

Globalization and Armed Conflict Among Nations: We Know Less than We Think

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Introduction

While the effects of globalization appear to be wide reaching, should we expect them to have a significant impact on international security relations? Yes, most certainly we should. But just what are these effects likely to be? Here, the picture is less clear, for some of the shifts and trends engendered by the phenomenon of globalization can be expected to draw nations together, increase the costs of using armed force, and decrease the benefits of doing so. In short, certain aspects of globalization will have a pacifying effect in global politics. But other forces unleashed by globalization will increase tensions and fractious relations among states, while destabilizing political orders that themselves have pacifying effects. Thus, greater chances for armed conflict are also created by the forces of economic globalization. will also result. Predicting the net effect of these positive and negative developments is most difficult.

My purpose in writing this paper is to begin this very task, however difficult it may be to accomplish. My plan is to take an inventory, so to speak. What do we know about the ways in which economic change affects security relations among nations? What are the most relevant aspects of globalization to study in order to understand its effect on security? How can our understanding of the political economy of security and likely economic trends allow us to envision possible, or even probable futures?

Subsequent sections of this paper will take a first look at these questions. First, I will take stock of theories in the field of International Relations, and sketch those that link aspects of economic growth, development, exchange and distribution to prospects for war and peace. The following section of the paper will look at those aspects of economic globalization that are most likely to affect the security domain. I will then offer an assessment of these economic trends in light of relevant I.R. theory, and the paper will conclude with thoughts about our future prospects for conflict and peace.

Economics, Armed Conflict and War

The field of International Relations has been centrally concerned with questions of security throughout its history. Through much of the twentieth century, the field was dominated by a school known as Realists, who viewed international insecurity as resulting from the clash of nations with competing interests and varying capabilities in an environment of essential anarchy (given that there was no higher authority or effective means of enforcing peace between sovereign nations). Among the central theorists of this school – people like Hans Morgenthau, Raymond Aron, Hedley Bull and others – interest in economic production and growth was very limited. Basically, these classical Realists were interested only in how a nation's economy could serve as a foundation for its capacity to make war. Consideration of economic exchange as a determinant either of national power or of national interest was virtually absent. Despite the dominance of the school, a surprising number of scholars developed a rich and diverse body of theory which can shed light on the ways in which economic life can and often does have significant effects on security relations. It is their work which we will consider more closely.

In this section I will briefly sketch a number of these theories. For convenience, we may place them into three groups. The first set considers how characteristics or trends within a

national economy affect the interests and capabilities of the state. The second group looks to a comparison of the economic characteristics of two states, or to the economic ties between them to explain their security relations. And the third set considers characteristics of the global economic system as an important force shaping the security relations among nations. So I will here consider these three levels of groups – the nation, the dyad, and the system – to see what each says about the influence of economic factors and trends on international security relations.

The Nation

This is the level at which Realist scholars come closest to suggesting that economics matters to security. Very simply, Morgenthau and others discuss how the size and level of technological development of a nation's economy undergirds its war-making potential. The larger and more advanced a nation's economy is, the more effective that state is likely to be in war. The economy is a central pillar to the state's capability, and becomes even more important in more protracted conflicts when military assets at the onset of conflict will need to be replaced as they are lost in battle. But in the writings of these most mainstream realist scholars, there is nothing beyond this notion of capabilities – no sense that economic characteristics might somehow shape the state's diplomatic or strategic objectives. The "war chest" hypothesis of Geoffrey Blainey is one exception to this rule. Blainey felt that growing nations would tend to spend more on their military as time went by, and that such growth in their war fighting capability would come to create a mind-set that encouraged leaders to use the men and arms they had accumulated. So as the nation's war chest grew in size, it would be increasingly likely that the state would become involved in armed conflict (Blainey, 1988).

A much more fully articulated theory of the relationship between national economic growth and the propensity for armed conflict is offered by the theory of Lateral Pressure (Choucri and North, 1975). Choucri and North focus explicitly on national growth in three factors: population, resource usage, and technological development. They argue that as each or all of these factors grow, the propensity of society to expand its activities beyond its own borders also grows. At the same time, its capability to expand such activities also increases. Such increased activity abroad does not necessarily entail conflict with other nations (some needs of a growing society might be met through trade, investment or other cooperative activity) but there is always the possibility for the interests and activities of growing nations to come into direct conflict. Rivalries, arms races and crises can ensue. Even trade is not always peaceful. Growing commercial relations can also contain the seeds of armed conflict, as they did for the British and Dutch in the 18th century, or for Japan and the United States in the 1930s. For Choucri and North, then, economic factors are quite central to international security relations. Growth in population, resource use and technology, in their view, actually drive nations to interact with one another. Scarce resources and the need for market outlets make it likely that these interactions are competitive. And when such competition becomes heated, nations find that the very same dynamics that motivate their behavior also provide them with the materials to engage in armed conflict. National economic growth does not make armed conflict inevitable, say Choucri and North, but it does create a dangerously combustible mixture all around.

