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What Drives Interstate Balancing? Estimations of Domestic and Systemic Factors

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Estimations of Domestic and Systemic Factors

Abstract

This paper reviews contending realist assumptions about domestic and systemic impulses for balancing behavior, derives a set of corresponding hypotheses for state actions and submits them to a statistical large-n analysis for testing. A total of 18 highly conflict-prone dyads of states are observed over lengthy periods of time in order to gather data for a regression analysis of the effects of different impulses on both the external and internal balancing behavior of the weaker states. In accordance with the results, it is argued that domestic (or unit-level) factors are highly important in explaining the scope of balancing and often exert a stronger influence than do power gaps between states. As moderating factors, they are especially crucial in clarifying apparent cases of over- and underbalancing.

Keywords: balancing, IR theory, realism, global studies, quantitative analysis

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What Drives Interstate Balancing? Estimations of Domestic and Systemic Factors

Pascal Abb

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1 Introduction

Balancing behavior against threats – in a nutshell, the tendency of states to try and close existing power gaps with threatening neighbors through the formation of coalitions or the enhancement of their own strength – has for decades enjoyed special prominence in the field of international relations (IR), mostly because of its centrality to the realist branch of IR theory.[1] Successful balancing operations (such as the Sino-American détente of the 1970s) have, at times, had far-reaching consequences for global power shifts. However, this is not the only reason for the amount of attention that this phenomenon commands. Equally interesting are the many cases in which large-scale rebalancing did not occur despite massive preceding shifts in the balance of power, most notably the end of the Cold War. Accordingly, the field

1 This paper was written as a result of my participation in the GIGA research team on foreign policy strategies. I am grateful for the extensive comments that my colleague Georg Struever provided on an earlier draft of this paper as well as for the help of Jan Pierskalla, who offered me sound advice on methodological issues.

has accumulated an extensive range of theoretical explanations for when and how such behavior is expected to take place.[2] Positioned at the intersection of broad, systemic theories and narrower frameworks that focus on concrete foreign policy outcomes, balancing currently remains at the heart of many contending research approaches in IR.

This paper aims to contribute to these debates by conducting a systematic large-n study of cases where states have been exposed to an outside stimulus to engage in balancing behavior, but have consequently embarked on sometimes drastically different strategies. For theoretical and conceptual reasons (explained in detail below), I focus on states that faced a highly threatening environment characterized by one clearly defined foreign source of threat coupled with the presence of a superior power. I attempt to gauge the extent to which discrepancies in state behavior were caused by variances in the level of the external threat that states were facing as well as by factors at the domestic level. The remainder of this article is structured as follows: Section 2 reviews the concept of balancing within the realist school in IR, introduces specific theoretical frameworks and formulates a set of contending hypotheses. Section 3 introduces the selection criteria used to identify states that would be expected to engage in balancing, and, subsequently, the cases used for this study. Section 4 describes the set of indicators and regression models used to test the hypotheses. Section 5 presents the results. Section 6 attempts to link the results of this paper to other existing findings and offers some suggestions on how this work might be expanded for use in subsequent research.

2 Theoretical Approach

Contemporary realist theory in IR, arguably the field's most prominent and hotly contested branch of thought, was initially conceived of as a completely structuralist and systemic approach. It is most closely associated with the work of Kenneth Waltz (1979), who established the core of this paradigm around the tenets of the primacy of self-preservation and the anarchic nature of the international system, which are assumed to provide strong incentives for states to respond to outside threats in a fashion that is predictable. Under such circumstances, state behavior is assumed to be strongly shaped by the presence of immediate existential threats – states that are at a power disadvantage compared to their competitors will always be faced with their own possible demise as a sovereign entity (ibid.: 118), especially if the respective relationships are fraught with tensions. In the absence of reliable international law enforcement mechanisms and collective defense schemes, states must strive to compensate for these power gaps by resorting to a rather limited repertoire of viable strategies.

Any action taken to alleviate a power gap and stand up to a threat is described as "balancing" behavior since it aims to (re-)establish a balance of power. These strategies are fur-

2 For some of the most prominent formulations that inform this study, see Waltz (1979, 2000), Walt (1985, 1987), Rosecrance (1995) and Schweller (2004).

ther divided into "internal" and "external" modes of balancing (ibid.: 168), depending on whether a state primarily seeks to augment its own capabilities (internal) or to find allies against a common threat (external). In cases where the power gap is so pronounced that neither of these strategies is likely to overcome it, alternatives may be found in "bandwagoning" or "appeasement" (ibid.: 126) – both of which essentially amount to sacrificing a measure of independence and paying tribute to a superior state in order to safeguard one's mere existence. Finally, "buck passing" refers to any strategy of staying on the sidelines and avoiding any sort of engagement with a superior state on the assumption that others will take care of the threat and bear the associated costs instead.[3]

In its initial formulation, structural realism assumes that the choice between these strategies is ultimately determined by the specific distribution of material capabilities (and, hence, power) between individual states. One major revision to the structural realist model that has since been widely adopted is the replacement of the concept of a "balance of power" as the strategic aim of rational states with that of a "balance of threat," acknowledging that the potential external threat constituted by an imbalance of capabilities is only actualized when the latter is joined with an assumed hostile intent on the part of the superior side.[4] This development in realist theory was subsequently bolstered by empirical observations made at the end of the Cold War, when a very substantial power shift (the sudden demise of the Soviet Union) did not trigger any major alterations in existing alliance patterns, let alone full-scale realignment against the dominant state in the new unipolar system.

Since the relative extent of power (or threatening power) is deemed to be the only relevant variable, other characteristics are dismissed, leading to an abstract conceptualization of states as "functionally alike units" that will respond to similar circumstances with similar behavior. However, this expectation is precisely where realism sometimes clashes with observed reality, thus creating empirical puzzles and supplying a starting point for scholars willing to relax some of realism's assumptions while still holding on to its main tenets (Rose 1998). Specifically, the apparent failure of states to engage in balancing behavior against rising neighbors (Schweller 2004) resulted in renewed attention being given to the question of how domestic factors affect state behavior.

The two principal reasons that offer the most plausible explanation for balancing failures are both connected to the domestic rather than systemic level. First, as mentioned above, states may disregard power imbalances because they do not actually feel threatened by superior states (Walt 1985). Since "threat," or presumed hostility, is strongly connected to the policies that a government pursues rather than just the tools that it has at its disposal, its source

3 The option of "buck passing" was not part of Waltz's original portfolio of strategies but has since entered the realist canon; see Posen (1984) for its first introduction and Mearsheimer (2002: 160–162) for a discussion of its position within the broader theoretical framework.

4 See Walt (1987: 21–26, 265 f.). This move toward balance-of-threat theory is also crucial for the research design – and especially the case selection – of this study, as will be discussed below.

can be traced back to the domestic level. Second, state leaders may be more concerned about preserving their individual power than the security of their nation and may thus consciously choose to expend their limited resources on defusing domestic rather than foreign threats to their position (Schweller 2004). In other words, unit-level variables such as domestic institutions and power configurations between the elite and other social actors may have an impact on the selection of foreign policy strategies (and vice versa). This proposition is characteristic for a number of extensions to and adaptations of the realist model, most of which are usually subsumed under the label "neoclassical" realism.[5] The combination of systemic and domestic explanatory variables and the possibility to analyze the concrete actions of individual states rather than just systemic outcomes have attracted significant interest in recent years, establishing this branch of realist theory as arguably the most active in current IR research.[6]

How do domestic politics influence the decision to adopt a certain foreign policy strategy? Apart from case-specific policy analyses, several more expansive and abstract theoretical frameworks that deal with this question have been proposed. Mastanduno, Lake and Ikenberry (1989) introduced a general framework for integrating these two highly salient aspects of state behavior together with a set of testable hypotheses. This theoretical approach shapes much of the reasoning presented below, and some of the hypotheses that I ultimately derive are very similar. Hence, this paper can be understood as the first attempt to apply these theoretical assumptions to balancing behavior by means of a quantitative study – thereby expanding upon the existing body of qualitative research and case studies.[7] The authors conceptualize "states" primarily as the ruling elite and administrative apparatus of a given country and as distinct from civil society and its various interest groups. To conduct politics at the international level, the state needs to command resources created at the domestic level, particularly the military costs associated with the overarching objective of national survival.

