Carr (1951) reminded us, this is the basic task of the study of international relations: "To establish methods of peaceful change is . . . the fundamental problem of international morality and of international politics." But if peace were the ultimate goal of statecraft, then the solution to the problem of peaceful change would be easy. Peace may always be had by surrender to the aggressor state. The real task for the peaceful state is to seek a peace that protects and guarantees its vital interests and its concept of international morality.

1

The nature of international political change

The argument of this book is that an international system is established for the same reason that any social or political system is created: actors enter social relations and create social structures in order to advance particular sets of political, economic, or other types of interests. Because the interests of some of the actors may conflict with those of other actors, the particular interests that are most favored by these social arrangements tend to reflect the relative powers of the actors involved. That is, although social systems impose restraints on the behavior of all actors, the behaviors rewarded and punished by the system will coincide, at least initially, with the interests of the most powerful members of the social system. Over time, however, the interests of individual actors and the balance of power among the actors do change as a result of economic, technological, and other developments. As a consequence, those actors who benefit most from a change in the social system and who gain the power to effect such change will seek to alter the system in ways that favor their interests. The resulting changed system will reflect the new distribution of power and the interests of its new dominant members. Thus, a precondition for political change lies in a disjuncture between the existing social system and the redistribution of power toward those actors who would benefit most from a change in the system.

This conception of political change is based on the notion that the purpose or social function of any social system, including the international system, may be defined in terms of the benefits

that various members derive from its operation (Harsanyi, 1969, p. 532). As is the case with domestic society, the nature of the international system determines whose interests are being served by the functioning of the system. Changes in the system imply changes in the distribution of benefits provided to and costs imposed on individual members by the system. Thus the study of international political change must focus on the international system and especially on the efforts of political actors to change the international system in order to advance their own interests. Whether these interests are security, economic gain, or ideological goals, the achievement of state objectives is dependent on the nature of the international system (i.e., the governance of the system, the rules of the system, the recognition of rights, etc.). As is the case in any social or political system, the process of international political change ultimately reflects the efforts of individuals or groups to transform institutions and systems in order to advance their interests. Because these interests and the powers of groups (or states) change, in time the political system will be changed in ways that will reflect these underlying shifts in interest and power. The elaboration of this approach for the understanding of international political change is the purpose of the subsequent discussion in this book.

A FRAMEWORK FOR UNDERSTANDING INTERNATIONAL POLITICAL CHANGE

The conceptualization of international political change to be presented in this book rests on a set of assumptions regarding the behavior of states:

1 An international system is stable (i.e., in a state of equilibrium) if no state believes it profitable to attempt to change the system.

2 A state will attempt to change the international system if the expected benefits exceed the expected costs (i.e., if there is an expected net gain).

3 A state will seek to change the international system through territorial, political, and economic expansion until the marginal costs of further change are equal to or greater than the marginal benefits.

4 Once an equilibrium between the costs and benefits of further change and expansion is reached, the tendency is for the economic costs of maintaining the status quo to rise faster than the economic capacity to support the status quo.

5 If the disequilibrium in the international system is not resolved, then the system will be changed, and a new equilibrium reflecting the redistribution of power will be established.

Obviously these assumptions are abstractions from a highly complex political reality. They do not describe the actual decision processes of statesmen, but as in the case of economic theory, actors are assumed to behave as if they were guided by such a set of cost/benefit calculations. Moreover, these assumptions are not mutually exclusive; they do overlap. Assumptions 2 and 4 are mirror images of one another, assumption 2 referring to a revisionist state and assumption 4 referring to a status quo state. For analytical purposes, however, each assumption will be discussed separately in subsequent chapters.

On the basis of these assumptions, the conceptualization of international political change to be presented here seeks to comprehend a continuing historical process. Because history has no starts and stops, one must break into the flow of history at a particular point. The following analysis of political change begins with an international system in a state of equilibrium as shown in Figure 1. An international system is in a state of equilibrium if the more powerful states in the system are satisfied with the existing territorial, political, and economic arrangements. Although minor changes and adjustments may take place, an equilibrium condition is one in which no powerful state (or group) believes that a change in the system would yield additional benefits commensurate with the anticipated costs of bringing about a change in the system (Curry and Wade, 1968, p. 49; Davis and North, 1971, p. 40). Although every state and group in the system could benefit from particular types of change, the costs involved will discourage attempts to seek a change in system. As one writer has put it, "a power equilibrium represents a stable political configuration provided there are no changes in returns to conquest" (Rader, 1971, p. 50). Under these conditions,

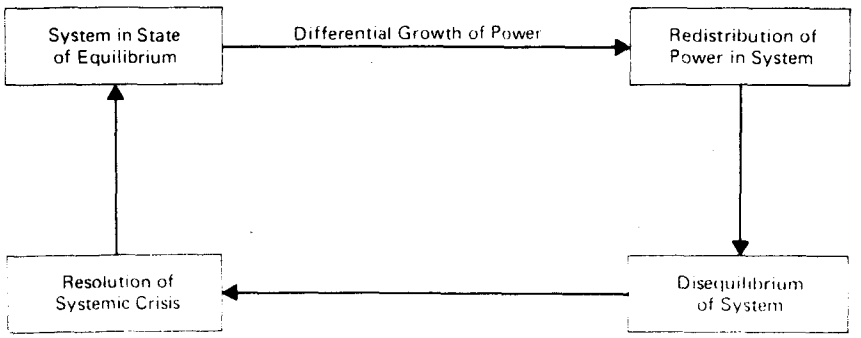

Figure 1. Diagram of international political change.

where no one has an incentive to change the system, the status quo may be said to be stable.

In the more traditional language of international relations, the international status quo is held to be a legitimate one, at least by the major states in the system. The meaning of legitimacy was defined by Henry Kissinger as follows:

> [Legitimacy] implies the acceptance of the framework of the international order by all major powers, at least to the extent that no state is so dissatisfied that, like Germany after the Treaty of Versailles, it expresses its dissatisfaction in a revolutionary foreign policy. A legitimate order does not make conflicts impossible, but it limits their scope. Wars may occur, but they will be fought *in the name of* the existing structure and the peace which follows will be justified as a better expression of the "legitimate," general consensus. Diplomacy in the classic sense, the adjustment of differences through negotiations, is possible only in "legitimate" international orders (1957, pp. 1–2).

What this quotation suggests is that an international system or order exists in a condition of homeostatic or dynamic equilibrium. Like any other system, it is not completely at rest; changes at the level of interstate interactions are constantly taking place. In general, however, the conflicts, alliances, and diplomatic interactions among the actors in the system tend to preserve the defining characteristics of the system. Thus, as Kissinger demonstrated, the legitimate order or equilibrium created at the Congress of Vienna (1814) survived limited conflicts and diplomatic maneuvering until it finally collapsed in response to the profound economic, technological, and political upheavals of the latter part of the nineteenth century. This issue of legitimacy will be discussed later.

In every international system there are continual occurrences of political, economic, and technological changes that promise gains or threaten losses for one or another actor. In most cases these potential gains and losses are minor, and only incremental adjustments are necessary in order to take account of them. Such changes take place within the existing international system, producing a condition of homeostatic equilibrium. The relative stability of the system is, in fact, largely determined by its capacity to adjust to the demands of actors affected by changing political and environmental conditions. In every system, therefore, a process of disequilibrium and adjustment is constantly taking place. In the absence of large potential net benefits from change, the system continues to remain in a state of equilibrium.

If the interests and relative powers of the principal states in an international system remained constant over time, or if power relations changed in such a way as to maintain the same relative distribution of power, the system would continue indefinitely in a state of equilibrium. However, both domestic and international developments undermine the stability of the status quo. For example, shifts in domestic coalitions may necessitate redefinition of the "national interest." However, the most destabilizing factor is the tendency in an international system for the powers of member states to change at different rates because of political, economic, and technological developments. In time, the differential growth in power of the various states in the system causes a fundamental redistribution of power in the system.

The concept of power is one of the most troublesome in the field of international relations and, more generally, political science. Many weighty books have analyzed and elaborated the concept. In this book, power refers simply to the military, economic, and technological capabilities of states. This definition obviously leaves out important and intangible elements that affect the outcomes of political actions, such as public morale,

qualities of leadership, and situational factors. It also excludes what E. H. Carr called "power over opinion" (1951, p. 132). These psychological and frequently incalculable aspects of power and international relations are more closely associated with the concept of prestige as it is used in this book. The relationship between power and prestige and its significance for international political change will be discussed herein.

As a consequence of the changing interests of individual states, and especially because of the differential growth in power among states, the international system moves from a condition of equilibrium to one of disequilibrium. Disequilibrium is a situation in which economic, political, and technological developments have increased considerably the potential benefits or decreased the potential costs to one or more states of seeking to change the international system. Forestalling one's losses or increasing one's gains becomes an incentive for one or more states to attempt to change the system. Thus there develops a disjuncture between the existing international system and the potential gains to particular states from a change in the international system.

The elements of this systemic disequilibrium are twofold. First, military, technological, or other changes have increased the benefits of territorial conquest or the benefits of changing the international system in other ways. Second, the differential growth in power among the states in the system has altered the cost of changing the system. This transformation of the benefits and/or the costs of changing the system produces an incongruity or disjuncture among the components of the system (Table 1). On the one hand, the hierarchy of prestige, the division of territory, the international division of labor, and the rules of the system remain basically unchanged; they continue to reflect primarily the interests of the existing dominant powers and the relative power distribution that prevailed at the time of the last systemic change. On the other hand, the international distribution of power has undergone a radical transformation that has weakened the foundations of the existing system. It is this disjuncture between the several components of the system and its implications for relative gains and losses among the various states in the system that cause international political change.

This disjuncture within the existing international system involving the potential benefits and losses to particular powerful actors from a change in the system leads to a crisis in the international system. Although resolution of a crisis through peaceful adjustment of the systemic disequilibrium is possible, the principal mechanism of change throughout history has been war, or what we shall call hegemonic war (i.e., a war that determines which state or states will be dominant and will govern the system). The peace settlement following such a hegemonic struggle reorders the political, territorial, and other bases of the system. Thus the cycle of change is completed in that hegemonic war and the peace settlement create a new status quo and equilibrium reflecting the redistribution of power in the system and the other components of the system.

DEFINITION OF BASIC TERMS

In the remainder of this chapter the basic terms and issues embodied in this conceptualization of political change will be defined and elaborated. In the first place, every theory of international relations requires a theory of the state. In addition, the conception of state interest and the objectives of foreign policy must be set forth. Third, the nature of the international system must be defined. The conceptualization or definition of these three factors determines who it is (the state) that seeks to change social arrangements (the international system) in order to secure what interests (the objectives of foreign policy). Although the definitions used in this book are arbitrary, they are derived from our overall conception of international political change as previously developed.

Definition of the state

The theory of the state that we shall use in this study is that the state is "an organization that provides protection and [welfare] . . . in return for revenue" (North and Thomas, 1973, p. 6). The state is the principal mechanism by which society

can provide these "public goods" and overcome the free-rider problem.[1] Principally through its definition and enforcement of property rights the state protects the welfare of its citizens against the actions of other individuals and states and also provides a basis for the resolution of disputes.[2] These tasks are essential because of the ubiquitous nature of conflict in a world of scarce resources.

State and society are conceived in this book to be composed of individuals and groups that are distinguishable yet mutually influence one another. The state, i.e., those particular individuals who hold authority, has interests of its own. The absolute monarch or contemporary politician has personal objectives he seeks to achieve, the primary one being to maintain himself in office. Yet, even the most ruthless dictator must satisfy the interests of those individuals and groups who also wield power in a society. Powerful groups set constraints on and may even determine the actions of state authority. They constitute the society that is protected by the state; their particular concept of justice reigns. The definition and functioning of property rights tend to advance their interests and welfare. Thus, while the states in the Soviet Union, the United States, and South Africa perform the same set of general functions, the individuals and groups in society benefited by these states differ very greatly. Throughout this book, although the term "state" will be used as if it were an autonomous entity, the reader should appreciate that the meaning given here applies.

The key role of property rights in the functioning of society was expressed by one writer in the following terms:

> Property rights are an instrument of society and derive their significance from the fact that they help a man form those expectations which he can reasonably hold in his dealings with others. These expectations find expression in the laws, customs, and mores of a society. An owner of property rights possesses the consent of fellowmen to allow him to act in particular ways. An owner expects the community to prevent others from interfering with his actions, provided that these actions are not prohibited in the specifications of his rights (Demsetz, 1967, p. 347).

[1] A public good is one "which all enjoy in common in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good" (Samuelson, 1954, p. 387). A free-rider is an individual who consumes the good at no personal expense or little expense. For an excellent discussion of the application of public-goods theory to international relations, see the work of Hart and Cowhey (1977).

[2] This responsibility of the state revolves particularly around the so-called problem of externalities (i.e., the rendering of services or disservices to an individual for which neither payment nor compensation is made) (Baumol, 1965, pp.24–36).

The delineation of property rights is necessary if any society is to operate effectively; property rights function by conveying "the right to benefit or harm oneself or others. Harming a competitor by producing superior products may be permitted, while shooting him may not. A man may be permitted to benefit himself by shooting an intruder but be prohibited from selling below a price floor" (Demsetz, 1967, p. 347). Thus the nature and distribution of property rights determine which individuals will be most benefited and which will pay the most costs with respect to the functioning of different types of social institutions. For this reason the basic domestic function of the state is to define and protect the property rights of individuals and groups.

The primary external function of the state is to protect the property rights and personal security of its members vis-à-vis the citizens and actions of other states. In the words of Ralf Dahrendorf, the state is thus a "conflict group." Whereas obviously there are other conflict groups (tribes, labor unions, feudal fiefdoms, guerrilla bands, etc.), the essence of the state is its territoriality (Dahrendorf, 1959, p. 290). Within the territory it encompasses the state exercises a monopoly of the legitimate use of force and embodies the idea that everyone in that territory is subject to the same law or set of rules. Thus the authority of the state is believed superior to that of all other groups in the territory controlled by the state.

These internal and external functions of the state and the ultimate nature of its authority mean that it is the principal actor in the international system. The state is sovereign in that it must answer to no higher authority in the international sphere. It alone defines and protects the rights of individuals and groups. Individuals possess no rights except those guaranteed by the state itself; they have no security save that afforded by the state.

If the state is to protect its citizens and their rights, and in the absence of any higher authority and in a competitive state system, the state must be "self-regarding" and must look on all other states as potential threats.[3]

The argument that the state (as herein conceived) is the principal actor in international relations does not deny the existence of other individual and collective actors. As Ernst Haas cogently put it, the actors in international relations are those entities capable of putting forth demands effectively; who or what these entities may be cannot be answered a priori (Haas, 1964, p. 84). However, the state is the principal actor in that the nature of the state and the pattern of relations among states are the most important determinants of the character of international relations at any given moment. This argument does not presume that states need always be the principal actors, nor does it presume that the nature of the state need always be the same and that the contemporary nation-state is the ultimate form of political organization. Throughout history, in fact, states and political organizations have varied greatly: tribes, empires, fiefdoms, city-states, etc. The nation-state in historical terms is a rather recent arrival; its success has been due to a peculiar set of historical circumstances, and there is no guarantee that these conditions will continue into the future. Yet it would be premature to suggest (much less declare, as many contemporary writers do) that the nation-state is dead or dying.

Interests and objectives of states

Strictly speaking, states, as such, have no interests, or what economists call "utility functions," nor do bureaucracies, interest groups, or so-called transnational actors, for that matter. Only individuals and individuals joined together into various types of coalitions can be said to have interests.[4] From this perspective

[3] "Self-regarding" is the apt expression of Kenneth Waltz (1979, p. 91). The idea that the state is the principal actor in international relations is strongly supported by Waltz's discussion (1979, pp. 93–7).

[4] A coalition is defined as "a group of persons working together who have some but not all goals in common" (Downs, 1967, p. 76).

the state may be conceived as a coalition of coalitions whose objectives and interests result from the powers and bargaining among the several coalitions composing the larger society and political elite. In the language of Brian Barry (1976, p. 159), collective choice and determination of political objectives are coalition processes (Cyert and March, 1963, p. 28).

The objectives and foreign policies of states are determined primarily by the interests of their dominant members or ruling coalitions. When one inquires what these interests or objectives are, one confronts a long-standing debate between what Stanley Hoffmann (1973) called the *classiques* and the *modernes*. The former, mainly political realists, argue that national security and power have been in the past and continue to be in the present the primary objectives of states. The latter counter that, however true this may have been in the past, attaining domestic economic stability and ensuring the welfare of the populace have become the foremost objectives of states in the contemporary world.

We believe that both the *classiques* and the *modernes* have confused the issue. Both positions assume that one can speak of a hierarchy of the objectives of states and that states seek to maximize one or another set of interests. These assumptions misrepresent the behavior and decision-making processes of states (or, for that matter, any actor). Every action or decision involves a trade-off, and the effort to achieve one objective inevitably involves costs with respect to some other desired goal. Thus, whereas political realists are correct in stating that security is a primary objective in the sense that if it is not satisfied, all other objectives are placed in jeopardy, the pursuit of security involves the sacrifice of other desired social goals and a real cost to the society. Similarly, the maximization of efforts to attain economic and welfare goals entails the diversion of resources from national security. In a world of scarce resources, where every benefit entails a cost, societies seldom, if ever, choose guns or butter, at least over the long run.

Modern economic analysis substitutes the concept of the indifference curve for the notion that individuals (or states) possess a hierarchy of goals, demands, or utilities. Indifference analysis

seeks to explain how income, price, and taste (as well as changes in these variables) affect the demand for goods and the supply of goods (Waldman, 1972, p. 241). In particular, in accordance with the law of demand, it accounts for the way in which changes in market conditions (e.g., income and price) affect the quantity of goods desired.[5] It is difficult, if not impossible, to draw an indifference curve for an individual and still more difficult for a whole society, and substitution of indifference analysis for the notion of a hierarchy of objectives does help clarify the issue posed by the *classique–moderne* controversy (Figure 2).

Indifference analysis assumes that individuals have numerous objectives and are willing to accept varying bundles of these objectives. In contrast to the idea of a hierarchy of goals, with its associated emphasis on maximization, indifference analysis assumes individuals make trade-offs among these objectives and pursue "satisficing" strategies rather than maximizing strategies (Simon, 1957, p. 250). That is to say, an individual will be satisfied by any one of a large number of different combinations of the desired goals. The individual (or state) will not seek to achieve one objective at the sacrifice of all others but will seek to find some optimum position on the set of indifference curves. Thus the state will not seek to maximize power (*classique*) or welfare (*moderne*) but will endeavor to find some optimum combination of both objectives (as well as others, for that matter), and the amount sought will depend on income and cost.

Several important implications for the study of international relations, and especially for our understanding of political change, flow from this emphasis on the concept of the indifference curve. In the first place, the slope of the indifference curve (i.e., the satisficing mix of objectives) differs from one society to another, depending on the specific interests of ruling domestic elites and

[5] The so-called law of demand is one of the most important assumptions underlying economic analysis. It holds, in effect, that "if the price of a good or service falls, *ceteris paribus*, people will buy more of it" (McKenzie and Tullock, 1975, p. 15). Also, if relative income rises, ceteris paribus, it is assumed that people will demand more of a good. This increased demand is limited, of course, by the law of diminishing utility. Unfortunately for economic predictions of human behavior, other things do not always remain the same, and economists lack an adequate theory for predicting changes in demand itself (Northrop, 1947, p. 245).

