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# **Domestic Coalitions: International Sources and Effects**

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## **Abstract and Keywords**

The centrality of domestic coalitions serves as transmission belts between the domestic and international realms. Despite its long lineage in international and comparative political economy and its relevance to the understanding of contemporary responses to globalization, coalitional analysis has been typically neglected when explaining outcomes in international relations. The analytical framework adopted here builds on two “ideal-typical” coalitions—an “inward-nationalist” and an “outward-internationalist” model—each advancing competing models across industrialized and industrializing contexts alike. Several applications illustrate the breadth and scope of this framework, spacious enough to explain economic responses in Europe from the repeal of the Corn Laws to the 20th century; the security implications of economic responses leading to World War I; the impact of internationalization on regional orders in the industrializing world since 1945; the relationship between coalitional approaches to the global economy and nuclear weapons proliferation since 1970; and the relevance of coalitional divides to outcomes regarding Brexit, Donald Trump’s election, and beyond.

Coalitional analysis thus (a) offers important insights on wide-ranging empirical phenomena in comparative and international politics that institutional approaches alone fail to explain; (b) provides a unifying framework addressing trans-historical responses to globalization, nationalism, ethno-confessionalism, and their effects on interstate relations; (c) attends to political cleavages in political economy that intersect with security; (d) transcends dated level-of-analysis categories by linking subnational and global processes; (e) is flexible enough to accommodate wide variation in state–society relations and political institutionalization; (f) grounds politics in a dynamic framework able to explain both continuity and change; and (g) clarifies contradictory findings regarding interdependence and war by providing a mechanism explaining why, when, and how economic exchange with the world may or may not inhibit war.

Keywords: globalization, internationalization, domestic coalitions, war and peace, empirical international relations theory, Brexit

# Introduction and Overview

Governments require political support to determine state behavior. They cannot win wars or create prosperity on their own. They need a range of supporters, what we call here coalitions. There are certainly other ways of viewing state action, but this seems an essential one: understanding the sources from which governments draw their support and, conversely, the forces that block their actions. The assumption that states are unitary wholes can generate valuable theorizing on the strategic interaction among decision-makers but entails costs as well. When the strategic context is itself open to alternative interpretations—thus not totally imposed by the environment—understanding internal decision-making is especially vital. By now state-of-the-art international relations accepts the need for models underlying national choices. But then what model?

This article emphasizes the importance of domestic coalitions mobilizing support from their socio-political context, including groups and individuals. Whereas our field's first instinct nowadays is a focus on political institutions, we deliberately de-emphasize them here. Institutions certainly matter, they are being carefully studied, the literature on them is huge, and some of their features can be measured. It is thus natural and appropriate that the field has turned to institutions as both independent and dependent variables for valuable comparisons: democratic vs. authoritarian, presidential vs. parliamentary, single nontransferable vote vs. proportional representation, multi-party vs. single or two-party systems, communist vs. other, and so on. And yet this singleminded focus is insufficient, generating omitted variable bias that leaves out crucial factors influencing how institutions are used, by whom, and with what effects. Politicians—whatever institutions they use—need to mobilize coalitional support from essential constituencies: majorities in a democracy and a “selectorate” or minimum winning coalition in elites in authoritarian (Bueno de Mesquita, 2003). Though well known and not seriously disputed, this dimension is typically neglected. Policy changes are more often the product of fluctuating coalitional considerations than of leaders' mental habits or institutional shifts.

Coalitions express the interaction of both domestic and international influences in shaping the preferences of actors upon whom politicians rely for support in order to prevail. Coalitional models stress the political sociology of support, hinging on political preferences and their aggregation. Institutional models, by contrast, focus on the structures of aggregation, or the machinery that churns out policy outcomes. They assume that states are homogeneous in the components that make them up, so that variance in outcome is a function of institutional variance. Yet institutional variance is often itself the result of distributional effects and winning coalitional preferences, as illustrated by the 1832 British Reform Act, among many other examples discussed below. Interest group or class-based determinists reduce everything to pressure groups, neglecting intermediate variables. Less deterministic models are more attentive to constraints emanating from the way in which leaders construct supporting coalitions, taking advantage of available institutions. Understanding outcomes thus requires tracing those constraints and pressures.

The study of coalitions has a long lineage in international and comparative political economy, going back to the 1846 repeal of the Corn Laws in the United Kingdom and debates over free trade (e.g., Gourevitch, 1986; Katzenstein, 1978; Milner, 1989; Rogowski, 1990). Disagreement among economists led to studies on the political implications of Stoper-Samuelson models stressing factors vs. Ricardo Viner models stressing specific assets (Broz, 1997; Frieden, 1981; Gourevitch, 1986; Milner, 1989; Rogowski, 1990). Hiscox (2002) integrated these quarrels by showing they varied across time and space. Recent work challenges purely economic models of trade preferences, looking at “sociotropic factors” involving values, norms, and preferences other than economic ones in the utility preferences that voters and interest groups seek to optimize (e.g., Mansfield & Mutz, 2009; Margalit, 2011). Pinto (2013) notes that labor sought foreign capital to encourage job creation while the national bourgeoisie resisted it, fearing competition. Rising East Asian capitalism undermined dependency-style import-substitution and “capitalist trap” theories, revitalizing debates over the social foundations of developmental states while challenging institutional models (Johnson, 1982). Finally, work by Polanyi (1944), Gerschekron (1962), Moore (1966), Skocpol (1979), Rosecrance (1986), Levi (1988), Snyder (1991), and Katznelson and Shefter (2002) drew out important implications of class, sectoral, trade, and military coalitional dynamics for international security, focusing largely on imperial overexpansion by great powers. The Soviet Union’s collapse and the new era of globalization extended the scope of coalitional analysis geographically—to a much broader set of empirical cases around the world—and conceptually, connecting political-economy and security outcomes more explicitly.

Relying on the distributional consequences of the second major wave of globalization as a point of departure, Solingen (1998) identified two Weberian “ideal-typical” (1949) coalitions advancing competing models of domestic political survival in the industrializing world: “inward-nationalist” (IN) and “outward-internationalist” (OI). The first rallies the nation around statism, nationalism, protectionism, and military-industrial complexes. Logrolling across these constituencies’ preferences implies resistance to international institutions that often constrain their choices. OI coalitions, by contrast, privilege economic growth driven by competitive export-oriented sectors and firms, trade, foreign direct investment (FDI), and other forms of integration into the world economy. Since expanding international markets and institutions affect domestic incomes, prices, and employment (Keohane & Milner, 1996), some groups benefit from international exchange whereas others do not. The kinds of ties linking politicians, sectors, parties, and institutions to the international context influence their conceptions of interests and their choice of strategies. The distributional effects of internationalization are not restricted to political economy alone, however; they are also felt by cultural groups and social movements who perceive internationalization and crude market forces as threatening their values or identities (Gourevitch, 1986). These movements are receptive to appeals for placing communal “organic” values such as nationalism over all others. Politicians understand the mobilizing capacity of economic interests, norms, identity, and historical myths associated with dilemmas of internationalization. They thus organize constituencies across the state-society divide into competing coalitions and craft models of political survival attuned to those

coalitional preferences. Advanced by rival coalitions of both state and private actors, these models promote political-economy strategies with important implications for security outcomes.

