Middle Powers under Regional Hegemony: To Challenge or Acquiesce in Hegemonic
Enforcement
Author(s): David R. Mares
Source: *International Studies Quarterly*, Vol. 32, No. 4, (Dec., 1988), pp. 453-471
Published by: Blackwell Publishing on behalf of The International Studies Association
Stable URL: http://www.jstor.org/stable/2600593
Accessed: 23/07/2008 23:43

Middle Powers under Regional Hegemony: To Challenge or Acquiesce in Hegemonic Enforcement

DAVID R. MARES

University of California, San Diego

This paper presents a model of the international behavior of a middle power located in a regional hegemony. Integration of structural realist and game-theoretic paradigms is used to derive hypotheses about the expected behavior of a middle power in a dispute involving the regional hegemon and another middle or small power in the region. Among the attractions of such an approach are that 1) actor preferences are derived parsimoniously, and 2) structural realist hypotheses are formulated in a rigorous and testable fashion. Four hypotheses are developed, each corresponding to different versions of the regional hegemony game. The explanatory power of the model is illustrated by two Latin American cases, chosen because the international relations literature has emphasized the constraints on middle and small powers' ability to disagree with the United States. The cases examine Brazilian and Mexican behavior when the U.S. attempted to pressure a right-wing government (Argentina during World War II) and a left-wing government (Cuba in the 1960s). Shifts in Brazilian and Mexican foreign policy closely correspond with the predictions of the model.

The behavior of states in alliances constitutes one of the major subjects of the study of international relations. It is now well established that states prefer to balance rather than bandwagon (Liska, 1962; Waltz, 1979; Walt, 1987). This preference for balancing implies a voluntary component to the decision to ally which, together with the NATO experience that dominates the study of international relations in the United States, has fundamentally influenced studies of intra-alliance behavior. The fluidity of alliance membership is explained in terms of the various factors which determine which state an alliance member views as most threatening *at that moment* (Walt, 1987). The internal dynamics of stable alliances are analyzed in terms of a collective goods problem: free riders in the alliance benefit from the collective provision of security (Schelling, 1960:22, 23, 37, 52 and 158; Olson and Zeckhauser, 1966; cf. Keohane, 1971).

But not all alliances are created through voluntary choices. In these other alliances, which I call regional hegemonies, lesser powers join security alliances directed against all rivals of the regional hegemon. The involuntary character arises because it is the regional hegemon which constitutes the most serious threat to the sovereignty of regional states, yet the security alliance explicitly rejects this conceptualization of the regional hegemon. Given the absence of a collective security good and the inability to shift alliance membership, the two major explanations of internal alliance behavior lose relevancy in regional hegemonies. International relations theory provides us with explanations for why such bandwagoning occurs, but explanation of the internal dynamics of these security alliances has been largely left to descriptively oriented analysts.

How important is this inability to explain the security concerns and behavior of lesser powers in a regional hegemony? Some analysts see it as of little importance because the possibilities of addressing such concerns are dramatically limited by the regional hegemon.[1] But empirical studies repeatedly demonstrate that lesser powers may or may not accept the regional hegemon's definition of security and often actively dispute its intra-alliance significance. A few high-profile cases from the U.S.–Latin American experience demonstrate that blind opposition to the regional hegemon (so-called anti-Yankee phobia) and lack of opportunity for dissent are not powerful explanations of the dynamics of lesser-power behavior within regional hegemonies. While Guatemala (1954) and Chile (1973) were unable to break away from U.S. dominance, Cuba was successful, and Argentina found resistance to incorporation during WWII possible. In addition, Brazil supported Argentine rejection of U.S. hegemony during World War II but sent troops to the Dominican Republic in 1965 to enforce U.S. hegemony. And in the 1920s, Mexico initially supported Sandino's war against U.S. intervention in Nicaragua but then collaborated with the U.S. to end his resistance.

These and more contemporary examples (the Contadora group's opposition to U.S. policy in Central America) demonstrate that intra-alliance behavior within regional hegemonies is both varied and substantively important. What is clearly needed is a theoretical explanation for that diverse behavior. This article proposes a game-theoretic model which incorporates structural realist theory to explain a major behavioral issue in regional hegemonies: when will a middle power acquiesce in or challenge the policing actions of the regional hegemon?

One of the attractions of such an approach is that it addresses a major problem with the use of game theory in international relations: the parsimonious derivation of actor preferences.[2] In the first section, structural theory is used to examine the motivations of states interacting under conditions of anarchy. This section provides a basis for the derivation of state preferences in the regional hegemony game, which will then allow us to develop hypotheses about behavior under varying conditions.

The next section consists of two parts. The first integrates a game-theoretic focus on strategic rationality with a structural emphasis on survival under conditions of anarchy to deduce a ranking of preferences based on a state's position in the international system. In the process, the model also provides a systematic way to understand how global politics affects regional politics. The second examines the regional hegemony game and its variants. From the perspective of the great power, the game is straightforward (i.e., the great power has a dominant strategy). The payoff of a game-theoretic approach to regional hegemony comes from its illumination of the conditions which lead to varying behavior on the part of the middle

---

[1] Handel (1981:171–75) argues that Latin American states are sufficiently constrained that they can only agitate for more benevolent attention from the United States. Rothstein (1968:5) even goes so far as to exclude Latin American countries from his analysis because of their presumed unconcern about their security.

[2] In this respect we have not come very far in twenty years; compare Harsanyi (1965) and Snidal (1986:40–44).

power. Analysis of the structural differences in these game variants produces four hypotheses about middle-power behavior when the regional hegemon is attempting to enforce hegemony over another country in the region. Development of the hypotheses also reveals the conditions that determine which hypothesis is relevant at a particular moment.

The third section draws from the experience of Latin American middle powers to illustrate the potential of these hypotheses. U.S. hegemony in the region generally leads analysts to simple views of Latin American foreign policy. For some studies, the constraints posed by the United States are perceived to be so overwhelming that Latin American countries are assumed incapable of formulating their own security definitions (Rothstein, 1968:5; Handel, 1981:171). Other analysts focus on a Latin American resentment of U.S. power to argue that one should expect Latin America to disagree with U.S. definitions of regional security (Rangel, 1981). As a result, Latin American countries represent critical cases for an argument which does not accept either collaboration with or opposition to the regional hegemon on regional security issues as a foregone conclusion.

Two cases are used to explore the potential of this argument about the conditions under which a middle power will choose to support or oppose the regional hegemon's policing actions. The first is Brazil from 1942 to 1947 when the United States attempted to extend its hegemony over Argentina by inducing it to change its foreign policy from one favoring the Nazis to one supporting the Allies. The second case is Mexico's behavior from 1959 to 1964 when the United States sought to prevent Cuba from breaking out of its regional hegemony.

International Structure and International Behavior:
Motivations and Desired Outcomes

International relations theory argues that the international system has an important independent effect on the behavior of the units (states) in the system. In his construction of a systems theory of international relations, Waltz (1979) has defined international structures in terms of their ordering principles, the character of the units, and the distribution of capabilities among the units.[3] International structure interacts with its units, with each affecting the other to produce an international system. International systems change if either the ordering principles or the distribution of power changes. The general hypothesis postulated is that the behavior of the units and the outcomes of their interaction will vary according to the structure of an international system and the positions the relevant units occupy within it.