If economic growth can be dangerous, so can economic stagnation and recession (Russett, 1990). Diversionary War theory states that hard economic times can create public

discontent for the government. The regime's hold on power may become threatened if the downturn in the economy is particularly severe or protracted. At such times, governments may provoke an armed crisis with a convenient rival in order to engender a "rally 'round the flag" effect in their mass public (Levy, 1989). The ruling generals in Argentina in 1982, for example, provoked a crisis with Great Britain in order to shore up their eroding support at home. Of course it is not inevitable that governments will resort to this tactic, and recent work has been able to pin down the more limited circumstances under which governments are likely to adopt this destructive strategy (Oakes, 2006). But the point remains that under particular circumstances, economic recession can also impel national leaders to undertake dangerous initiatives.

The Dyad

Perhaps it is not growth in any particular, single nation that creates sources of conflict, but the relative growth of two or more nations. Or perhaps the economic ties between nations, like trade or colonialism, affects their chances for an armed clash. Such questions are addressed by theorists who employ the dyadic level of analysis.

Perhaps closest to classical Realist thought in this area would be Power Transition theory as articulated by A.F.K. Organski and his student Jacek Kugler (Organski, 1968; Organski and Kugler, 1980). An independently developed but parallel argument is found in Robert Gilpin's *War and Change* (1981). Power transition theory concentrates exclusively on great powers, and seeks to understand the roots of major power war. Economic growth in the leading power and in its largest, rising challenger turns out to be the key. Interests between these two, top rivals is certain to clash, for one supports the status quo, while the other seeks to change the existing order in ways that reflect its rising status. As the economic and military gap between them narrows, the system leader feels growing pressure to contain or defeat the rising power. Security relations between them become increasingly tense and volatile and often result in war. Once again, economic growth is a chief, driving source of conflict, though Power Transition Theory tells us we must look at growth in two, specific major powers to assess the global security situation.

Another interesting and more detailed treatment of these dynamics is offered by Charles Doran's Power Cycle theory. Like Power Transition school, Doran looks to the major power subsystem. But here the full set of major powers comes into play, not just the top two rivals. Doran shows that the *share* of all major power capabilities held by any one state over time always follows a cyclic pattern, rising and falling at regular, identifiable rates. The amplitude and periodicity of these cycles can differ from one great power to another, but we can always identify the pattern followed. Importantly, identification of this cycle for any particular power allows us to see those times when the power trajectory of that nation diverges most widely from the trajectory that leaders believe themselves to be on. It is these periods of divergence when a nation is most likely to become involved in military conflict, Doran shows. It is then that leaders are most likely to misperceive their situation, or to sense that their situation is changing markedly and requires drastic action to rectify. Transitional moments in the power cycle (and the term "moment" can be understood here in its mathematical as well as in its historical sense) is when armed conflict is most likely. Differences in economic growth rates among all major

powers is the factor introducing both dynamism and danger into global security relations, according to Power Cycle Theory.

Finally, bilateral or multilateral economic ties between nations may affect the likelihood that they will come into conflict (Mansfield and Pollins, 2003). It has long been an aphorism among liberal economists that “trade brings peace”, and there is a large body of both theoretical and empirical research that supports this claim (Polachek, 1980; Russett and Oneal, 2000). However, economic ties can also at times be exploitive, and thus conflict-generating. Or security concerns may arise when a country feels itself becoming too dependent on a particular partner (as President Bush expressed recently concerning dependence on Middle East oil.) Research by Katherine Barbieri (2002) indicates that, in the main, bilateral trade ties are more conflict-generating than they are conflict-inhibiting as the liberals claim. And because peace between two nations leads them to trade more with each other (Pollins, 1989), it is entirely possible that the two correlate simply because peace brings trade, not because trade brings peace. Recently published empirical work supports this very suspicion (Keshk, Pollins and Reuveny, 2004). It seems that trade still follows the flag, though this does underscore that security relations and international commerce remain intertwined in myriad ways that we should continue to explore.