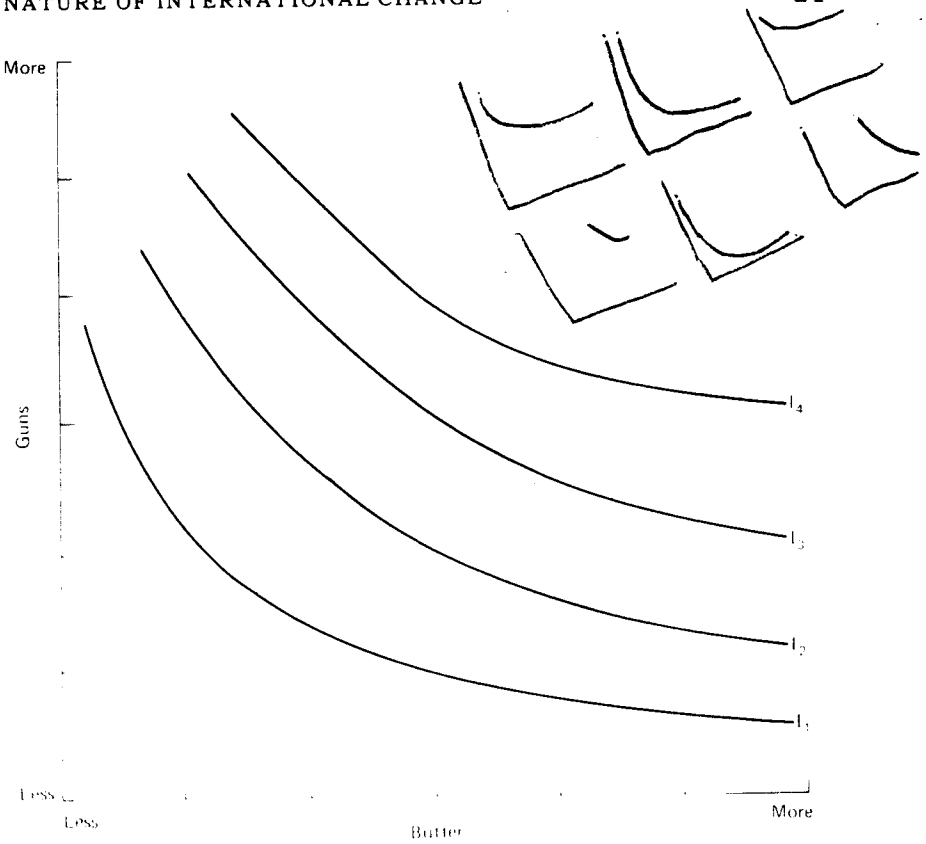

Figure 2. Indifference curves, each representing equally valued allocations of the two valued objects. [Adapted from Steinbruner (1974, p. 30).]

the international environment. For example, a continental European state with powerful neighbors will undoubtedly place greater emphasis on security than will an insular state with global economic interests, such as Great Britain in the nineteenth century or the United States in the twentieth.[6] Thus it is impossible in general terms to determine what bundles of security, economic, or other objectives will satisfy states.

[6] It is perhaps worth noting that nearly all theorists who argue that economic welfare has displaced security in the hierarchy of state objectives are American. The *moderne* position is really not so new, but rather a resurgence of what Arnold Wolfers and Laurence Martin (1956) called the Anglo-Saxon tradition in international relations.

Throughout history, states and ruling elites have sought a wide range of political, economic, and ideological objectives. During different eras the mix of objectives has varied in terms of the proportions of various sets of objectives. The ratio of security objectives to economic objectives, for example, may vary depending on internal and external factors. Objectives important in one age may be relatively unimportant in another. Thus, in the early modern era, religious objectives weighed heavily in the foreign policy of western European states.[7] Following the French Revolution, the political ideologies of liberalism and conservatism became important determinants of foreign policy. In the late twentieth-century world, economic ideologies and interests (as the *modernes* contend) are increasingly important objectives of states; yet it is the mix and trade-offs of objectives rather than their ordering that is critical to an understanding of foreign policy.

Second, the slope of a state's indifference curve may shift in response to both internal and external changes. The distribution of power among domestic coalitions may change over time, and with it the mix of interests or objectives of the foreign policy of the state will be altered. For example, the ruling elite may desire a revised mix weighted in favor of security goals. It is equally possible that the slope of the indifference curve may shift because of economic, technological, or other environmental changes that alter the costs of one or more objectives sought by states. For example, a military or technological innovation may dramatically reduce the cost and increase the benefits of territorial conquest and thereby encourage military expansion.

Third, the indifference curve selected by a state is to some degree a function of the wealth and power of the society. As the wealth and power of a society increase, the choice of indifference curve shifts outwardly. That is, an increase in a state's resources and power will cause a shift from I_1 to I_2. A more wealthy

[7] Actually, religious interests have been among the foremost objectives of states and other collectivities in all ages. This has resulted from the fact that the actors have been whole civilizations with differing and conflicting religious conceptions. The modern era has, in fact, been unique in this regard. Modern man has tended to substitute political and economic ideological passions for religious passion. Recent events in Iran may point toward a return to religious conflict.

and more powerful state (up to a point of diminishing utility) will select a larger bundle of security and welfare goals than a less wealthy and less powerful state (the production-possibility frontier is said to have shifted outwardly). As a consequence, the redistribution of wealth and power toward a particular state in an international system tends to stimulate the state to demand a larger bundle of welfare and security objectives.

Thus, a change in the relative cost of the objectives sought by a state or a change in the capacity of the state to achieve these objectives tend to induce a change in state behavior. A change in the relative costs of security objectives and welfare objectives or a change in a state's power and wealth usually causes a corresponding change in the foreign policy of the state. The explanation of international political change is in large measure a matter of accounting for shifts in the slopes and positions of the indifference curves of states and in the specific objectives of foreign policy. In general, these state objectives have been of three types.

Throughout history a principal objective of states has been the conquest of territory in order to advance economic, security, and other interests. Whether by means of imperialist subjugation of one people by another or by annexation of contiguous territory, states in all ages have sought to enlarge their control over territory and, by implication, their control over the international system. For this reason, a theory of international political change must of necessity also be a theory of imperialism and political integration.

Prior to the modern age, and particularly prior to the Industrial Revolution, conquest of territory was the primary means by which a group or state could increase its security or wealth. In an era of relatively stable technology and low productivity gains in both agriculture and manufacturing, a group or state could best increase its wealth and power by increasing its control over territory and conquering other peoples. In fact, until the technological revolution of the late eighteenth century, the international distribution of territory and the distribution of power and wealth were largely synonymous. Although this close relationship has changed because of modern industrial and military technology, it

is obvious that control over territory is still an important objective of groups and states.

The second objective of states is to increase their influence over the behavior of other states. Through the use of threats and coercion, the formation of alliances, and the creation of exclusive spheres of influence, states attempt to create an international political environment and rules of the system that will be conducive to the fulfillment of their political, economic, and ideological interests. Thus, another aspect of the process of international political change involves the efforts of states (or, again, groups) to gain control over the behavior of other actors in the international system.

The third objective of states, and in the modern world an increasingly important objective, is to control or at least exercise influence over the world economy, or what may more properly be called the international division of labor. This objective, of course, cannot easily be isolated from the first two. Both the control of territory and the political domination of one state over another have profound consequences for international economic relations. However, since the emergence of an international market economy in the seventeenth century and its extension throughout the globe in the nineteenth century, market power or economic power has itself become a principal means by which states seek to organize and manipulate the international division of labor to their own advantage.

In the modern world the international division of labor has become a significant determinant of the relative wealth, security, and prestige of states; the organization and management of the world economy have become important objectives of states. The terms of trade, the flow of resources (capital, technology, commodities), and the nature of the international monetary system are today primary concerns of state policy. Therefore, the distribution of economic power and the rules governing international economic regimes have become critical aspects of the process of international political change (Keohane and Nye, 1977).

In particular, creation and operation of the interdependent world economy have required recognition and enforcement of individual property rights on a global scale. The progressive ex-

tension of these rights of individuals (or corporations) geographically and from the relatively simple area of commercial intercourse to the complex arena of foreign investment has become a central feature of international relations in the modern world. The idea that a citizen of one country can exercise property rights across national boundaries is a revolutionary feature of the modern world, especially on the scale it is now practiced in the 1980s. Determination of the rules governing these rights has been an important aspect of international political change.

Among these objectives of states, the most important are those that a state considers its vital interests and for which it is prepared to go to war. Although the concept of vital interest is imprecise, and the definition of a vital interest may change because of economic, technological, or political change, every state regards the safeguarding of certain interests to be of overriding importance to its security. Thus, Great Britain fought several wars over a period of three centuries to secure the independence of the Low Countries from hostile powers. Since World War II, eastern Europe and western Europe have been accepted by all concerned as vital interests of the Soviet Union and the United States, respectively. Therefore, despite its vagueness, the idea of vital interest (Wight, 1979, pp. 95–9) remains an important idea for understanding the foreign policies of states:

> So long as international relations are based on force, power will be a leading object of national ambition. There results a vicious circle. When a political leader says that war is necessary in his country's vital interests, what he usually means is that war is necessary to acquire or to avoid losing some factor of national strength. The interest is only vital in the sense that it is vital to success in war. The only end vital enough to justify war is something arising out of the prospect of war itself (Hawtrey, 1952, p. 19).

The nature of the international system

States create international social, political, and economic arrangements in order to advance particular sets of interests. However, obviously they do not have complete control over this process. Once in place, the international system itself has a

reciprocal influence on state behavior; it affects the ways in which individuals, groups, and states seek to achieve their goals. The international system thus provides a set of constraints and opportunities within which individual groups and states seek to advance their interests.

The term "international system" is itself ambiguous. It can cover a range of phenomena from sporadic contacts among states to the tightly interlocked relationships of late-nineteenth-century Europe. Until the modern era there was no single international system, but rather several international systems, with little or no contact one with another. Thus, except for the modern world, one cannot really speak of the international system. In this study the term "international system" will be used to refer to the compartmentalized systems of the past, as well as the worldwide system of the present era.

The definition of international system to be used here is adapted from the definition used by Robert Mundell and Alexander Swoboda: "A system is an aggregation of diverse entities united by regular interaction according to a form of control" (Mundell and Swoboda, 1969, p. 343).[8] According to this formulation, an international system has three primary aspects. In the first place, there are the "diverse entities," which may be processes, structures, actors, or even attributes of actors. Second, the system is characterized by "regular interaction," which can vary on a continuum from infrequent contacts to intense interdependence of states. Third, there is some "form of control" that regulates behavior and may range from informal rules of the system to formal institutions. Furthermore, by implication, the system must have some boundaries that set it apart from other systems and its larger environment. Let us consider each aspect in more detail.

Diverse entities. As noted earlier, the principal entities or actors are states, although other actors of a transnational or international nature may also play important roles under certain sets of circumstances. The nature of the state itself also changes over time, and the character of the international system is largely determined by the type of state-actor: city-states, empires, nation-states, etc. A

[8] The writer in endebted to Edward Morse for bringing this definition to his attention.

fundamental task of a theory of international political change is to inquire into the factors that influence the type of state characteristic of a particular era and international system.

Regular interactions. Every international system is characterized by various types of interactions among its elements. The nature, regularity, and intensity of these interactions vary greatly for different international systems. The interactions among the actors in the system may range from intermittent armed conflict to the high levels of economic and cultural interdependence of the modern world. Together, diplomatic, military, economic, and other relationships among states constitute the functioning of the international system.

In the modern world, these interactions among states have become increasingly intense and organized, principally because of revolutionary advances in transportation and communications. Diplomatic, alliance, and cultural relationships among states have been institutionalized and governed by formally agreed rules. In particular, economic interdependence, or what may be called the international division of labor, has evolved to the point that trade, money relations, and foreign investment are among the most important features of the international system in the contemporary world. The evolution and functioning of the international division of labor have become critical aspects of the process of international political change.

Form of control. Undoubtedly the most controversial aspect of the definition of the term "international system" as used here is the notion of control over the system. A view prevalent among many scholars of political science is that the essence of international relations is precisely the absence of control. International politics, in contrast to domestic politics, are said to take place in a condition of anarchy; there is no authority or control over the behavior of the actors, and many writers believe that it is a contradiction in terms to speak of control over the international system. Because of the centrality of this issue to the argument of this study, it requires a more extended treatment than the other aspects of the international system.

Table 1. *Mechanisms of control (components of system)*

Domestic	International
Government[a]	Dominance of great powers[b]
Authority	Hierarchy of prestige
Property rights	Division of territory
Law	Rules of the system
Domestic economy	International economy

[a]Based on distribution of power among domestic groups, coalitions, classes, etc.
[b]Based on distribution of power among states in the system.

The argument of this study is that the relationships among states have a high degree of order and that although the international system is one of anarchy (i.e., absence of formal governmental authority), the system does exercise an element of control over the behavior of states (Bull, 1977; Young, 1978). However, the nature and extent of this control differ from the nature and extent of the control that domestic society exercises over the behavior of individuals. Yet it is possible to identify similarities in the control mechanisms of domestic systems and international systems (Table 1).

When we speak of control over the international system, this term must be understood as "relative control" and "seeking to control." No state has ever completely controlled an international system; for that matter, no domestic government, not even the most totalitarian, has completely controlled a domestic society. The degree of control obviously differs also in various aspects of international relations and over time (Keohane and Nye, 1977, p. 31). If a group or state were completely in control of a society, change could not take place. Indeed, it is precisely because economic, political, and technological forces escape the control of dominant groups and states that change does take place.

Control over or governance of the international system is a function of three factors. In the first place, governance of the system rests on the distribution of power among political coalitions. In domestic society these coalitions are primarily classes,

strata, or interest groups, and the distribution of power among these entities is a principal aspect of the governance of domestic society. In international society the distribution of power among coalitions of coalitions (or states) determines who governs the international system and whose interests are principally promoted by the functioning of the system.

In the words of E. H. Carr, "international government is, in effect, government by that state [or states] which supplies [supply] the power necessary for the purpose of governing" (1951, p. 107). In every international system the dominant powers in the international hierarchy of power and prestige organize and control the processes of interactions among the elements of the system. Or, as Raymond Aron put it, "the structure of international systems is always *oligopolistic*. In each period the principal actors have determined the system more than they have been determined by it" (1966, p. 95). These dominant states have sought to exert control over the system in order to advance their self-interests.

Throughout history, three forms of control or types of structure have characterized international systems. The first structure is imperial or hegemonic: A single powerful state controls or dominates the lesser states in the system. This type of system has, in fact, been most prevalent, at least until modern times, and scholars of international relations have detected a propensity for every international system to evolve in the direction of a universal empire. The second structure is a bipolar structure in which two powerful states control and regulate interactions within and between their respective spheres of influence; despite important exceptions, the tendency has always been for such systems to be unstable and relatively short-lived. The third type of structure is a balance of power in which three or more states control one another's actions through diplomatic maneuver, shifting alliances, and open conflict. The classic example of this system is, of course, the European balance of power that may be said to have existed from the Treaty of Westphalia (1648) to the eve of World War I (1914).

The distribution of power among states constitutes the principal form of control in every international system. The dominant

states and empires in every international system organize and maintain the network of political, economic, and other relationships within the system and especially in their respective spheres of influence. Both individually and in interaction with one another, those states that historically have been called the great powers and are known today as the superpowers establish and enforce the basic rules and rights that influence their own behavior and that of the lesser states in the system.

The second component in the governance of an international system is the hierarchy of prestige among states. In international relations, prestige is the functional equivalent of the role of authority in domestic politics. Like the concept of authority, prestige is closely linked to but is distinct from the concept of power. As defined by Max Weber, power is the "probability that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests." Authority (or prestige) is the "probability that a command with a given specific content will be obeyed by a given group of persons" (Dahrendorf, 1959, p. 166). Thus, both power and prestige function to ensure that the lesser states in the system will obey the commands of the dominant state or states.

Prestige, like authority, has a moral and functional basis (Carr, 1951, p. 236). To some extent the lesser states in an international system follow the leadership of more powerful states, in part because they accept the legitimacy and utility of the existing order. In general, they prefer the certainty of the status quo to the uncertainties of change. Also, the ruling elites and coalitions of subordinate states frequently form alliances with the dominant powers and identify their values and interests with those of the dominant powers. Empires and dominant states supply public goods (security, economic order, etc.) that give other states an interest in following their lead. Finally, every dominant state, and particularly an empire, promotes a religion or ideology that justifies its domination over other states in the system (Moore, 1958, pp. 10, 16). In short, numerous factors, including respect and common interest, underlie the prestige of a state and the legitimacy of its rule. Ultimately, however, the hierarchy of prestige in an international system rests on economic and military power.

Prestige is the reputation for power, and military power in particular. Whereas power refers to the economic, military, and related capabilities of a state, prestige refers primarily to the perceptions of other states with respect to a state's capacities and its ability and willingness to exercise its power. In the language of contemporary strategic theory, prestige involves the credibility of a state's power and its willingness to deter or compel other states in order to achieve its objectives. Thus, power and prestige are different, and, as will be argued later, the fact that the existing distribution of power and the hierarchy of prestige can sometimes be in conflict with one another is an important factor in international political change.

Prestige, rather than power, is the everyday currency of international relations, much as authority is the central ordering feature of domestic society. As E. H. Carr put it, prestige is "enormously important," because "if your strength is recognized, you can generally achieve your aims without having to use it" (quoted in Wight, 1979, p. 98). It is for this reason that in the conduct of diplomacy and the resolution of conflicts among states there is actually relatively little use of overt force or, for that matter, explicit threats. Rather, the bargaining among states and the outcomes of negotiations are determined principally by the relative prestige of the parties involved. But behind such negotiations there is the implicit mutual recognition that deadlock at the bargaining table could lead to decision on the battlefield (Kissinger, 1961, p. 170). For this reason, the eras of relative peace and stability have been those historical epochs during which the prestige hierarchy has been clearly understood and has remained unchallenged. Conversely, a weakening of the hierarchy of prestige and increased ambiguity in interpreting it are frequently the prelude to eras of conflict and struggle.

The central role of prestige in the ordering and governance of the international system was well set forth in the following statement by Ralph Hawtrey:

> If war is an interruption between two periods of peace, it is equally true that peace is an interval between two wars. That is not a mere verbal epigram. It is significant in a very real sense. War means the imposition of the will of the stronger on the weaker by force. But if their relative

strength is already known, a trial of strength is unnecessary; the weaker will yield to the stronger without going through the torments of conflict to arrive at a conclusion foreknown from the beginning. The reputation for strength is what we call *prestige*. A country gains prestige from the possession of economic and military power. These are matters partly of fact and partly of opinion. Were they exactly ascertainable and measurable, conflicts of prestige could always take the place of conflicts of force. But it is not possible to measure exactly either the wealth of a country or the degree of its mobility, and even if the military force that could be maintained were precisely known, there are imponderables to take account of, the military qualities of the men, the proficiency of the leaders, the efficiency of the administration, and, last, but not least, pure luck. The result is that there is a wide margin of error. Prestige is not entirely a matter of calculation, but partly of indirect inference. In a diplomatic conflict the country which yields is likely to suffer in prestige because the fact of yielding is taken by the rest of the world to be evidence of conscious weakness. The visible components of power do not tell the whole story, and no one can judge better of the invisible components than the authorities governing the country itself. If they show want of confidence, people infer that there is some hidden source of weakness.