If the argument is that position in the international state system affects international behavior, it is necessary to distinguish among different positions. This has not proven an easy task, but it is inescapable if a structural approach is to be of any analytical utility.[4] Given our systemic approach, we should expect changes in a country's position to lead to a significantly different behavior than would any changes within a specific position. Waltz (1979:127) recognizes only two positions,

---

[3] Waltz recognizes the difficulty of definitional precision on the issue of determining capabilities. He hedges his definition by first noting that it is a combination of seven elements (population, territory, resource endowment, economic capability, military strength, political stability, and competence); second, arguing that the importance of each varies over time; third, claiming that "common sense can answer it"; fourth, cautioning that common sense may be wrong; and finally, stating that we need only have a rough sense of relative ranking (1979:131). The last is the most important point for Waltz because his concern with the theory is to understand the behavior of the chief powers in the system; consequently he needs to know only if there are one, two, or many powers. The best critiques of Waltz are collected in Keohane (1986).

[4] The previous note comments on the difficulty Waltz encounters here. But this is a problem even for the structural approach that focuses on the world capitalist economy as structure. See Gourevitch (1978:423–24).

great and secondary. For analysis of non-great-power behavior, however, simplifying to the extent that a West Germany and a Tanzania are seen to confront the same opportunities and challenges in world politics seems too high a cost to pay for theoretical parsimony.

We need a definition of position which highlights the relationship among states in a system characterized by a highly unequal distribution of resources. The beginning point is that capabilities are relative. Since a state defends its interests vis-à-vis other states, capability must be defined in terms of an ability to act in defense of one's own interests. Positions in the system are defined by clusters of states, distinguished by differences in capabilities.

This line of reasoning allows four positions to be fruitfully distinguished. In first position are the great powers, because the balancing in the system will revolve around them. International systems, therefore, are defined by the number of great powers, i.e., multipolar, bipolar, hegemonic. Secondary powers are those which can disrupt the system, but not change it, through unilateral action. Middle and small powers are in similar positions, in that neither can affect the system individually, but with an important difference. Middle powers have enough resources so that in an alliance with a small enough number of other states that they are not merely "price takers," they can affect the system. Small powers, on the other hand, would have to ally in such large numbers in order to have an impact that any one small power loses its ability to influence the alliance.[5]

The structural characteristics of the international system should suggest some research hypotheses about the motivations and actions of states in different structural positions. The most powerful explanations derived from structural characteristics would postulate that actors' motivations are the same, but that the way they are able to act upon them differs in accordance with their capabilities. In this sense, small states are not qualitatively different from major states, although their international behavior will differ (Rothstein [1968:1–4] disagrees).

The major theoretical assumption about states' motivation in this anarchic system is that they seek to safeguard their territorial and political integrity, i.e., to survive as independent units (Waltz, 1979:91). Survival under conditions of anarchy requires self-help although not necessarily the maximization of power; power is a means for security and not an end in itself.[6] Self-help in this system, nonetheless, may lead to aggressive behavior for defensive purposes (Jervis, 1978). One state cannot be sure that another will not seek to dominate a key region and subsequently threaten its security. A first assumption about states' behavior under these circumstances is:

> *Assumption 1*: States will seek to extend their influence over the foreign policies of states in those geopolitical regions critical to maintaining their sovereignty and position in the international system.

As an initial step this assumption is important. The Waltzian international system theory provides us with structurally derived motivations and expected behavior of states. But it can deal with the evolution of that behavior as states interact with each other in only the broadest terms (e.g., power will dominate and balancing will occur). Can we gain more insight into the behavior of states from further examination of the systemic constraints on the attainment of security?

---

[5] Here I follow Keohane (1969:295–96) on the characterization of position, but for different reasons. Keohane stresses the importance of state leaders' perceptions of their countries' roles in the system, but in trying to develop a structural explanation I cannot incorporate such second- and first-image explanations. A structural perspective would stress that perceptions will correspond to position once a state confronted a threat to its sovereignty. In accordance with more common usage, I label states in each level as great, secondary, middle, or small powers.

[6] Waltz (1979:126); this is a point which even sophisticated critics of Waltz often miss; cf. Snidal (1986:35); see also Jervis (1982).

Gilpin (1981) deals with systemic constraints by developing a model of international change that relies heavily upon a cost/benefit analysis of foreign policy. As we build a structural model of international politics, however, Gilpin's emphasis on the domestic political calculations that go into the cost/benefit analysis renders his analysis only partly useful. For a structural theory of international politics, the calculation must be done according to position in a particular international system rather than according to the dynamics of domestic politics. The next section develops a structural approach to the evolution of state behavior by incorporating insights from game theory.

Middle Power Security and Great Power Extension: A Game-Theoretic Approach

Assumptions, Properties, and Decision Rules

This subsection models a particular international situation using the initial assumption about state behavior presented in the previous section and insights from game theory. In the next subsection hypotheses are generated from the model about middle-power behavior under various conditions.

The use of game theory in international politics has been demonstrated to have great potential (Schelling, 1960; Axelrod, 1984; Keohane, 1984; Oye, 1986). But to reach that potential, as Snidal (1986:27) notes, game theory must be used as more than an ex post facto description of events. Whether we can use it to understand why an outcome occurred is dependent upon the elaboration of our fundamental concepts: strategy, strategic rationality, preferences, and payoffs.

These concepts will be examined in the context of the particular international situation my model is designed to explain. We can begin with a straightforward point that follows from Assumption 1. If the middle power (call it B) happens to be in a region defined as essential to the security interests of a great power (call it A), it will be unable to extend its influence over its weaker neighbors and bring them into the sphere of its interests. B's policy toward its like or weaker neighbors (call them C) and the more powerful regional state will be determined by the interaction of policies among the As, Bs, and Cs.

Under these conditions, a middle power's chief concern will be to safeguard its sovereignty vis-à-vis the greater power. The weaker power's ability to decrease the major power's influence over itself could be helped by building alliances. A good deal of work has been done on alliances and weaker powers.[7] Prudent alliance possibilities should depend upon various structural elements (the position of the state seeking an alliance and the type of international system [multipolar, bipolar, or hegemonic]),[8] as well as the actual alliance configuration among the more powerful states (Walt, 1987). In a multi- or bipolar system, a middle power which confronts a threat to its sovereignty from one great power will seek an alliance with the challenger's rival(s) to offset the initial power disparities it confronted. But if the other great powers accept their rival's primacy in a region (i.e., it is a regional hegemon), middle powers in that region will find eliminated the possibility of balancing one threatening great power

---

[7] For an introduction see Modelski (1963), Vital (1967), Rothstein (1968), and Keohane (1969).

[8] Alliance analysts usually include first and second image factors. For example, Jervis (1986:60) includes ideologies, personal rivalries, and national hatreds. But the historical record is rich in examples of alliances occurring despite such factors. Even in the case Jervis uses, France after the Napoleonic wars, the British were actually quite willing to ally with France against their former ally Russia if the latter threatened the peace (Kissinger, n.d.:219–20). Another telling example is that despite extreme antipathies on ideological and historical grounds, the Nazi Germany–Soviet Union nonaggression understanding served the key function of an alliance by tipping the balance so that Hitler could fight a war on his west.