Accordingly, states need to manage their societies' resources by engaging in mobilization (economic expansion through investments) or extraction (through means ranging from taxation to expropriation). Extraction may become necessary as a state engages in oft-costly interactions at the international level, but in doing so it always risks breeding domestic discon-

5 This label is derived from a reference to what is nowadays called "classical" realism – essentially meaning any approach that sees power struggles and interest politics as the core driving forces of international relations. It is used to refer usually to authors like Morgenthau and Kissinger and sometimes to premodern thinkers that did not specifically focus on IR such as Thucydides and Machiavelli (Gilpin 1984; Rose 1998).

6 See Rathbun (2008) and Rose (1998) on introductions to this specific strand of realism; specific models and their applications are quoted throughout this section.

7 Due to the theory's focus on policy outcomes rather than system-level behavior, it has been most popular in the field of foreign policy analysis. For some prominent applications, see Barnett and Levy (1991) for a case study on Egypt's alliance policy, Fordham (2002) on US military spending during the Cold War, and Alons (2007) on French and German positions on agricultural subsidy regimes. To the best of the author's knowledge, this paper is the first time it has been applied in a large-n study on balancing behavior.

tent. At the same time, states may try to obtain material and ideational resources at the international level in order to bolster their standing in the eyes of domestic interests – although this direction of the relationship cannot be explored here due to its lack of relation to balancing behavior per se. Building on this work and some subsequent extensions and studies (Christensen 1996; Zakaria 1998), Taliaferro (2006) proposed a "resource extractive" model of the state that conceptualizes unit-level features like state institutions and the predominance of ideological trends like nationalism and statism as the key intervening variables between systemic impulses and their ultimate choice between different strategies for internal balancing. This approach addresses the puzzle of why some states (such as Meiji-era Japan) were able to withstand external threats through internal balancing, while others like China failed to adopt successful practices and saw their power wither as a result. In his conclusion, the author also stresses the point that balancing behavior, or the lack thereof, cannot be understood without analyzing a state's domestic institutions and power balance, since they can preclude the adoption of strategies that would make sense from a national standpoint but simultaneously be detrimental to the interests of domestic actors. Similarly, Schweller (2006: 62–68) explores cases of underbalancing and suggests that the cohesion of elites and society at large is crucial for formulating effective balancing policies against rising threats.

While these theoretical considerations contain many specific predictions that cannot be covered in their entirety by this study, they nevertheless still inform it by casting a light on the influence of state institutions in the selection and pursuit of balancing strategies. Subsequently, I will focus on two variables that capture key features (strength and inclusiveness) of these institutions. The former is a straightforward adaptation of the models outlined above, centering on the fact that the connection between impulses for balancing and the effective adoption of an appropriate strategy can easily be severed by a state's simple inability to marshal the necessary resources for it. In turn, the overall strength of a state's institutions depends on many factors, like the scope of government, its centralization, administrative efficiency and technology. This aspect of "state strength" should not be confused with "power" measured at the national level, as a significant share of national resources may effectively lie outside of the grasp of the state.[8]

Likewise, a state's democratic or authoritarian character will shape how the preferences of social actors impact elite decision making and thus the selection of policies and strategies: democratically elected leaders have to retain the favor of a majority of the (voting) populace, while autocrats need to cultivate a coalition of domestic interests that is powerful enough to defeat any would-be challengers to their rule. The latter usually include factions that may be small in number but that derive their power from controlling the nation's means of produc-

8 For example, Mastanduno et al. (1989) and Zakaria (1998) consider the United States as an archetype of a "weak state," in spite of its abundant national resources, due to its tradition of limiting the scope of central government.

tion (business elites or bureaucrats, depending on the economic system) and destruction (the military), respectively.[9]

As mentioned above, states seeking to avoid or reduce power gaps with their neighbors face a basic choice between either trying to expand their own capabilities or finding allies against a mutually perceived threat. These strategies are, of course, not mutually exclusive, but can be combined in a variety of ways. I will tackle each of them separately while trying to devise a set of concrete, testable hypotheses.

2.1 Internal Balancing Strategies

When addressing internal balancing strategies, it is first necessary to identify the determinants of state power (according to the realist understanding of the concept) and to explain how they may be used in different strategies. According to realism, a state's power arises from its material capabilities – which are in turn divided into industrial resources, military strength, population size, geography and technology.[10] For the purpose of this analysis, we can discount factors that either cannot be altered meaningfully through state action (geography) or that can only be shaped in the long term and are thus less relevant for addressing immediate threats (demographics). The others, however, constitute a set of factors that allow a state to focus on the expansion of specific aspects of its power, often involving trade-offs. For example, a state may engage in a short-term military buildup, extracting resources from its economic base in the process. Since these strategic choices involve resource transfers between sectors, they are likely to touch upon the interests of influential social actors – thus establishing the link between domestic redistributive politics and international strategy.

A state's practicing of internal balancing can be observed by focusing on how many resources it devotes to its military establishment. I propose two slightly different variations within this approach, each coupled with a different resource: manpower and capital. Accordingly, states may pursue internal balancing by engaging in societal militarization or economic mobilization, with each of these strategies associated with one of the factors.[11]

Societal militarization is defined as expanding the size of the military's personnel. This involves shifting potential workers to a generally nonproductive task, thus bolstering the military sector at the expense of the civilian economy. Since high militarization levels are usually achieved by drafting recruits – specifically, forcing them into military service at low pay – this also takes a heavy toll on the citizenry. However, this strategy can be implemented

9 Kimenyi and Mbaku (1995) found a strong relationship between autocracy and military expenditure in a quantitative analysis, thus indicating rent-seeking behavior. Snyder (1993) documented historical instances of domestic elites from these sectors successfully pushing for a strategically unwise imperial overextension.

10 Waltz (1979: 129–131); Waltz 2000.

11 This usage of "mobilization" is in accordance with Taliaferro's (2010) framework, but not congruent with that of Mastanduno et al. (1989), where it is used to designate state actions designed to spur economic growth.

rather quickly and therefore constitutes an effective response to immediate threats. Strong states with well-developed bureaucracies should be better equipped to organize this mobilization and to support a larger standing army.

Economic mobilization means shifting financial resources from the civilian or public economy to the military sector. Domestic actors affiliated with the military-industrial complex – high-ranking officers, the armaments industry, national security bureaucrats and their political allies – can be expected to benefit at the expense of the citizenry at large. Since the military's backing is often a key element in keeping authoritarian elites in power, the latter should be more inclined to support this sector regardless of the extent of external threat faced. Strong states should also find it easier to conduct such transfers because they already have direct access to a larger share of the nation's total resources.

