
IO

International Organization

Mark W. Zacher

The Territorial Integrity Norm

Andreas Osiander

The Westphalian Myth

Barbara Koremenos

A Learning Model of Agreement Flexibility

Daniel Verdier

Capital Mobility and the Origins of Stock Markets

George Tsebelis and Geoffrey Garrett

Intergovernmentalism and Supranationalism in the European Union

Erik Gartzke, Quan Li, and Charles Boehmer

Economic Interdependence and International Conflict

Symposium on Research Design and Method in IR:

Donald P. Green, Soo Yeon Kim, and David H. Yoon

John R. Oneal and Bruce Russett

Nathaniel Beck and Jonathan N. Katz

Gary King

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Abstracts

The Territorial Integrity Norm: International Boundaries and the Use of Force

by Mark W. Zacher

Scholars and observers of the international system often comment on the decreasing importance of international boundaries as a result of the growth of international economic and social exchanges, economic liberalization, and international regimes. They generally fail to note, however, that coercive territorial revisionism has markedly declined over the past half century—a phenomenon that indicates that in certain ways states attach greater importance to boundaries in our present era. In this article I first trace states' beliefs and practices concerning the use of force to alter boundaries from the birth of the Westphalian order in the seventeenth century through the end of World War II. I then focus on the increasing acceptance of the norm against coercive territorial revisionism since 1945. Finally, I analyze those instrumental and ideational factors that have influenced the strengthening of the norm among both Western and developing countries.

Sovereignty, International Relations, and the Westphalian Myth

by Andreas Osiander

The 350th anniversary of the Peace of Westphalia in 1998 was largely ignored by the discipline of international relations (IR), despite the fact that it regards that event as the beginning of the international system with which it has traditionally dealt. By contrast, there has recently been much debate about whether the “Westphalian system” is about to end. This debate necessitates, or at least implies, historical comparisons. I contend that IR, unwittingly, in fact judges current trends against the backdrop of a past that is largely imaginary, a product of the nineteenth- and twentieth-century fixation on the concept of sovereignty. I discuss how what I call the ideology of sovereignty has hampered the development of IR theory. I suggest that the historical phenomena I analyze in this article—the Thirty Years' War and the 1648 peace treaties as well as the post-1648 Holy Roman Empire and the European system in which it was embedded—may help us to gain a better understanding of contemporary international politics.

Loosening the Ties that Bind: A Learning Model of Agreement Flexibility

by Barbara Koremenos

How can states credibly make and keep agreements when they are uncertain about the distributional implications of their cooperation? They can do so by incorporating the proper degree of flexibility into their agreements. I develop a formal model in which an agreement characterized by uncertainty may be renegotiated to incorporate new information. The uncertainty is related to the division of gains under the agreement, with the parties resolving this uncertainty over time as they gain experience with the agreement. The greater the agreement uncertainty, the more likely states will want to limit the duration of the agreement and incorporate renegotiation. Working against renegotiation is noise—that is, variation in outcomes not resulting from the agreement. The greater the noise, the more difficult it is to learn how an agreement is actually working; hence, incorporating limited duration and renegotiation provisions becomes less valuable. In a detailed case study, I demonstrate that the form of uncertainty in my model corresponds to that experienced by the parties to the Nuclear Non-Proliferation Treaty, who adopted the solution my model predicts.

Capital Mobility and the Origins of Stock Markets

by Daniel Verdier

I illustrate the accepted, though hardly researched, idea that political institutions play a role in locking in factor specificity across sectors, space, and borders. I use the emergence of modern capital markets in the nineteenth century, a process that threatened to redeploy financial resources away from land and traditional sectors to heavy industry, as a test case to ascertain the degree of domestic financial capital mobility in nine advanced industrialized countries. The main finding is that cross-national variations in financial capital mobility, holding constant the level of economic development, reflect the degree of state centralization.

