Parliaments and Foreign Policy: Parties, Costs, and Conflict Behavior

By

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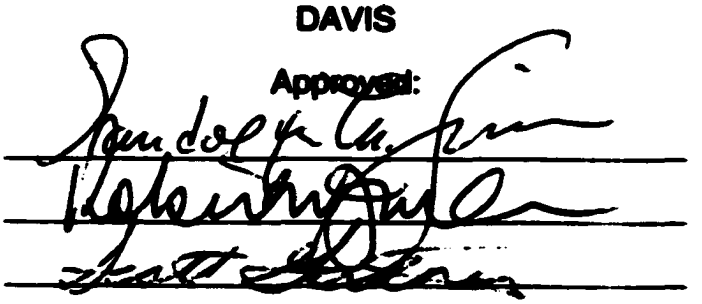

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Chapter 1

Democratic Politics and Foreign Policy

"International relations is typically viewed as a subject that is radically different from any other aspect of politics especially domestic politics" (Bueno de Mesquita 2000: 8). Why is the field viewed in such a manner? Throughout much of the cold war realism, with its emphasis on power and anarchy, fostered the idea that differences inside states and government structures mattered very little in the international arena. However, foreign policy is just that, policy. Leaders and governments make choices and decisions about what to do in the international arena. Therefore, the dispute behavior of states, democratic or otherwise, is the result of policy decisions made by governments and leaders just like economic policy or social policy. If institutional settings and political systems affect domestic policy choices why then should they not also affect foreign policy decisions in a similar fashion?

While this question applies to all countries and all regime types, this research focuses on one part of the larger question. This research examines institutional variation among democratic states and its effect on the use of force in the international system. I consider how differences in institutional arrangements influence a government's decision to use force against another state. I argue that variation in institutional structures creates different incentives across democracies that affect decisions to initiate, escalate, respond to threats and terminate disputes. Furthermore, I argue that no single institutional feature affects the decision process; rather the political outcomes of the overall variation in institutional design are responsible for policy choices. Institutional structures such as district magnitude, presidential versus parliamentary systems, fixed elections versus constitutional inter-election periods, etc. do not individually affect decision-making.

Rather, the combination of these institutions and the political system that emerges out of this institutional framework affects the overall decision-making process. This dissertation focuses on these outcomes, how they vary between countries and within counties over time, and how they affect foreign policy making in parliamentary systems

Moreover, this research bridges the gap between comparative politics and international relations. Peceny, Beer and Sanchez-Terry note, "Scholars have increasingly recognized the artificiality of the disciplinary division between the study of comparative politics and that of international relations. Domestic politics inevitably affects the foreign policies of states" (2002:15). The argument in this dissertation builds on recent literatures from both subfields. One literature that has emerged in international relations focuses on the relationship of leadership survivability to conflict outcomes (Bueno de Mesquita, Siverson and Wollers 1992; Bueno do Mesquita and Siverson 1995; Goemens 2000; Gelpi and Grieco 2001). The second and related literature, which comes from comparative politics, is the government survival literature (Browne and Frendreis 1980; Dodd 1976; Laver and Shepsle 1997; Warwick 1992, 1994). This literature focuses on the factors that make parliamentary governments more or less stable over time. The two literatures share a focus on the costs associated with, and the probability of, executive and government failure. The research begins from a simple premise developed in the first literature: losing a war is bad for the tenure of executives and governments regardless of political system. I adapt this idea to the government survival literature to show how changes in the costs of government failure affect foreign policy decisions among democratic, specifically parliamentary, states.

In trying to answer the question of how differences within parliamentary governments affect dispute decision making, this research hopes to contribute to three

related areas of scholarly work in international relations. First, I hope to contribute to our understanding of the causal mechanism, or mechanisms, behind the democratic peace. Second, I hope to add to our understanding more of the specifics about how democratic states make foreign policy by disaggregating democracy, rather than treating democracy as a present or absent condition. Third, rather than studying disputes as a single snapshot in time, this research disaggregates disputes into its parts to gain traction on how disputes start, escalate, and terminate.

Breaking Down the Democratic Peace

While the theory I use has its foundations in comparative politics, almost any empirical analysis of democracy and foreign policy in the past two decades has its roots in the democratic peace literature. This literature emerged in the 1980s with an empirical puzzle known as the "democratic peace" puzzle (Doyle 1986; Maoz and Abdolali 1989).

The now almost law-like axiom "democracies rarely if ever going to war with one another" (Levy 1988) has been at the core of a great body of empirical research during past 20 years. While scholars may accept this axiom, the casual mechanism remains unclear. The democratic peace is still a puzzle because of two empirical observations that seem contradictory. The first observation sparks the question, if internal characteristics of the state do not matter with regard to foreign policy outcomes, then why, over almost two centuries, have democratic countries failed to go to war with one another? Despite differences in the wording of this proposition and a few questionable cases the fact persists, democracies just do not go to war with one another. The second empirical regularity observed is democracies are not less war prone than non-democratic

states (Moaz and Abdolali 1989). Despite the fact that democracies do not appear to go to war with one another, they seem to be involved in wars just as often as non-democratic states. These two observations have generated a great deal of scholarship and debate about whether democracies are in fact more peaceful or if domestic politics really does matter. If domestic politics matters then why does it appear to matter only sometimes and not at other times?

This research addresses this puzzle and adds to the debate by approaching the question of democratic foreign policy making from an alternative direction. Rather than seeking to explain differences between democratic states and non-democratic states, I examine differences among democratic states. Why? Part of the conundrum of the democratic peace has been stating the causal mechanism or mechanisms responsible for it. By providing a better explanation of democratic foreign policy-making, I can contribute to how democracies make foreign policy, which can clarify why the democratic peace exists.

Scholars have spent much of the past two decades untangling the democratic peace. While the democratic peace may indeed be the closest thing we have to a law in the field of international relations (Levy 1988), the reasons for this peace, despite its almost universal acceptance, are still largely contested (Gartzke 1998). One outcome of this research agenda has been a refocusing of international relations from systems level and structural theories to theories that focus on differences among states and how states make foreign policy. From this refocusing, a number of alternative approaches have emerged to explain the democratic peace and democratic foreign policy making in general. The three main approaches are the normative approach, the institutional approach and, more recently, the informational approach.

Normative Explanations of the Democratic Peace

Normative approaches have been, for the most part, studies of dyads. These studies focus on the differences between how democratic and non-democratic states resolve conflict, both externally and internally. In these studies, scholars argue that the norms of reciprocity, bargaining, and compromise dominate democratic systems (Dixon 1993, 1994; Maoz and Russett 1993; Rummel 1983, 1985; Russett 1993). As Maoz and Russett explain, "When two democracies confront one another in conflicts of interests, they are able to effectively apply democratic norms in their interaction, thereby preventing most conflicts from escalating to a militarized level" (1993, 625). Rousseau, Gelpi, Reiter, and Huth (1996) articulate the basic assumptions of normative explanations:

> *Normative Assumption One:* Leaders socialized within democratic political systems are more likely to use compromise and nonviolent means to resolve disputes than are leaders socialized in authoritarian political systems.
> *Normative Assumption Two:* Norms and conflict resolution practices employed by political leaders when they are involved in domestic disputes are also used when these leaders seek to resolve international disputes and crises (514).

When democracies face non-democratic countries, these shared norms no longer dictate the policies and behaviors of democratic states. Democratic leaders expect authoritarian leaders to behave very differently, therefore democratic leaders follow the tenets of classic power politics. These theories argue that democratic leaders are more likely to either threaten or use force in their interactions with non-democratic states. They become less concerned with compromise and more concerned with issues of power and security. Critics of the democratic peace point to this last element, power and security, to explain the different behaviors of democracies toward different regime types (Farber and Gowa 1995; Layne 1994; Spiro 1994). They argue that these differences in

behavior are not due to cultural or normative differences among regime types. Either the observed differences are statistical anomalies (Spiro 1994) or existing theories can better explain the behavior of democracies towards other states. Layne for example argues that democracies appear more peaceful toward each other due to their geopolitical positions in the international order. He argues, "The greater the external threat a state faces the more autocratic its foreign policy making process and the more centralized its political structures will be" (1994:45).

Normative theories face another problem in the defining and meaning of culture. Other scholars have noted that cultural explanations in political science that seek to explain everything from war to economic development appear ad hoc at best (Jackman and Miller 1996). Scholars often resort to throwing in dummy variables to account for a state's "culture" or building deterministic theories that allow for no variation or change in the current condition (Putnam 1993).

Institutional Arguments of the Democratic Peace

Many scholars, in an effort to untangle the democratic peace, have focused on the foreign policy making process of individual democratic states (monadic approach) rather than the dyadic approach of normative scholars. These arguments focus either on the differences in institutional design of democratic and non-democratic states (Bueno de Mesquita, et. al., 1999) or on the openness of democratic regimes and the necessity to mobilize public support in order to fight a war (Fearon 1994).

The assumptions of the structural argument are:

Institutional Assumption One: A central goal of state leaders is to retain their position of domestic political power.
Institutional Assumption Two: In all political systems, domestic political opponents of a regime will attempt to mobilize political opposition when domestic and foreign policies pursued by the regime have failed to achieve stated policy goals.
Institutional Assumption Three: In democratic political systems, however, counter-elites are better able to mobilize opposition in order to challenge incumbents for their policy failures.
Institutional Assumption Four: In all political systems, state leaders believe that a foreign policy setback for their country, stemming from a diplomatic retreat or military defeat, could pose a threat to their domestic political position (Rousseau, Gelpi, Reiter, and Huth, 1996:514).

These studies have produced a number of results about the behavior of democratic states vis-à-vis their non-democratic counterparts. We know that democracies are more likely to win wars (Lake 1992; Reiter and Stam 1998), less likely to initiate conflicts (Benoit 1996) and fight shorter wars when they do initiate conflict (Bennett and Stam 1998).

Recent work by Bueno de Mesquita and his collaborators (1999a, 1999b) attempts to explain different policy outcomes by creating proxy measures for the various domestic institutional arrangements that exist across all regime types. This research has demonstrated that institutional design has important ramifications for the pursuit of both foreign and domestic policies.

Both democratic peace critics and normative theorists point to a shortcoming of institutional theories: democracies fight wars just about as frequently as non-democracies. Critics argue that if the democratic peace has its roots in institutional structures then democracies should always be more pacific than non-democratic states (Gowa 1998; Maoz and Russett 1993)

Informational Approaches to the Democratic Peace

What I have labeled the informational approach emerged from the audience costs literature. In some respects, this approach is similar in its theoretical underpinnings to the work of Bueno de Mesquita et al. Fearon (1994) argues that leaders make decisions based not on the entire population but rather on the audiences that they have to satisfy, just as Bueno de Mesquita et al. argue that leaders are responsive to different sizes of selectorates and winning coalitions. According to Fearon, leaders who back down in the face of escalation or crisis face costs for doing so. He labels these costs audience costs, arguing that leaders in states with greater audience costs would be less likely to back down from a threat by another state because to do so might appear as a sign of weakness to the leader's audience. He further argues that democracies should be able to generate greater audience costs given the openness of the political systems and the greater ability of the electorate (or audience) to remove the leader if they are dissatisfied with policy outcomes and choices. Moreover, he argues that because democracies generate greater audience costs they should be more credible and better able to signal their intentions to the other state. Putting the above together, democracies, when threatened, are less likely to back down and any threat they make will be more credible than a threat made by a non-democratic state. Thus, audience costs help states translate resolve and credibility into information that they then transmit to other states in the international system.

When two states interact, the leader facing the higher audience costs will be more credible and able to signal more clearly his intention to escalate than the leader with lower relative audience costs. The state with lower costs has less to fear in terms of retribution and removal from his supporters and thus can engage in more bluffing; therefore, any signal of escalation is less credible. For Fearon and others, democratic

institutions do not so much constrain behavior, as they help to reduce noise when signaling intentions and increase the reliability of information transmitted. I summarize the informational approach below:

> *Informational Assumption One:* All political systems generate some level of audience costs, which indicate certain levels of resolve or commitment.
> *Informational Assumption Two:* In democratic political systems, leaders are better able to generate higher audience costs than in non-democratic systems given their accountability to a large electorate and their easy removal.
> *Informational Assumption Three:* In all political systems, leaders are able to transmit some level of audience costs (or resolve) to their opponent.
> *Informational Assumption Four:* Democratic states are better able to signal their audience costs, or resolve, given the open nature of the political system and the fragility of leaders' tenure vis a vis non-democratic states.

The three approaches provide stepping-stones from which to explore how foreign policy making occurs in democratic states. While each approach explains some aspect of the democratic peace, none provides an all-encompassing answer to the puzzle. Of course, all three could be correct in the combination of culture, institutional constraints and audience costs might account for the democratic peace. The hope is that by disaggregating democratic states a clearer picture will emerge as to how, or even if, each of these approaches is part of a larger framework that can explain the democratic peace and democratic foreign policy making.

Breaking down Democracy

One problem with all of the above approaches is that they tend to treat democracies as similar or even the same.[1] While theoretically there may be some acknowledgement that not all democracies are alike, empirically all approaches tend to treat democracy either as a present or absent condition. The field of comparative politics has long noted that democratic states have institutional differences, and that these differences have implications for the types of policies pursued by governments. These scholars frequently undertake large-N studies or cross-national research to ascertain how variation in domestic institutions and actors among democratic states leads to certain regularities and patterns in policy-making. There is a great deal of research about how parties, party systems, elections and public opinion affect policy-making in the comparative politics literature (Budge and Hofferbert 1990; Cameron 1978; Garrett and Lange 1992; Lewis-Beck 1988). It would seem only natural that these same institutions might also affect foreign policy as well.