2.2 External Balancing Strategies

External balancing is employed when trying to win allies for the common cause of facing down a shared threat. According to one of realism's central tenets, weaker states are expected to build a coalition against a stronger rival – particularly if the latter is increasing its power so quickly that it might in the foreseeable future become dominant within a region.[12] Sometimes, extraregional help can also be enlisted even from states that are not yet themselves threatened by a rising power, but who are nevertheless wary of facing a more direct challenge further down the road if the would-be rival establishes regional dominance and sets its sights elsewhere.[13]

Compared to the multiple different facets of self-strengthening, there is much less variety in the actions that a state can undertake in the pursuit of external balancing – this being a straightforward quest to establish alliances and pacts, preferably concrete agreements, to aid each other against a clearly designated enemy. Nonagression pacts with other neighbors can also help, inasmuch as they defuse some threats and allow a state to focus on the more direct and important ones faced. The expected relationship between domestic institutions and external balancing behavior is harder to verify since these agreements are generally much less likely to impact resource distribution at the domestic level.[14] Previous research on this ques-

12 See Waltz (1979: 118 f.); Mearsheimer (2002: 155–157).

13 If such a strategy is employed by an extraregional great power, usually separated from the region by a body of water, the acting power is referred to as an "offshore balancer." The main objective of such actors is to prevent any single power from becoming dominant in a geographical region that contains enough resources (industry, population, natural resources) to turn the controller into a "peer competitor" capable of operating on the same level as the offshore balancer. Historical examples of this strategy can be found in the United Kingdom's approach to European politics in the nineteenth and early twentieth centuries or the United States during both World Wars as well as the Cold War era (Mearsheimer 2002: 264–266).

14 Mastanduno, Lake and Ikenberry (1989) devote a section of their paper and several hypotheses on state strategies for extracting external resources for domestic distribution, but these phenomena are unrelated to the narrower focus on balancing.

tion has generally found that the regime type of any single state is not by itself a strong predictor of its alliance behavior. However, two states that share the same type – or, according to Werner and Lemke (1997), a wider range – of domestic institutions are more likely to establish a stable partnership (Lai and Reiter 2000). This should at least leave autocracies with more alliance opportunities if for no other reason than the fact that regimes of this type had persistently outnumbered democracies up until the crest of the "Third Wave" hit in 1990.[15]

While a government's freedom of action in crafting foreign alliances could possibly be seen as a facet of state strength, it cannot be directly subsumed under the definition of the term given above. Here, I am going to assume that a state's access to a society's resources has no direct relationship with its ability to engage in alliance building.[16] However, a lack of domestic strength could very well become the primary motivation for doing so: if a government's disadvantage in terms of material capabilities stems from its lack of control over its own resources, looking for help abroad may appear more attractive than trying to extend its domestic reach, potentially provoking a backlash.[17] Hence, I assume that, all other things being equal, weaker states should establish more alliances simply because they have a greater need for them – although their own lack of attractiveness as a partner may of course be a countervailing factor.

Both strategies outlined above have their advantages and disadvantages for states seeking to restore the balance of power in their region. On the one hand, enlisting the help of allies can be used to address a power gap both very quickly and at less overall cost if the newfound partners contribute their own resources. On the other hand, the international system's persistent anarchy and self-help logic cannot be completely overcome by alliances of convenience – trust in allies may turn out to be misplaced, and in any case less reliable than bolstering one's own abilities. The choice that states face is also not an absolute either-or proposition, and they are confronted with powerful motivations for hedging their bets by combining both – for example, expanding one's own abilities could make a state a more attractive alliance partner to others.

15 See the most recent Freedom in the World report (Freedom House 2013), which covers all historical data since 1973. Additionally, the regional distribution of democracy is highly uneven and autocracies are especially prevalent in most of the regions where the cases for this study are located.

16 It would be interesting and possible to actually put this assumption to the test in further research, for example by identifying the number of domestic veto players when it comes to the crafting of foreign policy. According to Tsebelis (1995), a veto player is an actor who has the de jure right to stop any policy change that upsets the status quo. Since formal alliances are international treaties, some states have explicit requirements for their ratification (such as a supermajority in the US Senate) that confer this power to actors other than the central government. Informal (de facto) veto players can also be expected to play a similar role, but are much harder to identify.

17 This assumption is also adopted from Mastanduno et al. (1989).

2.3 Hypotheses

In order to assess the utility of these frameworks, I have devised a set of nine working hypotheses grouped into three sets to account for the different strategies outlined above. In each set, one hypothesis deals with the expected influence of the nature of a state's regime, the strength of its domestic institutions and the magnitude of the power gap between the state and its competitor, respectively. In other words, the first two always deal with unit-level factors while the last one addresses systemic impulses.

H1a: The more authoritarian a state is, the more it will tend to resort to societal militarization.

H1b: The stronger a state is at the domestic level, the more it will tend to resort to societal militarization.

H1c: The weaker a state is are relative to its competitors, the more it will tend to resort to societal militarization.

H2a: The more authoritarian a state is, the more it will tend to resort to economic mobilization.

H2b: The stronger a state is at the domestic level, the more it will tend to resort to economic mobilization.

H2c: The weaker a state is relative to its competitors, the more it will tend to resort to economic mobilization.

H3a: The more authoritarian a state is, the more it will tend to establish external alliances.

H3b: The weaker a state is at the domestic level, the more it will tend to establish external alliances.

H3c: The weaker a state is relative to its competitors, the more it will tend to establish external alliances.

This setup allows for a direct comparison of the relative influence of each of the three theoretically plausible impulses for balancing. Certainly, there are many other relevant factors that have in the past been used to successfully explain the specific strategic choices of states, such as the level of armaments expenditure or alliances.[18] However, for the purposes of this paper, a limited selection that can consistently be applied to all interesting dependent variables is more useful since the main intention here is not to maximize the explanatory power of any single model but rather to compare the relevance of the independent variables.

3 Case Selection

Since the emphasis of this study is on state behavior in a highly threatening environment – in other words, in circumstances that would be especially amenable to realist assumptions – the criteria for selecting cases were quite narrowly formulated in order to come up with a small

18 There has been a vast amount of research done on the determinants of arms expenditure, mostly by scholars working in the field of political economy (for an overview, see Dunne 1990; Moll and Luebbert 1980). Collier and Hoeffler's (2002) study is a recent contribution from a political science perspective focused on international arms races. On the determinants of alliance patterns, see the various studies cited in section 2.2.

sample of "most likely" cases. Another key aim was to focus on relationships where the "balance of threat" (rather than the more general "balance of power") is presumed to provide the dominant systemic impulse for state behavior since it is more plausible as a motive.[19] However "threat" – even more so than "power" – is a concept that is difficult to define in quantitative terms due to its association with subjective perceptions. Hence, I have attempted to hold this factor as constant as possible by devising selection criteria that should help isolate cases facing threats that are similar in nature but different in scope.

