WHY NATIONS COOPERATE

Circumstance and Choice in International Relations

ARTHUR A. STEIN

such decisions underlie the entire range of international relations from alliances to war. When, how, and why they choose between them, and with what consequences, thus constitute the primary foci of the study of international politics.

In this book I examine the arguments of the two schools and argue that they are consistent with both cooperation and conflict—that the assumptions that underlie a conflict model of international politics are consistent with a great deal of cooperation and that the presumptions of cooperation are also consistent with conflict. I also elucidate the critical differences between the perspectives.

It is not surprising, of course, that international relations scholars do tend to concentrate on the extremes of conflict and cooperation, on war and alliances. Questions about their forms, causes, and consequences are critical. What brings nations into conflict? What leads nations to cooperate? When is cooperation institutionalized and formalized (as in alliances), and when is it less formal and less binding? These are some of the questions at the heart of the study of international politics and, therefore, of this book. In particular it asks why nations cooperate, a question of some importance for a world in which nations arm themselves in preparation for war and in which wars have occurred with some regularity.

Realism and Liberalism

Realism is the dominant intellectual perspective in the field.[2] Unlike utopianism and idealism, which focus on the world to be, realism connotes a hard-boiled willingness to see the world as it is—to accept extant reality unvarnished. Realists begin with a set of assumptions about international politics and emerge with a coherent perspective on international affairs.

Realists use anarchy as their primary metaphor for the international system. They stress that there exists no central authority capable of

2. My intention here is to characterize a large body of work that includes quite different and disparate strands. Moreover, as the realist literature has evolved, specific emphases and arguments have changed. Thus recent scholars have distinguished themselves as structural realists, neorealists, and modified structural realists. For discussions of realism and individual realists, see Kenneth W. Thompson, *Masters of International Thought: Major Twentieth-Century Theorists and the World Crisis* (Baton Rouge: Louisiana State University Press, 1980); James E. Dougherty and Robert L. Pfaltzgraff, Jr., *Contending Theories of International Relations: A Comprehensive Survey*, 2d ed. (New York: Harper and Row, 1981), chap. 3; and Michael Joseph Smith, *Realist Thought from Weber to Kissinger* (Baton Rouge: Louisiana State University Press, 1986).

creating and imposing order on the interactions of nation-states. Viewing countries as competitors in a state of nature, realists argue that the only order is that which emerges from competition under anarchy.

For realists, nation-states are the primary actors within this anarchic international system and nonstate actors, such as multinational corporations and domestic interest groups, are of secondary importance. Hence realists, unlike some others, treat world politics as international relations, that is, the relations between states. The international political arena is one in which states' policies clash.

In addition, realists view states as rational actors. They treat them as if they were individuals (the predominant label is unitary actor) who calculate costs and benefits and try to maximize their returns.[3] A nation sets its foreign policy as a rational response to a hostile and threatening international environment in which its survival can be ensured only by its own efforts. Irrespective of its domestic political system, its social and cultural traits, or the individual personalities of its leaders and citizens, a state is primarily and predominantly concerned with its own security.

Because the anarchic environment allows countries to expand without formal restraints, no individual nation's security can ever be ensured except through its own actions. Although states can pursue a variety of objectives, they must at least secure their continued survival. As rational actors, therefore, they focus on the means of providing security. Most fundamentally, they seek to maximize their own power. To realists, therefore, states in the anarchic world of international politics rely only on themselves.[4] They cannot tolerate intrusions on either their independence or their prerogatives. They must not allow themselves to become dependent on others. As a result, no division of labor or interdependence can be permitted to develop, especially between the great powers. Interdependent nations cannot by definition be great powers. Even lesser powers struggle to minimize their reliance on others.

3. A state can thus be treated analytically as a single unified and integrated entity in very much the same way that economists talk of firms.

4. The common characterization is to describe international politics as a system of self-help. This is a constant refrain in Kenneth N. Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979). The phrase comes from Frederick Sherwood Dunn, *Peaceful Change: A Study of International Procedures* (New York: Council on Foreign Relations, 1937), who also links self-help and power: "so long as the notion of self-help persists, the aim of maintaining the power position of the nation is paramount to all other considerations" (p. 13). Dunn is quoted in Kenneth N. Waltz, *Man, the State, and War: A Theoretical Analysis* (New York: Columbia University Press, 1959), p. 160.

Ever vigilant in this Hobbesian world of constant competition, struggle, and conflict, states continually prepare to defend themselves: "In all times kings and persons of sovereign authority, because of their independency, are in continual jealousies and in the state and posture of gladiators, having their weapons pointing and their eyes fixed on one another—that is, their forts, garrisons, and guns upon the frontiers of their kingdoms, and continual spies upon their neighbours—which is a posture of war."[5] Although the state of nature is not one of perpetual warfare, it is one of recurrent crises. It is, in short, a world of perpetual conflict.

