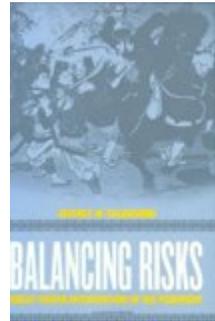


Jeffrey W. Taliaferro. *Balancing Risks: Great Power Intervention in the Periphery*. Ithaca: Cornell University Press, 2004. xviii + 304 pp. \$39.95 (cloth), ISBN 978-0-8014-4221-6.

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Published on H-US-Japan (November, 2004)



Great Powers and the Periphery: From Balance-of-Power to Balance-of-Risk

With America's March 2003 invasion of Iraq (justified as a preemptive attack) being criticized by some as another Vietnam in the making, any work that claims to offer historical lessons about great power intervention "in the periphery" deserves serious attention, especially in consideration of the American invasion of Afghanistan in 2001, as well as the possible American responses to the nuclear ambitions of Iran and North Korea now being currently reported in the nightly news. For anyone interested in gaining insights into great power intervention far from home, Jeffrey W. Taliaferro offers much food for thought.

The main contention of Taliaferro's book is that for great powers the need to avoid losses in material power, status, or reputation "weighs more heavily in the calculations of leaders than the prospect of gains in those commodities" (p. 4). Turning to the historical record to make his case, Taliaferro draws on defensive realist and "prospect theory" literature to formulate a "balance-of-risk" argument, which "expects leaders to escalate their commitment to recover the sunk costs of prior intervention decisions" (p. 50).

Taliaferro addresses two questions: "why do great powers initiate risky diplomatic or military commitments in the periphery," and "why do great powers persist in peripheral conflicts despite the diminishing prospects of victory and increasing political, military, and economic costs" (p. 2). In other words, why do powerful polities take such monumental risks? The first commonly suggested answer is called "logrolling theory." Great powers

act due to domestic pressures and politics. This is especially the case if a state has been "cartelized," i.e., small groups are able to control a society's material resources, thereby hijacking its political institutions; theoretically, liberal democracies are less likely to be hijacked. The second conventional explanation concerns rising opportunities in the international arena. Great powers "enjoy a favorable international power position and the perceived benefits of intervention outweigh the costs and risks" (p. 3). Taliaferro provides a third explanation, called "balance-of-risk" theory, which postulates that an aversion by leaders to perceived losses (i.e., a state's relative power, status, or prestige) motivates great power intervention in peripheral regions.

The book is organized into seven chapters. The first two, "Power Politics and the Balance of Risk" and "Explaining Great Power Involvement in the Periphery," lay out the book's main contentions and theoretical framework. Chapter 1, in particular, is a solid treatment of the relevant literature. In the first chapter Taliaferro explains his methodology. He notes that he relies on high-level meetings, private correspondences, internal government documents, intelligence reports, and diplomatic cables. He also carefully defines his terms: risk, risk-aversion, risk-acceptance, entrapment, and escalating commitment. Periphery is defined as: "(1) geographical distance from the core; and (2) the inability of the peripheral state's military forces to inflict damage on the great power's homeland" (p. 27).

Chapter 2 explains the theoretical argument in detail

and summarizes the competing hypotheses for international behavior (pp. 51-54). Chapters 3, 4, and 5 deal with the principal case studies: Wilhelmine Germany's initiation of the 1905-06 Morocco crisis; Japan's decision to go to war in 1940-41; and the U.S. intervention in and escalation of the Korean War in 1950-51. There is a wealth of data invested in each case, and historians who specialize in these areas and periods can debate the merits of Taliaferro's particular findings. The book has nine useful tables along with figures that summarize the arguments of the book. This is greatly appreciated; though lucidly and sharply written, the propositions put forth sometimes have the quality of critical reasoning questions on a standardized test. The first reaction of a reader when confronted with Taliaferro's thesis might be that he is playing historical Monday-morning quarterbacking. But he preempts criticism by saying some might accuse him of being selective in his case studies. He claims that he does not look at cases where great risks were taken but resulted in success, and that balance-of-risk theory does not predict outcomes; rather, he is trying to demonstrate the scenarios in which leaders will demonstrate a bias toward more risky options.