If the country's prestige is thus diminished, it is weakened in any future diplomatic conflict. And if a diplomatic conflict is about anything substantial, the failure is likely to mean a diminution of material strength.

A decline of prestige is therefore an injury to be dreaded. But in the last resort prestige means reputation for strength in war, and doubts on the subject can only be set at rest by war itself. A country will fight when it believes that its prestige in diplomacy is not equivalent to its real strength. Trial by battle is an exceptional incident, but the conflict of national force is continuous. That is inherent in the international anarchy (1952, pp. 64–5).

There are several aspects of this excellent statement that merit emphasis. In the first place, although prestige is largely a function of economic and military capabilities, it is achieved primarily through successful use of power, and especially through victory in war. The most prestigious members of the international system are those states that have most recently used military force or economic power successfully and have thereby imposed their will on others. Second, both power and prestige are ultimately imponderable and incalculable; they cannot be known absolutely by any a priori process of calculation. They are known only when they are tested, especially on the field of battle. Third, one of the principal functions of war, and particularly what we shall call hegemonic war, is to determine the international hierarchy of prestige and thereby determine which states will in effect govern the international system.

The critical role of prestige in the ordering and functioning of the international system is significant for our primary concern with the process of international political change. What Hawtrey's analysis suggests is that an inconsistency may, and in time does, arise between the established hierarchy of prestige and the existing distribution of power among states.[9] That is, perceptions of prestige lag behind changes in the actual capabilities of states. As a consequence, the governance of the system begins to break down as perceptions catch up with realities of power. The once-dominant state is decreasingly able to impose its will on others and/or to protect its interests. The rising state or states in the system increasingly demand changes in the system that will reflect their newly gained power and their unmet interests. Finally, the stalemate and issue of who will run the system are resolved through armed conflict.

It is frequently asserted that in the contemporary world economic success has largely displaced political and military success as the basis of international prestige. Japan and West Germany are cited as outstanding examples of defeated powers who have recouped their international positions by creating strong economies; in the areas of international trade, foreign investment, and world monetary affairs, these two nations now exert powerful influences throughout the world. This is correct; yet, several further points should be made. First, this emphasis on economic power is consistent with the book's definition of prestige as resting on the capabilities of the state (Hawtrey, 1952, p. 71). Second, Japan and West Germany have increased their prestige in part because they could translate their economic capabilities into

[9] The idea of status inconsistency is one that goes back to Max Weber and has been stressed by several recent writers such as Galtung (1964), Michael Haas (1974), and Wallace (1973).

military power. Third, as I have argued elsewhere, economic power can play the role that it does in today's world because of the nature of the economic and political order created and defended militarily primarily by the United States (Gilpin, 1975).

In summary, the legitimacy of the "right to rule" on the part of a great power may be said to rest on three factors. First, it is based on its victory in the last hegemonic war and its demonstrated ability to enforce its will on other states; the treaties that define the international status quo and provide the constitution of the established order have authority in that they reflect this reality. Second, the rule of the dominant power is frequently accepted because it provides certain public goods, such as a beneficial economic order or international security. Third, the position of the dominant power may be supported by ideological, religious, or other values common to a set of states. In contrast to the situation with domestic society, however, the last two factors are usually weak or nonexistent.[10]

In addition to the distribution of power and the hierarchy of prestige, the third component of the governance of an international system is a set of rights and rules that govern or at least influence the interactions among states (Hoffmann, 1965). As far back as our knowledge extends, states have recognized certain rules of the system, although in some instances these rules have been very primitive. These rules have ranged from simple understandings regarding spheres of influence, the exchange of ambassadors, and the conduct of commerce to the elaborate codification of international law in our own era.

Every system of human interaction requires a minimum set of rules and the mutual recognition of rights. The need for rules and rights arises from the basic human condition of scarcity of material resources and the need for order and predictability in human affairs. In order to minimize conflict over the distribution of scarce goods and to facilitate fruitful cooperation among individuals, every social system creates rules and laws for governing behavior. This is as true for international systems as for domestic political systems (Bull, 1977, pp. 46–51).

[10]This concept of legitimacy has very little to do with the justice of the system. Although individual states seek justice for themselves, they very seldom rise above self-interest and promote a just system. For contrasting treatments of the role of justice in world politics, three contemporary books are noteworthy: Beitz (1979), Bull (1977, especially Chapter 4), and Falk (1971).

In general, the rules affecting the interactions among states cover three broad areas. In the first place, they relate to the conduct of diplomacy and political intercourse among states. In some primitive systems such rules may be very rudimentary indeed. In the modern world, these matters have become highly institutionalized and governed by elaborate legal codes. Second, there may be certain rules of war. This is particularly true in the case of states sharing a religion or civilization. In the modern world, under the influence of Western civilization, the law of war, covering such topics as treatment of prisoners and rights of neutrals, has become highly developed, and frequently violated. Third, the rules of a system cover economic and other areas of intercourse among states. In all systems the mutual interest in trade has guaranteed some protection for the trader and merchant. In the modern world the rules or regimes governing international commerce, technical cooperation, and such matters are among the most important rules influencing interstate behavior.

The sources of rights and the rules embodying them range from custom to formally negotiated international treaties. In part, rights and rules rest on common values and interests and are generated by cooperative action among states. The European state system was noteworthy in the relatively high degree of consensus that existed regarding the nature of these rights and rules; this system constituted, in the view of Hedley Bull, not merely a system of states but a society of states sharing a common set of values and norms (Bull, 1977, pp. 15–16). One could say the same thing about the classical Greek city-state system. Whether or not the contemporary global system can also be characterized as a society of states that share common values and interests is a matter of intense scholarly controversy today.

Although the rights and rules governing interstate behavior are to varying degrees based on consensus and mutual interest, the primary foundation of rights and rules is in the power and interests of the dominant groups or states in a social system. As Harold Lasswell and Abraham Kaplan put it, political and other

rules are "the pattern of ruler practices" (1950, p. 208). In every social system the dominant actors assert their rights and impose rules on lesser members in order to advance their particular interests. The Persian empire, which was perhaps the first lawgiver, imposed on other states the rules governing international economic relations and mediated disputes among its lesser neighbors (Bozeman, 1960, p. 53). Rome gave the Mediterranean world its own code of law and left as a legacy to Western civilization the first law of nations. In the modern era, what we call international law was imposed on the world by Western civilization, and it reflects the values and interests of Western civilization.

The most significant advance in rulemaking has been the innovation of the multilateral treaty and formalization of international law. This has been one of the major achievements of the European society of states. Prior to the Treaty of Westphalia (1648), international treaties were negotiated bilaterally and covered a limited range of subjects. The Congress of Westphalia brought together for the first time in history all the major powers of an international system. The rules agreed on covered the broad range of religious, political, and territorial matters at issue in the Thirty Years' War. The statesmen who gathered at Westphalia reordered the map of Europe and established a set of rules that brought relative peace to Europe for the rest of the century.

The treaties negotiated at the conclusions of the great wars of European civilization served as the constitution of the state system. The peace settlements of Westphalia (1648), Utrecht (1713), Vienna (1815), and Versailles (1919) attempted to fashion a stable status quo and establish a mutually recognized set of rules and rights. These treaties provided for the resolution of disputes, the imposition of penalties on the losers, the mutual recognition of security guarantees, etc. Most important of all, these peace treaties redistributed territory (and hence resources) among the states in the system and thereby changed the nature of the international system. In the words of one student of these treaties, "the territorial settlement . . . restratified the state system on a new basis" (Randle, 1973, p. 332).

In domestic society, as we have already seen, the principal mechanism for regulating the distribution of scarce goods is the concept of property. Property rights and the rules embodying them are the basic means for ordering domestic social, economic, and political affairs. The definition and distribution of such property rights reflect the powers and interests of the dominant members of society. For this reason, the process of domestic political change is fundamentally one of redefining and redistributing property rights.

In international affairs, territoriality is the functional equivalent of property rights. Like the definition of property, the control of territory confers a bundle of rights. The control and division of territory constitute the basic mechanism governing the distribution of scarce resources among the states in an international system. Whereas domestic political change involves redefinition and redistribution of property rights, international political change has been primarily a matter of redistributing territory among groups or states following the great wars of history. Although the importance of territorial control has lessened somewhat in the modern world, it continues to be the central ordering mechanism of international life. Contemporary nation-states, especially newly formed states in the Third World, are as fiercely jealous of their territorial sovereignty as their eighteenth-century European predecessors.

The foregoing definition of an international system, based as it is primarily on structural characteristics, obviously tells us very little about the political, economic, and moral content of specific international systems. Dominant powers have had very different sets of ideologies and interests that they have sought to achieve and incorporate into the rules and regimes of the system. Rome and Great Britain each created a world order, but the often oppressive rule of the Pax Romana was in most respects different from the generally liberal rule of the Pax Britannica. Napoleonic France and Hitlerite Germany gave very different governances to the Europe each united. The Pax Americana differs from what a Pax Sovietica would contain. A general and truly comprehensive theory of international relations would assess types of international systems (tyrannical–liberal, Christian–Is-

lamic, communist–capitalist, etc.) for their characteristic features and dynamics. Where appropriate, this study will address these matters; however, they raise fundamental questions far beyond the limited purposes of this study.

Boundaries of the system. An international system, like every other system, has a set of boundaries that set it apart from its larger environment. In the case of an international system, determination of these boundaries is a difficult problem. With the exception of totally isolated systems, such as the pre-Columbian American empires, for example, there are no sharp geographic breaks between one system and another. What to one observer is a self-contained international system may be to another merely a subsystem of a larger and encompassing international system. For example, Thucydides treated the warring Greek city-states as a relatively autonomous system. Yet, on a larger canvas, these city-states were part of a much greater system dominated by imperial Persia, which was temporarily diverted from Greek affairs by troubles elsewhere in its empire. In short, what constitutes an international system (or subsystem) lies to some extent in the eye of the beholder.

Therefore, definition of the boundaries of an international system must of necessity be somewhat arbitrary and subjective. What constitutes an international system is determined partially by the perceptions of the actors themselves. The system encompasses those actors whose actions and reactions are taken into account by states in the formulation of foreign policy. The system is in effect an arena of calculation and interdependent decision making. The boundaries of the system are defined by the area over which great powers seek to exert control and influence. Thus, although imperial Rome and China were functionally interdependent and were profoundly affected by the disturbances caused by the massive migration of the steppe nomads of Central Asia, it would be absurd to regard ancient China and Rome as parts of the same international system (Teggart, 1939).

Nevertheless, geographic boundaries do matter, in that they affect which other actors and considerations a state must take into account in the formulation of its foreign policy. The topography of

the land, the existence of water communications, and the climate obviously greatly facilitate or inhibit interactions among states. It is no accident, for example, that international systems tend to form around water communications: the ancient river basins of Asia and the Middle East, the Mediterranean Sea until modern times, and the Atlantic and Pacific oceans in the modern period. But it is equally true that geographic boundaries are elastic and are altered by changes in technology and other factors.

TYPES OF INTERNATIONAL CHANGES

It is obvious that international changes can be and are of varying degrees of magnitude and that individuals may place quite different weights on their significance. What to one person may be but a change within a particular international system may be for another a transformation of the system itself. For example, throughout the history of European diplomacy there was a continuous succession of differing distributions of power, a variety of actors, and changing memberships of political alliances. Because these changes were of different magnitudes, the theorist of international political change has the task of classifying them before formulating a theory to explain them. Thus, whereas Arthur Burns, in his *Of Powers and Their Politics*, regarded many of these changes, such as the emergence of revolutionary France and the Bismarckian unification of Germany in 1871, as merely modifications within the European state system (Burns, 1968, Chapter 5), Richard Rosecrance, in his *Action and Reaction in World Politics* (1963), classified them as changes of the international system itself. Underlying this difference in interpretation, of course, are contrasting theories of political change.

Although a typology of changes is largely an arbitrary matter, the classification used must be a function of one's theory of change and of one's definition of the entity that changes. Thus, in this study we draw on our earlier definition of an international system to distinguish three broad types of changes characteristic of international systems (Table 2). The first and most fundamental type of change is a change in the nature of the actors or diverse entities that compose an international system; this type

Table 2. *Types of international changes*[a]

Type	Factors that change
Systems change	Nature of actors (empires, nation-states, etc.)
Systemic change	Governance of system
Interaction change	Interstate processes

[a]All three types of changes may or may not involve a change in the boundaries of the system. Most likely, however, systems change involving a different set of principal actors also means a change in the boundaries of the system.

of change will be called *systems change*. The second type of change is a change in the form of control or governance of an international system; this type of change will be labeled *systemic change*. Third, a change may take place in the form of regular interactions or processes among the entities in an ongoing international system; this type of change will be labeled simply *interaction change*.

Unfortunately, it is not always easy to distinguish among these three types of change. Because of its all-encompassing nature, for example, systems change also involves both systemic and interaction changes. Furthermore, changes at the level of interstate interactions (viz., formation of diplomatic alliances or major shifts in the locations of economic activities) may be the prelude to systemic change and eventually systems change. The stuff of history is messy, and it is difficult, if not impossible, to sort it out into neat analytical categories.

The classification of a change is also a function of the level of analysis. What at one level of analysis may be classified as an interaction or systemic change may at another level be regarded as a systems change. For example, the unification of Germany in 1871 was an interaction change at the overall level of European politics, a systemic change at the level of central European politics, and a systems change at the level of intra-German politics. It all depends on the system of interstate interactions that one has in mind.

These three categories of change are what Max Weber called

ideal types. Although they may never take place in pure form, one type or another may best characterize the nature of change at a given moment in time. For this reason alone they are useful analytical devices, and they help to clarify the process of change. With this qualification in mind, each type will be discussed briefly.

Systems change

As implied by its label, systems change involves a major change in the character of the international system itself. In speaking of the character of the system, we refer primarily to the nature of the principal actors or diverse entities composing the system. The character of the international system is identified by its most prominent entities: empires, nation-states, or multinational corporations. The rise and decline of various types of entities and state systems must of necessity be a fundamental concern of a comprehensive theory of international change.

Although students of international relations have given little attention to this category of change and have left it (perhaps wisely) to the philosophers of history, it should be more central to their concerns. The rise and decline of the Greek city-state system, the decline of the medieval European state system, and the emergence of the modern European nation-state systems are examples of systems change. To study such changes properly and systematically would necessitate a truly comparative study of international relations and systems. In the absence of such studies, a theoretical analysis of systems change is obviously handicapped.

This issue is particularly relevant in the present era, in which new types of transnational and international actors are regarded as taking on roles that supplant the traditional dominant role of the nation-state, and the nation-state itself is held to be an increasingly anachronistic institution. There have, of course, been numerous valuable studies analyzing this subject, but the more general question of why one or another type of entity is best suited for a particular historical environment has been inadequately addressed by students of international relations.

In effect, what this question asks is why, at various times and in differing contexts, individuals and groups believe one political form rather than another is best suited to advance their interests. Although each political organization serves a general set of interests (protection, welfare, status), the particular type of organization that best serves a specific interest depends on the nature of the interest and the historical circumstances. As interests and circumstances change, the type of organization that is required to secure and defend the interests of individuals also changes. Any development that affects the costs and benefits of group or institutional membership for particular individuals will bring about organizational changes. For this reason, a systems change relates to the cost/benefit aspects of organizational membership and the ways in which economic, technological, and other developments affect the scale, efficiency, and viability of different types of political organizations. Although in this study we cannot hope to provide a definitive answer to this question, we can hope to shed some light on the issues involved.

Systemic change

Systemic change involves a change in the governance of an international system. That is to say, it is a change within the system rather than a change of the system itself. It entails changes in the international distribution of power, the hierarchy of prestige, and the rules and rights embodied in the system, although these changes seldom, if ever, occur simultaneously. Thus, whereas the focus of systems change is the rise and decline of state systems, the focus of systemic change is the rise and decline of the dominant states or empires that govern the particular international system.

The theory of international political change to be developed here rests on the assumption that the history of an international system is that of the rise and decline of the empires and dominant states that during their periods of reign over international affairs have given order and stability to the system. We shall argue that the evolution of any system has been characterized by successive rises of powerful states that have governed the system

and have determined the patterns of international interactions and established the rules of the system. Thus the essence of systemic change involves the replacement of a declining dominant power by a rising dominant power.

Although scholars of international relations and diplomatic historians have devoted considerable attention to this type of change, most of these studies have been concerned primarily with the modern European nation-state system. There have been relatively few studies of earlier systems or non-Western systems by scholars in the field. Moreover, these studies have seldom addressed the problem of systemic change in a systematic, comparative, or theoretical vein; rather, most have tended to be historical or descriptive. There is a need for a comparative study of international systems that concentrates on systemic change in different types of international systems.

Such a comparative examination is obviously beyond the scope of this study, in which we do not presume to have presented a study of specific systemic changes even in the modern era. At best, this study may succeed in presenting a better understanding of the nature and process of systemic change as a historical process and point the way to empirical studies of change. If so, the purpose of this study will have been fulfilled.

Interaction change

By interaction change, we mean modifications in the political, economic, and other interactions or processes among the actors in an international system. Whereas this type of change does not involve a change in the overall hierarchy of power and prestige in the system, it usually does entail changes in the rights and rules embodied in an international system. However, it should be noted that interaction changes frequently do result from the efforts of states or other actors to accelerate or forestall more fundamental changes in an international system and may presage such changes.

In general, when scholars of international relations write of the dynamics of international relations, they are referring to modifi-

cations of the interactions among states within a particular state system (at least as defined in our study). This is the case, for example, in Richard Rosecrance's *Action and Reaction in World Politics* (1963), in which he analyzed the causes of changes in European diplomatic style from 1740 onward. The vast literature on alliance formation, regime change, and transnational relations is also on the level of intrasystemic interactions.[11] Whereas there has been little research on systems change and systemic change, there is a vast literature on changes in the interactions among states, though it is largely confined to the Western state system and more especially to international relations since 1945. Therefore, although interaction changes are the most frequent changes and constitute much of the stuff of international relations, we shall devote little attention to them. They have been well analyzed by others (e.g., Keohane and Nye, 1977). Instead, the focus of the study is mainly on systemic change and, to a lesser extent, systems change. We shall discuss interaction changes only insofar as they are relevant to a broader understanding of systemic change and systems change.

INCREMENTAL CHANGE VERSUS REVOLUTIONARY CHANGE

The explanation of political change raises a fundamental issue in social theory, namely whether the transformation of a social system can take place through incremental evolutionary changes or whether it must of necessity be the consequence of political upheavel and violence – revolution at the domestic level and major war at the international level. On one side of this controversy is the liberal, democratic tradition exemplified by the experience of the United States and Great Britain; both societies have witnessed peaceful changes in important social and political institutions in response to economic, technological, and other developments. Proponents of this position hold that a similar process of peaceful continuous change is possible at the international level. On the other side is the Hegelian-Marxist perspective, which ex-

[11] A position similar to ours is taken by Waltz (1979, especially Chapter 7).

plains major change in terms of a contradiction between the existing social system and underlying forces of change. Change is believed to be discontinuous and the consequence of a systemic crisis that can be resolved only by the use of force, because no dominant group gives up its privileges without a struggle. According to this view, peaceful change is merely the granting of meaningless concessions designed to buy off revolutionary forces.