With no central authority to provide order, the only stability in this dangerous and uncertain world comes from the competition itself. War can be avoided only if the threat of war exists. And peace can be sustained only by preparation for hostilities, for in the realists' conflictual world, peace is the absence of war. Cooperation is rare, because states act autonomously and self-help is the rule. Since realists hold that states cooperate only to deal with a common threat, they see cooperation, when manifest, as temporary or inconsequential and ultimately explained by conflict.

In this vision international institutions are not particularly relevant. States do not cede any authority to them, and they are powerless to shape state behavior. Moreover, the cooperation essential to the functioning of international institutions cannot exist.

This rejection of a role for international institutions has been a major component of modern realism ever since it emerged in the late 1930s as a self-conscious assault on the failure of the West to meet German aggression. The realists portrayed themselves as hardheaded analysts of the real world, one characterized by independent states prepared to do anything to further their national interests. They contrasted themselves with utopians and idealists, whom they castigated for wishful thinking. They ridiculed the interwar emphasis on international law and international institutions, arguing that neither the League of Nations nor treaties to outlaw war could affect the fundamental nature of international politics. The realists traced their intellectual lineage to Machiavelli and Thucydides, whom they characterized as the first international relations theorist.

5. Thomas Hobbes, *Leviathan* (New York: Library of Liberal Arts, Bobbs-Merrill, 1958), chap. 13, p. 108. For discussions of Hobbes and international politics, see Murray Forsyth, "Thomas Hobbes and the External Relations of States," *British Journal of International Studies* 5 (1979): 196–209; Hedley Bull, "Hobbes and the International Anarchy," *Social Research* 48 (Winter 1981): 717–38; Gregory S. Kavka, "Hobbes's War of All against All," *Ethics* 93 (January 1983): 291–310.

In short, realists emphasize that states are autonomous and independent and concerned only with their own national interests. Moreover, they interact in an international environment in which there exists no overarching central authority to enforce order. This international anarchy leaves each state to fend for itself. In such a world, states expand until confronted and checked by others. Such a world is characterized by conflict and the constant possibility of war. Cooperation is unusual, fleeting, and temporary. International instititutions do not exist or are irrelevant.

In contrast to the realist vision lies a liberal one of a world in which self-interested actors engage in mutually rewarding exchange.[6] Rooted in nineteenth-century laissez-faire economics, liberalism argues that harmony and order emerge from such interactions between fully informed actors who recognize the costs of conflict.[7] Hence, self-interested rationality forms the basis of cooperation.

Although originally developed to explain the behavior of individual entrepreneurs and firms rather than world politics, liberalism contains a theory of international relations. For liberal arguments about cooperative exchange can be applied not only to companies but to other aggregate actors, including nations, as well. International trade theory, developed by liberal economists, treats states as the primary units and concludes that cooperative arrangements would emerge naturally from exchange. More generally, liberals hold that nations, wanting to maximize economic welfare, allow unfettered exchanges between themselves and other countries.[8] Since this exchange is based primarily on comparative advantage, it leads to a division of labor and to the growth of economic interdependence between states.

Liberals also see international interactions as akin to those that at-

6. The contrast drawn here is between realism and liberalism because both are proffered as positive, explanatory theories. Idealism and utopianism, on the other hand, are normative and concerned with creating alternative worlds. Like realism, liberalism is multifaceted, and what is or is not at its core can be disputed. For a fuller discussion of liberal arguments linking economic interdependence with international cooperation, see Arthur A. Stein, "Governments, Economic Interdependence, and International Cooperation," in *Behavior, Society, and International Conflict*, vol. 3, ed. Philip E. Tetlock, Jo L. Husbands, Robert Jervis, Paul C. Stern, and Charles Tilly (New York: Oxford University Press, for the National Research Council of the National Academy of Sciences, 1993).

7. Ernest Gellner, "Trust, Cohesion, and the Social Order," in *Trust: Making and Breaking Cooperative Relations*, ed. Diego Gambetta (New York: Basil Blackwell, 1988), pp. 142–57, presents the Ibn Khaldunian view of social order, in which anarchy engenders trust or social cohesion, whereas government destroys it.

8. Indeed, the present challenge to international economics is to explain why trade barriers are so pervasive when formal deductions suggest that states should pursue free trade.

tend other social relations; they are characterized by the existence of rules, norms, and cooperative arrangements. The international system is no different from any other: it is characterized by regularity and order.