Balance-of-risk theory is a marriage of one type of structural realism (defensive) with "prospect theory." Structural realism comes in two versions, though both see international relations as inherently conflictual. The first is offensive realism, which assumes states will expand their interests abroad when the opportunities present themselves. Defensive realism, on the other hand, does not assume that the international environment always generates intense rivalry and war among states. Prospect theory is a psychological model of decision-making developed by Daniel Kahneman and Amos Tversky. It stipulates that most people pay more attention to losses relative to comparable gains; they give more value to certain rather than probable outcomes; value what they already possess over what they might acquire; and "display risk-acceptant behavior to avoid (or recoup) losses, but risk-averse behavior to secure gains" (p. 16). Since the late 1970s, prospect theory has generated research in consumer economics, consumer psychology, management science, organizational behavior, and behavioral economics. Taliaferro acknowledges that, in principle, prospect theory cannot be applied to groups (though on the face of it that is what he is attempting). However, he explains why, if done cautiously, prospect theory can be incorporated into complex analyses of international relations (pp. 32-33). Taliaferro claims to make some crucial contributions to the literature. First,

he claims to advance the debate between offensive realism and defensive realism by giving more credibility to the latter (most states value what they already have and usually will not risk losing their possessions). He also attempts to answer why great powers become involved in the periphery.

In chapter 6 Taliaferro addresses two questions: "does balance-of-risk theory explain attempts by great powers to deescalate or terminate risky intervention strategies," and "does the theory account for instances where great powers do not initiate risky interventions or decline to pursue risky strategies vis-a-vis other great powers to perpetuate failing peripheral interventions" (p. 173). To address these issues and bolster his arguments, Taliaferro analyzes five additional cases: German diplomacy in the 1911 Morocco crisis; Japanese decision-making during and after hostilities between Japanese and Soviet forces at Changkufeng and Nomonhan in 1938 and, again, in 1939; the Truman administration's attempts to negotiate an end to the Korean war first in February-June 1951 and next in July-November 1951. As his hypothesis predicts, senior officials in these cases were reluctant to adopt or to continue risk-acceptant strategies.

In the final chapter the implications of his contentions are further fleshed out. It is here (the last six pages of the book) that Taliaferro offers his views on what might be termed "practical policy" for the current global situation, though his offerings appear more descriptive than prescriptive. He writes that due to American preponderance and the absence of a peer competitor, "balance-of-risk theory would expect an aversion to perceived losses in prestige to weigh even more heavily in the calculations of the present administration and its successors" (p. 237). He believes that China and Russia pose no immediate danger, and that Japanese leaders favor a strong American presence because they view their Asian neighbors as threats. Given the war against terrorism and intervention in Iraq, he notes the obvious and current "potential dangers for Washington," i.e., the dangers of entrapment in the periphery and the need for cooperation from "second-tier great powers and regional states" to contain terrorism (p. 239).

Reading Taliaferro's work leaves this reviewer with the suspicion that he is being overly ambitious, attempting to explain too much. "Testing hypotheses" on the grand stage of history is always risky, and one can either admire or question Taliaferro's impressive endeavor. Taliaferro explains how balance-of-risk theory posits that "security concerns, not aggressive motives, are more

likely to drive great power intervention” (p. 49). But from whose perspective are we to judge the difference between security and aggression? After all, one nation’s security concerns are another’s aggressive motives. Witness the current heated debate about the American invasion of Iraq (and for that matter, consider analyses of why the United States invaded Afghanistan and, according to some pundits, may prepare to make military moves against Iran and North Korea).

Taliaferro’s book is an example of qualitative historical research wedded to international relations theorizing. By introducing cognitive and perceptual psychology in the form of prospect theory into his analysis, human

agency is slipped onto the stage of international dynamics. This is a theoretical maneuver of which we need to see more. For some, the idea that the prospective loss of “relative prestige weigh[s] more heavily in leaders’ calculations” (p. 225) may seem commonsensical, but good science, whether natural or social, is not built on common sense, and in any case hypotheses require substantiation and verification, not uncritical acceptance. His impressive knowledge of and deep engagement with the pertinent literature afford more nuance to Taliaferro’s arguments than a book review can offer. Those concerned with the role of the human element in national-level risk-taking and global dynamics cannot afford to overlook Taliaferro’s finely argued and thought-provoking book.

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Citation: Brian J. McVeigh. Review of Taliaferro, Jeffrey W., *Balancing Risks: Great Power Intervention in the Periphery*. H-US-Japan, H-Net Reviews. November, 2004.

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