Strategy   Payoff   Preference


```
┌──────────────────────┐      ┌──────────────────────┐            ┌──────────────────────┐
│  Strategies of A and B│◄─ ─ ─│   Optimal joint      │◄─ ─ ─ ─ ─ ─│      Outcome         │
│  toward C developed   │      │  behavior of A and B │            │  Impact of A and B's │
│  according to structural│    │   toward C which     │            │   joint behavior upon│
│  realist and strategic│─────►│     maximizes        │───────────►│  regional hegemony   │
│  rationality assumptions│    │  preferences for     │            │                      │
│                       │      │     outcome          │            │                      │
└──────────────────────┘      └──────────────────────┘            └──────────────────────┘
```

A = Regional hegemon   ◄ - - - - - = Evaluation of strategies
B = Middle power   ───────►   = Strong effect of actions
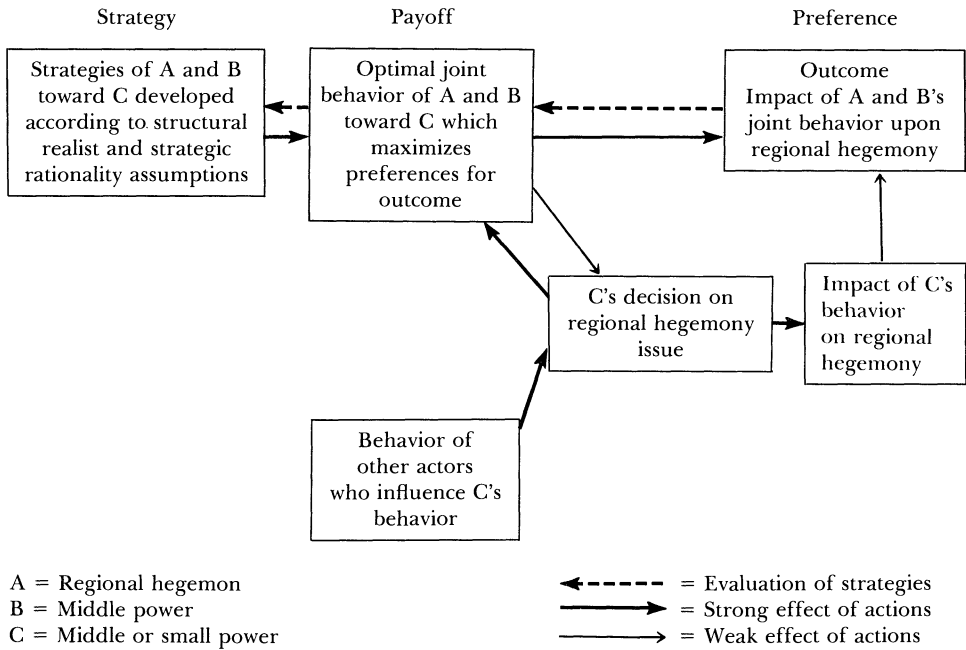C = Middle or small power   ───────►   = Weak effect of actions

FIG. 1. Model of regional hegemony game from middle-power perspective.

with a rival great power. Because a weak state can confront a stronger state without an alliance only at great risk, weak states (including our middle power) in a regional hegemony will tend to bandwagon with the regional hegemon (Rothstein, 1968:116–27; Waltz, 1979:126–28; Walt, 1985:11, 16–18).

This article focuses on explaining the behavior of a middle power whose location in a regional hegemony constitutes the chief potential threat to its sovereignty. For this purpose we can start with a very simple two-actor model. The model is set up to explain the expected international behavior of a middle power, B, to the attempts of the hegemon, A, to safeguard or extend its regional hegemony. The question is, how will B behave with respect to a conflict between a regional hegemon, A, and a middle or minor power, C, which lies near B?[9]

Figure 1 presents the model of the regional hegemony game from the perspective of the middle power. The dashes identify the path by which evaluation of strategies is carried out. The effect of action is indicated by solid arrows, with darker arrows denoting strong causality and lighter arrows indicating minor causality. Note that the implications of the model are that B's decision is fundamentally based on its relationship to A and the potential impact of that relationship upon regional hegemony, not on its impact on C. We will return to this point later.

The significance of this model lies in its potential to produce powerful hypotheses about the behavior of all actors in the game. For that reason, the regional hegemony game is much larger than the subject treated in this article: the international behavior of a middle power in that game. The argument advanced below reflects this limited, but important, goal by assuming rather than modeling the behavior of C and

---

[9] On the importance of geographic proximity for the projection of influence and perception of threat, see Walt (1985:10).

A's great-power rival (A*) at particular points. Further justifications for these measures are presented at relevant points.

If we are going to model the behavior of B in a regional hegemony, we need to define regional hegemony. From my structural perspective, the internal policies of a regime are of secondary interest to a great power. It is the worldwide balance of power that is of dominant concern. Working from the structural realist perspective, we expect great powers to be concerned with the international allegiance of the weaker powers in its region. These other countries would prefer an independent stance because their bargaining power with the great power in the region should increase as a result of their independence and they would have access to the resources of A's rivals as well. The minimum defining characteristic of regional hegemony is therefore that the region will follow its great power in the worldwide balance-of-power struggle. But because great-power rivals exist and states value independence, hegemony is under constant threat.

The model of middle-power behavior developed here revolves around a situation in which the international allegiance of C is at stake. This can arise either because A* has decided to take advantage of a domestic upheaval in C to challenge A's hegemony or because C is currently outside of A's hegemony but A is actively seeking to entice or compel C to accept its hegemony. C has three options for its behavior: PRO-A (support A's regional hegemony); NEUTRAL (reject A's hegemony for itself but not actively subvert it for the region); or ANTI-A (active opposition of A's hegemony in the region). The options for C are defined in relation to A because A is the major power in the region. There is no pro-B option against A, because in a hegemonic region B and C allied together cannot withstand pressure from A when security is at stake.[10] In future work I plan to look closely at the behavior of C, but here (consistent with my focus on B) I will assume C's behavior, vary it, and hypothesize about its effect on A and B's relationship.[11]

Modeling the larger balance-of-power game is beyond the scope of this article, but we can indicate how it will affect the regional hegemony game. The model of regional hegemon–middle power interaction must be partially open because there is an exogenous component: great powers and relevant secondary powers from outside the region, which may affect the solution of the game. For A, this game is a subgame of the larger one between itself and the other great powers in the system. But for B this game is the primary one. Consequently, in addition to the power differences between A and B there are different bases for their evaluation of payoffs in the game.

The three options for C's international behavior have an important impact upon the structure of the regional hegemony game. When all options are possible, the game will have a 3 × 3 payoff matrix, but when an option is eliminated, our payoff matrix will take the 2 × 2 form. There are also three variants of the 2 × 2 form, depending upon which option is eliminated: PRO/NEUTRAL, PRO/ANTI, NEU-TRAL/ANTI.

These four variants of the regional hegemony game can be thought of either as different games or as different periods of the same game. If A and B initially

---

[10] On nonsecurity matters such alliances might arise (Krasner, 1981). But security matters are fundamentally different (cf. Jervis, 1982).

[11] For the small-power version of C, two hypotheses stand out. First, C would support A's regional hegemony because as a small state its major concern lies in keeping regional middle powers at bay. A is less of a challenge to C's sovereignty because C's small size renders it less significant to the more powerful A than to B. An alternative hypothesis about C's behavior is that it would look to A's rivals for support in undermining A's hegemony while keeping the middle powers at bay. A first step in studying small power C would be to examine the structural factors which could explain when either, if any, hypothesis holds.

encounter a situation in which only two choices are available to C, then it makes analytic sense to conceive of a particular 2 × 2 game as distinct from the 3 × 3 game. But if A and B initially confront all strategies, act, and then find the game altered to a 2 × 2 game, it is fruitful to think of the regional hegemony game as having different periods of play.

