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Abstract

Despite growing interest in the promises and problems of theoretical synthesis among political scientists, frameworks for assessing the potential advantages of different pathways to theoretical integration are scarce. We build on the conceptualization of alternative strategies for synthesis proposed by Jupille, Caporaso, and Checkel and assess the implications of two criteria – parsimony and empirical fit – for understanding the relationship between two influential strands of international relations theory, neorealism and neoliberalism. Neorealists present concerns about relative gains as evidence of the limited scope of the neoliberal theory of international cooperation. We argue that, on the contrary, neoliberalism provides theoretical tools that are indispensable to determine when and why relative-gains concerns thwart international cooperation, and that this provides a strong case for subsuming neorealism under neoliberalism in a parsimonious synthesis. We apply this framework to explain an empirical puzzle: why two arch-rival states – Austria and Prussia in the second half of the 18th century – succeeded in cooperating in some cases but failed in others.

Keywords

Theoretical synthesis, international relations theory, neorealism, neoliberalism, relative gains

Introduction

Over the past 10 years the promises and problems of theoretical synthesis have received increasing attention in the political science community. For instance, in his 1999 Presidential Address to the International Studies Association (ISA) Michael Brecher remarked that "the paucity of serious attempts at synthesis, or at least complementarity, among contending paradigms is an indicator of deep malaise" (Brecher, 1999: 235). A few years later another ISA president, Steve Smith, expressed a different view on the feasibility and desirability of synthesis: "No research agenda can lead to synthesis, simply because different approaches see different worlds" (Smith, 2003: 143). Considering contrasting statements such as these, it might seem that, paradoxically, the issue of

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whether and how to pursue theoretical integration has given rise to an additional cleavage within an already divided discipline. This conclusion, however, would be unduly negative. Many, perhaps most, political scientists would probably subscribe to the position that synthesis may be desirable in principle, but its benefits and costs need to be assessed carefully and case by case.

What seems clear is that there is no universally applicable blueprint for synthesizing theoretical approaches. In a landmark analysis of the problem, Jupille et al. (2003) identified four "models of theoretical dialogue": competitive testing; additive theory based on complementary domains of application; sequencing of theories; and subsumption. While competitive testing cannot be considered a form of synthesis, determining domains of application and sequencing are two synthetic strategies based on complementarity, and subsumption is a form of synthesis that interprets one theory as a special case of another.

Theories are not always commensurable and in such cases attempts at integrating them are unlikely to improve understanding of the phenomena they refer to. In many cases, however, theoretical constructs are sufficiently akin to justify attempts at integration. Given that none of the models of dialogue identified by Jupille et al. is intrinsically preferable to the others, scholars interested in integrating theories are left with the task of determining which model may be more appropriate in the specific circumstances of the research question. But the absence of a set of criteria aimed at clarifying which model of dialogue is best suited to address which questions may have the undesirable effect of transforming a sterile clash of monolithic theories into an inconclusive discussion over alternative integrative approaches.

This article aims at contributing to the development of criteria for synthetic endeavors and to show how those criteria can be applied to a specific theoretical debate and empirical puzzle. We focus on the choice between two strategies: identifying complementary domains of application and showing how one theory subsumes another. In line with the plea of Jupille et al., the argument is not developed at the level of meta-theoretical first principles, but in relation to specific hypotheses and empirical questions.

The standards for assessing the quality of synthetic attempts should not be fundamentally different from those employed for evaluating theories. Jupille et al. (2003) provide a useful (and not necessarily exhaustive) list of standards: logical coherence, parsimony, scope, robustness, falsifiability, and empirical fit. In this article we focus on two standards, theoretical parsimony and empirical fit. The criterion of parsimony entails that subsumption is an appropriate strategy for synthesis if, all else being equal, it can be shown that a theory generates the same observable implications of another theory while involving fewer explanatory factors or parameters (Occam's razor). The criterion of empirical fit entails that subsumption is appropriate when, for any given phenomenon, the subsuming theory accounts for all its empirical instances that can be explained by the subsumed theory, plus additional facts. Few empirical research designs can hope to capture all empirical instances of the phenomena of interest, and this raises the problem of the falsifiability of any attempt at synthesis. We address this problem by proposing a pragmatic variant of the empirical fit criterion: the subsuming theory should be able to account for those instances that are *most likely* to be explained by the subsumed theory. The focus on most likely instances allows researchers to employ a case-study approach to questions of theory synthesis (George and Bennett, 2005: 253).

We apply these criteria to a major debate in international relations theory, which concerns the relationship between the neorealist and the neoliberal approaches to international cooperation.[1] This debate is not only of considerable intrinsic interest but also highly relevant to the question of synthesis, since at various stages of the debate key participants espoused one or the other of the four models of dialogue identified by Jupille et al.: competitive testing, complementarity based on

different domains of application, subsumption of neoliberalism under neorealism, and subsumption of neorealism under neoliberalism. In this article we apply the criterion of parsimony to the relationship between the two perspectives and conclude that subsumption of one theory – neorealism – under the other is theoretically more satisfying with respect to the question of cooperation than a synthesis based on different domains of application, which has been advocated by various authors. This is because the core variable identified by neoliberals – the fear of cheating in an anarchic international environment – accounts not only for the cooperation problems faced by absolute-gains seekers, but also for those plaguing states that, as neorealists suggest, are concerned about relative gains and thus interested in reducing or eliminating them through compensation agreements.

Since the theoretical argument of this article identifies neorealism as the subsumed theory, the application of the most-likely empirical fit criterion requires the selection of an empirical context in which the explanatory power of neorealism is particularly strong. For reasons explained below, international politics in 18th-century Europe fit neorealist assumptions particularly well. To give additional credibility to the test, we will focus on two states, Austria and Prussia, whose concern for their respective power positions was intense even by 18th-century standards. The question that we ask is: what explains the pattern of successful and failed attempts at cooperation between Austria and Prussia between 1763 and 1795? More specifically, why did those powers manage to divide up Poland, but not a number of coveted territories in Germany? Our findings are particularly revealing because the relationship between states aiming for territorial aggrandizement and intensely concerned with relative gains is a most likely case for the neorealist approach.

The article proceeds as follows. The next section provides a brief summary of the debate between neoliberals and neorealists on the implications of relative gains for international cooperation and shows how key protagonists saw the relationship between the approaches in terms of subsumption or complementarity. The following section develops a theoretical argument for subsumption that provides a parsimonious way of integrating the two approaches. The last section shows how the proposed integrative framework can account for the pattern of success and failure of cooperation attempts by Austria and Prussia in the second half of the 18th century.

