

The Effect of Regional Institutionalization on Violent Conflict:

A Shaky Kantian Leg?

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Abstract

Are more institutionalized international organizations more effective in mitigating militarized interstate disputes? Realists expect no independent effect of international organizations on such disputes, regardless their level of institutionalization. Liberals, on the other hand, offer several mechanisms by international organizations may alleviate violent conflict. These mechanisms depend on the institutionalization of these organizations in important ways. I empirically evaluate the claims of these contending perspectives with respect to regional integration arrangements (RIAs). These organizations display a great deal of variation in their institutional design and the implementation thereof. Employing an event count model with a panel-data set up and controlling for several alternative explanations, the empirical analysis indicates that higher levels of regional institutionalization tend to reduce violent conflict at the regional level, but that this effect is rather weak.

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Introduction

Policymakers often invoke the prospects of peace and stability as a reason to form and develop international organizations at the regional level. For example, the founders of the European integration process strongly believed that a regional economic organization was vital for European reconciliation. More recently, South Asian leaders agreed to “renew [their] commitment to the objectives and principles of SAARC [South Asian Association for Regional Cooperation] and pledge to reinvigorate cooperation to realize peace, amity, progress and prosperity of all peoples of South Asia” (Islamabad Declaration, January 6, 2004).

This link is, however, by no means a foregone conclusion. Scholars of international relations have important disagreements regarding this issue. Realists ascribe little importance to international organizations and express a great deal of skepticism with respect to the ability of these institutions to alleviate violence and war independent of states’ power (see, e.g., Waltz, 1979; Mearsheimer, 1990, 1994/95; Schweller 2001). Liberals, on the other hand, believe that international organizations and institutions play an important role in world politics and can mitigate international conflict (see, e.g., Haas, 1964; Nye, 1971; Keohane and Martin, 1995; Abbott and Snidal, 1998; Martin and Simmons, 1998). They offer several mechanisms by which such institutions can foster peace and stability. As I discuss in detail below, the ability of these mechanisms to reduce conflict depends on the institutionalization of the organization.

Despite the significance of this debate to the field of international relations, little empirical evidence has been accumulated on this question. The body of evidence that

realists bring to support their contentions is quite patchy, and their critique of the liberal perspective is usually based on logical consistency and anecdotal evidence. Empirical studies that support the liberal view overlook the significant institutional variation across international organizations and treat them as homogenous. For example, Russett and Oneal (2001) simply count the number of international organizations that any two states share.¹ While studies in this tradition serve as an important first cut into the empirical evaluation of this issue, they cannot evaluate the effect of institutional variation on conflict. In view of the significant roles that institutionalization of international organizations – defined as the degree of functional activity and political authority that states hand over to these organizations – play in the causal mechanisms liberals put forward, this is an important oversight.

My study endeavors to fill this void by examining the effect of institutional variation across regional integration arrangements (RIAs) on violent conflict at the regional level. These organizations reveal important variation in their level of *regional institutionalization*, which refers to these organizations' scope of activity, institutions, and the degree of implementation of the written agreements.² Their functional similarity, on the one hand, and their institutional variation, on the other, suggests that the study of RIAs can provide valuable insight into the study of institutional variation and its implications for conflict and peace. The emphasis of regional organizations also underscores the importance of the regional level of analysis in the study of conflict and peace in world politics (Buzan, 1991; Lake and Morgan, 1997; Kacowicz, 1998; Lemke, 2002).

¹ For a similar approach, see Domke (1988) and Mansfield and Pevehouse (2000).

This paper proceeds as follows. In the next section I compare the realist and the liberal perspectives concerning the effects international organizations and variation in the institutionalization of such organizations on violent conflict. This comparison yields two competing hypotheses. In particular, I show that the arguments associated with the liberal viewpoint indicate that institutional variation has important implications for the expected level of violent conflict. In the third section I discuss issues of research design. I elaborate on the two main variables – regional conflict and regional institutionalization – as well as a host of control variables. The fourth section reports the results of the empirical analysis. My findings suggest that higher levels of regional institutionalization tend to reduce violent conflict at the regional level, but that this effect is rather weak. The final section concludes.

Regional Institutionalization and Violent Conflict

The controversy regarding the effect of international institutions on conflict lies at the heart of the debate between realists and institutionalists. This section examines the implications of the arguments that these schools of thought put forward regarding this issue for possible effects of variation in regional institutionalization on interstate violent conflict.³ The theoretical discussions are followed by hypotheses that correspond to the causal logics of the alternative views.

² I elaborate on the concept of regional institutionalization and its different components in detail below.

The Realist View

The realist school of thought ascribes little independent political power to international institutions. According to this view, such institutions and organizations are epiphenomenal and reflect the interests of the powerful states in the international system.⁴ Therefore, they reject the notion that international organizations and law can independently inhibit violent conflict. In *The Twenty Years' Crisis*, E.H. Carr (1964[1946]) dismisses as utopian the idea that international organizations and the covenants on which they are founded can bring about peaceful change. He concludes his book (1964:239) by saying that “those elegant superstructures must wait until some progress has been made in digging the foundations.”

More recent studies echo this theme. Waltz (1979:70-71) and Mearsheimer (1990:46-48) cast doubt on the belief that European integration has been instrumental in bringing peace to Europe. Instead, they highlight the role of systemic forces such as bipolarity, and the existence of nuclear weapons. As Mearsheimer (1994/95:7) summarizes, “institutions have minimal influence on state behavior, and thus hold little promise for promoting stability.” Schweller (2001:182) adds that when important interests clash, a powerful state “may choose to exhibit restraint, and then again it may not. In these matters, however, institutions are guarantors of nothing.” Because realists believe that international institutions do not matter, they see no need to concern themselves with the possible effects of institutional variation on conflict (Schweller and

³ The examination of the effect of regional institutionalization on domestic conflict, while a worthy endeavor, is beyond the scope of this paper. I intend to explore this question in the future.

⁴ Schweller and Priess (1997) attempt to promote a more nuanced realist account of international institutions. They argue that institutions serve as intervening variables between power and state behavior.

Priess, 1997:23).⁵ If the most institutionalized international organizations – such as the United Nations, NATO, and the European Union – cannot promote peace, less institutionalized organizations certainly can't. The null hypothesis is therefore:

H1: the level of RIA institutionalization has no independent effect on the level regional interstate violent conflict

The Institutional View

Institutionalists take a diametrically opposed position. They argue that international institutions play an important role in world politics. In particular, they maintain that institutions can be instrumental in reducing international conflict and propose several causal mechanisms by which they may do so. As my discussion below indicates, the effectiveness of these causal mechanisms depends in important ways on their level of institutionalization. While it is possible to empirically differentiate the different causal mechanisms, in this paper they are combined into one expected observable implication. The reason for doing so emanates from my attempt to evaluate the more fundamental differences between the realist and the institutionalist perspectives.⁶

Economic Interdependence, Regional Institutionalization, and Conflict

The most conventional argument can be traced to functionalists and neo-functionalists, who argue that cooperation through international organizations inhibits

Still, they believe that institutions reflect and promote the interests of the dominant powers at the expense of the weak (1997:12-13).

⁵ In their own study, Schweller and Priess offer a realist framework to study institutions. As they admit (1997:23), however, their model “is merely a sketch derived from earlier realist’ insights on institutions; far more work remains to be done.” To my best knowledge, realist scholars did not act upon this suggestion.

⁶ I intend to empirically evaluate the effect of the different causal mechanisms in the future. For a recent attempt to take on this issue, see Bearce and Omori (2003).

violent conflict (Mitrany, 1946; Haas, 1964; Nye, 1971). Functional interdependence fosters economic benefits that states, or domestic groups within them, might have to give up if they resort to violence. As Nye (1971:110) points out, “the higher each disputant’s level of interest in the other disputant’s welfare, the greater the incentives to resort to non-violent forms of settlement of dispute.”