Once we introduce the possibility of change in the game over time, it becomes necessary to say a few words about change in the model and its relationship to the middle power. Strategies are defined in terms of the international orientation of C that the player's resources will be used to support. The structure of the game will change when one of the behavioral options for C is eliminated. This means that A's and B's strategies are constrained by what is occurring in C, over which they have no unilaterally determinate control.

In the regional hegemony game, B has no ability to change the behavior of C, A, or A*, either by itself or in alliance with other countries. The definition of a middle power (a state unable to affect the system in the absence of an alliance) and the situation of regional hegemony (which means that A would make it too costly for a middle power and another great power to join in an ANTI-A alliance unless A* was willing to entertain hegemonic war) means that it is impossible for B to change the game by eliminating certain options itself. Given the limits upon direct middle-power influence on others, the middle power will evaluate its behavior by how it could affect the context within which regional actors behave, that is, regional hegemony.

So where does change come from in this model? Not from C. For reasons similar to those faced by B, as a small or middle power C by itself cannot chose a nonPRO option. Change must come from the actions of a great power responding to the fact that the regional hegemony game is a subgame of the worldwide balance-of-power game. Whether a great power is successful in eliminating an option for C depends upon the interaction of its policy with the actions taken by the great power's rival, as well as by C. Given the aforementioned limitations of this initial model-building, change in the structure of the regional hegemony game cannot be explained in this paper. Change is assumed in order to examine B's behavior under varying conditions.

The regional hegemony game has an important property: iteration. Repeated play has been found to alter fundamentally the structure of a game and thereby facilitate cooperative solutions in non-zero-sum games (Axelrod, 1984). The regional hegemony game is not ordinarily a zero-sum game between A and B,[12] so iteration could be important for a structural model. But the impact of the worldwide balance-of-power game on the regional hegemony game could turn iteration into a force for conflict. For A, it is the fear that if C is able to resist A, other countries in the region will begin to question A's hegemonic position in the region (Alt, Calvert and Humes, 1986), perhaps resulting in a weakening of its position vis-à-vis A*. In B's case, since it expects A to behave in a similar fashion in the future (when it might be the one subject to A's policing) it has an interest in opposing A's hegemonic enforcement now.

Nevertheless, iteration also facilitates cooperation in this game by constraining A and B in their actions against each other. B moderates its opposition lest A decide that B's relative independence on this issue poses a serious challenge to hegemonic legitimacy and because it knows that future challenges will arise. A's opposition to B's "meddling" is likewise constrained because, as a middle power, B might be important in future regional and global issues.

These conflicting pressures for B's cooperation with (or dissent from) A are affected by the probability that A will retaliate against B with costly sanctions. From

---

[12] It would become so only in the context of great likelihood of hegemonic war.

a structural perspective, that probability will be relatively higher for dissent in the form of active opposition to hegemony in the region than for that involving support for neutrality in another country. The probability of punishment will influence the utility that B attaches to the possible outcomes of the regional hegemony game. Consequently, payoffs for the same strategies will vary for a middle power playing the regional hegemony game as the probability of costly punishment varies.

Let's turn now to the structure of that game.

A's and B's policies will affect the probability that C will adopt a particular international stance vis-à-vis A's regional hegemony. (A and B do not determine C's international behavior; an answer to that question would require incorporating the preferences and strategies of C and A*.) The outcomes of the game that are relevant to A and B are how regional hegemony will be influenced by the actions they take toward C.

This discussion of iterated play under conditions of anarchy and regional hegemony enables us to derive states' preferences for outcomes and optimal strategies for maximizing preferences in the regional hegemony game. B's and A's rank orderings of preferences of the outcomes in the regional hegemony game are determined by the following decision rules:

> *Decision rule for B*: extend influence of B + support A in worldwide balance-of-power game + (undermine regional hegemony × [1 − 2 probability of costly punishment]).

> *Decision rule for A*: maintain relative position with A* in worldwide BOP game + keep regional hegemony intact − cost of enforcing regional hegemony.

Given limited resources and global concerns for A, the demands of regional hegemony and of the global balance of power may not coincide for A. For example, diversion of resources to retain a recalcitrant small power under hegemony would have a negative repercussion on A's global position if it kept A from meeting a challenge from A* in a region of more strategic significance (such as the Middle East today). Similarly, B may be able to gain some influence with the regional hegemony, though it will be constrained by that hegemony. Thus it is analytically important to distinguish between the global and regional goals, despite their interrelatedness.

Hypotheses: Middle-Power Behavior under Various Conditions

Now that we have described the regional hegemony game we can turn to examining its solutions. In the most complex variant of the game there are nine possible outcomes resulting from A's and B's actions toward C. A and B can cooperate with each other when both adopt policies designed to elicit one of three kinds of behavior by C: PRO, NEUTRAL, or ANTI (e.g., supplying material and diplomatic resources to convince C to follow a particular path and/or using those resources to punish C for acting differently). Alternatively, they could fail to cooperate and thus support different behavior by C.

Table 1 describes the outcomes and ranks their preferences according to the decision rule. For illustrative purposes I assume that the costs faced by a middle power for not cooperating with its regional hegemon on this issue are minimal, and consequently do not affect the preference orderings of B. (Punishment costs are an empirical question and preferences would be altered accordingly. Since the proximity of a threat will increase the cost that a country is willing to bear to defuse that threat [Olson and Zeckhauser, 1966:271; Walt, 1985:10], my focus here on Cs which are proximate to Bs suggests that punishment costs would have to be quite high to affect B's preferences.)

Given A's enormous power position in the region and its concern for the effect of the regional hegemony game on the worldwide balance-of-power game, its preferen-

Table 1. Preferences of A and B for outcomes (low probability of costly punishment).

Outcome (Impact on regional hegemony)	Preferences* A,B	Strategies Toward C**
Hegemony is actively subverted by both A and B; B's active role increases its influence on post-hegemonic order	1,9	AA
Hegemony is actively subverted by A; B contributes only to C's escape and gains less influence regionally	2,8	AN
Hegemony is weakened by A's recognition of C's escape; A defends hegemony over others in region; B recognizes C's escape but does not challenge A	5,7	NN
Hegemony is weaked by A's recognition of C's escape; A defends hegemony over others in region; B opposes it	4,6	NA
Hegemony is defended by A; B tries to undermine it by helping C to escape	8,5	PN
Hegemony is weakened by A's recognition of C's escape; A defends hegemony over others in region; B supports hegemony over C	6,4	NP
Hegemony is supported by both A and B	9,3	PP
A subverts hegemony; B defends it	3,2	AP
A defends hegemony; B subverts it	7,1	PA

A = Regional hegemon   B = middle power in region
* Preference rankings are from highest (9) to lowest (1).
** A's choice first. A = ANTI; N = NEUTRAL; P = PRO.

Note: Unlikely strategies (A choosing any ANTI combination) that are game-theoretically possible must be included in the structure of the game (Shubik, 1982:244).

ces are relatively straightforward. The range of strategies and their ordinal ranking (9 = highest) follow. When facing the full range of options in C, A will press for an ally (PRO). A would prefer to have B join it (PP = 9) but if B refuses, a NEUTRAL stance (PN = 8) is preferable to an ANTI (PA = 7). Under each of these three payoffs hegemony would be defended, although at increased cost as B moves away from A's position.