Complementarity and Subsumption in the Neoliberalism–Neorealism Debate

Neoliberalism – also known as neoliberal institutionalism or rational institutional theory – is interested in explaining when and how states succeed in cooperating for mutual advantage despite international anarchy, i.e. the absence of a supranational government capable of enforcing agreements in the international sphere (Keohane, 1984; Martin, 1992; Oye, 1986; Wallander, 1999). If anarchy means that punishment for defection is uncertain, the main problem for cooperation is that states may be tempted to exploit others, even if this may result in suboptimal outcomes. According to neoliberals, cooperation for mutual advantage is easier if certain conditions are met: notably, if the benefits of defection are not much greater than the benefits of cooperation, if actors expect to continue their interaction in the future, and if the task of negotiating an agreement and sanctioning defectors is not too difficult as a result of large numbers of actors and information deficits. Neoliberals argue also that by manipulating the context of interaction – most notably by creating institutions – states may improve the informational environment and reduce the opportunities for cheating and free riding.

Realists responded to the neoliberal analysis by arguing that it underestimates the range of problems inhibiting cooperation. They point out that anarchy does not simply mean the absence of a

central authority able to enforce agreements, but also the absence of an ultimate protector of states, which are therefore compelled to provide for their own security and, ultimately, for their own survival. Since a state's ability to threaten the interests of another depends on their respective power capabilities, states cannot afford to maximize their gains in absolute terms if this decreases their relative power. As Kenneth Waltz argued (1979: 105):

> when faced with the possibility of cooperating for mutual gain, states that feel insecure must ask how the gain will be divided. They are compelled to ask not "Will both of us gain?" but "Who will gain more?" If an expected gain is to be divided, say, in the ratio of two to one, one state may use its disproportionate gain to implement a policy intended to damage or destroy the other. Even the prospect of large absolute gains for both parties does not elicit their cooperation as long as each fears how the other will use its increased capabilities.

Joseph Grieco (1988, 1990, 1993) elaborated this criticism and pointed out that international cooperation is difficult because states are not "rational egoists," as neoliberals assume, but "defensive positionalists." Defensive positionalists aim to prevent a relative strengthening of other states even if this requires them to forgo absolute gains, because of the risk that today's cooperation partner might become tomorrow's adversary. Including relative-gains concerns in the calculations of states can substantially modify their attitude to cooperation. This means that, for realists, not one but "[t]wo factors inhibit cooperation: considerations about relative gains *and* concern about cheating" (Mearsheimer, 2001: 51–2; emphasis added). International cooperation is therefore more difficult than neoliberals expect, because "states must solve *both* the cheating and the relative-gains problem in order to achieve cooperation" (Grieco, 1993: 303; emphasis in the original). To be sure, neorealists do not deny that uncertainty about whether the counterpart will reciprocate cooperation may be an important factor in states' calculations. But they stress that states will often be reluctant to cooperate even if they could be certain that the counterpart will cooperate and that they will gain as a result. "Trust" does not solve the distributional conflict. To the extent that states have conflicting interests regarding the distribution of gains, cooperation is not necessarily Pareto-improving, as it would be if the key problem was how to avoid defection.[2]

Subsequent contributions to the debate highlighted a number of interesting implications. Snidal (1991) showed that the impact of relative-gains concerns on cooperation diminishes with increasing numbers of states. Powell (1991) urged scholars to focus on constraints facing states, rather than their preferences, and showed that even states assumed to be absolute-gains maximizers will avoid cooperating in an international context in which the cost of using force is sufficiently low. Morrow (1997) noted that states can raise military spending to compensate for increased security threats, and thus relative-gains concerns and security externalities may block peacetime trade among rivals only in unusual circumstances. Grundig (2006) noted that relative-gains concerns make cooperation more difficult in the provision of nonexcludable goods, such as addressing climate change, than in the domain of excludable goods, such as trade. Rousseau (2002) provided experimental evidence that the importance attached to relative as opposed to absolute gains in international relations varies considerably across individuals and is systematically affected by factors such as the identity of the opponent.[3]

In light of this debate, how can, and should, the relationship between neoliberalism and neorealism be conceived? In his in-depth analysis of that relationship, Thies notes that "neoliberalism has been presented as virtually identical to neorealism and as its opposite" (Thies, 2004: 163). Clearly the two approaches have much in common. They are both committed to a rationalist mode of

analysis. They share assumptions about the key actors in world politics (states), their attributes (rational utility-maximizers), and the context of their interaction (anarchy). Furthermore, whatever their disagreements over the role of international institutions, both realists and neoliberals assume that states have a purely instrumental attitude toward them: institutions are useful insofar as they serve interests that states have developed prior to and independently of their participation in institutionalized interaction. Not surprisingly, two leading neoliberals have referred to the two approaches as "half-siblings" (Keohane and Martin, 2003: 81). These commonalities ensure that the two approaches are commensurable and that their separate development would thus be undesirable. Indeed, a critic has noted that a "neo-neo synthesis" had been established by the early 1990s (Wæver, 1996).

One way to interpret the relationship between the two approaches is to apply the first model of theoretical dialogue identified by Jupille et al. (2003), i.e. competitive testing. For instance, David Lake implicitly calls for competitive testing when he interprets the debate as showing that "it is an empirical question as to which of the two approaches might apply in any particular situation" (Lake, 2002: 149; see also Rousseau, 2002 and Wæver, 1996). Thies (2004) develops an innovative interpretation of the difference between the two theories – neorealism is a single screening model with no "memory" of cooperative relationships, whereas neoliberalism is a repetitive screening system model that predicts increasing cooperation over time – and argues that both are internally coherent theories whose external validity has to be established through empirical tests (although neoliberalism is said to be better equipped to deal with the temporal dimension of state interaction).

Other participants in the debate think that some form of closer synthesis is possible and desirable at the theoretical level, but there is substantial disagreement over what forms such synthesis should take. Broadly speaking, three positions on synthesis have emerged. The first one is that neorealism subsumes neoliberalism. Grieco has argued that, "[c]ompared to realist theory, neoliberal institutionalism understates the range of uncertainties and risks states believe they must overcome to cooperate with others. Hence, realism provides a more comprehensive theory of the problem of cooperation than does neoliberal institutionalism" (Grieco, 1988: 131). In the same vein, John Mearsheimer argued that "liberal institutionalism can hardly be called a theoretical alternative to realism, but instead should be seen as subordinate to it" (Mearsheimer, 1994/5: 24). The second position is that neoliberalism subsumes neorealism. Robert Keohane and Lisa Martin argued that, "[b]y seeking to specify the conditions under which institutions can have an impact and cooperation can occur, neoliberal theory shows under what conditions realist propositions are valid. It is in this sense that institutionalism claims to subsume realism" (Keohane and Martin, 1995: 42).