From this perspective, RIAs are particularly useful.⁷ By promoting regional trade, investment, and other economic benefits, these institutions raise the opportunity costs of violent disputes (Nye 1971; Mansfield, Pevehouse, and Bearce, 1999/2000; Mansfield and Pevehouse, 2000). The effect of RIAs on the level of economic interdependence is not uniform, however. Several studies examine the effect of regional integration on intra-regional trade and find significant spatial and temporal variation (e.g. Frankel, 1997; Foroutan, 1998; Soloaga and Winters, 1999). While the extant literature does not examine how variation in regional institutionalization affects regional trade, it stands to reason that greater cooperation in commercial issues ought to increase the actual trade flows. Higher levels of institutionalization indicate lower barriers to trade in goods and services and greater bargaining power with respect to third parties, for example.⁸

Beyond its direct effect on regional trade, regional institutionalization may enhance economic interdependence in several ways.⁹ First, RIAs provide an institutional framework that help to ensure that economic exchange between the member-states will

⁷ This neo-functional logic was an important driving force behind European integration, which in turn stimulated extensive neo-functional literature in the 1960s and 1970s (Caporaso, 1998).

⁸ It is not surprising that empirical studies, which examine the effect of economic regionalism on trade, usually point at the more institutionalized RIAs as the most effective. Frankel (1997) finds that ASEAN, ANCOM, MERCOSUR, and the EU tend to boost trade among its members. Foroutan (1998) maintains that among RIAs in the developing world, the CACM, ANCOM, MERCOSUR, WAEMU, and SACU can be considered as effective.

be steady and more predictable (Mansfield and Pevehouse, 2000:780). In addition, institutional mechanisms that attempt to boost trade, may lead policymakers to expect an increasing flow of regional trade in the future (Copeland, 1996). More institutionalized RIAs are likely to produce expectations for higher levels of commercial exchange, and thus to reduce the possibility that member-states will jeopardize these future gains.

Second, while current research focuses on the effect of RIAs on trade, these institutions cover other issue-areas that pertain to economic interdependence. RIAs may, for instance, encourage free movement of labor and capital, have regional investment code, or coordinate monetary policies. These policies foster the level of regional economic interdependence, and in turn increase the costs of breaking down such arrangements as a result of violent conflict. Naturally, the greater the number of issue-areas that an RIA covers and the deeper the integration in any such issue-area, the higher the opportunity cost of inter-state violence.

Recently, however, several studies challenged the idea that international organizations can reduce violent conflict by increasing its opportunity cost through trade and investment. Using a rational theory of war (Fearon, 1995), these studies argue that because war is costly, states are generally better off striking bargains without resorting to violence. According to this logic, then, wars occur mainly due to informational problems. In particular, uncertainty about strategic conditions and about the resolve of their opponents leads states to fight. From this perspective, the effect of known levels of economic interdependence on violent conflict is indeterminate. On the one hand, such interdependence decreases the resolve of states. On the other, it increases the incentives

⁹ As discussed below, the empirical analysis controls for actual levels of intra-regional trade.

of others to exploit this weakness and fight (Morrow, 1999; Gartzke, Li, and Boehmer, 2001). Still, this logic suggests that economic interdependence can mitigate violence by increasing the ability of policymakers to communicate their resolve through costly signals. When interdependent states disagree they can sever their economic ties as a way to signal their resolve, and thus to peacefully settle their differences (Morrow, 1999; Gartzke, Li, and Boehmer, 2001).

One can apply this logic to the effect of RIAs on militarized disputes. To the extent that these organizations increase economic interdependence, they can reduce violence by providing their members with more opportunities to convey their resolve with peaceful means (Bearce, 2003). For example, belligerents can threaten to leave an RIA in order to demonstrate the gravity of the matter. The greater the functional cooperation and integration that an RIA produces, the higher the sacrifice states make by giving up part or all the benefits RIAs provide for their members. Thus, the logic of this argument suggests that higher the levels of regional institutionalization provide members of RIAs with a wider range of available signals with which they can demonstrate their resolve.¹⁰ In summary, this line of reasoning suggests that higher levels of economic and functional cooperation should result in lower levels of militarized interstate disputes.

Even when considering the signaling argument, however, the approach that emphasizes functional cooperation and integration suffers from some weaknesses. While governments play a key role in the management of security affairs, those that usually benefit from functional cooperation are sub-state societal groups (e.g. economic sectors).

¹⁰ For a similar argument with respect to the universe of international organizations, see Boehmer, Gartzke, and Nordstom (2002).

Thus, to the extent that a state severs its economic relations with its neighbors, private actors – and not the government – pay the price (Bearce, 2003). Such policies can be considered costly signals only insofar as losing societal groups are able to pass these costs on to their government by, say, removing it from office. Thus, societal groups are required to have both the motivation and the political power to pressure decision-makers, and therefore have to carry most of the causal weight. Although this causal chain is not implausible, there is little theoretical and empirical evidence to support this line of reasoning.¹¹ In addition, it is not clear that economic policies can provide information regarding the resolve of a state with respect to strategic and military issues. Observers may still view the breakdown of functional cooperation as a relatively cheap way to demonstrate resolve. Put differently, the fact that a state is willing to suffer economic costs does not necessarily inform others of its willingness to go to war. Far more research on this issue is needed in order to establish this causal story.

Regional Institutionalization, Regional Institutions, and Conflict

One account emphasizes the role of international institutions as instruments that can reduce uncertainty and convey important information. The collection and exchange of information increases transparency, and thus reduces the possibility of disputes that may arise from misperceptions (Keohane, 1984; Russett and Oneal, 2001:164). Such institutions also foster the creation of regional bureaucracy that allows the socialization of public officials from the different member-states. In turn, these officials may develop a sense of common regional interest and promote the regional cause back home. At the

¹¹ Alternatively, Bearce (2003) suggests that oftentimes the government itself bears some of the costs associated with the breakdown of economic cooperation. This theoretical framework is only in its initial

highest level, frequent meetings of senior policymakers may allow socialization and discussion of outstanding issues directly and openly, and thus can foster trust and mutual confidence (Russett, Oneal, and Davis, 1998; Bearce, 2003). For example, Bearce (2003:364) argues that repeated meetings among the leaders of the members of ECOWAS “fostered norms of peaceful behavior in region.”

Taking these arguments at face value, the ability of international organizations, RIAs included, to fulfill these functions depends upon the existence and strength of several institutional features. An executive secretariat with permanent staff is required to efficiently collect and disseminate useful information on the behavior of its members and to support the daily functioning of the organizations. Not all RIAs establish such secretariats, and some secretariats do not have their own employees. In addition, to the extent that a regional bureaucracy attempts to promote common regional interests, not all secretariats have the power to take initiatives or to intervene in the decision-making process. These powers vary across the numerous RIAs. Finally, the ability of policymakers to socialize and build mutual trust depends on the frequency of regional summits. While most RIAs provide for such regular meetings, the actual execution of these meetings varies. The leaders of the Arab Maghreb Union (AMU), for example, met only six times in nine years (instead of eighteen times, as planned), which in turn led to an organization “in a state of, at best, prolonged hibernation” (Mortimer, 1999:177). In summary, the institutional logic indicates that the ability of regional institutions to reduce violence hinges on their level of institutionalization.

stages and requires further investigation.

Several studies underscore regional institutional features that facilitate the peaceful resolution of interstate disputes. One account highlights the role of dispute settlement mechanisms (DSMs), which are a common element of many RIAs (Yarbrough and Yarbrough, 1997; Smith, 2000). These mechanisms usually address economic disputes that arise from substantive disagreements regarding the operation of the RIA and other outstanding economic matters. In doing so, they resolve conflicts that can potentially escalate into militarized disputes (Russett, Oneal, and Davis, 1998; Russett and Oneal 2001; Mansfield and Pevehouse, 2000:781). DSMs vary in their level of institutionalization. Some RIAs, such as the EU's European Court of Justice (ECJ), have highly legalized and very effective international courts (Burley and Mattli, 1993; Yarbrough and Yarbrough, 1997). Other RIAs, such as the GCC and SACU, have a very shallow DSM or no mechanism at all (Smith 2000). Importantly, this variation has important implications for the ability of such mechanisms to adjudicate economic disputes and to enforce its decisions. More institutionalized and legalized DSMs are more likely to resolve disputes through mutual agreement and to prevent states from resorting to unilateral measures (Yarbrough and Yarbrough, 1997; Kahler, 2000). Insofar as economic disputes and trade wars may result in political and military conflict,¹² it can be inferred that the pacifying effect of DSMs should increase as their level of institutionalization rise.

¹² It is not clear that this is indeed the case. The little support for the notion that military conflicts emanate from economic disagreements resulted in calls to delineate the two types of conflict (Mansfield and Pollins, 2001; Haftel, 2003). This assertion sheds doubt on the utility of DSMs in mitigating military conflicts (Bearce, 2003:352).