In contrast with the liberal conception of social change as being continuous incremental adjustments of social systems to the forces of change, the Hegelian-Marxist perspective embodies three quite different generalizations regarding the nature of social change. In the first place, the pattern of history is regarded as a discontinuous series of "developing contradictions that lead to intermittent abrupt changes" (Moore, 1965, p. 138). Second, these contradictions or crises arise because of incompatibility between existing social arrangements and underlying forces of change (economic, technological, etc.). Third, the resolution of the contradiction and the transformation of the social system are the consequences of a power struggle among potential gainers and losers.

The position we take in this study is that in an international system both types of changes take place. The most frequently observed types of changes are continuous incremental adjustments within the framework of the existing system. Territory changes hands, shifts in alliances and influences take place, and patterns of economic intercourse are altered. Such incremental changes at the level of interstate interaction cause the international system to evolve as states seek to advance their interests in response to economic, technological, and other environmental developments. As a consequence, the process of international political change is generally an evolutionary process in which continual adjustments are made to accommodate the shifting interests and power relations of groups and states.

This gradual evolution of the international system is characterized by bargaining, coercive diplomacy, and warfare over specific and relatively narrowly defined interests (Young, 1978, p. 250). The system may be described as being in a state of homeostatic equilibrium. Territorial, political, and economic adjust-

ments among states in response to conflicting interests and shifting power relationships function to relieve pressure on the system, thereby preserving it intact. In brief, international political change takes place through the process of peaceful accommodation and limited conflicts at the level of interstate interactions.

Although changes at the level of interstate interactions constitute the bulk of international relations, obviously they are not the only types of changes one observes in the international sphere. Whereas most changes are continuous responses to slowly changing circumstances, adjustments do not always occur immediately. Major economic, technological, or military developments may occur at critical junctures, developments that promise significant gains or losses to one or another actor. If these gains cannot be realized in the framework of the existing system, states (or rather the domestic coalitions they represent) may believe that their interests can be served only by more sweeping and more profound changes in the international system. Conversely, other states will believe that the meeting of such demands will jeopardize what they regard as their own vital interests. At these critical moments, the issue is the nature and governance of the system itself and/or, more rarely, the character of the international actors themselves. The former type of change is labeled systemic change; the latter is systems change.

Both systemic change and systems change raise the basic issue of whose security, economic, and ideological interests will be most benefited by the functioning of the international system. The crisis may be said to be constitutional, because the pattern of political authority (hierarchy of prestige) is at stake in the crisis, as are the rights of individuals (or states) and the rules of the system. Furthermore, resolution of the crisis will most likely involve armed conflict (Table 3.). In domestic politics, constitutional crises are most frequently resolved by civil war and revolution; in international politics they usually are resolved by hegemonic war.

The Hegelian-Marxist conception of political change maintains that the critical junctures that lead to revolutionary change are produced by contradictions in the system. According to this viewpoint, contradictions are inevitable consequences of irreconcilable components in the social system. Furthermore, it is believed that it is possible a priori to determine when a crisis or conflict in a system is in fact irreconcilable and must inevitably cause a change in the system; it is also believed that the outcome of the contradiction can be predicted in advance. In brief, this influential school of thought has a deterministic view of the nature, causes, and consequences of political change.[12]

Table 3. *Comparison of domestic change and international change*

	Domestic	International
Principal method of incremental change	Bargaining among groups, classes, etc.	Bargaining among states
Principal method of revolutionary change	Revolution and civil war	Hegemonic war
Principal objective of incremental change	Minor adjustments of domestic system	Minor adjustments of international system
Principal objective of revolutionary change	Constitution	Governance of system

We reject this overly deterministic type of interpretation of political change.[13] Although it is certainly possible to identify crises, disequilibrium, and incompatible elements in a political system, especially a disjuncture between the governance of the system and the underlying distribution of power, it is most certainly not possible to predict the outcome. In the social sciences, we do not possess a predictive theory of social change in any sphere; we probably never shall.[14] Although we observe international crises and corresponding responses in the behavior of states, it cannot be known in advance if there will be an eventual return to equilibrium or a change in the nature of the system. The answer is dependent, at least in part, on what individuals choose to do.

[12] A number of Marxists, I am sure, would dispute this characterization of their doctrine.

[13] For an excellent critique of the Hegelian-Marxist conception of social change, see the work of Dupre (1977).

[14] A good critique of the problems of predictive theory in the social sciences is provided by Northrop (1947, pp. 235–64).

Despite this limitation, the Hegelian-Marxist approach to the problem of political change has heuristic value. What it suggests is that the locus of change must be found in the differential rates of change in the major components composing the social system. If all aspects of the social system were to change in unison, there would develop no contradiction requiring resolution by an abrupt change in the system. Instead, there would be incremental evolution of the system. In Marxist theory, the means of economic production evolve more rapidly than those elements in the superstructure of social and political relationships, such as law and class structure, thereby producing a contradiction between the forces of production and the relations of production. Thus the resulting revolutionary change in the system is caused by the fact that productive technology develops more rapidly than other aspects of the system; this systemic change, once it occurs, in turn further accelerates the development of productive forces. In other words, the development of the means of production is both the cause and the consequence of systemic change.

International political change is similarly caused by the differential rates of change for the major components composing the international political system. The international balance of power among the actors (like the forces of economic production) underlying the international system evolves more rapidly than the other components of the system, particularly the hierarchy of prestige and the rules of the system. Again, if all components were to change in unison, peaceful evolution of the system would take place. It is the differential rate of change between the international distribution of power and the other components of the system that produces a disjuncture or disequilibrium in the system that, if unresolved, causes a change in the system. This change in the system, once it occurs, in turn further accelerates (up to a point) the shift in the balance of power in the direction of the rising state or states in the system. Thus, in the language of social science, the differential growth of power in the system is both the cause and the consequence of international political change.

Contrary to the Hegelian-Marxist position, however, it is impossible to predict political outcomes or that revolutionary

change will in fact take place and, if it does occur, what the consequences will be. Although one might devise a general theory of political change, ultimately the study of change cannot be divorced from specific historical contexts and those static elements that influence the triggering and the direction of political change. An explanation of change involves the bringing together of an explanatory theory and some set of initial conditions (Harsanyi, 1960, p. 141). The nature of these static elements determines the character of the outcome. No two hegemonic conflicts are alike; a hegemonic war may serve to strengthen the position of a dominant power, or it may produce far-reaching unanticipated changes in the system. Thus, although a theory of political change can help explain historical developments, such a theory can go only part way; it is no substitute for an examination of both the static and dynamic elements responsible for a particular international political change.

This nondeterministic approach to the problem of political change should help clarify a major issue currently being debated by scholars of international relations. The prevalent view that the contemporary international system is characterized by the erosion of American hegemony tells us little about the outcome of current developments and the future of the present international system or what would follow its abrupt ending, for example. In its place a new hegemonic power might arise, a global balance of power much like the European balance of power might take shape, or, as in the case of the decline of the Roman imperium, the world might once again be plunged into chaos and a new Dark Age. The ideas discussed in the subsequent chapters of this book embody this nondeterministic conception of political change.

2

Stability and change

Assumption 1. An international system is stable (i.e., in a state of equilibrium) if no state believes it profitable to attempt to change the system.

Assumption 2. A state will attempt to change the international system if the expected benefits exceed the expected costs (i.e., if there is an expected net gain).

The argument of this chapter is that states make cost/benefit calculations in the determination of foreign policy and that a goal of a state's foreign policy is to change the international system in ways that will enhance the state's own interests. Whether these interests are power and security (as political realists argue), capitalistic profits (as Marxists allege), or welfare gains (as many contemporary theorists contend), every state desires to increase its control over those aspects of the international system that make its basic values and interests more secure.

However, although a group or state may desire to change the international system in order to advance its interests, the effort to do so necessarily involves costs; the group or state not only must have sufficient resources to meet these costs but also must be willing to pay such costs. Therefore, a group or state will attempt to change the system only if the expected benefits exceed the expected costs; that is, there must be an expected net gain. To put it another way, the group or state will seek to

change the system only if it is believed that such change will be profitable (Davis and North, 1971, p. 40).

Unless it is judged to be profitable to one or another state to change the system, the system tends to remain relatively stable. This is a point that political realists tend to forget in arguing that states seek to maximize their power. Acquisition of power entails an opportunity cost to a society; some other desired good must be abandoned.[1] There have been many cases throughout history in which states have forgone apparent opportunities to increase their power because they judged the costs to be too high. This helps to account for the relative stability during certain long historical periods.

Whether or not it is profitable for a state to attempt to change the system is obviously dependent on a large number of factors, in particular on the way in which the state (more properly, its ruling elite) perceives the relative costs and benefits involved in changing the system. Thus, although one speaks of costs and benefits as if they were objective and quantifiable, both are highly subjective and psychological in nature; the benefits sought by a group and the price it is willing to pay depend ultimately on the perceived interests of the ruling elites and coalitions in a society (Buchanan, 1969).

Foremost among the determinants of these perceptions is the historical experience of the society. What, in particular, have been the consequences for the country from past attempts of its own and others to change the international system, and what lessons has the nation learned about war, aggression, appeasement, etc.? Has the society become a "mature" society, to use the term of Martin Wight (1979, p. 155), and come to believe that war does not pay? Or has it learned, to the contrary, that its security requires complete domination over its neighbors? The answers given to questions such as these influence the perceptions of political leaders when weighing the costs and benefits of seeking to change the international system. In the words of a former secretary of state, Henry Kissinger, referring to the stability of a balance of power and the legitimacy of the system,

[1] For applications of the concept of opportunity cost to noneconomic issues, see the work of Posner (1977, pp. 6–7) and Haskel (1976, pp. 34–5).

"while powers may appear to outsiders as factors in a security arrangement, they appear domestically as expressions of a historical existence. No power will submit to a settlement, however well balanced and however 'secure,' which seems totally to deny its vision of itself" (Kissinger, 1957, p. 146). And, a state will never cease in pressing what it regards as its just claims on the international system.

Moreover, it should be understood that when one speaks of expected net gains or benefits from changing the system, this can mean either of two things. In the first place, it can refer to an attempt to increase future benefits. In the second place, it can mean an attempt to decrease threatened losses (Buchanan and Tullock, 1962, p. 46). Both potential gainers and losers from ongoing developments in an international system may seek to change the system, the first because the long-term benefits will exceed short-term costs, the second because the long-term costs of ongoing developments threaten to become greater than the short-term benefits of the status quo.

Finally, the notion that a state will seek to change the system if expected benefits exceed expected costs does not mean that the benefits will in fact exceed the costs. As in many other areas of human activity, decisions are made under conditions of uncertainty. A group or state calculates its interests and acts on the basis of imperfect information; it may also lose control over the rush of events, and unanticipated consequences usually result. In fact, it is often the case that the actual costs of changing the system exceed the received benefits. As will be argued later, the ultimate beneficiaries of efforts to change international systems have more frequently than not been third parties on the periphery of the international system.

Although considerations of costs and benefits are ultimately subjective in nature, calculations regarding expected net benefits of changing the system are profoundly influenced by objective factors in the material and international environment. Whether it is profitable at one particular time or another is dependent on economic, military, and technological factors, as well as domestic and international political structures. A group or state will have

an incentive to change the international system if modifications in one or more of these features make it profitable to do so.

A state system, like any other political system, exists in a technological, military, and economic environment that both restricts the behavior of its members and provides opportunities for policies of aggrandizement. Although it is impossible a priori to determine if a particular technological, military, or economic innovation will contribute to stability or instability in a system, it is possible to identify characteristics of innovations that tend to stabilize or destabilize an international system by decreasing or increasing the profitability of change. A major purpose of this chapter is to analyze types of innovations from the perspective of their contributions to the stability or instability of the system.

An important consequence of economic, military, or technological changes is that they increase (or decrease) the area it is profitable to control or over which it is profitable to extend protection and thereby encourage (or discourage) the creation or enlargement of political and economic organizations. It will be recalled that government, or, more broadly, governance, has been defined as the provision of collective or public goods in exchange for revenue. As will be argued in a moment, any development that increases the power and enlarges the opportunity of a state to increase its revenues will encourage political or economic expansion. In many cases, if not in most, the "benefited" groups are incorporated into the enlarged political or economic structure against their will.

In addition to positive economic gains, the profitability of changing the system may mean the denial of economic or political gains and opportunities to a competitor. That is, a state may seek to achieve control of strategic territory of little intrinsic economic value whose loss would cause income losses. For example, in the nineteenth century, Great Britain held many territories less for their direct economic value than for their strategic value in protecting revenue-producing assets (colonies). Thus the value of Egypt to the British Empire was that it protected the lifeline to India, the jewel in the imperial crown. The important point is that the economic, political, or strategic gain

from controlling territory or protecting the property rights of citizens is judged to be greater than the associated costs.

The area over which it is profitable for the state to extend its protection of persons and their property rights is dependent on two basic sets of variables: (1) the costs of extending the protection and (2) the amount of income generated or safeguarded by the extension of protection. Thus, any development that decreases the cost of expansion or increases the amount of income will encourage a state to enlarge the area over which it extends protection, and vice versa. Therefore, in this study we shall examine the ways in which environmental factors and modifications in these factors affect the incentives of states to increase their control over the international system.

Whether or not a state will seek to change the international system depends ultimately on the nature of the state and the society it represents. In the first place, the incentive for a state to try to change the international system is strongly affected by societal mechanisms for distributing the internal costs and benefits of such an effort. Differing domestic social arrangements and definitions of property rights create varying incentives or disincentives for a society to overthrow the existing international system. These domestic arrangements provide the answer to an important question: Profitable (or costly) for whom?

In the second place, a state will attempt to change the international system only if it has some relative advantage over other states, that is, if the balance of power in the system is to its advantage. This superiority may be organizational, economic, military, or technological, or some combination of these elements. Most frequently this advantage, especially in the modern era, has been conferred by technological innovations in the areas of military weapons and/or industrial production. The advantage over other states provided by superior capabilities in these areas enables a state to seize the opportunities or overcome the constraints provided by the external environment in order to advance its economic, security, or other interests. As long as a state enjoys such an advantage, it will tend to expand and enlarge its control over the international system.

These two broad sets of factors (the society itself and the nature

of its material and political environment) that influence whether or not a state will attempt to change the international system obviously are not independent of one another. They can seldom be separated from one another in reality; indeed, they interact with and influence one another. For example, whereas environmental factors such as climate and geography lie outside of state control, the technological environment is man-made, and a society will develop technological capabilities in order to gain an advantage over other states. By the same token, external factors may stimulate domestic changes in a state. In fact, although it is not necessary to accept the so-called doctrine of the primacy of foreign policy, it may not be an overstatement to argue that the exigencies of survival in the competitive international system constitute the foremost determinant of the priorities and organization of domestic society. For analytical purposes, however, it is possible to distinguish between environmental and domestic factors that create incentives or disincentives for particular states to seek to change the international system.

In summary, the material environment (especially economic and technological conditions) and the international balance of power create an incentive or a disincentive for a state to attempt to change the international system. Whether or not the state makes this attempt depends on domestic factors such as the interests of groups, classes, and others in the society. In the succeeding sections of this chapter these environmental, international, and domestic factors affecting international political change will be discussed.

ENVIRONMENTAL FACTORS THAT INFLUENCE CHANGE

Accretive factors such as economic growth and demographic change are among the most important forces underlying international political change. A steady rate of economic growth or a population shift may be the most significant cause of political change over the long term. Frequently, however, the triggering mechanism for change may be major technological, military, or economic changes that promise significant gains to particular states or major losses to other states in an international system,

gains that cannot be realized and losses that cannot be prevented within the existing international system. The resultant disequilibrium is a prelude to an effort on the part of potential gainers (or potential losers) to change the international system (Davis and North, 1971, p. 10).

An exhaustive listing of those environmental changes that influence calculations of costs and benefits would be an impossibility. However, several sets of environmental factors are of particular importance; throughout history, modifications in these factors have had a profound impact on the propensity of states to seek to change the international system. Three of these factors (the system of communications and transportation, the military technology, and the nature of the economy) and changes in them have significant influences on the benefits and costs of changing the international system, and they will be discussed in the following sections.

Transportation and communication

In many instances the great social and political upheavals throughout history have been preceded by major advances in the technology of transportation and communication (McNeill, 1954). Significant increases in the efficiency of transportation and communication have profound implications for the exercise of military power, the nature of political organization, and the pattern of economic activities. Technological innovations in transportation and communication reduce costs and thereby increase the expected net benefits of undertaking changes in the international system.

The single most important consequence of innovation in transportation is its effect on what Kenneth Boulding called the loss-of-strength gradient, that is, "the degree to which [a state's] military and political power diminishes as we move a unit distance away from its home base" (1963, p. 245).[2] Clearly, the factors affecting this gradient are complex and by no means solely technological. Geographic, medical, and even psychological factors are also involved (Sprout and Sprout, 1962, p. 288). Yet technological improvements in transportation may greatly enhance the distance and area over which a state can exercise effective military power and political influence. The most important technological innovations, in terms of their effects on military power, have been the thoroughbred horse, the sailing ship, the railroad, the steamship, and the internal-combustion engine. Among these innovations, perhaps the most important prior to the development of the internal-combustion engine was the development of the thoroughbred horse. Until the modern era, cavalry and the horse-drawn chariot dominated long periods of history.

The loss-of-strength gradient obviously has profound significance for political organization. The territorial expansion and integrity of a political entity are largely functions of the costs to a state or group of exercising military and political dominance over an enlarged area. Thus the ability of a political center to radiate its influence is affected significantly by the cost of transportation. The rises of great empires and the eras of political unification appear to have been associated with major reductions in the cost of transportation. This seeming correlation between innovation in transportation and the rise of empire has led one writer to observe that "empire is a matter of transportation. It begins, culminates and ends in the control of means of communication" (Tucker, 1920, p. 7).[3]

Improvements in transportation and communications encourage military expansion and political unification. Moreover, by facilitating the ability of an imperial or dominant power to extract and utilize the wealth of a conquered territory, such technological innovations create economies of scale and are advantageous to large states. They make it easier for central authority to suppress rebellion and to supervise subordinate local officials. As a consequence, unless countered by other developments such as increases in the efficiency of defense, improvements in transportation tend to encourage empire and political consolidation by

[2] Despite its oversimplification, this concept is useful. For a sophisticated critique, see the work of Wohlstetter (1968, pp. 40–6). Quester used the concept in a manner similar to that of this book (1977, pp. 25–7).

[3] For an impressive demonstration of this thesis, see the work of Hart (1949).

decreasing the cost and increasing the benefits of conquest (Andreski, 1971, p. 79).

The sensitivity of the scale of political organization to the costs of transportation partially explains why empires and great states, until the modern era, have tended to be centered around water transportation. The availability of water transportation accounts in part for the first great empires in the river valleys of the Middle East (Mesopotamia and Egypt), India, and China. A later generation of empires (Carthaginian, Roman, Byzantine, etc.) grew up around the Mediterranean Sea, and, of course, the greatest empire that ever existed, the British, was based on control of the seas. These advantages of sea power relative to land power prevailed until the innovation of the railroad in the nineteenth century, which facilitated the emergence of continental land powers (Germany, the United States, and Russia), and the innovation of the submarine, which destroyed the relative invulnerability of sea power.

At first glance the significance of efficient transportation and sea power in the rise and endurance of empires seems to be challenged by two of the greatest land empires that have existed, that of the Mongols and that of the Arabs. The Mongol empire was the greatest ever in terms of control of contiguous territory. It extended from the Pacific Ocean into eastern Europe and southward into the Middle East. The Arab empire extended from the Middle East across North Africa and north to the Pyrenees. Although the Arabs did create a fleet, this was of secondary importance and was not the major factor in their course of expansion; however, it did have important effects on Europe and on the Byzantine Empire.