Why then has the field of international relations not pursued a similar line of research in trying to explain democratic foreign policy behavior? Part of the problem has been the belief by some political scientists in Vandenberg's statement that "politics stops at the water's edge" (Gowa 1998). Others, however, argue that politics knows no barriers. After all, electorates punish presidents and prime ministers for foreign policy failure just as they do for domestic policy failure (Bueno De Mesquita and Siverson 1995). Did Lyndon Johnson choose not to run for re-election because he was afraid that his record on civil rights might cost him at the polls, or because of the ever-growing

[1] Even though Bueno de Mesquita and his colleges develop theoretical tools that are more refined and compelling than the dichotomy of democracy and non-democracy, empirically in their research democracies tend to be lumped into the same or very similar categories. A typical democracy has a large winning coalition and by definition a large selectorate. Thus even despite their theoretical advances, empirically they do not advance the study of democratic foreign policy making.

quagmire of Vietnam? Did the French Fourth Republic fall solely because of concerns over economic policy, or did the inability of the Pflimin government to deal effectively with the struggle in Algeria play a crucial role? The obvious answer to these questions is that foreign policy choices of the executives significantly influenced both events and the consequences of those choices. If politics really did "stop at the water's edge," then Johnson most likely would have been re-elected and DeGaulle might never have replaced both Pflimin as well as the entire Fourth Republic.

Another factor, and perhaps more practical, as to why the field of international relations has not pursued more cross-national research focusing on political institutions has been the nature of the inquiry into international politics. The international system is defined essentially by the states that exist within it (note the term *inter-national).* Much of the research in the past has used aggregate, state-level, data to explore foreign policy making. This data matched theories and research that focused on realism and its variants. If the internal characteristics of states do not matter, why develop measures to account for any internal differences?

For this reason perhaps, the Polity data (Gurr et al 1974, 1989, 1995, 2000) have been so influential in the study of international relations. The polity data provides measures of differences within states that help researches empirically test theories related to regime type and political structure. This testing has lead to a great amount of research tying differences in regime type to all different aspects of foreign policy studies. Ultimately, the data and empirical tests conducted with it have led to even more questions about how institutional variations within regime types affect the international behavior of states. If the behavior of states with different regime types is as markedly different as theories and studies suggest, then researchers need to move the level of analysis down to

the state level. If scholars begin to examine the constituent parts of states and regimes, jointly if possible, but separately otherwise, they can continue to add to our understanding of the world and how and why states behave as they do.

In the past five years, there has been a small but growing literature that has attempted to address the assumption of homogeneity among democratic states (Ireland and Gartner 1999; Prins and Sprecher 1999; Palmer, Regan and London 2001). The democratic peace literature for the most part has treated democracy either as a present or absent condition without considering differences *within* regime types. This omission has led to problems in untangling the causal mechanism behind the democratic peace and democratic foreign policy making in general (Maoz and Russett 1993; Rousseau et. al 1996). An investigation of the differences *among* democratic states can help us better understand both normative and institutional theories that purport to explain both the democratic peace as well as foreign policy making by democracies in general.

Much of the research related to the unpacking of democracy focuses on distinctions between parliamentary governments. Current research tends to argue that various types of government (majority, minority and coalition) place different limitations, or constraints, on executives' decision-making abilities (Prins and Sprecher 1999; Ireland and Gartner 2001). This argument is similar to the executive constraint argument made in the democratic peace literature (Siverson 1995). For example, Ireland and Gartner (2001) argue that minority governments are the least likely to engage in international conflict because they have less room to maneuver politically, while Prins and Sprecher suggest that partisan accountability limits the ability of majority governments to respond to attacks or reciprocate militarily.

In an attempt to understand how the structure of coalitions affects conflict behavior, Palmer, London and Regan (2001) model one aspect of parliamentary systems. In "Power, Domestic Structure, and Parties: Untangling Entangling Democracies" they demonstrate that while the overall political position of the government appears to affect whether states become involved in a military dispute, the presence of pivotal parties, a party whose defection can bring down the government, does not affect the likelihood of involvement nor of escalation. They conclude that domestic structural complexity has little to do with either the onset of dispute involvement or the escalation of involvement.

This research also follows the more recent work of Schultz (2001) who argues that the opposition to government plays an important role in foreign policy making. The opposition in democratic governments not only can constrain governments but also plays an important role in the transmission of information and signaling in the international arena. The opposition does this by either siding with the government or against the government. Governmental and oppositional agreement on policy choice sends a strong signal of commitment and resolve about future decisions related to the dispute. When governments and oppositions disagree on policy choices, resolve and commitment appear weaker to states in the international arena. Schultz examines this relationship through game theoretic analysis but does not test it empirically.

These studies have contributed much to our understanding of how differences within regime types can affect foreign policy but only two try to incorporate the political process that distinguishes not only political systems but also individual governments. In general these works focus on the constraints placed upon the executive in decision-making by the type of government in power. Therefore, majority governments are least constrained while single party minority governments are the most constrained.

These studies fail to take into account the dynamic political processes that exist within parliamentary systems. Governments are much more fluid in parliamentary systems than in presidential systems. Ideological cleavages can exist in parliamentary systems requiring parties to try to form governments that can work within the confines of these ideological divisions. These governments are primarily composed of multiple parties, and these parties constantly negotiate and renegotiate the bargain of government to maintain support.

This research builds on these previous works. I examine how the democratic political process affects foreign policy. I disaggregate governments at a much more refined level then the Polity data and attempt to provide a much more parsimonious account of how institutional variation effects policy making. Previous empirical research focused either on governments or on the institutions that shape government. Research has largely failed to examine the political system that emerges from the democratic institutions put in place. Focusing only on parliamentary governments, this research does not consider parliament as a whole, the relationship between the ruling party or parties and the opposition, and the rules that determine domestic political success and failure. The theory I develop here encompasses the constituent parts of the political process in a more meaningful way. Rather than examining whether the current government is a majority or minority government, I focus on the entire political system. Not all minority governments face the same opposition and not all majority governments share equal immunity to party defection. This study also takes into account the fact that there are differences among democratic states but also that changes occur within single states as well. Government structures are not static within states but rather change over time. These changes can be due to the winning and losing of elections, which brings different

government types and parties to power or they can be due to changes in the electoral rules themselves. By focusing on how institutions shape the political process rather than just the institutions themselves, I can demonstrate that politics truly does move beyond the water's edge.

Breaking down Disputes

This research focuses on disputes rather than just wars. According to Jones, Bremer and Singer (1996) militarized interstate disputes are conflicts in which the threat, display or use of military force by one member state is explicitly directed towards the government, official representatives, official forces, property, or territory of another state (163). Using this definition, wars are disputes that have crossed certain thresholds of violence. Most conflict between states does not escalate to war. If scholars only focus on wars to try to understand the role of domestic politics on foreign policy behavior they are in some ways selecting on the dependent variable or at least biasing there results by omitting cases. They advantage to my approach is two fold. One, by focusing on disputes I include the full range of possible types of violent conflicts rather than just the most violent forms.

The second advantage to disaggregating disputes into smaller parts it allows for a better testing of a domestic politics theory that predicts different outcomes depending on the choice being made. Gartner states, "It is what happens during a war--the violence, destruction costs, and casualties--that makes us want to learn how to avoid it" (1998). Therefore, this dissertation not only unpacks democracy it also unpack disputes.

Research that examines how wars and disputes unfold are vitally important.[2] Why and when states choose policies of escalation, de-escalation and even termination are important to the overall outcome of the dispute. These choices create wars out of disputes and end wars once begun. By having a better understanding of the factors that affect decisions to escalate disputes, or terminate them before they become violent conflicts, we can predict and even help prevent future wars and violent conflicts.

Previous studies often focused on only one aspect of dispute behavior. For example, research would focus on how wars or disputes begin but not end. Alternatively, they might examine under what conditions deterrence works but not what happens after it fails. I examine the constituent parts of the dispute process: onset, escalation, duration, and outcome. By doing so I can make better inferences as to the dispute process as a whole rather than just what conditions lead to dispute onset and whether or not a different set of theories apply to decisions and outcomes such as settlement. A theory of war or dispute behavior, derived from theories of domestic politics or systemic theories of power, should be able to explain and/or predict all aspects of international conflict. William Reed notes: "it is essential for researchers interested in the escalation behavior of states to consider first how states become involved in disputes.[3] Conflict onset and escalation appear to be related processes" (2000:84). He argues that we should not divorce one process from the other but instead consider the whole picture. After all, escalation cannot occur before conflicts begin and wars cannot end before they escalate to war.

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[2] For recent work on wartime behavior see Gartner, Scott S. ed. 1998 "Special Issue: Opening Up the Black Box of War: Politics and the Conduct of War" *Journal of Conflict Resolution* 42, n3.

[3] Reed uses a unified model to test the relationship between onset and escalation. The "unified" model refers to the use of a two stage model to empirically test both onset and escalation jointly rather then as two independent processes.

The strategy that I use to examine the dispute process disaggregates disputes into their various phases while utilizing the same theoretical construct throughout the dissertation. I disaggregate disputes into decisions over initiation or onset, escalation and termination rather than just focusing on one. I also employ different datasets and different methodologies as well. This approach allows me to match the appropriate dataset and method to the decision process being considered. Much of the conflicting results in the empirical literature is likely due to attempts at using the same data or same statistical tools to analyze questions that while theoretically related are methodologically different The ultimate aim is to build a more complete model of democratic dispute behavior in general and parliamentary dispute behavior in particular.

The dissertation proceeds in three parts. Chapter two develops a theory of parliamentary foreign policy making by building from two distinct but related literatures, one drawn from international relations and the other drawn from comparative politics. Chapters' three, four, and five provide empirical tests of the theory in relation to dispute onset, escalation, and duration and outcome respectively. Chapter six concludes with both summarizations of the empirical results as well as what the greater implications are in regards to parliamentary dispute behavior, democratic foreign policy making and the democratic peace.

Chapter 2

Determining the Costs of Policy

Thirty years ago Rosenau posed the question, "under what conditions will the stability of cabinets and the tenure of presidents be reduced or otherwise affected by trends in the external environment?" (1967:5). The other side of this question is how do the stability of cabinets and the tenure of presidents affect trends in the external environment? In this chapter, I articulate a theory of the relationship between opportunity and transaction costs and foreign policy decisions that addresses this question. To do so I combine the comparative politics literature on government survival with the international relations literature on leadership duration and foreign policy. I begin with a brief review of key works in both the survival and duration literatures. I then combine them into a theory of government foreign policy making. Next, I introduce general hypotheses related to the theory and conclude with a discussion of the measures used in the subsequent empirical chapters.

Leadership Tenure and Dispute Outcome

A great deal of interest in the last ten years has arisen about the relationship of leadership survival and foreign policy outcomes (Bueno de Mesquita, Siverson, and Wollers 1992; Bueno de Mesquita and Siverson 1995; Gelpi and Grieco 2001). These models relate office retention by the executive to foreign policy outcomes. Office retention becomes a reward for winning; conversely, quick removal is a punishment for losing.

This research has its roots in an article written by Bueno de Mesquita, Siverson and Woller (1992). Examining the relationship of regime change to war outcome, they found that regime change was more likely to occur when states lost wars. They identified factors that increased the probability of violent regime change, such as whether the government that lost was the initiator or not, and the costs of war. More importantly however, this research highlighted the fact that the wars we see are not random but rather the choices of individuals and governments. The authors note, "The true effects include wars that did not happen because of the anticipation of domestic political punishment" (645).

Building from this observation Bueno de Mesquita and Siverson examine the relationship between leadership survival and war outcomes (1995). They examine the question "what effect does international war have on the ability of leaders to survive in office?" (841). The answer to this question is that war outcome has a large effect on whether leaders stay in office. As with their regime change study, the results confirm that leaders in general are more likely to lose office after losing a war; in effect, they are punished for poor policy performance. However, the domestic institutional setting within which the leader resides also has a profound effect on not only whether a leader loses office but also on the decisions of whether and when to fight wars.

The regime type of the state affects leadership survivability and decisions to fight wars because some regime types make executive removal easier than other regime types. Democratic leaders tend to fight wars early in their terms rather than later. Conversely, autocratic leaders fight wars later in their tenure. Bueno de Mesquita and Siverson argue that this difference is due to the institutional structures of the leaders' regimes. Democratic leaders become involved in disputes early on in their tenure when the chance for removal is less, given that elections occur a few years away. Thus, if they lose the war a president or prime minister still has time to make up for the bad policy outcome or perhaps to hope that the electorate will forget the loss. Autocratic leaders, however, fight wars later in their tenure. They enter into wars only after consolidating power by removing potential rivals. Only after they have secured their leadership position, do they attempt risky foreign policies.

A number of insights into the connection between tenure and policy emerged from this research. Leaders act strategically and avoid wars that they cannot win because losing means loss of office.[4] The strategy that any given leader uses on the timing of and decision to enter into a war depends upon the leader's institutional setting. Leaders in democratic regimes face different institutional incentives and constraints than do leaders in autocratic states. This difference has a systematic effect on foreign policy decision-making.

Beginning with this framework, Goemans (2000) alters it in four ways. First, he creates a more nuanced typology than previous studies. Instead of focusing solely on whether regimes are democratic or not, he expands the typology to "democratic regimes,"

[4] This is consistent with the results of Gartner and Siverson (1995). They demonstrated that the state that initiates war is overwhelmingly likely to win. In other words, they initiate, or choose, wars that they have a high probability of winning.

"authoritarian regimes," and "mixed regimes." Mixed regimes share properties of both democratic and autocratic regimes.[5] Second, he shifts the focus away from leadership survivability as a function of war outcome. Rather, he examines war duration and outcome as a function of the mechanisms that affect leadership duration. Third, instead of focusing just on whether regime type affects duration and removal, he argues that the type of punishment and/or removal mechanism also affects leaders' decisions over fighting. Fourth, he argues that the punishment mechanism depends on the regime structure.

Goemans argues that this punishment mechanism influences decisions to continue or terminate wars. For instance, leaders of democratic regimes that lose a war only lose office. After removal from office, they can either return to private life or run for office again at some future time. Entrenched leaders in authoritarian regimes who face little or no opposition to their position of power rarely lose office or anything else if they lose a war. However, leaders in mixed regimes usually lose much more than just office if they should lose a war. They may lose their life or at least be imprisoned if they lose a war. Using these insights, Goemans then makes predictions based on the likelihood of losing and the type of punishment that the leaders will face about the duration, costs of war involvement and ultimately the outcome.

