violence have occurred mainly on their own territory and within their region. The decrease in Europe’s foreign intrigues was accompanied by a modest increase in civil violence at home. South America’s political violence is almost entirely confined to civil conflict situations with no external interference (except for a 1981 border dispute between Peru and Ecuador and the 1982 Falklands/Malvinas War between Argentina and Britain). In the Middle East, the dramatic increase in political violence has been pervasive, affecting all manner of social relationships: civil, inter-state, and communal.

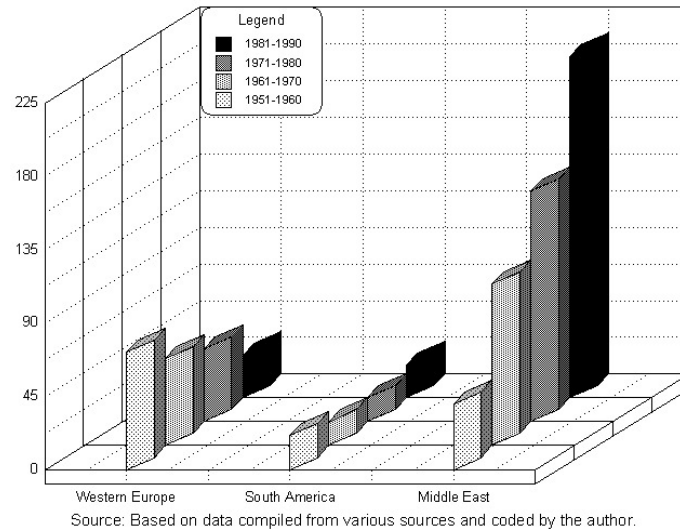


Figure 6.2 Political Violence: Episodic Intensity

Of course, it must be considered that actual warfare is the highest cost that an actor may have to pay in the provision of security. The costs of warfare in human lives lost and in physical and mental suffering is incalculable; the damage to and destruction of property and infrastructure is indeterminable. A more accessible indicator of the costs of providing regional security is contained in aggregate statistics on the numbers of military personnel and military expenditures of the constituent states. Numbers of military personnel, in general, tend to remain fairly constant over time, rising substantially only in times of extreme state emergency (e.g., major wars). During the period under study, 1949-1978, the Middle East maintained a military personnel level of between 7.52 to 10.25 per thousand population; Western Europe's personnel level fell persistently from an initial high of 12.86 to 7.66 per thousand; South America maintained relatively low levels between 3.28 and 3.92. Military expenditures, on the other hand, tend to increase at a fairly constant rate over time, a rate that is punctuated with dramatic increases in response to state emergencies. In terms of military expenditures, Western Europe's per capita costs started out relatively high at \$36.58 and increased steadily through the 1949-1978 period to \$185.56; the Middle East started very low at \$5.82 per capita, increased slowly to \$36.94 (1969-73), and jumped dramatically to \$138.00 at the end of the period (i.e., 1974-78); South America

spent relatively little on its military preparedness, beginning at \$10.94 and ending at \$20.95.²¹

Clearly, the Middle East regional system is experiencing a classic prisoners' dilemma situation as systemic benefit (i.e., security) is vastly under-supplied, the costs of providing this suboptimal level of security are very high, and systemic defection is rampant. On the other hand, both South America and Western Europe regions appear to have somehow overcome the prisoners' dilemma condition. South America enjoys maximal systemic security with minimal costs. Western Europe seems to have attained maximal systemic security at a moderately high cost.²² This evaluation of regional performance in the provision of systemic security establishes the context for the following comparative examination of systemic conditions.

Regime Type

The democratic peace literature appears to contend, although most contributors are careful not to do so directly, that liberal democracy is a cause of peaceful inter-state relations. A relevant policy implication is that democratic procedural forms should be actively promoted by peace-loving actors and voluntarily adopted by those states wishing to maximize their security and avoid inter-state war. While this is certainly an ethically appealing policy and a seductive strategy, critics of the democratic peace proposition remain skeptical of the supposed mechanisms and, so, of the potential outcomes of this prescription.

While the proposition that liberal democracies do not wage war against each other appears to be beyond dispute, these states will and do wage war. They are the states most able and most likely to project their power to geographic spaces outside their immediate surroundings and to engage there in foreign wars with non-democratic states and non-state actors. They are also most often the targets of international terrorism (low-level political violence). In terms of security efficiency, they appear to be only moderately successful: i.e., they provide moderate levels of security at a moderately high cost. (As these states are also high performance states, their high costs of security, in absolute terms, are only a moderate burden, in productive terms.)

Can the regional exploratory analysis reveal any information on the relationship between regime characteristics and conflict behavior that will help sort out the conflicting evidence concerning the peacefulness of democracies relative to other forms of governance? The *Polity II* data file (Gurr et al. 1989) is the preferred source for information on regime characteristics. Analysis of that data confirms the obvious: Western Europe is characterized by predominately stable, democratic regimes; its average combined regime score (democracy score minus autocracy score) jumps from a strongly democratic score of 6.8 at the beginning of the period to an almost perfect democratic score of 9.1 in the late 1970s (Portugal, Spain, and France being the least democratic). South American states, however, fluctuate throughout the period between mildly democratic (2.3 in the

early 1960s) to mildly autocratic scores (-1.4 in the late 1970s). The Middle East has mostly strong and increasing autocratic regime scores through the period, reaching a peak (-4.0) in the early 1970s.

