require much planning regarding their wider societal environment (e.g., the unskilled), on the contrary tend to generalize their 'involvement attitudes' to include whatever societal interaction loops they are engaged in. The societally alienated tend to see complex societal relations as less complex than they actually are. They are, in direct opposition to the first group, insufficiently involved in the future, not because they cannot kick the habit of being involved in the here-and-now, but because they never developed the 'broadsight' and 'long-sight' (Elias 1939) that often characterizes the interpersonally alienated.

If it is indeed true that the interpersonally nonalienated tend to be the societally alienated, who clamor for a larger share of the societal pie, while the societally nonalienated tend to be in the power positions because they are best able to reduce societal complexity, and consequently have a fair chance of being interpersonally alienated, then the question becomes: Can a complex society ever be a nonalienating society, if it is led by those who score highest on interpersonal alienation? Or, as Mannheim asked: 'who plans the planners?' Alienation will certainly never disappear, whether in politics or in work situations, whether in interpersonal or societal interactions, but it may be considerably reduced by de-alienating strategies based on social science research.

See also: Alienation: Psychosociological Tradition; Anomie; Critical Theory: Contemporary; Critical Theory: Frankfurt School; Freud, Sigmund (1856–1939); Industrial Sociology; Marx, Karl (1818–89); Marxist Social Thought, History of; Work and Labor: History of the Concept; Work, History of; Work, Sociology of

Bibliography

Elias N 1939 *Über den Prozess der Zivilisation*. Haus zum Falken, Basel

Etzioni A 1968 *The Active Society*. Collier-Macmillan, London

Geyer F 1989–98 http://www.unizar.es/sociocybernetics/chen/felix.html

Geyer F (ed.) 1996 *Alienation, Ethnicity, and Postmodernism*. Greenwood, Westport, CT

Geyer F, Heinz W R (eds.) 1992 *Alienation, Society, and the Individual*. Transaction, New Brunswick, NJ

Geyer F, Schweitzer D (eds.) 1976 *Theories of Alienation—Critical Perspectives in Philosophy and the Social Sciences*. Martinus Nijhoff, The Hague

Geyer F, Schweitzer D (eds.) 1981 *Alienation: Problems of Meaning, Theory and Method*. Routledge and Kegan Paul, London

Horney K 1950 *Neurosis and Human Growth*. W. W. Norton, New York

Kalekin-Fishman D (ed.) 1998 *Designs for Alienation: Exploring Diverse Realities*. SoPhi Press, Jyväskylä, Finland

Lachs J 1976 Mediation and psychic distance. In: Geyer F, Schweitzer D (eds.) *Theories of Alienation—Critical Perspectives in Philosophy and the Social Sciences*. Martinus Nijhoff, The Hague, pp. 151–67

Ludz P 1975 'Alienation' als Konzept der Sozialwissenschaften. *Kölner Zeitschrift für Soziologie* **27**(1): 1–32

Schacht R 1971 *Alienation*. Allen & Unwin, London

Schacht R 1989 Social structure, social alienation, and social change. In: Schweitzer D, Geyer F (eds.) *Alienation Theories and De-alienation Strategies—Comparative Perspectives in Philosophy and the Social Sciences*. Science Reviews, Northwood, UK, pp. 35–56

Schaff A 1977 *Entfremdung als soziales Phänomen*. Europa, Vienna

Schweitzer D, Geyer F (eds.) 1989 *Alienation Theories and De-alienation Strategies—Comparative Perspectives in Philosophy and the Social Sciences*. Science Reviews, Northwood, UK

Seeman M 1959 On the meaning of alienation. *American Sociological Review* **24**(6): 783–91

Seeman M 1976 Empirical alienation studies: An overview. *Theories of Alienation—Critical Perspectives in Philosophy and the Social Sciences*. Martinus Nijhoff, The Hague, pp. 265–305

Seeman M 1989 Alienation motifs in contemporary theorizing: The hidden continuity of the classic themes. In: Schweitzer D, Geyer F (eds.) *Alienation Theories and De-alienation Strategies – Comparative Perspectives in Philosophy and the Social Sciences*. Science Reviews, Northwood, UK, pp. 33–60

Srole L 1956 Anomie, authoritarianism, and prejudice. *American Journal of Sociology* **62**(1): 63–7