Goemans endogenizes the decision to terminate a war and links policy decisions to tenure retention. He makes the decision a function of the regime's characteristics, the type of removal the leader will face, and the status of the war in terms of outcome. The outcome of the war and the ease with which the political structure facilitates removal

[5] See Mansfield and Snyder (1995) for another argument about the dangers of "mixed regimes" and war onset.

determines the likelihood of the leader's removal. If it is easy to remove the leader, then even small defeats in wars of low cost will probably lead to the removal of the executive. The greater the difficulties and the higher the costs of removing the leader, the worse the outcome of the war must be to mobilize the opposition to remove the incumbent. As a result, some regime types will "gamble for resurrection,"[6] while others might quickly settle the dispute as costs rise. Parliamentary governments also face different probabilities of removal depending on their composition; hence, their foreign policy choices will vary accordingly as well.

Government Survival

There are two schools of thought related to government survival: the stochastic models or "random events" approach (Browne, Frendries, and Glieber 1986) and the causal models or "attributes" approach (Dodd 1976; Warwick 1979). The stochastic models argue that government termination largely results from random events or shocks that alter the stability of government and cause its failure. These models argue that governments have a flat baseline hazard rate of failure. Governments could last indefinitely if it were not for these random shocks and mandated elections. Conversely, the attributes approach argues that government survival largely derives from the properties that they showed at their formation. Properties such as the number of parties in the government, the size of the coalition, and whether the government had to face a vote of investiture, combine to determine the longevity of the government.

[6] Downs and Rocke coined this term (1995), describing a situation in which a leader is likely to keep fighting, or even escalate a war despite minimal likelihood of winning .

King et al. (1990) incorporated both the events approach and the attributes approach. Using hazard analysis, they analyzed the duration of cabinets using various attributes of the ruling government while at the same time modeling the stochastic element as part of the hazard function. The incorporation of both the events approach and the attributes approach to the study of government survival has provided richer and more detailed models of government duration (Diermeier and Stevenson 1999; King et al. 1990; Warwick 1994). These studies suggest that governments are accountable for policy outcomes and that these are not entirely random events. Governments pursue a variety of policies and these policy outcomes determine the duration of a government. Warwick, in his examination of government survival, demonstrates that factors such as unemployment and inflation interact with government attributes; the relationships are not fixed but dynamic: "Government survival is viewed as reciprocal rather than one way: governments affect economic conditions as well as being affected by them" (Warwick 1994: 884).

Opportunity and Transaction Costs

Lupia and Strom (1995) develop a game theoretic model of government termination. They contend that altering the composition of government through either dissolution or replacement carries opportunity and transaction costs with them.[7] They argue that parties care about controlling seats in the legislature and value power in the ruling coalition or cabinet. Therefore, parties will act strategically to maximize both vote

[7] Opportunity costs are costs incurred by parties leaving or defecting from government, i.e. are they willing to give up some policy control for the possibility of either more or less control. Transaction costs are costs associated with either defecting from government and becoming a less than credible ally or trying to organize the opposition to bring down the current government (Lupia and Strom 1995).

share in the electorate (which roughly translates into seat strength in parliament) as well as control of the cabinet or government. Not all external events are exogenous shocks to the political system. Some events become "critical," opening up potential opportunities to change vote share, cabinet membership or both. They note, "The key implication of our findings is that scholars who want to understand parliamentary decision making need to pay greater attention to the specific nature of critical events" (659). The bargaining situation as well the constraints that parties face all help determine the fate of governments and their longevity. In addition, as governments go deeper into the constitutional inter-election period (CIEP) the costs associated with some types of cabinet restructuring diminish. Neither the structure of government nor external events solely determines government failure. Instead, as Lupia and Strom conclude, "The effects of external events depend critically on the context in which they take place" (659).

I argue that foreign policy decisions have the potential to create critical events, especially when military action is involved. Parliamentary governments are aware of this potential to create critical events. While Lupia and Strom treat critical events as an independent variable, I view them as the dependent variable. The question then becomes, how do current costs associated with government removal alter foreign policy choice x, y or z? Thus, just as Goemans argued that leaders make decisions on war termination based on the ease in removing them from office, I make a similar argument based on the difficulties for a party or parties to remove the incumbent parliamentary government.

The costs that determine the price of government dismissal as stated above are opportunity and transaction costs. Parties in government pay opportunity costs for either dissolving government or calling elections (i.e. forfeiture of policymaking opportunities, rent-collecting opportunities). Parties in parliament pay transaction costs, which are

essentially the price of forming a new government (Re-election, inter-party negotiations campaigning, electioneering). The greater the opportunity costs the less likely parties will want to defect or change government. Additionally the greater the transaction costs the less likely parties in parliament will seek to alter the composition of government.

As opportunity costs decline, parties in government may try to seek new coalitions or even new elections. As transaction costs decline, parties both in and out of government will be more likely to try to alter the structure of government to be more favorable for each party. Combined it becomes much easier for parties both in and out government to change the bargain of government. When removal costs are high, parties in government are likely to feel secure in office and less constrained in their policy options. Conversely, when removal costs are low, parties in office may feel very constrained by their policy choices.

Critical events, which I referred to above, are part of this constraint. Theses events are "meaningful only if they affect the politicians' abilities to achieve their legislative and electoral goals" (Lupia and Strom 1995: 652). Such events alter the bargaining space, or win sets of parties in and out of government. Not all events are critical but some events are more likely to be critical then others. Events commonly thought of as critical are wars, economic shocks, and scandals. All these events affect the public perception of government in such a way that they have electoral and subsequently, policy ramifications. Not all disputes, economic mishaps and scandals are likely to become critical events but those that do have the potential to alter the costs associated with government removal.

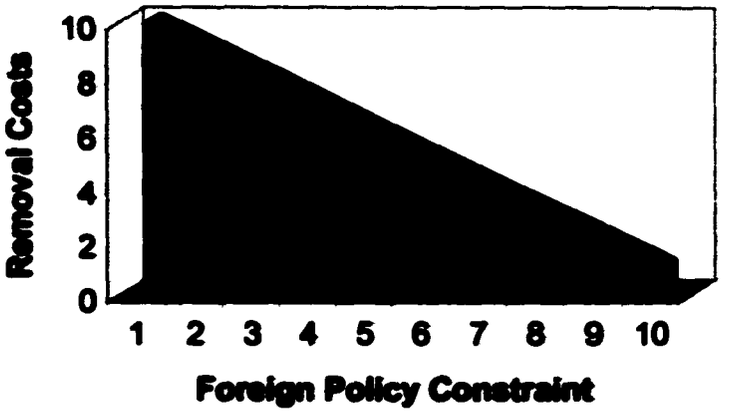
An example of an event becoming critical and lowering removal costs would be a government that is losing a war and paying a high price in casualties. Parties out of

office see that the probability of the incumbent government's re-election has declined from what is likely to be perceived as bad policy, thus they face fewer costs in trying to either dissolve parliament or alter the current government. If the incumbent government is a coalition, some parties in government may fear an electoral backlash and defect from government. For them, the benefits of office no longer outweigh the costs of trying to form a new government. Hence, the opportunity costs of staying part of government decline as well. In terms of foreign policy choices, Bueno de Mesquita states, "A foreign policy designed to deter a foreign adversary or intended to satisfy the demands of a foreign foe might irritate domestic opponents or lose support of domestic backers" (2000:9). Governments should therefore be more sensitive to foreign policy choices commiserate with their removal costs.

Removal Costs and Policy Constraint

Figure 2-1 shows the relationship that I hypothesized above between the removal costs that governments face and foreign policy constraint with 10 being equal to high costs and constraints and 1 equivalent to low removal costs and constraints. The term constraint in the international relations literature often refers to policy choices that will result in little or no violence in the international system. In other words, democracies face more constraints and therefore are less likely to fight a war than a non-democracy. Here I refer to the term constraint to indicate the lack of policy choice that a government has in regards to a certain issue. Governments are not always constrained toward choosing a policy of peace. Governments may find themselves so constrained that the only policy option they have is to use force.

Figure 2-1: The Relationship of Removal Costs to Foreign Policy Constraints



I hypothesize that as the costs of removal increase the policy options increase. This is different from risk averse and risk acceptant arguments (Bueno de Mesquita 1980). One could argue that democracies are risk averse given that institutions such as popular elections make them more sensitive to the costs of war, especially casualties (Gartner and Segura 1998). While this may be true, I argue that one of the determinants of policy choices in the international system is instead how easily the government can be removed from office. One might assume that an easily removable government would be risk averse, implying that this government would choose negotiation or compromise over armed conflict given that the accrual of casualties or other costs could bring the government down. I argue that, rather than determining the risk acceptance of the government, the costs of removal impact the number of possible policy options, reducing them to just a few depending on the situation. That is governments are less likely to choose policies that will be seen as either unpopular or that will lower the costs of government removal and that these policies could either be ones that escalate, avoid or

terminate conflicts. Hence, a government with high removal costs will have more flexibility in its policy choices.[8] This assumption leads to two general and complimentary hypotheses about removal costs and policy choice.

Hypothesis One: Governments that face high removal costs will have a wide variety of foreign policy choices.

Hypothesis Two: Governments that face low removal costs will be very constrained in their foreign policy choices.

Below I outline a model of removal costs and conflict focusing on the various factors that determine the removal costs of governments.

A Model of Government Survival and Conflict

My theory is that opportunity and transaction costs determine the costs of removal, which systematically affect the foreign policy choices of governments. In general, I argue that three elements determine the costs associated with government removal: the ideological complexity within the parliamentary system, the political orientation of government and opposition, and the larger structural setting within which government operates. Below I discuss each of these factors in detail. Because I consider ideological complexity the most important element to determining government removal costs, I consider it first.

[8] This assumption appears similar to the institutional constraints arguments used by Ireland and Gartner. One difference however is that the costs of government change are not solely related to "government type." Instead of trichotomizing governments into "Majority, Minority and Coalition," I suggest that even some minority governments will behave in a similar fashion to a majority government given the bargaining structure of the parliament when ideological divisions are accounted for.

Ideological Complexity

Warwick (1994) contends that the greatest structural factors contributing to government duration are the ideological complexities of government and parliament. Dodd argued similarly, "The cleavage system is thus a major source of the quest for power and, at the same time, a major constraint on the behavior that is possible in the quest" (1976:58). This proposition differs from a straight bargaining environment model, which assumes that instability is "the result of the absence of a stable core in Euclidian ideological space ... Coalition governments fall apart when at least one member believes it can realize its policy goals more readily in a viable alternative coalition" (Warwick 1994: 880).[9]

The ideological diversity model captures dynamics that traditional bargaining models fail to specify, such as party system fractionalization or the effective number of parties. These measures only assume that the greater the number of parties, the more possible coalition partners. They say nothing about the ideologically possible coalition partners actually available to any given party when trying to form a government. It is not only the number or parties but also their ideological differences that translate into the costs of changing government.

Figure 2-2 below depicts the relationship between ideological diversity and government failure. Most studies assume that the more ideologically diverse a government is the easier it will be to remove it from power (Warwick: 1994). The downward sloping trend in the figure shows this relationship. As governments become

[9] Palmer, London and Regan (2001) portray structure by focusing only on the presence of pivotal parties. They do not differentiate between parties that are more or less willing to defect from government. This conception however, is underspecified as some parties may be more or less willing to defect from government. If the ideological distance between those in government and those out of government is too great then it is unlikely that pivotal parties will be able to defect and help form a new government.

more homogeneous the costs of removal will increase leading to greater stability and a longer tenure in office.

Figure 2-2: The Relationship of Ideological Diversity to Removal Costs

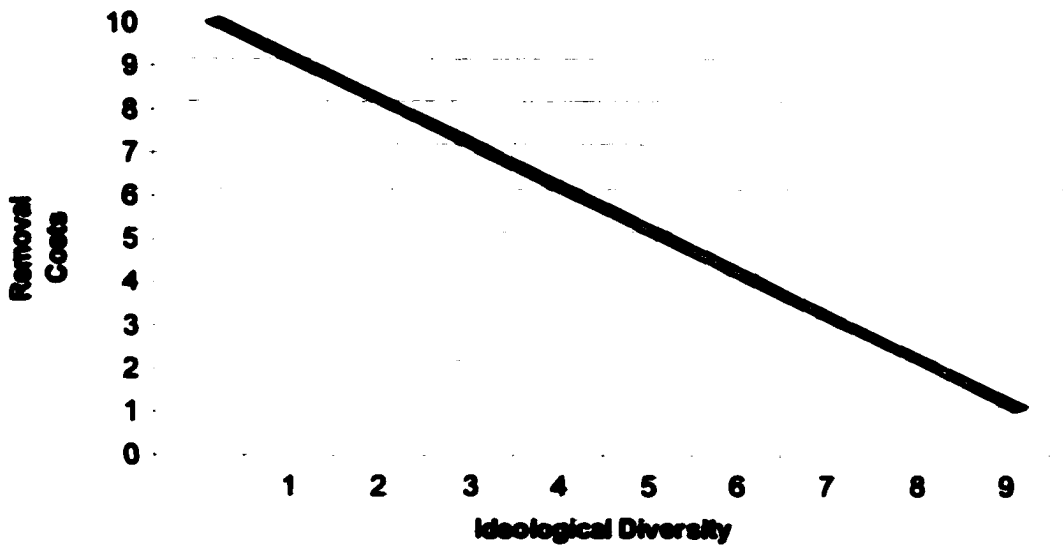
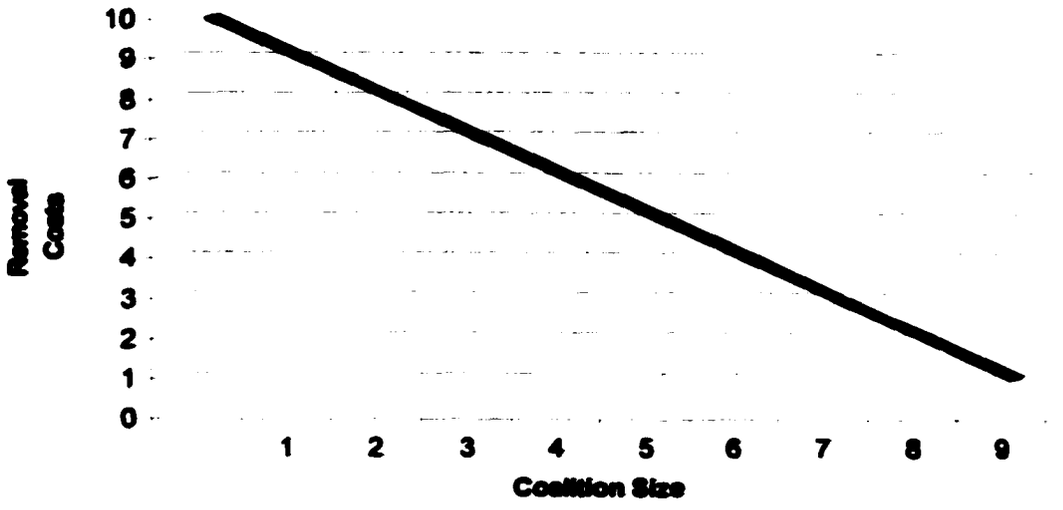


Figure 2-3 shows the conventional argument in regards to the number of parties in the coalition and the likelihood of government failure. Traditional arguments state that the more parties there are in government the lower the removal costs for that government. As the coalition increases there are less benefits from office to distribute so parties may become disgruntled making defection more likely. In addition, large coalition governments usually emerge from large party systems, which means that there are many other parties outside of government to form new coalitions to replace the current one.