The two models entail different conceptions of grand strategy, which define approaches to global and regional structures and to the domestic extraction and allocation of resources. Each model seeks to maximize synergies across the international, regional, and domestic pillars of their strategy. OI models emphasize access to global markets, capital, and technology; regional cooperation and stability; and domestic macroeconomic stability that reduces uncertainty, encourages savings, and enhances foreign investment. External crises and conflict compromise those synergies, fueling unproductive and inflationary military expenditures, protectionism, and state entrepreneurship under a mantle of “national security.” Hence, OI strategies aim at minimizing external crises and tensions that compromise those synergies, including macroeconomic and regional stability. They thus typically eschew expansive military-industrial complexes that enhance statism, militarization, and instability. Each pillar of OI strategies dampens incentives for war; collectively they weaken them further.

Conversely, IN models—typical of Middle East states since the 1950s—logroll across constituencies adversely affected by openness, including proponents of state entrepreneurship, nationalism, “self-sufficiency,” and military-industrial complexes that often displace private firms in the production of consumer and typically civilian goods (e.g., Egypt and Pakistan). Their strategy entails extensive statist ownership; rent-seeking via tariffs, controls, and multiple exchange rates; and price controls and overvalued currency to raise wages and profits in non-traded goods. External insecurity and competition strengthen rationales for extracting societal resources, capturing monopoly rents, creating cartels, rewarding protectionism, and undermining domestic OI competitors. Hypernationalism, military prowess, arms races, and myths of “encirclement” (e.g., Germany’s Kaiserreich in 1914, elements of China’s People’s Liberation Army today) divert attention from costs, including opportunity costs, borne mainly by OI rivals. Forceful territorial expansion helps extend the size of protected markets and squeeze out challengers. Competitive outbidding among inward-looking factions radicalizes the strategy further, pushing moderates to more extreme positions than they might have preferred. IN models thus multiply the probability of crises and war by design or unintentional slither, a term often used to depict a presumed “inadvertent” descent into World War I.

The relative strength of coalitions vis-à-vis domestic and external competitors determines whether grand strategies are more pristine or diluted versions of the ideal type. The relative incidence and strength of respective coalitions within a given regional cluster of states define the strategic (coalitional) context. Homologous internationalizing coalitions converge on mutual incentives to avoid war. Their strategies are thus collectively stable—namely, they create an environment inimical to IN adversaries, undermining the merits of economic closure, militarization, and war. Converging strategies in clusters dominated by homologous IN coalitions are also collectively stable, or hardened against mutations toward internationalization. Competing IN coalitions across states feed off each other, a

strategic dynamic that lowers the barriers against conflict and undercuts OI adversaries throughout the cluster. Such constellations generate greater proneness to brinkmanship and structural tendencies toward war even when the latter may not be anyone’s highest preference. Coalitions and their associated models thus filter similar external pressures and inducements differently, adapting them to their grand-strategic requirements.

Mapping domestic constituencies according to their position vis-à-vis the global economy and security institutions can be complex. Figure 1 provides a schematic map of the political landscape out of which politicians logroll competing coalitions or exchange the mutual rights of partners to seek their most valued preference.<sup>1</sup> Capital letters represent strongly held preferences. For instance, S implies strong support for security regimes such as NATO, as was the case for large European constituencies for several decades. By contrast,  $\bar{S}$  implies strong opposition to security regimes such as the nonproliferation treaty (NPT), as has been the case in India and Pakistan. Lowercase letters represent more ambivalent or weaker preferences. Hence, capital “E” reflects strong support for globalization (or economic openness) and lowercase “e” greater ambivalence toward it. In combination, cell  $\bar{s}E$  reflects mild opposition to a security regime and strong support for globalization. Conversely,  $s\bar{e}$  reflects only mild support for a security regime and mild opposition to globalization.

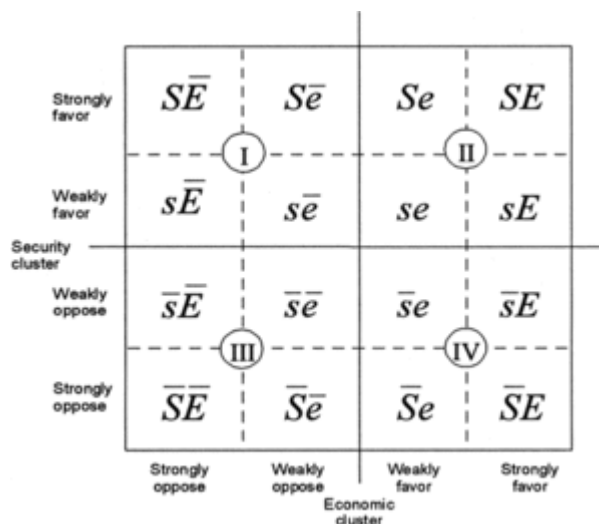


Figure 1. Positions regarding international economic and security regimes (from Solingen, 2001).

The matrix allows myriad combinations hinging on particular political and institutional landscapes across states. The 16 political spaces range from the northeastern corner (cell  $SE$ ) of quadrangle II, revealing strong support for both clusters, to the southwestern corner (cell  $\bar{S}\bar{E}$ ) of quadrangle III, locating strong opposition to both. Internationalizing coalitions aggregate primarily quadrangle II constituencies, a political space that has expanded significantly since the 1990s in many states. Inward-looking coalitions are chiefly entrenched in quadrangle III, typically reflecting the political center of gravity in many Middle Eastern states since the 1950s. Importantly, high uncertainty regarding the likely impact of globalization and security regimes attracts constituencies to quadrangles I and

IV, which have become more populated in recent years, especially in the industrialized world. Politicians of all stripes compete for constituencies in quadrangles I and IV, which may lead to hybrid political platforms. “Positive logrolling” is more likely between constituencies with strong positive preferences regarding one cluster but ambivalent about the other (cells  $sE$  and  $Se$ ). For instance, some strong Japanese supporters of the U.S.-Japan alliance maybe more lukewarm on economic openness but are willing to co-habit in quadrangle II. “Negative logrolling” is more likely between those that are strongly negative about one cluster but ambivalent about the other (cells  $\bar{S}e$  and  $s\bar{E}$ ). For instance,  $s\bar{E}$  gathers fervent economic nationalists with ambivalent preferences vis-à-vis an international security regime that join forces with strong opponents of that regime who are otherwise ambivalent about globalization. Logrolling across these lines often leads to the classical convergence between economic-nationalists and security-nationalists described by Gilpin (1987). Segments of the Republican Party combining these preferences in the United States (around Patrick Buchanan, for instance) were rather weak in the 1990s—the heyday of globalization—but much stronger in the current world time. The empirical cases that follow further illustrate the dilemmas entailed in crafting coalitions responsive to the opportunities and constraints of globalization and security regimes.