Ibn Khaldûn, referring to the Arabs, long ago provided the answer to this apparent anomaly; a similar answer is applicable to the Mongols. Ibn Khaldûn pointed out that the desert, with its absence of topographical barriers, provided the Arabs with the equivalent of the sea; the cities of the desert functioned as seaports (Ibn Khaldûn, 1967, pp. 264–5). Similarly, for the Mongols the great steppes of central Asia provided a sea of grass (McNeill, 1974, p. 47). Underlying the expansion of both these powers lay a critical development: the perfection of the thoroughbred horse. As Bernard Lewis commented (1966, p. 55), following their mastery of the horse (and, to a lesser extent, domestication of the camel), the Arabs began to use the desert as a sea. Thus, for the Mongols and the Arabs, steppe power and desert power functioned as sea power.

Technological innovations in transportation and communication have also influenced the patterns of economic activities: the location of production, the organization of markets, and patterns of trade. In our own age, the compression of time and space that has resulted from development of the internal-combustion engine and electronic communications has facilitated the creation of a highly interdependent world economy. This world economy has, in turn, had a profound impact on the process of international political change.

Modern communications and technology have greatly decreased the significance of space, but the loss-of-strength gradient has not completely lost its force or relevance in the contemporary world. Although we live in a world dominated by intercontinental ballistic missiles, geographic position and distance continue to be relevant factors in international relations. In fact, three of the principal features of contemporary world politics relate to geography and transportation. The first is the central position of the Soviet Union on the Eurasian continent and the advantage over the United States that this entails in the arena of conventional military power. The second is the creation by the Soviet Union in the 1970s of air and sea intervention capabilities that have enabled the Soviet Union (Russia) for the first time in history to extend its influence far beyond its national borders. The third is the relative geographic isolation of the United States and the absence of powerful hostile neighbors (as compared with the Soviet Union and China). These factors are highly relevant in the determination of the national interests and foreign policies of the Soviet Union, the United States, and China.

Military techniques and technology

From earliest times, innovation and adoption of novel weapons and tactics have launched groups and states on the path of con-

quest. In many instances the critical development has been a new weapon or a new mode of transportation, such as the innovation of iron weaponry or of the heavy chariot. Changes in military capacity can also result from the development of new battlefield tactics or new modes of military organization. For example, the Roman armies that conquered an empire had few technological advantages over their opponents; their superiority lay in their tactics, their esprit, and the legion form of organization, as well as their overall sense of grand strategy (Luttwak, 1976). Therefore, one should be careful of a tendency to equate changes in military capabilities with weaponry and technology alone. On the contrary, technology was relatively static until the modern era, and technological changes were not as important as they are today in the balance of military power.

Military innovations are important when they increase or decrease the area over which it is profitable to extend military protection in exchange for revenue. They thus encourage or discourage economic and political expansion and the formation of larger or smaller political entities. All other things being equal, if a military innovation decreases the cost of changing the international system, it will increase the incentive for a state to make the necessary effort. Similarly, an increase in cost will create a disincentive to change and will tend to stabilize the status quo.

Military innovation gives a particular society a monopoly of superior armament or technique and dramatically decreases the cost of extending the area of domination, thus providing a society with a considerable advantage over its neighbors and an incentive to expand and to change the international system. The historical record is replete with examples of military innovations leading to imperial conquest and to massive changes in international systems (e.g., the tactical and organizational innovations of Gaius Marius, Philip of Macedonia, and Napoleon).

On the other hand, international political history reveals that in many instances a relative advantage in military technique has been short-lived. The permanence of a military advantage is a function both of the scale and complexity of the innovation on which it is based and of the prerequisites for its adoption by other societies. For example, a superiority based on a simple

weapon may fade relatively quickly as the weapon is adopted by one's enemies. On the other hand, the adoption of a weapon and accompanying tactics may require a level of social discipline one's enemies cannot attain. The Roman monopoly of superior military technique lay less in the possession of particular weapons than in the character of the Roman citizen-soldier. In the modern world, the military superiority of Western civilization has rested both on the complexity of modern technology and on the character of Western science-oriented culture.

Another important consequence of military innovation is its impact on the relationship between offense and defense. Military innovations that tend to favor the offense over the defense stimulate territorial expansion and the political consolidation of international systems by empires or great powers (Andreski, 1971, pp. 75–6). Innovations such as the thoroughbred horse and the sailing ship that have increased the mobility and range of armies and fleets have encouraged conquest and the expansion of influence. Alternatively, innovations in fortifications and heavy armor that have favored the defense over the offense have tended to inhibit conquest and preserve the territorial status quo. Alternations between offensive superiority and defensive superiority constitute a prevalent theme in military history and analysis (Quester, 1977).

The great eras of empire building and political consolidation have been associated with military innovations that have given one or another society a massive offensive superiority over the defense. In the first millennium B.C. the Assyrians created the first "technology of empire," in which they combined the innovations of iron metallurgy, siege machines, and horseback riding with advances in organizational skills and thereby produced the first great upheaval in international affairs (Carney, 1973, p. 113). By drastically decreasing the cost and increasing the benefits of conquest, these technological and organizational changes made the unification of the Near East an economically attractive proposition for these ruthless and aggressive warriors. Similarly, the imperial unification of China by Ch'in was due to advances in the offense over the defense (Andreski, 1971, p. 76).

On the other hand, military developments that increase the

superiority of the defense over the offense tend to inhibit expansion and thereby stabilize the territorial status quo and hence the international system. An example of the effect of advances in defense can be found in the later Middle Ages, when major advances in the art of fortification favored the preservation of the Byzantine Empire. Similarly, the adoption and perfection of these techniques by medieval Europe were important factors in the survival of a fragmented feudal political structure. In the fourteenth century the invention of gunpowder and artillery produced a resurgence in offensive capabilities that opened a new era of territorial consolidation and introduced a new political form: the nation-state.

From the early modern era to the Napoleonic period the balance between defense and offense oscillated. However, the Napoleonic revolution in military affairs led to a significant predominance of the offense that resulted in a continuous political consolidation of Western and Eastern Europe. Then, with the innovation of the machine gun and trench warfare during World War I, the defense reasserted itself, accompanied by refragmentation in European politics in the 1920s.[4] The offense regained supremacy in World War II because of the development of modern tank warfare and tactical aircraft, and this renewed offensive supremacy favored the reconsolidation of political power in both western and eastern Europe. The effects of more recent developments (i.e., the advent of weapons of mass destruction) on the offense–defense equation will be considered later.

The notion that the offense is superior or inferior to the defense must be interpreted in economic terms; it is a relative matter, not an absolute matter. To speak of a shift in favor of the offense means that fewer resources than before must be expended on the offense in order to overcome the defense. Similarly, a shift in favor of the defense means that fewer resources are required by the defense and greater resources are required by the offense. Major changes in the relative costs of offense and defense have significant impact on the costs and benefits of seeking to transform the international system. Thus the defense is said to be superior if the resources required to capture territory are greater than the value of the territory itself; the offense is superior if the cost of conquest is less than the value of the territory.[5]

[4] The battle tank and the military airplane were used in World War I, but they were relatively ineffective because their capabilities and the tactics for their employment had not yet been perfected.

The innovation or adoption of new military techniques can have differential impacts on different societies and hence on the international distribution of power. The introduction of a novel military weapon or technique into an international system may give a particular type of society a significant advantage over others and thereby encourage it to become expansionist. There have been many examples in history in which the resource endowment, geography, or social structure of a society have facilitated or inhibited the innovation or adoption of a new military weapon or technique. For example, in seventeenth-century Sweden, Gustavus Adolphus realized the potential of national professional armies; the nonfeudal social structure of Sweden was sufficiently malleable for him to reorganize society in the interest of power and thus launch Sweden on a career of imperialist expansion (Andreski, 1971, p. 37).

On the other hand, the social, political, or economic organization of a society may inhibit the adoption of a novel and more efficient technology. For example, the costs to powerful vested interests may be too high, thereby causing resistance to the adoption of new techniques. Aristocratic and privileged elites have frequently resisted the arming of lower strata; this was true in both early modern Europe and Japan. A set of values and beliefs counter to the social and organizational prerequisites for adopting a new technology can also cause resistance. This may account for one of the great historical mysteries – why the once-powerful Moslems failed to adopt artillery and supporting infantry at the time these military innovations were revolutionizing the battlefields of Europe. These innovations, along with the modern sailing ship, enabled the backward Europeans to conquer the world. Behind this costly failure of the Moslems was a social structure and tradition focused on horsemanship, with disdain for the foot soldier (Cipolla, 1965, p. 92).

[5] For an interesting use of this idea, see the work of Bean (1973).

In some instances societies have radically transformed their social and political structures in order to absorb new forms of economic and military techniques, as with the establishment of feudalism in western Europe to create the necessary economic and political infrastructure for a defense based on heavy cavalry (White, 1964). The Meiji restoration in late-nineteenth-century Japan is a more recent example; its reforms provided the basis for the rapid industrialization of that society. And, of course, modernization of lesser-developed societies in the contemporary world involves first and foremost changes in traditional attitudes and social structures in order to permit the adoption of modern technology. The essence of this problem of technology transfer was well stated by Carlo M. Cipolla, quoting S. H. Frankel:

> "At first sight the problem might appear to be merely one of introducing new methods of production and the instruments, tools or machines appropriate thereto. But what is really involved is a vast change in social beliefs and practices. . . ." Technical knowledge is "the expression of man's response to the changing problems set by the environment and by his fellow men. . . . For meeting any new situation, new thoughts, new aptitudes, new action will be required. But knowledge has to grow: capital has to be created afresh on the basis of continuous experiment, and new hopes and beliefs have to evolve. It is because all these new activities are not independent of the existing institutions into which they have to be fitted, and which have in turn to be adjusted to them, that the process of change is so complex and, if it is to proceed harmoniously, necessarily so slow" (Cipolla, 1965, p. 130).

It has long been a theme of writers on political geography that military innovations have differential impacts on various types of societies. In general, commentary has focused on whether a particular innovation has favored sea power or land power. If the latter, then the innovation tends to lead to political consolidation and territorial imperialism, as in the cases of Sparta, Rome, and Russia. If the former, then the innovation tends to lead to overseas colonialism, economic expansion, and spheres of influence, as in the cases of Athens, Great Britain, and the United States. Thus the innovation of the railroad gave an advantage to Germany, whereas the steamship favored Great Britain. In the contemporary world, the question whether the advent of intercontinental missiles and nuclear weapons will ultimately benefit the United States (sea power) or the Soviet Union (land power) or some other power is a matter of considerable controversy. The basic point, however, is that military innovations seldom are neutral in their effects; they tend to benefit one type of society or another.

Military innovations also alter the significance of the economic base of state power. It is obvious that there is generally a positive correlation between the material wealth of a society and its military power; wealthier states tend to be more powerful. Military innovations, however, can drastically strengthen or weaken this relationship by changing the unit cost of military power or creating economies of scale.

A weapons innovation may decrease the cost of weaponry and thus lessen the importance of the economic base necessary to support military power, thereby perhaps being of advantage to less wealthy societies. For example, prior to the development of iron metallurgy and relatively inexpensive iron, the settled and prosperous civilizations of the Bronze Age were able to keep lesser-developed peoples at bay. The latter could not afford to manufacture sufficient amounts of the more expensive bronze weapons to field armies capable of overpowering the wealthier civilizations. However, the innovation of the less expensive iron transformed this military balance and shifted the locus of power to rising societies such as the Hittites and the Assyrians.

The relationship between military innovation and the economic base of power may be illustrated by one of the most critical strategic interfaces in the history of the world. The 1300-year conflict between the pastoral people of the central Asian steppes and wealthier agrarian societies began with the domestication of the horse. Throughout this period the mounted archers of the steppes more frequently than not had the military advantage. Despite the relative poverty of these pastoral nomads, their mobility and offensive superiority enabled successive steppe peoples to forge great empires and to pillage more advanced civilizations. This career of conquest finally ceased with the invention of artillery, a technology far beyond the capabilities of a pastoral economy (McNeill, 1967, p. 316). In time,

therefore, these peoples were subdued by the economically and technologically advanced Great Russians, whose course of empire followed the river valleys of Eurasia.

Alternatively, military innovations may increase the unit cost of military power; that is, military power may become more capital-intensive (Andreski, 1971, pp. 87–8). The resulting increase in the cost of effective military power and of war tends to favor larger and more wealthy political organizations (Wallerstein, 1974, pp. 28–9). This was the case, for example, in the early modern period, when neither feudal lords nor city-states could finance large concentrations of the new forms of military power: artillery, standing armies, sailing ships, etc. This revolution in the nature and cost of war was a decisive factor in the triumph of the territorial nation-state over other political forms.

Beyond a certain point, the increasing cost of military power may inhibit political expansion and change. For example, the disunity of feudal Europe and the conservatism of the Byzantine Empire were largely functions of the fact that heavy cavalry, although it was very effective, was a very costly form of military power, and therefore the amassing of an offensive capability for expansionist purposes within Europe itself was prohibitively expensive. The resources required for political consolidation of the continent were beyond the capabilities of the current political actors; thus preservation of the territorial status quo in Europe was encouraged.

Finally, a military innovation may lead to economies of scale that encourage the formation of larger political entities; that is, the unit cost of producing military power declines with an increase in scale. As a consequence, larger political entities and larger military forces may become more cost-efficient than smaller entities and forces, and this relative efficiency may then provide an incentive for larger political entities to displace smaller ones (Bean, 1973, p. 220). In terms of the earlier typology of international political change, military innovations that introduce economies of scale tend to produce a systems change rather than simply a systemic change; in the next chapter this generalization will be applied to the formation of the European nation-state system.

Economic factors

A third environmental factor influencing the profitability of changing the international system is the economic system (i.e., the techniques and organizations for the production, distribution, and consumption of goods and services). The means of production and changes in the means of production are particularly important determinants of political behavior, as Marxists have emphasized. Political systems at both the domestic level and the international level also profoundly influence the patterns of economic activities. In fact, there is mutual and reciprocal interaction between the political system and the economic system (Gilpin, 1975).

In this study we shall argue that the interaction between economics and politics is a fundamental feature of the process of international political change. On the one hand, the desire for economic gain is a powerful motive for seeking to change the international system, and thus the distribution of power among groups and states is an important determinant of the pattern of economic activities and particularly of which actors benefit most from the domestic or international division of labor. On the other hand, the distribution of power itself ultimately rests on an economic base, and as sources and foundations of wealth change because of shifts in economic efficiency, location of industry, or currents of trade, a corresponding redistribution of power among groups and states necessarily occurs. The struggle for power and the desire for economic gain are ultimately and inextricably joined.

Economic factors and motives are universal elements in the behavior of states and in international political change. This is so because in a world of scarcity the fundamental issue in domestic and international politics is the distribution of the available "economic surplus," that is, the goods and services produced in excess of the subsistence needs of society.[6] Groups and states seek

[6] The notion of an economic surplus is highly controversial in economics. Classical economists assumed its existence and defined economics as the determination of the laws governing its distribution. Neoclassical economists, partially in response to the Marxist identification of the surplus with capitalist exploitation, denied its existence (every

to control and organize economic relations and activities in ways that will increase their own relative shares of this surplus. For this reason, several predominant ways in which this surplus is produced and distributed have profound implications for international politics and political change.

The notion that economic motives and factors play an important role and at times a decisive role in international relations is hardly a matter of dispute. The significance of economic constraints and opportunities in the foreign policy of a state is readily accepted by students of international relations. Political realists, for example, acknowledge that power must have an economic base and that the pursuit of wealth and pursuit of power are indistinguishable. As one realist writer put it, "the distinction between political and economic causes of war is an unreal one. The political motives at work can only be expressed in terms of the economic. Every conflict is one of power, and power depends on resources. Population itself is an economic quantity; its growth and movement are governed by economic conditions" (Hawtrey, 1952, p. 81). Indeed, the political struggles among states throughout history have most frequently centered on the control of fertile lands, material resources, and trade routes.

Although economic interests have always influenced the course of international politics, they are of greater consequence in the modern era. Whereas other ages were dominated by religious and political passions, today economic interests and calculations have an enhanced role in the determination of foreign policy. What is unique about the modern world is that the economic aspects of social life have become more differentiated from other aspects because of the rise of a market economy (Hicks, 1969, p. 1). As a result, the economic motive has become more disentangled from other motives and also has increased in importance (Polanyi, 1957). This greater relevance of economic factors is a significant feature differentiating modern international relations from premodern international relations. In the early modern era, economic factors became more important; this was signified by the prevalent doctrine of mercantilism, with its emphasis on trade and finance as sources of state power (Gilpin, 1977). The importance of economic factors in global politics has grown continuously with the expansion of a highly interdependent world market economy.

factor of production is rewarded in proportion to its marginal contribution to the economy). For a discussion of the subject see Blaug (1978, pp. 254–6).

As John Harsanyi pointed out, the evolution of the economic system is of crucial importance for political change because it is the principal means by which the natural environment constrains and influences human action:

> One of the reasons why explanation of social phenomena in terms of *economic* forces is often so fruitful lies in the fact that the economic system is one of the main channels through which the natural environment (in particular, the presence or absence of natural resources and of natural routes of communication) acts upon the social system (Harsanyi, 1960, p. 1941.).

Economic variables tend to be accretive. Although sudden and dramatic economic changes can and do take place, in general the influence of economic changes tends to be cumulative, building up over decades or even centuries. However, their additive nature does not lessen their impact. For example, a 2 or 3 percent rate of economic growth or decline sustained over a sufficient period of time will have a decisive effect on the power and interests of a society. Similarly, a moderate change in the ratio of food supply to population can in time produce enormous consequences. In fact, of all the causes of international political change, one of the most critical is the Malthusian pressure of population on arable land (Teggard, 1941). Other crucial accretive economic variables include the accumulation of capital, increasing technical knowledge, and changes in relative prices for the factors of production. As Lord Keynes wrote in the quotation that opens this book, these types of cumulative secular changes ultimately produce the great events of history.

In general, an economic change operates like technological and military changes to create an incentive (disincentive) if it increases (decreases) the benefits or decreases (increases) the costs of changing the international system. Obviously the types of eco-

nomic changes that can alter the benefits and costs of changing the international system are numerous. On the benefit side, any development that increases the need for (and hence benefit from) larger markets, capital outlets, or sources of raw materials will encourage a state to expand its political or economic influence. On the cost side, any development that decreases the costs of economic transactions will also encourage the transformation of economic and political relations.

Changes in three broad categories of economic factors tend to encourage a state to expand and to attempt to change the international system. First, any development that increases economies of scale will create a powerful incentive for a society to expand. Relevant economies of scale may involve the size of the market, the scale of production units, or a decrease in transactions costs. If an economic change promises a higher return or reduced costs through an increase in the scale of economic organization, it creates a powerful incentive for a society to capture these efficiency gains through economic or territorial expansion.

For the present study, the most important changes in economies of scale are those that affect the production of collective or public goods (Cox, Reynolds, and Rokkan, 1974, p. 124). For example, a development that decreases the costs or increases the benefits of providing protection over an enlarged area will create a powerful incentive for some political entrepreneur to supply this good in exchange for the revenue involved (Frohlich, Oppenheimer, and Young, 1971, p. 6). Later in this book, our discussion of the rise of the European state system will provide a case in which changes in the efficient scale for providing public goods constituted a primary cause of change in the international system.