The payoffs for NEUTRAL and ANTI strategies follow the same logic. For A, an independent country in the region is better than one allied with its rivals (NEUTRAL > ANTI). If A could not support a PRO regime in C, it would want B to step in and defend hegemony, i.e., (NP = 6) > B's passive subversion of regional hegemony via support for neutrality in C (NN = 5) > B's active subversion of regional hegemony (NA = 4). In the highly unlikely event that A found itself supporting an ANTI group in C against PRO and NEUTRAL groups, A would want B to defend hegemony (AP = 3) or less actively undermine it (AN = 2 > AA = 1). In short, A's choices are independent of B's choices.

B's choices are more complex than A's because structural position forces B to consider A's choices. Derivation of preferences for B is guided by the assumptions of low probability of punishment on any given choice and of strategic rationality (which requires foregoing short-run gains that offer the prospect of longer-term losses). At

PAYOFF MATRIX 1. International allegiance of C: Full range of options.

		Middle power B		
		PRO	NEUTRAL	ANTI
Regional	PRO	9,3	8,5	7,1
hegemon	NEUTRAL	6,4	5,7	4,6
A	ANTI	3,2	2,8	1,9

the extremes, the most and least preferred choices for B are relatively straightforward. B would like to dominate C itself, but that is possible only if A works against its own hegemony (i.e., adopts an ANTI strategy).[13] If A does adopt an ANTI strategy, B would gain more influence in the region by adopting an ANTI (AA = 9) rather than NEUTRAL (AN = 8) strategy. B's least preferred choice would be to subvert regional hegemony while A defended it (PA = 1) because this puts B in open and direct opposition to A, thereby forcing A to directly address B's challenge. Defense of regional hegemony is clearly against B's interests. Consequently, all PRO choices for B lie in the least preferred range. Among these PRO choices, the least desirable is to defend regional hegemony while A subverts it (AP = 2), preceded by supporting it along with A (PP = 3). If B must support regional hegemony, it would prefer to have A undermine regional hegemony by adopting a NEUTRAL policy (NP = 4).

If A recognizes C's escape by adopting a NEUTRAL strategy, B would prefer to accept this slow erosion of regional hegemony (NN = 7) rather than press for a regional rejection of hegemony and therefore openly confront A (NA = 6). By the same reasoning, if A attempts to enforce hegemony over C, B would prefer to indirectly undermine regional hegemony by adopting a NEUTRAL strategy toward C (PN = 5).

With preferences given, we now turn to the choice of optimal strategies for maximizing preferences ("strategies" column in table 1). Payoff matrix 1 presents the strategic form of this variant of the regional hegemony game.

The solution to the regional hegemony game with the full range of outcomes in C lies in PRO/NEUTRAL (8,5). This equilibrium point results because A has a dominant strategy in this version of the regional hegemony game, i.e., no matter what B does, A is always better off choosing PRO. The solution provides us with a hypothesis about middle-power behavior:

> Hypothesis 1: In a regional hegemony game with low probability of punishment and a full range of strategies, B will adopt a NEUTRAL policy toward C, and A will adopt a PRO policy toward C.

There are two very important conditions necessary for hypothesis 1 to hold: low probability of punishment and a full range of strategies. But the regional hegemony game may not in all cases conform to these conditions. As those conditions change, one might expect the outcome to change, either because utility scales change (as the probability of punishment rises) or because the structure of the game changes (as the range of strategies is limited). Let's turn now to different versions of this regional hegemony game and their solutions.

[13] Of course, A might want to use B to dominate C at a lower cost to itself. An example would be the attempt by the United States to decrease the cost of its anticommunist global posture by having regional policemen (South Vietnam, Iran, Brazil, Nicaragua, etc.) respond to potential threats. This is a complicating factor that certainly merits further attention.

PAYOFF MATRIX 2. Elimination of ANTI.

		Middle power B	
		PRO	NEUTRAL
Regional	PRO	9,3	8,5
hegemon A	NEUTRAL	6,4	5,7

Assume that ANTI has been eliminated. (A* may be unwilling or unable to support ANTI behavior by C. Or A may intervene directly and eliminate the ANTI option but not impose a PRO option; the history of U.S.–Latin American relations contains many such instances.) The structure of the game is now reduced to a 2 × 2 form. Eliminating ANTI produces another solution between B and A. Payoff matrix 2 demonstrates that A's dominant strategy remains intact. Consequently, A's choice of PRO continues to contrast with B's for NEUTRAL.

We now have a hypothesis about B's behavior in a different variant of the regional hegemony game.

> *Hypothesis 2*: In a regional hegemony game with low probability of punishment and the strategies PRO and NEUTRAL, B will adopt a NEUTRAL policy toward C, and A will adopt a PRO policy toward C.

Continued noncooperation in policy toward C results because B does not disagree with A that ANTI would be the least preferable outcome. In accordance with a structural realist perspective, B accepts its inability to alter the hegemonial structure of regional relations. In the absence of the acquiescence of A in the destruction of regional hegemony, B's goal is to keep the game out of great-power relations (PRO/NEUTRAL > PRO/ANTI in payoff matrix 1) and therefore have a better'⁵ chance to mitigate the influence of A in the region.

Are there no conditions under which A and B will cooperate in the regional hegemony game? There are actually two. If NEUTRAL is eliminated, equilibrium will be at PRO,PRO (9,3 payoff matrix 3). Although B would like to see hegemony undermined (payoff of 9), if it chose ANTI, A would choose PRO, leaving B with a payoff of 1 rather than 3. For A, all PRO strategies dominate ANTI.

The solution to this variant provides another hypothesis about the behavior of a middle power in the regional hegemony game.

> *Hypothesis 3*: In a regional hegemony game with low probability of punishment and the strategies PRO and ANTI, B will cooperate with A and adopt a PRO policy toward C.

Alternatively, if PRO is eliminated, equilibrium will be at NEUTRAL, NEUTRAL (5,7), as in payoff matrix 4. Cooperation between A and B develops because B cannot

PAYOFF MATRIX 3. Elimination of NEUTRAL.

		Middle power B	
		PRO	ANTI
Regional	PRO	9,3	7,1
hegemon A	ANTI	3,2	1,9

PAYOFF MATRIX 4. Elimination of PRO.

| | | Middle power B | |
		NEUTRAL	ANTI
Regional	NEUTRAL	5,7	4,6
hegemon A	ANTI	2,8	1,9

choose ANTI for the same reasons as in the previous case, and for A all NEUTRAL strategies dominate ANTI.

Matrix 4 gives us our final hypothesis.

> Hypothesis 4: In a regional hegemony game with low probability of punishment and the strategies NEUTRAL and ANTI, B and A will cooperate in adopting a NEUTRAL policy toward C.

This model is admittedly simple. Parsimony in explanation is a virtue, however, if it can increase our understanding of phenomena previously not clearly understood or previously explained only by reference to a complicated and idiosyncratic maze of variables. This model makes a concise argument about the conditions under which a middle power will oppose its regional hegemon or cooperate with it. In addition, it presents a systematic way to incorporate global politics into regional politics. I shall now turn to the empirical cases to illustrate the explanatory possibilities of the regional hegemony game for analyzing the international behavior of middle powers.