## Empirical Applications

### Coalitions and Economic Responses: From Repeal of the Corn Laws to the 20th Century

Tariff policy showed clearly domestic political conflict. Economists might posit free trade as the welfare optimal, but policy produced tariffs. Rationalist accounts of particularistic self-interest seemed to effectively explain why: those hurt by imports sought tariff protection; those who benefited from exports sought free trade. The 1846 repeal of the Corn Laws in Britain and the 1860 Cobden Chevalier Tariff were notable examples of free trade efforts. The rise of tariffs in 1879 by Germany’s Iron Rye coalition, the 1890 McKinley Tariff in the United States, the 1892 Meline Tariff in France, and the 1930 Smoot Hawley Tariff were famous examples of tariff increases, the last criticized by nearly all American economists at the time. The politics were simple: farmers, heavy industry (iron and steel), and other producers faced stiff competition as world production exploded and prices fell, and they demanded tariffs to preserve domestic prices. Theories of interest group politics explored effectively the passage of tariffs under Herbert Hoover and Franklin Delano Roosevelt (Kindleberger, 1975; Schattschneider, 1963).

The Corn Law repeal attracted support from export sectors, the rapidly growing working class, and food consumers. As the first industrializer, British industries faced little threat from imports and a vital advantage in exports. Opposition to repeal came largely from farming interests threatened by cheaper food; other farmers were able to turn cheap food into inputs for quality output sold to growing cities. The 1832 Reform Act was a critical precondition, changing the districts of Parliament members, broadening the franchise, loosening the grip of traditional social groups, and strengthening reform-oriented ele-

ments. Following the repeal, grain prices declined, unleashing an important cycle. Beneficiaries of lower tariffs grew in number, while those adversely affected decayed in wealth and power, leading to “lock-in” effects in support of repeal. Similar moves toward free trade in other countries, including the 1860 Cobden Chevalier Treaty with France, reinforced the policy leading to a period of free trade around the world throughout the 1850s and 1860s.

Despite changing conditions in the world economy in the late 1870s, the United Kingdom managed to resist protectionist forces during the last two decades of the 19th century. The emergence of the first great financial sector—the City of London—was a critical component of securing free trade. Drawing on savings generated by exports, banking emerged as an industry of its own, financing not just British growth but economic development worldwide. What we label today the “financialization” interest emerged as a lobby and with it the first great clash between manufacturing and finance. When world prices collapsed after the 1870s, most states responded with a protectionist surge, overturning free trade. Manufacturing Manchester favored protection as well, but internationalist finance prevailed. Some attributed the slowdown in British economic growth to this choice, as it undercut the kind of platform for heavy industry investment that generated efficiency in Germany and the United States. This battle repeated itself in the 1920s over whether to return the pound to pre-World War I values and once again today in arguments over Brexit (strengthening quadrangles I and III in Fig. 1). In the British case all variables reinforced each other: coalitions, ideology, institutions, national interest, and global context all bolstered its tilt toward free trade. In other cases, variables diverged in their expected outcomes, letting us tease out the importance of coalitions. France embraced free trade in 1860 without the coalitional patterns that would fully predict such outcome.

The rise of worldwide protectionism in the last third of 19th century undermines an institutionalist logic, however. World prices collapsed as technological changes dramatically increased production in new areas of the world and lowered transportation costs. Agricultural and industrial products poured into the European heartland. Contrasting responses were possible. Britain and Denmark, among others, used lower-cost imports as inputs to higher-valued exports. France, Germany, and most others favored protection, primarily through tariffs, preserving their existing production profiles and sweeping free trade away. Protectionism unfolded despite wide variance in political institutions. Republican France and Imperial Germany reinforced a coalitional interpretation of those policy choices. Coalitional forces were at work again in post-World War I British efforts to restore the pound to prewar levels, at considerable cost to manufacturing interests. Keynes participated in the McMillan Commission, which explored trade-offs between finance and manufacturing, a concern that returned since the 2008 crisis. The Great Depression of 1928–1929 turned most countries against the free trade fiscal orthodoxy. Britain, at last, gave up the pound and adopted Imperial preference under pressure not from ideological or institutional shifts but from rising unemployment and the collapse of trade. Economic distress associated with the Depression triggered opposition to economic orthodoxy, austerity, and fixed exchange rates everywhere, in tandem with coalitional electoral shifts. Gov-



ernments fell, electorally or in coups, such as in Germany. Old coalitions crumbled and new ones forced policy retraction.

As the only industrial state to escape serious wartime damage, the United States led efforts to restore trade after World War II. Economic isolationism dissipated rapidly with its huge advantage in world markets, leading it to exercise hegemonic leadership to create international institutions in economics and security that could overcome collective action problems blamed for the collapse of the interwar years. Neoliberal institutionalist approaches emphasize those international arrangements (e.g., World Trade Organization [WTO], International Monetary Fund [IMF], World Bank, European Union [EU], North Atlantic Treaty Organization [NATO]) while neglecting the domestic foundations that brought them about or the strength of quadrangle II coalitions that embraced those institutions to begin with. This neglect persisted for decades until the 2007 financial crisis and the EU crisis exposed challenges to the consensus around these institutions and brought back to the fore the relevance of domestic challenges to those arrangements, to which we return in a later section. For now, we turn our attention to the security implications of the economic responses to globalization analyzed thus far.

## **Security Implications of Economic Responses: Germany's Kaiserreich and World War I**

As suggested in Figure 1, politicians must craft coalitions that straddle political-economy and security preferences. Pre-World War I Germany's Kaiserreich provides a typical case. Classical realist and neorealist approaches trace Germany's behavior to external threats, encirclement, and security dilemmas. Efforts to build a navy against a putative British threat presumably follow seamlessly from that assumption, but in fact those efforts were discontinued before 1914 (for overviews, see Jervis, 1976; Rosecrance & Miller, 2014). Other work uncovered far deeper connections between Germany's Innen- and Aussenpolitik (Fischer, 1967, 1975; Gourevitch, 1986; Kehr, 1977; Kurth, 1979). Coalitional analysis helps untangle such connections. One coalition (IN) favored high tariffs, economic self-sufficiency, authoritarianism, and a Europe-wide empire. The other (OI) supported free trade, more liberal domestic institutions, economic interdependence, and an internationalist foreign policy.

The autarchic IN coalition found support among several socio-economic constituencies. First, the traditional landed Junker aristocracy, which formed the core of the officer corps, feared that cheaper food imports would undermine their grain-producing *latifundia* and their political power. Second, heavy (iron and steel) industrialists that had thrived chiefly in the Ruhr region, supported protection as foreign competition increased, prices dropped, and their huge asset-specific investments deteriorated. Third, the military enjoyed special privileges in decision making, favoring armament contracts and a navy buildup able to replace declining demand in railroad building. Both agrarian and industrial interests shared concern with a growing working class and discontented landless laborers. They thus transcended their historical rivalry over trade policy by buttressing the infamous iron-rye coalition engineered by Bismarck in 1879 with a new tariff and Kul-

turkampf, an attack on the Catholic Church as a “wedge issue.” The policy features of this coalitional bargain were tariff protection for both agriculture and industry and rising military spending.