The third position is that the two approaches are theoretically complementary and neither can claim analytical priority or comprehensiveness. A sustained argument for the integration of key components of these approaches into an overarching framework has been made by Andreas Hasenclever et al. (2000). They argue that both perspectives offer a partial interpretation of the conditions of cooperation and that an effort at synthesis should focus on identifying the different contexts (or "domains of application," in the terminology of Jupille et al., 2003) in which neorealist or neoliberal expectations about cooperation are justified. The foundation of their synthesis is a theory of state motivation, which specifies under which conditions states are strongly concerned about relative gains (and thus their behavior conforms to neorealist expectations) and under which conditions they are interested mainly or exclusively in absolute gains (and thus conform to neoliberal expectations).[4] Neoliberal hypotheses explain international cooperation when absolute-gains concerns clearly outweigh relative-gains considerations, while neorealist analysis is more

appropriate when the opposite is the case. In this sense, the two approaches are complementary, and constructing a theoretical synthesis "becomes a matter of specifying the conditions under which relative gains are severe and the conditions under which they are slight or completely dominated by calculations of absolute gains" (Hasenclever et al., 2000: 17). The next section presents an alternative way of synthesizing the two approaches.

The Theoretical Parsimony Criterion: Relative-Gains Problems as Commitment Problems

Some arguments for synthesis based on domains of application assume that the crucial difference between neorealism and neoliberalism is that the former stresses the importance of relative gains while the latter stresses the importance of absolute gains. However, the core of the neoliberal research program is not an assumption about state motivations – that is, the priority of absolute gains over relative gains – but the idea that the difficulty of having agreements enforced is the crucial obstacle to cooperation under anarchy (a problem summarized by Grieco as "fear of cheating"). Neoliberal theory shows under what circumstances these difficulties are more or less severe and specifies the role of institutions in overcoming them, mainly, but not only, by enhancing the quality of information available to states. Seen in this light, the crucial question raised by the "neo-neo" debate is not "in which circumstances are states concerned with relative gains?" but "in which circumstances can states achieve a mutually acceptable distribution of gains, even when they are concerned about relative gains?" In this section we argue that the neoliberal research program is able to provide a comprehensive and satisfactory answer to the latter, more fundamental question, and that therefore the subsumption of neorealism under neoliberalism offers a more parsimonious route to synthesis than the domains-of-application route.

Relative-gains concerns are intractable only where there is a combination of very specific conditions (Keck, 1993: 53). First, the sensitivity to relative gains must be strong enough to override the absolute benefits of cooperation. This sensitivity is the variable that Grieco and others focus on, but three more are often overlooked. Second, the gains from cooperation must not be perfectly divisible. If they are perfectly divisible, then states can agree on a distribution that preserves the ratio or the absolute difference of power resources between them, or at least ensures that any relative gain remains within acceptable limits. Third, side-payments must not be feasible. If they were, the state obtaining relative gains from the main transaction could compensate the relative losers so as to redress the balance of power. Finally, issue linkages also must be impossible. Issue linkage consists in agreeing on and implementing two or more cooperation projects that are jointly acceptable to all parties but individually unacceptable to one or more of them, for instance because of relative-gains concerns. In this article we consider side-payments and issue linkage as two different forms of compensation.

Since even states with a very strong relative-gains orientation[5] would still be able to cooperate if they could transfer side-payments or implement issue linkages, the "relative-gains problem" boils down essentially to the question of under which conditions compensation is possible. When it is possible, any agreement that produces positive absolute gains can lead to a situation in which *each* party has positive absolute gains, and relative-gains concerns are assuaged. Grieco concedes that compensation can solve relative-gains problems, but retorts that this solution is not always available or effective. He argues that "we know that solutions to relative gains and cheating problems sometimes are available and sometimes are not, and we want to know why. We know also that solutions to these two types of problems sometimes work and sometimes do not, and again we want to understand why" (Grieco, 1993: 320).

The key argument of this article is that this question can be answered from within the analytical boundaries of neoliberal theory itself. Once the "relative-gains problem" is redefined as the availability and effectiveness of compensation, as it should be, we no longer have "two types of problems" but only one: the risk of cheating. This is because the strategic structure of compensation agreements is not different from the "games" analyzed by neoliberal theory, notably the prisoners' dilemma and the assurance game. Thus, the "relative-gains problem" is only a special case of the set of commitment problems analyzed by neoliberalism and not an additional implication of anarchy, as realists have claimed.[6] Since neoliberalism provides the conceptual and theoretical tools for answering Grieco's questions quoted above, subsuming neorealism under neoliberalism is the most parsimonious way to synthesize the two approaches.

This does not imply that neoliberalism is able to explain 100 percent of the variance in international cooperation.[7] States may fail to cooperate over divisible gains, or to overcome indivisibilities through compensation agreements, because of a variety of reasons, such as bureaucratic politics, failure to accommodate domestic veto players, and norms of appropriateness that make certain compromises unacceptable, to name just a few factors that may prevent actors from cooperating and compensating in many situations. These factors may be emphasized by theories that do not depend on the assumptions shared by neoliberalism and neorealism, notably the assumption of states as rational unitary actors with exogenously given preferences. Our argument that neoliberalism can subsume neorealist explanations based only on relative gains does not extend to other theories relevant to cooperation, including – crucially – several realist theories that reject, modify, or add to the list of "neo-neo" assumptions. In this sense, the scope of the proposed synthesis is limited to the causal conditions identified by the two theories.

Neoliberalism can determine the conditions under which compensation agreements are possible by focusing on the variable that Grieco has rightly stressed as the theoretical core of neoliberalism: the fear that the counterpart will cheat. Neoliberalism identifies two sets of conditions: on the one hand, those that cause the fear of cheating; on the other hand, those that can mitigate that fear. Considering the first set of conditions, fear of cheating should be minimal if the gains from cooperation are *perfectly divisible*: if this is the case, states can solve the relative-gains problem by dividing the gains so as to keep any change in relative power within acceptable limits, and successful cooperation does not require compensation that may be withheld by one party. To keep changes of relative power within mutually acceptable limits may mean to aim at preserving the absolute difference of power resources between them, or preserving the original ratio of power resources, or a mix of both.[8] The choice is likely to depend on whether absolute or percentage advantages in power are perceived as more threatening, which – as Mosher (2003: 648–51) notes – is ultimately an empirical question.[9]

Some goods, however, are not completely divisible for material or ideational reasons.[10] In such cases, the parties may agree to redress relative gains through side-payments or issue linkage. If the delivery of the side-payment, or of the object of linkage, is *simultaneous* with the main transaction, the opportunity for cheating and consequently the need for trust are minimized.[11] Indeed, Keohane (1986: 22) notes that "extreme examples of purely simultaneous exchange indicate hostility and distrust." The problem of trust arises when there are "time asymmetries in delivery" (Coleman, 1990: 91), which introduce an element of risk for those who must deliver their part of the deal before receiving a return. Sequential exchange is more demanding in terms of trust than simultaneous exchange: in addition to having to bargain over the nature and size of compensation, the actors have to worry about compliance if one or more participants would benefit from reneging on their promises. Similarly, redressing relative gains through issue linkage sometimes means that different

actors "deliver the goods" at different times, which increases the opportunities for cheating and therefore the need of trust.