Latin American Middle Powers Respond to U.S. Hegemony

This section examines the response of two middle powers in Latin America (Brazil and Mexico) to U.S. efforts to enforce hegemonic authority over Latin American states that challenged U.S. hegemony. In each case I demonstrate that the short-run interest of the Latin American middle states lay in preventing the establishment of such extraregional ties, but that a long-run interest in diminishing U.S. hegemony and extending their own influence led them to oppose U.S. policy.

There are two questions to ask of the relationship between the model and the cases. First, to what extent did Brazil and Mexico conform to the predictions of the model? Second, what aspects of their international behavior did the model not predict? Answering those two questions will suggest whether the model is promising, and, if so, in which direction further work should be oriented.

Allied Brazil's Defense of Pro-Nazi Argentina, 1940–47

World War II marks the extension of U.S. hegemony over most of the Americas. Before, the United States had been able to extend its control only over Central America and the Caribbean and only by maintaining an active military presence. Indicative of the limits of U.S. power in the region and of the importance of 1940 is that until that time Latin American countries had steadfastly refused to accept any political or military alliance with the United States that exempted the United States from consideration as a threat to Latin American security (Whitaker, 1954; Mecham, 1962, 1965). In 1940, however, Latin America joined the United States in a security pact aimed only at non-American powers.

There was one important dissenter from this turnaround in regional affairs.

Argentina refused to accept diplomatic subordination to U.S. definitions of defense requirements in 1940, and in 1942, joined temporarily by Chile, it did not break diplomatic relations with Nazi Germany. The policy of the two states was neutrality, but with a definite bias in favor of the Nazis. The United States used a variety of means to press them to accept U.S. hegemony: diplomatic (nonrecognition of governments and pressure on other allies to follow suit) as well as economic (forbidding of U.S. ships to carry Argentine exports out of Argentina, institution of trade embargoes, and withholding of military supplies provided to other Latin American nations).

Chile succumbed to U.S. pressure after one year. Argentina, however, held out completely until 1944, when it severed diplomatic relations with the Nazis but continued to be friendly toward them. After the final defeat of Nazi Germany and its replacement by the Soviet Union as the new great-power competitor with the United States accommodation between Argentina and the United States was reached in 1947.

The relevant question for this study is what to expect of Brazil in this United States–Argentina conflict. There were certainly a number of reasons why Brazil might have liked to see the United States dominate Argentina. Historically, Argentina and Brazil had competed for supremacy in the southern half of the continent. (In fact, it was U.S. rejection of Argentine leadership of Latin America and support for Brazil that made a Nazi-biased neutrality attractive for Argentina [Francis, 1977:57–59]). Brazilian military planning had been (and remains) oriented toward a war against an alliance among Argentina, Paraguay, and Uruguay (Ferreira, 1984). This might have been an opportunity to weaken significantly Argentina's ability to continue that competition. In addition, Brazilian soldiers (the only Latin American ground troops engaged in combat) were fighting the Fascists in Europe; Nazi sympathizers in Argentina certainly could not have been in Brazil's short-run interest. Brazilian support of U.S. pressure on a difficult neighbor could have been significantly overdetermined by an international relations perspective.

The model of middle-power international behavior developed here, however, would predict something different. The 1940 situation in the regional hegemony game was one in which the full range of options appeared open. The United States feared Argentina might become a beachhead for Axis penetration into the Americans (the ANTI option) but believed Argentina might still be brought into the U.S.-guided collective security arrangements (the PRO option). Argentina, although it accepted that other Latin American countries could commit to the collective arrangements for either defense or war, refused to do so itself (the NEUTRAL option).

Assumption 1 tells us that Brazil could not hope to extend its influence over Argentina because the United States would be attempting the same. As a middle power, Brazil could not compete directly against the regional hegemon.[14] The decision rule for B leads us to expect that while Brazil would support the Allied effort in Europe (the defining characteristic of regional hegemony) it would also work to prevent U.S. pressure on Argentina from having its intended effects in the Americas if the probability of costly punishment were low. I found no evidence that the United States retaliated against Brazil for its dissent or that the Brazilians were worried about it. Consequently, we can proceed with the hypotheses developed from the preference rankings of table 1. Hypothesis 1 predicts that Brazil would adopt a NEUTRAL policy toward Argentina even though the United States would be taking a PRO stance (8,5 in payoff matrix 1).

---

[14] Of course Argentina, as a middle power itself, could not easily be dominated by Brazil.

How did Brazil behave in this international conflict? First, it supported U.S. participation in World War II. In 1938, even while the United States and Brazil were formally neutral, Brazil was facilitating clandestine efforts by the United States to shore up defenses in the Brazilian Northeast and eliminating Axis access to that area (McCann, 1975:213–14). Brazil also supported cooperation with U.S. leadership of hemispheric defense planning in 1940, broke relations with the Axis powers in 1942, subsequently declared war, and sent combat units to aid in the European theater.

On regional matters, however, Brazil stayed on a course that recognized the importance of U.S. aid for its own defense against a possible Nazi attack but worked to mitigate U.S. pressure on Argentina to join the Allied effort. During the 1942 Third Meeting of Ministers of Foreign Affairs of the American Republics, the United States wanted a declaration that all countries would break relations with the Axis powers; it was willing to have a nonunanimous declaration if Argentina would not agree. But Brazil forced the United States to accept merely a recommendation to break when it told the United States that if Argentina did not sign the resolution, Brazil would not (Francis, 1977:90). After a 1943 coup in Argentina the United States attempted to unite Latin America against recognizing the new government, but Brazil dissented and destroyed the plan (Francis, 1977:197; Wood, 1985:19). Even when Brazil did not extend diplomatic recognition to the government that arose out of a later coup, it left its chief of mission in Buenos Aires and violated the U.S.-imposed trade embargo (Francis, 1977:217, 237–38). And in 1945, when the United States wanted to convene the Rio de Janeiro conference to draw up a regional defense treaty without Argentine attendance, Brazil once again refused to participate. The United States was forced to postpone this effort until a resolution of the Argentine matter in 1947 (Mecham, 1965:164–65).

The structure of the regional hegemony game involving Argentina changed in 1947. (We can call this "period two" of the game.) With the defeat of the Nazis, the ANTI option now depended upon an alliance with the Soviet Union. But the Soviet Union faced the need to rebuild its economy and consolidate its hegemony over Eastern Europe as the cold war developed. The Soviet decision at this time not to put scarce resources into a challenge of U.S. hegemony in its own backyard effectively eliminated the ANTI option.

Under these new conditions, if Argentina chose the NEUTRAL option (not to participate in the anticommunist hemispheric security pact and not to ally with the Soviets) hypothesis 2 predicts we would still not have cooperation between the United States and Brazil on their Argentine policy. Brazil would have supported Argentina's decision, but the United States would have held out for a PRO option (point 8,5 in payoff matrix 2). For cooperation between the United States and Brazil to develop, a third period of the game, when another option would be eliminated, would be necessary.

Cooperation between the United States and Brazil was possible in period two because Argentina did not choose NEUTRAL. Instead Argentina chose to follow the U.S. lead, PRO. With the Argentine decision taken in favor of the regional hegemon the game ended (i.e., there could be stability in Argentina's decision until the next crisis) because Brazil, as a middle power, could not challenge the decision to accept hegemony unless the hegemon acquiesced.