The links between the domestic and international pillars of this agrarian-industrial-military coalition were thick. The 1900 tariff bill and Second Naval Law bolstered this epochal logroll (of quintessential  $\bar{S}\bar{E}$  constituencies): industry got the fleet and Weltpolitik; Junkers got tariffs, increased income, and continued political dominance. Grain tariffs paid for shipbuilding and obviated direct taxation of wealth, burdening a growing working class further. Coal and steel industrialists were core beneficiaries of naval expansion, with leading magnates Krupp and Kirdoff pushing nationalist and imperialist designs. Reichstag Junkers claimed that Caprivi’s treaty with Russia would cost German agriculture more “than a miserable war” (Torp, 2010, p. 413). Grain tariffs became a crucial component of *Wehrwirtschaft* (defense economy); Junkers, nationalists, and the military pressed for “food security” to avoid shortages in a looming war. The IN coalition thus turned protectionism into “high politics,” radicalizing rallying themes (Sammlungspolitik, Weltpolitik, Machtstaat); calling for military readiness and protected markets overseas; fueling enmity toward Russia, France, and Britain; and tightening together domestic and external rationales for militarism. Pushing for war—the sooner the better—Chief of General Staff Helmuth von Moltke argued that “things must be so built up that war will be seen as a deliverance from the great armaments, the financial burdens, the political tensions” (Ferguson, 1998, p. 140). The IN coalition weaved its visceral antipathy to democracy, “the bourgeoisie,” socialism, and republicanism into allegations of “encirclement” by Britain and France, the emblems of evolving democratic industrialism. The external and internal wars were, in essence, one and the same. In Gerschenkron’s (1989, p. 183) rendition, “preservation of the Junkers means autarchy, and autarchy in Germany means war.”

Evidence regarding the expected “integrating” benefits of an aggressive Weltpolitik for strengthening the IN coalition abounds. The policy was expected to enhance synergies between protectionism and military buildup and between war and the dismantlement of “democracy.” Explicit efforts to make Russia appear the aggressor were expected to keep Britain out of war and attract Social Democrats to the war consensus. Tirpitz connected an offensive fleet explicitly with economic gains and with undermining Social Democrats. He may have wanted the navy as an end in itself, but his warnings of “encirclement” (Einkreisung) and external “threats” acquired a life of their own, fostering greater acceptance of military aggression. Despite occasional cold feet, Chancellor Theobald von Bethmann-Hollweg accelerated army expansion; claimed that public opinion expected a new naval law and a third squadron and must have those; shared the prevailing expansionist bandwagon (Germany is “condemned to spread outwards”); agreed that “the people need a war;” encouraged British neutrality to enable Germany’s continental conquest; conceded that war with Russia was necessary for Kaiserreich “independence”; circumvented restraining influences in July 1914; endorsed Wilhelm’s “blank check” to Austro-Hungary encouraging immediate war on Serbia; overruled Wilhelm’s belated “Halt-in-Belgrade” effort to delay it; rejected British offers of four-power mediation;

and admitted subsequently that this was “in a sense” preventive war. Bethmann’s “policy of the diagonal”—designed to logroll across competing constituencies, including Social Democrats—succeeded in cementing the IN coalition’s dominance and in anchoring its policy in the “cult of the offensive” (all quotes here from Solingen, 2014).

The signals emanating from Germany’s IN coalition reduced internal and external ambiguity about its intentions. Internally, they weakened internationalizing forces already sapped by statist protectionism and cartelization; many among them succumbed to hypernationalism along with significant segments of the middle class. Forces friendlier to internationalization—and a conception of Mitteleuropa as a voluntary customs union rather than through forceful annexation—included pioneers in new electric products, chemicals, advanced steel, and other sectors with research and engineering capabilities requiring imports of primary products as components. Among them were Deutsche Bank’s directors Arthur von Gwinner and Karl Helfferich and the electrical company Allgemeine Elektrizitätsgesellschaft’s chairman Walther Rathenau. Caprivi had led internationalizers to electoral victories in the early 1890s, but the tide turned soon after. Across political parties extremists devoured “moderates,” revealing how domestic alliances constrain and entrap no less than external ones. Institutional factors contributed to undermining internationalizing forces. The IN coalition controlled the army—which reported directly to the Kaiser with little Reichstag supervision—and the bureaucracy, while limiting the suffrage to dilute working-class participation.

Externally, Germany’s IN coalition triggered contagious diffusion, strengthening IN coalitional interlocutors beyond its borders and weakening OI forces all around. Bismarck’s top-down unification had dealt severe blows to liberalism and internationalism, and his successors abandoned his own cautious foreign policy. Germany pioneered alliances and raised tariffs ahead of others; led in dependence on customs relative to total revenue (four times higher than most great powers at the time); unleashed arms races; and projected hypernationalism. Russia reciprocated with tariffs, nationalism, threats, and militarization. Early 20th-century statist protectionism suppressed internationalizing private capital politically not only in Germany. Nationalists nurtured one another everywhere, and the military enjoyed significant power and autonomy throughout European states. Free-trading Britain was exceptional. It relied on direct, graduated taxes (primarily income and inheritance, which paid for military expenditures); the state owned half as much as Germany’s economy; it featured a large and politically strong commercial and industrial middle class fostered by internationalization and a much higher trade openness ratio; it had few peasants or militaristic aristocrats logrolling rabid nationalism; its army and arms industry were weaker than Germany’s; its nimbler institutions were better able to absorb demands for expanding rights; and its internationalizers enjoyed a unique position that confined German-style IN forces to the fringes. Along with the City of London, British shipbuilders invested in merchant ships and exports were averse to war. Britain hesitated to declare war until Germany’s assault on neutral Belgium overcame internal (including cabinet) opposition.

Coalitional profiles alone may be insufficient for explaining World War I (claims of sufficiency are rare in social sciences), but one can hardly escape the conclusion that a textbook IN coalition was a necessary vector boosting the probability of war. Coalitional profiles provide crucial background for understanding “why” war obtained and complement historical diplomacy typically tracing “how” catalytic events unleashed war. This is quite different from arguing that Germany bore exclusive responsibility for launching a calculated world war, or that it did so only to escape domestic crisis. Yet the aggregation of a hypernationalist, protectionist, and militarist ruling coalition emphasizing military buildup, economic self-reliance, and territorial expansion made war more possible than it would have been under a different coalition facing identical external considerations. A coalitional configuration similar to the one implicated in World War I reappeared in the interwar period assembled by Hitler, who doubled up on self-sufficiency, domestic and external aggression, and imperial overreach. This rabid IN variant sought an empire throughout Europe, including the Ukraine, to assure food supplies and genocide of Jews and Slavs, partly to reduce demand for food and materials.

