Power Is Not Satisfaction

A COMMENT ON DE SOYSA, ONEAL, AND PARK

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In an otherwise careful and thorough replication and reevaluation of empirical find-ings reported by Organski and Kugler (1980) and by Houweling and Siccama (1988), de Soysa, Oneal, and Park (1997) suggest that power transition theory suffers from a problematic interconnection between its two principal explanatory variables: relative power and status quo evaluations. We argue that there is no such problematic inter-connection within the theory and demonstrate empirically that there is no such inter-connection in reality.

The article by de Soysa, Oneal, and Park (1997) is not about this problematic inter-connection, and our comment is not exactly a critique of their work. We believe their empirical conclusions are correct. Rather, we comment on their misinterpretation of an existing theory. Such commentary is important, we believe, because the theory in question offers one of the more promising explanatory tools available to international relations scholars. We hope that de Soysa, Oneal, and Park's misrepresentation of power transition theory will not discourage researchers from working within the power transition tradition.

We begin by quoting de Soysa, Oneal, and Park (1997, 512) at some length:

> In keeping with status-inconsistency theory, Organski (1968) argued that it is a transition involving a dissatisfied challenger that is dangerous. The argument is problematic, how-ever, because Organski also suggests that a hegemon shapes the international system so that it "always benefits disproportionately from any enterprises involving less powerful nations, be they friends or foes" (p. 365). This implies, as does Lenin's law of uneven development, that satisfaction is simply a function of power; a rising nation will always be dissatisfied. Finally, it is not clear why a challenger that is overtaking the dominant nation would be dissatisfied, because by definition its economy is growing rapidly, even relative to the hegemon's.

There are two contradictory statements in this passage, neither of which follows from power transition theory as stated by Organski (1958, 1968), Organski and Kugler (1980), or by the contributors to Kugler and Lemke (1996). The first statement is that all rising nations will be dissatisfied. The second is that all rising nations will be satisfied. We take each in turn.

Organski's (1958, 1968) text implies that all rising states will be dissatisfied only if we assume that all states are motivated by concerns over relative gains. Nowhere in any power transition argument is such an assumption made. In fact, a very different assumption is made by power transition theorists. Specifically, the international system envisioned by power transition theory is "conditionally anarchic" (Hussein and Kugler 1990; Kugler and Werner 1993), in that satisfied states are constrained by the status quo, but dissatisfied states are unconstrained and act as though anarchy prevails. Among satisfied states absolute gains may be pursued, but between dissatisfied states or within mixed dyads of satisfied and dissatisfied states, relative gain concerns predominate. de Soysa, Oneal, and Park's (1997) claim that power transition theory assumes that all states are motivated by concerns with relative gains contradicts the assumption power transition theory actually makes about absolute and relative gain maximization differing, depending on status quo evaluations.

The claim that all rising states will be satisfied because they are becoming more powerful is similarly unconnected to power transition theory's actual assumptions and arguments. One can certainly understand how de Soysa, Oneal, and Park (1997) reach the reasonable conclusion that those growing in power will be pleased with the situation. However reasonable this may be, it is contradicted by power transition theory. In the very text cited above by de Soysa, Oneal and Park, Organski (1968, 364-67) continues with descriptions of the "powerful and satisfied" separate from the "powerful and dissatisfied." It is possible to be powerful and dissatisfied, Organski argues, because a state could have risen to power after the status quo had been established. This parvenu might believe it would have grown more rapidly, or would grow even more powerful, were the status quo different. Thus, even though it has become powerful, it has done so in spite of the existing status quo; it might have grown faster or larger under a different international status quo and is thus dissatisfied.