Figure 2-3: The Relationship of Coalition Size to Removal Costs



What is missing is from many of the arguments on government failure is how these two dynamics interact. Examining each independently it appears that the effects of ideological diversity and coalition size are congruent and therefore should only magnify the probability of removal when combined. I argue that this is not the case. Figure 2-4 shows the hypothesized relationship of how ideological diversity and coalition size combine to the costs of government removal.

Figure 2-4: The Relationship of Coalition Size and Diversity to the Probability of Removal

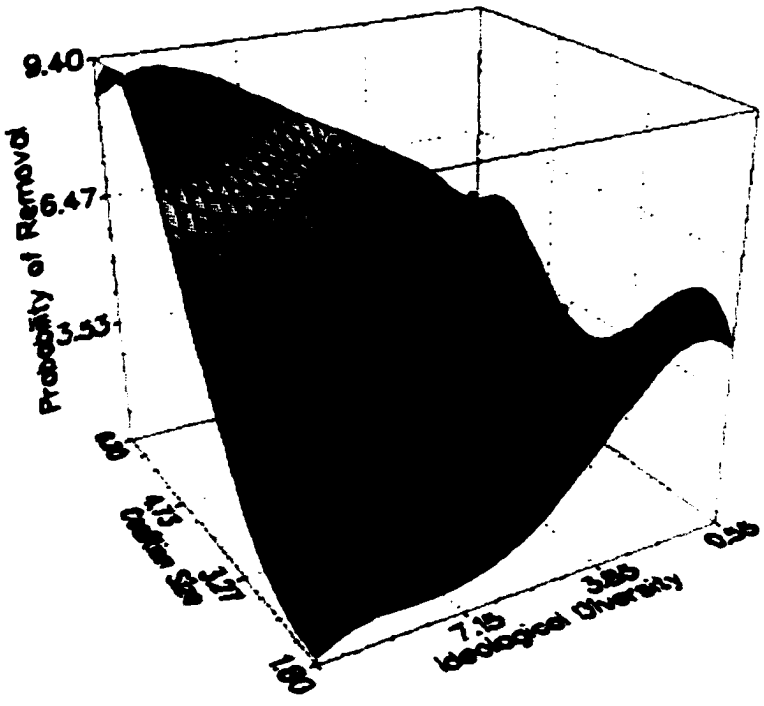


Figure 2-4 demonstrates that the interaction of ideological diversity and coalition size is not linear. The X axis represents coalition size. The Y axis represents the ideological diversity of the coalition and the Z axis represents the probability of removal. Dark flat colors represent a lower probability of removal while lighter shades represent a higher probability of removal.

As can be seen in above the combination of both ideological diversity and coalition size creates a non-liner dynamic in regards to the probability of removal. The probability of removal, while increasing with the number of parties in government moves in an up and down pattern when accounting for the diversity of government. For

example, following along the X axis at the front of the graph demonstrates that when the coalition is small diversity decreases the probability of removal. However when one examines the X axis along the back of the graph the relationship is such that when the coalition size is large diversity increases the probability of removal. I call the combination of ideological diversity and coalition size ideological complexity.

Ideological complexity can raise the costs of government dissolution, making the dissolution of government less likely. This assumption may seem counter-intuitive. One might think that more ideologically similar parties would share similar policy goals, making dissolving the coalition more difficult. However, ideologically similar parties might also see similar issue areas as the most important. Hence, a greater probability of conflict arises over these issue areas, which can lead to greater disagreement and subsequently a higher probability of government termination.

Conversely ideologically diverse parties that value different issue areas encourage policy trade-offs among members of the coalition. For example, assume that in a multiparty system parties A, B, and C have formed a government. Also, assume that party B values foreign policy, party C values social welfare policy and party A values environmental policy. These parties can cooperate with each other and mutually benefit from gains-from-trade over these policy areas. As long as these issue areas are relatively independent from each other, the likelihood of defection by any one party is small.

In addition, a dominant coalition member can use policies to bribe "pivotal parties"[10] to go along with its policy preferences. Returning to the three party government above, Party B may want to enter into an international conflict that both

[10] Pivotal parties are smaller parties in coalition governments whose defection can bring down the government. See Brown and Franklin 1973

party A and C oppose. Party A has little choice but to go along with the policy given that it is unlikely to be involved in any government without party B. Party B can then use the promise of future welfare policies to bribe party C into supporting the military action. If party C chooses to defect, there is no guarantee that it will be involved in the next government or that it will even have any of its policies enacted. If party C supports party B's actions, then it can enact policies important to the party and its constituents. Party C will support the action given its preferences for the military because the possible governments that can be formed either may not include it or may limit its ability to enact its preferred legislation.

The above argument resembles formal theories of portfolio distribution (Austen-Smith and Banks 1990; Laver and Shepsle 1990, 1996). These works emphasize that cabinet ministers, once in place can implement their preferred policies. Using several simulations Laver and Shepsle (1998), for example, examine how different shocks affect two different governments. One government includes a party from the left and one from the right, while the other government consists of two parties of the right. Both governments behave differently according to various shocks. Yet under certain conditions, the more diverse government could better withstand different shocks than the more ideologically similar.

In their evaluation of "Conflict of Interest" theory, Browne, Gleiber and Mashoba (1984) find little support for the idea that reducing conflict of interest among parties increases the duration of cabinets. Much of the research in this area focuses on only one policy dimension. It does not either allow or account for different policy spaces or policy trade offs. Parties similar in both size and ideological positions have more to argue over than parties that differ in size and have varying ideological positions. Again, consider the

idea of policy trade-offs. Although one could argue that a smaller party in a coalition can act as a pivotal party, extracting more rents and forcing the larger party to accede to various policy demands, the smaller party will more likely follow the larger party for fear of being replaced and no longer having access to any policy making tools.

Browne and Frendries (1980) make a similar argument in their assessment of distributional pay-offs among coalition partners. In fact, small parties in two party coalitions do receive a slightly higher percentage of portfolios compared to what one might expect based on the percentage of seats that they control in parliament. Does this gain stem from the smaller party extracting portfolios or the larger parties overpaying the smaller parties, in essence buying them off with less important portfolios? They argue that certainty of control induces large parties to give up posts. Nevertheless, as the number of parties in the coalition increases overpayment, the larger party begins to hold more ministries than one would expect based on seat share. Thus, as the ability to control government or the costs of government turnover by parties decreases, the larger party retains as many spoils as possible given that government is more likely to fail. As the number of parties increases, buying off the various parties so that the major party can dominate the policy process becomes more and more difficult. Browne and Frendries further examine redistributive ministries or portfolios to see which parties gain what policies. Do large parties give up unimportant portfolios (Buneo de Mesquita 1974)? If not, do they allocate important policy ministries to the smaller party? According to Browne and Frendries, when there are two parties in government, the smaller parties benefit by receiving more portfolios than their proportion of seat share would dictate, and often these portfolios are of importance to the smaller party. Yet as the number of parties in government increases, the willingness of the dominant party to allocate important

portfolios to smaller parties declines. Additionally, the portfolios that are parsed out are more likely to be ministries such as tourism rather then more important portfolios related directly to the economy or security.

I argue that parties tend to make trade-offs on policy areas. As the number of parties increases, the stability of the government decreases. This instability rises as ideological diversity increases as well. Therefore, among coalition governments, a diverse two-party government is more stable then an ideologically similar two party government, but the benefits of diversity decline as the number of parties increases. Policy trade offs do exist. However, as more parties enter the coalition, policy trading becomes harder and harder as issues continue to overlap.

Political Orientation

Warwick (1992) demonstrated significant policy differences between governments of the left and right; these differences affect government survival. A growing body of work in international relations also ties foreign policy choice to partisanship, which should have implications for government survival as well.

The logic underlying partisanship's role in foreign policy outcomes is that democratic leaders are not necessarily responsive to a majority, as defined by half plus one of the electorate; rather, they respond mainly to their party and its partisans. Leaders implement policies that reflect their own ideological beliefs as well as their supporters' beliefs. Therefore, leaders rarely attempt to satisfy all or a majority of voters. Instead,

they are constrained by the policy choices preferred by their own party.[11] Studies that examine the relationship between partisanship and economic and social policy argue that left and right governments often enact very different policy programs to cope with the same problem (Tufte 1978; Alvarez, Garrett and Lange 1991; Warwick 1992). Hence, party and partisanship should influence foreign policy making as well.

Russett (1990), Budge and Hofferbert (1990), Fordham (1998), and Schultz (2001) all argue that parties of the right tend to be more hawkish than parties of the left. Palmer, London and Regan (2001) suggest that because of these hawkish perceptions, "governments made up of right political parties have lower domestic political costs associated with the use of force" (7). Rather than becoming "critical events" for right governments, military disputes should have less effect on the costs of bringing down these governments.

Structure

I define structure as the general institutional environment within which governments exist, such as factors related to the electoral rules and the electoral system. Below I discuss the factors related to structure including the role of electoral time, returnability and features related to whether or not majority governments emerge after elections.

Returnability: The probability of a party returning to office in the next government should affect the costs of government removal in two ways. First, the greater the

[11] This is especially true in proportional representation systems with multiple parties. In these systems, parties and politicians choose policies aimed at policy differentiation and not at maximizing the number of voters or median voter. Parties focus on gaining the support of a core group of constituents (Cox 1990).

diversity in parliament, the easier it is to find collaborators to form a new coalition. Second, if some of the smaller parties are "extreme" or anti-system parties, the number of available coalition partners will decline. Referring back to the six-party parliament in figure 2-2, if parties A and F are extremist parties, they will almost never be included in a ruling government. Because the number of pro-system parties declines, in this case four, the costs of bringing down the government decline. Those parties that help bring down the government may return in the next government. Finally, in highly diverse parliaments, although the opposition parties may not agree on a new government, they might at least agree on removing the existing government and holding new elections. These last points are especially true in the case of minority governments that do not command a majority of seats in parliament and thus are more susceptible to political maneuvering by the opposition.

Time: Lupia and Strom suggested that time has an effect on the costs of government change. Diermier and Stevenson, in their analysis of the Lupia and Strom model state:

> At the beginning of every period a government has some expected life span, which is always less than the time to the next regularly scheduled election. During its time in office the government receives a period payoff from policy outcomes or from collective distributive benefits. Consequently, at the very beginning of its term, the total benefit a government can expect is large so an early election will seldom look promising... The expected benefits of staying in office will decrease over time. Thus, as parliament approaches its CIEP smaller and smaller events will be sufficient for dissolution. (2000: 628)

In other words, as the mandated election period nears, the costs of government change decrease in relation to the anticipated gains that remain from maintaining the existing government. Diermeier and Stevenson find that over time the hazard of dissolution

generally increases, while the hazard of replacement remains flat over time.[12] Therefore, the costs associated with dissolution are greater at the beginning of a government's tenure than at the end. The costs of replacement are about the same no matter where one is in the CIEP.[13]

Parliamentary Control: The degree to which the government has control over parliament also affects the costs of removal. Above I suggested that minority governments, whether single party or coalition, are easier to remove than governments that command a majority in parliament. If the opposition parties have a majority of seats, then these parties might agree to remove the existing government regardless of ideological divisions and, if not, to replace the current government by calling for new elections in hopes of greater seat gains. It follows then that political systems that produce single party majority governments increase the costs of removing the government from office. Systems that produce majority governments, single party or otherwise, are also more difficult to remove and thus have greater policy flexibility.

If government survival depends on the ideological complexity of the system, the political orientation of government, and the general political structure of parliament then policies will reflect the costs associated with the potential for termination. Governments will hesitate to enact policies that might open windows of opportunity for parties both in and out of government to renegotiate the bargain of government within the confines of the current system.

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[12] Dissolution refers to a disbanded parliament resulting in new elections. Replacement refers to the formation of a government from the existing membership of parliament without new elections

[13] Gaubatz argues that war involvement is most likely in the first two years after an election. The problem is that the average time for European governments is approximately 24 months (King et al.). Moreover, if governments fail due to dissolution then it is harder to predict when the next election is actually going to take place. See Gaubatz 1991

Measuring Complexity, Orientation and Structure

The standard baseline model posits that government failure can be largely predicted by focusing predominantly on a three factors, majority status, returnability, and left-right diversity. However, the model above I put forth above not only includes these factors but also includes other factors related to government orientation as well as a more complicated picture of ideological complexity then just the diversity of government. Below I discuss the measures used in the remainder of this dissertation and specific hypotheses related to each measure and policy choice.