While there are many circumstances that can plausibly be perceived as threatening by weak states with powerful neighbors, it was necessary to first identify one general rule likely to yield the most fitting results and then to work through the details. Consequently, I propose to use the presence of an external threat to the territorial integrity or even existence of the state as the main criterion. More specifically, I have attempted to isolate those cases in which one state laid a formal claim to a part or all of another state's territory. This seems an appropriate choice for the following reasons: First, territorial claims are likely to be seen as threats independent of the characteristics of specific administrations or elites heading a country because they are usually rooted in long-standing national historical narratives and legacies instead of in more short-lived political programs (Murphy 2005; see also, Hensel [1996] on territorial conflicts as drivers of interstate rivalry). Second, they can be relatively clearly observed since such claims are usually openly stated as claimants attempt to bolster their legitimacy. Third, countervailing territorial claims are very hard to resolve peacefully due to the ease of mobilizing nationalist sentiments against would-be compromisers (Walter 2003). Additionally, territorial conflicts have been shown to be a very important trigger of heightened interstate rivalry and, ultimately, conflict (Vasquez and Leskiw 2001). Hence, they lead to long-lasting conflicts that make it necessary to formulate long-term strategical responses instead of fluctuating ones. Fourth, threats arising from territorial conflicts are much harder to meet by employing alternatives to balancing strategies (like buck passing or appeasement). Since this paper focuses on balancing alone, ruling out alternatives in this manner is appropriate because they would otherwise potentially skew the results given that they are not accounted for here.

However, this selection rule is not by itself sufficient to identify significant external threats. There are currently plenty of formally unresolved territorial conflicts in the world in which both sides are content with the status quo or at least not obviously motivated to aggressively pursue their claims. For example, both Canada and the United States still have several disputed points along their 5,500-mile-long border, while Germany and the Netherlands are still in disagreement over the exact delimitation of the maritime border separating both nations' Frisian Islands. Nevertheless, both pairs of states are very close allies and clearly do not feel threatened by each other. These conflicts are so low profile that they are almost

19 This variant postulates that states will balance against the most threatening potential opponent, rather than against – as a general application of the "balance of power" theory would suggest – the most powerful one (Walt 1985, 1987).

never reported on in the media, which is in stark contrast to the extensive publicity surrounding cases like the Diaoyu/Senkaku Islands or the various South China Sea disputes. Consequently, many citizens (and even elites) may not even be aware of these conflicts, thus rendering them mostly irrelevant.

In order to establish which territorial disputes are seen as a threat to a nation's territorial integrity, it is helpful to draw upon another data source: the list of dyadic militarized interstate disputes (MIDs) maintained by the Correlates of War (CoW) project.[20] This database contains a large number of dyadic disputes, ranging in intensity from mere threats of force to full-scale wars. The time period for this study will be restricted to the post-WWII era alone – although, as we will see, many of the disputes that will be covered arose in later years anyway. From this list, we can identify a sample of dyads that were engaged in militarized territorial disputes. This is done by first whittling the database of MIDs down to only those disputes that saw a "clash" between both sides that resulted in at least one hundred fatalities or more.

This relatively high level of conflict intensity is chosen in order to only include conflicts that arose as a result of systematic, large-scale state action instead of clashes triggered by individual soldiers or officers stationed along the border. Next, the remaining dyadic relationships are investigated to identify which clashes occurred during the time period when a territorial dispute between both sides was already ongoing (in other words, disputes that only arose as a result of the observed military action are not counted). Thus, we are left with a number of cases where the countervailing territorial claims were significant enough to trigger a conflict between both sides' organized militaries, usually as a result or corollary of permanently high tensions and border militarization. Table 1 contains the cases identified through this process, ordered alphabetically by the name(s) of the disputed territory. It also gives the names of both claimants, the duration of the conflict and the state estimated to be the weaker one. A conflict's inception is measured by the year in which one side first staked an official claim to the other's territory, while its end is marked either by the peaceful resolution of the conflict or by other circumstances (see the footnotes for further details).

Finally, identifying the "weaker" side in the conflict is crucial, because it is these states that have the most reason to feel threatened in a conflict and, hence, whose behavior is to be studied here. The process for estimating the weaker side is straightforward: for every year of an ongoing conflict, both states' comprehensive national strength scores – as according to the CoW's National Material Capabilities Database (Singer 1987) – are compared with each other.[21]

20 See Ghosn et al. (2004).

21 This database calculates an aggregate score of national strength (expressed as the country's share of worlwide capabilities) from six indicators grouped into three sets: military strength (military personnel and expenditure), demographic strength (total population, urban population) and industrial strength (iron and steel consumption, energy consumption). The weighting of nonmilitary factors may result in estimates of strength that do not always match with prevailing impressions. For example, Israel was consistently able to beat its Arab neighbors in several wars, yet Egypt and (marginally) Syria are considered to be stronger on average, generally due to their much larger population sizes. For details, please refer to the relevant CoW codebook, available together with the data online at: <www.correlatesofwar.org/COW2%20Data/Capabilities/nmc3-02.htm>.

The country with the lower score is designated as the weaker side for that year. In most cases, this status remains the same throughout the duration of the conflict. However, some dyads in which both countries are very close to each other in terms of comprehensive strength (most notably the Israeli-Syrian dispute) see frequent back-and-forth shifts in the identification of the weaker state. For these cases, Table 1 names the country that was considered to be weaker more frequently over the course of the total duration of the conflict and additionally gives the overall number of years for which this was the case.

Table 1: Cases Selected for Analysis

Disputed area	*Claimant 1*	*Claimant 2*	*Dispute duration*	*Weaker state*
Arunachal Pradesh	China	India	1949–	India
Badme	Ethiopia	Eritrea	1993–	Eritrea
Damansky Island	Soviet Union	China	1964–1991[1]	China (27/28)
Falklands/Malvinas	United Kingdom	Argentina	1946[2]–	Argentina
Golan Heights	Israel	Syria	1967–	Israel (22/41)
Gulf of Fonseca	Honduras	El Salvador	1946[2]–1998[1]	Honduras
Jammu and Kashmir	India	Pakistan	1947–	Pakistan
Khuzestan	Iran	Iraq	1959–	Iraq (46/49)
Korea	North Korea	South Korea	1949–	North Korea
Kuwait	Iraq	Kuwait	1961–	Kuwait (46/47)
Lake Chad	Nigeria	Chad	1983–	Chad
Mekong Delta	Vietnam	Cambodia	1975–1978[3]/1994–	Cambodia
Ogaden	Ethiopia	Somalia	1960–1990[4]	Somalia
Preah Vihear	Thailand	Cambodia	1958–	Cambodia
Sinai	Egypt	Israel	1967–1978[1]	Israel
South China Sea	China	Vietnam	1975–	Vietnam
West Bank	Israel	Jordan	1967–1988[1]	Jordan
Western Sahara	Morocco	Algeria	1963–1992[1]	Morocco (20/30)

1 Conflict ended with a peaceful resolution.
2 Conflict was already ongoing before 1946, but this year is the first one within the sample.
3 Conflict dormant between 1978 and 1994 because the pro-Vietnamese puppet government of Cambodia relinquished the country's claim. The governments that held power after the Vietnamese withdrawal have since consistently pressed the claim again.
4 Conflict ended because Somalia cannot be considered a sovereign state after 1990, due to its almost total disintegration.

Source: Author's compilation.

Examining the list of cases in detail, this method seems adequate as a way to isolate highly conflict-prone dyads in which each side – especially the weaker one – sees the other as a significant threat. It includes many of the most destructive conflicts that arose during the latter half of the twentieth century and covers many well-documented individual cases of balancing behavior.[22] There is only one case (the Falklands dispute) in which the weaker side (Ar-

22 See, for example, Mohan (2006) on India's balancing against China, Burr (2001) on China's balancing against the Soviet Union, and Rajagopalan (1999) on Pakistan's balancing against India.

gentina) arguably did not have to fear a direct threat from its opponent (the United Kingdom), because it was not in control of the disputed territory, had a reliable security guarantee from the United States, there is significant geographical distance between both nations and the other side was not prone to waging aggressive preventive wars. Indeed, the brief war that ultimately broke out between both sides in 1982 has often been described as a classic example of a diversionary action, designed to shield the Argentine junta from domestic criticism (Levy and Valkili 1992). All in all, the selection method yields a total of 18 dyadic disputes and 688 country years for further analysis.