While the high democracy scores of Western Europe and the high autocracy scores of the Middle East appear to be consistent with expectations of state-domestic relations and the evidence of civil violence (low in Western Europe and high in the Middle East), on the one hand, and expectations of inter-state violence (relatively low for Western Europe and high for the Middle East), on the other, the South America region seems to be inconsistent with these expectations and the predictions of Mansfield and Snyder (1995). South American states seem to be locked in a perpetual democratization/autocratization cycle that should be associated with higher incidence of inter-state war and other types of political violence; this is not the case, however. South America has the lowest scores on all political violence indicators. South America and the Middle East are similar during this period as regards regime types (i.e., large numbers of stable autocratic and “incoherent” states), but they are polar extremes in regard to the incidence of political violence.

The evidence does not appear to support the contention that liberal democracy is either a necessary or a sufficient precondition for systemic peace. Liberal democracy, while fairly successful, does not seem to be very efficient in the provision of security; it does appear to be strongly associated with the successful provision of systemic welfare, although when all externalities are considered and accounted, it may be argued that these states are only moderately efficient in provision of the welfare function, also. They are certainly the most dynamic.

Trade and Openness

It was posited earlier that trade is a unique type of interaction that involves elements of both exchange and communication. Liberal economics propose that high levels of exchange increase the value of the amicable relationship to both parties over time: creating mutual dependencies, strong incentives to cooperate and coordinate policies, and equally strong disincentives against any disruption of the exchange flows. Communication is crucial for overcoming the prisoners’ dilemma outcome of systemic suboptimality: providing information, reducing uncertainty, and promoting trust. As such, high levels of trade should be associated with low levels of warfare between trading partners.

This is not to say that trade should be negatively correlated with conflict; conflict opportunities will increase along with the increase in exchange. Increased trade requires increased capabilities for *peaceful* conflict management between trading partners. It is this requirement that intervenes to determine the level of trade: the inability of trading partners to establish a mutually satisfactory and stable exchange regime are likely to experience lower levels of exchange. Potential partners who are locked in a security dilemma relationship of mutual mistrust or hostility are unlikely to establish such a regime due to a general lack of willing-

ness, initiative, and commitment by the parties and, if they do, the regime will likely be unstable.²³ It is here in the nature of political attitudes, understandings, perceptions, and resolve between political actors that security externalities are most influential and it is in this interactive dynamic that we can see a possible explanation of the importance of the democratic peace proposition. The concept of democracy embodies the meaning of peaceful conflict management; liberal democracy applies such conflict management techniques to trading relations.

The concept of “openness to trade” relates to a party’s general willingness to interact with other parties in a trading arrangement. A standard method of operationalizing openness is to compare a country’s total trading activity (i.e., imports and exports) to its total economic activity (i.e., gross domestic product). The ratio of these activities (i.e., (imports+exports)/GDP) is an indicator of willingness to trade. A longitudinal analysis of openness measures for the three study regions is presented in Table 6.2. Both Western Europe and the Middle East appear to be increasingly open to high levels of trade through the study period (in this case, 1950-1978, see above). South America is relatively closed to trade through the entire period.

A longitudinal analysis of the three regional trading schemes is also presented in Table 6.2.²⁴ The three regions’ trade flows are distinguished according to the research model described above. Because Western Europe commands a privileged position as part of the core in the global system, a position not enjoyed by the other two regions, two analytical schemes are used to present the Western Europe results. The Trade I statistics separate total regional trade into two categories: volume of trade with the system core states and with the “other” (non-core) states. The Trade II data separates intra-regional trade from the relevant category of systemic trade: Western Europe from the category of total regional trade with “core” states; South America and the Middle East from the category of “other” states.

Again, regional differences are pronounced. Looking at the Trade I data, the most obvious similarity among the regions is their very strong preference for trade with the systemic core states. Regional differences are also apparent: Western Europe is distinguished by an increasing preference for trade with the systemic core (of which it is a member), whereas the other two regions display a steadily decreasing dependence on trade with the core states.²⁵ When regional trade preferences are factored separately, additional regional differences are revealed. The Trade II data clearly shows the very strong and steadily increasing preference of the Western Europe states for intra-regional trade. (Refer to the shaded areas of Table 6.2—recall that Western Europe’s involvement with political violence is decreasing.) On the other hand, South America’s intra-regional trade remains fairly low through the entire period (showing slight signs of recovery after a drop in the early 1960s); shifts in its trading preferences appear to be defensive, away from its strong dependence on the systemic core states. In general though, South

Table 6.2
Systemic Trade Flows and Regional Openness

Period	Trade I ^a		Trade II ^a			Openness ^b (I+E)/GDP
	core	other	region	core	other	
Western Europe Region^c						
1950-53	0.589	0.411	0.365	0.224	0.411	0.364
1954-58	0.620	0.380	0.416	0.205	0.380	0.365
1959-63	0.670	0.330	0.478	0.192	0.330	0.374
1964-68	0.714	0.286	0.529	0.184	0.286	0.386
1969-73	0.746	0.254	0.583	0.163	0.254	0.436
1974-77	0.709	0.291	0.565	0.145	0.291	0.520
South America Region^c						
1950-53	0.794	0.206	0.119	0.794	0.087	0.214
1954-58	0.792	0.208	0.122	0.792	0.086	0.215
1959-63	0.798	0.202	0.098	0.798	0.103	0.223
1964-68	0.761	0.239	0.114	0.761	0.125	0.203
1969-73	0.714	0.286	0.115	0.714	0.171	0.210
1974-77	0.608	0.392	0.119	0.608	0.273	0.256
Middle East Region^c						
1950-1953	0.794	0.206	0.053	0.794	0.153	0.287
1954-1958	0.765	0.235	0.060	0.765	0.175	0.299
1959-1963	0.754	0.246	0.063	0.754	0.183	0.352
1964-1968	0.713	0.287	0.063	0.713	0.224	0.352
1969-1973	0.683	0.317	0.058	0.683	0.259	0.425
1974-1977	0.646	0.354	0.051	0.646	0.304	0.629

Sources: Trade data is from *Direction of Trade* (IMF 1979). Openness data is from *Penn World Table, Mark 5.6* (Summers et al. 1995).