Ideological Complexity

I argued that ideological complexity is not as simple as just measuring the ideological diversity of parliament. I develop for measures related to the ideological complexity of the government and parliament. These are **Government Ideological Diversity, Opposition Ideological Diversity, Parliament Ideological Diversity** and **Two Party Diversity.** I will discuss each of these in turn.

In order to measure government ideological diversity I need to identify all parties in a given government. For this I use Woldendrop, Keman, and Budge (2000) and identify each party in government and its seat share of government. Once having identified the parties and their seat share in parliament I then determined the ideological diversity of government using the Manifesto Party coding measures (Budge et al 2001). Where missing, the scores of Dodd (1976) and Castles and Mair (1984) helped interpolate a given party's ideological position vis a vis the other parties. Ideological diversity is

measured using the ideological standard deviation of the unit in question (Dodd 1976, Warwick 1994).

I measure both opposition ideological diversity and parliament ideological diversity in the same manner. However, because Woldendrop, Keman, and Budge (2000) only identify governments I need to use other sources to identify parties out of government and parties in parliament as a whole. I use Mackie and Rose (1988), Facts on File (1989; 1995), and Budge et al. (2001) to identify the remaining parties in parliament and opposition.

Finally I argued that ideological complexity the interaction between the number of parties and the diversity of government. To account for this I introduce an interaction term, two party diversity. Two party diversity is measured by creating a dummy variable for a two-party coalition government and multiplying it by its government ideological diversity score. The interactive term controls for ideological diversity among all two party governments. This measure allows me test the coalition bargaining hypotheses put forward above. I could create similar measures for every possible coalition size but given that bargaining is most likely under two party coalitions I only use this measure. Below are specific hypotheses about each measure.

Government Ideological Diversity: The greater the diversity of government the lower the removal costs: *As government ideological diversity increases policy choices decrease.*

Opposition Ideological Diversity: The greater the diversity of the opposition the higher the costs of removal: *As opposition ideological diversity increase foreign policy choices increase.*

Parliament Ideological Diversity: The greater the diversity of parliament the lower the costs of removal. *As parliament ideological diversity increases foreign policy choices decrease.*

Two Party Diversity: The more diverse a two party government, the higher the removal costs. *As two party diversity increases foreign policy choices increase.*

Political Orientation of Government

Unlike typical government failure models I argue that the political orientation should also affect removal costs given the perception of parties and foreign policy performance. I measure political orientation of the government by using the variables **Right** and **Left.** I use the weighted average, by parliamentary seats, of the parties in government as determined by the party manifesto scores, to determine the orientation of the government. Because the scale runs from –100 to 100 with a negative numbers indicating a left orientation and a positive number a more right orientation, I code any government with a score of 20 or greater as a right government 0 otherwise. Similarly, I code any government with a score less than –20 as a left government. I assume that governments with a score between –20 and 20 are centrist governments. I also create two similar measures that describe the orientations of the opposition: **Right Opposition** and **Left Opposition.** Below are specific hypotheses about each measure and the flexibility of policy choice.

Right: Because right governments are perceived as more hawkish, conflict policy choices should have less of an effect on their removal. *Right governments should have a more foreign policy options.*

Left: Left governments, conversely, are perceived as more dovish. Conflict policy choices should have a greater affect on these governments. *Left governments should have fewer policy options.*

Right Opposition: Right oppositions should have a similar effect as right governments.

Left Opposition: Left oppositions should have a similar effect as left governments.

Government Structure

Government structures are general properties that emerge from the political system. Five measures are used to control for government structure: CIEP Remainder, Majority Status, Single Party Majority, Single Party Minority and Returnability

Time is measured by the variable **CIEP Remainder**. It is a count variable of the months remaining until the next mandated election. **Majority** indicates whether the government controls a majority of parliament or not. It is the number of seats in parliament controlled by the party (ies) in government divided by the total number of seats in parliament. If this number exceeds .50, I code this as a majority and 0 otherwise.

However, I create two dummy variables for single party governments: single party majority and single party minority. I do this in order to capture the different structural affects that each of these single party government types face in parliament. Given that ideological diversity of the opposition should most greatly affect minority governments in retaining power, I also create an interactive term of single party minority governments multiplied by the ideological diversity score of the opposition.

Returnability: Returnability measures the probability of a party in government returning to the next government. I use a three government moving average of the

number of parties in government that returned in the next government. The specific hypotheses are:

CIEP Remainder: The closer a government is, in time, to the next the election the lower the opportunity costs. Concurrently, removal costs decline. *As the next election becomes closer, foreign policy options should decrease.*

Majority: Majority governments are harder to remove than minority governments. *Majority governments should have greater foreign policy options than minority governments.*

Single Party Majority: Single party majority governments are ideologically unified and control parliament and hence are the hardest governments to remove. *Single party majority governments should have greater foreign policy options than all other governments.*

Single Party Minority: Single party minority governments should be the easiest to remove, hence they should have the fewest policy options. However, this depends on the how easy it is for the opposition to agree on removal. *Hence, as opposition diversity increases in conjunction with a single party minority government, foreign policy options should increase.*

Returnability: As returnability increases the costs of removal decrease. *Therefore as returnability increase foreign policy options decrease.*

Table 2-1 summarizes the above measures and hypotheses:

Table 2-1 Summary of Parliament Measures and Hypotheses

	Measures	Hypothesized Degree of Policy Options
Ideological Diversity	Government Ideological Diversity	Decrease
	Opposition Ideological Diversity	Increase
	Parliament Ideological Diversity	Decrease
	Two Party Diversity	Increase
Political Orientation	Right	Increase
	Left	Decrease
	Right Opposition	Increase
	Left Opposition	Decrease
Structural	Single Party Majority	Increase
	Single Party Minority	Decrease
	Minority*Oppositi on Diversity	Increase
	Government Majority	Increase
	CIEP remainder	Decrease
	Returnability	Decrease

In the next three chapters, I consider three different aspects of conflict related to foreign policy the beginning, the middle, and the end of disputes. Specifically I focus on onset, escalation and duration of disputes. Chapter three examines how variation in removal costs affects decisions to initiate disputes as well as the likelihood of being a target of a dispute. Chapter four explores decision making once the dispute begins. This chapter specifically focuses on the decision of a government to escalate a dispute to

violence or not. Chapter five concludes the analysis of the relationship between removal costs and foreign policy making by examining how they affect both the duration and outcome of disputes.

Throughout the next three chapters, I use the same model to test my theory and the more specific hypotheses about each decision process. The specific governments under investigation are described in the appendix. I discuss the methods I use to test my hypotheses and the international or systemic data used in each chapter separately within the context of each chapter.

Chapter 3

Onset, Initiation and Targeting in Disputes

The empirical analysis in this chapter focuses on how costs of government removal affect the onset of dispute involvement. I divide dispute involvement into two parts: initiator and target. In regards to decisions by parliamentary governments on whether to initiate an interstate disputes, I focus on how removal costs limit policy options which constrains some governments from starting disputes. This is consistent with the broader institutional constraints and initiation literature that has emerged from democratic peace studies (Bueno de Mesquita and Lalman 1992, Morgan and Campbell 1991, Siverson 1995)

But that only examines half the question of dispute onset. Do the costs of removal also affect the likelihood of a government being targeted? In regards to whether a government is targeted, I extend the model to capture how these same removal costs that limit policy choices also affect the perception of opposing leaders in the international system. Specifically the analysis considers how removal costs effect the perception of resolve in the international and recent work tying resolve to dispute onset (Gelpi and Grieco 2001). If differences among democratic states really affect foreign policy behavior, then the likelihood of parliamentary governments becoming involved in a dispute should vary according to these costs rather than being consistent across all parliamentary governments

This chapter proceeds in three parts. First, I briefly review the literature on war and dispute onset. Next, I incorporate the theory of government removal costs and policy choice into a combined model of initiation and targeting focusing on the role of constraints and resolve respectively. Third, I derive testable hypotheses and describe the

data and the research design. I then present the analysis of dispute onset and removal costs and conclude with a discussion of the results.

Why do states either initiate or become involved in a dispute?

One of the oldest problems in international relations is the onset of war. Explanations of why wars and disputes start range from systemic theories about differences in power and capabilities and the subsequent changes in them (Dornan 1983; Goldstein 1987; Kim 1992; Moldelski and Benedict 1974; Organski and Kugler 1980) to theories about leaders who either want to divert attention from domestic turmoil or who cannot prevent logrolling of key bureaucracies that see war as a means to other ends (Dassel and Reinhardt 1999; Miller 1995; Smith 1998; Snyder 1994; Wilkenfeld 1968).

Another related set of explanations relies on the idea of perceptions or the mis-perception of capabilities and resolve for fighting (Fearon 1995, Jervis 1976, Powell 1990). These theories suggest that wars begin because states cannot agree on the relative capabilities of themselves and other states, lack the information and knowledge about states, or purposefully misrepresent their war fighting abilities to appear more powerful. These theories assume that leaders know a lot about their own countries' ability to fight, but whether due to mis-representation or lack of information, they know very little or have the wrong information about other states. Thus, when two states become involved in a dispute both may think they can win while in reality only one can.

By implication if states had perfect information, wars and disputes would never occur. Powell (1993) explains this phenomenon in a game theoretic analysis and shows that if states were rational and had complete information war would be obsolete. Yet military force is still used, and wars exist. Below I discuss two theories, one discussing

how the domestic political system affects the initiation of disputes and the other examining why certain political features make some states more likely to be targets. I bridge them together using my model of opportunity and transaction costs and discuss how they affect information in the international bargaining game.

Democracy, Institutions and Selection

The idea of selection effect offers the basis for one explanation of why democracies initiate the wars they do (Downs, Rocke, and Barsoom 1996; Gartner and Siverson 1996; Reiter and Stam 2002). Selection effects results from choices leaders make. War, for example, is not a random or accidental occurrence. Rather, leaders select themselves into some wars but out of other wars. Applying this idea to regime type, institutional theories argue that democratic states only select themselves into wars that they can win. Democracies only initiate sure things. Reiter and Stam (2002), who focus on this aspect of democratic war behavior, argue that the political system allows democracies to win the disputes they start. Because of institutionalized executive replacement and accountability to the electorate, democratic leaders avoid risky wars whenever possible. Risk means not only the likelihood of the state winning the dispute, but also the likelihood of the leader staying in office. Given this direct accountability, at least at select times, to the population at large, leaders will avoid initiating wars that they perceive as either lost causes or those whose domestic costs are too high to pay.

While the selection effects argument goes a long way toward explaining why democratic states initiate only certain wars and disputes and win the wars they start, it says little about why democratic states are still frequently the targets of disputes. Democracies should be targeted less often given they tend to win the wars they fight.

The empirical record, however, does not appear to substantiate this argument. Rousseau, Gelpi, Reiter, and Huth (1996) point out that democracies are 20 percent more likely to be the targets of militarized disputes than non-democratic states. Bueno de Mesquita and Lalman (1992) argue that because democratic leaders face higher domestic political costs for the use of force than does an autocrat, states may perceive democracies as easier targets. Schweller (1992) and others have suggested that democracies are more prone to war-weariness. Because democracies are more sensitive to casualties (Mueller1973, Siverson 1995), they should avoid fighting as much as possible if not all together.

Gelpi and Grieco (2001) offer another explanation for the targeting of democracies by other states in the international system. They contend that international reputations and resolve are attached not only to states, but also to individual leaders. Rather than linking democracies as targets solely to institutions, they locate their explanation in the behavior of leaders in the international system. They move the explanation of why democracies are targets from one based on institutions to one linked to behavior in the international system. Resolve conveys information about willingness and commitment to a given issue. Building from Huth (1997) they argue:

> A potential attacker may base an estimate of the resolve of a potential target on calculations regarding: 1) the importance the potential target assigns to protecting military as opposed to non-military values; 2) the level of interdependence the target assigns to different commitments; 3) the level of risk-acceptance the target exhibits in the face of challenges; and 4) the capacity of the target to develop and maintain a coalition at home and abroad during militarized conflicts (2000).

According to their argument, leaders develop these reputations through real world behavior. Therefore, resolve largely depends on experience in office. They find that inexperienced leaders, especially among democracies, tend to "attract trouble." As a result, leadership experience and subsequently leadership tenure provide the important

links to determining which leaders most likely will initiate a dispute and which leaders are most vulnerable to attack. Furthermore, they argue that once leader tenure is accounted for, the effect of democracy on becoming a target disappears.

To summarize, democracies initiate disputes they can win because losing a war means loss of office. Democracies become targets of disputes when leaders are new to office and have yet to establish their reputation and resolve and that resolve does not necessarily depend on regime type but rather is dependent on leadership tenure.

In terms of perceptions and bargaining, democratic governments initiate disputes, and subsequently win them more often because their political systems provide better information in terms of both an open free press and the frequent discussion of policy options in and out of government (Fearon 1994; Schultz 2001). Democratic leaders have a better idea of knowing their true probability of losing office at any given moment, which aids in their decision-making. The institutional setting allows for more policy inputs as well as makes the probable consequences of decisions known ex-ante.

When democracies initiate conflicts, they can transmit information to the opposing state given the openness of democratic regimes (Schultz 2001; Siegel 1997). States should have less ambiguity about the resolve of a democratic government and its willingness to wage war. Conversely, according to Gelpi and Grieco, democracies become targets either because opposing states perceive them as having comparatively fewer capabilities or they have less resolve due to a lack of experience in international affairs. The mis-perception in this case does not necessarily stem from lack of capabilities but from less experience and resolve.

These two ideas about the initiation of conflict and the targeting of states may appear unrelated since one argument focuses squarely on the role of institutions in the

decision making process, while the other is grounded in leadership experience and the time in office regardless of regime type. Below I reintroduce the costs of removal and incorporate the two arguments above into a more cohesive framework of initiation and targeting.