Significant other differences notwithstanding, comparable coalitional divides emerged elsewhere. Japan coalitional politics and foreign policy in the 1920s bear strong similarities to German patterns for similar structural reasons; Japan’s exporters sought alliances, constitutionalism, and external accommodation; heavy industry supported autocracy, militarization and imperial colonization—an iron-silk coalition reminiscent of Germany’s iron-rye—leading to World War II. During the interwar years, the tension between Chamberlain’s appeasement and Churchill’s stiffness reflected a divided between the heavily trade-oriented segments of the British economy deeply averse to conflict and protectionist segments supportive of Imperial preference and long suspicious of German power. In the United States, isolationists joined economic protectionists; internationalist free traders sought to stem fascist Japanese and German imperialism as did agrarian exporters, including the racist South—to the surprise of Nazis who conceived of them as potential allies (Katznelson, 2013).

Only after World War II did an OI coalition come to dominate Germany under a new socio-economic architecture. The great landed estates of the east were gone, wiping out the aristocracy; the army and bureaucracy were purged; the Nazis and communists destroyed; industry was restructured extensively and agriculture reshaped toward small production and landholding. Political institutions were engineered to prevent negative majorities and the paralysis that afflicted the Weimar Republic. Germany’s embeddedness in a network of international institutions—from the European Coal and Steel Community through the Common Market, the European Community, European Union, NATO, and others—also undermined incentives to strike out in the old manner. The postwar OI coalition coalesced strong domestic and internal structures constraining hypernationalism for the last seven decades.

# Internationalization, Coalitions, and Regional Orders in the Industrializing World

Our empirical cases thus far concentrated on industrialized countries, yet coalitional analysis is as applicable to the rest of the world. Diverging trajectories in East Asia and the Middle East provide another useful window into the crucial domestic and international consequences of coalitional makeups.<sup>2</sup> Indeed, the latter provide a crucial explanation for an interesting puzzle. Both regions shared similar initial conditions in the mid-20th century: colonialism, state-building challenges, security threats, historical grievances, economic crises, low per capita GNPs, authoritarianism, and low intra- and extra-regional economic interdependence, among others. Yet East Asia has become the engine of the 21st-century global economy, avoiding wars for several decades now. The Middle East, by contrast, exhibits failed states, stunted development, civil wars spilling over across borders, and the use of chemical weapons and ballistic missiles. These diverging trajectories can be traced to the respective embrace of different coalitional models that led to distinct institutional arrangements in each case.

The typical East Asian model (OI) hinged on economic performance and growth, competitive export-led manufacturing, and promotion of private entrepreneurship. The reigning Middle East model (IN) hinged on inward-looking self-sufficiency, nationalism, and state and military entrepreneurship buttressed by oil rents where available. Once adopted, both models became self-reinforcing, perpetuated by embedded and complementary institutions emanating from initial choices.<sup>3</sup> Often triggered by wars or political-economy crises, East Asia's critical junctures include the inception of postwar Japan's economic miracle, followed by decisive shifts in Taiwan, South Korea, and progressively others. Egypt's Free Officers 1952 revolution and analogous turns toward IN models throughout that region provided critical junctures in the Middle East. These contrasting choices were embedded in permissive and catalytic conditions that enabled coalitions to prevail over others in each case. Those conditions included early and effective land reform, a relatively brief period of import substitution, and natural resource scarcity, all of which weakened domestic political opposition to export-led growth in East Asia. By contrast, late, inefficient, or nonexistent land reform, longer exposure to import substitution through extensive state and military entrepreneurship, and abundant oil resources or second-order rentierism (among neighboring non-oil economies) empowered opponents of export-led growth throughout much of the Middle East.

Put differently, politically stronger beneficiaries of relative closure, import substitution, state entrepreneurship, and natural resource monopolies constituted powerful veto points against alternative models in the Middle East for decades. OI models would have entailed appealing to different sources of legitimacy—and new relations with the global economy—than those supporting 1950s and 1960s-style pan-Arab politics. Tracing this profound suspicion of external influences to colonial domination and exploitation is too facile; East Asia suffered from both at least as much, and colonialism did not preclude its profound transformation.<sup>4</sup> The weakness of the import-substitution models in industrializing states

compared to the export-led approaches in East Asia. Differences in oil resources and land reform led to distinctive political options backed by different coalitions of state and private interests. Abundant natural resources hindered prospects for competitive manufacturing, enhanced patronage for beneficiaries of import substitution, and eroded private sector wherewithal in the Middle East. Natural resource scarcity and effective land reform favored proponents (and weakened opponents) of labor-intensive manufacturing and private entrepreneurship in East Asia. Once in place, each model reinforced its respective coalitional and institutional networks across the state–society divide.

Political forces unleashed by Nasserism, Ba’athism, and rentier economies in the Middle East constituted formidable barriers to change due to overwhelming incentives to retain rents and disincentives to revise the dominant model. Logics of path dependence, including reproduction of forces invested in extant institutional arrangements and self-perpetuating mechanisms of exclusion, go far in explaining regime durability. Their rejection of export-led growth in the 1960s may not have been unusual for that “world time.” Yet subsequent opportunities introduced by the 1970s oil windfalls, the 1980s crises, the widespread global economic transformations of the 1990s, and the ensuing dramatic expansion of capital flows were also willfully squandered (Henry & Springborg, 2001). Critical junctures pregnant with possibilities for change were deflected. Declining oil windfalls in the 1980s deprived leaders of resources formerly available to avoid adjustment, yet path-dependent legacies continued to burden change. Efforts to liberalize trade and investment elicited fierce opposition.

Competing models in East Asia and the Middle East shared three important features initially that highlight the important coalitional roots of institutions in each case. First, both models relied on states, yet differences in the character of that reliance shaped the subsequent evolution of states in each case. The two models differed in the extent to which states replaced or enhanced private capital. East Asian states were active lenders and regulators but significantly less active entrepreneurs than Middle East states. East Asian leaders steered states toward macroeconomic stability and export-led growth, turning them into relatively adaptable institutions that captured synergies across the domestic, regional, and global spheres. Buffeted by a serious 1997–1998 crisis, East Asian states rebounded and generally avoided the 2007–2008 one (Pempel & Tsunekawa, 2014). By contrast, rigid, exhausted, and depleted Middle East states presided over current account and budget deficits, high inflation and unemployment, and scarce foreign exchange. They were too weak to exert control over society except through force, as remains largely the case today. Notwithstanding significant differences among them, East Asian states approximated ideal-typical developmental states ushering in industrial transformation through Weberian meritocratic bureaucracies able to extract resources from society and convert them into public goods (Evans, 1995). Predatory Middle East states, instead, undercut development even in the narrow sense of capital accumulation, relying on patronage-based bureaucracies supplying private goods to rapacious ruling coalitions (Arab Human Development Report, 2009). Both types of state were afflicted with rents, cronyism, and corruption, and both were vulnerable, albeit to different challenges. East Asian states became more susceptible to global economic trends (e.g., declines in global demand) and

evolving risks of capital liberalization. Middle East states, not completely immune to the same vulnerabilities (e.g., low oil prices), were also buffeted by the exhaustion of import substitution, balance-of-payment difficulties, high inflation, unemployment, inefficient industries, and weak private enterprise.