Toffler A 1970 *Future Shock*. Bantam Books, New York

Toffler A 1990 *Power Shift—Knowledge, Wealth and Violence at the Edge of the 21st Century*. Bantam Books, New York

F. Geyer

Alliances and Joint Ventures: Organizational

1. Introduction

Cooperative arrangements between organizations date back to those between merchants in ancient Babylonia, Egypt, Phoenicia, and Syria who used such arrangements to conduct overseas commercial transactions. Since the 1980s, there has been a dramatic growth in the use of various forms of cooperative arrangements such as joint ventures between organizations. Several reasons have been offered for this unprecedented growth in alliances: greater internationalization of technology and of product markets, turbulence in world markets and higher economic uncertainty, more pronounced cost advantages, and shorter product life cycles. A noteworthy feature accompanying this growth in alliances has been the tremendous diversity of national origins of partners, their goals and motives for entering alliances, as well as the formal legal and governance structures utilized. The increase in cooperative arrangements has generated a renaissance in the scholarly study of alliances

(Gulati 1998). Researchers in several disciplines, including economics, sociology, social psychology, organization behavior, and strategic management, have sought answers to several basic questions: What motivates firms to enter into alliances? With whom are they likely to ally? What types of contracts and other governance structures do firms use to formalize their alliances? How do alliances themselves and firm participation patterns in alliances evolve over time? What factors influence the performance of alliances and the benefits partners receive from alliances?

We define an alliance as any voluntarily initiated and enduring relationship between two or more organizations that involves the sharing, exchange, or codevelopment of resources (e.g., capital, technology, or organizational routines). Joint ventures are a subset of alliances and typically entail the creation of a new entity by two or more partners who retain equity in the new entity. Alliances can be classified in numerous ways. They can be either horizontal or vertical, depending on the relationship of the alliance partners across the value chain. They can also be classified according to the motivations of the partners entering them (e.g., reducing costs vs. excluding potential competitors vs. developing new products) and according to the governance structure utilized (e.g., joint venture vs. minority equity position vs. licensing arrangement). The wide range of analytically useful distinctions between alliances reflects the complexity and diversity across the vast range of cooperative arrangements entered by firms.

2. *Theoretical Perspectives*

While alliances have been examined from a variety of theoretical perspectives, two disciplines have been particularly influential: economics and sociology. Within economics, there have been several approaches to the study of alliances including industrial economics, game theory, and transaction cost economics (Kogut 1988). The industrial economics perspective suggests that a firm's relative position within its industry structure is critical and that alliances can be used to increase this position relative to other rivals or consumers (Porter 1990). Industrial economists have studied how firms use alliances and other hybrid arrangements to enhance market power, maximize parent firm profits, acquire capabilities and competencies, and enhance their strategic position (Berg et al. 1982, Vickers 1985, Porter and Fuller 1986, Ghemawat et al. 1986).

Recently, scholars have extended earlier research and used insights from game theory to illuminate some of the process dynamics within alliances and their impact for firms (Gulati et al. 1994, Khanna et al. 1998). Some of the key elements have been to model the interdependence between alliance partners in terms of varying payoffs under differing scenarios. This provides a useful window into the dynamics that unfold in alliances based upon some of the ex ante conditions in the alliance.

Transaction cost economists have examined alliances and considered how transactional hazards may influence the extent to which firms use alliances as opposed to market transactions or internal production. Furthermore, scholars have also examined the formal structure of alliances and considered the extent to which transaction costs influence the governance arrangement firms use to formalize their alliances (Pisano 1990, Gulati 1995a, Gulati and Singh 1998, Oxley 1998).

A recent critique of much of the research on strategic alliances is that it has presented an undersocialized account of firm behavior (Gulati 1998). Thus, industrial economics and transaction cost economics in particular, have focused typically on the influence of structural features of firms and industries, neglecting the history and process of social relations between organizations. Sociologists have suggested that economic action and exchange operate in the context of historical structures of relationships constituting a network that informs the choices and decisions of individual actors (Granovetter 1985, Burt 1992). A network is a form of organizing economic activity that involves a set of nodes (e.g., individuals or organizations) linked by a set of relationships (e.g., contractual obligations, trade association memberships, or family ties).