Regional Institutionalization, Security Arrangements, and Conflict

One way by which states can directly communicate their military objectives and strategic intentions is through cooperation on security-related issues. By creating confidence building measures and having joint military exercises, and by signing security-related agreements, member-states may reveal a great deal of information on their military preparedness and their motivation with respect to security affairs (Bearce, 2003; Powers, 2001). This information helps to reduce informational asymmetry and misperceptions, and thus to mitigate possible violent conflicts. RIAs can also foster the sharing of intelligence with respect to domestic violence and crime. To the extent that such activities transform into interstate conflict (which is oftentimes the case in the developing world), containing them can be an important step towards regional peace and stability.

To the extent that RIAs have peacekeeping operations or other types of task forces, RIAs can provide safeguards to peaceful resolutions of existing conflicts and to commit opposing parties to these arrangements (Boehme, Gartzke, and Nordstom, 2002; Bearce, 2003). In addition, pooling military resources may alleviate the problem of credible commitments that is inherent to international politics. According to this logic, because the balance of power shifts over time, rising powers may commit for peace in the future but renege on their commitment later. Thus, states that are powerful in the present have an incentive to launch a preemptive strike against a rising, but still weaker, power (Fearon, 1995). Arrangements that increase military interdependence can provide a solution to this problem by preserving the status quo and by impeding unilateral action

(Koremenos, Sangiovanni, and Verdier, 2001; Sangiovanni, 2003). Certainly, greater pooling of military resources indicates greater commitment to peace.

Although this aspect of RIAs attracted only scant attention,¹³ many of these organizations have security arrangements in varying degrees of importance. These arrangements are especially pertinent in RIAs among less developed states, where economic and military problems tend to intermingle. A few examples of security cooperation in the context of economic regionalism are Mercosur's Permanent Commission for Coordination, the Economic Community of West African States Monitoring Group (ECOMOG, which is a part of ECOWAS), and SAARC's convention on suppression of terrorism. The ability of such mechanisms to contain violent conflict depends, of course, on their degree of institutionalization. Greater number of arrangements that cover more issue-areas (e.g. territorial disputes, terrorism, nuclear proliferation, and the like) provide members with more valuable information, provide the RIA with more influence with respect to such issues, and allow states to make stronger commitment to peace and stability. Thus greater institutionalization of security cooperation should result in lower levels of violent conflict.

Regional Institutionalization, Common Identity, and Conflict

The final line of reasoning considers the possibility that international institutions may foster a sense of shared identity, partly as a result of functional and institutional cross-border networks. This common identity, or "we feeling," leads to a security community in which violent conflict becomes illegitimate and unthinkable (Deutsch et

¹³ For exceptions see Powers (2001) and Bearce (2003).

al., 1957; Adler and Barnett, 1998a; Wæver, 1998). While international organizations are not the only means to shape norms of identities, they play very important role in the creation of security communities. Adler and Barnett (1998b:421) point out that although in the past some security communities “[were able to] develop outside a highly institutionalized environment...given the proliferation of international organizations in the contemporary period, it is difficult to imagine those conditions to exist again.”

According to this view, RIA can help creating a sense of common identity in several ways. First, these organizations can shape state behavior by defining and articulating what constitutes legitimate policies and practices (Adler and Barnett, 1998b:418-19). Organizations that address a greater number of policies and practices, it seems, are better suited to create and deepen a sense of community. In addition, international organizations may “encourage states and societies to imagine themselves as part of a region” (Adler and Barnett, 1998b:419). This function depends on the ability of the organization to bring policymakers together and to socialize them and on the existence and strength of regional bureaucracy, which identify itself with the region. Thus, the logic of security community implies that the ability of international organization to forge common identity and “we feeling” hinges on the level of regional institutionalization. It is no surprise, then, that Adler Barnett (1998a) argue that the number and power of international organizations increase as one moves from a nascent to a mature security community. Thus, this discussion suggests that the level of regional security and peace is a function of common identity, which varies according to the level of institutionalization in a given region.

In sum, institutionalists promote several theoretical arguments according to which international institutions are instrumental in mitigating the level of violent conflict. Although the different causal paths emphasize different institutional aspects, they all suggest that the effect of institutions on conflict and war should vary with the level of regional institutionalization. We can thus hypothesize:

H2: the higher the level of RIA institutionalization the lower the level regional interstate violent conflict

Research Design

I test the competing arguments as well as alternative explanations on most existing Regional Integration Arrangements (RIAs) that were formed before 1992.¹⁴ RIAs are defined as a “political process characterized by economic policy cooperation and coordination among countries” (Mansfield and Milner, 1999:591).¹⁵ That is, RIAs *must* have a component that deals with economic policies, but they may include other issue-areas, e.g. political and security cooperation. I code 25 RIAs, of these eleven are from Africa, five are from Asia, and seven are from the Americas and two are from Western Europe. Appendix B lists these RIAs, their member-states, and the years in which they were formed. The time frame for evaluation of the numerous RIAs is from 1982 to 2001. Because economic regionalism is a gradual process, I code the main independent variable – regional institutionalization- every five years. These are 1982,

¹⁴ Because institutionalization is a gradual process, it is difficult to properly evaluate its level for institutions that exist for a very short time. The year of 1992 is selected in order to allow at least two observations for each RIA.

¹⁵ Framework agreements - such as the African Economic Community (AEC), the Cross Border Initiative (CBI), Asia Pacific Economic Cooperation (APEC), and East Asia Economic Caucus (EAEC) - are excluded.

1987, 1992, and 1997 (denoted as t).¹⁶ The other variables are coded and measured as to correspond to this five-year set-up.

The dependent variable is a count of regional violent disputes and is characterized by a Poisson distribution. Therefore, an *event count* model is used for estimation. In addition, the significance of the goodness-of-fit parameters in the statistical models below indicates that a *negative binomial regression model* (NBRM) is the most appropriate. This model assumes a Poisson distribution but allows a conditional variance that is greater than the conditional mean (Long, 1997). Finally, the data is arranged in a panel set-up. I employ a random effects count model to account for cross sectional unobservable contextual heterogeneity.¹⁷ In this section I discuss definition, measurement, and data sources of the dependent and the main independent variables. I also elaborate on the theoretical merits of several control variables and derive hypotheses regarding their effect on regional violent conflict.

Dependent Variable

The dependent variable is regional violent conflict. Because the number of intra-regional violent conflicts is relatively small, I aggregate the number of armed conflicts over the five-year period that follows the year in which the level of regional institutionalization is measured (discussed below).¹⁸ Finally, I calculate the occurrence of violent conflict. That is, for any given conflict, all years in which it took place are coded

¹⁶ Note, however, that RIAs that were formed after 1982 do not have four observations. An RIA that was formed in, say, 1989 has only two observations, 1992 and 1997. Eighteen RIAs have four, four RIAs have three, and three RIAs have two observations. For more details, see appendix B.

¹⁷ Panel data refers to datasets that are cross-sectionally dominated. My dataset contains 25 sections (RIAs) and up to four time points. The command `xtnbreg` in Stata is used.

1, and zero otherwise. This measure captures the amount of regional conflict in a five year period, regardless the timing of its initiation.¹⁹ Thus:

$$\text{MID} = \sum_t^{t+4} \text{MIDs}$$

To operationalize this variable, I use the militarized interstate disputes (MIDs) dataset, which is a conventional measure of interstate violence. This dataset contains incidents that involve the threat, display, or use of force between members of the interstate system (Jones, Bremer, and Singer, 1996; Ghosn and Palmer, 2003). For any RIA, I count all the disputes between its members.

Independent Variables

The main independent variables attempt to capture the concept of RIA institutionalization. As I discuss below, I operationalize this concept in two alternative ways. First, I examine the effect of *designed regional institutionalization*, which I label DERI, on violent conflict. Then, I examine the effect of *implemented regional institutionalization*, which I label IMRI. In what follows I briefly discuss the definition, operationalization, and measurement of these variables.²⁰

The concept of institutionalization is frequently used to describe the process of economic regionalism (see, e.g., Grieco, 1997; Choi and Caporaso, 2002). Only rarely, however, does an explicit definition accompany such usage. A useful starting point is

¹⁸ Specifically, the dependent variable is aggregated as follows: 1982-86; 1987-91; 1992-1996; 1997-2001.

¹⁹ I also tested statistical models in which the dependent variable was dispute onset. This alteration did not change the results in a meaningful way, and thus not reported.