Second, military institutions played important roles in both models initially, as repressive mechanisms of political control. Yet militaries evolved along different lines in tandem with political-economy models, which differed regarding the relative size and missions of military-industrial complexes and the extent to which they replaced private enterprise beyond arms production. Despite dismal Middle East economies, arms races typical of IN models attracted the highest levels of military expenditures worldwide relative to GNP. Both regions' average was comparable in the 1960s, yet the onset of internationalization reduced East Asian ones to nearly half those of the Middle East. Both regions—arenas of Cold War tensions—started out with historically high military expenditures relative to central government expenditures. Those ratios remained about 20 percent for Middle East states (1990s), nearly double the industrializing world's average and about 50 percent higher than East Asia's by the 2000s. Middle East models entailed gargantuan military-industrial complexes capturing civilian markets largely unrelated to military demand and displacing the private sector; commanding vast portions of land, natural resources, and sprawling state enterprises; and employing the largest shares of population relative to other regions. Military elites appropriating those rents represented key veto points blocking economic and political transformation (Halliday, 2005). While promoting a German-style *Wehrwirtschaft* (defense economy), internal repression by *mukhabarat* states was as much their core mission. The standard militarized Middle East political-economy could not coexist with East Asia's OI model. Economic growth in East Asia required private entrepreneurship; stable, predictable macroeconomic environments; and averting spiraling, inflationary military expenses that might endanger core objectives (Chan & Mintz, 1992). East Asia's militaries thus progressively evolved into more professional institutions with declining political control.

Third, both models relied on authoritarian institutions, yet variations in military institutions and private entrepreneurship unleashed different paths to democratization. Autocratic ruling coalitions in East Asia relied on OI models to survive in power, not precisely to advance but to curb democracy. Yet they encouraged democratic institutions unintendedly via causal mechanisms including economic growth, progressively stronger private sectors and civil societies, and more professionalized militaries attuned to OI strategies. Middle East models engendered higher barriers to democratic institutions, with weaker private sectors and civil societies that could hardly advance political reform and entrenched militaries that could better resist it. Over time some East Asian autocracies (e.g., South Korea, Taiwan, Indonesia, Thailand, Malaysia, and Philippines) evolved in democratic directions.

These three institutional features associated with respective coalitional models had implications for regional security orders. Middle East regimes were unable to deliver resources to constituencies mobilized through revolutionary or nationalist fervor. They were

thus keen on diverting attention from failed, depleted, entropic, crisis-prone, militarized, and delegitimized models by promoting nationalism (civic, pan-Arab) or pan-Islamist ideologies and military prowess. This pattern often led to the externalization of conflict, competitive outbidding at the regional level, military mobilizations, overt cross-border subversion and invasions, and intended or unintended wars (Halliday, 2005). By contrast, despite lingering hostility and nationalist resentment, East Asian states compelled restraint in military competition to avoid derailing the foundations of OI models. The regional agglomeration of respective models imposed neighborhood effects or network externalities that reinforced the prevailing model.

This account illuminates the importance of early coalitional choices on downstream outcomes, including the stark contrast between the two regions today. At the same time, new critical junctures offer opportunities for change. Whereas revolutionary praetorian models (e.g., Egypt, Syria, Iraq) swept political competitors forcefully, creating higher barriers to change, non-oil producers (e.g., Morocco, Tunisia, Jordan, and Turkey) embarked on piecemeal reform (Henry & Springborg, 2001). These experiences weaken deterministic views of path dependence (Solingen & Wan, 2017).

## **From the Global Economy Through Coalitions to Nuclear Weapons Since 1970**

Coalitional models can be marshaled to explain even more crucial dimensions of international security, including divergent regional nuclear trajectories since the inception of the NPT in 1970. The evidence suggests that nuclear aspirants were more likely to emerge in domestic and regional contexts dominated by IN models than OI ones (Solingen, 1994, 2007A). Given their profile, IN models incur fewer costs from exploiting nuclear weapons as tools in their political platforms. North Korea's *juche* (autarkic) is archetypical, but several Middle Eastern states (e.g., Iraq, Iran, Syria, Libya) exhibited similar profiles when they violated international commitments to renounce nuclear weapons. The most defiant nuclear courses unfolded under IN models. OI models lowered the likelihood of nuclear weapons acquisition even in regions such as East Asia, where security dilemmas would have predicted a different outcome. Their emphasis on economic growth through global integration entailed strong incentives to avoid the political, economic, reputational, and opportunity costs of nuclearization that would have impaired internationalizing objectives. OI models required cooperative regions that would free up resources for domestic reform, reduce uncertainty, encourage foreign investment, and signal commitment to stability and growth. Nuclear weapons programs instead strengthened bureaucracies and industrial complexes opposed to such reforms; rattled neighbors and endangered their own reforms; and encumbered efforts to promote exports, competitiveness, macroeconomic and political stability, and global access. OI models—friendly to global rules and institutions that encourage those favored strategies—go a long way in explaining nuclear abstention among East Asian states. Following China's 1964 nuclear test (under Mao's IN model), only North Korea acquired nuclear weapons.



The theoretical repertoire in this field of study omitted coalitional models until recently, despite their utility for weighing and reordering the relative importance of other drivers of nuclear choices, including structural power, norms, and institutions. This omission was understandable up to a point. Other theories seemed better positioned to explain nuclear choices. In particular, neorealism identified an anarchic international structure as the dominant driver of nuclear behavior (Waltz, 1981). While anarchy arguably renders all states insecure—compelling self-help—nuclear weapons provide security, stability, and diminished chances of war. Alluring for its simplicity, this theory provided valuable insights, explained some cases reasonably well, and retained some *prima facie* appeal. Yet serious challenges to its dominance emerged. As the “most likely” explanation it should effortlessly crowd out other theories; instead, it competes with them heavily in what should be its best arena for empirical validation. First, neorealism suffers from a massive set of empirical anomalies. Anarchy, uncertainty, and self-help presumably affects all states, yet most have not developed nuclear weapons; indeed, an overwhelming majority has renounced them. Even more modest predictions by Waltz—18 to 30 nuclear weapons states—have not materialized. Several acutely vulnerable states (e.g., Egypt, Vietnam) have not gone nuclear, even when rivals did. Second, explanatory inconsistencies emerge when scholars attempt to deal with these anomalies. Hegemonic protection had disparate effects, sometimes leading to nuclear renunciation at other times not. Alliances proved insufficient to explain nuclear abstention (e.g., Britain, France, North Korea). Many states restrained nuclear ambitions without superpower guarantees (e.g., Egypt, Brazil). Comparable structural conditions can lead to very different choices (multipolarity, for example, predicts increased nuclearization yet has led to different outcomes across time and space). Furthermore, states have shifted toward or away from nuclear weapons over time even absent major structural changes. Hegemonic coercion had disparate effects, sometimes leading to nuclear renunciation at other times not (e.g., North Korea, Pakistan). These problems reveal deeper conceptual limitations of neorealist theory including potential unfalsifiability (many options can be made to fit vague notions of security maximization *a posteriori*) and underdetermination (inconclusive corollaries lead to multiple possible outcomes) (Solingen & Wan, 2017).<sup>5</sup>

