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Abstract

Theories of International Relations are constructed to help make sense of how power is divided amongst international actors. Three prominent theories: Realism, Liberalism, and Neo-Marxism, interpret international phenomena differently based on their assumptions about structures of global power. Economic interdependence is seen by each theory to impact who has power and how that power is maintained. These theories diverge in interpreting how economic interdependence impacts forms of conflict. These pieces do not interpret which theory is correct but work to emphasize the contextual foundations and analytical framework for how each theory perceives the entanglement of economic interdependence and conflict.

Keywords

Economic Interdependence, Conflict, Realism, Liberalism, Neo-Marxism

Disciplines

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Comments

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International Relations

Economic Interdependence and Conflict, An International Relations Theory Analysis

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Intro

The theories of international relations are employed to help make sense of and organize the world according to various characteristics such as who has power and how it is utilized. They largely originate out of historical circumstances and seek to describe, explain, and analyze real-world experiences. Contemporary international affairs embraces globalization, which is a theory that is largely defined as the increasing interconnectivity of people, economies, and cultures. Economic interdependence, which refers to the relationship between various economically connected nations where they grow dependent on one another, is a tool to measure the benefits and costs of globalization. The theories of international relations view economic interdependence and its impact on global politics differently. A correlation often drawn is that between whether increasing economic interdependence increases or decreases the possibility of armed conflict between nations. As the theories differ in assumptions and critiques of each other, realism, liberalism, and Neo-Marxism offer the most compelling arguments for the various implications of the connection between economic interdependence and conflict.

Realism

Realist theory, the oldest theory in international relations, relies on several key tenets. Some of these assume that the most important actor is the state, the international system is anarchic in nature, and states are rational actors. These tenets provide a foundation for understanding the most important aspect of realist theory: power. Realism views international relations as a zero-sum game, with states vying with each other in attempts to secure and expand beyond their current power.

The offensive realist denomination provides a unique lens through which to view the connection between economic interdependence and conflict because of its perspectives on the way states gain power. This version of realist theory interprets that states will do what they can to gain power through any opportunities available, small or large. Nations will also always seek more power to obtain economic independence. Economic interdependence, with power viewed as a zero-sum game, is thought to make any particular nation weaker when it becomes dependent on another. States thus want to acquire [“as much power compared to other states as possible”](#) to secure their power and obtain greater independence. Offensive realism with its unique perspective on how states gain power, proclaims that increasing economic interdependence creates more conflict.

The uncertainty of economic interdependence, within offensive realism, is viewed as a causal mechanism of conflict. [Increasing domestic security to reduce uncertainty is a key assertion of realist theory.](#) This uncertainty is specifically the state's lack of knowledge and control over the security of various trade relations between nations. Nations become sensitive and vulnerable because [“valuable export markets and foreign investments might be reduced by adversaries bent on hurting their relative power positions.”](#) [The uncertainty of continued trade can become a security issue in which a nation is vulnerable.](#) A nation's power is at risk with this vulnerability and uncertainty. Since offensive realism maintains that nations constantly seek out even the most minimal opportunities to gain power, the instances of insecurity also represent possibilities to gain security, however small or large. A confrontation of security between nations, with power as a zero-sum gain, can only end with a winner and a loser. This relationship built from trade uncertainty, and the subsequent desire for security, empowers nations to continuously act in an offensive manner in order to gain power out of fear of losing more. Offensive realism's logic creates a relationship whereby the entanglements of economic interdependence leads to an increase in possibility of conflict because of the uncertainty and vulnerabilities exhibited.

The dependency of nations on one another within an economically interdependent system is also seen to be a driver of the increased possibility of conflict, according to offensive realism. Economic interdependence as a function makes nations dependent on one another. In an offensive realist dictum, [“when states find themselves in situations of dependence, they are](#)

forced to grab opportunities to reduce their vulnerability through war, at least when the chance to do so arises at low cost.” This is a calculation of power that can be gained compared against the losses that can be sustained. Offensive realism maintains that this balance of power is what drives conflict. Gaining power through this careful calculation of security is why offensive realism is unique in analyzing economic interdependence. As a nation lacks “a position of relative independence” subsequent “dependence creates vulnerability or a lack of power.” Interdependencies create opportunities for nations to seize strategic gains in relative power. As connectivity breeds uncertainty, and uncertainty initiates a desire for security, all opportunities for security are viable, indicating the smallest economic connection between nations can be viewed as an opportunity for gaining security and power. zero-sum views of power are the foundation for this perspective, which sees only one nation as able to win and one nation to equally lose. As dependency reduces a nation's ability to be independent, it reduces its power and acts as a catalyst for the opportunities to gain power out of the desire to be secure within an insecure relation of trade. Both dependency and uncertainty work in tandem with a zero-sum view of power to help explain the offensive realist disdain for economic interdependence. The result is that these factors enlarge the overall possibility for the eruption of conflict.

Liberalism

The liberal theory of international relations evolved as a critique to realism's focus on great power politics. While realist theories agree that the international system is anarchic, liberalism values economic interdependence arguing that it mitigates violence and conflict. Through corporations, organizations, and law, nations build bonds that liberalism sees as generating trust, whereas realism sees such interactions as producing uncertainty and dependency. These interactions range from bilateral treaties, multi-lateral treaties, non-governmental organizations (NGO), intergovernmental organizations, and more. These forms of connectivity work to ensure peace by building upon liberalism's belief in cooperation. Significantly, liberalism rejects the realist assumption of zero-sum games within the international system. This divergence becomes critical in understanding how liberalism views the benefits of economic interdependence. Disagreeing with certain realist assumptions, liberalism posits that economic interdependence reduces conflict because it builds cooperation and deters violence.