4 Operationalization and Methodology

To address the hypotheses outlined above, I assembled a dataset containing the following information for each country involved in a dispute and – as far as was possible – each year of its duration:

- Overall national strength, as measured in the composite index of national capability (CINC) variable in the CoW national capabilities dataset cited above. This variable is an average of six subindicators and is expressed as a nation's share of the world total, thus ranging between 0 and 1 in value.[23] Since CINC data is currently only available up to 2007, this year sets the upper boundary for the period covered by the dataset.
- The degree to which each state's institutions are democratic or authoritarian. For this, I used the polity2 variable from the Polity IV dataset.[24] The variable ranges between -10 (highly authoritarian) and 10 (highly democratic).
- The overall strength of a state's government, as measured by expenditure. For this, I used information on a government's final consumption expenditure as a percentage of GDP as provided by the World Bank (going back to 1960) for all countries in this sample except North Korea. Due to the regression parameters described below, this year effectively forms the lower boundary for the covered period. The resulting value ranges between 0 and 100.
- Each state's economic mobilization, as measured in military expenditure as a share of (nominal) GDP. Military expenditure in USD was obtained from the CoW national capabilities dataset; the corresponding GDP figures in USD were obtained from the World Bank (again, only covering the period from 1960 onward and excluding North Korea, and in some cases missing other values). These values range between 0 and 1.

23 The six separate indicators are iron and steel production, primary energy consumption, total population, urban population, military expenditure and military personnel. See Singer (1987) for a description. All data and codebooks are available online at: <www.correlatesofwar.org/COW2%20Data/Capabilities/nmc3-02.htm>.

24 See Marshall and Cole (2011) for the most recent overview of and introduction to this dataset. All data and codebooks are available online at: <www.systemicpeace.org/polity/polity4.htm>.

- Militarization, as measured in the personnel strength of each state's standing military as a share of total population. Both of these figures were obtained from the CoW national capabilities dataset. These values range between 0 and 1.
- Alliance policy. This is a highly complex concept, and one that is very hard to measure in quantitative terms. Two different measurements were employed to approach it: a simple number of alliances (as recorded by the Alliance and Treaty Obligations Project [ATOP])[25] and the sum of the capabilities of a nation's alliance partners. Each of these was used as the dependent variable in one of two separate models. I applied the following selection criteria when judging which alliances to include in the dataset:
  - all bilateral defense pacts
  - multilateral defense pacts that did not include the other conflict state in the dyad as well
  - bi- and multilateral nonagression and neutrality pacts with adjacent states (as above, such arrangements only taken into consideration if they did not include the opponent as well).

  These alliances are considered to be in effect for any year in which they covered a minimum six-month period (meaning that it was either signed no later or abrogated no earlier than 30 June of any given year). Multiple parallel agreements with the same partner(s) were not counted separately. This resulted in a natural number equal to or greater than 0. Things got a little more complicated when summarizing the capabilities of a nation's alliance partners, especially in multilateral agreements: All partners that also had similar agreements with the dyadic opponent were considered neutral and removed for all years in which the latter were in effect. For example, Egypt was no longer considered an Arab League ally of Syria or Jordan after it signed its separate nonagression pact with Israel in 1979. After these computations, the overall sum of the strength of a nation's alliance partners ranges between 0 and 1.
- Finally, since the framework presented above is not exhaustive and given that there are other plausible factors that may have an effect on balancing behavior, control variables also had to be considered and incorporated into the model. One such factor that could be easily explored was the overall dissimilarity between the regimes of both states within a dyad, because – as noted above – previous studies have shown that this factor tends to have an exacerbating impact on conflicts (Souva 2004).[26] Accordingly, states may perceive a competitor as more or less threatening depending on how different the regimes of both

25 See Leeds et al. (2002) for a description of this dataset. All data and codebooks are available online at: <http://atop.rice.edu/>. This source was chosen over alternatives like the CoW database due to its greater comprehensiveness and inclusivity.

26 The flipside of this observation is that states with similar regimes and domestic institutions are more likely to establish cooperative partnerships and alliances (Lai and Reiter 2000), a choice which also helps to mitigate any tensions arising from territorial competition and thus makes balancing less of a necessity.

states are and thus be induced to either increase or relax their balancing efforts accordingly. To check for the corresponding effects, "regime dissimilarity" was operationalized as the absolute value of the difference between the polity2 scores of both nations in a dyad for each year of the conflict. It would also have been desirable to check for the effects of economic interdependence as measured in terms of bilateral trade, another factor that is usually expected to lower mutual threat perceptions (Lee and Mitchell 2012). Unfortunately, however, obtaining data for many of the dyads within this sample was very difficult even despite the checking of multiple standard sources (CoW, the World Bank and Kristian Gleditsch's [2002] database). The last source, which was overall the most comprehensive one, still only managed to provide data for 200 out of 687 cases – this would not only have reduced the sample to 168 country years when applying the preferable method of the listwise exclusion of cases, but eliminated many dyads completely. Hence, this variable was left out of the final analysis – though attempts should be made to include it in further studies if the data situation eventually improves.

The method of analysis is as follows: First, the comprehensive national strength estimates for each pair of countries are compared for each year of their dispute. The state with the lower score is designated as the weaker one for that year, and both the absolute difference and the ratio between both claimants' scores (two variants of the "power differential") are stored in additional variables for later use as independent variables.[27] The absolute difference is calculated by subtracting the weaker state's capability score from the stronger one's, while the relative strength is expressed as the score of the stronger state divided by that of the weaker. The ratio is the overall more useful metric for most of the subsequent analysis since it captures relative power differences. However, the absolute difference is also retained because it is an important factor for one specific variant of analysis that will be discussed in due course.

Second, the model proceeds to derive the indicators for both the dependent and other independent variables by selecting the appropriate values for the states that were identified as weaker from the database. These values are then used as the input for a series of regression analyses that estimate the degree of correlation between the independent and dependent variables. This setup allows for a systematic analysis of the relative influence of both domestic institutions and system-level impulses for state behavior.

Table 7 (see Appendix) contains the descriptive statistics for all the variables (and their derivatives) described above. As can be seen, there is strong data for all of these indicators, thus allowing for a meaningful large-n study. The main restrictions are the two econometric variables used in the model (state strength and the GDP figures necessary to calculate the

27 On the suggestion of a colleague, I also tested an alternative measure of the ratio between state capabilities that divided the weaker state's score through the total sum of the scores of both states in the dyad, resulting in an indicator that has a narrower distribution between 0 and a theoretical maximum of 0.5. This did not yield any results that were substantially different from the ones reported in the next section, with R2 values remaining virtually unchanged and identical significance estimations for all variables.

share of military expenditure) since the World Bank database does not, as noted, cover the period prior to 1960. Additionally, the North Korean government unfortunately does not supply this kind of data, which means that this case is eliminated from the analysis due to missing values on at least one independent variable (IV) across all models.[28] The remaining dyads show a great deal of variance, with power imbalances ranging from quasi-parity (Israel-Syria and Morocco-Algeria) to the very pronounced dominance of one side (China-Vietnam). Similarly, the sample also comprises both very weak and very strong states, domestic institutions ranging from totalitarian dictatorships to inclusive democracies, and levels of mobilization ranging from the outright absence of any armed forces to full-scale efforts.[29] In order to explore the relationships between these factors, they were entered into multivariate linear regression models with a listwise exclusion of missing data (any case in which data for a single variable is missing is excluded from the analysis altogether). As can be seen from the descriptive statistics, the resulting exclusion of cases is almost entirely due to missing values on the "state strength" indicator, which is – in turn –primarily caused by a lack of GDP data prior to 1960 (and a total absence of such information on North Korea for the entire time frame of this analysis).[30] The dependent variables were lagged for one year (meaning that a state's environment in year n is supposed to explain its behavior in year n+1) since balancing policies take time to craft and implement and the effect of domestic constraints and external pressures is as a result likely to be somewhat delayed.

