1 **Introduction**

This book explores the effects of democratic politics on the use of coercive diplomacy in international crises. It considers how the institutions and practices of democracy influence a government's decision to threaten force to resolve a dispute, the way the targets of such threats choose to respond, who wins and who loses in bargaining, and most important, whether the matter is settled through the threat of force or through its actual use – that is, war. I argue in these pages that democracy generates distinctive patterns and outcomes because of the public nature of political competition within democratic polities. Open deliberation and debate, essential for representation and accountability domestically, have profound effects on whether and when democratic governments can effectively use threats of force to prevail in international crises.

Contrary to the pessimism one often sees in scholarly and popular opinion, I find that these effects are not wholly negative. It has long been common to argue that the open nature of democratic polities is a liability in international politics. In his massive *Study of War*, for example, Quincy Wright argues that the demands of public deliberation and participation make democratic states "ill-adapted to the successful use of threats and violence as instruments of foreign policy" (Wright 1965, p. 842). For a threat to be successful, the target must be convinced that the issuer really means to carry it out. Democratic governments, however, are at every turn susceptible to criticism from domestic oppositions, which can raise doubts about their willingness and ability to act. Autocratic governments, on the other hand, can more easily conceal or suppress their internal divisions. "Consequently," Wright concludes, "in the game of power diplomacy, democracies pitted against autocracies are at a disadvantage" (1965, p. 842).

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Democracy and coercive diplomacy

This pessimistic view is at best incomplete. The public nature of decision making and competition in democratic polities generates both benefits and liabilities. Indeed, I find that democratic states have in general been quite successful at using threats to get their way in international disputes and to do so without actually waging war. While domestic dissension can at times undermine their threats, democratic governments also enjoy unique advantages due to the public debate that surrounds a decision to threaten or use force. In particular, when there is strong domestic consensus behind the government's threats, the support of domestic opposition groups – freely given – can send a signal of resolve that is more effective than can be sent by a government that routinely coerces such support. Moreover, while it is true that democracies cannot readily conceal domestic constraints against waging war, the fact that they are consequently more selective about threatening force means that the threats they do make tend to be particularly credible. Indeed, I will show that democratic states are less likely to initiate crises by issuing threats, but, conditional on their doing so, those threats are less likely to be resisted. As a result, the probability that a democratic state initiates a crisis which then escalates to war is less than the corresponding probability for nondemocratic states.

Why examine this issue? From a scholarly perspective, this book fits into a large and growing body of research on the influence of domestic political institutions and behavior on international outcomes. While there has long been a vigorous debate about the relative importance of international and domestic factors in foreign policy, the last decade has witnessed an explosion of interest in moving away from the traditional unitary state model of international relations to consider the impact of domestic institutions and actors (esp., Putnam 1988; Pahre and Papayoanou 1997; Milner 1997). Scholars have moved beyond simply arguing that "domestic politics matter" to thinking systematically about how, why, and when they matter.[1] This book contributes to this research program by exploring the impact of democratic politics on how states use and respond to threats of military force.

From a practical perspective, the interest in this question stems from two observations about the current international system. First, there are

[1] Any list of citations to this literature is bound to be incomplete. Some recent works include Evans, Jacobson, and Putnam (1993), Downs and Rocke (1995), Bueno de Mesquita and Siverson (1995), Siverson (1998), Gaubatz (1999), Smith (1998a, b), Goemans (2000), Milner (1997), Bueno de Mesquita *et al.* (1999). A large subset of this literature is work on the democratic peace; see citations in fn. 3, below.

more democratic states in the world, both in absolute terms and as a per-
centage of all states, than ever before in history. According to Freedom
House, an organization that tracks such developments, there were 120
democratic countries in 1999, an all-time high. Democracies represented
63 percent of all countries, up from 40 percent only ten years before
(Karatnycky 2000). The second observation is less heartening: the threat
and use of military force remain persistent features of international pol-
itics. While there has been considerable interest in the well-known claim
that democratic states do not wage war against one another – a point to
which I will return below – the issue of how democracies wield the
threat of force remains a pressing one. Despite the hopes that accompa-
nied the end of the Cold War, the decade since then has witnessed
numerous episodes in which democratic states have contemplated,
threatened, and/or used military force: the Persian Gulf War, various
efforts (and non-efforts) to intervene in the break-up of Yugoslavia, the
1996 Taiwan Straits crisis, the 1999 air campaign over Kosovo – just to
name some of the most prominent. In most of these cases, the decision to
threaten or use force was publicly debated within the democratic
nations involved (Jakobsen 1998). The relative consensus that prevailed
during the Cold War has been replaced by more frequent contention
over both the ends and means of foreign policy. Hence, a careful exam-
ination of how domestic competition influences the use of threats in
crises is clearly warranted.