In addition, liberals draw an analogy between economics and international politics, between the order that characterizes markets and that which emerges from the self-interested behavior of states. Since liberals perceive the international system as comparable to a domestic market, they do not see the absence of an international government as preventing the emergence of cooperation. Given its roots in the economic liberalism of the late eighteenth and early nineteenth centuries, this view of the world is very much a laissez-faire one: order emerges as self-interested actors coexisting in an anarchic environment reach autonomous and independent decisions that lead to mutually desirable cooperative outcomes. Unlike realists, who stress the crises that attend the constant preparations for war, liberals point to peace as the norm. They see conflict as a periodic aberration that breaks the tranquillity in which exchange makes it possible for states to prosper.

According to liberals, conflicts arise out of misunderstanding and misperception. Only an inability truly to understand others, only hubris about the certainty of ultimate triumph, will result in conflict and war. With a little more understanding it will become apparent that the gains of conflict are illusory, and cooperation will become the inevitable result. Conflict reflects shortsightedness, miscalculation, misperception, or an absence of information.

Despite the different conclusions that they draw about the cooperative or conflictual nature of international politics, realism and liberalism share core assumptions.[9]

Although liberals avoid using the word "anarchy" to describe it, they share the realists' vision of the nature of the international system. This becomes, in fact, a critical justification for a specific disciplinary subconcentration on international politics as distinct from domestic politics; the distinction between anarchy and authority forms the basis for differentiating between foreign policy and other public policies. Although realists make the most of this point, liberals accept the obvious truth that there is no centrally mandated order in the international arena, that no hierarchical government exists to impose authoritative

9. I disagree here with those who suggest that realism and liberalism make different core assumptions. See, for example, Joseph M. Grieco, "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism," *International Organization* 42 (Summer 1988): 485–507.

decisions on nation-states. Realists and liberals both recognize that there exists no system of global laws universally accepted as legitimate and binding and enforceable by a central administration with power and authority.

Although liberals recognize the absence of a central authority in the international system, they reject the realists' metaphor, for anarchy connotes chaos and conflict. Liberals disagree with the presumptive consequences that realists see as emerging from the absence of central authority. John Mueller, for example, suggests replacing anarchy with the characterization "unregulated."[10] Hedley Bull accepts the metaphor but signals his disagreement about the consequences involved by titling his book *The Anarchical Society*. The international system may indeed be anarchical, he admits, but it remains a society.[11]

In addition, realists and liberals both view states as relevant actors in world politics. Owing to its emphasis on this formulation, realism is often dubbed a states-as-actors model of international politics. Liberalism, on the other hand, focuses not exclusively on nation-states but also on individuals and firms.[12] Indeed, because the late eighteenth-century liberals juxtaposed the public policies they presumed would emerge from representative governments with those pursued by monarchies, liberalism is often characterized as a perspective that reduces international relations to domestic politics.[13] But liberalism at its core focuses on actors, whether individuals or collections of individuals, and on the results of interaction between self-interested actors. Thus, although liberals may argue for the importance of actors other than nation-states, they readily recognize, and their arguments can and should be readily applicable to, states as actors.[14]

10. John Mueller, "Realist Theory and Practice," presentation to the Workshop on International Strategy, University of California, Los Angeles, October 5, 1989.

11. Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press, 1977).

12. Most recently, liberals have focused on the importance of transnational actors; see Samuel H. Huntington, "Transnational Organizations in World Politics," *World Politics* 25 (April 1973): 333–68.

13. In Waltz's terms, liberalism is a second-image argument; see Waltz, *Man, the State, and War*. Stephen D. Krasner, in *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton, N.J.: Princeton University Press, 1978), equates liberalism with a pluralist argument of foreign policy. For my discussion of the early nineteenth-century liberals' views of the state and international cooperation, and how these evolved, see Stein, "Governments, Economic Interdependence, and International Cooperation."

14. Those who believe that nonstate actors are important typically argue that these other actors matter in the ways in which they constrain or affect state choices. It is still states that choose to go to war or to enter alliances. State policy matters but can be affected by other actors as well.