Initiators, Targets and Removal Costs

The model argues that within parliamentary governments parties face costs to alter the existing governments. The costs include opportunity and transaction costs. Opportunity costs relate to the potential loss of policy and private benefits that parties derive from holding office. Transaction costs may increase when leaders instigate or take part in a government change. Combined, these costs determine the ease or difficulty of removing a government. In addition, I argue that these costs have policy implication because policy eventually perceived as bad policy has a greater impact on the removal of a government with lower opportunity and transaction costs, than on a government with higher costs. In addition, because violent foreign policy can quickly become bad policy, governments with higher transaction costs should have more flexibility in their foreign policy endeavors. Because removing these governments from office is more difficult, they have greater freedom to do what they want at least compared to governments with lower costs of removal.

Reiter and Stam (2002) have made similar arguments about democracies in general. They argue that as the likelihood or ease with which removal increases, leaders become less and less risky in terms of foreign policy behavior. According to a basic tenet of the institutional constraints argument found in the democratic peace literature, democracies start fewer wars because they have more constraints compared than

autocracies (Rummel 1983). Among democracies, I expect that governments that are easier to remove will be constrained from choosing policies of initiation. Conversely, governments with higher costs of the removal will have more policy options available to them including initiating interstate disputes. Thus, I hypothesize: *Governments with high removal costs will more likely initiate disputes than will governments with lower removal costs.*

Does the above hypothesis also hold true for parliamentary governments when they are targets of international disputes? Grieco and Gelpi argue that leaders with less experience or less time in office tend to be the targets of international disputes. Leader's reputations for resolve derive from their actions in office; these actions do not occur all at once but rather happen over time. As a result, experienced leaders gradually accrue greater and greater resolve. Because this accrual largely depends on time, time in office becomes their crucial explanatory variable.

The theory of removal costs that I use comes directly from the government survival literature. One of the critical factors in determining these costs is time until the next election (Lupia and Strom 1995). Given that theories of government failure explicitly account for time, they are easily adaptable to other theories about the role of time in office. I make two assumptions that explain the links between dispute onset and time in office. First, time in office lowers removal costs because as the next election grows near the benefits of office wane and government removal costs become easier. Time constrains dispute involvement, especially initiation. Governments, therefore, tend to initiate fewer disputes as the next election grows near[14].

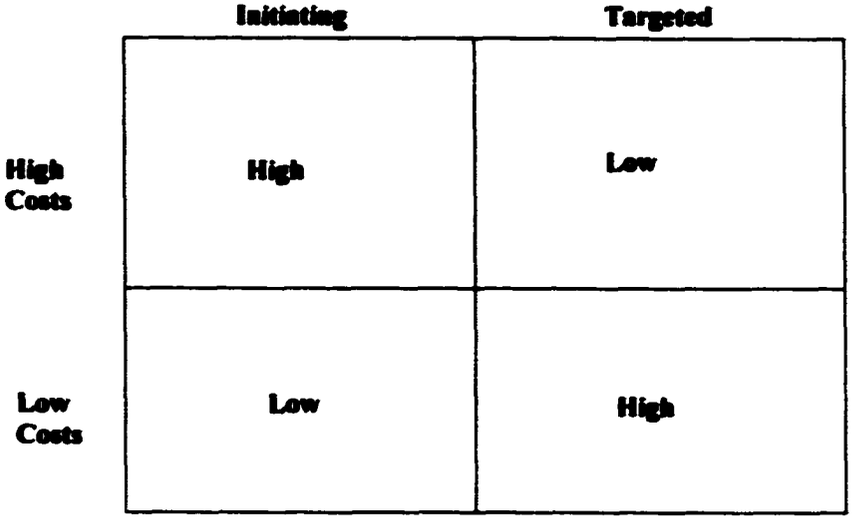
[14] This, of course, is what Gasiorowski, (1991) Zeller (1997) and others suggest.

The second assumption derives from the idea that governments with lower removal costs also have tenures of shorter duration, which means they have fewer opportunities to use foreign policy tools. Additionally, I argued above that these removal costs translate to a limiting of potentially costly foreign policy choices by the government in power. Because these governments have shorter tenures, and fewer opportunities in office and because they are unable to choose aggressive foreign policies these governments are unable to accumulate international reputations and subsequently resolve. Rather, they become the targets of international disputes given opposing states seem them as weak. A second hypothesis is: *As removal costs decrease, governments are more likely to become the targets of international disputes.*

While all of that is well and good, how do theories of institutional constraints and initiation mesh with a theory of reputational effects that derives from leadership tenure and international behavior independent of regime type? Gelpi and Grieco ground their theory in time in office, while Reiter and Stam, and others tie their understanding to institutional constraints. Above I argued that higher removal costs and fewer constraints wield a similar impact, at least among parliamentary governments. Second, I suggested that governments facing lower removal cost have leaders with shorter tenures--meaning the leaders will have fewer opportunities to generate reputations of resolve. Because higher opportunity costs make initiation more likely, leaders of these governments should build reputations more quickly and therefore appear more resolved in the international system. Conversely, governments that face lower costs also tend to initiate disputes, further inhibiting their opportunities to establish reputations of resolve in the international system. Figure 3-1 summarizes this relationship. In general, governments that face high

costs of removal initiate more disputes and are less likely to be targets. The opposite holds true for governments with a low removal costs.

Figure 3-1: The Likelihood of Becoming Involved in a Dispute: by Action and Removal Costs



Gelpi and Grieco's results about the role of democracy in conjunction with leadership tenure may depend on their data and research design. Leadership durations in democracies largely stem from institutional structures such as party systems, electoral laws, and the like. Lumping democracies together cancels out these effects. Gelpi and Grieco assume that all democratic systems are the same and that leadership tenure is exogenous to the institutions that determine it. These assumptions miss the causal mechanism. Below I explicate the research design, the specific hypotheses, and the analysis.

Research Design

To test the relationship of removal costs to dispute onset I use a Generalized Estimating Equation (GEE) model rather than the standard logit or probit model. The GEE has advantages over the more standard methods of categorical analysis. I described the data in appendix A. It consists of 18 states that had parliamentary democracy between 1945 and 1992 (see appendix B for a complete list of countries and years). The data are grouped cross-sectional time series. The unit of analysis is the government month, with each individual government forming a separate group. This means that the unit of analysis, the government month, is not independent but correlated among each government. To correct for this correlation, I use a population averaged model and robust standard errors (Zorn 2001).[15] Overall, I employ three separate models. In the first model the dependent variable is *initiation*. Initiation occurs when a parliamentary government makes a threat, displays force or uses force against another state. The dependent variable of the second model is whether the government was a *target*. Targeting occurs when a government is on the receiving end of a threat to use force, a display of force or the actually use of force. In other words initiating is when the parliamentary government instigates a dispute and targeting is when the government is on the receiving end of a demand. I compare these models to a model of dispute onset, with the dependent variable *dispute involvement*. Dispute involvement is the combination of whether a government either initiated a dispute or was threatened by a state in the international system. This strategy helps to sort out whether the factors that lead to initiation or targeting should be studied separately or jointly (Palmer, London, and Regan

[15] I considered using a bivariate probit model as opposed to two separate logit or probit models. The reasoning was that the factors related to initiation should also be related to the likelihood of being a target. However the combined log-likelihood of the two models was virtually identical to the bivariate probit model indicating that there was no advantage to the combined model. Thus, I used the more easily interpreted single equation logit models.

2001). I also include a dummy variable indicating whether the government's state was a major power at the time because I expect that major powers tend to become involved in more disputes regardless of government variation[16]. This measure comes from the Militarized Interstate Dispute (MID) data and was generated with EUgene (Bennett and Stam 2001).

The measures related to opportunity and transaction costs fall into three categories: (1) ideological complexity, (2) political orientation, and (3) structure (see chapter 2). Below, table 3-1 summarizes the specific hypotheses related to the initiation and targeting of governments in a dispute. These hypotheses are derived from both the previous chapter's hypotheses of the measures of government removal and policy choice and the two general hypotheses proposed above. Column 2 presents the expected directions of each variable in regards to initiation and Column 3 the expected direction in regards to targeting.

[16] Being a major power provides opportunity to become involved in disputes beyond their geographic borders (Bremer 1992).

Table 3-1 Predicted Directions of Government Measures and Dispute Onset

	Measures	Hypothesized Direction Initiation	Hypothesized Direction Target
Ideological Diversity	Government Ideological Diversity	Decrease	Increase
	Opposition Ideological Diversity	Increase	Decrease
	Parliament Ideological Diversity	Decrease	Increase
	Two Party Diversity	Increase	Decrease
Political Orientation	Right	Increase	Decrease
	Left	Decrease	Increase
	Right Opposition	Increase	Decrease
	Left Opposition	Decrease	Increase
Structural	Single Party Majority	Increase	Decrease
	Single Party Minority	Decrease	Increase
	Minority*Opposition Diversity	Increase	Decrease
	Government Majority	Increase	Decrease
	CIEP remainder	Decrease	Increase
	Returnability	Decrease	Increase

Results

Table 3-2 shows the results of the three models. In model 1 the dependent variable is whether the state entered into a dispute in a given month, as either the initiator or the target. Theories that focus on the bargaining aspect of disputes and wars often pay little attention to who the initiator was versus who was the target. They assume that conflict is an extension of politics and essentially another form of negotiation between governments (Fearon1994, Goemans 2001, Morrow 1986). As Palmer, London and Regan (2001) state:

> We assume that bargaining between states over conflict of interest precedes militarized disputes. If bargaining does not resolve the issues at the level of normal interstate interactions, militarized actions may be initiated... In other words, from this perspective, which state initiates force in a dispute matters very little (2001:10).

These theories often assume that because one side made the demand and the other countered both are willing participants. While this assumption may be appropriate for war studies, the data related to disputes allow for differences in behavior. Although in a war both states eventually use the same level of violence, among disputes the degree of violence varies. According to the MID data, the level of violence used by each state in a dispute has a correlation of only .36. This result means that in about two-thirds of all MIDS one state used more force than the other state.

Dispute Onset

Table 3-2 presents the three models of dispute onset. The first model provides a baseline with which to compare the second and third models, which focus on the government as initiator and the government as target. Taken together, all of the ideological diversity variables are significant, but only half of the political orientation and

structural variables are significant. This result may help explain why other studies that focus solely on structure often find that it wields an insignificant or only limited impact on the occurrence of disputes. The political outcomes that emerge from various structures are more important to policy making than structures themselves, especially in democratic forms of government. I now briefly turn to each of the classes of variables and examine their individual impact on dispute onset.

Table 3-2. GEE Analysis of the Initiation of MIDs, 1946 -1992

	Variables	Dispute Onset Model 1	Government Initiator Model 2	Government Target Model 3
Ideological Diversity	Government Ideological Division	.028** (.012)	.014 (.017)	.035** (.013)
	Opposition Ideological Division	.022** (.008)	.016 (.011)	.024** (.009)
	Parliament Ideological Division	-.032** (.012)	-.040* (.016)	-.025* (.013)
	Two Party Government X Ideological Division	-.029* (.015)	-.016 (.020)	-.037* (.019)
Political Orientation	Right	.292* (.169)	.287 (.237)	.250 (.201)
	Left	-.266 (.209)	-.677* (.301)	-.039 (.249)
	Right Opposition	.067 (.258)	-.017 (.352)	-.310 (.309)
	Left Opposition	.401* (.230)	.808* (.322)	.205 (.271)
Structural	Single Party Majority	.374 (.374)	.128 (.368)	.467 (.319)
	Single Party Minority	1.214* (.584)	2.08** (.843)	.829 (.683)
	Minority*Opposition Ideological Diversity	-.091* (.040)	-.177** (.073)	-.061 (.042)
	Government Majority	.317 (.336)	.618 (.530)	.167 (.385)
	CIEP remainder	.003 (.004)	.002 (.006)	.004 (.005)
	Returnability	-.342* (.203)	-.205 (.284)	-.387* (.239)
	Major Power	1.463** (.219)	1.36** (.303)	1.45** (.260)
	Constant	-3.67** (.461)	-4.59** (.695)	-4.26** (.542)
	Chi2	110.45	58.43	76.70
	EPRE[17]	3.74%	1.41%	2.35%
	N=	8425	8425	8425

Top numbers are GEE-probit coefficients. The numbers in parentheses are robust standard errors. *p<.05; **p<.01. All sig. tests one-tailed.

[17] EPRE is the expected Proportional Reduction in Error (PRE). Herron argues that this is a better estimate of goodness of fit than the standard PRE because it controls for potential bias introduced into the measure due to uncertainty. See Herron, 2001

I first consider the four ideological diversity variables related to government, opposition and parliamentary diversity. All coefficients are in the expected direction. Divided governments and divided oppositions increase the likelihood of a government becoming involved in a dispute while a divided parliament reduces the likelihood of dispute involvement. The measure that controls for the two-party bargaining arrangement discussed in the previous chapter is significant and negative, indicating that these governments become involved in fewer disputes than other coalition structures.

In terms of the political orientation of parliament, both right government and left opposition are significant and positive, indicating that governments with these characteristics become involved in more disputes than either center or left governments and center or right oppositions. Half of the structural measures are statistically insignificant. The two minority government measures are significant. The single party minority government coefficient is positive and suggests that when one controls for the diversity of the opposition single party governments are likely to become involved in disputes when compared to coalition and majority governments. Related then is the interactive term of minority government and opposition diversity, which is negative and significant. Neither of the majority government measures is significant; there is little difference in terms of parliamentary control as to whether a government becomes involved in a dispute.

The measure of returnability is negative, which implies that governments entrenched in party systems in which the same parties have a good chance of being in the next government are less likely to be involved in disputes. In terms of the transaction costs argument, I expect this outcome given that high returnability is indicative of lower removal costs.

Dispute Initiation

I now consider dispute initiation. The dependent variable is whether the government initiated a dispute or not. In looking at the larger picture, only five of the 14 variables are significant. Only one diversity measure is significant, the parliamentary diversity measure. It is still in the expected direction but none of the other factors is significant.

Turning to the orientation measures, while right government is no longer significant, left government becomes highly significant and in the expected direction. If disputes are more costly to left government, then they are unlikely to initiate any disputes. Left opposition again is significant and positive. Governments of the right and center are likely to face left oppositions. This implies that left oppositions pose less of a threat to government removal because they tend to be viewed as either more dovish or less accomplished in foreign policy than the governments in power.