In situations in which gains are not perfectly divisible and compensation is not perfectly simultaneous, neoliberalism expects the fear of cheating to depend crucially on the (perceived) payoff structure. Compensation agreements can be conceptualized as games in which the players prefer mutual cooperation (one side accepts the main transaction and the other pays the compensation) to no cooperation. To what extent a party fears the other may cheat depends on whether it believes that the other party prefers mutual cooperation to unilateral defection or vice versa. Assuming symmetry between the players, a preference for mutual cooperation over unilateral defection results in an assurance game, whereas a preference for unilateral defection over mutual cooperation results in a prisoners' dilemma. Neoliberals argue that cooperation is easier in assurance games than prisoners' dilemmas, but the actual preference for mutual cooperation over unilateral defection will facilitate cooperation only if the counterpart has reliable information about this ordering. Possessing credible information about preferences is therefore crucial.[12]

Therefore, divisibility, simultaneity, and the payoff structure determine whether there is fear of cheating. Neoliberalism also indicates which conditions may mitigate this fear. Even when all actors prefer their own unilateral defection to mutual cooperation – or risk-averse actors must assume that this is the case – compensation is still possible when the players expect to continue to interact in the future and value the gains from future cooperation highly. In these circumstances, cooperation is more likely when states can effectively detect and punish defectors. This requires the ability to verify compliance with commitments and the capacity to sanction actors that do not comply. Information about behavior is therefore crucial. International institutions can mitigate fears of cheating by improving the quality of the information available to states. As Keohane noted, "[i]nternational regimes can be thought of as arrangements that facilitate *nonsimultaneous* exchange" (Keohane, 1984: 129; his emphasis). But also the number of actors is important, because both detection and punishment are more difficult when many actors are involved. In addition to the problem of cheating, agreements involving side-payments or issue linkages face bargaining problems, which have been extensively analyzed by neoliberals as well as realists (e.g. Fearon, 1998; Krasner, 1991; Martin, 1992).

In sum, the neoliberal theoretical framework identifies what generates and what mitigates the fear of cheating, or, in other words, it shows when trust is necessary for cooperation and what may generate the required level of trust. This framework provides the conceptual and theoretical tools for examining not only the commitment problems faced by absolute-gains seekers, but also those plaguing states concerned about relative gains and thus interested in reducing or eliminating them through compensation agreements. Contrary to what leading realists maintain, considerations about relative gains are not a further hindrance generated by anarchy *independently from* and *in addition to* concerns about cheating, because relative-gains considerations inhibit cooperation only to the extent that states are concerned about cheating. In principle states can overcome relative-gains problems through compensation, but in practice they often fail to do so because compensation agreements are difficult to negotiate and enforce in an anarchic international system. Neoliberalism shows that (1) the enforcement problem is a variable that depends on a number of circumstances, and (2) states can manipulate these circumstances to some extent, for instance by improving the availability and quality of information through international institutions. To the extent that the neoliberal research program is able to specify the conditions under which compensation agreements succeed or fail, it subsumes the realist focus on relative gains.

The Empirical Fit Criterion: Austro-Prussian Cooperation, 1763–95

Arguments for subsumption based on theoretical parsimony are unlikely to be fully convincing without showing that the synthesis fits the empirical evidence at least as well as the subsumed theory. Ideally, this means that the subsuming theory should be able to account for all empirical instances that can be explained by the subsumed theory, and more. However, few empirical research designs can hope to capture all empirical instances of the phenomena of interest. For this reason, requiring a strict application of the empirical fit criterion would make any attempt at synthesis exceedingly difficult and, thus, introduce an anti-synthesis bias in the theoretical landscape. Instead of expecting that subsumption be empirically *verified*, therefore, it is more fruitful to ask how it could be *falsified*. An argument for subsumption can be considered falsifiable if it is in principle possible to identify (a significant number of) empirical instances explained by the subsumed theory but not by the purported subsuming theory. We believe that falsifiability can still be ensured through a pragmatic and less demanding variant of the empirical fit criterion: the subsuming theory should be able to account for those instances that are *most likely* to be explained by the subsumed theory. If this can be shown to be the case, it would support at least a prima facie case for subsumption. From the perspective of research design and case selection, the criterion can be operationalized by means of two general guidelines. First, the potential impact of variables falling outside of the purview of both the subsumed and the subsuming theory should be controlled for or minimized. Second, the analysis should focus on cases where the causal mechanisms identified by the subsumed theory should be expected to be particularly powerful.

The application of these rules to the relationship between neorealism and neoliberalism suggested to us an analysis of Austria's and Prussia's attempts to cooperate in the second half of the 18th century. These cases comply with the first guideline, since the potential influence of "confounding" factors is minimal: most notably, the small circle of decision-makers in those states minimized the impact of bureaucratic politics, absolutist rule in foreign policy reduced the effect of pressure-group politics, and the weakness of norms of national self-determination and territorial integrity provided little normative resistance to territorial encroachments, swaps, and compensations. Both neorealism and neoliberalism tend to assume exogenously given goals, and their application in the period under consideration is facilitated by the fact that in the 18th century the goals of states were relatively well defined as well as compatible with neorealist assumptions: most rulers of the time shared the belief of Louis XIV that "to aggrandize oneself is the worthiest and most agreeable occupation of a sovereign." The acquisition and retention of territory were the most important objectives of foreign policy, and throughout the 18th century "territories were shuffled around, swopped and bartered in unscrupulous fashion" (Luard, 1992: 202). In considering possible moves on the diplomatic chessboard, rulers were constantly trying to estimate both absolute and relative gains in terms of the size, population, revenues, and strategic value of territories.

Austro-Prussian attempts at cooperation in the 18th century also comply with the second guideline. In that period relative gains concerns were undoubtedly highly relevant among European states, and probably nowhere more so than in the relationship between Austria and Prussia (see below). Selecting two states with unambiguously high relative-gains concerns not only increases the fit with neorealist theory; it also helps address a common problem of empirical research on relative gains: when preference rankings are not declared explicitly and reliably by the actors, the same behavior at the bargaining table may be interpreted as an indication of an interest in the largest possible share of absolute gains as well as the desire to avoid relative losses. This ambiguity presents a significant challenge to the falsifiability of explanations based on relative gains. Focusing

on 18th-century Austria and Prussia minimizes this problem because abundant historical evidence shows that the latter motivation was undoubtedly important in their relationship.