Finally, both realism and liberalism presume self-interested, purposive, and calculated behavior. In its strict form, the rational-actor model presumes that actors have complete information, assess all options, and then maximize some hierarchy of values. But an argument need not meet all these requirements in order to retain its character as a *purposive-actor explanation*. A constrained rationality argument can be used to explain behavior that is deemed purposive and based on a choice that reflects calculation—if, that is, options are selected with the expectation that they will provide better rather than worse outcomes. In realism, the presumption appears in the formulation that states respond rationally to the challenges posed by the anarchic environment in which they must compete and struggle. In liberalism, it comes with the view that actors rationally pursue their self-interest.[15]

The similarity between modern realism and liberalism is evinced by the connections both perspectives have to the ideas and methods of economics. This is most obvious in the case of liberalism, which has historic roots in the works of such figures as Adam Smith and John Stuart Mill. Although they were known in their own time as political economists, their thought has played an important role in the development of both modern economics and political science. Modern realism also borrows essential ideas from economics. In his two main works Kenneth Waltz, who is currently the key intellectual figure in realist thought, conceptualizes the international system as an anarchic world populated by competing self-interested states; the view is clearly linked to the notion of an economic market with competing firms.[16] In Waltz's words, "Balance-of-power theory is microtheory precisely in the economist's sense. The system, like a market in economics, is made by the actions and interactions of its units, and the theory is based on assumptions about their behavior."[17]

15. As mentioned in earlier footnotes, not all realists and liberals fit all my characterizations of them. Reinhold Niebuhr, for example, an important realist figure, castigated liberals for their emphasis on self-interest, arguing that it blinded them to "the irreducible irrationality of human behavior." Quoted in Thompson, *Masters of International Thought*, pp. 21–22.

16. Waltz's position as the central figure of modern realists is reflected by his work's central position in an edited volume, *Neorealism and Its Critics*, ed. Robert O. Keohane (New York: Columbia University Press, 1986). This volume, in addition to republishing four of nine chapters from Waltz's *Theory of International Politics*, contains several critical essays and concludes with Waltz's reply to his critics. That Waltz constantly uses economic metaphors can be seen in his two volumes on international relations theory, *Man, the State, and War* and *Theory of International Politics*.

17. Waltz, *Theory of International Politics*, p. 118. He compares nations in an international system to oligopolistic firms (p. 105, for example), and he seems to have been affected by economists' studies of imperfect competition. Richard Rosecrance criticizes

Indeed, the realists' very distinction between different international systems as unipolar, bipolar, and multipolar is drawn from economics.[18] In each case the world is viewed as anarchic, and nation-states are seen as acting autonomously, but the number of great powers in the system generates different patterns of conflict and interaction, and these carry different consequences for systemic stability.[19] This categorization mirrors exactly the economists' differentiation between monopolistic, duopolistic, oligopolistic, and competitive markets.[20] These different economic structures are characterized by different degrees of competition, with resultant consequences for prices.

Realists borrow heavily from the methods of economics as well. Game theory, widely used to model economic behavior, quickly came to be seen as a way to model international phenomena.[21] In fact, it became the basis for important contributions by economists to the study of international politics, especially in the area of military strategy.[22] Certain games, especially the prisoners' dilemma and chicken, have been widely used as generic metaphors for international phenomena.[23]

Waltz for ignoring international trade theory and thus missing the cooperation and interdependence in the international system. See Rosecrance, "International Theory Revisited," *International Organization* 35 (Autumn 1981): 691–713.

18. Some scholars do not include unipolarity; others include hybrids. Morton A. Kaplan, for example, discusses six types: balance of power, tight bipolar, loose bipolar, universal, hierarchical, and unit veto. See Kaplan, *System and Process in International Politics* (New York: John Wiley, 1957).

19. The polarity literature is reviewed by R. N. Rosecrance, "Bipolarity, Multipolarity, and the Future," *Journal of Conflict Resolution* 10 (September 1966): 314–27.

20. The isomorphism between the typologies used by international relations theorists and economists is noted by Kenneth Boulding in his review of Morton Kaplan's book. See Boulding, "Theoretical Systems and Political Realities: A Review of Morton A. Kaplan, *System and Process in International Politics*," *Journal of Conflict Resolution* 2 (December 1958): 329–34.

21. The classic work that created the field is by John von Neumann and Oskar Morgenstern, *Theory of Games and Economic Behavior* (Princeton, N.J.: Princeton University Press, 1944). In a discussion of game theory in *Man, the State, and War*, pp. 201–5, Waltz demurs that "the reference to game theory does not imply that there is available a technique by which international politics can be approached mathematically" (note, p. 201). But he continues to hold that international politics can be "profitably" described using game-theoretic concepts.

22. The most famous example is that of Thomas C. Schelling, *The Strategy of Conflict* (Cambridge, Mass.: Harvard University Press, 1960).