The Institutional Foundations of Intergovernmentalism and Supranationalism in the European Union

by George Tsebelis and Geoffrey Garrett

We present a unified model of the politics of the European Union (EU). We focus on the effects of the EU's changing treaty base (from the Rome to Amsterdam Treaties) on the relations among its three supranational institutions—the Commission of the European Communities, the European Court of Justice, and the European Parliament—and between these actors and the intergovernmental Council of Ministers. We analyze these institutional interactions in terms of the interrelationships among the three core functions of the modern state: to legislate and formulate policy (legislative branch), to administer and implement policy (executive branch), and to interpret policy and adjudicate disputes (judicial branch). Our analysis demonstrates that the evolution of the EU's political system has not always been linear. For example, we explain why the Court's influence was greatest before the passage of the Single European Act and declined in the following decade, and why we expect it to increase again in the aftermath of the Amsterdam Treaty. We also explain why the Commission became a powerful legislative agenda setter after the Single European Act and why its power today stems more from administrative discretion than from influence over legislation.

Dirty Pool

By Donald P. Green, Soo Yeon Kim, and David H. Yoon

International relations scholars make frequent use of pooled cross-sectional regression in which N dyads over T time points are combined to create NT observations. Unless special conditions are met, these regressions produce biased estimates of regression coefficients and their standard errors. A survey of recent publications in international relations shows little attention to this issue. Using data from the period 1951–92, we examine the consequences of pooling for models of militarized disputes and bilateral trade. When pooled models are reestimated to allow for stable but unobserved differences among dyads, the results are altered in fundamental ways.

Clear and Clean: The Fixed Effects of the Liberal Peace

by John R. Oneal and Bruce Russett

In their article in this issue, Donald P. Green, Soo Yeon Kim, and David H. Yoon claim, contrary to liberal theory and extensive evidence, that neither joint democracy nor economic interdependence significantly reduces the frequency of militarized interstate disputes in pooled time-series analyses when dyadic fixed effects are taken into account. Similarly, their fixed-effects analyses contradict theory and previous evidence that democracies have higher levels of trade with one another than do other types of states. Our reexamination, however, refutes both claims and reinforces previous findings. Their fixed-effects analyses of disputes produces distorted results because they consider a relatively short time period, 1951–92, in which variation in the binary dependent variable and the key independent variables, democracy and trade, is limited. When we analyze a longer period (1886–1992), the results confirm liberal theory. The differences between our analyses of bilateral trade and those of Green, Kim, and Yoon primarily arise from a seemingly minor methodological decision. A more reasonable method confirms that democracies do have higher levels of trade than expected on purely economic grounds. Though we do not advocate a fixed-effects model for analyzing these data and have serious reservations about its general usefulness, our findings provide additional confirmation of liberal theories of international relations.

Throwing Out the Baby with the Bath Water: A Comment on Green, Kim, and Yoon

by Nathaniel Beck and Jonathan N. Katz

Donald P. Green, Soo Yeon Kim, and David H. Yoon argue that many findings in quantitative international relations that use the dyad-year design are flawed. In particular, they argue that the effect of democracy on both trade and conflict has been vastly overstated, that researchers have ignored unobserved heterogeneity between the various dyads, and that heterogeneity can be best modeled by “fixed effects,” that is, a model that includes a separate dummy for each dyad.

We argue that the use of fixed effects is almost always a bad idea for dyad-year data with a binary dependent variable like conflict. This is because conflict is a rare event, and the inclusion of fixed effects requires us to not analyze dyads that never conflict. Thus while the 90 percent of dyads that never conflict are more likely to be democratic, the use of fixed effects gives democracy no credit for the lack of conflict in these dyads. Green, Kim, and Yoon’s fixed-effects logit can tell us little, if anything, about the pacific effects of democracy.