We begin with a description of the goals of the two states. Austria and Prussia had a keen interest in dividing Germany and Poland between them (von Aretin, 1997: 110–11, 173). They also had more specific territorial goals. The Prussians wanted to expand their dominion in western Poland, where they particularly coveted the cities of Danzig and Thorn, as well as in southern Germany, where they wanted the Franconian margravates of Ansbach and Bayreuth. Other territories coveted by the Prussians were Electoral Saxony, Mecklenburg and Swedish Pomerania (Friedrich der Große [Frederick the Great], 1986 [1768]: 366–76). On the other hand, the Habsburg monarchy was especially interested in strengthening its position in southern Germany, notably Bavaria, in order to consolidate its scattered possessions, which ranged from its core in Austria and Hungary to the Austrian Netherlands. Both states could have attempted to acquire these territories through war, but cooperating with one another offered a more certain and less costly way of territorial expansion at the expense of weaker states.

Austria and Prussia had also severe relative-gains concerns in relation to each other. They were bitter rivals, especially over their relative status in Germany. Paul Schroeder notes that "[t]he prime requirement of the balance of power for Austria ... was to prevent Prussia from growing in power relative to itself, especially in Germany" (Schroeder, 1994: 14), while Prussia had the opposite goal. Both states were concerned about each other's strength throughout the period considered here. In sum, cooperation between the two powers entailed opportunities for absolute gains as well as the dreaded possibility of relative losses.

Between 1763 and 1795 Prussia and Austria managed to overcome relative-gains concerns and achieve absolute gains with regard to the partition of Polish territories, but they could not achieve the same result when German territories were involved. Why? The neoliberal toolbox can explain this puzzle. We will examine four opportunities for coordinated territorial expansion that arose between the end of the Seven Years War and 1795: the First Polish Partition in 1772, the Austrian attempts to annex Bavaria in the 1770s, the Bavarian exchange plan of 1792 and the Third Partition of Poland in 1795. We will argue that what made cooperation possible in two of those instances and impossible in the other two were the different levels of fear of cheating in those situations, which in turn depended on the divisibility of the gains and the simultaneity of the exchange.

The First Polish Partition, 1772

The first successful attempt at cooperation was the First Polish Partition. An insurrection against Russian influence erupted in Poland in 1768, and disturbances in the region of Poland bordering Hungary gave the Habsburgs the pretext to occupy at first the county of Spisz and then other territories in southern Poland. There were signs that Vienna intended to bring those territories permanently under Habsburg rule (Glassl, 1969: 23–50). Frederick of Prussia came to see these developments as an opportunity to achieve peacefully the long-cherished goal to expand his kingdom at the expense of its eastern neighbor. In May 1771 he persuaded the Russian foreign minister, Nikita Panin, that the time was ripe for seeking a negotiated partition of Polish territory. The Austrian government heard of the ongoing Prussian–Russian negotiations and started considering various options for a partition scheme (Kaplan, 1962: 139–59; Roider, 1982: 133–8). In January 1772 Prince Kaunitz, the Austrian chancellor, informed Frederick of Vienna's willingness to negotiate the partition, insisting that "perfect equality" of gains was essential: Prussia and Russia would decide what territories they would incorporate and Austria would take a portion "directly and

equally proportional to the share that Prussia would take" (Kaplan, 1962: 162). The three countries started negotiations by issuing repeated assurances that their relative power was not to be altered. Discussions about the relative value of the shares claimed by the three powers made up most of the negotiations, with each of them downplaying the economic and strategic value of the land it claimed and denouncing the exorbitant nature of the others' requests (Kaplan, 1962: 158–73). As a result of Austria's superior bargaining power due to a lesser interest in concluding the deal and its determination not to lose ground vis-à-vis Prussia, the partition conventions of August 1772 gave Vienna the largest share in terms of area and population. However, given the high strategic importance of Prussia's acquisitions, neither Vienna nor Berlin can be said to have obtained significant relative gains from the agreement.

Cooperation was successful because the Polish territory was considered highly divisible by the three powers, which were able to carve out portions of Poland in such a way as to determine precisely the size of each power's (absolute and relative) gains. Given the low level of trust among the three states, the simultaneous appropriation of gains was the key factor, since no state would have conceded present gains in exchange for future compensation. The powers agreed a date for the simultaneous occupation of their acquisitions and this avoided serious enforcement problems.

Bavaria and Ansbach-Bayreuth, 1770s

As noted above, Austria aimed for the annexation of Bavaria, or at least a portion of it, while Frederick aimed at securing the union of Ansbach and Bayreuth to Prussia and possibly the annexation of Jülich and Berg. From 1770 onward the two great powers signaled to each other their willingness to negotiate on these issues as part of a general agreement on the division of German territories (von Aretin, 1997: 178, 185). The Polish partition of 1772 unleashed panic in Germany, since it indicated that the smaller German states risked becoming victims of Prussian and Austrian collusion. Indeed, many observers – including the French government – suspected that, while negotiating the Polish partition, Austria and Prussia had reached an agreement also on Bavaria, Bayreuth, Ansbach, and other territories (von Aretin, 1997: 180, 183).[13] However, negotiations were hindered by the reciprocal mistrust between Frederick, on the one hand, and Kaunitz and the Austrian co-regent Joseph II, on the other. Neither the Austrian nor the Prussian rulers were willing to defy blatantly the constitution of the German Reich and simply occupy the desired territories, as they had done in Poland. Both preferred to wait for the death of the incumbent rulers of those principalities, who were without direct heirs, and then press their claims with at least some semblance of legality. At that point, the active cooperation or at least the acquiescence of the other German great power was highly desirable for both of them, since that would have considerably increased the likelihood of success and possibly avoided a war. The problem was that no one could predict when the succession crises would occur in Bavaria and in Ansbach-Beyreuth and therefore when either Prussia or Austria would have been expected to honor a commitment to support the other. The Austrians and Frederick did not trust each other sufficiently to agree to a sequential deal. This enforcement problem reduced the incentive to reach an agreement in the first place. Another reason why reciprocal mistrust hindered negotiations on German territories is that, by presenting written proposals, each side would have risked having their plans exposed by the other in front of the whole Reich, and France, with serious damage for their reputation. "The rivalry of the two German powers was too strong, and the trust between them too weak, to allow open negotiations" (von Aretin, 1997: 178, see also 179 and 184).