The System

It may well be that the global economic and security systems are more than just the sum of actions taken by individual nations, or even more than the networks of bilateral and multilateral relations suggested by patterns of international trade, investment, alliances, etc.. Theories at the systemic level of analysis suggest that the elements and relationships discussed above are part of larger, truly systemic phenomena, and that factors found at the systemic level must be examined if we are to properly understand prospects for conflict and peace. Two distinct but related theories are of particular importance for our present purposes: The theory of the Long Wave and the theory of the Leadership Cycle.

The theory of the Long Wave, first put forward by Russian economist Nikolai Kondratiev in the 1920s, claims that there are regular and repeated rhythms in global investment, production and prices. While not in lock step, each has a periodicity of roughly fifty years. Joshua Goldstein (1988) looked closely at these economic long waves for the period 1495-1980 and found them to be strongly associated with the size of wars among major powers. That is, very large wars among the largest powers occurred in synchrony with economic long waves. This led Goldstein to argue that periods of growth in the global economy led nations to build capabilities while also increasing both their friendly and their rivalrous interactions. Rising competition in economic and security domains, coupled with rising military capabilities culminated, Goldstein claimed, in a system-wide war in which all major powers participated. Such conflagrations clearly affected the global economy – the occurrence of these great wars coincides with the price peak in the Kondratiev long wave, to mention but one clear consequence. So there is an important reciprocal relationship between security and economy at the global level. Economic growth engenders conflict while large wars spur production, innovation and price inflation.

The theory of the Leadership Cycle tells a similar story. The authors of this theory,

George Modelski and William R. Thompson, look primarily at the structure of the global political system. Specifically, they note that a single, pre-eminent power emerges roughly once every 100 years. This system leader holds a preponderance of key military capabilities (chiefly blue-water navy, they argue) while also boasting the lead economy in terms of size and innovative energy. Regular rhythms in the global economy are related to the rise of this leading state. Just as importantly, key economic trends and the prospects for peace and war are found to be associated with the rise, ascendancy and decline of one system leader, and the struggle to produce the next one. The work by Modelski and Thompson (1996) shows a very strong association between pairs of fifty-year long Kondratiev waves with the one hundred-year long Leadership Cycle. Waves of technological innovation (“leading sectors” in the global economy) are very much connected to the rise and decline of global political systems dominated by a hegemonic state.

As system level theories, Goldstein’s Long Wave and the Modelski-Thompson Leadership Cycle do not tell us precisely who is likely to become embroiled in conflict. But they do describe in some detail the conditions in the global economy and in the global political system which lead us to expect large wars among major powers. Pollins builds upon and extends their findings beyond the major powers. Explicit connections between the Long Wave and the leadership cycle are established, and the joint effect of these two macro-processes correlate with the frequency of armed conflict among all nations, not just major powers (Pollins, 1996). And by taking account of the effects of both the Long Wave and Leadership Cycle, we find that lower levels of armed conflict (like crises and armed clashes) also correlate with their rhythms. Other forms of security-related behavior (e.g., alliance formation, colonial expansion) are also correlated with the Long Wave and the Leadership Cycle (Pollins and Murrin, 1999). For our present purpose, what is most important in all this work is that there seems to be a clear association between specific conditions in the global economy and the system-wide prospects for war and peace.

There may also be important linkages across these levels of analysis, since they obviously do not operate in isolation from one another. Global economic growth is likely to be associated with growth in some or all of the major powers in the system. This should generate effects in the behavior of individual powers, or in the patterns of interaction between them. One study (Pollins and Schweller, 1999) tries explicitly to link the various dynamics at national and systemic levels by looking at patterns for the U.S. economy, U.S. involvement in foreign conflicts, and the Long Wave put forward by Goldstein. Pollins and Schweller show that regular periods of expansionism and isolationism in U.S. foreign policy coincide very strongly with periods of the Long Wave. This is true all the way back to the founding of the U.S. republic in 1789, long before the United States was a leading economy. Further, they find that U.S. involvement in foreign clashes is more likely as the U.S. economy grows, and that the probability that the U.S. will become involved in armed conflicts reaches its peak shortly before downturns in the Long Wave.

Thus, when this large body of research is considered together, we have strong reason to believe that economic conditions within nations, differential growth between them, the economic ties they create, and economic trends in the overall global economy all have an impact on the security relations of nations. These relationships are complex, and there is a great deal we do not

understand. But the work just discussed offers several clues about how changing economic conditions and new economic ties might make the world either a more peaceful or a more dangerous place. What, then, are the key changes and trends that we can expect to result from the phenomenon on globalization?