The argument

The argument in this book builds on a recent literature that focuses on
uncertainty as the driving force behind crises and wars (e.g., Fearon
1992, 1994a, 1994b, 1995, 1997; Kilgour and Zagare 1991; Morrow 1989;
Powell 1990, 1999; Bueno de Mesquita, Morrow, and Zorick 1997).[2]
This literature starts with a simple insight: because wars are costly for
all sides, states generally have incentives to find peaceful settlements
of their disputes that allow them to avoid these costs. After all, even
the eventual winner of a war would do at least as well by getting the
spoils of victory up front without incurring the associated costs. To
explain why some disagreements escalate into crises and some crises
escalate into wars, writers in this tradition have pointed to the role of

[2] These works build on earlier arguments about the role of uncertainty as a cause of war,
such as Schelling (1960), Blainey (1988), and Stoessinger (1974).

uncertainty and, particularly, a specific kind of uncertainty known as *asymmetric information*.

Asymmetric information arises when states have information about their willingness and ability to wage war that other states cannot observe. When states bargain in a crisis, their expectations about the outcome and costs of war determine the range of negotiated settlements that are acceptable *ex ante*. If these expectations are based on information that is commonly available – a condition known as *complete information* – then it is relatively easy to identify a settlement that both sides prefer to war. A condition of incomplete and asymmetric information arises whenever at least one state has information that others cannot observe regarding the factors which determine its evaluation of war. For example, a government's expectations about war depend in part on the willingness of its domestic constituents to bear the costs (Mueller 1973; Bueno de Mesquita and Lalman 1990, 1992; Goemans 2000). A government that faces a hawkish electorate faces fewer political risks in waging war than one that faces dovish constituents. If the government has more or better information about the preferences of its constituents than do those in other states, then information is distributed asymmetrically. Information which one actor possesses and which another cannot directly observe is *private information*.

The main danger associated with this condition is that actors uncertain about their rivals' preferences may take actions that bring about escalation and war. A state may be unsure, for example, how its opponent would respond to a demand to change the status quo: will it acquiesce to such a demand, or will it resist? Faced with a choice between accepting the status quo or making a threat that could lead to war but might also generate profitable concessions, a state might gamble on the latter. Similarly, a state confronted by such a threat may be unsure how the challenger would react in the face of resistance: will it back down from its challenge, or will it wage war? Again, faced with a choice between giving in to a threat or gambling that that threat is a bluff, the target might choose the latter. Under conditions of uncertainty, states face hard choices which sometimes favor actions entailing a risk of war. Although the costs of fighting make war sub-optimal *ex post*, strategies that might lead to war can be optimal *ex ante*.

In this view, crises are primarily driven by efforts to communicate resolve, as states try to convince one another that they are willing to wage war if their demands are not met. Threats and displays of force are the primary means of communication. Whether or not such threats

succeed depends crucially on the credibility with which they are sent – that is, the belief they generate in the target that the threatened actions will be carried out. A state will make concessions in the face of a threat only if it believes that failure to do so will lead to a worse outcome with sufficiently high probability. To be sure, a threat must also be backed by material capabilities, the military forces necessary to inflict damage, seize territory, defeat opposing armies, etc. A completely credible threat backed by negligible capabilities will rarely coerce an opponent into making concessions or otherwise changing its behavior. Nevertheless, the reverse is also true: overwhelming military capabilities can be rendered impotent if the threat to wield them is incredible.

Credibility is at a premium precisely because states' willingness to carry out their threats is inherently suspect. There are two related reasons why this is so. The first is that carrying out a threat to wage war is costly. Once called upon to do so, the threatening state might very well decide that the potential benefits of getting its way in the dispute do not, in the end, warrant the costs and risks associated with war. Unless the stakes are great and the costs of fighting small, it is often cheaper to make a threat and back down than it is to wage war. If, however, the stakes and costs are such that it does make sense to fight in the face of resistance, it may still be difficult to convince the target of this fact. This gets to the second reason that credibility is problematic: states have incentives to lie (Fearon 1995). The conflict of interests inherent in crisis situations means that states have incentives to exaggerate their resolve in the hopes of getting the other side to back down. Hence, they may engage in bluffs or limited probes: threats intended to scare the target into making concessions, even if the issuer has no intention of carrying them out. Because of these incentives, not all threats can be believed – even those that, after the fact, turn out to have been genuine. Overcoming asymmetric information requires that actors find ways to reveal their resolve in a credible manner, given a strategic environment which encourages deception.

It is here that we can find leverage for thinking about the effects of domestic institutions in general and democracy in particular. A central difference between democratic and nondemocratic systems is that the former permits what Robert Dahl (1971) refers to as "public contestation" – the ability of parties or groups openly to compete for political office. In a democratic system, the government does not monopolize the country's political discourse. Rather it must share the stage with opposition parties that are free to make public appeals for political support, if

necessary by publicizing the government's actions and shortcomings. As a result, much of what democratic governments do and why is exposed to public debate and scrutiny.