These problems persisted when a sudden opportunity arose in 1777 for the Austrians to achieve their goal, as the succession crisis in the Bavarian branch of the Wittelsbach family brought to the

throne Elector Karl Theodor of the Palatine branch. The Austrian government and Karl Theodor had been engaged in complex negotiations about the cession of Bavarian territory to Austria (Thomas, 1989). Frederick was aware of these negotiations and was determined to prevent Austria from achieving a unilateral gain. He saw only two methods of doing this: to wage war against Austria or to negotiate an agreement that would have secured the margravates of Ansbach and Bayreuth for Prussia (Bernard, 1965: 51–74). Such an agreement would have ensured absolute gains for both parties and avoided significant relative gains. However, in January 1778 Austria tried to create a *fait accompli* by pressing Karl Theodor into signing a convention that ceded one third of the country (Lower Bavaria) to Vienna; additionally, it stipulated that any further Austrian acquisition in Bavaria would be compensated in the Austrian Netherlands. At the order of the impatient Joseph, Austrian troops immediately occupied Bavarian territory. As a result of this sudden move, Frederick posed as the defender of the Reich constitution and prepared for confrontation with Vienna. The Austrians remained persuaded that an agreement could be reached and offered to recognize Prussian claims to Ansbach and Bayreuth and other minor territorial adjustments in Germany in exchange for Frederick's acceptance of the Bavarian annexation. Prince Henry and Prussian Minister of State Hertzberg advised him to accept the offer, but Frederick convinced himself that "a second, most secret agreement had been negotiated between the Austrians and Karl Theodor in which the latter had agreed to surrender all of his possessions to them at a somewhat later time" (Bernard, 1965: 72). During April and May 1778 a number of proposals and counterproposals were exchanged between Vienna and Berlin, which involved complex sets of territorial transfers among Austria, Prussia, the Elector Palatine and Saxony. But both sides were reluctant to commit themselves to formal proposals because they feared that their counterpart might betray them and publicize the agreement. Joseph worried that if the Prussians made public his proposals, any remaining belief in the legality of the convention that had given Lower Bavaria to Austria would be destroyed, while Frederick feared that Joseph was not really interested in a settlement and would use the negotiations over compensations as a trap to discredit him before the German princes (Bernard, 1965: 94; von Aretin, 1997: 192). Because both rulers had appealed to Reich legality in presenting their claims, they found it difficult to seek a compromise without loss of reputation.[14] "However passive the role of the Reich during the first phase of the conflict about the Bavarian succession, merely by virtue of its existence it prevented an arrangement that would have meant the overthrow of the existing territorial property rights" (von Aretin, 1997: 192). The failure of the negotiation led to the War of Bavarian Succession in 1778.

The negotiations failed for a number of reasons. First, in Germany the Reich constitution made it harder to reach an agreement because it gave some amount of protection to the territorial integrity of the smaller principalities, thereby inhibiting precise compensations (Schroeder, 1994: 28–9). The consent of several actors would be legally required under the Reich rules, in particular that of the heir to the Bavarian throne, the duke of Zweibrücken, who was opposed to the cession of Bavaria. In contrast, the Polish Sejm had been forced to agree to the partition by means of military threats. Second, neither Frederick nor Joseph was sure that the other preferred an agreement to the opportunity to discredit his rival in front of the German princes and the European governments. Third, and most importantly, the exchange could not have been simultaneous, neither before 1777 because of uncertainty about the timing and outcome of the succession crises in the territories concerned, nor after 1777 because Austria had already reached an agreement with the ruler of Bavaria and proceeded to the occupation, while Prussia was merely promised compensation at a later stage. A major sequential exchange, however, would have required an amount of trust that was wanting between the two actors at the time. In the end, "only the insuperable mistrust of the two German

great powers averted in 1778–79 the partition of the domains of the Wittelsbach, which had been contemplated in Berlin and Vienna" (von Aretin, 1992: 438).

Bavaria and Danzig-Thorn, 1792

Austria and Prussia resumed sustained negotiations about the division of Germany and Poland in the early 1790s. Discussions about a formal alliance between the two German powers started in 1791, causing much concern among the smaller German rulers, who feared an imminent partition of the Reich. In February 1792 Vienna and Berlin agreed to an offensive alliance against revolutionary France. The defeat of France was not their ultimate goal but a precondition for attaining more general objectives, that is, a general territorial reorganization of central Europe of which territorial conquests and financial gains at the expense of France were only one aspect (Blanning, 1986: 113–16; von Aretin, 1997: 390). The crucial goal for the Austrians was still the acquisition of Bavaria, and they tried to secure Prussia's cooperation by linking the exchange of the Austrian Netherlands for Bavaria to acquisitions for Prussia at the expense of Poland. The negotiations started in the spring of 1792 and led to an initial understanding by which Prussia would support the Bavarian exchange and Austria would consent to Prussian gains in Poland, notably the annexation of Danzig and Thorn.

However, in the end the two powers failed to reach an agreement, essentially for two reasons. The first was that both sides were uncertain about the deal that the other side would be willing to accept, and this uncertainty encouraged tough bargaining tactics. Influential members of the Austrian State Conference were convinced that the terms of the initial agreement would generate excessive relative gains for Prussia, since Austria would be exchanging an old possession for a new one while Prussia would be acquiring new territories. To assuage these concerns, the Austrian negotiators demanded that Prussia provide what they called a "supplement" to Austria in the form of the margravates of Ansbach and Beyreuth, which had recently fallen to Prussia. The Prussians retorted that Bavaria was more valuable to Austria than the Netherlands and ruled out the cession of the margravates. Internal documents of the two governments show that the Austrian negotiators were prepared to accept an agreement involving the Bavarian exchange even without any supplement and that the Prussian king, Frederick William, was inclined to cede the margravates as a side-payment provided that a sufficiently large portion of Poland could be secured. But vis-à-vis their counterparts the negotiators maintained that no agreement could be reached if their demands were not satisfied, and these claims produced a lengthy stalemate that ended only when the parties managed to agree that Austria should obtain the desired supplement not from Prussia but from France, after the armies of the two German powers had defeated the Jacobins and conquered Alsace (Lord, 1915: 328, 331, 338, 348).

However, ultimately the Bavarian exchange was thwarted by enforcement problems rather than bargaining problems. The complex negotiations over indemnities and compensations that took place in the spring and summer of 1792 were based on the "principle of complete parity: the respective indemnities were to be equal; they were to be gathered in simultaneously; if the one proved impracticable, the other must also be abandoned" (Lord, 1915: 357). This principle came to be questioned and finally repudiated by the Prussians. In July 1792 the Prussian minister Schulenberg started to suspect that the Austrians were not really interested in an agreement and that their demands concerning the supplement were aimed at sabotaging the explicit goal of the alliance – that is, seeking territorial acquisitions as "indemnity" for the costs of war against France – "out of a Machiavellian calculation that fifty million more of debts would not ruin a

state with the resources of Austria, while the same loss would be fatal to Prussia" (Lord, 1915: 336). In other words, Schulenberg suspected that Austria was prepared to accept absolute losses in order to achieve relative gains vis-à-vis Prussia. In this "harrowing state of suspicion and uncertainty" (Lord, 1915: 336), the Prussian minister decided that Prussia had to obtain an indemnity for the cost of the war whatever might happen. He and his colleagues agreed that Prussia ought to take possession of its acquisitions in Poland as soon as Russia would consent to it; only then would Prussia give Austria any help to achieve the Bavarian exchange and possibly allow her to make additional acquisitions if it were clearly proven that a net loss would result from the exchange.