Globalization and Shifts in Economic Life

Some observers consider current economic globalization to be an utterly unprecedented phenomenon in world history (Ohmae, 2005). Others scoff at such characterizations and point to an earlier period when global interconnectedness was even greater than today (Waltz, 1970; Waltz, 2000). The truth, as always, lies in between two extreme positions. Some key shifts, while not unprecedented, are significant nonetheless, while other, truly novel developments will indeed make the world of 2020 look importantly different from the world we know today. The important changes I see that are most relevant to the prospects for conflict and peace form two groups that I refer to as *new players* and *new forms of interconnectedness*.

“New players” refers to the fact that national economies will be less central to the organization of global economic life than they were in the twentieth century. The rise of non-state actors in the world economy like inter-governmental organizations (IGOs), non-governmental organizations (NGOs), and the “electronic herd” will create new players in the security arena as well. Just as important, globalization will redistribute economic assets and capabilities within the state system itself. New powers are rising while others fade, and some fear being left behind altogether. Such changes in the capabilities and interests of states has always been a source dynamism in the politics of international security.

“New forms of interconnectedness” refers to the novel aspects of economic interdependence that I believe distinguish this period of globalization from previous eras in which the global economy was highly integrated.. Several scholars in the Realist camp, like Kenneth Waltz or his student John Mearsheimer (2001) point to the period 1870-1914 as one during which levels of trade and investment were extraordinarily high, yet world peace did not ensue. Thus, they argue, we should not believe the contemporary liberal line that growing economic interdependence will result in more peaceful relations among nations. While this point deserves to be heeded, we should not infer (as far too many Realists do) that economic interdependence is irrelevant to security relations. I argue that such Realists are profoundly wrong in two ways. First, there are features of contemporary globalization that are truly novel and of unprecedented significance. These include the transnational reorganization of production, the content of trade flows and the dispersion of global capital centers. Second, while interdependence will not ensure peace as the liberals dream it will, it can and does have an effect on state interests that can be conflict-limiting in the right circumstances. We need to know just what these circumstances are. So let us look at these shifts in players and the forms of interconnectedness in closer detail.

New Players

Economic globalization has dramatically increased the access of many nations to investment capital and innovative technologies. It is no surprise that such access has not been

shared equally, nor is it a shock that it offers great opportunities for some and dangers for others. Most centrally, the trends it has engendered are reshaping the distribution of state interests and state capabilities. Nothing could be more central to any forecast of future prospects for conflict and peace. “Miracle” stories from Korea to Ireland are easy to find. Others, from Botswana to Bolivia, have been left behind thus far. The rise of so-called “Big Emerging Markets” may be most significant from a security perspective, for it is these nations – including China, India, Indonesia, Brazil, and Mexico – that have the clear potential to become significant regional powers in the near term, or even global powers in the longer run. As they rise to that status, we should expect their interests to become more outward looking, just as all who have occupied such positions in the past. And their capabilities to secure those interests will rise as well. Thus, for even the most traditional, Realist scholar in my field, the effects of globalization on security in the state system should not be underestimated.

Neither should we ignore the significance of globalization for non-state actors. Multinational corporations have been a part of global economic life for centuries, but they have never been so large in number or in the resources they command and move around the globe. Their activities – in pursuit of their own interests, let us not forget – can both impel and enable nations toward more peaceful relations in some circumstances and toward conflict in others. Easy access to capital and technology is also empowering non-governmental organizations (NGOs) from Food for Peace to The Open Society Institute to Al Qaida.

Domestic business interests now often meld with international business into what Thomas Friedman (2000) has termed the “electronic herd”. This bottom-up, emergent group can shape and constrain state actions on everything including commercial policy, investment policy, as well as security policy (viz. Friedman’s “Golden Arches” theory of conflict). Friedman is surely over-estimating the effect that market agents may have on security relations. But he is right to point them out, and we should do a better job of mapping just what these effects are, for they are surely there.

Finally, it is clear that rising economic interdependence provides a powerful impetus to the formation and strengthening of international organizations (IGOs). Market forces desire openness, the recognition of property rights and the rule of law. This interest meets the interest of states for increased access to investment capital and technology. The result is an increase in the number of international institutions that seek to provide precisely these things. Such institutions include the WTO, the IMF and IBRD, the International Patent Rights Organization, a rising number of regional trade organizations (e.g., ASEAN, NAFTA, Mercosur) and many others. The number of such organizations is now orders of magnitude larger than at any time in history. And the enforcement powers of a number of these institutions is also rising. Interestingly, a number of trade agreements among developing nations now explicitly include exactly the same kinds of security provisions that we are used to seeing in military alliances and non-aggression pacts (Powers, 2006).