^a Trade I proportions (core+other) and Trade II proportions (region+core+other) add to 1.000.

^b Openness is computed by summing individual country figures for “imports+exports” and dividing by the summed figure for “GDP.”

^c Western Europe Region is part of the global system’s economic “core”; South America and Middle East Regions are part of the global system “other”.

America is not very open to trade. (Refer to the shaded portion of Table 6.2—recall that South America has very low involvement in political violence.) Middle East states simply do not trade with one another (refer to the shaded area in Table 6.2). The Middle East trade is dominated by export trade in a single commodity, oil; there is very little evidence of trade diversification, capital reinvestment, or import-substitution strategies.²⁶ (Recall that the Middle East has extremely high political violence.)

A general willingness to trade does not appear to be associated with a general willingness to resolve conflicts by peaceful means. At the same time, an increase in trade is not necessarily accompanied by an increase in peaceful conflict resolution. Western Europe and the Middle East are equally willing to trade, but they are polar opposites in terms of conflict behavior and, especially, their dispositions and preferences for using violence. These two regions are also strongly contrasted in terms of their demonstrated preferences for intra-regional trade, but it does not appear that high levels of intra-regional trade are a necessary condition for regional peace. South America has low levels of intra-regional trade and low levels of political violence.

Communication and Signaling

It was suggested above that exchange has two elemental aspects: trade and communication. It was also pointed out that these two aspects are not necessarily covariant: high levels of trade can take place with minimal communication. A second important observation is that increased communication, per se, is not necessarily associated with increased cooperation or coordination. Communication can have a negative effect on information, predictability, and trust and, thus, reinforce, rather than erode, the prisoners' dilemma situation. It appears that the *quality* of communication is more important than the quantity; the volume of trade gives no special indication of the quality, or the exact quantity, of communication used to effect the trade relationship.

Official state communication is of two basic types: unilateral and multilateral. In a prisoners' dilemma situation, of course, if there is any communication at all, it is necessarily unilateral; that is the nature of the game. Multilateral communication takes place within established or ad hoc institutional arrangements. The existence of such institutions presumes at least minimal levels of willingness, communication, and cooperation; those conditions are evidence of a lessening of the prisoners' dilemma dynamics.

What seems to distinguish Western Europe in this regard (and during this early period) is not its relative level of institutionalization; all three regions are experimenting with regional institutional schemes and none are particularly successful (leading to a general loss of interest in regional integration by the end of the study period, see above). What does distinguish Western Europe is the strong political and military presence of the United States and its intense efforts as a political-institutional facilitator and intermediary. Taken within the definitive

context of the Cold War superpower confrontation and the persistent and pervasive threat of either a conventional battle for control or a nuclear devastation of the European continent, the mediator role of the United States is accentuated and the sobering and dampening effects that the security prospects have upon Western European intra-regional conflict is magnified many fold. On the other hand, a similar effort in mediation by the United States in the Middle East seems to have minimal effect or even exacerbated conflict there. A major difference here may have been a lack of support by the United States for regional organization in the Middle East, contrary to their attitude toward regional organization in Western Europe.

During the period under study, regional institutions and institution-building, that is, multilateral communication, may be assumed to have had minimal impact on regional conditions. This section will focus on unilateral communication, or signaling.²⁷ Signaling is a primordial form of communication that relies mainly on actions, or gestures, to relay information to an unknown other in a situation where meaningful interaction seems necessary, desired, or otherwise imminent (i.e., a potential threat or reward). An exchange of such gestures (reciprocity) helps the interest-linked (or opposed) actors make evaluations of the other's intentions in a given situation. Signals can be either threatening or accommodating and are usually reciprocated in kind.

There are two extant global data bases that attempt to capture and record the processes of inter-state signaling; these are the global events data bases, the Conflict and Peace Data Bank (COPDAB) and the World Events Interaction Survey (WEIS). Unfortunately, use of these sources is hampered either by limited scope (COPDAB only records 30 states) or by limited coverage (WEIS has global scope but begins coverage in 1966). As full scope is critical for comparative analysis of regional conditions, WEIS is used and the results (from the truncated period, 1966-1980) are displayed in Tables 6.3, 6.4, and 6.5. WEIS records world interaction events in sixty-three categories of event types; the event types are scored on a twenty-point scale for degree of threat (negative scores, 0 to -10) or accommodation (positive scores, 0 to 10).²⁸ Events are aggregated in five-year periods and further categorized as actor (sent) or target (received) signals. Figures reported in the tables are: total events (Total #); events apportioned to each system category (REGION, CORE, OTHER); proportion of category events with negative, or threat, scores (Negative); and the summed total of all system category scores (Sum). For the analysis of political signals, the systemic core is considered to comprise the world system's preponderant security actors: the United States and the Soviet Union.