This became the official negotiating position of Prussia after the unexpected defeat of the Prussian army by the French at Valmy in September 1792. After Valmy the Prussians were even keener to secure an acquisition that would balance their losses and were unwilling to wait until the end of the war with France, which was a precondition for achieving the Bavarian exchange and providing the side-payment required by Austria. The Prussians demanded the abandonment of the principle of simultaneous gains: Prussia had to obtain its acquisitions at once and then help Austria to acquire hers whenever possible (Lord, 1915: 349, 356–7; Schroeder, 1994: 119). But the Austrians were unwilling to support Prussia in Poland before they could make sure that adequate compensations for Austria were feasible, since they did not want to "end up paying the transaction costs and still not getting the transaction" (Schroeder, 1994: 121). The Austrians therefore proposed a plan for the temporary Austrian occupation of a Polish district as security, which was to be returned to the Polish state in the event that the acquisition of Bavaria and a suitable supplement should later be achieved. This demand was rejected by the Prussians, who thought that the Austrian occupation of a Polish district would be unacceptable to Russia and, moreover, suspected that the Austrians had presented that demand simply in order to thwart Prussian gains entirely (Lord, 1915: 359, 368). If the Austrians had accepted a settlement of the Bavarian question in the context of a general reorganization of Europe *after* the defeat of France, cooperation between them and the Prussians would have been feasible. However, given the lack of trust between the two powers, and the likelihood of Prussian defection after having secured its objectives in Poland, Vienna could not abandon the principle of simultaneous gains, and no agreement could therefore be reached.

The Third Polish Partition, 1795

Austro-Prussian cooperation proved thus to be short-lived, but it was soon revived in the last Polish partition. Berlin, which had not managed to reach its objectives in Poland by agreement with Vienna, switched its allegiance to St. Petersburg. In 1791 the Polish had adopted a new constitution that worried Russia and led to its invasion of Poland. Prussia, despite being still formally allied with Poland, joined in the occupation and the Second Partition ensued in 1793, in which Prussia acquired Danzig and the region of Posen (with Thorn) while Russia annexed western Ukraine. This agreement behind the back of the Austrians, together with the deterioration of the relations between Prussian and Austrian commanders on the western front, resulted in severe tensions and increased hostility between Berlin and Vienna.

Despite these tensions, the Polish reaction to the Second Partition – the Kościuszko Uprising – spurred a joint military intervention and preparations for a final and total partition. The Austrians realized that they could expect no assistance from Prussia for the attainment of the Bavarian exchange and decided to seek compensation in Poland for Austria's war effort on the western front and for the recent acquisitions of Russia and Prussia (Lukowski, 1999; Roider, 1987: 132–4). After

several months of "acrid negotiations" (Schroeder, 1994: 148), during which Austria and Russia reached a bilateral agreement and even deployed troops against Prussia, while Prussia concluded a separate peace with France also to strengthen its hand in Poland (Moritz, 1968: 186), the three powers concluded a final partition treaty in October 1795. Austria acquired Little Poland (with Lublin and Cracow), Russia acquired Lithuania, and Prussia acquired Masovia (with Warsaw). By far the most difficult negotiation issue had been the palatinate of Cracow: Austria had long-standing claims on that district but Prussia had occupied it during the uprising and was determined to keep it (Lord, 1925: 489–90; Moritz, 1968: 167–90). The partition treaty finally assigned Cracow to Austria, and the Prussians agreed to evacuate it within six weeks; until then Russian troops would remain in Warsaw and other territories assigned to Prussia. Moreover, Austrian troops remained in a wedge in Masovia between the rivers Vistula and Bug as an additional security. In early January 1796, almost simultaneously, Prussia evacuated Cracow, Russia evacuated Warsaw, and Austria evacuated the Masovian wedge (Góralski, 1971: 216; Lukowski, 1999: 179).

In 1794–6 the Austrians and the Prussians mistrusted each other deeply and were very sensitive to relative gains. The Third Partition was successful under these conditions for the same reasons that had allowed Prussia, Austria, and Russia to accomplish the First Partition. The territory of Poland was regarded as highly divisible by the partitioning powers and the appropriation of their respective territorial gains could be simultaneous. The most serious appropriation problem was created by Prussia holding a valuable territory assigned to Austria (Cracow), and this was successfully solved by making the appropriation of important Prussian gains (Warsaw and the Masovian wedge) contingent on Prussia honoring its commitments.

In sum, between 1763 and 1795 Austria and Prussia had various opportunities for cooperation that would have provided absolute gains for both of them without generating significant relative-gains. The two great powers managed to exploit these opportunities in Poland but not in the German Reich. We have argued that the two powers failed to solve their relative-gains problem in Germany for the same reason they failed to reap absolute gains: the fear of being cheated. Contextual factors – the unwillingness to blatantly violate the rules of the Reich in the 1770s and the uncertainties of war in 1792 – meant that Prussia and Austria faced some constraints in defining their respective gains and would have been unable to acquire their territorial prizes at the same time. In other words, compared with the partitions of Poland, the gains from cooperation in Germany were less divisible and their appropriation less simultaneous. Either Prussia or Austria would have had to acquiesce or cooperate in the expansion of the other yet remain unsure that the other would (or could) reciprocate. In such circumstances cooperation is possible only if the main actors believe that the other side prefers to reciprocate cooperation rather than exploit it – that is, if they trust each other. But the required level of trust was absent in the relationship between Austria and Prussia.

Enforcement problems were the main reason for which compensation arrangements involving German territories were more difficult to achieve than those involving Poland. But also bargaining problems played a part. The unwillingness to defy the Reich constitution too blatantly led Austria and Prussia to accept that other interested parties – the rulers of the territories to be bartered and their heirs – had some form of veto power, and this complicated negotiations. Neither German power had similar scruples about forcing the Poles to acquiesce in the partition of their country. Moreover, mistrust also hindered negotiations because of the risk of being exposed vis-à-vis the princes of the Reich by a duplicitous counterpart. To sum up the role of the Reich in Austro-Prussian cooperation, it was strong enough to prevent cooperation that clearly violated Reich rules, but it was not strong enough to assuage concerns about defection from agreements that were compatible with those rules (territorial exchanges with the consent of the legitimate rulers).