Anti-Communist Mexico's Defense of Fidel Castro, 1959–64

Cuba represents a theoretically interesting case because it is the only country in the Americas to break successfully with U.S. hegemony. (Argentina had not been under U.S. hegemony prior to World War II, and it is still too early to tell about Nicaragua). It also represents the only case in which another great power intervened openly to

offer a regional small power its protection. The two points are obviously related and thus allow us to vary elements not faced in the Argentine case. The Cuban case also allows us to analyze the behavior of a middle power (Mexico) when the ANTI option is actually attempted. (Despite U.S. fears, especially after Argentina helped bring about a coup in Bolivia, the ANTI outcome doesn't appear to have been seriously considered by the South American country.)

The Cuban Revolution overthrew a PRO regime in Cuba and replaced it with a government that openly rejected the international stance of its predecessor. The Castro government was not the only Cuban government or political leadership (including those who fought for independence from Spain in the nineteenth century) to oppose U.S. hegemony, but the United States was previously able to impose the PRO option. The United States once again attempted to impose its preferred solution through diplomatic, economic, and military (Bay of Pigs) channels, but failed. By the time of the Cuban Missile Crisis in 1962, it appeared that the ANTI option had won out.

How would one have expected Mexico, with borders on both the United States and the Caribbean, to react? A domestic politics perspective would overwhelmingly point to an ANTI choice. There are two major variants of this perspective. One focuses on the ruling coalition in Mexico and its need to buy off the Mexican left with an anti-U.S. foreign policy precisely at those moments when the Communists were being repressed within Mexico (from 1958–63 the Mexican army purged Communists from labor unions). Another domestic politics variant looks to the revolutionary heritage of the country (since 1910) to explain Mexican support of the Cuban and other revolutions in the hemisphere (critiqued in Mares, 1988). In contrast, the model developed here suggests that Mexico would reject an ANTI option in favor of NEUTRAL and could even cooperate with the United States under certain conditions.

Once again assumption 1 would tell us that Mexico could harbor illusions about dominating Cuba itself. The fact of regional hegemony and the decision rule for B lead us to expect Mexico to support the United States in its anticommunist campaign at the world level but to oppose U.S. efforts to reimpose a PRO option on Cuba if the probability of costly punishment were low. In fact, Mexico faced only minor costs for dissenting from U.S. Cuban policy. Hypothesis 1 would lead us to expect Mexico to support Cuba's right to be independent (NEUTRAL) rather than its right to attack U.S. hegemony in the region (ANTI), even though the U.S. would choose a PRO strategy (payoff 8,5 in payoff matrix 1).

The behavior of Mexico toward U.S. efforts to overthrow the Cuban government during 1959–64 corresponds very well with these hypotheses. Considering world balance-of-power issues, Mexico did support the Organization of American States (OAS) resolution in support of removal of Soviet missiles in Cuba, by force if necessary (Ojeda, 1976:47). Mexico also declared that Marxism-Leninism was incompatible with the democratic principles of the OAS (Koslow, 1969:184). The major study of Mexican foreign policy demonstrates clearly that Mexico has supported the United States on world issues while dissenting on regional ones (Ojeda, 1976).

In the specific case of Cuba, Mexico stopped referring favorably to the Cuban Revolution by September 1961 (Koslow, 1969:224), but continued to oppose U.S. efforts to use the OAS to remove the Castro government. Even in the missile case Mexico made clear that it approved of force to remove the missiles only so long as the removal did not serve as a cover to depose Castro (Ojeda, 1976:47). And Mexico was the only Latin American country that never broke relations with Cuba despite an OAS resolution.

How can we interpret this case in light of our model of middle-power international behavior? Beginning with period one (1959–61), when all three options appeared

possible, the United States pressed hard for Latin American support for its strategy of imposing a PRO regime in Cuba, but Mexico dissented. In the 1960 Declaration of San Jose extracontinental threats were condemned, but Mexico helped keep out specific mention of Cuba as an extracontinental threat. Mexico also advocated United Nations mediation of U.S.-Cuban disputes; in contrast, the U.S. pressed for OAS jurisdiction, where U.S. influence was greater. And Mexico abstained from the OAS vote to investigate alleged Cuban arms supplies to rebels in Venezuela, arguing that the United Nations should assume responsibility (Koslow, 1969:165–66). As the model predicts, there was no agreement on strategies toward Cuba in this period of the regional hegemony game.

Period two of the game began in 1961. The fiasco of the Bay of Pigs (in which CIA-sponsored Cuban exiles were routed by Castro's army) and the consolidation of Soviet influence (that included a Soviet guarantee of Cuban sovereignty) meant that the PRO option in Cuba had been eliminated. This represents a change in the structure of the game, and, in our model, we move from payoff matrix 1 to payoff matrix 4. The hypothesis derived from that version of the regional hegemony game predicts cooperation between the United States and Mexico in support of a NEUTRAL option (payoff 5,7).

At this point many analysts misread Mexican foreign policy because they focus on particularities. Mexico dissented from the U.S. position and refused to break relations with Castro's government in 1964. But what was Mexico supporting with this decision? It was Cuba's right to choose its government and international allegiance (the NEUTRAL option in the regional hegemony game) that Mexico supported, not Cuba's right to subvert U.S. hegemony in other countries in the region (the ANTI option). Thus, although Mexico refused to sanction Castro's overthrow, it did support taking direct action to remove the missiles from Cuba, opposed Cuban efforts to spread revolution in the Americas, and allowed U.S. intelligence to use Mexican channels of communication to keep a close watch on the Castro government.[15]

And what of the U.S. position on Cuba? The United States attempted to eliminate the ANTI and NEUTRAL options. But Soviet commitments to Cuba resulted instead in the elimination of the PRO option. As a result of the failure of its preferred strategy, the crux of U.S. policy toward Cuba, despite "killer cigars" and President Reagan's threats to "go to the source," has been to isolate, not to overthrow, the Castro government. U.S. policy corresponds, therefore, to the NEUTRAL strategy in the regional hegemony game, and hypothesis 4 gains additional support.

Conclusion

This article represents a preliminary step in building a structural model of middle-power behavior in the international system by incorporating some insights from game theory. I began with a very general Waltzian assumption about the initial preferences of all countries under conditions of anarchy. Incorporation of the assumptions of strategic rationality and recognition of the iterated property of international relations enabled me to deduce more focused assumptions about the international behavior of a middle power in a situation of regional hegemony.

The integration of structural realist and game-theoretic perspectives and the characteristics of the game led to the construction of preference orderings of

---

[15] Mexico warned Castro when he used the 1967 Organization for Latin American Solidarity and the 1968 Solidarity Conference of African, Asian, and Latin American Peoples to call for revolution in the Americas (Ojeda, 1976:81). Mexico's support for the present Contadora initiative in Central America has also been interpreted as an effort to keep Cuban influence in the region at minimal levels (Castaneda, 1985). Ojeda (1976:67) interprets Mexican support for U.S. intelligence efforts as giving in to U.S. pressure, but I think the comparison of that action with others suggests a self-interested policy to keep Cuba neutral in the hemisphere.

outcomes and optimal strategies for both the regional hegemon and the middle power as they confront each other over enforcement or extension of the greater power's control over the region. Payoff matrices revealed solutions in which a regional hegemon and a middle power would cooperate or not. The Brazilian-Argentine-U.S. and Mexican-Cuban-U.S. disputes illustrated the usefulness of the model. In these cases, an international relations perspective which omitted structural realism and strategic rationality and a domestic politics perspective suggested behavior at odds with the hypotheses developed by my model. This model performed quite admirably in explaining the opposition of the two middle powers to the regional hegemon's attempt to consolidate its hegemony.