Among the structural measures, only those measures related to minority governments are significant and in the same direction. When one controls for the diversity of the opposition, single party minority governments face higher removal costs allowing them to behave as if they were more unconstrained like their single party majority brethren. Again neither of the majority variables is significant, which is a little puzzling given that the harder it is to remove a government, the less constrained it should be in terms of foreign policy. Returnability is no longer significant; thus, the costs associated with party turnover do not necessarily enter into the calculus of dispute initiation.

Dispute Targeting

The third model examines the factors related to dispute targeting. In the model only the factors related to diversity are significant. All the other measures fail to reach any statistical significance except for the returnability measure, which controls for the probability of a party in government returning to power in the next government. Excluding two party coalitions, diversity increases the likelihood of being targeted. A government facing a diverse opposition is actually more likely to be targeted or at least respond to a threat. Parliamentary diversity is also negative and significant which runs contrary to the expectation. However, the measure related to two party governments is significant and in the expected direction. Two party governments are less likely to respond to threats as diversity increases.

How do the models stand up to the specific hypotheses? The measures related to government diversity in general are confirmed. Two party governments are unlikely to be targets of disputes while all other ideologically diverse coalitions are more likely to be targets. Unfortunately, neither measure is statistically significant in terms of initiation, suggesting that the decision related to dispute initiation may not be as closely tied to opportunity costs as one might think. The opposition measure actually was contrary to what I had expected. I expected that governments facing diverse oppositions would be harder to remove. I expected these governments to initiate more disputes and/or not respond to as many threats. Finally, the parliamentary diversity measure confirmed one hypothesis but demonstrated the opposite direction in regards to targeting.

The hypotheses about political orientation made specific predictions about certain types of governments initiating disputes and the targeting of certain types of governments. While there was no difference between right and center governments, left

governments were unlikely to initiate a dispute, which is generally consistent with the hypothesis. None of the orientation variables related to targeting were statistically significant, which means that opponents may not pay that much attention to the political orientation of parliamentary governments when making threats. Finally, with the exception of the minority government measures and returnability, none of the structural measures were significant. Thus, hypotheses about government and parliamentary structure are not confirmed.[18]

Conclusions

Disaggregating both dispute onset and governments appears as a fruitful way of examining international conflict. Comparing the onset model to the initiator and target shows how certain variables have a greater effect on one process over another. Taken together ideological diversity has a greater effect on government targeting while political orientation has a more dramatic effect on the initiation process. In addition, structural factors appear to have a larger effect on the initiation process than on the targeting process.

Theoretically, although the bargaining model may be appropriate to study dispute behavior once underway, it may be problematic when analyzing factors related to the onset of disputes. Concerning the constraints and resolve literature mixed results emerge. One problem is that unconstrained governments are just as likely to start disputes as not. This research design does not control for opportunity. Smith (1996) found no difference in whether or not unconstrained governments initiated disputes. According to this

[18] If one uses a standard logit model, most of the structural variables are significant and in the expected direction, which demonstrates the importance of using the proper methodology.

argument, governments with high removal costs tend to have less opportunity to initiate disputes while governments with low removal costs have the opportunity but perhaps lack the willingness given the precarious nature of the tenure. The effect of left governments on initiation reflects both opportunity and willingness. Even when opportunity exists, governments of the left are unwilling to initiate disputes given the possible effect it could have on removal in the long run.

What about the relationship between resolve and targeting? Both government measures were in the expected direction, but the measures of the opposition and parliament were in the opposite direction. Gelpi and Grieco argued that the leader's tenure was important. Perhaps the focus on the leader or governments is appropriate. Maybe opponents only have knowledge about leaders when deciding to target a parliamentary government and then learn more about the other costs of government removal after the dispute has begun. What about the effect of ideologically diverse parliaments? The coefficients between initiation and states as targets indicate that the effect of parliamentary diversity is greater on initiation considerations then on targeting decisions.

The role of the opposition on initiation and targeting presents the most confounding result. The combined model suggests that as opposition diversity increases, governments feel less constrained and will enter into more disputes. The disaggregated models show that this assumption only occurs when the government is the target. Perhaps targeted governments that face divided oppositions have more latitude to respond to threats. However, if this is the case, then what does that say about the other measures? That divided oppositions may represent a signal of weakness to opponents provides another explanation, which means that opposing states see governments with highly

divided oppositions as having less resolve and thereby as constituting easier targets. If the parliament has a united opposition, then opposing states may infer that these states have greater resolve and can generate higher audience costs. Targeting these governments hence becomes problematic. I examine the relationship of opportunity and transaction costs to audience costs in the next chapter.

To summarize, this chapter shows that the political make up of the parliament and government affect conflict initiation. Other studies may have found variation among parliamentary governments to have little effect on dispute behavior because they focused on the institutions themselves and not the institutional outcomes.[19] Studying both the factors that affect the decision to initiate a dispute as well as the factors related to why some governments are targeted and others are not is important. Finally, even if providing tentative generalizations, these results do suggest that the costs and likelihood of government removal do affect foreign policy, both in terms of domestic decision making and perceptions by governments in the international system.

[19] This is similar to studies in comparative politics, which find that institutional structures have little impact on democratic consolidation. However, when the focus is shifted to the outputs of those institutions, party system structure, legislative rules etc these become highly significant.

Chapter 4

Escalation or Settlement

Chapter 3 examines the decision to escalate a dispute rather than the onset of dispute involvement. What are the incentives or disincentives for leaders or governments in choosing to escalate a dispute, to maintain the status quo of hostilities, or to end the dispute? In order to answer this question I return to an idea introduced in the last chapter: the idea that a government's removal costs can affect signaling in the international system. Removal costs and the subsequent policies that a government implements make some governments appear as more likely targets of aggressive foreign policy than others. This chapter further explores the relationship of removal costs to signaling in the international system by focusing on audience costs. Specifically, this chapter examines whether the variation in removal costs among democratic governments ultimately generate different audience costs as well

This chapter proceeds in four parts. I first briefly review the literature related to escalation and discuss some of the shortcomings associated with this literature especially concerning how domestic institutions should affect escalation as well as the timing of escalation. Re-introducing the theory of removal costs and policy choice and comparing it to the audience costs literature developed by Fearon, I then generate hypotheses about the timing and decision of dispute escalation. I test these hypotheses with the government data describe in chapter two and the SHERFACS data set.[20]

[20] See the appendix for details of both the government data as well as the SHERFACS data

Escalation

Theories and research on escalation and crisis behavior abound (Fearon 1994, Huth and Russett 1984, 1988; Lebow 1981; Morgan 1990; Powell 1987, Reed 2000; Schelling 1966). Two perspectives emerge from this research, one that draws from behavioral theories of aggression and escalation and another centered on escalation as a means of bargaining and communicating intentions and resolve. Theories that focus on bargaining tend to be ground in realism and theories of rational choice. They examine the interaction of competing states to signal resolve just short of violence or to make threats that result in "the successful use of coercion" (Schelling 1960). These theories view the decision making process as one dominated by a single decision maker constrained only by the true amount of force he can bring to bear over the issue and by the behavior of the other state.

While we know a great deal about why escalation should occur and the outcome of escalation, especially in the study of deterrence, there is very little literature about when states will escalate or when it is more likely that leaders choose policies of escalation. At first glance this lack may seem trivial, but knowing when events will occur can be just as critical to knowing if they will occur. Think about a theory that could predict war. What if this theory could only predict if it was going to occur but could not say when the war was likely to occur. How useful is this information if you only know that at some point in the future a war was going to occur. Of course this is an extreme example but it makes the point that when things are likely to occur is just as important as if it is likely to occur. In addition often it is only when certain conditions obtain that events are likely to occur. What if the Bay of Pigs had occurred at the end of the Eisenhower administration or even at the end of the Kennedy administration? Would

either of the approval ratings of the respective leaders have gone up to 70% with an election looming in the near future? Would the US have failed to provide air support again? What if President Bush had decided to pursue Saddam Hussein in late October or early November, just prior to the mid-term elections? Would he have gotten the same support from Congress and the American public? Would the troops have been as effective on the battleground? What if the Argentine attack on the Falklands occurred closer to the end of Thatcher's first term? Would her response have been the same knowing that elections were right around the corner? Would she and the Conservative party been able to turn a slim hold on Parliament into a 61% majority? The timing of decisions to escalate can be crucial to success in the international arena as well as to the success of the politician and policy on the home front.

Much of this literature also fails to examine what the motives, constraints and effects that domestic politics may have on the decision to escalate a dispute. Instead, the literature tends to focus on military capabilities, bargaining and resolve. Although the literature is replete with both game theoretic models and empirical studies, most assume that decisions are made by a single rational leader constrained only by the capabilities of the state, and by the actions and resolve of the opponent. While some game theoretic models assume that "players" or states can be "resolute or irresolute" (Powell 1987), or "hard or soft," these distinctions are often assumed a priori or are not directly tied to the domestic structures of the state. In fact, very few studies actually examine how institutional structures within the state can affect the decision to escalate. The work of Fearon (1994) provides a notable exception to this trend as he examines the audience costs generated by democracies and non-democracies as critical to the decision to escalate and signal resolve.

By focusing on the costs associated with government survival, my model resembles the one put forth by Fearon. Whereas Fearon focus on democracies versus non-democracies, the idea that the greater the audience costs the more credible the signal of resolve should be applicable to variation within regime type as well. Thus, governments that face lower costs of removal should be less likely to bluff and therefore more credible in their commitment to escalate. This chapter builds on that argument by testing hypotheses related to the costs of removal (a type of audience cost) and the decision to escalate a dispute.

Removal Costs as Audience Costs

While most of the work on audience costs focuses on democracies and the electorate, there is another way to model these costs. Even though in parliamentary governments the true audience is the electorate, governments are also responsive to parliament. Their audience is the parliament, or more exactly, the ministers of parliament. Thus they need to maintain the support of a majority in parliament whether it be active support either through a majority coalition or passing a vote of investiture or tacit in that parties are unwilling to renegotiate the bargain of government. This necessity is especially true for all governments that are not composed of a single party that has a majority in parliament. Coalition and especially non-majority governments face the constant prospect of either replacement or parliamentary dissolution. As governments face higher opportunity and transaction costs, their ability to make a credible commitment decreases in comparison to governments that face lower opportunity and transaction costs.

The same factors above that increased the likelihood of states becoming involved in disputes should also make them less credible in their threats to escalate. Reed makes a similar argument with his "Unified Model of Onset and Escalation" (2000). He argues that while conflict onset and escalation are related processes the factors that lead to onset may affect escalation very differently: "Once a dispute starts, the process that generates escalation is different from that of onset" (92).

The remainder of this chapter empirically tests whether the model of opportunity and transaction costs is equivocal to Fearon's description of audience costs and if so how they affect the behavior of parliamentary governments on dispute escalation. Fearon's model links the structural characteristics of a state to its ability to communicate effectively its intention in the international arena.

Fearon's Model of Domestic Audience Costs

I focus on two assumptions that underlie Fearon's model of audience costs. First, international crises are public affairs played out in front of domestic and international audiences. Therefore, the costs imposed on leaders are immediate. Hence, leaders will seek to avoid foreign policy failures, especially given that leaders fear domestic costs and opposition more than their loss of international reputations.

Second, as agents, leaders act on behalf of principals. In democracies, voters are the principals; the agents are presidents and prime ministers. In non-democracies, principals can be high-ranking generals or they may be other supporters who have helped the dictator into office. In this case the principal agent relationship can fall apart since the dictator placed himself in office (Palmer and Partell 1999). The focus here, however,

is on democratic states, specifically parliamentary states. While Fearon considers principals in general to be the voters, parties in some ways act as intermediaries between the principal (the electorate) and the agent (the executive). In parliamentary systems voters rarely directly elect an individual executive. Rather they vote for parties that form governments and act as the executive. Because of the ability of parliaments to change government without holding elections, I consider the standing government the agent and the parties in parliament the principal.

Fearon makes two general arguments about foreign policy behavior in regard to audience costs. First, "While a high audience cost state may be reluctant to escalate a dispute... if it does choose to do so this is a relatively informative and credible signal of willingness to fight over the issue" (1994:585). In the context of variation among parliamentary governments and parties acting as principals rather than voters, I argue that governments subject to low removal costs, and therefore high audience costs, are less likely to back down in disputes than governments that have higher removal costs and lower opportunity costs. The easier the removal of a government, the less likely the government will back down from a threat. This leads to two hypotheses:

Hypothesis 1: As removal costs decrease, government threats will be more credible and more likely to settle short of escalation.

Hypothesis 2: As removal costs decrease governments, will be less likely to back down from threats.

The expectation is that disputes in which the democratic government is the target are more likely to escalate as government removal costs decrease. In addition, when the democratic government initiates the dispute and the costs of removal decrease, opponents should be more likely to yield. Finally, the length of time to either escalation or

termination should be shorter given that the government threat becomes more credible as removal costs decrease. Partell and Palmer (1999) examined this relationship and found support for the idea that targets with higher audience costs were less likely to yield. They also found support for the notion that targets were more likely to back down when they faced initiators with higher audience costs.

Fearon's second argument is that as audience costs diverge, the state with the lower audience cost has an incentive to back down while the state with the higher audience cost has an incentive to escalate. Again, I rework this argument to reflect variation among parliamentary regimes. Governments that face low removal (high audience) costs will pursue more escalatory strategies of crisis management than those with higher removal costs. This outcome is contingent, however, on the audience costs of the opposing state. If both opponents have the same audience costs, then the risk of war should be independent of the audience cost rate. If one state has high audience costs and the other lower costs then the state with the higher audience costs will be less likely to back down and more likely to escalate.

Hypothesis 3: As removal costs decrease, governments will be more likely to escalate disputes.