As shown in Table 8 (also to be found in the Appendix), multicollinearity is an issue with some of the independent variables entered into the models. In some cases (such as the highly significant correlation between regime difference and state strength), there is no plausible reason to believe that this is evidence of an underlying causal relationship. However, correlations between other pairs may be a sign that these indicators do not fulfill the assumption of independent variance from each other, which may skew the results. For instance, the regime dissimilarity indicator is directly derived from the polity2 score, which needs to be taken into

28 Furthermore, one case (Kuwait 1991) was completely removed due to being a strong outlier. Specifically, Kuwait is recorded as spending 140 percent of its GDP on the military in that year, due to the combined effects of significantly reduced GDP through wartime destruction and a massive boost in military spending as a result of it funding the international efforts to end the Iraqi occupation. The GDP numbers for Vietnam from 1989–1991 and Chinese military expenditure for 1985–1990 were also manually removed since they were implausibly low for these years.

29 For both of these extremes there are only very few occurrences, almost all of which are associated with demilitarization after lost wars and the wartime years themselves.

30 There is, at least in principle, an alternative to the World Bank data that is used in this analysis – the historical GDP figures maintained and published by the Angus Maddison project (Bolt and Luiten van Zanden 2013). However, since these figures are given in constant 1990 USD and CoW's military expenditure is measured in current USD, they cannot be used in the same dataset without first adjusting for inflation – a phenomenon on which data is equally sparse for many of the cases in the sample. Additionally, this source does not provide data on government expenditure – the lack of such information prior to 1960 would still result in the exclusion of the same set of cases.

account during the interpretation of results.[31] Also, state strength is strongly inversely correlated with both the ratio and difference in CINC scores, which is also plausible since stronger states should be more effective at preventing pronounced power gaps from opening up in the first place.

5 Results

Table 2 contains the regression results for all four models, including their overall explanatory power (R^2), the number of cases included (N), the regression coefficients for each independent variable (Beta) and their statistical significance (p). As can be seen at first glance, the two models that address internal balancing perform much better at predicting the dependent variable than those that focus on external balancing.

Model 1 is able to explain a very high 64.9 percent of the variance in a nation's militarization. As expected, state strength has a highly significant positive association with the dependent variable – much of the overall explanatory power of this model is derived from the inclusion of this single factor. The power gap between both sides is also a significant predictor of the dependent variable, albeit at a lower level. The polity score does not seem to have a pronounced relationship with this metric of internal balancing – at least not when controlling for regime dissimilarity, which is in itself highly statistically significant.[32]

Model 2 also fares quite well with an overall explanatory power of 40.5 percent of the variance in military expenditure as a share of GDP. The association between the dependent variable and the two domestic explanations is very strong here, and the direction is also as expected for both. Contrary to the previous model, controlling for regime dissimilarity does not diminish the significance estimates on the polity variable. The power differential is completely insignificant in this model, contributing basically nothing to its explanatory value. This constitutes a very interesting result because military expenditure should arguably be a better measure of overall internal balancing efforts than mobilization as it comprises investments in equipment, training and facilities (instead of manpower alone).

31 See Ray (2003) on the potential problems arising from such combinations of indicators. Additionally, the correlation between the absolute difference and ratio of CINC scores in each dyad is also very strong since these were derived from the same numbers. Because they are never used together in the same model, though, this should not be an issue.

32 It needs to be pointed out that the polity score and the indicator for regime dissimilarity do not fulfil the assumption of independence from each other, since the latter is in part derived from the former. This may skew the results, especially for cases that are either highly democratic or highly authoritarian given that they are also more likely to face a more dissimilar regime simply due to their own extreme values on this metric.

Table 2: SPSS Regression Output for All Models

		Model			
		1	2	3	4
DV		Soldiers as a share of total population	Military expenditure as a share of GDP	Number of alliances	Sum total of allies' capabilities
Adjusted R^2		0.649	0.405	0.242	0.243
N		448	407	448	440
IV Beta (p)	Polity	-0.023 (0.432)	-0.128 (0.001)***	0.182 (0.000)***	0.046 (0.292)
	state strength	0.732 (0.000)***	0.630 (0.000)***	-0.249 (0.000)***	-0.143 (0.002)**
	capability ratio	0.084 (0.005)**	0.003 (0.936)	-0.054 (0.219)	
	capability difference				0.218 (0.000)***
	regime dissimilarity	0.260 (0.000)***	0.001 (0.989)	0.398 (0.000)***	0.417 (0.000)***

Source: Author's compilation.
* = correlation is significant at the 5% level, ** = 1% level, ***= 0.1% level.

Models 3 and 4 both tackle the same concept – external alliance policy – from different angles, with model 3 attempting to explain the total number of a state's alliances and model 4 dealing with the total strength of the respective partners. The latter model also uses the absolute rather than relative version of the power differential as the systemic explanatory factor since its dependent variable is similarly measured as a total sum of capabilities. In other words, this model seeks to explain the relationship between the absolute magnitude of the power differential and the extent to which the weaker nation can make up for it through alliances.

From the outset it is important to note that both have only modest explanatory power (24.2 percent and 24.3 percent respectively), suggesting that either major explanatory factors are missing from the model or that the indicators that were used to plot the dependent variable do not sufficiently cover the more abstract concept of "alliances." For one, this model does not consider some of the explanations for alliance policy that have been advanced from outside the broader realist paradigm, such as a sense of common cultural ties, historical relationships and/or institutional evolution. Additionally, the indicator used for this concept can only capture alliances and commitments that arise from public, binding international treaties. However, de facto rather than de jure alliances may also take the form of informal assistance mechanisms. For example, the ATOP database captures the US-Israeli alliance as a defense pact directed primarily against the Soviet Union, which accordingly expired with the removal of this threat in 1991. Still, the relationship between the two states is still almost invariably referred to as an "alliance" by leaders on both sides and it still involves substantial transfers of financial and military aid as well as US diplomatic backing for Israel. Finally, the perceived reliability of an alliance commitment is another factor that is often cited in histori-

cal literature, representing a highly plausible influence on a nation's strategic calculus – albeit a factor that is also extremely difficult to measure quantitatively.

Acknowledging these caveats, the models do offer several interesting findings. First, model 3 suggests that more democratic states tend to establish a greater total number of alliances, which is at odds with the expectation formulated in H3a. Again, this result holds firm despite controlling for regime dissimilarity – although the latter factor is statistically significant as well. Conversely, the same cannot be observed in model 4, suggesting no systematic association between a state's regime and its success in attracting powerful partners. However, since this expectation was even more tenuous than the other part of H3a – which was itself only based on the higher global prevalence of this regime type – it is perhaps not surprising that there is no evidence in its favor.