Their analysis of the impact of democracy on trade is also flawed. The inclusion of fixed effects almost always masks the impact of slowly changing independent variables; the democracy score is such a variable. Thus it is no surprise that the inclusion of dyadic dummy

variables in their model completely masks the relationship between democracy and trade. We show that their preferred fixed-effects specification does not outperform a model with no effects (when that model is correctly specified in other ways). Thus there is no need to include the masking fixed effects, and so Green, Kim, and Yoon's findings do not overturn previous work that found that democracy enhanced trade.

We agree with Green, Kim, and Yoon that modeling heterogeneity in time-series cross-section data is important. We mention a number of alternatives to their fixed-effects approach, none of which would have the pernicious consequences of using dyadic dummies in their two reanalyses.

Proper Nouns and Methodological Propriety: Pooling Dyads in International Relations Data

by Gary King

This article provides a concluding comment on the symposium focusing on Donald P. Green, Soo Yeon Kim, and David H. Yoon's "Dirty Pool." Although the perspectives offered by the three sets of authors participating in the symposium differ starkly, my view (supported by conversations with the authors and additional analyses and debates among all involved) is that there is now a large area of underlying agreement. I describe this agreement by first illuminating Green, Kim, and Yoon's fundamental contribution in understanding and highlighting the role of heterogeneity in dyad-level studies of international conflict. I then describe the limitations in their revised analytic strategy, including those raised by John R. Oneal and Bruce Russett and by Nathaniel Beck and Jonathan N. Katz. I also offer suggestions for future researchers, methodologists, and data collectors.

New on DIALOGUE-IO

Whence Causal Mechanisms? A Comment on Legro

by Patrick Thaddeus Jackson and Daniel H. Nexon

Jeffrey W. Legro's recent article "Whence American Internationalism" makes several important contributions to our understanding of the role of collectively-held notions in the production of political outcomes, but suffers from analytical weaknesses which render the account unable to solve many of the problems which it identifies in the existing literature. Our concerns center around two issues: Legro's (implicit) reliance on functionalist reasoning, and his conflation of intersubjective notions and subjectively held beliefs. These weaknesses render Legro's account unable to supply persuasive solutions to what he calls the "collective ideation problem." We suggest that a "relational" account of social process is able to address this problem better than Legro's "epistemic approach" can, and provide a sketch of such an account of the shifts in United States foreign policy during and after World War II.

Whither My Argument? A Response to Jackson and Nexon

by Jeffrey W. Legro

The argument I offered for variations in the United States' conception of security is not functionalist, tautological, or lacking in causal mechanisms. Instead it is a probabilistic structural explanation, one that allows for *individual* motives while recognizing they are insufficient to account for continuity and change in *collective* ideas. Jackson and Nexon offer an interesting alternative explanation, but as presented here, it is analytically insufficient to explain continuity and change in the U.S. foreign policy episteme.

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With this issue, we announce a new Web publishing initiative—DIALOGUE-IO. We seek to encourage discussion, debate, comment, and criticism on issues of interest to *IO* readers. We have received many requests for opportunities to publish commentary, and have almost always had to deny them because of space constraints. DIALOGUE-IO allows us to expand the type of material we publish without increasing printing and typesetting costs. The technology of the Web allows us to overcome these cost and space barriers.

To increase the visibility of DIALOGUE-IO, new postings will be included in the table of contents of each print issue. Each issue will also contain a list of the titles of previous postings. Readers will be able to sign up through the IO web site to receive email notifications of new postings.

Articles in DIALOGUE-IO will be refereed. They should be rigorous, original, and incisive statements, located in the research debates that animate our journal. We envision shorter pieces; thus we ask that comments be kept to an 8,000 word limit. We are interested in publishing data and criticisms of data presentations, as well as conceptual criticism.

We think DIALOGUE-IO is an exciting venture, taking advantage of modern technology to enlarge contributions to our field. It allows us to bring the journal into a discourse of debate and discussion in new ways. We welcome your submissions.

Peter Gourevitch and David A. Lake