From the perspective of democratic theory, this process is desirable because it helps create an informed electorate and ensure genuine choice over representation. At the same time, the open nature of politics in democratic systems has unintended effects on the availability of information internationally. Because of the demands of publicity, mechanisms that exist to inform voters also provide information to decision makers in foreign states. Hence, the domestic and international levels are inextricably linked: institutions and practices which generate information *within* states also affect the informational problem *between* states. To the extent that international crises are driven by states' efforts to communicate and/or exploit private information, there is good reason to believe that the outcomes of such interactions are influenced by domestic political institutions in general, and democracy in particular.

Open political competition creates conditions that are highly favorable for revealing information to both domestic and foreign audiences. A general finding in the literature on information and signaling is that two information sources are better than one, especially when they have conflicting interests (Milgrom and Roberts 1986; Krehbiel 1991, p. 84; Lipman and Seppi 1995; Shin 1998). When private information is shared by agents with conflicting interests, two effects occur, both of which facilitate credible revelation. The first is that each actor can constrain the other's ability to conceal or misrepresent what it knows. If there is information that one agent would like to keep secret, it is generally the case that an agent with opposite interests would like that piece of information to be revealed. At the same time, when actors with conflicting interests agree on the content of their private information, the resultant signal has greater credibility than if it were sent by one actor with known incentives to misrepresent. With competing information sources, then, neither agent can exploit its informational advantage *vis-à-vis* some third party to the same degree as it could if it monopolized the information in question. Moreover, the possibility of confirmation means that some signals that emerge are highly reliable.

This logic has important implications for the behavior of democracies in international crises. The government's ability to conceal or misrepresent information about its preferences for war and peace is highly constrained in democratic systems. Institutions and practices of democracy

not only force the government to compete in public with its political rivals, but they also create favorable conditions for that competition to be both informed and informative. Opposition parties are free to engage in open debate over the desirability of different policies, such as the wisdom of using force to change the status quo. Turnover in office and access to legislative institutions and other resources ensures that these parties, while out of executive power, have access to information that is relevant to such debates. The policy process in a democratic polity, therefore, resembles an ongoing and very public debate in which the government may be the loudest voice, but not the only voice. The situation is very different in nondemocratic polities in which the government is better able to monopolize information and/or suppress alternative information sources. Although the policy process in such systems may entail substantial debate in private, within the regime, its public aspect more closely resembles a monologue.

In addition to publicizing a good deal of "raw" information about a state's capabilities and intentions, the interaction of political parties aggregates information about the government's political incentives into readily observable signals: the public strategies that parties adopt during international crises. The main argument on this point is developed through a formal model in Chapter 4. The model permits us to perform the following comparative-static exercise: how do behaviors and outcomes change when we move from an interaction between unitary states to an interaction in which one state is composed of two strategic actors, a government and an opposition party. It combines a standard crisis bargaining game with a simple model of two-party electoral choice. These parties vie for the support of the electorate through their public actions in the international crisis – in particular, the government's decision whether or not to threaten force and the opposition's decision to support or oppose the threat. Because these actions are observable, they reveal to the rival state information about the government's underlying political incentives and, hence, its willingness to wage war.

The model shows that the probability of war is lower when informative signals can be sent by both parties than when the government is the lone voice of the state, as it is in polities in which competition is poorly developed or actively suppressed. This result is driven by two reinforcing effects that decrease the danger of war due to informational asymmetries: what I call the restraining and confirmatory effects of domestic competition.

The restraining effect

Relative to their nondemocratic counterparts, democratic governments have fewer opportunities to exploit their private information by engaging in deception and bluff. When military and political conditions are such that the resort to force would be politically undesirable, democratic governments cannot easily conceal this fact because domestic opposition parties have incentives to publicly oppose the use of force. From the standpoint of domestic politics, this strategy positions the opposition party to capitalize on the electorate's unease about the use of force and to exploit what is expected to be an unpopular foreign policy outcome. From the standpoint of international politics, this strategy effectively reveals the government's constraints, casting doubt on whether it will actually want to carry out its threats. Although the prospect of domestic dissent does not always prevent the government from bluffing, it does make the practice riskier and hence less attractive. Democratic governments have to be more selective about the threats they make. Nondemocratic governments, on the other hand, are better able to conceal evidence of military or political weakness; as a result, they are better able, and more willing, to engage in bluffing behavior.