The network approach to analyzing key questions about alliances builds on the idea that economic actions are influenced by the context in which they occur and that actions are influenced by the position actors occupy within a network. Organizations are treated as fully engaged and interactive with the environment rather than as an isolated atom impervious to contextual influences. Several recent scholars have followed a network approach and studied how preexisting interfirm relationships can cumulate into a network and thus influence fundamental dynamics associated with alliances (Kogut et al. 1992, Gulati 1995a, 1995b, Gulati and Gargiulo 1999, Gulati and Westphal 1999). This is based on the premise that, through their network positions, firms have differential access to information about current and potential alliance partners. Researchers have examined the role of relational embeddedness, which emphasizes the role of direct close ties as a mechanism for facilitating exchange, and also structural embeddedness, which emphasizes the structural positions of alliances partners with a network.

In the remainder of this article we shall discuss some of the new insights emerging from a network perspective on alliances for three core issues that are critical for the study of alliances (adapted from Gulati 1998): (a) formation—which firms enter alliances and with whom do they ally, (b) governance—what factors influence the governance structure firms use to formalize their alliances, and (c) performance—what factors influence the performance of alliances and of the firms entering alliances.

3. Formation of Alliances

Some of the key questions regarding the formation of alliances include: Which firms enter alliances and whom do firms choose as alliance partners? Instead of focusing on the factors that may motivate firms to seek alliances, we focus here on the factors that both predispose firms to enter into alliances with greater or lesser frequency and also influence their choice of alliance partners. These questions are examined at the firm and dyad level, respectively. Among the studies that have considered the factors that influence the alliance proclivity of firms, the focus has remained on some of the economic and strategic determinants of tie formation such as the customer bargaining power, market standardization, degree of asset configuration, and degree of product substitutability (Harrigan 1988). Follow-up research has remained focused on looking at the influence of firm-level attributes such as age, size, competitive positions, financial resources, and product diversity (as proxies for economic and strategic determinants) on the propensity of firms to enter alliances. This work has been extended recently to suggest that beyond the strategic imperatives, the proclivity of firms to enter alliances is also influenced by the available amount of 'network resources,' which is a function of the firm's position in its interfirm network of prior alliances (Gulati 1999).

Another line of inquiry from a transaction cost economics perspective has examined the alliance formation question as one of a choice between 'make, buy, or ally.' Since the 1980s there has been resurgence of research on the economic theory of the firm, with a particular emphasis on the 'make or buy' decision of firms (for a review, see Klein and Shelanski 1995). The key finding of this research is that the observed firm choice between these alternative governance forms (e.g., in-house production vs. outsourcing) that firms use to procure requisite goods and services is determined by the transactional hazards associated with them. The greater the transactional hazards associated with a commodity, the more likely are firms to use hierarchical governance arrangements. The logic for hierarchical controls as a response to appropriation concerns is based on the ability of such controls to assert control by fiat, provide monitoring, and align incentives. This basic premise has been considerably refined with new and detailed measures of the potential transactional hazards that could influence governance choice by firms (e.g., Masten et al. 1991). The operation of such a logic originally was examined in the classic make-or-buy decisions that were cast in Coasian terms as a question of the boundaries of the firm (e.g., Monteverde and Teece 1982, Walker and Weber 1984, Masten et al. 1991).

While there is widespread recognition that the original bipolar choice of governance arrangements examined by transaction cost theorists is no longer valid, there have been only limited inquiries into enlarging the original question and a direct consideration of the 3-way choice between make, ally, and buy (Gulati and Lawrence 1999). The same logic by which firms choose between the extremes of make or buy is also expected to operate now that firms face an enlarged choice between make, ally, and buy: the greater the transactional hazards, the more hierarchical the governance structure. While all these studies have advanced our understanding of some of the factors that influence the creation of alliances as opposed to alternative governance structures, their primary focus on transactional characteristics as determining factors has led them to incompletely examine the role of the interorganizational networks in influencing this choice. This remains an exciting arena for future research.

The two approaches to alliance formation outlined above have focused on individual firms and on individual transactions respectively. Yet another approach is to consider this issue at the dyad level and assess the factors that influence who partners with whom in an alliance. Due to the paucity of information on the reliability and competencies of potential alliance partners, there is often uncertainty over the likely behavior of the contracting parties. Network connections and third-party referrals can play an important in role in reducing such uncertainty. As a result, they may influence the availability of and access to alliance opportunities that firms may perceive. Recent empirical research corroborates these claims and suggests that the choice of partners for alliances is influenced by strategic interdependence and also the network antecedents of the partners (Gulati 1995b, Gulati and Gargiulo 1999, Gulati and Westphal 1999).

4. Governance of Alliances

A key question regarding the governance structure of alliances is: Which ex ante factors affect the choice of alliance governance structure? Cooperative interorganizational relationships such as strategic alliances and joint ventures require negotiation of property rights governing the long-term resources invested in the arrangement. The essence of cooperative strategy is achievement of an agreement and a plan to work together such that each partner essentially becomes an agent for the other(s). Firms face numerous choices in structuring their alliances. The governance structure must include a variety of components: planning and control systems, incentive systems, information systems, and partner selection systems. Property rights cannot always be controlled fully or specified in advance, so in part, governance of joint ventures operates by firms being placed into mutual hostage positions as they commit financial capital, real assets, and other resources to the venture (Kogut 1988).

One basic governance question concerns whether the cooperative arrangement does or does not involve equity. Questions about governance structure have been examined in depth by transaction cost economists. Pisano and co-workers (Pisano et al. 1988, Pisano 1989) found that the greater the potential transaction costs, the more likely parties are to design a hierarchical contractual arrangement and to use equity alliances rather than nonequity alliances. They argue that equity alliances are an effective governance structure for mitigating transaction costs because each partner's concern for its investment reduces opportunistic behavior (i.e., there is a 'mutual hostage' situation) and because equity partners establish hierarchical supervision through their service on the board of directors. Gulati (1995a) extended this work by suggesting that such an approach erroneously treats each transaction independently and ignores the crucial role of the history of prior transactions between partners. He found that prior alliances between firms engenders interorganizational trust that reduces the likelihood of using equity arrangements in future ties. Gulati and Singh (1998) have gone a step further and found that the use of hierarchical arrangements such as equity alliances is influenced not only by appropriation concerns but also by anticipated coordination concerns that were highlighted originally by organization design theorists but have not been the focus of recent research.

5. *Performance of Alliances*

Key questions regarding the performance of alliances include: How can we measure the performance of alliances? Which factors affect the performance of alliances? Do firms receive economic and social benefits from participating in alliances? Due to onerous research obstacles related to establishing criteria for measuring performance and the logistical challenges of collecting the detailed data necessary, the performance of alliances and of alliance partners remains an exciting but underexplored area. This is especially relevant since several anecdotal accounts suggest that the failure rate of alliances may be as high as 50 to 80 percent. Scholars suggest that alliances are often difficult to manage, taxing of top management's cognitive resources, and limiting of the partners' organizational autonomy, and thus prone to failure. They have identified several factors that could influence the success rate of alliances: building interfirm trust, continuity in interface personnel, management flexibility, proactive conflict resolution mechanisms, and regular information exchange (e.g., Kanter 1989, Bleeke and Ernst 1991). The primary approach taken by empirical studies of alliance performance has been to examine factors affecting the termination of alliances such as: industry concentration and growth rates, partners' country of origin, duration of the alliance, competitive overlap between partners, and alliance governance structure (Beamish 1985, Harrigan 1986, Kogut 1989, Levinthal and Fichman 1988). However, these studies typically are limited in two respects: (a) failure to distinguish natural vs. untimely deaths of alliances and (b) an inability to distinguish gradations of alliance performance because of the consideration of all performance dichotomously as either survival or death.

A basic and particularly vexing question is how to measure alliance success (Anderson 1990). Given the multifaceted objectives of alliances, focusing on technical efficiency and financial outcomes (e.g., return on assets) often does not offer an adequate evaluation of performance and determination of antecedents. Management and strategy scholars have begun to use extensive surveys and more longitudinal data to examine performance (Harrigan 1986, Heide and Miner 1992, Parkhe 1993). One area of inquiry however that has not been pursued by such scholars has been to consider the impact of social networks and embeddedness on the relative performance of alliances. This is especially important since there is some preliminary empirical evidence that alliances embedded in social networks are less likely to terminate and are more effective in situations of high uncertainty (Kogut 1989, Levinthal and Fichman 1988, Seabright et al. 1992). A related direction for future research would be to examine the simultaneous and potentially conflicting influence of multiple social networks on alliance performance. As more and more organizations enter multiple cooperative arrangements, with some finding themselves in hundreds of alliances (e.g., General Electric, Hewlett-Packard, and IBM), a portfolio perspective is needed to examine the degree to which multiple alliance participation generates both conflicting demands and productive synergies.

Do organizations benefit from entering strategic alliances? This question is distinct from the previous issue of the alliance's overall performance. Given that many other factors besides an alliance influence an organization's performance, it can be difficult to establish a causal link between alliance participation and organizational benefit. Consequently, researchers have looked to a variety of direct and indirect measures, including stock market effects (e.g., Koh and Venkatraman 1991, Anand and Khanna 1997) and the likelihood of organizational survival (e.g., Baum and Oliver 1991, 1992). The results of these studies have been mixed but generally suggest that alliances are beneficial for organizations. Once again, there have been only few efforts to link the social structural context of alliances with the performance benefits that are likely to ensue from them (e.g., Gulati and Wang 1999).

An important lacuna in much of the research on alliances has been insufficient attention to the dynamics of such ties. A few studies that have focused on process issues suggest that alliances are subject to dynamic evolutionary processes that cause significant transformations beyond their original designs and mandates (Hamel 1991, Larson 1992, Ring and Van de Ven 1994, Doz 1996). Change can occur at the intrafirm, interfirm, network, industry, and societal levels. At the firm level, as the pay-offs for an alliance or at least each partner's perception of those pay-offs changes, the incentives for cooperation can change (Gulati et al. 1994, Khanna et al. 1998). Key changes also takes place at the network level, as a firm's social network (the main source of its current and potential alliance partners) evolves, which changes the structural positions of organizations within the network and affects the pattern of future ties. Even more profound dynamics can operate on the industry and national levels. In this article, we have tried to outline the importance of the social network and structural embeddedness perspectives for the study of alliances. We believe that it is particularly valuable in informing scholars and managers on 'how' (as opposed to why) dyadic, network, and societal level dynamics affect the evolution and eventual performance of alliances. This perspective also opens up new critical questions for future research on the dynamics of alliances such as how firms manage a portfolio of alliances, how firms position themselves optimally within a network, and how social network membership affects alliance performance.

See also: Competitive Strategies: Organizational; Conflict: Organizational; Corporate Culture; Corporate Finance: Financial Control; Corporate Governance; Corporate Law; Information and Knowledge: Organizational; Intelligence: Organizational; Intelligence, Prior Knowledge, and Learning; International Business; International Organization; International Trade: Commercial Policy and Trade Negotiations; Learning: Organizational; Monetary Policy; Rational Choice and Organization Theory; Strategy: Organizational; Technology and Organization

Bibliography

Anand B Khanna T 1997 On the market valuation of interfirm agreements: Evidence from computers and telecommunications, 1990–1993. Working paper. Harvard Business School, Boston

Anderson E 1990 Two firms, one frontier: On assessing joint venture performance. *Sloan Management Review* **31**(2): 19–30

Baum J, Oliver C 1991 Institutional linkages and organizational mortality. *Administrative Science Quarterly* **36**: 187–218

Baum J, Oliver C 1992 Institutional embeddedness and the dynamics of organizational populations. *American Sociological Review* **57**: 540–59

Beamish P 1985 The characteristics of joint ventures in developed and developing countries. *Columbia Journal of World Business* **20**: 13–9

Berg S, Duncan J, Friedman P 1982 *Joint Venture Strategic and Corporate Innovation*. Oelgeschlager, Gunn & Hain, Cambridge, MA

Bleeke J, Ernst D 1991 The way to win in cross border alliances. *Harvard Business Review* **69**(6): 127–35

Burt R 1992 *Structural Holes: The Social Structure of Competition*. Harvard University Press, Cambridge, MA

Doz Y L 1996 The evolution of cooperation in strategic alliances: Initial conditions or learning processes? *Strategic Management Journal* **17**: 55–83

Ghemawat P, Porte, Rawlinson R 1986 Patterns of international coalition activity. In: Porter M (ed.) *Competition in Global Industries*. Harvard Business School Press, Boston, MA pp. 345–66

Granovetter M 1985 Economic action and social structure: The problem of embeddedness. *American Journal of Sociology* **91**(3): 481–510

Gulati R 1995a Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. *Academy of Management Journal* **38**: 85–112

Gulati R 1995b Social structure and alliance formation patterns: A longitudinal analysis. *Administrative Science Quarterl* **40**: 619–52

Gulati R 1998 Alliances and networks. *Strategic Management Journal* **19**: 293–317

Gulati R 1999 Network location and learning: The influence of network resources and firm capabilities on alliance formation. *Strategic Management Journal* **20**: 397–420

Gulati R, Gargiulo M 1999 Where do interorganizational networks come from? *American Journal of Sociology* **104**: 1439–93

Gulati R, Khanna T, Nohria N 1994 Unilateral commitments and the importance of process in alliances. *Sloan Management Review* **35**(3): 61–9

Gulati R, Lawrence P1999 The diversity of embedded ties. Working paper. Kellogg Graduate School of Management, Evanston, IL

Gulati R, Singh H 1998 The architecture of cooperation: Managing coordination costs and appropriation concerns in strategic alliances. *Administrative Science Quarterly* **43**: 781–814

Gulati R, Westphal J 1999 Cooperative or Controlling? The effects of CEO-board relations and the content of interlocks on the formation of joint ventures. *Administrative Science Quarterly* **44**: 473–506

Hamel G 1991 Competition for competence and inter-partner learning within international strategic alliances. *Strategic Management Journal* **12**: 83–103

Harrigan K R 1986 *Managing for Joint Ventures Success*. Lexington Books, Lexington, MA

Harrigan K R 1988 Joint ventures and competitive strategy. *Strategic Management Journal* **9**(2): 141–58

Heide J, Miner A 1992 The shadow of the future: Effects of anticipated interaction and frequency of contact of buyer-seller cooperation. *Academy of Management Journal* **35**: 265–91

Kanter R M 1989 *When Giants Learn to Dance*. Touchstone, Simon & Schuster, New York

Khanna T, Gulati R, Nohria N 1998 The dynamics of learning alliances: Competition, cooperation, and relative scope. *Strategic Management Journal* **19**: 193–210
Kogut B 1988 Joint ventures: Theoretical and empirical perspectives. *Strategic Management Journal* **9**(4): 319–32
Kogut 1989 The stability of joint ventures: Reciprocity and competitive rivalry. *Journal of Industrial Economics* **38**: 183–98
Kogut B, Shan W, Walker G 1992 The make-or-cooperate decision in the context of an industry network. In: Nohria N, Eccles R (eds.) *Networks and Organizations*. Harvard Business School Press, Boston, MA, pp. 348–65
Koh J, Venkatraman N 1991 Joint venture formations and stock market reactions: An assessment in the information technology sector. *Academy of Management Journal* **34**(4): 869–92
Larson A 1992 Network dyads in entrepreneurial settings: A study of the governance of exchange relationships. *Administrative Science Quarterly* **37**: 76–104
Levinthal D A, Fichman M 1988 Dynamics of interorganizational attachments: Auditor-client relationships. *Administrative Science Quarterly* **33**: 345–69
Masten S E, Meehan J W, Snyder E A 1991 The costs of organization. *Journal of Law, Economics and Organization* **7**: 1–25
Monteverde K Teece D 1982 Supplier switching costs and vertical integration in the auto industry. *Bell Journal of Economics* **13**: 206–13
Oxley J E 1997 Appropriability hazards and governance in strategic alliances: A transaction cost approach. *Journal of Law, Economics and Organization* **13**(2): 387–409
Parkhe A 1993 Strategic alliance structuring: A game theoretic and transaction cost examination of interfirm cooperation. *Academy of Management Journal* **36**: 794–829
Pisano G P 1989 Using equity participation to support exchange: Evidence from the biotechnology industry. *Journal of Law, Economics and Organization* **5**(1): 109–26
Pisano G P 1990 The R&D boundaries of the firm: An empirical analysis. *Administrative Science Quarterly* **35**: 153–76
Pisano G P, Russo M V, Teece D 1988 Joint ventures and collaborative arrangements in the telecommunications equipment industry. In: Mowery D (ed.) *International Collaborative Ventures in U.S. Manufacturing*. Ballinger, Cambridge, MA pp. 23–70
Porter M E 1990 *The Competitive Advantage of Nations*. Free Press, New York
Porter M E M, Fuller B 1986 Coalitions and global strategy. In: Porter M (ed.) *Competition in Global Industries*. Harvard Business School Press, Boston, MA pp. 315–43
Ring P S, Van de Ven A H 1994 Developmental processes of cooperative interorganizational relationship. *Academy of Management Review* **19**(1): 90–118
Seabright M A, Levinthal D A, Fichman M 1992 Role of individual attachment in the dissolution of interorganizational relationships. *Academy of Management Journal* **35**(1): 122–60
Shelanski H A, Klein P G 1995 Empirical research in transaction cost economics: A review and assessment. *Journal of Law, Economics, and Organization* **11**(2): 335–61
Vickers J 1985 Pre-emptive patenting, joint ventures, and the persistence of oligopoly. *International Journal of Industrial Organization* **3**: 261–73
Walker G, Weber D 1984 A transaction cost approach to the make-or-buy decisions. *Administrative Science Quarterly* **29**: 373–91

J. Gillespie and R. Gulati

Alliances: Political

Alliances are formal agreements, open or secret, between two or more nations to collaborate on national security issues. They have been variously considered as techniques of statecraft, international organizations, or regulating mechanisms in the balance of power. This article addresses several of the enduring concerns about alliances, including alliance formation, their performance and persistence; their effects on the international system and domestic politics; and their prospects in the new millennium.

1. *Alliance Formation*

Among the oldest explanations of alliances are those derived from balance-of-power theories in which the emphasis is on the external environment, including the structure, distribution of power, and state of relations among units of the system. These are often closely linked to the 'realist' approach to international politics (Morgenthau 1959, Waltz 1979, Gilpin 1981). Nations join forces as a matter of expediency in order to aggregate sufficient capabilities to achieve certain foreign policy goals, to create a geographically advantageous position, or to prevent any nation or combination of countries from achieving a dominant position. Alliance partners are thus chosen on the basis of common goals and needs, not for reasons of shared values, shared institutions, or a sense of community. According to balance-of-power theories, nations should be more likely to join the weaker coalition to prevent formation of a hegemonic one ('balancing') rather than join the dominant one in order to increase the probability of joining the winning side ('bandwagoning') (Waltz 1979). Several case studies found support for the 'balancing' hypothesis: that nations form alliances to balance threats rather than power (Walt 1987).

The 'size principle,' according to which 'coalitions will increase in size only to the minimum point of subjective certainty of winning,' is drawn deductively from 'game theory' (Riker 1962, pp. 32–3). Coalition theories share a number of characteristics with balance-of-power models, but whereas an important goal of 'ideal' balance-of-power systems is to prevent the rise of a dominant nation or group of nations, the primary motivation in game approaches is to form just such a coalition, with enough partners to ensure victory but without any additional ones who would claim a share of the spoils. Although intuitively appealing, a number of difficulties arise when this approach is applied to international politics. If war offers the prospect of winning territories or other divisible rewards, there are advantages to forming an alliance no larger than is necessary to gain victory, but even in redistribution alliances the interests of partners

International Encyclopedia of the Social & Behavioral Sciences ISBN: 0-08-043076-7

Theorists and sociological researchers have developed different definitions of alienation (Seeman 1975). Scholars influenced by the philosophical writings of Karl Marx have used the word alienation to mean self-estrangement and the lack of self-realization at work (Blauner 1964; Hodson 1996). Marx argued that although humans by their very nature are capable of creative and intrinsically rewarding work, the Industrial Revolution alienated workers from their The concept of alienation was first philosophically elaborated by Georg Wilhelm Friedrich Hegel. Some writers have maintained that the Christian doctrine of original sin and redemption can be regarded as a first version of Hegel's doctrine of alienation and dealienation.Â Alienation in this sense can be overcome only in the sense of being adequately known. Again, it is the vocation of man as man to serve as the organon of the self-knowledge of the Absolute. As sociologists view alienation, it is the estrangement which an individual (or gioup) experiences when they feel a lack of connection with the normative society, itâ€™s values, beliefs and practices. A â€œmarginalizedâ€ individual or group sees themse Sociologist Melvin Seeman provided a robust definition of social alienation in a paper published in 1959, titled "On the Meaning of Alienation." The five features he attributed to social alienation hold true today in how sociologists study this phenomenon. They are The concept of alienation identifies a distinct kind of psychological or social ill; namely, one involving a problematic separation between a self and other that properly belong together. So understood, it appears to play a largely diagnostic role, perhaps showing that something is awry with liberal societies and liberal political philosophy.Â The present entry clarifies the basic idea of alienation. It distinguishes alienation from some adjacent concepts; in particular, from â€˜fetishismâ€™ and â€˜objectificationâ€™.