Signaling is an important communicative device under prevailing conditions of uncertainty, ambiguity, or threat to deter aggressive actions and encourage or reward cooperative ventures. It should be used less under peaceful conditions where normal communications are mostly routinized and institutionalized, or

Table 6.3
Systemic Communication: Western Europe Region

	1966-1970		1971-1975		1976-1980	
	Actor	Target	Actor	Target	Actor	Target
REGION	0.196		0.161		0.112	
Negative	0.246	0.246	0.246	0.246	0.265	0.265
Sum	63.7	63.7	36.7	36.7	-13.2	-13.2
CORE	0.521		0.451		0.440	
Negative	0.272	0.306	0.230	0.234	0.270	0.204
Sum	45.8	-99.1	108.7	93.2	-33.2	60.4
OTHER	0.282		0.389		0.448	
Negative	0.292	0.451	0.272	0.395	0.298	0.415
Sum	130.2	-369.4	71.4	-310.6	-6.3	-304.7
Total # Events	4847		4142		2776	

under prevailing conditions of low interaction or low threat. The results for Western Europe, Table 6.3, indicate that the states of this region are reducing their use of unilateral signaling in general (shaded area in Table 6.3). Signaling is relatively infrequent between regional states, presumably due to the availability of normalized channels of communication; external attention is split between Cold War systemic interactions (i.e., with the core actors) and the “others” (i.e., the “new” states emerging from the beneath the veil of the former-colonial system). Signals are fairly balanced between threat and accommodation as the summed, or net, scores (sum) are low in all system categories and the proportion of negative signals stays in the low range, except when Western European states are the target of signals from “other” (minor-power) actors.

South America exhibits very low levels of signaling in general (refer to the shaded area of Table 6.4), averaging about 640 per period compared to nearly 4,000 for Western Europe and nearly 9,000 for the Middle East. Intra-regional signaling is relatively low-volume and involves largely innocuous, non-threatening, exchanges. The majority of the external attention of South American states is directed at systemic core states, that is, those states who can project their interests into the region from the outside. Relations with the core may be characterized as somewhat “defensive” or “protective” (there is an imbalance between South American threat signals and core signals of accommodation: a net negative sum for actor signals and net positive for signals received from the core). The “other” states that South America interacts with are primarily Central

Table 6.4
Systemic Communication: South America Region

	1966-1970		1971-1975		1976-1980	
	Actor	Target	Actor	Target	Actor	Target
REGION	0.233		0.202		0.172	
Negative	0.280	0.280	0.212	0.212	0.342	0.342
Sum	4.8	4.8	20.1	20.1	-11.5	-11.5
CORE	0.652		0.644		0.703	
Negative	0.472	0.162	0.440	0.285	0.422	0.276
Sum	-144.4	127.4	-131.3	68.3	-80.7	9.3
OTHER	0.115		0.154		0.125	
Negative	0.417	0.211	0.283	0.319	0.583	0.579
Sum	-14.9	7.8	8.4	3.2	-30.2	-3.6
Total # Events	644		840		441	

American states; these relations seem somewhat “reactive” on closer review (very few events with large fluctuations in the strength of the signals).

The Middle East is very distinctive in its use of signals (Table 6.5). There is a very high volume of such communication, implying either high threat or lack of alternative venues or both. The Middle East is quite distinct from the other regions in that its use of signals is directed primarily toward intra-regional relations (refer to the shaded “region” area of Table 6.5), although there is evidence that this preoccupation is shifting more toward its relations with systemic core states, probably as a result of the increasing attention of the core states to Middle East affairs, increasing competition between the U.S. and USSR for influence in the region, and increasing oil trade and support exchanges (e.g., arms transfers and other resource-supplementary exchanges with patron core states). Otherwise, attention remains directed to the immediate surroundings; there is little or no attention paid to the global “others,” neither those states directly bordering the margins of the Middle East region nor the global trading states of Western Europe. Intra-regional signaling conveys an extremely high degree of threat; very little accommodation is displayed within region, either between adversaries, allies, or potential partisans. Middle East states remain politically isolated despite the high volume of interactions (refer to the shaded areas of Table 6.5). Although the intra-regional communication of threat is lessening through the period, it remains extremely high through the entire period and must still be viewed as strongly enforcing and reinforcing a prisoners’ dilemma situation in the Middle East region.

Table 6.5
Systemic Communication: Middle East Region

	1966-1970		1971-1975		1976-1980	
	Actor	Target	Actor	Target	Actor	Target
REGION	0.676		0.564		0.550	
Negative	0.755	0.755	0.578	0.578	0.515	0.515
Sum	-5223.4	-5223.4	-3020.9	-3020.9	-2507.8	-2507.8
CORE	0.280		0.375		0.401	
Negative	0.438	0.260	0.260	0.175	0.331	0.220
Sum	-528.8	244.0	-95.5	461.1	-485.8	216.7
OTHER	0.045		0.061		0.049	
Negative	0.213	0.267	0.374	0.457	0.337	0.336
Sum	10.3	5.0	-126.1	-139.4	-57.6	-36.0
Total # Events	7767		9028		9965	

Income Distribution and Inequality

There is a large body of literature that argues a positive relationship between degrees of income inequality and levels of conflict.²⁹ Traditionally, this argument has been used to explain intra-state conflict. There is no logical reason to confine the potential explanatory power of this relationship to domestic politics, however (all politics is “domestic” from a systemic perspective). For example, Schott (1991, 2; see, also, note 13) lists “similar levels of per capita GNP” as one of four basic characteristics of a successful regional trading bloc. The research on the inequality-conflict nexus, in general, points out that, while there does seem to be a strong relationship between inequality and conflict, it is not a simple, causal relationship. There needs to be an accompanying sense of injustice, or exploitation, and a recognition by the structurally-deprived that some particular agent (such as the state or a competing identity group) is somehow responsible or accountable for the discrimination and the deprived population’s special condition. The other side of this argument is that the existence of such inequalities will stimulate a search for such explanations and attributions by members of the negatively affected populations and their eventual articulation for political purposes (rational choice, mobilization, or consciousness-raising).