New Forms of Interconnectedness

The volume of international trade and international capital flows has risen over the past thirty years at a truly amazing rate. But as many have pointed out, this may seem new to our

time but it is not unprecedented historically. If those earlier, “globalized” worlds dissolved into state dominated competitions of all-against-all, then there is no reason to expect the current period of globalization to be transformative in international security relations. I disagree. And while I do not deny that disintegration of today’s global economy is possible, I argue that its impact on security relations will indeed be transformative and therefore must not be dismissed. The key is to look not at what is similar about the current period of globalization and previous periods, but to identify and focus on those aspects that are different. On this count, I note two key features of our current period that are unprecedented: the reorganization of production and the changing location of capital and technology.

The volume of capital flowing across national borders in the 1990s was broadly comparable to that witnessed during the earlier period of globalization, 1870-1914 (Pollins, 1998). (Note that to make this comparison, I scale volume as a share of total world production.) But in the pre-World War I era, the overwhelming share of transnational capital took the form of *portfolio* investment, while today the greater share of capital flows is *foreign direct investment* (FDI). Put very simply, this difference is between owning shares in a company or being an officer in that company. In the former case, one has an arm’s length, partial ownership of the enterprise, and in the latter case, one is running the business. The implications of this difference are several, but that which I consider most important is that companies have already transformed their production processes so that many everyday items – from cars to computers – contain components manufactured in several countries. Importantly, these sub-components are manufactured by divisions of a single company owning factories in many countries. In other words, the production line making this car or that computer is owned and operated by one company, but it stretches across countries and even across continents.

The globalization of production is unprecedented, and it certainly deepens the connections among national economies in ways we are just beginning to understand. We do know, for example, that 30-50% of all “international” trade today actually is made up of component transfers from one factory within a given company to another one of its operations in another country. International trade is often no longer the arms-length exchange between independent entities based in sovereign national markets like it was in David Ricardo’s time. The security implications of such interdependence is understood even less, although Stephen Brooks (2005) provides an admirable first look. Brooks argues that the effects of globalized production should deepen peaceful relations among advanced, market economies. But he is more pessimistic about its effects in the developing world and sees mixed effects for relations between North and South.

In addition to the transformation of production, there are changes in capital markets themselves and in the production and diffusion of technology. In earlier periods of globalization and unipolarity, one nation served as the world’s main capital exporter and chief technological innovator (Modelski and Thompson, 1996). Modern advances in information processing and communication have coupled with transnational business interests to decentralize both in ways we have not seen before. The mobility of capital today greatly reduces the necessity of physical proximity for bankers, insurers, financiers. In some ways, it even militates against concentration (capital flows away from attempts to control it.) Major banking centers are no longer found only in the financial capitals of the largest economies and the most technologically advanced nations.

Historically, we find them in cities like Amsterdam, London, New York, and in more recent times in Frankfurt or Tokyo. Today, they are also located in capitals of emerging nations like Brazil, as well as in nations with huge capital account surpluses like the United Arab Emirates, as well as in off-shore havens like the Cayman Islands.

As for technological innovation, past history exhibited a pattern in which most new technologies would tend to appear first in a single, leading nation and then disperse throughout the international system over a period of decades. But with unprecedented flows of FDI and transnational production, companies are locating major R&D activities in a much wider range of locations. Talented scientists and engineers are not found only in Western Europe, Japan and the United States. And sophisticated workers and consumers are found in many emerging as well as advanced markets. Thus the location of innovative activity, and the benefits which ensue from its production and use, are enjoyed in a wider array of nations than we have seen in previous periods of globalization. The possible implications of this dispersion of capital and technology will be examined below. For now I note only that control of investment capital and new technology correlated historically with power, and in the past such power was concentrated in the hands of a very few nations (or even just one nation). No more. By no means am I saying that capital and technology flow across national borders with complete freedom. Far from it. But their ease of movement is greater, and their likelihood of concentrating inside the borders of a single country or region is less than ever before.

Let me underscore the importance of these shifts and trends especially for relations between the developed and developing worlds. The technological advances and economic shifts that we lump under the heading of “globalization” all serve to connect a larger portion of the world’s population to modern rather than traditional sectors of the economy. This is unprecedented. This means that the South is less dependent on the North for economic growth than was true in the past. Indeed, it is now widely accepted that it was Third World economic growth, not growth in the then-moribund North that led the world out of recession in the early 1990s. This is certainly unprecedented. And notwithstanding financial crises like Asia experienced in the late 1990s, or the normal dips and swings of the Business cycle, big emerging market economies (BEMs) like China, Brazil, Indonesia and others will be sizable and important players in the global economy by 2020. Indeed, all three *could* rank among the world’s ten largest economies by that time. The hierarchy that has characterized the global economy for several centuries, and the associated top-down, bottom-up cycling of wealth and power appear to be fading away.