Sandholtz and Stone Sweet's definition (1998:16), according to which institutionalization is "the process by which rules are created, applied, and interpreted by those who live under them."²¹ Importantly, institutionalization is costly because it requires states to cede sovereignty and adjust their behavior according to others' interests.

This definition can be measured along two dimensions. The first dimension involves rule creation, which I label *institutional design*. Institutional design can be divided into two parts: the *scope* of activity, which captures the range of issues areas in which states adopt and establish rules (Lindberg, 1971: 59-60; Koremenos, Lipson, and Snidal, 2001:770-71; Grieco, 1997:168); and *institutional centralization*,²² which refers to the bodies that sustain the integration and cooperation process, their activities and responsibilities (Koremenos, Lipson, and Snidal, 2001: 795). The second dimension - which I label *implementation* - involves the application and interpretation of rules, and the actual steps that member-states take in order to realize the agreements they concluded. This dimension captures the notion that institutionalization involves not only agreements and rules but also state behavior according to these rules.

Before elaborating on these dimensions in more detail, it is important to understand what institutionalization is not. According to my definition, institutionalization is different from effectiveness. The latter term refers to the relative success of an institution to obtain its stated goal. From this perspective, institutionalization may or may not enhance the effectiveness of rules (Victor, Raustiala,

²⁰ For a detailed discussion of this variable and its properties, see Haftel (2003).

²¹ Note, however, that as a result of their exclusive attention to European integration they emphasize the dimension of supranationality, which is only part of my operational definition.

²² As I explain below, this dimension is closely related to several other concepts, such as independence.

and Skolnikoff, 1998; Raustiala and Slaughter, 2002). For example, states may form a free trade area (FTA) in order to increase intra-regional trade. Institutionalization refers to the rules established to form the FTA and the implementation of these rules. Effectiveness refers to the impact of the FTA on actual trade flows.²³

Institutional Design

Institutional design is a necessary and important dimension of any institution, and uncovering the sources of its variation is of great interest to the field of international relations (Koremenos, Lipson, and Snidal, 2001). This dimension is composed of scope of activity and institutional centralization. As reported in Appendix A and discussed in more detail below, each of the two parts is divided into several categories according to different issue-areas. Each category is further divided into several indicators, which attempt to measure the breadth and the depth of the issue-area coverage. In total, I identify 14 categories and 40 indicators. Each indicator can obtain a value of 1, if present, and 0 if absent. Thus, the designed institutionalization ranges from 0 to 40, and the higher the number the higher the degree of institutionalization.

Scope of Activity

RIAs cover a wide range of economic and political issues, and an exhaustive list of the issue areas that these institutions address does not exist. In order to make a meaningful comparison of the different RIAs, it is necessary to construct such a list. Based on the extant literature, I attempted to record the universe of issues that RIAs

²³ The effect of institutionalization on effectiveness is an important empirical issue that is beyond the scope of this paper.

address. To have a grasp of RIAs' scope of activity, I divide this dimension into two components, which I label Regional Integration (RI) and Regional Cooperation (RC).

Regional Integration (RI) refers to the conventional categories elaborated by Balassa (1961). These are: free movement of goods, customs union, free movement of services, free movement of capital and investment, free movement of labor, and monetary and fiscal cooperation. Note that unlike Balassa, I am not assuming a gradual process that begins with a free movement of goods and ends with a monetary and economic union. Both theory and practice show that these categories can be independent of each other. It is noteworthy that these categories are usually politically sensitive, and subordinating them to regional institutions can generate significant sovereignty costs.

Regional Cooperation (RC) refers to several categories that are excluded from Balassa's conventional typology. Nonetheless, these are important issues that correspond to key goals of past and present RIAs. Because there is little systematic analysis of these issue-areas in the general context of RIA institutionalization, classification of these issues is not straightforward. I used one previous study (Page, 2000) and my best judgment to identify the different categories and the indicators contained in them. RC includes sectoral cooperation and harmonization, economic development, economic diplomacy, and regional security. For more details see Appendix A. Like regional integration, regional cooperation requires states to coordinate their policies in important issue-areas and to adjust their policies to the preferences of others.

Institutional Centralization

Institutional centralization (IC) refers to the bodies that sustain the integration and cooperation process, their activities and responsibilities. I examine several indicators suggested in the existing literature by dividing the institutional features of the RIAs to four categories, namely decisionmaking body, regional bureaucracy, dispute settlement mechanism, and transnational coordination. In each category I examine each institution, assess its main roles, and its contribution to the institutionalization of the RIA as a whole. Indicators such as decisionmaking procedure, the autonomy of the regional bureaucracy, and degree of dispute settlement mechanism legalization attempt to capture the degree of RIA independence, which can be defined “the authority to act with a degree of autonomy, and often with neutrality, in defined spheres” (Abbott and Snidal 1998: 9).²⁴ Greater centralization indicates that the locus of decisionmaking and the daily operation of the RIA have moved from the national level to the regional level, which in turn reflects greater sovereignty costs.

Taken together, the three components discussed above produce the designed regional institutionalization, or DERI. Formally stated:

$$DERI = \sum IN_{RI}, IN_{RC}, IN_{IC}$$

Where $DERI_i$ is the level of designed institutionalization for any RIA, and IN is each indicator covered by the agreement for each of the three components. Each RIA can score from 0 to a maximum of 40 points. To determine the level of the design regional institutionalization I surveyed several sources that describe the formal agreements and the

²⁴ Independence subsumes the level of institutional authority (Grieco, 1997:165) and autonomy (Keohane, 1989:5). For a detailed discussion of this issue, see Thompson and Haftel (2003)

organizational structure of the RIAs. According to the second hypothesis, DERI is expected to reduce the level of regional violent conflict.

Implementation

Implementation is a key component in institutionalization. Keohane (1989:1), for example, maintains that institutionalization in world politics refers to instances in which “behavior is recognized by participants as reflecting established rules, norms, and conventions, and its meaning is interpreted in light of these understandings.” Thus, the incorporation of implementation into the measure of regional institutionalization takes it beyond institutional design and to examine state behavior.²⁵ As Lisa Martin (2000:18) points out, “if agreements are not implemented, and the necessary policies changed, no cooperation has taken place. So it is essential that we consider implementation of international agreements if we are to understand patterns of international cooperation.”

Victor, Raustiala, and Skolnikoff (1998:4) point out, however, that “implementation is a loose process that is not easily defined.” When implementation of international agreements is considered, one can think of at least two distinct stages of implementation. First, governments need to transfer their international obligations to domestic laws and regulations. Second, non-state and sub-state actors – such as firms, investors, local governments, and bureaucracy – have to implement these new rules (Victor, Raustiala, and Skolnikoff, 1998:4). Because of the lack of systematic and

²⁵ Implementation is related to but different from the concept of *compliance*. Implementation is usually a key step towards compliance, but it is neither a necessary nor a sufficient condition for compliance (Raustiala and Slaughter, 2002:539).

comparative information on the implementation of RIAs, in this study I examine only the degree to which national governments implement the agreements they signed.

When measuring implementation one can think of a continuum between no implementation and complete implementation of any particular indicator. In the middle, member-states can implement only part of the agreement. In order to compare the degree of implementation across RIAs, I created a simple ordinal scale of zero, one half, and one. If the RIA did not implement the agreement regarding a specific indicator, or if implementation is low, then the RIA scores 0. If implementation is complete, or nearly complete, then the RIA scores 1. If implementation is partial, then the RIA scores 0.5. For example, many RIAs reduce barriers to trade and factors of movement in a gradual process. If they have completed only some of these steps, I code the degree of implementation as partial. To create a measure of RIA institutionalization that incorporates the level of implementation I simply multiply the values scored on the institutional design with the score on implementation. Formally stated:

$$IMRI = \sum IN_{RI} * IM, IN_{RC} * IM, IN_{IC} * IM$$

Where $IMRI_i$ is the level of implemented regional institutionalization for any RIA, and IN is each indicator covered by the agreement for each of the three components, and IM is the level of implementation obtained for each indicator. Each RIA can score from 0 to a maximum of 40 points. To determine the level of the implemented regional institutionalization, I relied on various secondary sources, including in-depth case studies that attempt to evaluate the various RIAs under scrutiny. Note that each coding is a result

of cross-examination of these different sources.²⁶ According to the second hypothesis, IMRI is expected to reduce the level of regional violent conflict.

Alternative Explanations

The extant literature offers several explanations for violent conflict and war in the international system. I briefly review the arguments, derive testable hypotheses, and discuss the operationalization and measurement of these control variables.