Despite these suggestive cases, it would be much too ambitious to claim that any structural model, especially one as preliminary as that presented here, could account for the particulars of how any specific B opposes a specific A. The structural hypotheses must be integrated with domestic factors to understand fully the way in which these countries sought to limit U.S. intervention in the hemisphere. For example, why did Brazil formally break relations with Argentina even when it had no intention of putting real pressure on its government?

But the search for explanations of international behavior requires incorporating the structural argument in two ways. First, what can a structural argument account for by itself? From the model developed here, we should expect B to oppose A under certain structural conditions and support it under other structural conditions—irrespective of domestic politics. Second, how does structure affect both the availability of policy choices and the bargaining power of those domestic and international actors who will decide the manner in which the structural imperatives will be carried out—for example, how B will oppose A? The model presented here addresses only the first question, but its answer is necessary to address the second.

Of course there are extensions of the preliminary model that could be fruitful for future work. The model needs to become more sophisticated. I have noted that the regional hegemony game is larger than the middle-power focus we have seen here and that some variants of the game are dynamic, but the full implications have not been modeled. Interval rather than ordinal measures of payoffs might benefit the model greatly, especially in ordering preferences in the middle range of outcomes, but that has not proven an easy task for game-theoretic analysis of international relations (Snidal, 1986:46–47). The probabilities of costly punishment (expressed here merely as "high" or "low"), also need to be examined more systematically. In pursuing those points, however, one must keep in mind the trade-off between theoretical sophistication and usefulness for empirical work.

If one of the tests of the usefulness of a model is its ability to clarify aspects of the subject that were fuzzy before, this model shows promise. The relationship between the world balance of power and regional politics has always concerned analysts. Structural realism suggests that that relationship is relatively straightforward for a great power. But for middle powers in a regional hegemony, that relationship is more complex. A game-theoretic perspective illuminates the middle power's strategic choices and, together with structural realism, provides a theoretical framework for understanding international behavior. As a consequence, the seemingly inconsistent behavior of a middle power which variously challenges and acquiesces in policing regional hegemony becomes understandable.

References

ALT, J. E., R. L. CALVERT AND B. D. HUMES (1986) Game Theory and Hegemonic Stability: The Role of Reputation and Uncertainty. Paper presented at the Midwest Political Science Association Meetings, Chicago, April 10–12.

AXELROD, R. (1984) *The Evolution of Cooperation.* New York: Basic Books.

CASTANEDA, J. (1985) Don't Corner Mexico! *Foreign Policy* **60**:75–90.

FERREIRA, O. S. (1984) Politica Externa e Defesa: O Caso Brasileiro. *Politica e Estrategia* **2**:311–36.

FRANCIS, M. J. (1977) *The Limits of Hegemony.* Notre Dame: University of Notre Dame Press.

GILPIN, R. (1981) *War and Change in World Politics.* Cambridge: Cambridge University Press.

GOUREVITCH, P. A. (1978) The International System and Regime Formation. *Comparative Politics* **10**:419–38.

HANDEL, M. (1981) *Weak States in the International System.* London: Frank Cass.

HARSANYI, J. C. (1965) Game Theory and the Analysis of International Conflict. In *International Relations and Foreign Policy*, edited by J. N. Rosenau, pp. 370–79. New York: Free Press.

JERVIS, R. (1978) Cooperation under the Security Dilemma. *World Politics* **30**:167–214.

JERVIS, R. (1982) Security Regimes. *International Organization* **36**:357–78.

JERVIS, R. (1986) From Balance to Concert: A Study of International Security Cooperation. In *Cooperation under Anarchy*, edited by K. Oye, pp. 58–79. Princeton: Princeton University Press.

KATZENSTEIN, P. J. (1985a) *Small States in World Markets.* Ithaca: Cornell University Press.

KATZENSTEIN, P. J. (1985b) *Corporatism and Change.* Ithaca: Cornell University Press.

KEOHANE, R. O. (1969) Lilliputians' Dilemmas: Small States in International Politics. *International Organization* **23**:291–310.

KEOHANE, R. O. (1971) The Big Influence of Small Allies. *Foreign Policy* **1**(2):161–82.

KEOHANE, R. O. (1983) Theory of World Politics: Structural Realism and Beyond. In *Political Science: The State of the Discipline*, edited by A. W. Finifter, pp. 503–40. Washington, D.C.: APSA.

KEOHANE, R. O. (1984) *After Hegemony.* Princeton: Princeton University Press.

KEOHANE, R. O., ED. (1986) *Neo-Realism and Its Critics.* New York: Columbia University Press.

KISSINGER, H. A. (1957) *A World Restored: Castlereagh, Metternich and the Restoration of Peace, 1812–1822.* Boston: Houghton Mifflin.

KOSLOW, L. E. (1969) Mexican Foreign Policy Decision Making: The Mutual Adjustment of Needs and Independence. Ph.D. Dissertation, University of California, Riverside.

KRASNER, S. D. (1981) Power Structures and Regional Development Banks. *International Organization* **35**:303–28.

KRASNER, S. D. (1985) *Structural Conflict.* Berkeley: University of California Press.

LISKA, G. (1962) *Nations in Alliance.* Baltimore: Johns Hopkins University Press.

MCCANN, F. D., JR. (1975) *The Brazilian-American Alliance 1937–1945.* Princeton: Princeton University Press.

MARES, D. R. (1988) Mexico's Foreign Policy as a Middle Power: The Nicaragua Connection, 1884–1986. *Latin American Research Review* (forthcoming).

MECHAM, J. L. (1962) *The United States and Inter-American Security, 1889–1960.* Austin: University of Texas Press.

MECHAM, J. L. (1965) *A Survey of United States–Latin American Relations.* Boston: Houghton Mifflin.

MODELSKI, G. (1963) The Study of Alliances: A Review. *Journal of Conflict Resolution.* **7**:769–76.

OJEDA GOMEZ, M. (1976) *Alcances y Limites de la Política Exterior de México.* Mexico: El Colegio de Mexico.

OLSON, M. AND R. ZECKHAUSER. (1966) An Economic Theory of Alliances. *Review of Economics and Statistics* **48**:266–79.

OYE, K. ED., (1986) *Cooperation under Anarchy.* Princeton: Princeton Univeristy Press.

RANGEL, C. (1981) Mexico and Other Dominoes. *Commentary.* **71**:27–33.

ROTHSTEIN, R. (1968) *Alliances and Small Powers.* New York: Columbia University Press.

SCHELLING, T. (1960) *The Strategy of Conflict.* Cambridge, Mass.: Harvard University Press.

SHUBIK, M. (1985) *Game Theory in the Social Sciences.* Cambridge, Mass.: MIT Press.

SNIDAL, D. (1986) The Game Theory of International Politics. In *Cooperation under Anarchy*, edited by K. Oye, pp. 25–57. Princeton: Princeton University Press.

VITAL, D. (1967) *The Inequality of States.* Oxford: Clarendon Press.

WALT, S. M. (1985) Alliance Formation and the Balance of World Power. *International Security* **9**:3–43.

WALT, S. M. (1987) *The Origins of Alliances.* Ithaca: Cornell University Press.

WALTZ, K. (1979) *Theory of International Politics.* New York: Random House.

WHITAKER, A. P. (1954) *The Western Hemisphere Idea: Its Rise and Decline.* Ithaca: Cornell University Press.

WOOD, B. (1985) *The Dismantling of the Good Neighbor Policy.* Austin: University of Texas Press.