Regional income distribution may contribute explanatory power to the regional prisoners’ dilemma situation and to the differences in regional experiences with conflict and violence. Regional income distributions can be examined by constructing a Lorenz curve. A Lorenz curve plots the cumulative percentages of income of the poorest to the richest income recipients; a condition

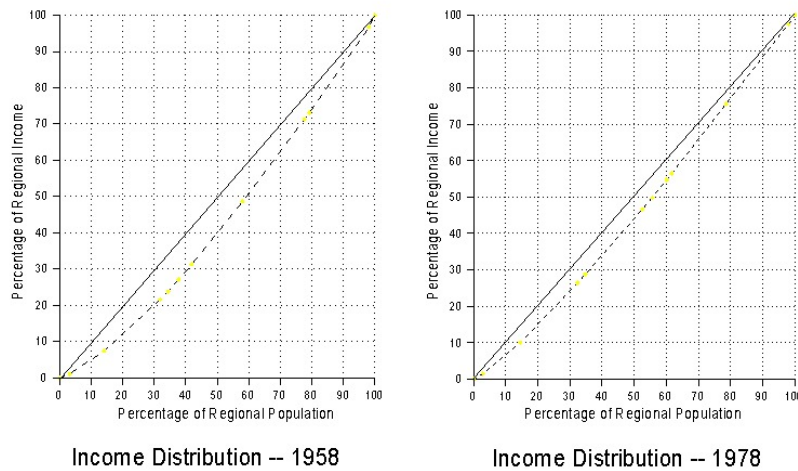


Figure 6.3 Western Europe Region: Lorenz Curves

of perfect equality is reflected in a straight-line curve running diagonally from the origin (0,0) to the opposite corner (100,100). The degree of income inequality is reflected by the size of the space between the line of perfect equality and the plotted income curve; greater space translates to greater inequality. As states are the primary regional actors and income recipients, the regional Lorenz curve will plot each state's cumulative percentage of regional population and cumulative percentage of regional income, in order from lowest income to highest.

Lorenz curves were constructed for each of the three study regions for the years 1958, 1968, 1978, and 1988 using data from the *Penn World Tables* (Summers et al. 1995); the 1958 and 1978 results are presented in Figures 6.3, 6.4, and 6.5.³⁰ The Western Europe region (Figure 6.3) is again distinguished as it begins the contemporary era with only mild income inequality among regional states and narrows that gap even further by 1978. For all practical purposes, it can be stated that Western Europe has achieved real income equality among states. Income equality does not translate to equal capabilities; states are of vastly different sizes. What income equality does seem to translate to is a form of status constancy. There is little basis for issues of status envy and rivalry to interfere either with the forging of a common identity or consensus or with coordinating policy decisions that necessarily affect regional allocations and wealth distributions; in short, there is a "level playing field." The irony for Western

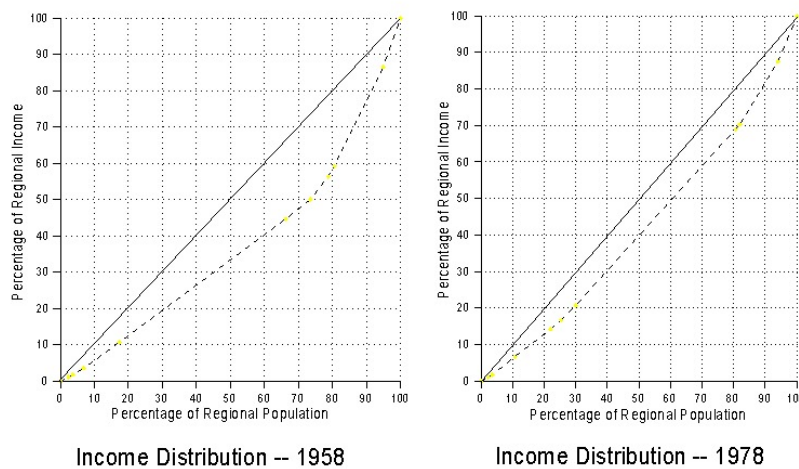


Figure 6.4 South America Region: Lorenz Curves

Europe lies in its cultural pluralism and their historical sense that such cultural distinctions should be associated with status differences; a curious psychology of group identification that Sigmund Freud has termed, “the narcissism of minor differences.” (GAP 1987, 9) It remains to be seen how the end of the Cold War and the “reunification” of the whole of Europe, the historically prosperous west with the less-endowed east, will affect the regional integration dynamics there.

South America begins with a much more pronounced income inequality condition (Figure 6.4). Over the course of twenty years, however, the situation has changed dramatically, such that the degree of inequality shown in the 1978 Lorenz curve for South America is very close to that of the 1958 Lorenz curve for Western Europe. And the inequality gap continues to narrow in the more recent period (1988). Again, it may be assumed that inter-state rivalries fueled by status discrepancies will have less impact on the potential for regional integration and coordination measures, if the South American states were interested and committed to such measures.

The 1978 Lorenz curve for the Middle East paints a far different picture (Figure 6.5). The income distribution among Middle East states is grossly unequal and this condition can only obfuscate communications, complicate coordination, and exacerbate mistrust, disagreement, and tensions. The seven poorest countries are home to half of the regional population but receive only seventeen percent of