Another related economic factor that creates incentives for expansion is the internalization of externalities. Externalities are benefits (positive) or costs (negative) conferred on political actors for which payment or compensation is not made (Davis and North, 1971, p. 15). In the case of positive externalities, the political system seeks to increase its control over the international system in order to force the benefited party to pay revenues for the conferred benefits. In the case of negative externalities, the political system seeks to incorporate those individuals responsible for negative externalities and force them to desist from the activities or pay compensation for the costs inflicted on the political system. For example, frequently the expansion of a political entity such as a city or a state is motivated by a desire to force individuals benefited by the activities of the city or state to pay the cost of the benefits (externalities) (Cox, Reynolds, and Rokkan, 1974, p. 125).

A third economic factor that provides an incentive for expansion is a diminishing rate of returns. As classical economists, and particularly David Ricardo in his law of rents, pointed out, if economic growth is to continue, all factors of production necessarily must increase in equal proportion. If one factor of production (land, labor, or capital) remains constant, and if there is no technological advance, the rate of growth of output will decline. This simple idea was central to classical economics. In fact, the whole edifice of classical economics was based on the law of diminishing returns; its pessimistic implications led Thomas Carlyle to christen economics the dismal science. The law was also taken over by Karl Marx, and thereby it became embedded in one of the most important and most systematic efforts ever undertaken to formulate a theory of sociopolitical change.

In the modern era since the Industrial Revolution of the eighteenth century and the advent of modern technology, the law of diminishing returns has lost much of its power: Technological advances increase the productivity of existing resources; as a consequence, quantitative increases in all factors of production are not necessary for economic growth to continue. It was, of course, this revolutionary development of technological advances that gave us the phenomenon of sustained economic growth and in turn created the modern era of affluent industrial societies. However, the revolutionary consequences of modern technology for economic growth were unappreciated by the classical economists who first formulated the law of diminishing returns.

The critical role of economic factors in social life has encouraged a number of scholars to place them at the center of efforts to understand and construct theories explaining sociopolitical

change. Among such economic theories of change, two are especially interesting and relevant to the present study. The first is the neoclassical institutional economics of the "new economic historians."[7] The second is Marxism. Although they differ in significant respects, these two intellectual perspectives share the basic idea that sociopolitical change can be explained solely in terms of endogenous economic factors; that is, the relevant variables for explaining changes are primarily economic and are contained within the operation of the economic system. The "new economic history" and Marxism do not take adequate account of external factors such as religion, political forces, and random events, but because they are the two outstanding attempts to develop an economic theory of international political change, they will be considered in detail for the insights, albeit limited, that they do provide regarding political change.

The new economic history. The fundamental proposition of the new economic history as set forth by two of its foremost exponents is that the "birth, growth, mutation, and, perhaps, death of [social, political, and economic] . . . institutions" can be understood through simple tools of economic analysis (Davis and North, 1971, p. 4). Thus the starting point for this innovative school of thought is that social and political changes are responses to the desires of individuals to maximize or at least advance their interests. Just as individuals seek material and other goods in order to improve their private welfare, they also attempt to transform social institutions and arrangements for the same self-serving reason. Thus this economic theory of sociopolitical change attempts to explain historical and institutional developments primarily in terms of factors endogenous (i.e., internal) to the operation of economic systems.

The methodology of the new economic historians involves the application of microeconomics (the laws of markets) to the study of institutional and historical changes. They rely heavily on the so-called law of demand, which holds that people will buy more (less) of a good if the relative price falls (rises); people will also

[7] The use of the term "neoclassical institutional economics" to characterize the approach of the new economic historians follows the usage of Alexander Field (1979).

tend to buy more (less) of a good as their relative incomes rise (fall) (Becker, 1976, p. 6). Thus, any development that changes the relative price of a good or the relative income of an actor will create an incentive or disincentive to acquire more of the good. The good in question for these scholars is a desired social or institutional change.

Although the new economic historians use the concepts and methodology of neoclassical economics, they change one fundamental assumption. Whereas neoclassical economics assumes that tastes and constraints (e.g., the system of property rights) do not change, the new economic historians assume that they do. Their major objective, in fact, is to explain how and why tastes and constraints, especially sociopolitical arrangements or institutions, change over time. Whereas the neoclassicists focus on optimizing behavior under a given set of conditions, the new economic historians are interested in explaining why both the goals that individuals seek to optimize and the external constraints themselves change over time (North, 1977).

The approach of the new economic historians to the problem of change may be summarized in three general points. In the first place, they emphasize that social change may be explained in terms of endogenous economic factors, that is, the efforts of individuals to satisfy their welfare objectives. Second, the primary determinant of behavioral change is assumed to be changes in relative prices and incomes. Because the changing of sociopolitical arrangements, whatever its ultimate benefits, involves transition and enforcement costs to someone, any development that changes the magnitude and distribution of the costs and the capacity to pay these costs affects the propensity for institutional change to take place. Third, individuals and groups attempt to use government to change property rights in ways that will advance their own basic interests. Thus, whereas neoclassical economics neglects the nature of social institutions and their effects on the distribution of economic gain, this subject is central to the new economic historians.

The primary value of this approach to social change is the simple yet powerful idea that the law of demand is applicable to the choice and changing of social and political arrangements.

Thus, as we have argued earlier, an actor will seek to change a political system if his income (power) increases or if the cost of changing the system decreases. Moreover, the actor will continue to try to change the system until the marginal costs of further change equal the marginal benefits and the system may be said to have returned to a position of equilibrium, that is, "none of the actors has any reason . . . for wishing to change his behaviour" (Barry, 1970, p. 168).

Despite this useful insight, this approach to understanding political change has a number of serious limitations. First, although the rationalistic assumption that actors make cost/benefit calculations in seeking to change social systems is a powerful one, political actions frequently lead to important and unanticipated consequences. Actors seldom can predict the train of events they set in motion, and they frequently lose control over social and political forces. Second, many important determinants of social and political change are exogenous to (i.e., outside) the operations of the economic system. For example, in order to understand the nature of international political change, one must take into account noneconomic variables such as military techniques, domestic political factors, and especially the international distribution of power. Third, the new economic history tends to assume that social and political arrangements are changed primarily in order to increase economic efficiency and to maximize social welfare. Thus, property rights are said to be created or abandoned depending on their social utility and especially their contribution to the efficient economic organization of society. This liberal assumption regarding sociopolitical change takes insufficient account of the fact that an equal, if not greater, motivation for political change is the desire of groups, social classes, or states to increase their individual welfare at the expense of others and at the expense of economic efficiency itself.

There are two differing economic situations in which individuals, groups, and/or states will seek to change social institutions and arrangements (Roumasset, 1974). First, they may seek to increase economic efficiency and maximize economic welfare by taking advantage of productive opportunities made possible by advances in knowledge, technology, etc. Through increasing

economies of scale, reducing transactions costs, or achieving other gains in efficiency, everyone may benefit in absolute welfare terms from sociopolitical change. Second, political actors may instead seek to change sociopolitical arrangements in order to redistribute benefits in their own favor, even though most or all may lose in absolute welfare terms. What is important to the proponents of change is their relative gain in wealth or power. A theory of change must be able to account for both types of change.

Marxism. The other economic theory of political change that we shall consider is Marxism. As Karl Marx described his purpose in the Preface to Volume 1 of *Capital*, "it is the ultimate aim of this work to lay bare the economic law of motion of modern society" (quoted by Deane, 1978, p. 128). He believed he had found the key to social and political change in the development of the means of production:

> The general conclusion at which I arrived and which, once reached, became the guiding principle of my studies can be summarized as follows. In the social production of their existence men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, at which arises a legal and political superstructure and to which correspond definite forms of social consciousness (quoted by Deane, 1978, p. 129).

In highly oversimplified terms, Marxism maintains that political change is the consequence of the contradiction between a static sociopolitical system and the evolving means of agricultural or industrial production. Each successive social system has its peculiar class structure, legal framework, and economic logic that rest on the foundation of the existing means of production. Eventually the evolution of productive forces results in incompatibility between the sociopolitical system and the means of production. Consequently, a sociopolitical revolution takes place to make way for a social and legal system compatible with the requisites for further economic progress.

According to Marx, the capitalist system is driven by the law of accumulation. He reasoned that capitalists are compelled by virtue of the profit motive and the private ownership of the means of production to maximize and accumulate capital. However, capital accumulates in the form of productive forces and as a capitalist economy matures, the rate of profit tends to decline, thereby retarding further capital accumulation and economic growth. These developments then lead to steady impoverishment of the working class, to rising levels of unemployment, and finally to a general crisis in the capitalist order. Thus the contradiction between the capitalist sociopolitical system and the forces of production in a mature capitalist economy causes the overthrow of capitalism by revolution.

Marx and his collaborator Friedrich Engels were theorists of domestic society; they had little interest in the operation of the international economy. Later Marxist writers adapted Marxist doctrine to the highly internationalized capitalist economies of the late nineteenth and early twentieth centuries. Although many Marxist theorists contributed important ideas to this extension of Marxist theory to the international realm, it was Lenin, in his powerful 1917 polemic *Imperialism—The Highest Stage of Capitalism*, who brought these various strands together and formulated a Marxist theory of international political change in the capitalist era.

Lenin argued that because there is a general tendency for the rate of profit to fall, advanced capitalist economies try to arrest this decline through colonial expansion and imperialist behavior. This inherent need of capitalist economies to expand and acquire overseas colonies in order to absorb surplus capital provides the dynamics of international relations among these economies. It accounts for imperialism, war, and international political change. The centerpiece of Lenin's theory of international political change is the so-called law of uneven development:

> There can be *no* other conceivable basis under capitalism for the division of spheres of influence, of interests, of colonies, etc., than a calculation of the *strength* of the participants in the division, their general economic, financial, military strength, etc. And the strength of these participants in the division does not change to an equal degree, for under capitalism the development of different undertakings, trusts, branches of industry, or countries cannot be *even*. Half a century ago, Germany was a miserable, insignificant country, as far as its capitalist strength was concerned, compared with the strength of England at that time. Japan was similarly insignificant compared with Russia. Is it "conceivable" that in ten or twenty years' time the relative strength of the imperialist powers will have remained *un*changed? Absolutely inconceivable (Lenin, 1939, p. 119).

Lenin reasoned further that because capitalist economies grow and accumulate capital at differential rates, a capitalist international system can never be stable. He argued that because of the law of uneven development, the accumulation of capital, and the subsequent need for colonies, capitalist economies can never be stabilized for longer than very short periods of time. At any given moment in time, the distribution of colonies among capitalist states is a function of relative strength and development; the most advanced capitalist economy will have the largest share of colonies. As other capitalist states develop, they will demand a redivision of colonial territories and changes in the international system in accordance with the new distribution of power. These demands lead to wars of division and redivision of colonies among the capitalist economies; World War I was the first of such wars. Such imperialist wars, Lenin wrote, were endemic in capitalism and would continue until capitalism was overthrown.

According to Lenin, the law of uneven development with its fateful consequences had become operative because the world had suddenly become finite. For decades the European capitalist powers had expanded and gulped up the unappropriated territory of the globe. As the open and available space contracted, the imperialist powers increasingly came into contact and thereby into conflict with one another. He believed that the final drama would be the division of China and, with the final closing of the global undeveloped frontier, the intensification of imperialist clashes. In time, the intensive conflicts among the imperialist powers would produce revolts among their own working classes even as economic development of the colonies was weakening Western capitalism's hold on the colonialized races of the globe.

It is not necessary to accept Marxist theory to appreciate its heuristic value. The law of the falling rate of profit, first noted by classical economists and so central to Marxist theory, can be regarded as a special case of the more general law of diminishing returns discussed earlier. As formulated by classical and neoclassical economists, the law may be stated as follows:

> An increase in some inputs relative to other fixed inputs will, in a given state of technology, cause total output to increase; *but after a point the extra output resulting from the same additions of extra inputs is likely to become less and less.* This falling off of extra returns is a consequence of the fact that the new "doses" of the varying resources have less and less of the fixed resources to work with (Samuelson, 1967, p. 26).

Or, to put it more succinctly, "the output of any productive process will increase at a decreasing rate if the quantity of one cooperating factor of production is kept constant while that of the others is increased" (Hirschman, 1971, p. 17). Thus, every factor of production (land, labor, and capital) must increase together (in the absence of technological advance) if any economy is to escape the threat of diminishing returns.

Three general conclusions follow from this universal law of production. In the first place, the addition of a given factor (e.g., labor) of production to a constant (land) will increase output rapidly, thus accelerating the economic growth and power of a society. Second, in the absence of technological advance, output at some point will increase at a decreasing rate, thus decelerating economic growth unless the quantities of all factors are increased. Third, as a consequence of the law of diminishing returns, the economic growth of a society tends to follow an S curve. Initially the society grows slowly, and then it grows at a more rapid rate until it finally reaches a maximum rate of growth; thereafter, growth takes place at a much slower rate (Figure 3). This history of any growing society can be described by an S curve. As will be argued subsequently, in most cases the slowing in the growth rate is a prelude to an absolute decrease in the rate of growth and therefore a prelude to the eventual economic and political decline of the society.

The law of diminishing returns was central to the thinking of

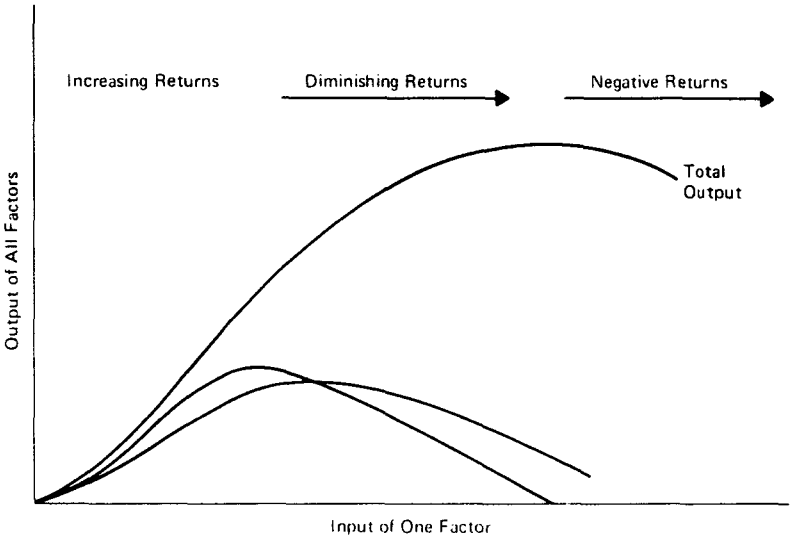

Figure 3. The law of diminishing returns. [Adapted from Heilbroner and Thurow (1978, p. 173).]

classical political economists and was incorporated into their several pessimistic laws. It was a foundation for Malthus's law of population, Ricardo's iron law of wages, and J. S. Mill's belief that industrial economies would one day reach a stationary state. Unappreciative of the revolutionary potential of modern technology, the formulators of the law assumed that economic growth would slow and eventually cease in a world of finite resources. Classical economics, thus oppressed by the law of diminishing returns, focused on the laws governing the distribution of the economic surplus.

According to classical economics, the critical limiting factor of production was arable land. The economic growth and wealth of society were constrained by the man/land ratio and the availability of good agricultural land. At some point, the density of population on the land and the decreasing quality of land brought into production would lead to decreasing returns to investment. These early economic thinkers thus reflected the experience of preindus-

trial history in which land was indeed the critical source of wealth and of power as well. Prior to the Industrial Revolution, economic growth in every civilization had eventually reached limits beyond which stagnation and eventual decline set in.

Marx and Engels, on the other hand, rejected the notion that economic growth was in any sense limited by fixed resources or natural endowments. For them, the fixed factor of production that inevitably would cause decreasing returns was the existing sociopolitical order. They argued that economic growth was limited only by human institutions and political organization rather than by nature. As Albert Hirschman observed, what Marx and Engels were in effect asserting with respect to the relationship of economic development and political change was the following:

> At any one historical stage, the economy functions within a given political and institutional framework; on the basis of and owing to this framework, economic forces left to themselves can achieve some forward movement, but beyond a certain point further development becomes more difficult and eventually is held back by the unchanging political framework which, from a spur to progress turns into a "fetter"; at that point, political-institutional change is not only necessary to permit further advances, but is also highly likely to occur, because economic development will have generated some powerful social group with a vital stake in the needed changes (Hirschman, 1971, pp. 16–17).

Hirschman's generalization of the Marxist theory of political change contains three critically important insights. In the first place, every society in every age is governed by the law of diminishing returns. The society can grow and evolve in wealth and power within the existing social and political framework only to the point at which it begins to encounter diminishing returns; growth thereafter begins to falter. In the absence of technological advance and in the presence of population growth, fixed social arrangements and resources impose limits on every society, from primitive agricultural communities to contemporary socialist economies. If further economic advance is to take place, or even if economic decline is to be avoided, these fetters must be removed through political-institutional change and especially, although not necessarily, through territorial or economic expansion.

An important determinant of international political change is

the fact that the economic surplus tends toward zero because of the onset of diminishing returns. Population growth, the depletion of high-quality land, and the scarcity of resources lead of necessity to a decrease in the economic surplus and consequent diminution in economic welfare and the power of the state.[8] The development of constraints on further internal economic growth of a society and the existence of external opportunities to arrest the operation of the law of diminishing returns thus constitute powerful incentives for states to expand their territorial, political, or economic control over the international system. Although the Industrial Revolution and modern technology have modified the operation of this law, they have not eliminated it as an important factor in international political change.

Second, economic growth tends to give rise to social and political groups that have an interest in undertaking actions that will remove the social and political fetters to further economic growth. The redistribution of power in society accompanying growth tends to bring particular groups into new positions of influence; they thus become the instruments of political change. In terms of our early discussion of the prerequisites for political change, these are groups that regard political change as profitable and therefore have an incentive to bear the necessary costs of seeking to change domestic or international society.

In domestic society, as a resource becomes scarce relative to the demands of society, the increasing cost of the resource creates an incentive for individuals, groups, or the government to pay the costs of innovations that will satisfy the unmet demand. The most important mechanism for stimulating this incentive is the creation and enforcement of new types of property rights: A right is conferred on the entrepreneur to enjoy the financial rewards of his endeavors (North and Thomas, 1973, p. 16). Thus the innovation of the patent system extended the notion of property rights to intellectual creations in order to encourage industrial invention.

[8] Until the modern era, a principal means employed in all societies to arrest diminishing returns and prevent economic decline was the practice of infanticide (Teggart, 1941, pp. 256–8).

In international society, groups and states may also seek international creation and recognition of certain property rights in order to reward productive types of endeavors. As has already been noted, the property rights of international investors tend to be respected in order to ensure the international flow of capital and technology. However, the more prevalent pattern historically has been for a society to use force to seize the scarce and increasingly costly resource, whether it be slave labor, fertile land, or petroleum. Although this response to diminishing returns has declined, it has by no means disappeared from world politics.

Third, as noted earlier, the law of diminishing returns (and Hirschman's elaboration of its signficance for political change) applies to international society as well as to domestic society. It helps to explain why both domestic groups and states seek to change social and political arrangements. It is especially useful in explaining the growth and expansion of political units, whether through the political incorporation of territory or through the creation of large-scale market economies. In short, the law of diminishing returns has a much greater range of applicability and political importance than either classical economists or Marxists appear to have appreciated.