Let us consider an academic analogy. Imagine a situation in which a faculty member is enjoying increases in her salary that are actually larger than the increases in the salary of the chair of her department. This far-sighted faculty member realizes that the inevitable consequence of her increasing wealth is that eventually she will be more affluent than her chair. de Soysa, Oneal, and Park might reasonably suggest that this faculty member would be satisfied with the distribution of benefits within her department and therefore would be a supporter of her chair. And yet, this reasonable claim ignores the process by which she becomes richer. If her raises are the result of positive recommendations from her chair to her dean, then we would expect her to be satisfied. But if, instead, her raises have resulted from fighting and struggling for every dime by petitioning the dean directly, by tirelessly winning outside offers, and so on, then we would expect her to be an opponent of her chair. In the first scenario, we have a rich and happy faculty member; in the second scenario, we have a rich but unhappy faculty

member. The same applies within power transition theory; being powerful does not guarantee a state will be satisfied (or dissatisfied).

Soviet growth from the 1930s to 1950s offers an example from history of the growth trajectory of a powerful but dissatisfied actor. The Soviet state developed at an extraordinary domestic cost. Soviet growth was not fostered by international loans, promises of aid and protection from the existing great powers, or any other cooperative efforts. If the international system had been one in which other states assisted this socialist state, the Soviets likely would have grown more easily and, perhaps, would continue to grow to the present day.

Yet another argument against de Soysa, Oneal, and Park's (1997) claim that all rising states should be satisfied by their increasing wealth can be drawn directly from power transition theory. Logically, if being powerful and being satisfied are identical, then power transition theory would lead us to anticipate that no wars among great powers would ever occur. This would make power transition theory internally logically inconsistent because the theory identifies transitions involving a dissatisfied state as the preconditions for wars among the great powers. In a number of studies, power transition theory has been formalized or otherwise found internally consistent (Bueno de Mesquita 1980; Bueno de Mesquita and Lalman 1992; Kim and Morrow 1992; Abdollahian 1996; Kadera 1996; Morrow 1996; Alsharabati 1997).

Power transition theory does not assume, argue, or suggest that the power a nation obtains or enjoys predetermines its evaluation of the status quo. According to power transition theory, there is no consistent relationship between power and status quo evaluations. Using power or changes in power to predict a state's status quo evaluation, we can demonstrate empirically that there is no consistent relationship between power and satisfaction. We measure power with the standard Correlates of War composite capabilities index and with the gross domestic product from the Penn World Tables. We measure each state's status quo evaluation by comparing its portfolio of alliance commitments with those of the international dominant power. This measure of status quo evaluations was offered by Kim (1991, 1992) and has been amended by Lemke and Reed (1996). We follow Lemke and Reed's procedure, except that the tau-bs we calculate use all states in the system, rather than only the 40 most powerful. Tables 1 and 2 use nation-year as the unit of observation and compare power and status quo evaluations or changes in power and status quo evaluations.

One way to address questions of whether one variable causes another was proposed by Granger (1969) and popularized by Sims (1972) (for a more recent discussion, see Greene 1997). Testing causality, in the Granger sense, involves using F tests to determine whether lagged information on a variable X provides any statistically significant information about a variable Y above and beyond that already provided by the value of lagged Y. If not, then X does not "Granger cause" Y. In essence, the test simply regresses a state's status quo evaluations from a previous period of time on its current evaluation of the status quo. The result of this regression provides a baseline indicating how much of a state's status quo evaluation now is explained by what it was in the past. This is then compared to a second regression in which the past status quo evaluation is combined with a state's associated level of power. If including power considerations does not improve the fit of the model, we infer that power does not cause (and certainly

TABLE 1

Granger Causality Tests: Status Quo Evaluations on
Lagged Status Quo Evaluations and Power

	1a	2a	1b	2b
Constant	.006*	.005*	.003*	.003*
	(.001)	(.001)	(.001)	(.001)
Status quo evaluations$_{t-1}$	.949*	.946*	.993*	.993*
	(.003)	(.003)	(.002)	(.002)
Correlates of War power$_{t-1}$	—	.007*	—	—
		(.001)		
Gross domestic product power$_{t-1}$	—	—	—	$1.4\,E^{-12}$
				(.001)
Number of cases	9,960	9,960	3,522	3,522
Adjusted R^2	.892	.892	.988	.988
Granger cause?	—	No	—	No