Mapping New Economic Trends on to Theories of Conflict and War

If we employ International Relations theory to evaluate the important economic shifts brought about by globalization, should we be optimistic or pessimistic about the prospects for peace in the 21st century? Simply put, we can expect important changes at every level. The security behavior of various state and non-state actors will be greatly affected. So to will the security relations between them. Finally, the global security system itself might well experience the greatest change of all. Let us consider each level more closely.

Globalization and the Security Behavior of Players Old and New

Globalization is clearly bringing additional efficiencies into the economies of very many nations, and growth is thereby enhanced. But, as is always the case, the costs and benefits of such change are not shared equally. So some national economies grow and develop more rapidly while others may stagnate or decline. New demands are created for food, energy, and consumer goods as well as basic needs like health care, housing and education. Living standards improve for many, but not for all. And the revolution in global communications provides everyone with unprecedented information on exactly who the haves and have-nots are, and how the gaps between them – whether imagined or real – may be widening.

Viewing these developments through the lens of International Relations theory presents a worrisome picture. The traditional Realists among us will note that new, rising powers must be expected to challenge the status quo in the global political order. Growing war chests, especially among larger, emerging economies and regional powers, suggest we should not expect such challenges to remain solely in the realm of diplomacy. Jockeying for position in the international system has given rise to armed conflict in the past, and Realists will see no reason why this should be any different in the future.

Lateral Pressure theorists will also be concerned about such developments. Growth in population and technology will bring rising demands for resources. Nations will reach increasingly beyond their own boundaries to secure those needs. Their interests will sometimes conflict with others, and they will find their capability for engaging others in the system similarly increased. Their capacity for foreign engagement will involve non-military as well as military assets, so armed conflict is by no means inevitable. But rising needs and capabilities among nations do contain the seeds not only of competition, but of rivalry and war as well.

Prospects for economic stagnation and decline, as well as widening gaps between rich and poor, must add to the pessimism of this part of our assessment. During economic downturns, most nations refrain from armed conflict if only because the costs of military action cannot be born in such times. But there are specific circumstances in which more desperate leaders will resort to diversionary conflicts in their attempt to hold on to power (Oakes, 2006).

Non-state actors will play a larger role in the future than they have in the past, though the net effects of their growing number and participation in world politics must be studied further. The forces of globalization alone provide an impetus for the creation of new IGOs and NGOs. We can be confident that their numbers will proliferate simply because states are not the most effective organizations to manage the inherently transnational forces and problems that globalization brings. Intergovernmental organizations will often provide a forum and means to manage shared interests and resolve conflicts before they escalate to dangerous levels. But some IGOs serve to aggregate the interests and capabilities of particular groups whose objectives are not shared by all – NATO and OPEC are two examples – and thus the mere rise in the number of IGOs alone will not be sufficient to guarantee a more peaceful world. Similarly, the growth in number and resources controlled by NGOs does not point in a single direction toward conflict or peace. Many NGOs serve to satisfy basic needs in food, housing, health care or education, others work to relieve injustices aggravated by uneven economic development or war. As such, we can expect them to have a palliative effect and to decrease chances of conflict. But even when engaged in such humanitarian missions, their effect is not always pacific. NATO's

involvement in the Balkan Wars of the 1990s raised concerns among some regarding a possible underlying western, imperial agenda. And no small amount of firepower was unleashed by NATO in their efforts to protect the vulnerable peoples of Serbia, Croatia and Kosovo. Hamas, to offer a second example, has worked to relieve suffering of many of the neediest in Palestine. But the same organization has also undertaken operations that lead many to label them as terrorists, and some of their central, stated objectives are anathema to many powerful states. Globalization increases the need for, and resources available to, *Médecins sans Frontières*. But it also empowers Al Qaida. It simply is not clear that the rising numbers, activities and capabilities of IGOs and NGOs will lead us to peace rather than conflict.

Globalization and Security Relations Among the Players

The central and most significant aspect of globalization is that it ties national economies together more extensively than ever before, and in qualitatively new ways. This shift is so great that it leads some to question whether national economies can any longer be considered meaningful (Wriston, 1992). Even if such assessments are overblown, the networks of transnational production and finance in operation today are quite extensive, and they continue to grow, diversify and deepen. It is very difficult for all who watch these trends closely to accept the standard, Realist claim that there is nothing really new here, and we should expect only more of the same as far as security relations are concerned. But if we reject this simple assessment, what then should we expect?