The desire of groups and states to increase their shares of the economic surplus and the tendency for this surplus to decline as a result of the law of diminishing returns constitute powerful incentives behind expansion and international political change. Consideration of Hirschman's extension of Marxist theory leads to the conclusion that these economic motives and tendencies are universal rather than restricted to particular types of societies as Marxists contend. However, different types of economies may respond in very different ways to this economic stimulus; in a subsequent chapter we shall discuss this point in greater detail. However, the Marxist contention that capitalist societies, but not communist societies, have a tendency to expand and to try to change the international system by force does need further consideration at this point.

It is true, as Marxists argue, that capitalist economies have a strong propensity to expand economically. Capitalist economies do tend to prefer exports to imports; exports yield income and profits, whereas imports reduce them (Wiles, 1977, p. 522). Furthermore, the demand stimulant or Keynesian role of exports means that capitalist economies tend to take an export-biased (mercantilistic) view of trade. Finally, capitalist economies seek to maximize returns on capital, and therefore they have a powerful incentive to export surplus capital abroad if the rates of return abroad are higher than those at home.

International commerce plays a much different and less significant role in communist economies. In these economies the export of goods or capital is regarded as a claim on resources; at best, exports are considered to be a necessary evil required to secure essential imports, especially the capital goods and raw materials needed for industrial development. Although a communist economy may have security reasons to follow a mercantilist policy, its trade policy lacks a Keynesian or demand-stimulant dimension, and it is unlikely to have an incentive to export capital abroad. As Peter Wiles commented with respect to the only example we have of a multilateral communist trading system, "the Comecon itself is a device for assuring supplies, not outlets" (1977, p. 522).

These generalizations, however, do not validate Marxist theory regarding the association of capitalism, imperialism, and war. Although capitalist economies do possess a powerful incentive to expand, it does not follow that this expansion must take the form of colonial imperialism. Economic expansion through the market mechanism is also possible; there is a wide range of economic and noneconomic factors that are of significance in affecting the type of expansion. Furthermore, capitalist expansion by itself is not necessarily responsible for war; it may aggravate relations among states and even lead to minor conflicts, but major wars are due to the clash of more fundamental strategic and vital national interests.

The argument that capitalist economies have a powerful incentive to expand through the mechanisms of trade and investment does not support the position of some contemporary dependency theorists that capitalistic imperialism has purposely underdeveloped the so-called Third World. Although some capitalist countries obviously have exploited some lesser-developed economies, the major difference between capitalist and communist econo-

mies is that capitalist economies have a powerful economic incentive to develop other economies, but communist economies do not. Whereas capitalist economies desire foreign trading partners, communist economies are inward-looking. The former export capital and technology and import foreign goods, thereby assisting the development of other economies; the latter keep their capital and technology at home and prefer local manufacturers. Ironically, both Marx and Lenin (in contrast to their present-day followers) acknowledged that the historical role of capitalism was to develop the world (Lenin, 1939; Avineri, 1969).

Communist societies do not eliminate the profit motive; rather, they put it in the hands of the state (Hawtrey, 1952, p. 149). The desire of a communist political elite to maximize the power and wealth of the state can dwarf the capitalist profit motive. Moreover, a communist economy is as subject to the law of diminishing returns as is a capitalist society. Thus, although a communist economy may take a different view of exports, the need for imports of vital goods or raw materials required for continued growth can become a powerful driving force behind expansion in any type of economy. Moreover, because economic relations under communism are subordinate to the state, it is more likely than under capitalism that this expansion will take the form of extending political control and influence over other societies rather than through the market mechansim.

In conclusion, Marxism is inadequate as an economic theory of political change. Like neoclassical institutional economics, it neglects important political, technological, and other variables exogenous to the operation of the economic system. Its almost exclusive focus on class relations, the profit motive, and the organization of production is too narrow to comprehend the dynamics of international relations (Becker, 1976, p. 9). Marx himself, as he grew older and as the revolution failed to materialize, became aware of the narrowness of his economic dialectic and began to speculate that the key to history might be not the struggle of classes but that of races and nations (Feuer, 1969, pp. 17–19).

THE STRUCTURE OF THE INTERNATIONAL SYSTEM

The structure of the international system itself greatly affects the capacity and willingness of a group or state to try to change the system. Structure means the form of the interrelationships of the states composing the international system. As Kenneth Waltz argued in his book *Theory of International Politics* (1979), a political structure is defined by (1) its ordering principle, (2) the specification of functions among units, and (3) the distribution of capabilities. Thus, according to Waltz's formulation, a domestic political structure is characterized by a hierarchical order based on authority, the specification of functions of differentiated units (executive, legislative, etc.), and the distribution of capabilities among groups and institutions. According to Waltz, an international political system, on the other hand, is characterized by an anarchic order of sovereign states, a minimum of functional differentiation among the actors, and the distribution of capabilities among states.

As Waltz demonstrated, the significance of structure is that actors "differently juxtaposed and combined behave differently and in interacting produce different outcomes" (1979, p. 81). This is because structure imposes a set of constraining conditions on actors. Whether it is a market or political system, structure influences behavior by rewarding some types of behavior and punishing others.[9] Through socialization of the actors and through competition among them, structure channels the behavior of actors in a system. Structure, therefore, affects the outcome of behavior regardless of the intentions and motives of the actors themselves (Waltz, 1979, p. 74).

> International-political systems, like economic markets, are formed by the coaction of self-regarding units. International structures are defined in terms of the primary political units of an era, be they city-states, empires or nations. Structures emerge from the coexistence of states. No state intends to participate in the formation of a structure by which it and others will be constrained. International-political systems, like economic

[9] The limitations of applying the market analogy to international systems is treated by Russett (1968, pp. 131–7).

markets, are individualist in origin, spontaneously generated, and unintended. In both systems, structures are formed by the coaction of their units. Whether those units live, prosper, or die depends on their own efforts. Both systems are formed and maintained on a principle of self-help that applies to the units. To say that the two realms are structurally similar is not to proclaim their identity. Economically, the self-help principle applies within governmentally contrived limits. Market economies are hedged about in ways that channel energies constructively. One may think of pure food-and-drug standards, antitrust laws, securities and exchange regulations, laws against shooting a competitor, and rules forbidding false claims in advertising. International politics is more nearly a realm in which anything goes. International politics is structurally similar to a market economy insofar as the self-help principle is allowed to operate in the latter (Waltz, 1979, p. 91).

Structure is as significant a determinant of behavior in international politics as it is in economic markets and domestic political systems. Like the firm or political party, the state that fails to become socialized into the prevailing norms of the larger system pays a price and may be deprived of its very existence. The distribution of capabilities among actors has important consequences for the nature of international competition and hence for the behavior of states; whether that distribution is fairly equal, oligopolistic, duopolistic, or monopolistic (empire) affects the strategy of actors as it does in the market or political party system. In particular, the distribution of capabilities and the ways in which this distribution of capabilities changes over time are perhaps the most significant factors underlying the process of international political change.

The significance of the structure of the international system for the policies of states is, of course, the fundamental premise of political realism. According to this school of thought, a state is compelled within the anarchic and competitive conditions of international relations to expand its power and attempt to extend its control over the international system. If the state fails to make this attempt, it risks the possibility that other states will increase their relative power positions and will thereby place its existence or vital interests in jeopardy. The severe penalties that can be visited on states for failure to play the game of power

politics have exemplified the undeniable value of the realist position to an understanding of international relations.

An appreciation that the structure of the international system is a significant determinant of the foreign policies of states does not require acceptance of the deterministic realist formula of the primacy of foreign policy or its identification of national interest solely with the pursuit of power. Nor must one accept a structural or systems-theory approach to international relations such as Waltz's in order to agree that the distribution of power among the states in a system has a profound impact on state behavior. Both the structure of the international system and the domestic conditions of societies are primary determinants of foreign policy.

An understanding of how structure constrains and influences the foreign-policy behavior of states is provided by the theory of oligopolistic competition. The international system, like an oligopolistic market, is characterized by (1) interdependent decision making and (2) sufficiently few competitors that the behavior of any one actor has an appreciable effect on some or all of its rivals. Because the behavior of other states and the effects of this behavior on one's interests and competitive position are uncertain and unpredictable, a state (like a business firm) must maintain as wide a range of choice or options as possible. The implications of this oligopolistic situation for international politics and the behavior of states have been well described by Benjamin Cohen:

> In a situation of competition, interdependence, and uncertainty, the survival of any one unit is a function of the range of alternative strategies available to it. The oligopolistic firm with only one strategic option leads a precarious existence: if that strategy fails to result in profit, the firm will disappear. Likewise, the state with only one strategic option can never feel truly secure: if that strategy fails, the state will disappear, be absorbed by others, or, more likely, be compelled to abandon certain of its national core values. For both the firm and the state, the rational solution is to broaden its range of options – *to maximize its power position*, since power sets the limits to the choice of strategy (Cohen, 1973, pp. 240–1).

Thus the oligopolistic condition of international relations stimulates, and may compel, a state to increase its power; at the least, it

necessitates that the prudent state prevent relative increases in the powers of competitor states. If a state fails to take advantage of opportunities to grow and expand, it risks the possibility that a competitor will seize the opportunity and increase its relative power. The competitor might, in fact, be able to gain control over the system and eliminate its oligopolistic rivals. Among states, as among firms, the danger of monopoly (empire) is omnipresent.

The structure of the international system is significant because of its profound effects on the cost of exercising power and hence of changing the international system. The number of states and the distribution of capabilities among them affect the ease with which winning coalitions or counterbalances of power can be formed. These structural factors determine the stability or instability of an international system, thus facilitating or inhibiting international political change.

During recent decades, scholars of international relations have debated the stability of varying types of international structures. The conventional wisdom is that multipolar systems are the most stable, and the long history of European balance-of-power system is cited as supporting evidence. The division of power and the flexibility of alignments found therein are said to create an uncertainty that induces caution in policymakers and facilitates adjustment of the system to potentially disruptive forces (Waltz, 1979, p. 168). Thus, a multipolar system (preferably of five powers, as was the case for the classic European balance of power) is believed to decrease the probability that nations will get locked into a zero-sum game that can be resolved only by conflict.

Recently this traditional position has been challenged by Waltz (1979). Drawing on oligopoly theory, Waltz sought to demonstrate that duopoly or bipolar structures are the most stable, and he cited as supporting evidence the durability of the contemporary superpower confrontation of the United States and the Soviet Union. Uncertainty and miscalculation cause wars, Waltz reasoned, and the virtue of a bipolar system resides in the "self-dependence of parties, clarity of dangers, certainty about who has to face them: These are the characteristics of great-power-politics in a bipolar world" (Waltz, 1979, pp. 171–2). As

in an intrafirm duopoly, each antagonist need worry only about the other; they share an interest in preserving the status quo, and together they can control untoward events that might jeopardize international stability.

The inherent danger of a multipolar system, Waltz pointed out, is miscalculation: The train of events that precipitated a world war in 1914 when there were five great powers was essentially a series of miscalculations involving loss of control by the great powers over the actions of lesser powers on whom the great powers had become overly dependent. On the other hand, Waltz acknowledged that the inherent danger of a bipolar system is overreaction to events by one of the great powers (witness the American involvement in Vietnam, an area of no vital concern to the United States). Waltz reasoned that there is no structure that guarantees stability. There is only a dilemma: "which is worse: miscalculation or overreaction? Miscalculation is more likely to permit the unfolding of a series of events that finally threatens a change in the balance and brings the powers to war. Overreaction is the lesser evil because it costs only money and the fighting of limited wars" (Waltz, 1979, p. 172).

Waltz's argument that bipolar systems are more stable and less subject to abrupt transformations than multi-polar structures has an impressive logic to it. An especially useful contribution of his analysis is his point that "much of the skepticism about the virtues of bipolarity arises from thinking of a system as being bipolar if two blocs form within a multipolar world" (Waltz, 1979, p. 168). It will be argued subsequently that the bipolarization of a multipolar international system into two hostile blocs is extremely dangerous, as it creates a zero-sum game situation; this phenomenon of bipolarization into blocs in which one side or the other must lose in any confrontation has been the prelude to the great wars of history. The positive correlation between bipolarization of blocs and the outbreak of war forces consideration of whether bipolar or multipolar systems have a higher propensity to bipolarize into blocs. As Emile Durkheim pointed out in *The Rules of Sociological Method* (1894), it is impossible to predict change based on social structure, but certain types of structures and structural variables may increase the probability that change

will take place (Nisbet, 1972, p. 44). Consideration of this question leads to three important qualifications of Waltz's argument regarding the stability of a bipolar system.

First, Waltz made an assumption that both of the great powers have an incentive to be vigilant and to maintain the duopolistic balance. Although this is a valid point, it may not occur; indeed, frequently one power fails to play its necessary role in a duopolistic balance. This was the case when Sparta failed to arrest the growth of Athenian power. Enumerating Athenian preparations for war, Sparta's Corinthian allies delivered the charge that Sparta failed to arrest Athenian expansion and permitted the balance to shift in Athens's favor:

> For all this you are responsible. You it was who first allowed them to fortify their city after the Median war, and afterwards to erect the long walls,—you who, then and now, are always depriving of freedom not only those whom they have enslaved, but also those who have as yet been your allies. For the true author of the subjugation of a people is not so much the immediate agent, as the power which permits it having the means to prevent it; particularly if that power aspires to the glory of being the liberator of Hellas. . . . We ought not to be still inquiring into the fact of our wrongs, but into the means of our defense. For the aggressors with matured plans to oppose to our indecision have cast threats aside and betaken themselves to action. And we know what are the paths by which Athenian aggression travels, and how insidious is its progress. A degree of confidence she may feel from the idea that your bluntness of perception prevents your noticing her; but it is nothing to the impulse which her advance will receive from the knowledge that you see, but do not care to interfere. You, Lacedaemonians, of all the Hellenes are alone inactive, and defend yourselves not by doing anything but by looking as if you would do something; you alone wait till the power of an enemy is becoming twice its original size, instead of crushing it in its infancy. And yet the world used to say that you were to be depended upon; but in your case, we fear, it said more than truth. . . . against Athens you prefer to act on the defensive instead of on the offensive, and to make it an affair of chances by deferring the struggle till she has grown far stronger than at first. . . . if our present enemy Athens has not again and again annihilated us, we owe more to her blunders than to your protection. Indeed, expectations from you have before now been the ruin of some, whose faith induced them to omit preparation (Thucydides, 1951, pp. 38–9).

The second qualification relates to the meaning of stability. Waltz was certainly correct in arguing that multipolar systems composed of states with nearly equal powers are unstable in that they tend to be most prone to violence (viz., the Greek city-state system prior to the emergence of a Spartan–Athenian duopoly). There is, however, another meaning of stability/instability. This is the propensity in a system under particular sets of conditions for relatively small causes to lead to disproportionately large effects. The most frequently cited example of such an inherently unstable equilibrium is an egg balanced on one end—a slight breeze can cause the egg to topple. It is in this latter sense that a bipolar structure may be said to be more unstable than a multipolar system. If the delicate balance between the great powers is disturbed by a minor change, the consequences could be greater than would be the case in a multipolar system. This is the overreaction tendency that Waltz pointed out as characteristic of bipolar structures.

One of the most likely disturbing factors is entry of a newly powerful state into the system, either because of steady growth of a state in the system or because of entry into the system of a peripheral power, an entry caused, for example, by advances in transportation. It is easier for a multipolar system to make the necessary adjustment. Witness the capacity of the European balance of power to absorb (albeit with attendant upheaval) a succession of new powers over the centuries: Great Britain, Russia, and a unified Germany. In a bipolar system, even though the new state may not be equal to either of the two great powers, its strength added to the strength of one or the other great powers may tilt the balance and precipitate a major conflict. Although multipolar systems can become tripolar, the more usual occurrence is for bipolar systems to become tripolar, and as Waltz correctly observed, tripolar systems tend to be the most unstable of all (Waltz, 1979, p. 163). Thus the emergence of a powerful China, Japan, or united Europe would undoubtedly prove to be a destabilizing factor in contemporary world politics.

The third qualification of Waltz's analysis relates to his conclusions drawn from oligopoly theory. Challenging the conventional wisdom of political scientists regarding the greater stability of multipolar systems, Waltz wrote as follows:

Political scientists, drawing their inferences from the characteristics of states, were slow to appreciate the process [of American–Soviet accommodation]. . . Economists have long known that the passage of time makes peaceful coexistence among major competitors easier. They become accustomed to one another; they learn how to interpret one another's moves and how to accommodate or counter them. "Unambiguously," as Oliver Williamson puts it, "experience leads to a higher level of adherence" to agreements made and to commonly accepted practices (Waltz, 1979, p. 173).

Thus a learning process takes place, and understood rules of the game evolve that facilitate control and management of the duopolistic competition (Kratochwil, 1978).

Cartel theory is applicable to this type of collusive oligopolistic behavior. There is a tendency in any oligopolistic structure for cartels to form, because the numbers are small and the firms (states) recognize their interdependence. The advantages of collusion include increased profits, decreased uncertainty, and the denial of entry to potential competitors. However, the history and the theory of cartels teach us that cartels and "collusive agreements tend to break down" (Mansfield, 1979, p. 348). There is a powerful incentive to cheat (although admittedly it is less in the case of duopoly) if the opportunity exists for a firm to increase its own profits. Contrary to Waltz's assertion that wars are caused by uncertainty and miscalculation, this book argues the opposite; it is perceived certainty of gain that most frequently causes nations to go to war (although these calculations, as Waltz rightly pointed out, may in fact be incorrect). Moreover, as Joseph Schumpeter pointed out long ago, oligopolistic firms tend to be highly innovative in their efforts to gain advantages over their competitors (Schumpeter, 1962, p. 96). Unless all oligopolistic firms or states are being equally innovative (this is difficult for a period of time), the balance of economic or military power shifts in favor of the more innovative firm or state, thus undermining the stability of the status quo.

In summary, one must reach the conclusion regarding the implications of oligopoly theory for international relations that Charles Kindleberger stated as the answer to all significant questions in economics (and, it should be added, in politics as well):

"It depends" (Kindleberger, 1959, p. 69).[10] Both bipolar and multipolar structures contain elements of instability, and the efforts by one or more states to improve their relative positions can trigger an uncontrollable train of events that can lead to international conflict and war. If the resultant war is of sufficient magnitude, it will cause a transformation in the system.

The most important factor for the process of international political change is not the static distribution of power in the system (bipolar or multipolar) but the dynamics of power relationships over time. It is the differential or uneven growth of power among states in a system that encourages efforts by certain states to change the system in order to enhance their own interests or to make more secure those interests threatened by their oligopolistic rivals. In both bipolar and multipolar structures, changes in relative power among the principal actors in the system are precursors of international political change.

Among the theories of international relations, two modes of theorizing have focused on the differential growth of power among societies as the key to political change. One is political realism; the other is Marxism. Although these two theories are often regarded as polar opposites, they have, in fact, remarkably similar perspectives on the nature and dynamics of international relations. Both political realism and Marxism explain the dynamics of international relations in terms of the differential growth of power among states. Both theories explain the most important aspects of international relations (war, imperialism, and change) as consequences of the uneven growth of power among states. Thucydides was perhaps the first political scientist to take note of this relationship when he wrote that "the growth of the power of Athens, and the alarm which this inspired in Lacedaemon, made war inevitable" (Thucydides, 1951, p. 15). Subsequent realists have made similar observations: "The great wars of history–we have had a world war about every hundred years for the last four centuries–" wrote Halford Mackinder in 1919, "are the outcome, direct or indirect, of the unequal growth of nations" (Mackinder, 1962, pp. 1–2). Lenin, in his *Imperialism*, stressed

[10] Or, more formally in the language of economics, there is no equilibrium solution to an oligopolistic situation. A valuable critique of the subject is Hart (1979, pp.9–15).

the critical significance of this phenomenon of uneven growth when he promulgated the law of uneven development.