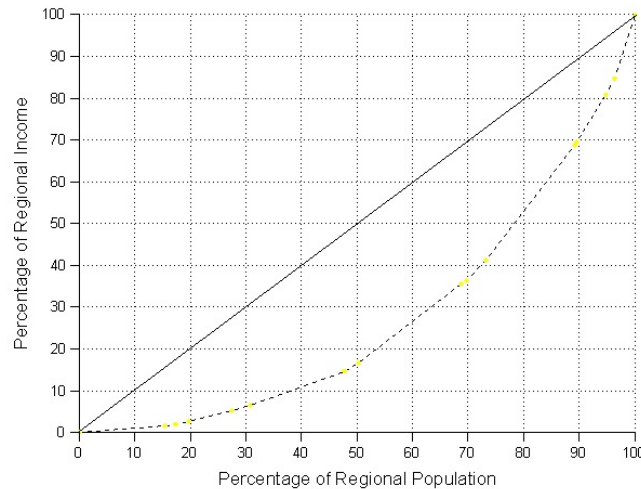


Figure 6.5 Middle East Region: Lorenz Curve

the regional income; the richest five countries are home to about one-quarter the regional population and receive nearly sixty percent of the regional income. This maldistribution of income is especially problematic under prisoners' dilemma conditions which thwart any redistributive regional investment schemes through both structural barriers to cooperation and political disincentives to foreign and domestic economic ventures and investments (e.g., instability, uncertainty, insecurity, government interference).

Performance–Welfare and Security

And so, the inquiry comes full circle with a final word on performance. It has been a fundamental claim of this study that political systems are charged with two primary functions: the maximization of welfare and security. These two functions are fungible to a substantial degree allowing significant latitude for actors to develop strategic responses to their unique external and internal environments. System performance must be judged on combined performance in these two functions, but the “true costs of conflict” are not always reflected accurately in conventional performance measures such as gross domestic product (GDP). Decreases in member or general systemic security may stimulate greater economic activity in systemic actors as they attempt to counteract, counterbalance, or compensate for security losses. Human and capital losses resulting from warfare

and repression are not included in national accounts statistics. Human losses from such violence, especially, are incalculable.

However, we must begin somewhere. A simple comparison of regional GDP figures and their change over time will give us some information on welfare performance; again, the analysis is hampered somewhat by a lack of data on Middle East countries during the full study period. Using figures provided in the *Penn World Tables* for the sample years, 1958, 1968, 1978, and 1988 (a longer look is appropriate as we are examining performance, or outcomes, rather than the conditions, or inputs, that help to account for that performance). As discussed above, Gibrat's law should define the economic growth patterns of units in an open system; growth should be independent of size, meaning that both small and large units should grow at similar rates in the absence of discriminatory pressures (such as war).

Western Europe and South America have experienced somewhat similar security costs in terms of their involvement in disputes and political violence episodes (recall that intra-regional experience is very similar; Western Europe's involvement in extra-regional episodes and tensions differentiates them). GDP increases for these regions are similar across the sample years: Western Europe's GDP growth is 0.634 from 1958 to 1968, 0.403 from 1968 to 1978, 0.244 from 1978 to 1988. South America's GDP growth is 0.574 from 1958 to 1968, 0.780 from 1968 to 1978, and 0.252 from 1978 to 1988. South America GDP in 1958 is 0.240 of Western Europe GDP and the gap narrows slightly over time such that South America GDP is 0.295 of Western Europe GDP in 1988 (South America welfare should be expected to grow faster as its security expenditures are lower than Western Europe's, see above).

Comparable data for the Middle East is only available for 1978 and 1988 and, so, growth trends can not be confidently established. The Middle East's GDP growth over the final ten-year span is only 0.155, much less than the other two regions; the relative size of its regional GDP drops as a result: from 0.219 of Western Europe GDP in 1978 to 0.196 in 1988. This drop in relative GDP can be explained as a result of the Middle East's high levels of political violence, its high security expenditures, and a drop in the commodity price of oil, its primary product. Even the drop in commodity prices can be explained to result from poor security performance, as it should be assumed that a successfully performing system would be able to maintain the value of its products through the coordination of policy among producers and directed market manipulations (the original purpose of OPEC). What might be considered even more disturbing is the possibility that much of the (stunted) growth in GDP between 1978 and 1988 can be accounted for by increases in security-related economic activity. Then, the Middle East may be experiencing net negative growth despite its enormous oil resource endowment. Of course, real wealth losses resulting from the violence in the Middle East are incalculable and unrecoverable, and all these economic losses pale in comparison to the scope of the human tragedy there.

Conclusion

This chapter has used comparative regionalism as an analytical tool to examine some of the important mechanisms and policy prescriptions that we hope will enable humanity to get from here (the global prisoners' dilemma situation) to there (systemic peace). The story told through the vehicle of comparative regionalism and punctuated with empirical evidence and interpretation is basically the same story told by Conybeare (1984), Dawes and Orbell (1995), and Majeski and Fricks (1995). It is the story of the prisoners' dilemma puzzle, the necessity of solving that puzzle as a first step toward elevating the human condition, and the basic strategies available to the task. On the surface, we can visualize the three regions compared here in terms of their special conditions and their strategic response: Western Europe, the model of cooperation, and the Middle East, the model of defection. South America does not fit within the confines of the classic model; it has forged an alternative strategy in the prisoners' dilemma game: withdrawal with optional play. The crucial element of this alternative strategy should not be dismissed nor undervalued: South America is relatively violence free and secure either because they have chosen to be that way or because they have not usually chosen to use violence in pursuit of their political objectives (or they simply have no external political objectives). In any case, the outcome is determined by choice, not by "causes" or an external environment.

It may be claimed that global politics is a two-level prisoners' dilemma game for most (regional and global) and a three-level game for the most unfortunate players, those who have not successfully solved the game at the state, or local, level. For those stuck in the triple-tiered game, defection may be an overwhelmingly dominant strategy due to the complexity of the game and the multiple pressures from the environment; the withdrawal of individual units from the game they can not win and can not afford to play may not be a viable option under such complex pressures and threats. For those who have, at least temporarily, resolved the local game, the two-tiered game presents both opportunities and complexities. Individual units may play the regional game off the global game, and vice versa, alternating cooperation and defection plays at different levels for maximum benefit. But these individual strategies can only be successful over the short term as such play tends to undermine the structure of the games, again fortifying defection as the dominant play.