Economic Interdependence

Economic interdependence, usually conceptualized in terms of international trade, is a widely cited explanation for peace. According to proponents of this theory, free trade results in gains to individuals in the involved countries. Because war is expected to break these beneficial ties and create substantial losses to widespread commercial interests, simple calculation will show that war is too costly and irrational under conditions of free trade. This argument was popularized by 19th century British liberals, such as Richard Cobden, and attracted a renewed scholarly attention in recent years (Russett and Oneal, 2001; for a recent review see Mansfield and Pollins, 2001). Indeed, as discussed above, institutionalists believe that RIAs mitigate conflict is partly because it reduces barriers to regional trade and increases economic interdependence (Mansfield and Pevehouse, 2000). From this perspective, accounting for regional economic interdependence allows one to evaluate the effect of regional institutionalization on conflict independent of its indirect effect through its effect on trade.

²⁶ For more details see Haftel (2003).

H3: the greater the level of regional economic interdependence, the lower the level of regional violent conflict

The level of regional economic interdependence is usually captured by regional trade share, which is the intra-regional trade as a percentage of the total regional trade (Grieco, 1997; Page 2000).²⁷ A greater proportion of intra-regional trade indicates that the RIA members trade more among themselves relative to their trade with the rest of the world, which in turn suggests greater regional interdependence. Thus:

$$\text{TSHARE} = \left(\sum_t^{t-4} \text{Intra-Regional Export} / \text{Total Exports} \right) / 5$$

UNCTAD provides information on trade share for most RIAs, based on their exports.²⁸ To minimize the risk of endogeneity and to smooth possible picks, TSHARE is a lagged five-years average. TSHARE is expected to reduce the level of violent conflict in a region.

Regime Type

Proponents of the celebrated “democratic peace” research program contend that democracies rarely go to war against other democracies, and less likely to fight each other relative to other groups of states (the body of literature on this issue is voluminous. For a concise statement of the theory and findings, see Russett and Oneal (2001)). Most of the empirical research on this issue, however, is conducted at the dyadic level. While the empirical findings at this level of analysis are generally robust for alternative specifications, the explanatory power of the theory at other levels of analysis is yet to be

²⁷ Grieco (1997) refers to this measure as trade encapsulation.

²⁸ Trade data for SACU is not available, and most likely does not exist (see Page, 2000:117).

determined (Gleditsch and Hegre, 1997). Particularly, although both regime type and conflict tend to cluster geographically, the effect of regime type at the regional level attracted only scant attention (Gleditsch, 2002). Nonetheless, studies that examine the sources of regional conflict posit that higher levels of democracy in the region should result in less conflict, at least as a starting point (Kacowicz, 1998; Gleditsch, 2002; Lemke, 2002). Thus:

H4: the higher the level of regional democraticness, the lower the level of regional violent conflict

One of the most notable challenges to the democratic peace perspective theory is the findings regarding the process of democratization. Mansfield and Snyder (1995, 2002) argue that states that undergo democratic transition are more likely to engage in interstate disputes. According to them, states that go through a process of democratization usually lack the necessary institutions that are required to function as a mature and stable democracy. Facing such institutional challenges, leaders have incentives to resort to nationalist ideologies. These ideologies, in turn, lead to aggressive foreign policies and militarized disputes. This is especially the case for states that experience an incomplete democratization and have a partially democratic regime (or anocracy) for several years (Mansfield and Snyder, 2002). The logic of this argument suggests an inverse U shape relationship between regime type and conflict.²⁹ That is, thinking about regime type as a continuum in which mature democracies and complete autocracies are in the extremes and anocracies are in the middle, we should expect low levels of conflict in the extremes and high levels of conflict in the center. Thus:

²⁹ Mansfield and Snyder examine changes in regime type rather their absolute values.

H5: Regions with mature democracies and complete autocracies will experience low levels of violent conflict; regions with anocracies will experience high levels of violent conflict

To assess the level of regional regime type, I employ the widely used Polity IV definitions and data (Jagers and Gurr, 1995; Marshall and Jagers, 2002). States score points for the level of democracy (0 to 10) and for the level autocracy (0 to -10). A composite measure of democracy is the difference between the level of democracy and the level of autocracy, and can range from 10 to -10 for strong democracy and strong autocracy, respectively.³⁰ To measure the level of regional democraticness, DEMOC, I calculate the regional average of the composite variable. To minimize the risk of endogeneity and to smooth possible picks, DEMOC is a lagged five-year average. DEMOC is expected to reduce the level of regional violent conflict. To assess the possibility of curvilinear relationships between regime type and conflict, the level of democracy is raised the second power. DEMOC2 is expected to have a negative coefficient.³¹

Regional Hegemony

Theories of power transition hold that preponderance of power is associated with more stability and less violence (see, e.g., Organski, 1968; Gilpin, 1981; Pollins, 1996). According to proponents of this perspective, global hegemons have both the ability and the willingness to impose order that mitigates the concerns of other states with respect to their survival and security. Therefore, greater power disparity should result in lower

³⁰ Where $DEMOC > 6$ indicates coherent democracy, $DEMOC < -6$ indicates coherent autocracy, and any number in between indicates anocracy (Jagers and Gurr, 1995).

³¹ A positive coefficient on DEMOC and a negative one on DEMOC2 indicate an inverse U shape.

levels of war and other militarized disputes (Pollins, 1996). Several recent studies examined the implications of this logic at the regional level (Kacowicz, 1998; Lemke, 2002). Lemke (2002), for example, develops a “multiple hierarchy model,” in which he argues that regional hegemony should result in lower levels of interstate war. His empirical tests support this proposition. In the context of economic regionalism, Mansfield and Pevehouse (2000: 800-801) find empirical support to the notion that greater power disparity reduces the likelihood of militarized disputes among regional members. We can thus hypothesize:

H6: the greater the regional power asymmetry, the lower the level of regional violent conflict

There are several ways to operationalize and measure regional hegemony. One simple measure examines the relative size of the largest state in the RIA relative to the weakest state or to the rest of the group (Grieco, 1997:173-74; Lemke, 2002:99). This measure, although intuitively reasonable, is somewhat crude and can be misleading (Smith, 2000:160). A more sophisticated measure of asymmetry is the concentration ratio (Mansfield, 1994; Mansfield and Pevehouse, 2000; Smith, 2000). This measure takes into account both the relative weight of all members and the number of the members. Formally, this measure is calculated as follows:³²

$$\text{CONCEN} = \left(\sum_t^{t-4} \left(\sqrt{\sum (x_i^2) - 1/N / 1 - 1/N} \right) \right) / 5$$

³² The measure and notation are taken from Mansfield and Pevehouse (2000, 800). Smith employs the same measure, apart from taking the square root of the equation (2000, 160).

Where x_i is each member's share of total regional Gross Domestic Product (GDP), and N is the number of RIA members. The value of this index increases as asymmetry grows and is bounded between 0 and 1. This index offers a reliable grasp of regional asymmetry and it contains several useful statistical properties.³³ GDP data from the Penn World Tables is used to calculate this variable (Heston, Summers, and Aten, 2002). To minimize the risk of endogeneity and to smooth possible picks, CONCEN is a lagged five-year average and expected to reduce the level of violent conflict in a region.

Economic Development

The idea that high levels of economic development reduce conflict and war is not new. Joseph Schumpeter (1951) argued that capitalism and the rise of a powerful middle class will result in the overthrow of warlike interest groups that support imperialism. According to him, war jeopardizes economic prosperity, thus the middle class will find war to costly. Schumpeter's contention was echoed in recent years. Mueller (1989) argues that war among states in the developed world and Friedman's (2000:249) "golden arches theory of conflict prevention" posits that states that have big middle class rather wait in line for burgers than fight wars. Finally, Mousseau (2000) argues that developed market economies are characterized by liberal norms such as equitable contract enforcement and respect for property rights. These norms, which are common only to highly developed states, give rise to similar preferences and low likelihood of military conflict. Mousseau also finds negative association between the level of economic development and the likelihood militarized interstate disputes. Thus:

³³ For the advantages of this index, see Smith (2000).

H7: the higher the level of regional economic development, the lower the level of regional violent conflict

The average regional GDP per capita is employed to measure the level of regional economic development. I use data from the Penn World Tables to calculate this measure (Heston, Summers, and Aten, 2002). As in other variables, DVLP is a lagged five-year average. It is expected to reduce the level of regional conflict.