Whereas neorealism fails to explain many cases easily at high levels of confidence and parsimony and is incomplete in explaining most others, coalitional models offer several advantages. They explain synchronic variation in nuclear preferences across states and over-time variation within the same state, varying compliance with NPT commitments, varying readings of security dilemmas as more (or less) intractable, variance in ranking alliances higher than self-reliance or vice versa, variance in relative receptivity to external sanctions and inducements,<sup>6</sup> why and when external coercion and inducements may be effective, and why nuclear designs were renounced where one might have expected them. Since the late 1960s every decision to renounce nuclear weapons by states that had entertained them was nested in broader shifts towards OI models (e.g., post-Franco Spain, Sadat’s Egypt, post-apartheid South Africa, Brazil, Argentina, South Korea, Japan, Taiwan, Libya in 2003, and several European powers). The association between respective models and nuclear choices is neither deterministic nor inevitable, of course. IN mod-

els arguably provide necessary but insufficient conditions for seeking nuclear weapons. A region's *coalitional* center of gravity (IN or OI) can also modify domestic preferences toward or away from nuclear weapons, in a second-image reversed effect (Gourevitch, 1978). Furthermore, temporal sequences in nuclear weapons acquisition matter. When nuclearization precedes the inception of internationalizing models (e.g., China, Israel), subsequent denuclearization may be harder. It is far more costly politically to abandon nuclear weapons than to cancel a program prior to fruition, as one might expect from prospect theory (McDermott, 1998). Dis/incentives emanating from a global political economy arguably operate more forcefully at earlier stages both in the inception of internationalizing models and in the consideration of nuclear weapons.

## **Coalitional Divides from Brexit to Trump and Beyond**

The election of Donald Trump in 2016 sharply foregrounds the processes we have been analyzing. The internationalizing coalitions that have dominated policy making in the United States and Europe for several decades face sharp challenges from coalitions aggregating economic nationalists, populist, nativist, and racist forces across different institutional contexts. Trump has succeeded in a path pioneered by Patrick Buchanan's GOP decades ago. The great recession or financial crisis of 2007–2008 combined with resentments about immigration, ethnic diversity, and gender equality rights to define new cleavages and coalitional options. Much of the future agenda in international relations and comparative politics should focus on sharpening up the sources for the emergence of contemporary coalitions (as dependent variables) as well as their effects (as independent variables).

Decades of open trade produced prosperity in the form of growing national product, but they also produced inequality, sharp regional differences, and considerable pressure on traditional manufacturing regions (Autor, Dorn, & Hanson, 2016; Piketty, 2014). The financial crisis is linked to the loose regulatory policies that made it possible and that, in turn, can be linked to the growing power of the financial sector in the United States. The latter, ballooning from 7% to over 20% of U.S. GNP, is a politically vital influential voice in the Democratic Party, which retains substantial influence in key states such as New York and California. The party was torn internally between the dynamic export-oriented financial, entertainment, high-technology, high-education wing and the traditional labor union Rust Belt wing, evoking an older split between Gold Democrats and populists. Into this economic mix came issues of human rights, ethnic diversity, and identity. The Democratic Party's advocacy of African American rights pushed the south toward the GOP and enabled the latter to endorse nativism à la Buchanan and Trump. The GOP had moved from protectionism to internationalism after World War II, along with the business elite, but a Trump-style nationalism has introduced sharp, perhaps unbridgeable divisions within the Republican Party. Both parties are internally divided, and both include elements that resent pressures from international competition and foreign obligations, including alliances

and human loss in wars. These forces remained by and large contained until 2016. Yet both parties have strongly internationalist elements as well, altering very fundamentally the landscape out of which IN and OI coalitions are made.

In this regard, the United States resembles other major industrial countries. The policy debate that emerged from the financial crisis exposed cleavages within coalitions of left, right, and center. Free trade agreements—WTO, North American Free Trade Association (NAFTA), ASEAN Free Trade Area (AFTA), Trans Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (TTIP)—have come under assault. Steady progress toward EU deepening, substantial enlargement, and the euro as common currency has now turned them into lightning rods. Responses to crisis spanned modified Keynesianism and strict austerity, exposed by the Greek bailout crisis. Germany, with some support from the Netherlands and others, pushed the strict austerity line as both the best way to revive the economies and deal with the crisis in Greece and other countries, mostly in Latin Europe. The United States and United Kingdom adopted a more Keynesian approach, emphasizing stimulus and spending. It seemed a revival of quarrels from the 1930s. The German approach could be explained by the strength of coalitional arrangements inside Germany, built around the coordinated market economy of institutionalized wage and price restraint and cooperation around a strong export platform approach. A more inflationary approach along Keynesian lines was anathema to that compact. There were fewer incentives in the United States and the United Kingdom to tie themselves to strict monetary and fiscal policy. At the same time, a more extensive German welfare state can be read as a form of institutionalized stimulus. Many Germans thus felt they had already subsidized the rebuilding of the East and rejected going through this again with foreign countries whose lax policies they did not respect.

Other fissures at work in Europe and the United States undermine the foundations of older arrangements. Manufacturing has declined in the advanced industrial economies, shipped to “developing countries” or poorer parts of Eastern Europe. Some sectors have adapted while others have not, leading to cleavages within labor. Economic migrants from poorer countries and political ones from war-torn regions have poured into Europe. Clashes along religious, ethnic, and linguistic lines have cleaved traditional working class alignments further. Welfare state alignments were built on cultural solidarity, a collective social insurance notion of mutual protection and caretaking in times of trouble. Such solidarity proved far more fragile with respect to “other,” not culturally similar groups, buttressing “nativist” political forces throughout Europe, as in the United States (Bechtel, Heinmueller, & Margalit, 2014). Whether these movements feed more on economic vulnerability arising from trade dislocations or ethnic and racial stigmatizations will be a staple of social science research for a long time to come. One of the ironies of the new political landscape is that, rather than demanding further market regulation, the far-right populist package demands exactly the opposite and is not averse to selecting billionaires like Trump to lead their movement.<sup>7</sup> Right-wing populism has attracted segments of the working class and proponents of anti-liberal (not simply anti-globalization) and anti-immigrant

ideologies, not a new development under the sun considering our account of the factors leading to World War I and World War II.

These developments and cleavages have also put at risk the coalitions that underlay commitments to multilateral institutions including the EU, WTO, and NATO. The new far-right nationalists may lack the means in most places to develop imperial projects, but the interconnections are familiar: internationalizing economic postures underlying multilateral security arrangements do echo the alignments discussed throughout this article. By contrast, IN variants around the world—from Putin to Erdogan, Takhsin, Maduro, and their European counterparts—logroll across constituencies chiefly entrenched in quadrangle III, and some in quadrangles I and IV (Fig. 1), fostering more conflictive approaches to the rest of the world. Echoes from a Peronist past reverberate worldwide, including in the United States. Uncertainty about the future of globalization and migration, as well as contagious-diffusion and emulation, are weakening internationalizing constituencies in quadrangle II, partly a result of inattention to inequality and to compensatory mechanisms that could offset the costs of adjusting to globalization for those in quadrangles I, III, and IV. As populist nationalist governments come to power, they will be tested to see if they can deliver on their promises and whether democracies will withstand the pressure and decide how to hold them accountable if they do not.

