The book develops from first principles a two-level causal theory of governance stability and crisis in multi-communal states under conditions where fundamental changes are occurring in the international order. The central proposition is that the transformation of state governance in this kind of society is the combined result of fundamental changes in international order and in the character of domestic inter-communal relationships. The argument is as follows. As fundamental changes in the international order develop, the polity as a whole becomes confronted with two basic questions: (1) whether to transform the existing form of state governance in order to adapt it to the changes occurring in international order, and (2) if yes, what form of state governance would emerge.

First, fundamental changes in the international order would induce domestic debates about transforming state governance if the international order contributes to defining and legitimizing the existing practices and rules of domestic politics. Should that be the case, fundamental changes in the international order would then induce domestic political debates about the legitimacy and authority of the existing system of state governance.

Second, the outcome of the political debates on state governance (which falls on a continuum extending from collapsed to strongly consolidated state) depends on a combination of inter-communal vulnerability and trust and on the distribution of institutional power among the major domestic communal groups. The degree of consolidation of state governance is a function of the scope of collective intentionality, that is, the extent to which the major political actors take for granted – accept, enact, and abide by – the constitutive rules and practices of state governance.

The book shows that state collapse would most likely ensue when there is high inter-communal vulnerability, high reliance on institutional power, and very low or vanishing inter-communal trust. Consolidating state governance is most likely when there is a moderate and decreasing inter-communal vulnerability, a low and decreasing reliance on institutional power, and a moderate and increasing inter-communal trust. Consolidated state governance is more likely when there is a low and significantly declining inter-communal vulnerability, a low and significantly falling reliance on institutional power, and a high and significantly increasing inter-communal trust.

To empirically test this theory the book develops a multi-level constructivist research design of hypotheses testing within a framework of comparative historical analysis and process-tracing. The theory is applied to explain the reconsolidation of Tito’s Yugoslavia during the emerging phase of the Cold War (1947–53), the disintegration of the federation of Yugoslavia during the waning phase of the Cold War (1987–91), the short civil war of Lebanon during the Cold War penetration of the Middle East and the rise of Nasserism (1957–58), and the eruption of the long civil war of Lebanon during the metamorphosis of Arab-Israeli relations (1973–75).