At the aggregate level, this means that democratic governments should be less likely than nondemocratic governments to initiate crises by threatening to settle disputes by force. In Chapter 5, I present evidence consistent with this claim using data sets that cover more than 170 countries from 1816 to 1984 and include information on roughly 1800 crises. I estimate that if a state switches from a nondemocracy to a democracy, holding everything else constant, the probability that it will initiate a crisis decreases by a third to a half. Moreover, there is evidence from historical cases that actual or anticipated dissent by opposition parties induces caution in democratic decision makers, making them hesitant to threaten force. In Chapter 7, I examine four such cases, taken from the experience of Great Britain: the 1899 crisis with South Africa which led up to the Boer War, the 1936 crisis over German remilitarization of the Rhineland, the 1956 crisis over Egypt's nationalization of the Suez Canal, and the 1965 dispute over Rhodesian independence. Although these cases are different in their particulars, in all four the British government took into account the expected reaction of domestic opposition parties and believed that their public opposition to the use of force would make it difficult to send a credible threat. There is also evidence that the governments in the rival states observed the domestic

political situation within Britain and interpreted the signals from the opposition party as evidence that a threat to use military force would be difficult to carry out or sustain.

The confirmatory effect

The flip side of this argument is that the threats that democratic governments do choose to make are more effective than those made by their nondemocratic counterparts – in the sense that they are more likely to get their targets to back down without a fight. In part, this follows directly from the previous observation: if a state is constrained from bluffing, the threats that it does make are more likely to be genuine. The model of political competition, however, provides a more explicit causal mechanism for this effect. When the costs of war are anticipated to be low relative to the stakes of the dispute, the opposition party has electoral incentives to publicly support the government's threats. Domestically, this strategy permits the opposition party to "match" the government, blunting the electoral salience of what is expected to be a foreign policy success. Internationally, this strategy signals to the rival state that the government has political incentives to carry out its threat.

It makes intuitive sense that a threat that receives support from other parties is more credible than a threat that is greeted by domestic dissent. The logic of multiple signalers goes even further: a threat made by a democratic government and supported by its domestic political adversaries is more credible than a threat made by a nondemocratic government that serves as the lone voice of the state. The political conflict between the government and the opposition, along with the fact that the latter's support is freely given rather than coerced, gives their show of unity particular meaning. The competing interests of the government and opposition mean that, although the government has incentives to bluff, the opposition generally has little incentive to collude in a bluff. As a result, the threats that the opposition chooses to support are very likely to be genuine. The target of such a threat is thus more likely to make concessions or otherwise avoid escalation of the crisis.

Again, this logic suggests patterns both at the aggregate level and in individual crises. The probability that a target state resists, conditional on its having been challenged, should be lower when the initiator of the challenge is democratic than when it is nondemocratic. In Chapter 5, I present evidence consistent with this prediction. In crises initiated by democracies, the probability that the target reciprocates with militarized action is roughly 30 percent lower than in crises initiated by nondemocracies. In

Chapter 6, I delve deeper into this effect by looking at fifty-six cases in which states attempted to deter attacks on valued protégés (Huth 1988). The evidence suggests that democratic defenders were generally more successful in such attempts, but especially when their deterrent threat was supported by all major opposition parties.

Together, the restraining and confirmatory effects suggest that democracy should lower the probability that a state enters a crisis which then escalates to war. Because democracies choose their threats selectively, and because of the additional credibility some of their threats enjoy, democratic states are less likely to issue a threat that leads to war due to the target state's uncertainty. The evidence in Chapter 5 supports this prediction. In particular, I estimate that a shift to democracy decreases by 40–60 percent the probability that a state will initiate a crisis that escalates to the point of war, or at least to the use of force by both sides. Hence, democracy mitigates the problems associated with asymmetric information, reducing the attendant danger of military conflict.

Alternative approaches: democratic peace theories and neorealism

Inevitably in the background of any analysis of democracy and war lies the "democratic peace," the now well-known claim that democratic states do not fight wars against one another.[3] It would not be an exaggeration to say that the academic study of international conflict has been preoccupied with this matter for much of the last decade. At the core of this literature are two findings, both of which have attracted some controversy. The main observation is that there are few, if any, clear cases of war between democratic states. The highly qualified wording here – "few, if any, clear cases" – reflects the fact that, depending upon how one treats some ambiguous cases of democracy and/or war, the number of wars between democratic states can be zero or some number greater than zero but still smaller than otherwise would be expected.[4] The

[3] The literature on this subject is too large to cite in a single footnote. The main works which have sought to establish the democratic peace claim are Small and Singer (1976), Doyle (1983), Maoz and Abdolali (1989), Bremer (1992), Russett (1993), and Ray (1993). Citations of the main theoretical contributions to this literature, and further empirical work, can be found throughout the text of this chapter. For a recent review of the literature, see Chan (1997).

[4] See Russett (1993) and Ray (1993) for a discussion of some of the ambiguous cases.