## Conclusions and the Road Ahead

As this overview suggests, coalitional analysis offers important insights on wide-ranging empirical phenomena in comparative and international politics that institutional approaches alone fail to explain. Providing a unifying framework for comparing countries and regions, the ideal-typical models—IN and OI—are as relevant to 19th-century Europe as to contemporary debacles worldwide. They address trans-historical concerns including responses to globalization, nationalism, ethno-confessionalism, migration, and their effects on interstate relations. As Figure 1 suggests, those models attend to political cleavages in political economy that intersect with security and other considerations; they do so by transcending exclusively economic or culturalist explanations. Coalitions result from a trading of most-favored, strongly held, preferences among actors who define their political identity as a function of both material and ideational preferences.

The analytical category of coalitions: (a) transcends dated level-of-analysis categories by linking subnational and global processes; (b) is flexible enough to accommodate wide variation in state-society relations and political institutionalization; and (c) grounds politics in a dynamic framework able to explain both continuity and change. Coalitions develop, thrive, disintegrate, collapse, and reconstitute, generating an ever-changing political context. This ability to accommodate both sudden departures and stable patterns endows coalitional models with advantages over structural and institutional theories. Institutions, after all, typically change far more slowly, and those changes have coalitional roots. The examples discussed in this article illuminate the value of coalitional models for explaining domestic political competition, patterns of defense expenditures, compliance with inter-

national institutions, receptivity to external inducements, the strategic interaction among homogeneous and heterogeneous regional coalitional clusters, and relative proclivities to develop nuclear weapons.

Most importantly for international relations, coalitions act as signaling mechanisms vis-à-vis domestic and foreign audiences, and, in the absence of complete information (i.e., the real world), strategic interlocutors make coalitional makeup and behavior a crucial basis for inferring each other's intentions, as on the eve of World War I. The relative incidence of one model or another at the regional level can have independent effects on a given state in that region. In a highly internationalizing East Asia, it is far more feasible for leaders to bandwagon on the homologous OI grand strategies of their neighbors, as Vietnam and others have done. OI models, particularly when attentive to compensatory tools for minimizing adjustment costs, are less likely than IN competitors to "leap into the dark" Bethmann-style.<sup>8</sup> The growing return of IN models across the world thus raises grave concerns.

The framework has additional implications for international relations. The crucial causal mechanism underpinning the connection between interdependence and peace in our argument is the internationalizing nature of dominant *political* models. This insight is often missing in standard theories of interdependence and peace that ignore political agency while concentrating, instead, on economic measures such as trade openness (imports plus exports/GNP). Extant interdependence ratios provide important information about how global and domestic economies interact but not why and how this relationship evolves. A formidable IN coalition in the Netherlands has risen to challenge a 70-year-old OI consensus even as trade openness remained largely unchanged. Nor can such ratios capture future expectations, risks and opportunities capable of mobilizing political constituencies, and institutional processes and mechanisms that amplify or frustrate their power. Coalitions rise and fall on account of a multifaceted political calculus; they must respond to wide-ranging domestic-international interactions, including those stemming from security, migration, and other contagion-diffusion considerations. Thus, the relative strength of internationalizing models may sometimes dovetail with trade openness levels but cannot be easily inferred from them. Internationalizing models may emerge out of very incipient levels of trade openness (after wars or the exhaustion of import-substitution-industrialization, for instance). Rising trade ratios can broaden the size of beneficiaries—and sometimes their political power—but they can also buttress inward-looking countermovements, as contemporary Europe suggests (Polanyi, 1944). China's internationalizing model faced inward-looking challenges under very low openness (1980s) but also under greater openness (more recently). The relationship between trade openness and coalitional models is thus not linear but one affected by domestic contestation, contextual political dynamics, institutional variation, global world time, and noneconomic forces mobilized under nationalist/internationalist banners.

Models of political survival are political constructs defined a priori by the composition of their supportive constituencies, not a posteriori by the economic effect of their policies. An OI coalition may have prospective, anticipatory expectations of future foreign invest-

ment, trade openness, privatization, and macroeconomic stability, yet the outcomes of their policies may not match those objectives. There is no one-to-one correspondence between incentives and efforts to open up the economy at time  $T$  and trade openness at  $T+1$ . Policy success—as many cases in the industrializing world suggest—is not a reliable indicator of prior policy commitment but the product of far more complex causality. A new blueprint for attracting foreign investment may be a prerequisite but not a guarantee that investments will materialize.

Coalitions thus have independent effects on, and are differently affected by, interdependence. The latter does not exist in a political vacuum; whether or not interdependence dampens incentives for war is highly contingent on political agents exerting dominance over crucial decisions under particular historical world times. Whether markets and geography are expanding or contracting, whether international institutions underwrite mutual commitments to free trade and investment or to protectionism, and other dynamics of international exchange weigh heavily on coalitions' wherewithal, as do domestic institutions.

The coalitional argument thus clarifies contradictory findings in the literature regarding interdependence and war by providing a mechanism explaining why, when, and how economic exchange with the world may or may not inhibit war in the 20th and 21st centuries alike. Research along these lines should refine these political micro-foundations further. This task is compatible with diverse theoretical, epistemological, and methodological approaches. Contemporary research on the political effects of sociotropic factors involving values, norms, and preferences (other than economic ones) that voters seek to optimize may help explain departures from rationalistic models that map incentives to support alternative coalitions solely on economic grounds. Work on framing can help identify how and why alternative political options emerge, are presented, and are understood. The politics of resentment seems important and not well integrated into our thinking. Unlike models seeking neat fit between preferences, institutions, and outcomes, understanding the international and domestic sources and effects of evolving coalitional forms entails far more tolerance for complexity. Yet a more complete understanding of crucial drivers connecting comparative and international politics seems a rewarding payoff.

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## **Notes:**

(1.) The schema was partially inspired by Hirschman’s (1963, pp. 285–291) formulation of a parliamentary debate on economic reform and appeared first in Solingen (2001), which contains a more elaborate discussion of Figure 1.

(2.) This overview builds on empirical material from Solingen (2007a, 2007b) and Solingen and Wan (2017).

(3.) Neither model captures the universe of cases in its region nor fits any particular case wholesale, but some approximate ideal-types better than others.

(4.) China’s yoke under colonial powers, Japan’s subjugation of East Asia and subsequent occupation by the United States, and Vietnam’s victimization by various powers warn against excessive concentration on colonialism as the main barrier to change.

(5.) For a more recent neorealist argument on the role of alliances, see Debs and Monteiro (2016).

(6.) The more IN the target, the less effective are coercion and positive inducements (Solingen, 2012).

(7.) We thank an anonymous reviewer for this point.

(8.) Theobald von Bethmann-Hollweg, the Kaiserreich's Chancellor in 1914, thus described Germany's plunge into World War 1.

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