Second, as expected state strength is strongly negatively correlated with the number of alliances entered into, suggesting that this is indeed a very appealing way of making up for shortcomings in one's own strength (or, conversely, that stronger states have more of an incentive to avoid entanglements and go it alone). The same effect, although a bit less pronounced, is observable for the total sum of their capabilities in model 4 as well, adding to the strong performance of this predictor across all models.[33]

Third, the ratio between both sides' capabilities used in model 3 is not effective in explaining the number of alliances entered into. However, the absolute difference used in model 4 is actually (except for the control variable) the best predictor of the overall strength of a nation's alliance partners. This suggests that power differentials and the need to restore balance are indeed major factors in picking external alliance partners based on their strength, which is a result in line with neorealist expectations about systemic determinants of state behavior. Additionally, this school has historically focused more on explaining external rather than internal balancing, so a positive result when tackling the former should arguably carry more weight than does a failure to explain the latter. Still, it also needs to be pointed out again that there is a great deal of unexplained variance in the dependent variable, which suggests that resorting to any kind of monocausal framework is of dubious utility when analyzing something as complex as international alliance policy.

5.1 Over- and Underbalancing

As can be seen from the models outlined above, there seems to be little correlation between the magnitude of a threat and most of the measures that weaker states employ to address it.

33 As noted in the preceding section, this indicator is strongly (negatively) correlated with the power gap measures – this may result in skewed estimates of their relative performance. However, separate regression models for each of these factors as the single explanatory variable confirmed the earlier results: state strength massively outperforms power gap measures as a predictor across all dependent variables except for the the sum of allies' capabilities.

However, this result – while interesting in itself – does not tell us whether this disconnect is mostly due to over- or underbalancing or, moreover, which factors are associated with each phenomenon.[34] Hence, this section will identify all cases of pronounced over- or underbalancing within the sample and explore whether the states in each group share mutual characteristics that could potentially be responsible for this behavior.

As a working definition, I specify "overbalancers" as any of the weaker states for any year in the sample that were in the lowest quartile when it came to the relationship between their capabilities and their stronger rival (=small power gaps, low threats), while simultaneously being in the top quartile of the range for any of the indicators of balancing efforts (military population, military expenditure and strength of alliances). Conversely, "underbalancers" are any states in the top quartile of the capability relation indicator (=large power gaps, high threats) that were simultaneously in the lowest quartile of any of the balancing indicators. In short, I try to identify cases that maintained internal and external capabilities that would seem either excessive or insufficient in light of the actual threat faced. These groups will be identified separately for each of the balancing indicators and described in further detail below.

When matching the respective quartiles for each of the groups against each other, the first thing that is immediately apparent is that overbalancing is much more pronounced than underbalancing among the cases in the sample when it comes to internal balancing measures. The selection criteria outlined above identified 52 cases of overbalancing with regards to social militarization compared to 22 cases of underbalancing, and 51 overbalancers compared to 23 underbalancers in terms of military expenditure. The differences are striking given that both the bottom and top quartiles, when sorted by the magnitude of threat, are by definition the same size (172 cases each). For instance, almost one-third of the low-threat sample overbalanced on each dimension, while only about one-seventh to one-eighth of the high-threat cases is estimated to have underbalanced. The difference, meanwhile, when measuring external over- and underbalancing is a little less pronounced: 41 estimated overbalancers and 21 underbalancers.[35]

Which were the specific cases of over- and underbalancing, and what features might they share? First, most of the identified instances of either type of behavior were not isolated phenomena that occurred in single country-years, but rather clustered around a relatively small number of cases that consistently showed the same behavior over longer periods of time – indicating consciously chosen and stable strategies (Table 4).

34 "Overbalancing" refers to building capacities and coalitions that are far larger than required to handle the threat at hand, while "underbalancing" designates a failure to commit the necessary resources to meet the threat; see Rosecrance (1995) for a discussion and illustration of this behavior by way of some historical examples.

35 The quartiles for the three balancing dimensions are not the same size when compared to each other or to the threat indicator, due both to variations in the number of missing cases as well as to the variance between them (notably, there are only 482 cases for the share of military expenditure in a nation's total GDP, while data on the other two indicators is available for almost every country-year in the sample).

Table 3: Instances of Over- and Underbalancing among Low- and High-Threat Cases[36]

	Overbalancers on milpop	**Overbalancers on milex**	**Overbalancers on allycap[37]**
Low-threat cases (n=172)	52 (30.2%)	50 (29.1%)	41 (23.8%)
	Underbalancers on milpop	**Underbalancers on milex**	**Underbalancers on allycap**
High-threat cases (n=172)	22 (12.8%)	23 (13.4%)	21 (12.2%)

Source: Author's compilation.

Table 4: Identities of Estimated Over- and Underbalancers on Each Dimension[38]

Overbalancers on			*Underbalancers on*		
Milpop	Milex	Allycap	Milpop	Milex	Allycap
Iraq (9/47)	China (20/27)	Iraq (9/47)	Cambodia (4/68)	Argentina (4/62)	India (16/59)
Israel (16/34)	Iraq (7/47)	Israel (1/34)	Chad (9/25)	Cambodia (5/68)	Pakistan (2/61)
N. Korea (20/59)	Israel (12/34)	N. Korea (18/59)	Kuwait (1/46)	Chad (12/25)	Vietnam (3/33)
Syria (7/19)	Russia (1/1)	Syria (15/19)	Pakistan (1/61)	Somalia (1/31)	
	Syria (10/19)		Somalia (6/31)		
			Vietnam (1/33)		

Source: Author's compilation.

Some countries show especially pronounced overbalancing across multiple dimensions – Syria, Iraq and Israel, in particular, maintained inordinately high militarization and mobilization rates for very lengthy periods of time. Conversely, Chad and Cambodia are the most pronounced cases of underbalancing along the same metrics. When it comes to external balancing, the subsamples of both over- and underbalancers are dominated by Syria and North Korea in the former group and India in the latter. This is due to Syria's partnership with a very powerful ally (the Soviet Union) and India's isolation in the 1950s and 1960s despite facing a substantial power gap vis-à-vis China. Similarly, North Korea had two very powerful

36 To save space, the table contains variable names used in the dataset rather than full descriptions of the indicators: *milpop*=militarization (soldiers/total population); *milex*=mobilization (military expenditure/GDP); *allycap*=strength of allies (sum of allies' capabilities according to CoW's CINC).

37 Due to the different selection criteria, the subsamples for low- and high-threat cases for this dimension are slightly different from those of the other two dimensions that are used to measure external balancing.

38 The first number in brackets after each country name gives the total number of years in which it is estimated to have over- or underbalanced; the second gives the total number of years in which it was the weaker side in a conflict. For Cambodia and Israel, which were at times both engaged in two simultaneous conflicts each, these numbers are cumulatively added together.

allies in the Soviet Union and China despite being able to somewhat keep up with its southern rival on its own, at least until the latter's economy started booming in the 1980s. Of course, in this case as well as in that of Syria, the fact that their opponents were themselves backed by the United States may easily have resulted in a heightened perception of threat that would not have been justified by the merits of the difference in capabilities alone.

The over- and underbalancers in both categories of internal balancing do, however, show some distinct characteristics that are invariably in line with the hypotheses outlined in section 2.3. Table 5 shows the averages for the two unit-level independent variables (polity score and state strength) for all subgroups of over- and underbalancers as determined for each dimension (militarization, mobilization and alliance building), as well as the general averages for all weaker states in the total sample used for this study.

Table 5: Unit-Level Characteristics of Over- and Underbalancers[39]

	General Average	Average among overbalancers on...			Average among underbalancers on...		
		Milpop	milex	allycap	milpop	milex	allycap
polity	-2.54	-3.327	-3.776	-8.366	-0.294	-1.652	5.8
State strength	14.83	28.28	18.47	20.09	8.63	7.17	--[40]

Source: Author's compilation.