The example of South America lends credence to the possibility that the withdrawal option provides a more conducive environment and a superior outcome to the defect equilibrium in a prisoners' dilemma situation (a mid-optimal outcome). It remains to be determined how this strategy will affect the ability of the players to cooperate at a later date; whether a withdrawal strategy can actually reduce defection "without eroding cooperation to any significant degree."

If absolute gains are the criterion used to determine successful play (i.e., the systemic perspective), then the costs of security are the critical component.

Security is primarily a regional issue; thus, security interests favor regionalism. Regions can better monitor the special security climate and respond to the problem of security externalities. They can often be severely hampered in this endeavor by the prevalence of defection strategies within the regional game. They may require assistance from an extra-regional source in order to resolve the regional puzzle. But the regional dilemma can not be denied by playing only the global game; the global level can neither obviate nor supersede regional dynamics over the long-term. Global micro-management of intra-regional security is fundamentally wasteful, inefficient, and ineffective.

Communication and exchange present themselves as only partial answers to the puzzle of the prisoners' dilemma. The purely human component can still be detected and the choices made still contain the definitive element. These mechanisms must be both present and properly utilized, that is, they must be properly managed. The world market can not regulate defection because it is merely stimulated by security dilemmas; it doesn't account for security externalities. Management is the key to the puzzle. Democracy is the end-game. Democracy presupposes a minimal, meaningful resolution of the prisoners' dilemma, collective action, and coordination games at the local level and, at least, a viable option to withdraw from the regional and global level games and, better, the capacity to engage in optional play (i.e., limited to play with other democracies or much weaker opponents).

Comparative regionalism raises important questions about our understanding of politics. Its offers no specific answers. Regionalism is identified and touted as a critical component in any potential solution to the current global security situation. Regionalism appears to be such a powerful security arrangement that a regional response to security problems will obtain independently of human intent; the human contribution lies in the application of intent to the emerging system. The most profound choice is whether the regional system will cooperate with the members of the larger community or whether it will mobilize in defection. A true commitment to regionalism entails major changes in the global system's distribution and consumption patterns; this is the subliminal threat of regionalism. But, if a real "peace dividend" is ever to be realized and a systemic peace ever to be attained, then the prisoners' dilemma game of regional security must be successfully overcome.

Notes

1. The irony of the phrasing of Levy's (1989, 270) often quoted dictum, "absence of war between democracies comes as close as anything we have to an empirical law in international relations," points directly at the essence of the greatest, ongoing debates in international relations: that between positivists and normativists and between realists and idealists. The irony itself lies in the convergence of meaning between "normative law" and

“empirical law.” The success of the “rule of law” in international relations is measured by the “absence of war.” The greatest irony, however, lies at the juncture of the preeminence of democracy with the logic of the realist, and neo-realist, assertion that a systemic imbalance of power leads to war: how then to rationalize the “hegemonic” position of the U.S. in the post-Cold War world system.

2. For a more extensive accounting of research on the democratic peace see Gleditsch (1992), Hagan (1994), Hermann and Kegley (1995), and Chan (1997).

3. Illustrative of this observation was a discussion held during a paper presentation at the 34th North American meeting of the Peace Science Society (International) in East Brunswick, NJ, October 16-18, 1998. A general discussion ensued over the expressed need to include a series of regional “dummy” variables in global cross-national quantitative analysis so as to capture unspecifiable regional differences in a measure of our “specific ignorance” of “Africa-ness” and such, that is, to help explain why the “other” regions of the world were not behaving according to expectations derived from analyses of the experience of the “major powers.” While many suggestions were offered, what was noticeably absent was any suggestion that these regional differences held an analytical “key” and should be “known.” Also absent was any recognition that the standard by which regional differences were revealed, that is, our understanding of major power political behavior, may also contain a regionally specific quality that is not generalizable.

4. Compare Mansfield and Snyder’s processual concept of “democratization” and the claim that democratizing states are more prone to war with similar concepts and arguments concerning “new states,” “new regimes,” and “incoherent authority” discussed in chapter 5 above. Similar theses have been advanced by Lichbach (1984) and Maoz (1989 1993). More recently, the State Failure Task Force has reported that “partial democracies were shown to be several times more vulnerable to state failure than either full democracies or autocracies.” (Esty, Goldstone, Gurr, Harff, Levy, Dabelko, Surko, and Unger 1998, viii)

5. The regional alliance structure that predominates the characterization of the democratic peace is the North Atlantic Treaty Organization (NATO).

6. The literature on the economics of defense expenditures is enormous and will not be summarized here; see Chan (1991) for a survey of that literature. See Hoole and Huang (1992) for an interesting attempt to model the “political economy of global conflict.” See Rapoport (1989) for a lucid critique of the traditional economic perspective on defense. See Shaikh and Tonak (1994) for an attempt to reformulate the economics of security as a social consumption, rather than a production, variable.

7. A third variant in a strategic trading scheme, in addition to globalism and regionalism, is isolationism. The preference for globalism over regionalism as an alternative to isolationism may also be related to the issue of security externalities and their relationship to political alliance formation: if regionalism succeeded in overcoming conflict and led to alliance formation, then inter-regional conflict may be the result. Globalism may be seen to compete with regionalism in an alliance formation response to the security-maximization function; globalism and regionalism (and isolationism) are compatible political processes and can be complementary structures in a global security system.