However, political realism and Marxism differ from one another with respect to the underlying dynamic; realism stresses the power struggle among states, and Marxism stresses the profit motive of capitalist societies. Because the Marxist theory of international political change has already been discussed, the following discussion is restricted to realism.

The realist theory of international political change is based on what can be called the law of uneven growth, in contrast to the Marxist law of uneven development. According to realism, the fundamental cause of wars among states and changes in international systems is the uneven growth of power among states. Realist writers from Thucydides and Mackinder to present-day scholars have attributed the dynamics of international relations to the fact that the distribution of power in an international system shifts over a period of time; this shift results in profound changes in the relationships among states and eventually changes in the nature of the international system itself.[11]

Underlying the operation of this law and its significance is the fact that power by its very nature is a relative matter; one state's gain in power is by necessity another's loss. This creates what John Herz called "the security and power dilemma" (1951, p. 14). Each group, Herz pointed out, is concerned about being attacked or dominated by other groups. Each group strives, therefore, to enhance its own security by acquiring more and more power for itself. Although it can never attain complete security in a world of competing groups, by seeking to enhance its own power and security it necessarily increases the insecurity of others and stimulates competition for security and power. Herz concluded that one may speak of the struggle for survival as the inherent condition of international relations.

The realist law of uneven growth implies that as the power of a group or state increases, that group or state will be tempted to try to increase its control over its environment. In order to increase its own security, it will try to expand its political, economic, and territorial control; it will try to change the international system in accordance with its particular set of interests. Therefore, the differential growth of power among groups and states is very important to an understanding of the dynamics of international relations (see especially Doran, 1971; 1980).

[11] A modern, more restricted version of the law of uneven growth is the theory of power transition (Organski and Kugler, 1980, pp. 1–63).

The strong tendency of interstate oligopolistic competition to stimulate states to expand their power is offset by the fact that power and its exercise entail costs to the society; the society must divert human and material resources from other social objectives. Power and security are not the only goals of the state; in fact, they are seldom the highest goals. The presence of a multiplicity of goals that may conflict with one another means that a state must weigh the costs and benefits of expanding its power against other desirable social goals. The fact that the exercised power thus has a cost has important implications for international political change.

The critical significance of the differential growth of power among states is that it alters the cost of changing the international system and therefore the incentives for changing the international system (Curry and Wade, 1968, p. 24). As the power of a state increases, the relative cost of changing the system and of thereby achieving the state's goals decreases (and, conversely, increases when a state is declining). Regardless of its goal (security or welfare), a more powerful state can afford to pay a higher cost than a weaker state. Therefore, according to the law of demand, as the power of a state increases, so does the probability of its willingness to seek a change in the system. As John Harsanyi observed, the explanation of political change must be "in terms of the balance of power among the various social groups pressing for the arrangements most favorable to their own interests (including their possible altruistic interests). At least this is the type of explanation that any social historian or social scientist would look for in his empirical research" (Harsanyi, 1969, p. 535).

In summary, the structure of the international system and shifts in that structure are critically important determinants of state behavior. The structure of the system constrains behavior and imposes a cost on any behavior that seeks to change the

international status quo. Similarly, the redistribution of interstate capabilities may decrease or increase the cost of changing the international system. However, the tendency of a society to seek changes in the international system is dependent not only on decreased costs but also on domestic factors that influence the capacity and willingness of a society to pay these costs.

DOMESTIC SOURCES OF CHANGE

The character of a society is critical to its response to the opportunities for gain made possible by favorable environmental changes and shifts in the international distribution of power. Numerous writers in different ages have speculated on what makes some societies seize such opportunities and attempt to make changes in the international system, whereas others fail to try. Machiavelli, Montesquieu, and Ibn Khaldûn, as well as more contemporary social theorists, have sought to divine the connection between the internal composition of a state and the propensity of the state to expand. Through various approaches these thinkers have explored the ways in which national character, economic structure, and political culture influence the foreign policy of a state. Thus, explaining the outbreak of the Peloponnesian War, Thucydides told us that the critical factor was the contrasting characters of the Athenians and the Spartans. The former were energetic, democratic, inventive; they saw and seized the opportunities opening up by the development of sea power and long-distance commerce and consequently grew in wealth and power. The Spartans lacked initiative and failed to take advantage of the new opportunities for wealth and power; they were limited by their internal social and economic structure. Although Sparta had been the hegemonic power since the end of the Persian Wars, it fell behind as Athens grew. Eventually the Spartan fear of growing Athenian power led to the great war that weakened the city-state system and paved the way for Macedonian imperialism.

It is impossible to formulate in a systematic and exhaustive fashion the domestic determinants of the foreign policies of states. There simply are too many qualitative variables: personalities, national character, social structure, economic interests, political organization, etc. Moreover, as these factors change, so do the interests and power of the state itself. The rise and decline of social classes, the shifting coalitions of domestic interest groups, and secular economic-demographic changes, as well as other developments, can lead to far-ranging changes in the objectives of foreign policy and the capacities of states to pursue foreign-policy goals. Whether these domestic changes will encourage a state to expand territorially, withdraw into isolationism, or try to alter the international division of labor can be determined only by the historical record. Yet it is possible to make a few generalizations about these matters.

The most crucial aspect of a domestic regime related to international political change is the relationship between private gain and public gain. How do the growth of power and the expansion of the state affect the benefits and costs to particular individuals and powerful groups in the society? Do private and public interests tend to coincide or conflict? If the growth and expansion of the state and the interests of powerful groups are complementary, then there exists a strong impetus for the state to expand and to try to change the international system. If, on the other hand, the growth and expansion of the state impose a heavy cost on these groups and/or threaten their interests, then a strong disincentive exists.

Within the domestic society, social, political, and economic arrangements create incentives and disincentives for individuals and groups to behave in ways that contribute to or detract from the power of the state and that thereby affect its propensity to seek to enlarge its control over the international system. In the language of the new economic historians, one would say that a society will not grow in wealth and power unless its social organization is efficient. Individuals must be encouraged by incentives to undertake activities that will advance the power and wealth of the society. As two economic historians put it, "some mechanism must be devised to bring social and private rates of return into closer parity" (North and Thomas, 1973, p. 2). This is, in theory, the principal function of property rights, which distribute benefits and costs in a society. An efficient social organization is one

in which property rights assure that private benefits exceed private costs to individuals undertaking socially profitable activities. In other words, the necessary condition within a state for it to attempt to change the international system is that domestic social arrangements must ensure that the potential benefits to its members of carrying out this task will exceed the anticipated costs to its members.

This, of course, was the central idea in Adam Smith's *The Wealth of Nations* (1937): In a competitive market economy the individual pursuing economic self-interest is led by an invisible hand to contribute to the economic growth and well-being of society. Motives other than those associated with economic gain have also been used by societies to encourage individuals to identify with and contribute to the common good. Religion and political ideologies promise rewards to the faithful. The religious fanaticism of the Arabian tribes converted to Islam and the fanaticism of Bolshevik revolutionaries in czarist Russia illustrate the point. The power of modern nationalism lies in the fact that individual identity and state interest become fused; the nationalist becomes the patriot willing to sacrifice his own life for the good of the state.

The notion that the internal ordering of the state has profound consequences for its political fortunes was a fundamental insight of classical political thinkers. The nature of the regime, Plato argued in *The Republic*, determined the true character of the citizenry, and this in turn influenced the success or failure of the polity. This observation may perhaps be best demonstrated by drawing on the insights of Polybius, the Greek historian of the second century B.C., who inquired why it was that Rome succeeded whereas other societies failed.

In Book Six of his history of the Roman Empire, Polybius began with an explanation of the success of the Romans, that is, the gaining and keeping of an empire (Polybius, 1962, p. 458). First, he acknowledged that historians have recorded as excellent the regimes or constitutions of Lacedaemonia, Crete, Mantinea, and Carthage, as well as those of Athens and Thebes. He dismissed the latter two because "their growth was abnormal, the period of their zenith brief, and the changes they experienced

unusually violent. Their glory was a sudden and fortuitous flash, so to speak" (pp. 494–5). In his judgment, the folly of others and fortuitous ingenious statesmanship, rather than the intrinsic merits of these polities, led to their ephemeral, albeit brilliant, success.

Passing over the Cretan constitution as too base and Plato's ideal republic as too impractical, Polybius turned his attention to Sparta and Carthage. With respect to the Spartan constitution, he considered it excellent and appropriate "for securing unity among the citizens, for safeguarding the Laconian territory, and preserving the liberty of Sparta inviolate" (pp. 498–9). The Spartan customs of equality, simplicity, and communism "were well calculated to secure morality in private life and to prevent civil broils in the State; as also their training in the endurance of labours and dangers to make men brave and noble minded" (p. 499). However, the laws given to Sparta by Lycurgus, the lawgiver, had one vice: They made "no one provision whatever, particular or general, for the acquisition of the territory of their neighbours; or for the assertion of their supremacy; or, in a word, for any policy of aggrandizement at all" (p. 499). Although they were excellent warriors (like the later Romans), they had no economic or other incentive to expand. For this reason, in the view of Polybius, the Spartan constitution was deficient as a mechanism to encourage aggrandizement and domination.

The Carthaginian constitution, Polybius believed, displayed a different defect, although it was originally well contrived for the purposes of expansion. The division of power among the king, aristocracy, and people facilitated a well-ordered and self-aggrandizing polity. However, by the time Carthage entered its death struggle with Rome, it had passed its zenith and was in decay:

> In Carthage therefore the influence of the people in the policy of the state had already risen to be supreme, while at Rome the Senate was at the height of its power: and so, as in the one measures were deliberated upon by the many, in the other by the best men, the policy of the Romans in all public undertakings proved the stronger; on which account, though they met with capital disasters, by force of prudent counsels they finally conquered the Carthaginians in the war (pp. 501–2).

The superiority of the Romans over the Carthaginians in war ultimately was founded on the Romans' interest in their land army, as compared with Carthaginian neglect of their infantry. The Carthaginians were devoted to the sea, and they employed mercenary forces on land; the Romans, on the other hand, employed native and citizen levies. As Polybius stated,

> They [the Carthaginians] have their hopes of freedom ever resting on the courage of mercenary troops: the Romans on the valour of their own citizens and the aid of their allies. The result is that even if the Romans have suffered a defeat at first, they renew the war with undiminished forces, which the Carthaginians cannot do. For, as the Romans are fighting for country and children, it is impossible for them to relax the fury of their struggle; but they persist with obstinate resolution until they have overcome their enemies (p. 502).

In short, the difference between defeated Carthage and victorious Rome resided in the realm of incentives.

In the opinion of Polybius, the success of Rome was due to "the pains taken by the Roman state to turn out men ready to endure anything to win a reputation in their country for valour" (p. 502). The driving force behind Athenian aggrandizement was individual economic gain; for Rome, it was the achievement of individual glory.[12] Polybius went on to show how, through funeral laudations for illustrious men and other commemorative devices, the Romans celebrated those men who had well served the state as an inspiration for ambitious youth: "the chief benefit of the [funeral] ceremony is that it inspires young men to shrink from no exertion for the general welfare, in the hope of obtaining the glory which awaits the brave" (p. 502). Similarly, in economic affairs and religion, men were conditioned to serve the good of the state and were rewarded on earth and in the hereafter. Polybius believed the Roman constitution to be far "superior and better constituted for obtaining power" than were those of Sparta and Carthage (p. 501).

Polybius's observations regarding the character of the society and its implications for the foreign policy of the state lend themselves to several generalizations. In the first place, the internal ordering of a society is a critical determinant of its capabilities and of its capacity to overcome environmental constraints and take advantage of environmental opportunities. Classical writers acknowledged this fact in their recognition of the importance of the lawgiver: a Cyrus, Solon, or Lycurgus. We Americans pay homage to the same notion in our reverence for the Founding Fathers and the ways in which the American Constitution was framed to facilitate conquest of the continent. As many writers have noted, important aspects in such lawgiving are found in the long-term effects of internal social, economic, and political arrangements on individual incentives and in the propensity of societies to grow in wealth and power. The problem of the lawgiver, in the words of Gordon Tullock, "is to so arrange the structure that the [citizen] is led by self-interest into doing those things that he 'ought' to do" (Tullock, 1965, p. 119). Or, as Montesquieu put it several centuries ago, "At the birth of societies, the leaders of republics create the institutions; thereafter, it is the institutions that form the leaders of republics" (1965, p. 25).

This generalization helps explain the oft-repeated observation that the unification and internal reordering of a society by a newly dominant political elite, social class, or religion are frequently (but not always) the prelude to its rapid growth and expansion. The effect of changes in elites, beliefs, or organization is to channel the energies of society toward achievement of the common political, economic, or religious (or ideological) objectives of the renovated society (Huntington, 1968, p. 31). The great changes in the history of the world have been engineered by those political or military leaders and elites who have grasped the significance of new possibilities and reordered their societies to take advantage of such opportunities. It is this phenomenon that writers have in mind when they observe that the rise of a new elite and the stirring of religious (or ideological) passion are frequently accompanied by outward expansionism.

Second, the influence of domestic sociopolitical arrangements on individual initiative is of great importance. Thus the virtue of the Roman constitution was its effect on the character and the incentives of Rome's citizen-soldiers. Through moderation of in-

[12] Roman soldiers in the later Republic were also rewarded in more tangible ways, such as the distribution of land for military service (Andreski, 1971, p. 55).

ternal strife, glorification of self-sacrifice, and distribution of the fruits of empire, private and public ambitions in the early Republic were made to coincide. Rome's citizen-soldiers fought hard because they had a personal stake in the system and the fortunes of Rome. "No wonder," Polybius wrote, "that a people, whose rewards and punishments are allotted with such care and received with such feelings, should be brilliantly successful in war" (Polybius, 1962, p. 492). It was for this reason that classical and early modern writers (Machiavelli and Montesquieu, in particular) believed republics with citizen armies were naturally expansionist and superior to other forms of political organization. Centuries later, Machiavelli was to echo the argument of Polybius:

> It is only in republics that the common good is looked to properly . . . and, however much this or that private person may be the loser on this account, there are so many who benefit thereby that the common good can be realized in spite of those few who suffer in consequence. . . . as soon as tyranny replaces self-government . . . it ceases to make progress and to grow in power and wealth (quoted by Wolin, 1960, p. 234).

Even more recently, writers have taken note of the fact that the greatest powers of the nineteenth and twentieth centuries have been democracies, Great Britain and the United States, respectively.

Finally, the nature of domestic arrangements confers on a society a relative advantage or disadvantage with respect to its capacity to adapt itself to specific environmental changes and opportunities. Thus, as Polybius observed, the great advantage of the Romans over their opponents was their capacity to learn from others and to adapt themselves to changing circumstances: "No nation has ever surpassed them in readiness to adopt new fashions from other people, and to imitate what they see is better in others than themselves" (Polybius, 1962, p. 480). Much the same thing could be said about Americans in the nineteenth century and Japanese in the late twentieth century.

As circumstances change over time, however, so may the requirements for political, economic, and military success. Social arrangements that are efficient and provide an advantage under one set of circumstances, as Polybius told us in the cases of Sparta

and Carthage, can produce a disadvantage under a new set of environmental conditions. Unfortunately, as a society ages it becomes decreasingly able to learn from others and to adapt itself to changing circumstances. Tradition and vested interests inhibit further reordering and reform of the society. History records many societies whose social, economic, and political systems were well adapted to one set of environmental conditions but were entirely unsuited to a changed international environment.

The important point, as the classicist T. F. Carney pointed out, is that "a society's institutions and values, its structure of rewards and opportunities, advance particular personality types from among the personality pool comprised by its population" (Carney, 1973, p. 129). In an international environment that placed a premium on military power, the Roman rewarded military virtues. Modern democratic societies, on the other hand, tend to reward the profit seeker and economic maximizer. It is the congruence between the prevailing conditions in a given historical epoch and the personality types fostered by a society that largely determines the success or failure of a society in the power struggles among states.

Although the insights of Polybius were based on his observations of successful and unsuccessful military-based empires in the ancient world, they have a universal validity. The most critical factor in the growth of power of a society is the effect of the political and economic order on the behavior of individuals and groups. In the premodern world, the most significant effect was on the military efficiency of the society (i.e., on the incentives of individuals to contribute to the military power of the state). In the modern world, the effect of state policies on the incentives of individuals to contribute to the economic growth of the society is of great importance.

The key to economic growth, as Douglass North and Robert Thomas reasoned in their pioneering book *The Rise of the Western World* (1973), is an efficient economic organization. "Efficient organization," they wrote, "entails the establishment of institutional arrangements and property rights that create an incentive to channel individual economic effort into activities that bring the private rate of return close to the social rate of

return"[13] (North and Thomas, 1973, p. 1). What this implies is that economic growth will be retarded unless individuals are "lured by incentives to undertake the socially desirable activities. Some mechanism must be devised to bring social and private rates of return into closer parity" (p. 2). A discrepancy between private and social benefits or costs means that a third party receives some of the benefits or incurs some of the costs. "If the private costs exceed the private benefits," individuals are less willing to undertake socially desirable activities (p. 3).

The primary mechanism for reconciling private and social benefits or costs is society's definition of property rights. Thus, inventors are given patents (intellectual property) that reward them for incurring the costs of undertaking socially desirable innovations. On the other hand, environmental polluters have no incentive to bear the costs of preventing pollution; they prefer to shift the costs of pollution to society (the free-rider problem). For numerous reasons a society may fail to develop a set of property rights that reconcile private and social returns and thereby encourage economic growth. First, there is no technique available to counteract the free-rider problem and to compel third parties to bear the costs of providing a public good. For example, commerce was inhibited until military techniques became available to protect honest traders against pirates and robber barons. Second, the costs of enforcing property rights may exceed the benefits to individuals or groups; even if the means are available to wipe out pirates, this will not happen until someone finds the benefits of such action to outweigh the necessary costs. In brief, if the exclusiveness of benefits and accompanying property rights can be enforced, "everyone would reap the benefits or bear the costs of his actions" (North and Thomas, 1973, p. 5); they would undertake those activities fostering economic growth (innovation, accumulation of capital, etc.). Why it was that the

[13] "The private rate of return is the sum of the net receipts which the economic unit receives from undertaking an activity. The social rate of return is the total net benefit (positive or negative) that society gains from the same activity. It is the private rate of return plus the net effect of the activity upon everyone else in the society" (North and Thomas, 1973, p. 1).

modern West created such an efficient set of institutions and led the world in economic growth is discussed in the next chapter.

CONCLUSION

In this chapter we have analyzed the environmental, international, and domestic factors that influence a state either to support the status quo or to attempt to change the international system. These factors and changes in these factors determine the costs and benefits to particular groups and states in trying to change the system. The relative importance of different types of factors (economic, military, or technological) have differed considerably over time; in all ages, however, the most important factors have been those that alter the relative power of states in the system. Although numerous factors have been identified that create incentives or disincentives to change the international stystem, whether or not change will in fact take place is ultimately indeterminant.