Liberalism [“attempts to make specific the causal mechanisms behind the inclination of economically liberal states to prefer peace to conflict.”](#) This theory holds that trade among states is mutually beneficial. Power is perceived to be gained by all parties involved in trade, rejecting 0 sum trade theory. Trade and market relations become a driver of peace, where competition produces not conflict, but cooperation. Liberalism asserts that each state, through trade and competition, creates better dialogues of communication that minimize rather than maximize uncertainty. Therefore, the creation of [“more diversified and complex ... existing transnational commercial ties and production structures”](#) serves to reinforce positive communication. With power not visualized as a zero-sum game, these interactions are not seen as an affront to the power of another nation, meaning that the power of nations involved can grow in relation to one another, without one losing. The opportunity to create more power for all parties becomes directed by the increase of economically interdependent systems.

Liberal theory suggests that because during times of conflict parties risk losing their economic benefits, nations are deterred from violence. The costs associated with [“waging war are high when trade levels are high, and this serves to restrain actors who might otherwise have an incentive for war.”](#) Those with a vested interest in the economically interdependent system risk taking losses when trade relations are disrupted from conflict. In liberal capitalist systems in which exporters may hold a [“strong check on any illiberal policy”](#) enacted by the government, conflict can be avoided. Those who have vested interest in economic gains have a voice in the direction of foreign policy. Where [“trade provides high material benefits to certain groups of people—either the society as a whole or particular vested interests.”](#) the possible lost profits serve to deter conflict aggressive policy. Liberalism explains why increasing economic interdependence decreases the likelihood of conflict because the costs associated act as a deterrent and the opportunities of cooperation beneficially power all parties.

Neo-Marxism

Neo-Marxism draws on traditional Marxist theory and incorporates critical theory as it extends into international relations. Marxism explores how class determines security and contends that [“the capitalist mode of production and the modern sovereign states system \(that emerged roughly at the same time\) are not natural or inevitable events.”](#) Critical theory seeks to open up security studies and ask questions about the dominant theories and social orders. It is not a single school or line of thought but a group of ideas that attack theories and orders from various points of thought. Analyzing Neo-Marxism, which falls within the Frankfurt school of critical theory, an analysis of economic interdependence can be taken by asking questions about the nature of states, such as who holds power. Neo-Marxist theory foremost incorporates aspects of both liberal theory and realist theory within its discourse, yet diverges from the various assumptions that these theories hold. Neo-Marxism asserts that more capitalism creates more conflict. The core of this assertion relies on the scarcity of resources and conflict over control in the capitalistic sphere. Neo-Marxism uses critical theory and Marxism to derive that more economic interdependence through capitalism leads to more conflict

In response to liberal theory, Neo-Marxism links resource allocation with economic values to ascertain that increasing economic interconnections lead to conflict. Liberalism insists that economic interdependence reduces conflict because increasing trade relations can build power for all parties involved and is mutually beneficial. The Neo-Marxism lens provides a different perspective to this hypothesis. Vladimir Lenin [“declared that capitalist trading states are more likely to engage in war against peripheral states in order to find cheap raw materials, export markets for their mass-produced goods, and places to invest surplus capital.”](#) This entertains the idea that to continue an economic system founded on consumerism, which requires the continued use of natural resources, conflict is required to find these resources at an economically advantageous value. Liberalism's assertion that power can be gained by all parties within this is undone by viewing the relationship between nations as unequal and exploitative. When resources become scarce Neo-Marxism posits that tactics of violence ensue to ensure the economic success of the stronger party. The subsequent economically interdependent trade relation is unfair and sustained by conflict. The reliance on this dynamic for continued growth enables and maintains this dynamic of conflict. Neo-Marxism promotes a link between increasing economic interdependence and conflict through analyzing the consumerist principles of liberal theory and its inequalities of power between nations.

Another way in which Neo-Marxism theory posits the increase of conflict as a result of economic interdependence is by drawing on realist theory. An argument for realism made claims that increasing economic interdependence increases conflict as a result of the uncertainty and dependency it generates. Neo-Marxism takes this argument in pieces and agrees that [“the need for secure trade and investment ties makes these groups \[nations\] worry about their future control](#)

over their economic partners.” To secure trade and economic growth, actors must pursue with force, if necessary, the security of having direct control over resources and the security of not being dependent on others for development. These “groups are driven primarily by the material gains from commerce.”

Neo-Marxism diverges from realism in the point that nations are not black boxes. Borrowing from liberalism, Neo-Marxism contends that the type of government and institutions at play have an important impact on the foreign policy and how security is viewed. Taking this liberal discourse to counter the realist black box assumption is not without alteration. Neo-Marxism emphasizes how “economic elites and interest groups [pressure] political elites into war to further their narrow material concerns.” Unlike liberalism's favor of democratic power and realism's preference for black box assumption, Neo-Marxism incorporates traditional Marxism's class distinction. For the economic elite to be able to influence with such a degree as to push for conflict for obtaining raw materials, conditions of unity among them, agreement with military use, and overall political influence must exist. These inherent class distinctions arise from capitalistic endeavors. Dominant liberal discourse that favors this capitalist-consumerist economic system would, according to Neo-Marxism, always see the opportunity for class abuses by the power of elites. Capitalism directed by elites of society requires a constant supply of certain and independent material to continue progress. Increasing economically interdependent systems, according to Neo-Marxism, draws closer to the need for actual conflict in obtaining resources. Neo-Marxism strongly criticizes both realism and liberalism by drawing on traditional Marxist theory and critical theory. Neo- Marxism disagrees with both the black box narrative of realism, and liberal peace. As a result, economic interdependence from capitalist-consumerist endeavors is led by class elites that will employ conflict if necessary to continue the certainty and independence of their resource supply.