International Relations theory is slightly more hopeful when considering economic relations among nations and their likely effect on conflict. When exchange benefits both parties, anything which threatens to interrupt that exchange – such as armed conflict – will be resisted (Polachek, 1980). Therefore, trade or any other form of mutually beneficial exchange will create “vested interests for peace” among those groups in society who benefit from this activity (Arad, Hirsch and Tovias, 1983). As described above, a large body of empirical work supports this claim (Russett and Oneal, 2000). With the volume of international economic exchanges rising so rapidly, there should be a growing number of groups within societies around the world who agitate against resort to armed force when disputes arise between their homeland and that of their exchange partner.

But we would be overly optimistic if we believed that this effect is universal, or if we believed such interests would trump all others when disputes arise. Brooks (2005) admirably details how the liberal claim that “trade brings peace” is bounded and limited. Barbieri (2003) shows how trade may be conflict-generating when asymmetries create a dependency that is resented and resisted. Hegre (2000) presents solid evidence that the palliative effect of trade on conflict is limited to advanced, industrial nations. In fact, he finds that trade may be conflict-generating among LDCs. In both claims, he supports the findings of Brooks as well as Barbieri, not those of Russett and Oneal.

We should also note that the impetus for the creation and deepening of IGOs that is engendered by globalization could reinforce the pacifying effects of economic exchange. Russett and Oneal (2000) show that shared membership in IGOs reduces the likelihood of members to resort to force against one another. Mansfield and Pevehouse (2000) similarly show

that shared membership in Preferential Trade Arrangements (PTAs) makes armed conflict less likely between co-signatories. And recall that Powers (2006) finds that PTAs created among developing nations are incorporating explicit security guarantees. These will hopefully make armed conflict in some Third World areas less likely.

Taken together, these claims and findings suggest that the forces of globalization might reinforce the reluctance to use force among advanced, developed nations. At the same time, there is some reason for hope, but significant grounds for skepticism, that greater integration of national economies will bring peace in relations among developing nations, or between states in the rich North and the less affluent South.

Globalization and the International Security System

Theories of the Long Wave and the Leadership Cycle bring us to the most speculative thoughts in this paper, but also possibly to the most hopeful. Goldstein as well as Modelski and Thompson consider the political and economic systems they describe to be evolutionary in nature. At what point does change in degree become change in kind? The cycles described by these scholars contain great change within them. There are periods of rapid and widespread growth, and times of wrenching economic depression. Leading technological sectors come and go, as do those nations whom we recognize as great powers and system leaders. Still, they show us, the same basic patterns repeat. Destructive and deadly practices like major power war occur with disturbing regularity even if the identity of those powers may change over the centuries along with the technologies they employ to battle one another. Might we not expect more of the same in the century to come?

I am intrigued by the central role played by the hegemon in these theories, especially that of the Leadership Cycle, and by what globalization may mean for the nature of hegemony. During the hegemon's ascendance, the international system enjoys a period of relative peace (though the word "relative" must be underscored). The even darker side of the same coin, however, is that the biggest and bloodiest wars result from the struggle within the system to decide new leadership roughly once every century. If this is our future, then it is a grim one indeed. But consider the economic bases of past hegemonies, and compare those patterns to contemporary forces of globalization.

Over that past 500 years, periods of hegemonic ascendance were marked by a concentration in economic and military capability in the hands of a single, leading state (Modelski and Thompson, 1996; Wallerstein, 1984). The hegemon held not only a larger share of long range, power projection capability, that same state was the world's largest single market, the world's chief exporter of investment capital, and its fountainhead of innovation. That high concentration of economic assets provided a solid foundation for its military power in two ways. First, concentration afforded the possibility of imposing quasi-monopoly rents for access to its markets and its capital, and because technological leadership guaranteed market advantages for its products and manufacturing processes. Second, it provided political leverage in negotiations when it chose to forego those advantages with particular exchange partners.