Domestic Conflict

The internationalization of civil wars in Central and West Africa as well as in Central Asia and South America attests to the potential effect of domestic violence on neighboring states. As Brown (1996:590) points out, “almost all internal conflicts involve neighboring states in one way or another. The vast majority of internal conflicts have important implications for regional stability.” Particularly, domestic violence can lead to interstate dispute if one government attempts to root out insurgents in a neighboring country, and the latter tries to defend such opposition or simply to defend its sovereignty. In addition, leaders that experience violent resistance at home may turn to diversionary war abroad (Brown, 1996). Finally, neighboring states may intervene on behalf of one of the worrying parties. We can hypothesize:

H7: the higher the level of domestic violent conflict, the higher the level of regional violent conflict

To measure the level of regional conflict, I count the number of domestic armed conflict as reported in the Uppsala dataset on armed conflicts (Gleditsch et al., 2002). The Uppsala dataset distinguishes among four types of wars: interstate armed conflict,

extrastate armed conflicts, internationalized internal armed conflicts, and internal armed conflicts. It also divides armed conflicts into three levels of intensity: minor armed conflict, intermediate armed conflict, and war.³⁴ I count all the incidents among members of an RIA that are defined as internal armed conflict.³⁵ As in other variables, CIVIL WAR is a lagged five-year average. It is expected to increase the level of regional interstate conflict.

Polarity and Great Power Intervention

It is widely agreed that regional political dynamics do not operate in isolation and are affected by external forces, such as great power intervention. What is the exact effect of these forces on regional conflict, however, is not clear. Some people argue that great power competition tends to exacerbate local conflict and to inflame otherwise peaceful regions. Others, by contrast, contend that great powers restrain their local clients in order to prevent local conflict from expanding to the global arena (for review of these contending perspective, see Stein and Lobell, 1997; Miller 2001). Although these opposing effects may cancel out, it seems important to account for the possibility of great power intervention.

While the need to account for great power intervention is convincing, it poses an empirical challenge to the analyst. Systematic data on great power intervention does not exist. Moreover, several difficulties may hamper the construction of a dataset of this sort

³⁴ A minor armed conflict involves at least 25 battle-related deaths per year and fewer than 1,000 battle-deaths during the course of the conflict. An intermediate conflict involves at least 25 but less than 1,000 battle-related deaths per year and an accumulated total of at least 1,000 battle-deaths during the course of the conflict. Like in the COW dataset, a war involves at least 1,000 battle-deaths per year.

³⁵ Internationalized internal disputes are excluded in order to minimize the possibility of overlap with the dependent variable.

(Lemke, 2002:147).³⁶ I offer two indirect ways to examine the effect of the broader international system on the level of regional conflict. First, I consider the structure of the international system. The conventional wisdom holds that the Cold War compelled the great powers to interfere in the politics of different localities, and that regions experience greater independence in the post-Cold War era (Lake and Morgan, 1997). Although the jury is still out regarding the implications of this retreat for matters of regional security (Stein and Lobell, 1997), we can use this structural change as a first cut into the effect of great power intervention on regional conflict. Thus, DECADE is a categorical variable that scores 1 for the 1990s, and zero otherwise.

The broader international structure tells us nothing about potential cross-regional variation. It is plausible, however, that not all regions are equally vulnerable to outside intervention. Although no systematic information exists on which power intervened in which region, one can estimate the *ability* of great powers to project their power in different regions. Douglas Lemke did just that. He used each great power's military capabilities, distance from any particular region, and types of terrain to estimate the ability of any one of the great powers to exert their power in different regions (Lemke, 2002). I employ his coding and count the number of great powers that can intervene in any particular region.³⁷ As more powers can interfere in a particular region, its

³⁶ The main obstacle is to identify intervention when it occurs. For example, interventions can be sometimes covert.

³⁷ Consistent with the Correlates of War Project, Lemke identifies five great powers: the U.S., China, the Soviet Union, Great Britain, and France. According to Lemke, the U.S. can intervene in all regions of the world, China can intervene in Southeast Asia, Great Britain, France, and the Soviet Union can intervene in North and West Africa and the Northern part of South America, and the Soviet Union can also intervene in the Southern part of South America (2002:150-51). Lemke does not code Central and North America, Western Europe, and Central Asia. Based on his criteria and upon personal communication with Lemke, I assume that the U.S., Great Britain, France, and the Soviet Union can intervene in Europe and the Americas and that the U.S. and the Soviet Union can intervene in Central Asia. Also, our operationalization of

vulnerability to external intervention increases. Thus, INTRVN is a count of the number of great powers that are capable of interfering in any RIA, and can vary from 0 to 5.³⁸

Number of Members and Contiguity

It is reasonable to expect that the number of states in a region will be associated with the number of disputes. A greater the number of states results in additional opportunities of interaction and friction, and thus more conflict (Pollins 1996, 110). MEMBERS is a lagged five-year average count of the states that are members of an RIA. MEMBERS is expected to increase the level of interstate conflict. In addition, it is widely acceptable that geographical proximity provides more opportunities for interaction, and in turn for conflict (see, e.g., Gleditsch, 2002). Thus, CONTIGUITY measures the number of borders in a region.³⁹ Because the number of borders is highly correlated with the number of members, I divide the number of borders by the number of members.⁴⁰ I operationalize this variable with the COW Direct Contiguity Dataset, Version 3 (Stinnett et al., 2002). CONTIGUITY is expected to increase the level of interstate conflict.

Results

Table 1 and Table 2 report the results of my empirical analysis with respect to the designed and the implemented regional institutionalization, respectively. Because for most variables the results are consistent across the different model specifications, I

specific regions often diverges. To the extent that at any great power can interfere in at least two members of an RIA, I consider the RIA as vulnerable to intervention by this great power.

³⁸ In practice it varies from 1 to 4. The U.S. can project its power in all corners of the globe and no region is vulnerable to all great powers' intervention.

³⁹ Following the conventional practice, I define a border as either a boundary of land or a water separation of less than 150 miles (Russett and Oneal, 2001).

⁴⁰ This division reduces the correlation from .9 to .45.

discuss them together. Table 3 provides substantive interpretation of the statistical results. It reports the expected number of militarized interstate conflict for different values for most independent variable and the change in the expected count of disputes with respect to the baseline model.

The coefficients of the variables that are the focus of my analysis, designed and implemented regional institutionalization, are negatively signed. These results are consistent with the liberal expectations that higher level of regional institutionalization should mitigate violent conflict. The coefficients are approaching a meaningful level of statistical significance across all models, however, and thus are not distinguishable from 0. In other words, the empirical results do not corroborate the liberal perspective with respect to the effect of regional institutionalization on conflict. It is noteworthy, however, that these results do not automatically support the realist claim that regional institutionalization has no independent (or zero) effect on violent conflict. In order to empirically establish this claim, one has to create confidence intervals around zero and then evaluate the statistical significance of the null hypothesis.⁴¹ To my best knowledge, no technique to execute such test is readily available. Thus, while my empirical findings do not support the liberal view, they also suggest that declaring a realist victory is premature. The inconclusiveness of these results points to the need to conduct further empirical inquiry into this issue.

Comparison between the designed level of institutionalization (DERI) and the implemented level of institutionalization (IMRI) reveals important differences. While neither approaches a conventional level of significance, both the statistical and the substantive effects of IMRI are more pronounced than those of DERI. For IMRI, the

coefficients are larger than the standard errors and the z scores range from -1.04 to -1.20. For DERI, on the other hand, the coefficients are smaller than the standard errors, the z scores range from -.18 to -.78. Substantively, an increase of one quartile (from the median to the 75th percentile) reduces the expected count of disputes by about 15 percent for IMRI, but only by 6.5 percent for DERI. These differences suggest that if RIAs are to have any pacifying effect on violent conflict, their implementation is likely to play important role in this respect.

⁴¹ I thank Brian Pollins for bringing this issue to my attention.