23. See, for example, the way in which games are used as metaphors for key arguments in international politics in Glenn H. Snyder, " 'Prisoner's Dilemma' and 'Chicken' Models in International Politics," *International Studies Quarterly* 15 (March 1971): 66–103, and Robert Jervis, *Perception and Misperception in International Politics* (Princeton, N.J.: Princeton University Press, 1976). For benchmarks in the use of game theory in the study of international relations, see, in addition to Schelling's *Strategy of Conflict* and Snyder's article, Richard E. Quandt, "On the Use of Game Models in Theories of International

Yet despite their common focus on self-interested states interacting in an anarchic environment, realists and liberals come to different conclusions about the nature of international politics. Realists see a world of conflict in which cooperation is fleeting, and tension the norm. Conflict, they argue, is rooted in the very nature of international politics, in the constant struggle for power and survival that characterizes a world of autonomous independent actors making self-interested choices.[24] Liberals, on the other hand, see autonomous self-interested behavior as consistent with the emergence of order and cooperation. Perceiving a laissez-faire and cooperative world, they understand conflict to be wasteful, destructive, and inefficient. Actors arrive at mutually advantageous arrangements that sometimes involve the development of overarching institutions. To liberals, therefore, conflict must be a product of imperfect or incomplete information. Since conflict grows from miscalculation and misperception, it can be avoided.

International relations involve both cooperation and conflict, evincing more cooperation than realists admit and more conflict than liberals recognize. In this book I assess the bases of cooperation and conflict and the implications of realist and liberal premises. I focus especially on the former—on the conditions necessary for cooperation to emerge in an anarchic world and on the forms that cooperation takes. In doing so, I qualify both realist and liberal arguments and develop adjuncts to both. I demonstrate that realist assumptions are consistent with international cooperation and liberal assumptions with international conflict.

Indeed, I make clear the ways in which realists and liberals are correct and the extent to which they are not. Both schools of thought correctly describe behavior that occurs within limited domains, under particular sets of circumstances, and given actors' specific calculations

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Relations," *World Politics* 14 (October 1961): 69–78; Duncan Snidal, "The Game *Theory* of International Politics," *World Politics* 38 (October 1985): 25–57; and Robert Jervis, "Realism, Game Theory, and Cooperation," *World Politics* 40 (April 1988): 317–49. For recent book-length treatments, see Steven J. Brams, *Superpower Games: Applying Game Theory to Superpower Conflict* (New Haven, Conn.: Yale University Press, 1985), and Steven J. Brams and D. Marc Kilgour, *Game Theory and National Security* (New York: Basil Blackwell, 1988). But see especially the new book by Robert Powell, *Nuclear Deterrence Theory: The Search for Credibility* (Cambridge: Cambridge University Press, 1990). For a recent comprehensive introduction that relates game theory to political science in general, see Peter C. Ordeshook, *Game Theory and Political Theory: An Introduction* (New York: Cambridge University Press, 1986).

24. In Waltz's words, "competition and conflict among states stem directly from the twin facts of life under conditions of anarchy"; see his "The Origins of War in Neorealist Theory," *Journal of Interdisciplinary History* 18 (Spring 1988): 615–28, quote from p. 619.

and assessments of self-interest. I also delineate the core differences from which the conflicting deductions of realists and liberals derive. Specifically, I pinpoint their most critical disagreement in their assumptions about the decision criteria that states use in calculating their interests. Yet I argue that both sides are correct. In different circumstances, different bases of calculation are appropriate. Cooperation and conflict, I argue, result from the forces of circumstance, from a set of situational factors that I delineate.

Strategic Interaction

This work begins with the common assumptions of realism and liberalism and focuses on the decisions that nations make about whether to cooperate with one another. Most fundamentally, my analysis rests on the twin premises of the phrase "international relations." I treat nations as the salient actors and presume that the proper focus of study is relations. These assumptions necessitate a focus, therefore, on the dynamics of cooperation and conflict between nation-states. Like marriage, wars and alliances presuppose the existence of two interacting parties.

Indeed, not all nations interact. It is possible to analyze the behavior of European nations in the era before they discovered the New World without referring to the Indian nations of the North American continent. The reason, of course, is that the former did not know of the latter's existence, and vice versa. Isolation, the absence of contact and interaction, was for most of world history a not uncommon phenomenon.

Over time, however, the evolution of science and technology has eroded that isolation. The advent of steamships and the development of air travel meant that people could travel from one part of the world to another with increasing speed. Advances in technology have also altered the ways in which information flows, allowing the far reaches of the world to be linked instantaneously.

In short, the emergence of a single global system and international society has brought about a vast increase in the number of international interactions and has ended the isolation of countries. Areas whose former development could be assessed without reference to a wider world came to be incorporated into one system.[25] To some degree and

25. Hedley Bull and Adam Watson, eds., *The Expansion of International Society* (New York: Oxford University Press, 1984); Immanuel Wallerstein, *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth*