Interest or Ideology? Why American Business Leaders Opposed the Vietnam War

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Abstract: Why do business leaders support or oppose interstate wars? Business pressure is often seen as a key mechanism whereby economic interdependence leads to interstate peace. Despite a large international political economy literature on businesses’ foreign economic policy preferences, however, there has been much less research on businesses’ foreign security policy preferences. This research note therefore clarifies and empirically illustrates two competing perspectives on the sources of business war preferences. The first “economic consequences” perspective argues that business war preferences stem primarily from the economic effects of interstate conflicts, like disrupted international trade. The second “leader ideology” perspective predicts that business leaders’ war preferences often diverge from the economic circumstances of the business considered as a unitary actor. Instead, a business leader’s domestic policy preferences and political ideology will determine their war preferences. I re-examine historical survey data on American business leaders’ opinions about the Vietnam War using item response theory scaling and regression analysis and find support for both the economic consequences and leader ideology perspectives. As these mixed results point towards the importance of further theoretical and empirical research on the sources of business war preferences, I conclude by proposing a structured, forward-looking research agenda on business war preferences based on different conceptualizations of businesses, their motivations, and the consequences of interstate conflicts.

Key Words: Political Economy of Security, Business War Preferences, Business Policy Preferences

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1. Introduction

Why do business leaders support or oppose interstate wars? Business pressure is often seen as a key mechanism whereby economic interdependence leads to interstate peace, yet we know surprisingly little about what business leaders think about interstate war (McDonald 2009). Unlike the sprawling international political economy (IPE) literature on businesses’ foreign economic policy preferences (e.g. Hall and Soskice 2001, Thelen 2014, Kim and Osgood 2019), there is not a large analogous body of research on businesses’ foreign security policy preferences. Although scholars in the growing “businesses and peace” research agenda have investigated the role of businesses in mediating and resolving intra-state wars and civil conflict (Melin 2016, 2021), this research doesn’t explicit theorize businesses’ foreign security policy preferences.

This research note therefore clarifies and empirically illustrates two competing perspectives on the sources of business war preferences, the opinions businesses have about whether or not a state goes to war. First, some scholars have argued that business war preferences stem primarily from the economic consequences of conflicts. Since large interstate wars often disrupt international trade, these scholars argue that a business’s war preferences stem from their trade policy preferences: businesses that support free trade will oppose wars while businesses that oppose free trade will support war (McDonald 2009, Fordham 2019, Solingen 2014). This “economic consequences” perspective, however, has yet to be empirically tested and has been criticized as temporally bounded to historical conflicts in the 19th and early 20th centuries (Brooks 2013).

Second, scholars studying American foreign policy opinion have long noted a correlation between policy elites’ opinions on foreign and domestic policy issues (Hurwitz and Peffley 1987, Holsti and Rosenau 1988, Rathbun 2007, Broockman et al. 2019). Drawing on this insight, a “leader ideology” perspective on business war preferences predicts that business leaders’ war preferences will often diverge from the economic circumstances of the business considered as a unitary actor. Instead, a business leader’s domestic policy preferences and political ideology will determine their war preferences. In extreme cases, a business leader’s domestic policy preferences may even supersede their business’s economic situation in determining their war preferences.

I test these perspectives empirically using one of the only historical surveys that assesses business war preferences. Specifically, I re-examine historical survey data on American business leaders’ opinions about the Vietnam War using newer empirical techniques like item response theory (IRT) scaling and regression analysis that were not widely used when the survey was originally conducted in the early 1970s. I find support for both the economic consequences and leader ideology perspectives on the sources of business war preferences.

These mixed results point towards the importance of further theoretical and empirical research on the sources of business war preferences. In the conclusion of this

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2 Alternate mechanisms include the opportunity cost of lost economic exchange and the credible signals of resolve this allows political leaders to send while bargaining. See Gartzke 2007.
research note I therefore propose a structured, forward-looking research agenda on business war preferences. Specifically, I note how different conceptualizations of businesses and their motivations, as well as different assertions about the consequences of interstate conflicts, can lead to numerous additional theories of business war preferences. Developing and testing these theories will further sharpen insights from the economic consequences and leader ideology perspectives on business war preferences.

Why, though, should we care about business war preferences? Contemporary international security scholars have long denied, even if only implicitly, that businesses play an important role in foreign security policy (E.g. Krasner 1978, Waltz 1979, Lipson 1984, Mearsheimer 2001). This outright denial seems suspect, however, given the tremendous economic disruptions that businesses face as a result of interstate conflicts (Cappella Zielinski 2016, Wilson 2016). Businesses care about and act to influence foreign economic policy based on its distributive consequences, so why wouldn’t businesses also do the same for foreign security policy? Even if foreign security policy isn’t directly affected by business pressure, might political leaders still be forced to compensate businesses if these policies have negative economic consequences? Definitively answering questions about businesses’ potential effect on foreign security policy is incredibly hard absent a clear understanding of what businesses want from foreign security policy. Theories of business war preferences are therefore an important first step towards understanding the effect businesses may, or may not, have on foreign security policy.

In the sections that follow I first summarize the economic consequences and leader ideology perspectives on the sources of business war preferences and derive testable hypotheses from these perspectives. Second, I lay out a research design for testing these hypotheses using historical survey data, IRT scaling, and regression analysis. Third, I describe the data I use to implement this research design, a rare survey of American business leaders from 1975 that captures their opinions about the Vietnam War and report results from an IRT model used to measure their domestic policy preferences. Fourth, I summarize the results from my regression analysis that tests the economic consequence and leader ideology perspectives. I find empirical support for both of these perspectives. Fifth, I discuss the implication of these results for our understanding of business war preferences. Finally, I conclude by laying out a structured, forward-looking agenda for further theoretical and empirical research on business war preferences.

2. Two Perspectives on Business War Preferences

Why then do business leaders support or oppose interstate wars? In other words where do business leaders’ war preferences—their opinions about whether a state should go to war or not—come from? There is a rich IPE literature on business’

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3 See, for instance, the IPE literature on businesses’ effects on trade policy, e.g. Kim and Osgood 2019, Irwin 2020.

4 Although businesses may certainly also form preferences regarding intra-state and civil wars, as well as other forms of civil conflict, I limit the discussion in this research note to their preferences regarding interstate wars.
foreign economic policy preferences, but far less research on businesses’ foreign security policy preferences. Broadly, an actor’s preferences refer to their rank ordering and relative affinity over potential outcomes. A business’s policy preferences, then, are their rank ordering and relative affinity over policies a government might choose to enact. In turn, business war preferences are the rank ordering and relative affinity that businesses have over whether a state should go to war or stay at peace. They are a “preference over outcomes”—that is war or peace—rather than a “preference over strategies” (Frieden 1999, Hausman 2011).

Unfortunately, the little existing research on business war preferences primarily relies on implicit assertions about the sources of these preferences rather than explicitly theorizing them from first principles. Despite this loose approach to theorizing the sources of business war preferences, however, two distinct perspectives on the sources of these preferences currently exist in the literature. First, there are scholars that treat businesses as unitary actors and explain business war preferences based on the economic consequences of conflicts (McDonald 2009, Fordham 2019, Solingen 2014). I term this the “economic consequences” perspective on business war preferences.

Second, recent research on business leaders’ domestic policy preferences highlights the role of a leader’s broader political ideology in determining their policy preferences (Broockman et. al. 2019). Analogizing these dynamics to business leaders’ war preferences yields a distinct “leader ideology” perspective on the source of these preferences.

2.1 The Economic Consequences Perspective

The vast majority of scholars that study business war preferences argue that these preferences are primarily—if not exclusively—determined by a businesses’ economic circumstances. Conceptualizing businesses as unitary, rational actors, a number of scholars argue that businesses will support or oppose war based on the economic consequences of interstate conflict (McDonald 2009, Fordham 2019, Solingen 2014). Specifically, since interstate wars disrupt international trade, businesses will form war preferences based on their trade orientation, namely whether they engage in or support free international trade. Internationalist businesses that support free trade will oppose war. As Patrick McDonald puts it, “these foreign policy goals are driven by material interests seeking to avoid the well-known economic costs of military conflict” (McDonald 2009, 68-9). In contrast, domestic-oriented import-competing interests that prefer trade protectionism to free trade will be less likely to oppose wars, and indeed may actually have a preference for them. “The beneficiaries of protection, or firms that are not competitive in global markets, may support aggressive foreign policies or war for the economic benefits it provides to them. By slowing imports, military conflict raises the domestic price of traded goods and enables import-competing firms to expand their domestic market share” (McDonald 2009, 69). We can deduce the following hypothesis from this logic:

H₁: Businesses that engage in and support free international trade will be more likely to oppose wars than businesses that don’t engage in and oppose free international trade.
Despite its prominence in the literature on business war preferences, the economic consequences perspective can be criticized on a number of grounds. First, it hasn’t been directly tested. Scholars primarily use this perspective to justify using a business’s trade policy preferences as a proxy measure of business war preferences in order to test the effect of business pressure on policy outcomes. They haven’t tested the link between a business’s trade policy preferences and their war preferences. Second, given changes to the nature of war and international economic exchange, it may be that the economic consequences perspective is temporally limited to 19th century and early 20th century conflicts. Stephen Brooks directly challenges the idea that contemporary interstate wars will seriously disrupt international trade, arguing that “war may not slow imports, especially for large states and/or states that fight limited wars” in the modern era (Brooks 2013, 873). As a result, “at least among the advanced states...there are no longer any economic actors who will be favorable toward war and who will lobby the government with this preference” (Brooks 2013, 867). This argument implies a competing hypothesis:

H2: Businesses that engage in and support free international trade will be no more likely to oppose wars than businesses that don’t engage in and oppose free international trade in contemporary interstate wars.

2.2 The Leader Ideology Perspective

Might there be other important determinants of business war preferences besides a business’s economic circumstances? Recent research on the American technology sector suggests that a business leader’s political ideology, their foundational political predispositions and beliefs, helps to shape their domestic policy preferences (Broockman et. al. 2019). Given that an individual’s domestic policy preferences often correlate with their foreign policy preferences (Hurwitz and Peffley 1987, Holsti and Rosenau 1988, Rathbun 2007), it makes sense that a business leader’s political ideology may also partially determine their war preferences.

This “leader ideology” perspective on business war preferences differs in important ways from the economic circumstances perspective described above. First, it conceptualizes business leaders as distinct actors from the businesses they work for. This analytical move builds off a long research tradition in the study of strategic management, dating back at least to the seminal early twentieth century research of Adolf Berle and Gardiner Means, which argues businesses cannot be treated as unitary actors due to the differing preferences of owners and managers (Berle and Means 1932).

Second, this perspective introduces the idea that ideational or other non-material variables might also affect a business leader’s policy preferences, and subsequent actions, above and beyond their material circumstances. Here again, there is a large body of strategic management literature that explains business and organizational behavior based on the beliefs and characteristics of individual business leaders.

5 For example, McDonald 2009 tests whether states with lower tariffs are less likely to go to war than states with higher tariffs. He doesn’t directly test whether export-oriented businesses, which oppose tariffs, also oppose war. See also Fordham 2007, 2019.
(Bertrand and Schoar 2003, Hemingway 2005, Malmendier and Tate 2015). A parallel literature in international relations argues that the biographical characteristics, policy ideas, and other beliefs can play an important role in determining political leaders’ policy preferences and behavior (Morrison 2016, Krcmaric et. al. 2020). Although existing scholarship admittedly undertheorizes the precise linkages between various political ideologies, domestic policy preferences, and foreign security policy preferences, we can nevertheless deduce the following hypothesis from the leader ideology perspective:

**H3**: A business leader’s domestic policy preferences will be a statistically significant predictor of their war preferences.

An extreme version of the leader ideology perspective might even hold that ideological concerns are the primary driver of business war preferences above and beyond material considerations. If true, we should see little correlation between a business’s economic circumstances and a business leader’s war preferences after controlling for their domestic political preferences. This implies a final hypothesis:

**H4**: A business’s economic circumstances will not be a statistically significant predictor of their war preferences once we account for a business leader’s domestic policy preferences.

3. Research Design

There are two main requirements for empirically testing these competing hypotheses. First, we need a method to assess potential differences in war preferences between various business leaders. Second, we need to measure a business leader’s domestic policy preferences/political ideology in a comprehensive manner. I utilize regression analysis and IRT scaling to fulfil these two requirements.

Regression analysis represents a credible method for assessing variation in business leaders’ war preferences because it can simultaneously account for multiple, competing sources of those preferences. Even if we can’t identify the causal effect of these influences on business war preferences without an assertion that the analysis “selects on observables,” that is it accounts for all potential influences on a business leader’s war preferences, regression analysis can provide important suggestive evidence about the sources of business war preferences that can then be bolstered using alternate empirical techniques (Blackwell and Glynn 2018).

Specifically, I utilize two simple model specifications to test the above hypotheses regarding the source of business war preferences. The first specification (1) tests **H1** and **H2** by predicting business leader i’s opposition to war (Y\(_i\)) as a function of whether they lead an internationalist business that engages in or support international trade (\(X_{\text{internationalist}(i)}\)) and assessing the direction and statistical significance of the coefficient on international trade (\(\beta_1\)). The specification also includes a vector of additional control variables and their associated coefficients (\(\gamma(i)\)), as well as intercept (\(\beta_0\)), and stochastic error (\(\epsilon_i\)) terms.

\[
Y_i = \beta_0 + \beta_1 X_{\text{internationalist}(i)} + \gamma(i) + \epsilon_i
\]
The second specification (2) tests all four hypotheses by predicting business leader i’s opposition to war ($Y_i$) as a function of whether they lead an internationalist business ($X_{\text{internationalist}(i)}$) and their domestic policy preferences/ideology ($X_{\text{domesticpolicy}(i)}$) and assessing the direction and statistical significance of the coefficient on international trade ($\beta_1$) and political ideology ($\beta_2$). The specification also includes a vector of additional control variables and their associated coefficients ($\gamma(i)$), and intercept ($\beta_0$) and stochastic error ($\epsilon_i$) terms.

$$Y_i = \beta_0 + \beta_1 X_{\text{internationalist}(i)} + \beta_2 X_{\text{domesticpolicy}(i)} + \gamma(i) + \epsilon_i$$

The hypotheses above align to these model specifications in the following way. $H_1$, which predicts businesses that engage in and support free international trade will be more likely to oppose wars than businesses that don’t engage in and oppose free international trade, implies that $\beta_1$ should be positive and statistically significant in both specifications. $H_2$, which predicts businesses that engage in and support free international trade will be no more likely to oppose wars than businesses that don’t engage in and oppose free international trade in contemporary interstate wars, implies that $\beta_1$ shouldn’t be statistically significant in both specifications as long as we measure business war preferences in a contemporary conflict. $H_3$, which predicts a business leader’s domestic policy preferences will be a statistically significant predictor of their war preferences, implies that $\beta_2$ should be statistically significant in the second specification. Similarly, $H_4$, which predicts that a business’s economic circumstances will not be a statistically significant predictor of their war preferences once we account for a business leader’s domestic policy preferences, implies that $\beta_1$ may be statistically significant in the first specification but won’t be statistically significant in the second specification.

Credibly testing $H_3$ and $H_4$ adds an additional empirical wrinkle to these model specifications. Namely, how should we comprehensively measure a business leader’s domestic policy preferences? One approach would be to measure business leaders’ preferences regarding a number of individual policies and including these as a vector of individual responses. Although certainly justifiable, this measurement approach aligns somewhat poorly to the predictions of $H_3$ and $H_4$, which focus on a business leader’s holistic, rather than individual, policy preferences. Viewed in this light a business leader’s domestic policy preferences or ideology are a single, latent continuous variable that can be more accurately measured based on the correlated responses to multiple individual policies rather than the considering these policy responses individually. Political scientists increasingly use IRT scaling to measure these sorts of latent concepts across a number of issue areas, including the political orientation of states (Treier and Jackman 2008), the strength of peace agreements (Williams et. al. 2021), and populism (Van Hauwaert et. al. 2020), amongst many other areas. I discuss in the following section how I use a graded response IRT model in order to holistically measure a business leader’s domestic policy preferences with the survey data I use to estimate my model specifications.

4. Data and IRT Model
There are unfortunately incredibly few historical surveys of business leaders’ war preferences. One of the only such surveys was conducted by Bruce Russett and Elizabeth Hanson of Yale University as American involvement in the Vietnam War was winding down in the spring of 1973. Beyond just a convenient survey, however, the Russett and Hanson data provides evidence on business war preferences in an important historical case. The Vietnam War had underappreciated yet crucial economic effects, not just on American businesses but on the long-term trajectory of American economic growth and the structure of the international monetary system. In particular, financial historians and political economy scholars generally acknowledge that heightened American defense spending due to the Vietnam War was a key factor that caused the United States to suspend the convertibility of U.S. dollars into gold in 1971, which destroyed the international monetary system based on the “gold-exchange standard” that had existed since the Bretton Woods conference (Eichengreen 2011). This currency crisis in turn laid the foundation for the “stagflation” era of high unemployment, high inflation, and low economic growth in the United States throughout the 1970s (Dudley and Passell 1968, Bohi 1969, van B. Cleveland and Huertas 1979, Oatley 2015). The Vietnam war also offers a “tough case” for testing perspectives on business war preferences given its overall unpopularity amongst the American public.

The Russett and Hanson survey comprised a series of questions about business leaders’ foreign and domestic policy views, and was mailed to a random sample of vice presidents at Fortune 500 corporations and leading firms in the financial industry (n = 1059). Russett and Hanson received 567 completed survey responses, for a response rate of 54%. Although they went to great lengths to anonymize the survey respondents, Russett and Hanson did include questions asking about whether the respondent’s business currently conducted or planned on conducting substantial international business. This helps with distinguishing respondents based on the trade orientation of their businesses.

Importantly, although Russett and Hanson analyzed the foreign policy views of the business leaders in their sample, they didn’t test specific hypotheses on the relationship between business leaders’ domestic policy preferences, trade orientation, and war preferences. The closest that they come is analyzing the bivariate correlation between respondents’ views on individual domestic policies and various foreign policy opinions. Here, however, they average together the correlation coefficients between an individual domestic policy and three separate foreign policy opinions: on the level of U.S defense spending, the effect of cut in defense spending on U.S. security, and the Vietnam War. This approach not only makes it impossible to analyze a respondent’s war preferences separately from their military spending preferences, but it also doesn’t control for other demographic factors or domestic policy preferences that might partially determine a respondent’s war preferences.

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6 For the complete survey documentation see Russett and Hanson 1975; the raw survey data is available online from the Inter-university Consortium for Political and Social Research (ICPSR), “Foreign Affairs Perspectives of United States Business and Military Elites, 1973” (ICPSR 7491), https://www.icpsr.umich.edu/web/ICPSR/studies/7491
7 See Table 4.6 in Russett and Hanson 1975, 129.
Russett and Hanson also conducted a number of regression analyses that predict respondents’ foreign policy views based on a mixture of domestic policy opinions and measures of political ideology. There are issues with this approach, however, that also make it inappropriate for testing the hypotheses I propose. First, it is unclear what model specifications Russett and Hanson estimated. They note that they introduced variables “into the regression equations with foreign policy preference as the dependent variables in each instance, using the technique of stepwise multiple regression,” but do not provide a list of which independent variables were introduced and in what order. Second, they only report the regression coefficients and standard errors for independent variables that “made a statistically significant contribution to explaining a particular dependent variable” (Russett and Hanson 1975, 110-111). It is impossible to conduct credible hypotheses tests without an understanding of what other variables are in these empirical models.

4.1 Measuring Key Variables

As a measure of war preferences I use a respondent’s answer to the question of whether they “personally think it was correct for the United States to send ground combat troops to Vietnam.” I code a respondent as opposing the war (coded as 1) if they answer “no” and as supporting the war (coded as 0) if they answer “yes.” For these initial models I drop all respondents that answer “don’t know,” but as I demonstrate in the supplementary appendix my findings are robust to coding these individuals as opposing the war.

As a measure of trade orientation I code a respondent as being in an internationalist industry (coded as 1) if foreign business, excluding Canada, accounted for more than 25% of the respondent’s firm’s sales (or assets, if more appropriate). Otherwise I coded them as being in a domestic oriented business (coded as 0). In the appendix, I note that my results are robust to an ordinal measure of trade orientation that differentiates between firms where foreign business accounts for more than 25%, between 10% and 25%, and less than 10% of sales or assets. I include all possible control variables captured in the survey, including a respondent’s age (a categorical variable with five categories), whether the respondent served in the armed forces (coded as 1) or not (coded as 0), and whether the respondent saw wartime service (coded as 1) or not (coded as 0). Table 1 reports descriptive statistics on these variables.

Table 1: Descriptive Statistics on Survey Sample

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4.2 Estimating the IRT Model

In order to test $H_3$ and $H_4$ about the role of domestic policy preferences in affecting a respondent’s war preferences I first construct a scaled measure of a respondent’s domestic policy preferences using Item Response Theory (IRT). I constructed this scale using survey responses from eight survey questions that asked respondents about their domestic policy preferences regarding civil rights and liberties,

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8 See Table 4.2 in Russett and Hanson 1975, 111-115.
for instance their views on the legalization of marijuana, beliefs about communism, and support for police. An IRT model is an appropriate method for scaling these survey responses because it allows me to construct a composite measure of domestic policy preferences that accounts for the varying proportions of respondents that agree/disagree with various policy positions. The question wordings and potential responses are reported in Table 2, with responses re-coded so that a higher response value indicates a more restrictive view of civil liberties.

Table 2: Domestic Policy Preferences Scale Items

<table>
<thead>
<tr>
<th>Original Question #</th>
<th>Question Wording</th>
<th>Response Codings</th>
</tr>
</thead>
</table>
| 7b                  | Do you think the internal threat of communism to United States security have increased, decreased, or remained the same over the last decade? | ● Decreased (0)  
● Remain the same (1)  
● Increased (2) |
| 15                  | Do you think poverty in the United States is now mainly due to cultural and psychological problems of the poor? | ● Disagree strongly (1)  
● Disagree with qualifications (2)  
● Agree with qualifications (3)  
● Agree strongly (4) |
| 16                  | Do you think differences in income between people in this country should be reduced? | ● Disagree strongly (4)  
● Disagree with qualifications (3)  
● Agree with qualifications (2)  
● Agree strongly (1) |
| 17                  | Do you think marijuana should be legalized? | ● Disagree strongly (4)  
● Disagree with qualifications (3)  
● Agree with qualifications (2)  
● Agree strongly (1) |
| 18                  | Do you think Supreme Court decisions of the 1960’s have | ● Disagree strongly (1) |

For more on the benefits of IRT models versus other scaling techniques see Cai et. al. 2016, Zhou 2019. Unfortunately the Russett and Hanson data lacks the granularity necessary for the sub-group analysis that Zhou proposes using hierarchical as opposed to simpler IRT models.
imposed excessive restrictions on the police?

- Disagree with qualifications (2)
- Agree with qualifications (3)
- Agree strongly (4)

19 Do you think the practices of the FBI and military intelligence in recent years pose a threat to civil liberties?

- Disagree strongly (4)
- Disagree with qualifications (3)
- Agree with qualifications (2)
- Agree strongly (1)

20 Do you think the main cause of Negro riots in the cities is white racism?

- Disagree strongly (4)
- Disagree with qualifications (3)
- Agree with qualifications (2)
- Agree strongly (1)

21 Do you think racial integration in the schools is proceeding too rapidly?

- Disagree strongly (1)
- Disagree with qualifications (2)
- Agree with qualifications (3)
- Agree strongly (4)

I constructed my scaled measure of domestic policy preferences by fitting a graded response model (GRM) to these survey responses. I used a GRM as opposed to other types of IRT models since these survey questions are ordinal responses rather than dichotomous responses. I then used the fitted model to generate factor scores that align to each unique pattern of responses to the eight questions comprising the scale. These factor scores represent the domestic policy preferences of an ideal type respondent with a particular pattern of responses. I then included survey respondents’ factor score as an additional predictor in my regression models. For a longer discussion of how I fitted the GRM model, to include a discussion of model fit and the individual Item Response Category Characteristic Curves (IRCCCs), please see the attached data appendix.¹⁰

5. Regression Analysis Results

The results from my regression analysis are presented below in Table 3. As my dependent variable is a binary variable I estimated both model specifications using Ordinary Least Squares (OLS), which implies a linear probability model, and logistic regression (Angrist and Pischke 2009). The results of estimating my first model

¹⁰ For a formal discussion of the graded response model see Cai et. al. 2016.
specification (columns 1 and 2) provide strong evidence for $H_1$. The positive and statistically significant coefficient ($p < .05$) for trade orientation indicates that respondents with an internationalist trade orientation are more likely to oppose the war than respondents in a domestic oriented industry. There is little support for $H_2$, which would predict that this coefficient would be statistically insignificant.

Importantly, trade orientation remains a positive, statistically significant predictor of business war preferences even after estimating my second model specification (columns 2 and 4) and including the scaled measure of domestic policy preferences as an additional predictor. The coefficient on my scaled measure of domestic political ideology is negative and statistically significant, indicating that respondents who scored higher on the scale—that is had a more restrictive view of civil liberties—are less likely to oppose the war than respondents that had a less restrictive view of civil liberties. These model results therefore support $H_3$, as there does appear to be a relationship between a respondent’s domestic policy preferences and their war preferences. In this sample business leaders with a more restrictive view of domestic civil rights and liberties were less likely to oppose the Vietnam War. The theoretical basis of this association, however, requires further research. These results don’t support $H_4$, as there remains a positive and statistically significant relationship between a business leaders’ trade orientation and their probability of opposing the Vietnam war even after controlling for business leaders’ domestic policy preferences.

I report the results of a number of robustness checks in the appendix...

### Table 3: Regression Analysis Results

<table>
<thead>
<tr>
<th></th>
<th>Opposition to War</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>logistic</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>Internationalist</td>
<td>0.676**</td>
</tr>
<tr>
<td></td>
<td>(0.068, 1.284)</td>
</tr>
<tr>
<td>Domestic Policy</td>
<td>0.208</td>
</tr>
<tr>
<td></td>
<td>(0.342, 0.888)</td>
</tr>
<tr>
<td>Age</td>
<td>-0.211</td>
</tr>
<tr>
<td></td>
<td>(-0.508, 0.086)</td>
</tr>
<tr>
<td>Veteran</td>
<td>14.467</td>
</tr>
<tr>
<td>Wartime Service</td>
<td>-1.034,920,1,063,853</td>
</tr>
<tr>
<td></td>
<td>(-1.063,168,1,035,607)</td>
</tr>
<tr>
<td>AIC</td>
<td>492.11</td>
</tr>
<tr>
<td>McFadden</td>
<td>0.020</td>
</tr>
<tr>
<td>Observations</td>
<td>362</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.025</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.014</td>
</tr>
<tr>
<td>Residual standard error</td>
<td>0.490 (df = 357)</td>
</tr>
</tbody>
</table>

Notes: ***p < .01; **p < .05; *p < .1
6. Discussion

Beyond providing important contextual evidence about American business leaders’ support and opposition to the Vietnam war, the empirical results in this research note have broader significance for understanding business war preferences. First, they indicate that a business’s economic circumstances, namely their trade orientation, likely remains an important factor for determining their business war preferences in modern interstate conflicts. Second, they demonstrate that business leaders’ war preferences are not wholly separate from the preferences of the business itself.

The most important aspect of these findings for our understanding of business war preferences is the fact that a business’s trade orientation still appears to be an important determinant of a business leader’s war preferences in modern conflicts. The positive, statistically coefficient for increasing trade orientation across all regression results cuts against existing theoretical critiques of the economic consequences perspective that hold few businesses will support, or not oppose, modern conflicts based on their trade orientation (Brooks 2013). At the same time, however, it is important to not over-claim on the basis of these results. Not only do these model specifications lack a credible causal identification strategy, these results also provide no evidence for the hypothesized mechanism linking trade orientation and opposition to war: the prospect of disrupted international trade.

These results also demonstrate that, although the characteristics of individual business leaders certainly matter for predicting their war preferences, the economic situation of their business also remains important. Ever since the early twentieth century research of Adolf Berle and Gardiner Means on the differing preferences of owners and managers, management scholars have pushed back against the notion that businesses can be treated as unitary actors (Berle and Means 1932). As a result, however, boards of directors and owners have worked incredibly hard to minimize the gap between business leaders’ preferences and that of the organization, primarily through the structure of leader compensation (Edmans and Gabaix 2016). Based on the evidence presented above, as well as these theoretical insights, it would seem that treating businesses as unitary actors will yield an acceptable, if necessarily imperfect, understanding of business war preferences. The theoretical and empirical divergence between a business’s war preferences and business leader’s war preferences, though, nevertheless seems like a potentially important area for future research. In the following section I demonstrate how conceptualizing a business as a unitary or disaggregated actor can serve as a key starting point for a structured, forward-looking research agenda on business war preferences.

7. An Agenda for Further Research on Business War Preferences

This research note has clarified and empirically illustrated two competing perspectives on the sources of business war preferences: the economic consequences and leader ideology perspectives. These two perspectives, however, certainly aren’t the only possible theoretical perspectives on the sources of business war preferences. In this concluding section I therefore lay out a structured, forward-looking research agenda for further theoretical and empirical research on business war preferences. This agenda
starts from two key conceptual differences between the economic consequences and leader ideology perspectives: first, whether businesses are conceptualized as a unitary versus disaggregated actor, and second whether businesses are seen as primarily motivated by material or non-material factors.

These sorts of ontological assumptions about how to conceptualize actors and their motivations are an important step in parsimonious theory creation (Gunitsky 2019). Importantly, however, they are neither “true” nor “false.” Rather, different ontological assumptions will simply lead to different theories of business war preferences by highlighting different relevant consequences or effects of interstate conflicts and different sources, or independent variables, that might determine business war preferences. The research agenda that I propose, as visualized in Figure 1, represents just one potential way to think about further research on the causes of business preferences. Like all such meta-theoretical taxonomies, it also inevitably minimizes or ignores potentially fruitful areas of research on business war preferences because of its own inherent ontological assumptions. By clarifying these assumptions, and their theoretical implications, however, this research agenda can serve as an important touch-point for future research on business war preferences through either its implementation or criticism.

The first key ontological question facing further theoretical research on business war preferences, as visualized by the leftmost column of Figure 1, is whether businesses should be conceptualized as unitary actors, as in the economic consequences perspective, or disaggregated into multiple sets of actors. The leader ideology perspective highlights how one type of disaggregated actors, business leaders, might hold different war preferences than the business as a whole. There are a number of other types of disaggregated actors, however, such as business owners, managers, and employees, whose war preferences might vary in important ways vis-à-vis each other and the business as a whole.11

11 For a recent illustration of the divergence between the political preferences of employees and business leaders see Li 2019.
Second, as represented in the second column of Figure 1 there is the question of what motivates businesses. Specifically, are businesses and disaggregated actors motivated by material concerns like profits, market access, market share, or compensation? Or are they motivated by non-material concerns like norms, ideologies, status, or nationalism? Third, as the third column of Figure 1 demonstrates, these ontological microfoundations point towards different relevant consequences/effects of interstate conflicts. Economic consequences of conflict such as disrupted international trade, disrupted supply or value chains, inflation, taxes, and so will be relevant to businesses motivated by material concerns. Businesses or disaggregated actors motivated by non-material concerns, though, will be more interested in how wars might violate norms or increase the salience of certain ideologies.

Finally, the right-most column of Figure 1 links these different consequences/effects of wars to specific sources of business war preferences. In turn, these sources can be seen as key independent variables that theoretically cause variation in business war preferences. Since the consequences of wars will inevitably fall heterogeneously across different types of businesses, we can deduce testable hypotheses about which business will support/oppose war based on different types of businesses and actors and how they are affected by interstate conflicts.

For instance, the empirical finding presented in this research note that there is a statistically significant relationship between a business leader’s domestic policy preferences and war preferences begs for a stronger theoretical explanation than the leader ideology perspective currently provides. In addition to theorizing the relationship between a business leader’s preferences about the restriction of civil liberties and their war preferences, however, there may be other domestic policy preferences that may theoretically related to war preferences such as a business leader’s preferences
regarding government spending in general, or role in regulatory policy. These latter domestic policy preferences will likely only be important for a business leader’s war preferences if we conceptualize business leaders as motivated by both material and non-material concerns. There may also be other demographic or ideational determinants of business leaders besides domestic policy preferences that matter for determining their war preferences. Any number of factors, including a business leader’s strategic rationality (Rathbun et. al. 2017), overconfidence (Malmendier and Tate 2015), past life experiences (Bernile et. al. 2017), family situation (Roussanov and Savor 2014, Cronqvist and Yu 2017), and thrill seeking behavior (Brown et. al. 2018), amongst others, might credibly be related to a business leader’s war preferences. Alternatively, looking beyond a single leader and to the advisors around them, it might be that the collective experiences and beliefs of leaders matter for a business’s war preferences above and beyond any individual characteristics (Saunders 2017).

The proposed research agenda in Figure 1 may also be expanded on in three distinct areas. First, basing this research agenda on agent-centered ontological assumptions invariably minimizes the role environmental factors might play in determining business war preferences. Structural factors, such as the normative environment, economic system, or domestic regime type in which businesses operate might also be distinct causes of business war preferences, or mediate the relationship between a businesses’ individual characteristics and their war preferences. Second, a growing literature on the “political economy” of security highlights how the economic consequences of wars are endogenous, political outcomes rather than being exogenous (Cappella Zielinski 2016, Kreps 2018, Grinberg 2019, Poast 2019). A better understanding of the strategic interaction between businesses and governments in setting wartime tax, regulatory and trade policy will further sharpen an understanding of both the sources of business war preferences and how businesses acting based on those preferences affect wartime economic policy. Third, although this research note has focused exclusively on businesses’ preferences regarding interstate wars, future theoretical research should also investigate businesses’ preferences regarding intrastate and civil wars. Despite a growing literature on “businesses and peace” (e.g. Melin 2016, 2021), this research has yet to seriously investigate businesses’ civil war or civil conflict preferences.

Finally, additional empirical research on business war preferences should further test both the economic consequences and leader ideology perspectives on business war preferences, as well as additional and potentially more rigorous hypotheses, across a range of spatial and temporal contexts using a variety of research methods. Particularly if business war preferences may be affected by structural variables such as differing economic systems or domestic regime types, it is important to test theories of business war preferences in a number of differing regional and country contexts. Moreover, given existing theoretical critiques regarding potential temporal scope conditions on theories of business war preferences (Brooks 2013), alongside the shifting nature of warfare and the international economy, it is important to test theories of business war preferences across a variety of temporal contexts. If the enduring and

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12 For an analogous situation whereby differing economic systems affect businesses’ trade policy preferences see Davis et. al. 2019.
expanding scholarly literature on businesses’ foreign economic policy preferences are any guide, there will be fruitful avenues for both empirical and theoretical research on business war preferences for years, if not decades, to come.

References