Table 1: Designed Regional Institutionalization and Intra-Regional Militarized Interstate Disputes, 1982-2001

	Model I	Model II	Model III	Model IV
DERI	-.002 (-.18)	-.012 (-.78)	-.003 (-.26)	-.005 (-.39)
TSHARE	-.002 (-.13)	-.006 (-.39)	-.007 (.43)	-.006 (-.39)
CONCEN	-1.390** (-2.27)	-1.308** (-2.18)	-1.328** (-2.24)	-1.344** (-2.25)
DEMOC	.061** (2.31)	.075*** (2.75)	.057** (2.23)	.054* (1.95)
DEMOC2	-.009** (-2.03)	-.005 (-.94)	-.007 (-1.56)	-.007 (-1.55)
DVLP	-.001* (-1.83)	-.001* (-1.93)	-.001 (-1.48)	-.001 (-1.52)
CIVIL WAR	.031*** (3.91)	.038*** (4.00)	.040*** (3.59)	.040*** (3.93)
MEMBERS	.109*** (5.34)	.096*** (4.09)	.090*** (3.84)	.092*** (4.01)
BORDERS		.585** (2.07)	.463* (1.70)	.447* (1.77)
DECADE			-.023 (-.10)	
INTRVN				.024 (.30)
CONSTANT	1.116* (1.90)	.549 (.78)	.611 (.87)	.563 (.78)
Log Likelihood	-154.29	-139.07	-152.55	-152.51
Wald Chi ²	215.55***	208.08***	222.49***	220.19***
NT	82	82	82	82

Note: *p<.1; **p<.05; ***p<.01 (two-tailed). Figures in parentheses are z statistics

Table 2: Implemented Regional Institutionalization and Intra-Regional Militarized Interstate Disputes, 1982-2001

	Model V	Model VI	Model VII	Model VIII
IMRI	-.024 (-1.04)	-.026 (-1.15)	-.027 (-1.14)	-.028 (-1.20)
TSHARE	.007 (.45)	.004 (.25)	.005 (.26)	.003 (.20)
CONCEN	-1.463** (-2.41)	-1.392** (-2.37)	-1.392** (-2.37)	-1.420** (-2.39)
DEMOC	.064** (2.39)	.060** (2.31)	.060** (2.29)	.056** (2.03)
DEMOC2	-.008* (-1.86)	-.006 (-1.43)	-.007 (-1.43)	-.007 (-1.42)
DVLP	-.001* (-1.86)	-.001* (-1.64)	-.001 (-1.60)	-.001 (-1.55)
CIVIL WAR	.031*** (4.17)	.039*** (4.45)	.039*** (4.52)	.041*** (4.11)
MEMBERS	.116*** (6.19)	.097*** (4.57)	.097*** (4.57)	.097*** (4.56)
BORDERS		.443* (1.85)	.433* (1.67)	.435* (1.80)
DECADE			.020 (.09)	
INTRVN				.031 (.39)
CONSTANT	1.215** (2.09)	.729 (1.08)	.741 (1.08)	.648 (.91)
Log Likelihood	-153.75	-151.93	-151.93	-151.86
Wald Chi ²	214.83***	222.35***	222.96***	219.72***
NT	82	82	82	82

Note: *p<.1; **p<.05; ***p<.01 (two-tailed). Figures in parentheses are z statistics

Table 3: Expected Counts of Militarized Interstate Disputes, 1982-2001

Minimum	25th Percentile	Variable (50th Percentile)	75th Percentile	Maximum
3.03 (1.00) <i>23.8</i>	2.65 (6.00) <i>8.3</i>	IMRI (9.00)	2.08 (15.00) <i>-14.8</i>	1.15 (37.00) <i>-52.7</i>
2.56 (2.00) <i>21.9</i>	2.29 (11.00) <i>9.0</i>	DERI (15.00)	1.96 (23.00) <i>-6.5</i>	1.64 (38.00) <i>-21.9</i>
3.39 (.17) <i>38.6</i>	2.87 (.29) <i>17.3</i>	CONCEN (.41)	2.08 (.52) <i>-14.7</i>	1.35 (.83) <i>-44.6</i>
.77 (-9.53, 90.88) <i>-68.2</i>	1.58 (-5.15, 26.52) <i>-35.4</i>	DEMOC, DEMOC2 (-.88, .77)	2.96 (4.96, 24.60) <i>20.8</i>	2.38 (10.00, 100.00) <i>-2.5</i>
3.11 (537.33) <i>28.0</i>	2.85 (1,504.73) <i>16.4</i>	DVLP (3,193.85)	1.90 (5,980.25) <i>-22.1</i>	.44 (22,137.23) <i>-81.8</i>
1.93 (0.00) <i>-21.2</i>	2.00 (1.00) <i>-18.0</i>	CIVIL WAR (6.00)	2.98 (11.00) <i>21.9</i>	9.44 (40.00) <i>285.6</i>
1.69 (2.20) <i>-30.9</i>	2.22 (5.00) <i>-9.2</i>	MEMBERS (6.00)	3.61 (10.00) <i>47.7</i>	10.79 (21.20) <i>340.6</i>
1.53 (0.00) <i>-37.3</i>	2.14 (.75) <i>-12.6</i>	BORDERS (1.06)	2.85 (1.40) <i>16.5</i>	3.58 (1.91) <i>46.0</i>

Notes:

1. Expected count is bolded. Actual values in parentheses. Expected change from baseline in italics.

2. All calculations except for DERI are based on Model VI, Table 2. Calculations for DERI are based on Model II, Table 1.

3. All variable held at their 50th percentile (median) in the baseline model. The baselines for comparison are 2.45 for model VI and 2.10 for Model II, respectively

The level of economic interdependence, measured as the level of intra-regional trade as a percentage of total regional trade, has no significant effect on regional conflict. Moreover, the signs on the coefficients are inconsistent across the different models. These results cast doubt on the liberal contention that economic interdependence tends to reduce violent conflict. As such, they correspond to several recent studies that challenge the empirical validity of this liberal claim (see, e.g., Barbieri, 2003; Keshk, Pollins, and Reuveny, 2002).

The two variables that measure regional democracy are generally significant (DEMOC2 meets a .90 level of significant in most models if we consider a one-tailed z test) and indicate an inverse U shape relationship between democracy and conflict. That is, high levels of conflict are present in regions that have intermediate levels of democracy. Regions that inhabit either mature democracies or autocracies enjoy from lower levels of interstate violent conflict. The general pattern support Mansfield and Snyder's (1995, 2002) argument that the process of democratization tend to increase conflict. Substantively, the level of conflict is maximized where the democracy score is about 4.5. Thus, it seems, regions that approach a level of mature democraticness, but not quite there yet, are especially vulnerable to violence. In addition, these results suggest that mature democracies experience a greater number of disputes, relative to autocracies. Moving from the 50th percentile to the maximum value of value of DEMOC reduces the expected count of conflict by 2.5 percent, while moving from the 50th percentile to minimum value reduces it by 68 percent. This surprising result calls for further research regarding the relationship between regime type and conflict at the regional level.

Regional concentration of power has negative and highly significant effect on the level of regional conflict. Substantively, moving from the median to the 75th percentile) reduces the expected count of disputes by about 15 percent. It suggests that regions with a hegemon enjoy from low levels of conflict, while regions in which the distribution of power is more evenly distributed are more violent-prone. These findings are consistent with recent empirical studies on this question (Mansfield and Pevehouse, 2000; Lemke, 2002). The positive sign and high significance of CIVIL WAR indicate that domestic conflicts tend to spillover and produce interstate violence as well. The coefficient of economic development is negative and significant at a .90 level of confidence. Thus, higher levels of economic development tend to decrease the number of militarized interstate disputes. These findings point to the potential importance of domestic violence and economic development as sources of inter-state militarized disputes. Thus, these largely overlooked variables should be incorporated into conventional models that explain violent conflict.

As expected, as both the number of RIA members and the number of borders between these members increase, the number of militarized disputes increases as well. In other words, more opportunities for interaction produce disagreements and conflict. Finally, the structure of the international system and the vulnerability of a region to great power intervention do not seem to affect the level of violent conflict. These results provide initial support to the notion that the main sources of regional conflict are domestic and regional in nature rather than global (Miller, 2001). A different interpretation is that the opposing effects of great powers on the peace and stability of regions washes out. At the same time, the two variables that attempt to capture the

involvement of great power in different regions do so in an indirect manner. It is possible that they fail to capture the actual variation on this issue. A collection of systematic data on actual great power interventions may cast light on this question.

Conclusion

The quarrel with respect to the role of international organizations in world politics and their effect on violence and war is central to the ongoing debate between the realist and the liberal perspectives. Realists argue that international organizations have no independent effect on conflict, while liberals contend that they are important vehicles of peace. This paper shed light on this debate by empirically examine the effect of regional institutionalization on militarized disputes at the regional level.