Globalization, as we saw in the previous section, is working directly against the

concentration of these very assets into the hands of any single actor or even small group of actors. With that deconcentration of economic assets could come a deconcentration of political power. Trade relations are less hierarchical today and the content of trade flows is more diversified than ever before. Capital centers have dispersed, as have centers of innovation. Capital mobility is very high, and technology diffuses more rapidly to multiple points in the global economy. To be sure, the United States enjoys a preponderance of military capability to match or surpass any previous hegemon (Wohlforth and Brooks, 2002). But one wonders whether the special character of nuclear weapons, and the disturbing trend for such weapons to continue to proliferate, will act to check U.S. power in ways not faced by earlier hegemony. And whether they do or not, it seems clear that the United States will not enjoy all the political and economic advantages of earlier system leaders, for the bases of economic dominance are becoming too diffuse for one nation to consolidate and hold such power. It is globalization that is bringing this about.

Does all this portend the end of hegemony? That is very difficult to say. But given that the largest wars of the past five centuries were connected to the struggle to determine a new system leader, then the end of this process, brought about by the considerable, decentralizing forces of globalization, could be a very hopeful development.

Conclusion: A More Pacific or a More Violent World?

Clearly, the consequences of economic globalization wash through the international system in numerous currents, rivulets and eddies, and they are changing the shape of the global political landscape as they flow. In some ways, globalization is strengthening the chances of peace, in others it pulls some states and non-state actors toward grievance, rivalry and war. On balance, can we say whether globalization is, or is not, a force for peace?

The field of International Relations is very far from having all the answers, but we saw there is a great deal of work that shows how upward or downward swings in production, exchange and distribution of economic values impels nations and other actors toward or away from war. Surveying these theories, we see that the key variables pertain to economic growth and stagnation, and how such growth is distributed among the world's nations; whether interdependence is rising, and whether those new connections are symmetric or asymmetric; and the system-wide rhythms of growth and stagnation, including all this portends for the production and reproduction of a hegemonic state standing above all others in world politics.

We can also see broad outlines of the changes in economic life being brought upon us by globalization. The finer points of this story will no doubt be important, but the complexity of these processes leaves such details well beyond our viewing. Nevertheless, the larger trends alone allow us to develop expectations about the prospects for conflict and peace, even while they point us toward the areas most in need of additional research.

It is clear that economic growth has been and will continue to be surprisingly high for some, while others are left well behind. Such patterns of growth are danger signals to Realists who subscribe to Blainey's notion of rising war chests and the growing motivation it brings to

employ armed force. The theory Lateral Pressure also cautions us to expect greater international competition as a result of such growth. To the extent that these patterns impact the sub-system of major powers (i.e., by changing the membership of that subsystem or the distribution of capabilities among its members) scholars within the Power Transition and Power Cycle traditions will also raise storm warnings. Are the fast-growers spending more on their militaries and other capabilities (shipping, finance) which enhance their capability to expand? Do we see evidence of growing confidence, if not hubris, regarding themselves and their foreign interests? New research on these questions should be undertaken to see whether the cautionary predictions of these theories appear to be correct or not.

A dramatic rise in the forms and levels of economic interdependence is another distinct feature of globalization that is very likely to continue for the foreseeable future. This will surely alter the motivations of some groups within some nations to steer their political decision makers toward cooperation with their exchange partners and away from the military option when disputes arise. In ways less well understood (though evidence for them is found in numerous empirical studies) growing interdependence will generate grievances and competition, especially among developing nations. Globalization also encourages formation of preferential trade agreements and other forms of international organization. While our knowledge of their effects is limited, the evidence that has been gathered to date suggests that such associations may, on balance, be a force for peace. Additional research is needed to understand the mechanisms whereby interdependence discourages the resort to force in some circumstances, but exacerbates conflict in others. Knowing macro-tendencies alone is not enough, for the evidence is clear that the relationship between interdependence and conflict can cut both ways. We need to know when and why. In addition, far too little is understood about the ways in which intergovernmental organizations might reinforce or complement the effects of economic ties on conflict.

Finally, it is most reasonable to assume that the global economy will grow at an uneven rate over time. ("It will fluctuate" is the ready answer of every stockbroker asked to predict the future course of the market.) It is less certain whether global growth will fluctuate with the regular rhythms identified by Kondratiev and others, and whether cycles of innovation, investment, production, prices continue to be tied to the rise and fall of an economic and militarily pre-eminent system leader. Because globalization disperses the control of capital, technology and markets as never before, it remains to be seen whether a single state can establish and maintain dominance in the global system on the basis of military might alone. More important for the prospects for peace, we need to know whether the presence of such a hegemon will again provoke the bellicose challenges to its dominance, the rivalrous arms build-ups and the formation of freshly armed counter-coalitions – for these are the very things which stirred and brewed into systemic war once in every century for the past five hundred years. Answers to these questions will be most important to understanding the prospects for human survival.

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