Most notably, states that maintain armies that would seem larger than necessary given the magnitude of the threat tend to be slightly more authoritarian and almost twice as strong as the average, while states that devote excessive financial resources to the military sector tend to be even more authoritarian and somewhat stronger than the mean. Conversely, underbalancers – with regards to mobilization – are noticeably more democratic than the average and also much weaker, while states that apparently underinvest in the military are slightly more democratic and also very weak. All of these relationships are as they were expected to be in the initial set of hypotheses, which again underscores the key influence of domestic factors on balancing behavior. States that lack the domestic institutions to mobilize the necessary resources against a threat simply cannot engage in appropriate internal balancing, no matter how much they may wish to do so; authoritarian governments with strong control over their nation's resources seemingly tend to funnel them to oversized military establishments, even if the power gaps that they face do not justify such a prioritization. These findings are also in line with previous publications that tackled these subjects in isolation rather than accounting for systemic balancing incentives.[41] Table 6 conclusively summarizes the results of the statistical tests for all hypotheses.

39 This table also uses abbreviated variable names; in addition to the ones detailed above, these are *polity*=democracy level (polity2 score).

40 Due to missing data for all cases in this group, their state strength could not be calculated.

41 See, for example, Kimenyi and Mbaku (1995).

Table 6: Summary of Hypothesis Tests

#	*Hypothesis*	*Result*
1a	The more authoritarian a state is, the more it will tend to resort to societal militarization.	Rejected
1b	The stronger a state is at the domestic level, the more it will tend to resort to societal militarization.	Confirmed
1c	The weaker states are relative to their competitors, the more they will tend to resort to societal militarization.	Confirmed
2a	The more authoritarian a state is, the more it will tend to resort to economic mobilization.	Confirmed
2b	The stronger a state is at the domestic level, the more it will tend to resort to economic mobilization.	Confirmed
2c	The weaker states are relative to their competitors, the more they will tend to resort to economic mobilization.	Rejected
3a	The more authoritarian a state is, the more it will tend to establish more/stronger external alliances.	Rejected, Rejected
3b	The weaker a state is at the domestic level, the more it will tend to establish more/stronger external alliances.	Confirmed, Confirmed
3c	The weaker states are relative to their competitors, the more they will tend to establish more/stronger external alliances.	Rejected, Confirmed

Source: Author.

6 Conclusion and Outlook

The model developed in this paper yields some interesting conclusions about the sometimes tenuous connections between systemic balancing incentives and actually observed outcomes. By and large, these incentives alone are not sufficient for explaining a meaningful share of the variance between different countries' practice of internal or external balancing. Domestic institutions, on the other hand, are highly relevant factors for internal balancing and do not fare much worse than systemic incentives when it comes to external balancing. Irrespective of whether they are merely intervening factors that distort objective measurements of outside threats – in Rose's (1998) words, acting as a "transmission belt" linking threats and responses – or primary causal factors in themselves, these features should not be ignored in the analysis of balancing behavior. These results lend further support to a criticism that has been frequently leveled against the purely structuralist interpretations of realist thinking and are in line with the theoretical expectations and existing case studies of its neoclassical variant.

Some plausible expectations about the causes of over- and underbalancing could also be confirmed in this study, again underscoring the importance of unit-level factors. Although the broad, generic concepts for "state strength" and "inclusiveness" used here were already quite useful for explaining internal balancing efforts, this could be expanded by looking at more specific metrics for state institutions, power distribution and veto points in decision making.

At the same time, there are a few noticeable shortcomings within these models as well as some questions that remain open – both thus offering substantial reasons to continue re-

search in this direction. Most importantly, variance in external balancing in general could not be sufficiently accounted for even when employing both domestic and systemic explanatory factors. This is most likely due to problems with the indicator used to measure alliances, as it misses out on less-formal bilateral relationships that are nevertheless still important for balancing purposes. Additionally, the increasing proliferation of multilateral collective security schemes over classic bilateral alliances may have something to do with this; long-standing multilateral alliances are themselves institutions of considerable influence, and there is substantial evidence that they are resilient even in the face of massive shifts in the balance of power (NATO being the most prominent example here). Still, this model could plausibly be improved by employing more inclusive indicators like direct bilateral military assistance or other subsidies – if sufficient data can be obtained for them.

Second, other points of special interest are the individual cases that were identified as over- or underbalancers respectively. While some of them are already highly prominent (such as North Korea, arguably the most well-known and extreme example of an extractive military state), others may also serve as interesting cases for future comparative or individual case studies. This is especially relevant for those cases that show similar behavior despite the two sides having substantially different domestic institutions (such as Israel and Syria).[42]

Third, the method employed here to identify cases faced with a high threat level should also offer some opportunities for future research. However, the very concept of what constitutes a "threat" is intrinsically subjective in nature and thus lends itself to qualitative rather than quantitative analysis. Nevertheless, the rule employed here did result in the identification of many bilateral relationships that are generally considered to be among the world's most serious interstate conflicts – which suggests that the focus on territorial disputes, coupled with power gaps, can serve as an effective part of future quantitative explorations of the concept of threat.

42 Of course, these two also form one of the dyads by themselves, so a mutually reinforcing arms race might be the explanation here. Since the CINC data comprises facets of potential (economic and demographic) and actualized (military) power, a mutual expansion of military spending can still be judged as "overbalancing" on both sides – in this case, Israel had a persistent advantage in industrial capability, while Syria had a much larger population (thus resulting in close aggregate scores).

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Appendix

Table 7: Descriptive Statistics of Entered Variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. deviation
Polity2 score weaker	666	-10	10	-2,54	6,861
State strength weaker	458	2,98	69,54	14,8331	9,01438
Ratio of CINC scores	687	1,00091	26,08679	4,2267541	3,86293609
Difference in CINC scores	687	,00000	,19097	,0226783	,03313471
mil/pop weaker (lagged)	686	,000000	,076889	,01255826	,013707303
milex/gdp weaker (lagged)	482	,005454	,448527	,07469415	,072098844
weaker alliances (lagged)	687	,00	4,00	1,0451	,92865
weaker allycap (lagged)	676	,00	,32	,0745	,09291
regime dissimilarity	658	,00	19,00	7,5851	6,90859
Valid N (listwise)	408				

Source: Author's compilation.

Table 8: Multicollinearity Matrix of Independent Variables

		Polity 2 score	*State strength*	*Capability ratio*	*Capability difference*	*Regime dissimilarity*
Polity 2 score	Corr.		-0,032	-0,098	0,153	0,210
	Sig.		0,490	0,011**	0,000***	0,000***
State strength	Corr.	-0,032		-0,266	-0,346	0,229
	Sig.	0,490		0,000***	0,000***	0,000***
Capability ratio	Corr.	-0,098	-0,266		0,508	-0,204
	Sig.	0,011**	0,000***		0,000***	0,000***
Capability difference	Corr.	0,153	-0,346	0,508		0,015
	Sig.	0,000***	0,000***	0,000***		0,693
Regime dissimilarity	Corr.	0,210	0,229	-0,204	0,015	
	Sig.	0,000***	0,000***	0,000***	0,693	

Corr = correlation estimate (Pearson's r) for all variable pairs; Sig = significance estimates (*: correlation is significant at the 5% level, ** = 1% level, *** = 0.1% level).

Source: Author's compilation.

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