My findings indicate that higher levels of regional institutionalization tend to reduce violent conflict, as liberals expect, but that one cannot distinguish this effect from zero in conventional levels of statistical confidence, as realist contend. That is, the pacifying effect of international organizations – also known as the “third Kantian leg” (Russett, Oneal, and Davis, 1998) – is not as firm as liberals claim, but not as shaky as realists argue. As discussed above, a statistical test between two competing claims in which one claim corresponds to the null hypothesis is heavily biased in favor of the latter. Thus, while the empirical results do not corroborate the liberal perspective, they also do not support the realist claim that regional institutionalization has no independent effect on violent conflict. In addition, this empirical test is limited to one type of international organizations, to variation across organizations of this sort, and to a rather short time span. As such, further research on this issue is needed before a broader generalization can be made. My analysis also indicates that the implementation of the different provisions

international organizations have is necessary for the pacifying mechanisms liberals highlight to work. Hence, scholars of international organizations ought to pay more attention to the implementation of these organizations.

The empirical analysis points to several other conclusions. It employs the regional level of analysis to examine several variables that thus far were considered mainly at the monadic or dyadic levels. The results provide only partial support to the two other legs of the “Kantian tripod,” – economic interdependence and democracy. Economic interdependence does not seem to reduce conflict at the regional level. Only very high levels of regional democraticness tend to reduce conflict, while regions that go through processes of democracies are more conflict-prone. On the other hand, my results indicate that factors, mainly the regional distribution of power, domestic conflict, and the level of development, are better suited to account for the level of inter-state violent conflict. Students of international conflict and war should pay greater attention to these largely overlooked factors.

Appendix A: Coding Rules for Designed RIA Institutionalization

Component	Category	Indicator
Regional Integration (19 points)	<i>1. Trade in Goods (4 points)</i>	1. Is there a plan for regional trade liberalization?
		2. Is the list of goods negative (i.e. FTA)?
		3. Are all members of RIA participating in PTA?
		4. Does the PTA cover quotas and NTBs?
	<i>2. Customs Union (3 points)</i>	5. Is there a plan for Common External Tariff (CET)?
		6. Is the list of goods negative?
		7. Do all members of RIA participate in CET?
	<i>3. Movement of Services (2 points)</i>	8. Is there a plan for a free movement of services?
		9. Does the agreement cover more at least six sectors?
	<i>4. Movement of Capital and Investment (3 points)</i>	10. Is there a plan for a free movement of capital?
		11. Do foreign investors receive national treatment (intra-regional)?
		12. Is there a regional investment code (extra-regional)?
	<i>5. Movement of Labor (3 points)</i>	13. Is there a plan for a free movement of labor?
		14. Is there a mutual recognition of professional certifications?
		15. Are visa requirements relaxed?
	<i>6. Monetary, Fiscal and Macroeconomic Coordination (4 points)</i>	16. Is there a common currency?
		17. Is there a coordination of monetary/exchange rate policies?
		18. Is there a consultation and coordination of fiscal policies?
		19. Do criteria for macroeconomic convergence exist?
Regional Cooperation (11 points)	<i>7. Harmonization and Sectoral Cooperation (2 points)</i>	20. Does the agreement cover harmonization of business conditions (at least 4 issue-areas)?
		21. Does the agreement cover cooperation and harmonization of economic sectors (at least 6 issue-areas)?
	<i>8. Development and Industrialization (4 points)</i>	22. Border coordination/ Growth Triangles?
		23. Regional infrastructure/industrial projects?
		24. Is there a regional development bank?
	<i>9. Common Commercial Relations (2 points)</i>	25. Is there a compensation mechanism?
		26. Does RIA coordinate negotiation with other RIAs?
		27. Does RIA coordinate negotiation in GATT/WTO?
	<i>10. Military and Security Linkage (3 points)</i>	28. Is there an agreement on common security issues and/or a regional forum to discuss security issues?
		29. Do RIA members conduct joint maneuvers, peacekeeping operations, or other security related activities?
30. Does RIA coordinate anti-terrorism and/or anti-drug trafficking measures?		
Institutional Centralization (10 points)	<i>11. Decision making body (2 points)</i>	31. Does the decision-making body meet on a regular basis?
		32. Are decisions made by majority rule?
	<i>12. Regional Bureaucracy (3 points)</i>	33. Is there a permanent secretariat?
		34. Does the secretariat have independent staff?
		35. Can the secretariat make recommendations or take initiatives?
	<i>13. Dispute Settlement Mechanism (3 points)</i>	36. Is there a dispute settlement mechanism?
		37. Does third party ruling binding?
		38. Is there a standing tribunal?
<i>14. Transnational Coordination (2 points)</i>	39. Is there a regional parliamentary coordination or a regional parliament?	
	40. Is there a forum for economic and social groups, e.g. business and labor, women?	

Appendix B: RIAs, their Member-States, and Formation Year

The Americas:

1. **ANCOM** - Andean Pact, signed 1967.
Members: Bolivia, Colombia, Ecuador, Peru, and Venezuela.
2. **CACM** - Central American Common Market, signed 1960.
Members: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.
3. **CARICOM** - Caribbean Community, signed 1973.
Members: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
4. **LAIA** – Latin American Integration Association; signed 1981.
Members: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay Peru, Uruguay, and Venezuela.
5. **Mercosur** - Mercado Comun del Sur (Common Market of the South), signed 1991.
Members: Brazil, Argentina, Uruguay, and Paraguay.
6. **NAFTA** - Canada-US Free Trade Agreement (CUFTA), signed 1988; replaced by North American Free Trade Agreement (NAFTA); signed 1992.
Members: Canada, Mexico, the US.
7. **OECS** – Organization of Eastern Caribbean States; signed 1981.
Members: Antigua and Barbuda, Dominica, Granada, Montserrat, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines. _

Asia – Pacific and Europe

8. **ASEAN** - Association of Southeast Asian Nations, signed 1967
Members: Indonesia, Malaysia, Thailand, the Philippines, Singapore, Brunei, Vietnam, Laos, Myanmar, and Cambodia.
9. **BA** - The Bangkok Agreement, signed 1976
Members: Bangladesh, India, Korea, Laos, and Sri Lanka.
10. **ECO** - Economic Cooperation Organization, signed 1985.
Members: Iran, Turkey, Pakistan, Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzia, Tajikistan, Turkemanistan, Uzbekistan.
11. **EFTA** – European Free Trade Association; signed 1960.
Members: Iceland, Liechtenstein, Norway, and Switzerland.
12. **EU** - The European Economic Community (EEC), signed 1957; replaced by the EU in 1992.
Members: Members: Austria, Belgium, Denmark, France, Finland, Germany, Greece , Ireland, Italy, Luxemburg, the Netherlands, Portugal, Spain, Sweden, UK.
13. **GCC** - Gulf Cooperation Council, signed 1981.
Members: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates.
14. **SAARC** - South Asian Association for Regional Cooperation, signed 1985.
Members: India, Pakistan, Bangladesh, Nepal, Sri Lanka, Maldives, and Bhutan.

Africa

15. **AMU** - Arab Maghreb Union , signed 1989.
Members: Algeria, Libya, Mauritania, Morocco, Tunisia.
16. **CEPGL** - Economic Community of the Countries of the Great Lakes, signed 1976.
Members: Burundi, Rwanda, and Zaire.
17. **COMESA/PTA** - Common Market for Eastern and Southern Africa, signed 1993.
Members: Angola, Burundi, Comoros, Congo DR, Djibouti, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.
18. **IOC** - Indian Ocean Commission, signed 1984.
Members: Comoros, Madagascar, Mauritius, French Reunion, Seychelles.
19. **ECCAS** - Economic Community of Central African States, signed 1983.
Members: Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome and Principe, Zaire.
20. **ECOWAS** - Economic Community of West African States, signed 1975.
Members: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania (left in 1999), Niger, Nigeria, Senegal, Sierra Leone, Togo.
21. **MRU** - Mano River Union, signed 1973.
Members: Guinea, Liberia, Sierra Leone.
22. **SACU** - South African Customs Union, signed 1969.
Members: Botswana, Lesotho, Namibia, South Africa, Swaziland.
23. **SADC/SADCC** - Southern African Development Community, signed 1980.
Members: Angola, Botswana, Congo DR, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.
24. **UDEAC** - Central African Customs and Economic Union, signed 1964.
Members: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon.
25. **WEAMU/CEAO** - West African Economic and Monetary Union, signed 1973.
Members: Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Togo.

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