8. Polachek (1980, 56-57) claims that “on average, a doubling of trade between two countries leads to a 20% diminution of hostility between them” and that it is the potential welfare losses of disrupted trade that deter conflict. Predation, using power to transfer rather than create wealth, is strategy of individuation in a social context which contains the potential for significant short-term gains if the potentially catastrophic future costs can be sufficiently discounted. As such, predation probably can not be totally eliminated from the

social context and minimization is a more realistic goal. See Chan (1995) for a discussion of the “peace dividend” literature.

9. Once the initial condition of anarchy is overcome, the fundamental prisoners’ dilemma nature of political relations may be overshadowed by constructionist activities of system formation that operate more as collective action problems, see Hardin 1995.

10. See Caporaso (1992) for a discussion of these findings.

11. A “ k group” is a subset of players in an n player, iterated, prisoners’ dilemma game whose cooperation would ensure resolution of the dilemma regardless of the actions of the other ($n - k$) players.

12. The concepts and problems of identity formation are the focus of a large body of recent literature (see e.g., Bloom 1990; Schudson 1994; Smith 1992; Wæver 1995; Wendt 1994); it is proposed here that identity is strongly associated with systemic performance in coordination and collective action situations which require *a priori* resolution of the prisoners’ dilemma.

13. For an exception, see Schott (1991, 2). He lists four conditions for a successful “trading bloc” (defined as “an association of countries that reduces intra-regional barriers to trade in goods”): similar levels of per capita GNP, geographic proximity, similar or compatible trading regimes, and political commitment to regional organization.

14. Gowa (1989, 1246) explains such security externalities in relation to trade: “national power is engaged in free trade agreements because such agreements produce security externalities: the removal of trade barriers can affect not only the real income but also the security of the states concerned. The security externalities of trade arise from its inevitable jointness in production: the source of gains from trade is the increased efficiency with which domestic resources can be employed, and this increase in efficiency itself frees economic resources for military uses.”

15. Mansfield (1994, 100) alludes to the possibility of such “locus-shifting” when he reveals that his research “suggests that the relationship between [power] concentration and major-power war is considerably different from that between concentration and non-major-power war...whereas an *inverted U-shaped* relationship exists between concentration and the frequency of major-power wars, a *U-shaped* relationship exists between concentration and the incidence of inter-state wars that do not involve major powers.” (emphasis added)

16. Differences in growth rates among systemic units are then exogenously determined, by abnormal conditions such as war, privileged access to system structures, or preferential treatment, see, e.g., Gilpin (1981).

17. The actual years analyzed vary somewhat depending on data coverage: data on warfare and militarized disputes covers the whole period; economic data (trade and GDP) coverage is synchronized between sources and shortened slightly because of missing data, 1950-1977; democracy/autocracy scores cover the entire period; WEIS events coverage only begins with the year 1966, and so the coverage is 1966-1980. Coverage for individual states varies somewhat, mainly due to the appearance of new states; this does not affect states in the Core, Western Europe, and South America. Economic data coverage of the Middle East is somewhat spotty in the first half of the study period and a few states have no coverage (i.e., Kuwait, Lebanon, Libya, United Arab Emirates, and Yemen PDR); regional coverage is stable for the second half of the study period. Exact coverage of the “other” states in the global system is not known, but that category of systemic units is common for all analytical regions.

18. Switzerland, though not directly administering colonial territory, served the system as central banker.

19. Measurements of “episodic intensity” follow the method used in chapter 5.
20. During the period, 1949-1978, Middle East states were involved in 230 militarized inter-state disputes; Western Europe states were involved in 145 disputes; and South America experienced 56 disputes.
21. Data on military personnel, military expenditures, and population are aggregated from state totals provided in the *National Material Capabilities* computer file (COW 1990).
22. Of course, European countries probably never “felt” secure during this time due to the tremendous threat posed by the Cold War nuclear confrontation there.
23. There are exceptions, of course. If the commodities to be traded by both parties are highly valued and can not be obtained on the same terms or in the same quantity or quality elsewhere, then such reticence can be overcome in response to higher security or welfare priorities. Such relationships can not be considered stable, in the sense that they will be disrupted easily in direct response to changing perceptions of security. Examples would be the trading relationships involving the West and Iran or the Soviet Union.
24. Trade data is from the *Direction of Trade* data base (IMF 1979). Openness data is from the *Penn World Table, Mark 5.6* (Summers, Heston, Aten, and Nuxoll 1995).
25. The relatively large changes in trading preferences from the early 1970s (period “E”) to the late 1970s (period “F”) reflect, in large part, the dramatic increase in oil prices during the 1970s.
26. For recent discussions of the Middle East region’s special economics, see Clawson (1994), Glasser (1995), Marber (1995), and Sayigh (1991).
27. See Wendt (1992, 403-407) for a discussion on the role of gesture and interpretation (i.e., signaling) in the social construction of communication under conditions of anarchy.
28. Event scaling is based on scores listed in Tomlinson (1991); actual scores used for each event are the averages of scores listed for three event scales: THRT, NTHR, and THTE (see Tomlinson 1991, Table 6). All three basing schemes are highly inter-correlated (greater than .900).
29. For a review of the income inequality literature, and the related deprivation and relative deprivation approaches, see Zimmermann (1980).
30. The 1968 curves are not presented as they merely show a middle range curve between the 1958 and 1978 curves; the 1988 curves are not provided as they are also consistent with the trends depicted in the 1958 and 1978 curves and they are outside the study period (these additional plots do lend confidence to the analysis, however). Insufficient data was available for meaningful 1958 and 1968 Middle East plots; the 1988 plot shows a moderate decrease in regional income inequality, but this most likely reflects the substantial drop in oil prices rather than a meaningful redistribution of income.