Could other factors not captured by neoliberal theory explain this particular pattern of success and failure? As we mentioned at the beginning of this section, domestic factors are unlikely to have had much influence in this period and these countries, and the historical record seems to confirm this. Four factors frequently invoked by realist scholars to explain differences in international cooperation – relative-gains concerns, relative strength of the parties, fear of a common enemy, and diplomatic alignments – also are unable to account for the variation found in our cases. First, concerns about relative gains were strong throughout the period. Probably they were even stronger in 1795 than in 1792. Second, while the relative power of Prussia vis-à-vis Austria was stable or declined slightly over the period 1763–89, cooperation outcomes were more volatile – successful in 1772 and 1795 with regard to Poland, unsuccessful in the 1770s, 1780s, and 1790s with regard to Germany. Third, concerns about the power of third parties cannot explain by itself the outcomes, since fear of Russian expansionism may have facilitated cooperation in 1772 but did not in 1792. Moreover, if Prussia and Austria had cooperated in Poland also for fear of Russia, *a fortiori* they should have cooperated over German affairs, since the coordinated partition of Germany would have produced absolute gains *and* improved their relative power vis-à-vis Russia. Finally, shifting diplomatic alignments are also unable to account for the outcomes, since cooperation occurred in times of Prusso-Russian (First Partition) as well as Austro-Russian alliance (Third Partition), while it failed in times of Prusso-Russian (Bavarian exchange plan of 1778) and even Austro-Prussian alliance (Bavarian exchange plan of 1792).

Conclusion

Since none of the models of dialogue identified by Jupille et al. (2003) appears to be intrinsically preferable to the others, scholars interested in advancing theoretical synthesis in political science would benefit from the development of a set of criteria for assessing how different synthetic strategies might help solve theoretical and empirical puzzles. We focused on two criteria, theoretical parsimony and empirical fit, and applied them to a major debate in recent political science, the controversy among neoliberals and neorealists over cooperation under anarchy. Given the significant similarities between the two approaches, nearly all participants in the debate agree that some form of synthesis is possible and desirable, but there is substantial disagreement over what the best "neo-neo synthesis" would be: views range from the subsumption of neoliberalism under neorealism, through forms of complementarity based on different domains of application, to the subsumption of neorealism under neoliberalism.

In this article we provided an argument for the last position, on the basis of theoretical parsimony. Contrary to the neorealist position, concern for relative gains is not an obstacle to cooperation that is independent from and additional to the fear of cheating. States may overcome relative gains problems by means of compensation agreements, and this raises two crucial questions. First, under what conditions will such agreements be reached? Neoliberalism identifies the variables that affect the expectation of reciprocal cooperation versus defection under anarchy and thus the viability of specific compensation agreements. Second, are states able to manipulate these variables in order to increase the likelihood of cooperation? Neoliberalism shows that states can alter at least one crucial variable – information – by creating and supporting international institutions. Since it can be shown that agreements to mitigate relative gains are but a special case of the commitment problems analyzed in the neoliberal framework, the most parsimonious strategy for synthesis consists in the subsumption of neorealism under neoliberalism.

The examination of attempts at cooperation by Austria and Prussia in the second half of the 18th century has shown that this theoretical parsimony is not achieved at the expense of empirical range. The key to explaining why cooperation between Austria and Prussia succeeded in some cases and failed in others is not the extent to which they were concerned about relative gains, but the extent to which they feared being cheated in compensation transactions. By explaining when this fear was low and hence compensation agreements were possible, neoliberal hypotheses provide a satisfactory explanation of the vagaries of cooperation in a historical context where neorealist assumptions are particularly plausible. The historical evidence also showed that two key factors in the explanation of variation across cases – divisibility and simultaneity – depended on ideational and institutional constraints that rationalist approaches such as neoliberalism and neorealism may not be well suited to explain. This examination of the synthesis of two rationalist theories therefore ends by pointing to the possible benefits of integrating rationalist and constructivist approaches.

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Notes

1. For various reasons, none of the labels that have been attached to the two approaches is entirely satisfactory, and we use the terms neoliberalism and neorealism simply because they are short and well entrenched in the literature (Baldwin, 1993).
2. Our interpretation of the debate does not rule out that the difference between the two positions may be rooted in a deeper divergence in the way the two approaches understand uncertainty (we are grateful to an anonymous reviewer for alerting us to this). Rathbun (2007), for instance, suggests that for realism states are in constant fear of predation, which leads them to assume the worst about other states' intentions; "rationalism," on the contrary, is said to have a more agnostic conception of uncertainty, according to which states collect and update information about intentions and behavior without making *a priori* assumptions about the danger posed by other states
3. Further contributions to the debate include, among others, Berejikian (1997); Liberman (1996); Mastanduno (1991); Matthews (1996); Mosher (2003); Vezirgiannidou (2008).
4. Berejikian (1997) develops an interesting perspective on state motivation that is based on prospect theory. He hypothesizes that states pursue absolute gains when options are framed as a choice between gains, whereas states pursue relative gains when options are framed as a choice between losses.
5. Short of an implausibly pure relative-gains orientation, where interactions are constant-sum.
6. James Fearon (1998: 288) also interprets the relative-gains problem as a commitment problem, but he points to "states' inability to commit not to take advantage of greater relative power in the future," whereas we examine the commitment to rebalance gains by means of compensation.
7. We are grateful to an anonymous reviewer for highlighting the importance of this point.
8. We are grateful to an anonymous reviewer for directing our attention to this issue.
9. Empirical testing may be difficult because in many cases the choice may not be perceived as vitally important by decision-makers. This could be because (1) if the initial power gap between the states is large compared with the potential gains, they will be less concerned about relative gains in general (since such gains are unlikely to make a difference) and, specifically, less concerned about the choice between preserving the ratio and preserving the absolute difference of power; (2) if the initial power gap is small, they will be more concerned about relative gains, but the distinction between ratio-preserving and difference-preserving methods may be less salient as they will yield similar distributions of gains.

10. As conceived here, indivisibility does *not* imply nonfungibility, i.e. the belief that a good cannot be substituted or exchanged for something of comparable value. (For a definition of indivisibility that includes nonfungibility, see Hassner, 2003).
11. In this article, trust is simply conceived of as a belief that the other side prefers to reciprocate cooperation rather than exploit it (Coleman, 1990; Kydd, 2000). This is a minimalist definition of trust, which denotes the opposite of what Grieco calls "fear of cheating."
12. The features of compensation negotiations as games of incomplete information are elaborated in a separate paper.
13. In January 1774 Edmund Burke commented that "Poland was but a breakfast" and wondered "where will they dine" (Sutherland, 1960: 514).
14. These developments confirm Goddard's (2006) interpretation of indivisibility as constructed during the negotiation process and as the unintended effect of legitimation strategies that lock actors into bargaining positions from which they can no longer recognize any other claim as legitimate.

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