NOTE: Standard errors in parentheses. The data used in Tables 1 and 2 are taken from very common sources (Correlates of War Project and Penn World Tables) and thus are widely available. However, anyone interested in the exact data set we employed will find it at http://www.personal.umich.edu/~wlreed.
*$p < .01$.

does not Granger cause) status quo evaluations. We use this test of causality to evaluate the empirical relationship between status quo evaluations and national power.

The vector autoregressions presented in Table 1 suggest in no uncertain terms that national power does not, by Granger's (1969) definition, cause status quo evaluations. We compare restricted models that regress status quo evaluations on lagged values of status quo evaluations (columns 1a and 1b) to unrestricted models in which we regress status quo evaluations on lagged values of power and lagged values of status quo evaluations (columns 2a and 2b). Comparing the restricted models to the unrestricted models reveals that the inclusion of lagged values of power provides no additional information about status quo evaluations. A glance at the R^2 statistics for the restricted versus unrestricted models provides evidence that no significant improvements are offered by including lagged values of power. Even though lagged power is statistically significant in column 2a, the R^2 values do not change.[1]

In Table 2, we present estimates based on a slightly different specification. Models that regress status quo evaluations on differenced values of power (power at time t minus power at time t_{-10}) and lagged values of status quo evaluations are compared to models with status quo evaluations alone. The findings are robust. Even with a different specification and lag structure, national power provides no significant information about status quo evaluations.[2] In sum, this empirical evidence suggests that there is no

1. The models estimated in columns 1a and 2a have considerably more cases than those estimated in columns 1b and 2b. The explanation for the large variation in sample size is that there are far fewer nation-years of gross domestic product data than there are for Correlates of War power shares.

2. The models estimated in Table 2 have fewer cases than the comparable models in Table 1 because the lag structure used in Table 2 forces us to omit the first 10 years from each country's data series.

TABLE 2

Granger Causality Tests: Status Quo Evaluations on
Lagged Status Quo Evaluations and Change in Power

	1a	2a	1b	2b
Constant	.050*	.050*	.034*	.034*
	(.002)	(.002)	(.002)	(.002)
Status quo evaluations$_{t-10}$	.723*	.723*	.951*	.951*
	(.008)	(.008)	(.006)	(.006)
Correlates of War power$_{(t-t-10)}$	—	.052	—	—
		(.203)		
Gross domestic product power$_{(t-t-10)}$	—	—	—	1.84 E^{-11}
				(.001)
Number of cases	8,410	8,410	2,305	2,305
Adjusted R^2	.484	.482	.921	.921
Granger cause?	—	No	—	No

NOTE: Standard errors in parentheses. The data used in Tables 1 and 2 are taken from very common sources
(Correlates of War Project and Penn World Tables) and thus are widely available. However, anyone inter-
ested in the exact data set we employed will find it at http://www.personal.umich.edu/~wlreed.
*$p < .01$.

reason to believe that status quo evaluations are caused by national power or by
changes in national power.

We do not disagree with de Soysa, Oneal, and Park's (1997) conclusion that the
relationship between relative power and war varies with different measures of power
or with changes in the spatial domain. In fact, we are persuaded that they are correct.
However, we do object to their misrepresentation of power transition theory as logi-
cally inconsistent. This is not the case, as we demonstrate theoretically and then sub-
stantiate empirically. Some might consider our comment an academic quibble, unwor-
thy of publication. However, unless and until we faithfully represent each other's
arguments and accurately portray what we critique, we will speak past each other and
thereby fail to advance our science. If one were to accept the erroneous claim that
power transition theory is internally inconsistent, he or she would mistakenly reject a
promising theory.

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