Here I expect that escalation will occur more quickly when the opponent has lower audience costs and the removal costs of the government decrease. Eyerman and Hart (1996) performed a similar test of Fearon's model also using the SHERFACS data set. In their study, they examined the frequency of crisis events or number of phases in relation to various measures of executive constraints and democracy that served as proxies for more direct measures of audience costs. Their results generally supported the claim that as audience costs increase between the two disputants the number of phases of

conflict decreases given that bargaining positions of states become more credible as audience costs increase.[21]

Research Design

The above hypotheses test not only for whether escalation occurs, but also for when escalation occurs. The timing of that escalation is just as important as to whether it occurs. In order to do test this proposition, I employ hazard analyses. The decision and timing of escalation signal a significant change in policy by the government. In addition, the ability to settle a dispute without escalating indicates a policy choice. By policy I mean the overall policy of conflict prosecution not the day-to-day decisions related to military prosecution. Time is also critical because, as I argued in chapter two, time in office affects the costs of government removal as well.

While most studies of conflict processes use data sets that have emerged from the Correlates of War (COW) project, the COW data and its variants pose problems for a research design that has expectation about not only whether certain events occur but also the timing of the events. Therefore, I employ the SHERFACS data set to test the hypotheses related to escalation. The SHERFACS data set uses the dispute phase as the unit of analysis. It disaggregates each dispute into different levels, or phases, of escalation, de-escalation and settlement (see appendix c).

[21] The above expectation runs contrary to the more traditional institutional constraints approach described in chapter one and developed in chapter three. Scholars often assume that to be constrained means to be risk averse. Chapter three demonstrated that governments that are easy to remove did tend to avoid becoming involved in disputes when possible. However, once involved in the dispute the fear of losing office forces low cost governments to fight harder and faster in hope of a quick victory. Therefore, these governments go quickly from being risk averse to risk acceptant. Similarly, Sense (1997) found that democracies and disputes involving democratic dyads were more likely to escalate than disputes involving other dyads, which also appears to go against the grain of institutional constraint theories.

The SHERFACS data disaggregates the dispute into periods of policy change and stability. The researcher can explore why state A decided to escalate or even terminate a dispute, instead of looking at the gross accumulation of data found in the COW and MID sets. Most importantly, it allows for the incorporation of the timing of events within a dispute, something that is very problematic with the COW and MID. I combine the SHERFACS data with my government attributes data to test the hypotheses related to government removal and audience costs.

Hazard analysis is the appropriate method because it allows me to test not only the occurrence of the above-mentioned policy changes but also the timing of those changes. In survival analysis, time is a critical element. As noted above, I am not only concerned whether party attributes affect decisions in general, but also more importantly, how they affect the timing of those decisions. In particular, I am concerned with how changes in opportunity and transaction costs affect decisions to escalate or settle conflict short of violence. Time to failure is measured as the time until either (1) a phase change occurs, which indicates a policy shift, or (2) until cabinet failure. Hazard analysis allows me to include governments involved in disputes but failing before any policy change occurs. This is what is referred to right censoring the data. Other methods of estimation would not allow me to include these governments, which would mean less information and therefore less reliable results. Also, hazard analysis allows me to include dispute phases that continue past the observation period, giving an even richer account of the escalation and settlement process.[22]

Ideally, I would use a competing risks model. However, the nature of the data makes that very difficult. While the SHERFACS categorizes disputes into phases, not all

[22] For a more detailed explanation of hazard analysis see appendix d.

phases can reach the same conclusion or end similarly. For example, phase four, which is a decline in hostilities after a conflict but with no settlement or negotiations, can escalate back to conflict but it cannot settle short of conflict. To correct this problem, at the conclusion of this chapter I compare two models with different dependent varaibles using the same independent variables to give a better overall picture.

Measures and Variables

There are two dependent variables within the analysis. One is the timing of a dispute settlement, in which the dispute never escalated. This when a dispute emerges between two states and the dispute is settled before the systematic use of violence by either side. I call this **Settlement**. The second is the timing of escalation of a dispute to violence.[23] I call this **Escalation**. Escalation occurs when the dispute goes from a level of no-violence or sporadic violence to one of systematic use of violence. Hypothesis one states that as removal costs decrease, threats made by governments will be seen as more credible and opposing states will be less likely to back down. Conversely, I expect that disputes in which the democratic government is the target will be more likely to escalate, or less likely to settle, as government removal costs decrease.

Hypothesis three stated that as removal costs decrease, governments will be more likely to escalate disputes especially in comparison to the audience costs of the opponent. While the above hypothesis concerns the monadic effect, I also consider how the removal costs faced by a government interact with the audience costs that the opposing

[23] In the SHERFACS data, escalation occurs when the level of violence between the two parties increases from the previous level. If the dispute starts with no violence and the next phase is either the sporadic use of force or the systematic use of force then I code it as escalation. Escalation also occurs when violence resumes after a cease-fire or break in the fighting. Settlement occurs where the dispute began as either a threat or show of force but never escalated to violence. Hence the dispute was settled without the use of force. This does not mean that force was not threatened however.

government faces. When governments face other democratic governments, I expect that removal costs should have less effect on decisions either to escalate or settle disputes, an observation which is in line with Fearon's argument. However, when governments face non-democratic states that have lower audience costs, I expect the variation in costs among parliamentary governments to have an effect on decisions to escalate and settle disputes.

Because the government is now involved in a dispute I also control for various aspects of the relationship between the two states. I label this as the dyadic category. Specifically I control for the **Balance of Forces, Alliance, S** (foreign policy affinity), **Contiguity, Target,** and **Democratic Opponent.**

Balance of Forces is the ratio of the parliamentary governments Correlates of War index of national capabilities, or CINC, score divided by the opposing state's CINC score. A number greater than one indicates that the parliamentary government's state is more powerful than the opposing state. Alliance measures whether there exists a formal alliance between the two disputants. This is a dummy variable where 1 indicates an alliance between the two states and 0 otherwise. S, which replaces Bueno de Mesquita's Tau, measures how similar the total alliance portfolios of the two states are. Contiguity is also a dummy variable. It is coded as 1 if the two states are no either contiguous to one another or separated by no more than 12 miles of water. Target measures whether the parliamentary government was the target when the dispute began. It is coded 1 if the government was the target state and 0 otherwise. Finally, I use a dummy variable to indicate whether the opponent state was democratic. Democratic opponents are high audience cost opponents and non-democratic states are low audience cost opponents. In order to test these hypotheses I use the same government measures from chapter two and

incorporate them into the data. Table 4-1 summarizes the expected relationships of the variables in regards to escalation as well as settlement. The expected directions of the measures are complimentary. The same factors that lead to settlement when a government initiates a dispute are unlikely to lead to settlement when the government is the target. This suggests that the same factors that make settlement less likely should also make escalation more likely. The dispute data come from the SHERFACS data and are limited to the phases and the outcome of those phases as well as the initiator of the dispute. All other dyadic data are drawn from the Correlates of War project and its variants and were generated using EUgene (Bennett and Stam 2000).

Table 4-1: Hypotheses for the Probability of Dispute Escalation and Settlement

	Variables	Settlement		Escalation
		Initiate	Target	Non-Democratic Opposing State
Ideological Diversity	Government Ideological Division	Increase	Decrease	Increase
	Opposition Ideological Division	Decrease	Initiate	Decrease
	Parliament Ideological Division	Increase	Decrease	Increase
	Two Party Government X Ideological Division	Decrease	Increase	Decrease
Political Orientation	Right	Decrease	Increase	Decrease
	Left	Increase	Decrease	Increase
	Right Opposition	Decrease	Increase	Decrease
	Left Opposition	Increase	Decrease	Increase
Structural	Single Party Majority	Decrease	Increase	Decrease
	Single Party Minority	Increase	Decrease	Increase
	Minority*Opposition Ideological Diversity	Decrease	Increase	Decrease
	Government Majority	Decrease	Increase	Decrease
	CIEP remainder	Decrease	Increase	Decrease
	Returnability	Increase	Decrease	Increase

Results

I first examine the impact of the opposing state's regime type and the initiator's identity on whether disputes escalate or settle short of violence. The above hypotheses place a strong emphasis on both who initiates the dispute and on the relationship between governments and the types of audience costs they face. Tables 4-1 through 4-4 show the cross-tabulations between the dependent variables and the two stated independent variables.

Table 4-2: Cross-tabulation of Settlement by Target's Regime Type

	Dispute Phase Outcome: Settlement			
Non-Parliamentary Government as Target		No	Yes	
	No	111	51	162
	Yes	209	59	268
		320	110	430

$\chi^2 = 4.75^*$

Table 4-3 Cross-tabulation of Escalation by Target's Regime Type

	Dispute Phase Outcome: Escalation			
Parliamentary Government as Target		No	Yes	
	No	135	27	162
	Yes	198	70	268
		333	97	430

$\chi^2 = 5.16^*$

Tables' 4-2 and 4-3 examine the relationships between parliamentary governments and whether they were the targets of disputes. Table 4-2 examines the relationship between the target's identity and whether a settlement occurred before escalation. The table indicates that a settlement was more likely to occur when the parliamentary government initiated the dispute than when the parliamentary government

was the target. Approximately one third of the time settlement occurred when the government initiated the dispute, while settlement occurred in approximately one fourth of the disputes in which the parliamentary government was the target.

Table 4-3 examines the relationship between a parliamentary government as the target and dispute escalation. Again, the dependent variable, this time escalation, corresponds with my general expectations about audience costs and escalation. Of the 97 disputes that escalate, three-fourths involved the parliamentary government as the target. Additionally, of the 268 disputes involving a parliamentary government as the target, almost one-quarter escalated. Finally, of the 162 disputes in which the non-parliamentary government was the target only about one-eighth escalated. These results are consistent with the audience costs literature. When parliamentary governments are initiators, disputes are much more likely to settle short of violence. On the other hand, when parliamentary governments are targets, disputes are more likely to escalate than when they initiate.

Table 4-4 Cross-tabulation of Escalation by Opponent's Regime Type

	Dispute Phase Outcome: Settlement		
Democratic Opponent	No	Yes	
No	188	42	230
Yes	132	68	200
	320	110	430

$\chi^2 = 13.92^{**}$

Table 4-5 Table 4-4 Cross-tabulation of Escalation by Opponent's Regime Type

	Dispute Phase Outcome: Escalate		
Democratic Opponent	No	Yes	
No	163	67	230
Yes	170	30	200
	333	97	430

$\chi^2 = 12.23^{**}$

Tables' 4-4 and 4-5 examine the relationship between the opponent's regime type and the two dependent variables. When the opponent is democratic, settlement occurs about one-third of the time. When the opposing state is not democratic, settlement occurs approximately one-sixth of the time. This result contradicts the work of Senese (1997) who suggests that democratic dyads are more likely to escalate disputes short of war than other types of dyads. Table 4-5, which examines the relationship between escalation and the opponent's regime type, shows that escalation is twice as likely to occur with a non-democratic opponent. A non-democratic opposing state is not democratic presents an almost 30 percent chance that escalation will occur. Conversely a democratic opposing state offers only a fifteen percent chance that escalation will occur. These results are consistent with the above hypotheses. States with divergent audience costs are more likely to see escalation than when both states are democratic. All of the relationships are significant at the .05 level or below.

The above tables do two things: first, the results illuminate the general relationship of different audience costs and foreign policy outcomes. Second, the results confirm previous work on the relationship of escalation to audience costs. This outcome gives me greater confidence in the statistical analysis that follows. However, the above

analysis does not examine the more specific questions of this research: do changes in opportunity and transaction costs resemble audience costs? How do they affect dispute escalation? To answer these questions I turn to the hazard analysis of escalation and settlement short of escalation.

Settlement

Do opportunity and transaction costs affect whether disputes settle short of escalation? Model 1 of Table 4-6 examines dyadic factors absent of any specific government measures that might lead to either speedy or delayed settlement. Only two of the six factors offer statistical significance. Contiguity is highly significant and in a negative direction. Contiguous states are approximately 55% less likely to reach a settlement than non-contiguous states. Given their proximity, these disputes are likely to be territorial and hence are harder to settle at the bargaining table. The other significant factor is the regime type of the opponent. When two democratic states are involved in a dispute, they are more likely to settle the dispute short of escalation and settle it more quickly. This observation would be consistent with the democratic peace proposition that democracies seldom, if ever, go to war with one another.

Table 4-6: Hazard Analysis of Settlement

	Variables	Dyadic Factors Model 1	Full model Model 2	Government Target Model 3	Government Initiated Model 4
Ideological Diversity	Government Ideological Division		-.020 (.027)	-.057 (.044)	.347* (.147)
	Opposition Ideological Division		-.011 (.015)	-.012 (.025)	-.315** (.099)
	Parliament Ideological Division		.029 (.027)	.092* (.050)	.362** (.106)
	Two Party Government X Ideological Division		-.010 (.032)	-.041 (.066)	-.348* (147)
Political Orientation	Right		-.323 (.731)	.286 (.954)	-9.87** (4.67)
	Left		.398 (.410)	.887 (.591)	-4.20* (2.13)
	Right Opposition		-.149 (.484)	-1.56* (.884)	3.91** (1.25)
	Left Opposition		-.266 (.411)	-1.34* (.666)	-4.74* (2.24)
Structural	Single Party Majority		.171 (.627)	-.330 (.965)	1.61 (2.39)
	Single Party Minority		-.047 (.912)	.177 (2.11)	12.80** (4.83)
	Minority*Opposition Ideological Diversity		-.021 (.060)	-.115 (.141)	-2.38 (170.45)
	Government Majority		-.916 (.613)	-1.37 (.884)	-1.57 (1.69)
	CIEP remainder		-.038** (.009)	-.059** (.015)	.001 (.041)
	Returnability		.274 (.348)	.202 (.521)	6.83** (2.36)
Dyadic	Balance of Forces	.000 (.000)	-.000 (.000)	.001 (.001)	-.001* (.000)
	Alliance	-.338 (.284)	.003 (.347)	.122 (.479)	1.78 (2.19)
	S (foreign policy affinity)	-.05 (.214)	-.310 (.283)	-.594 (.416)	-1.61* (1.26)
	Contiguity	-776 (.309)	-1.03** (.375)	-.994* (.593)	-353 (2.00)
	Democratic Opponent	.628 (.268)	.368 (.316)	.114 (.459)	7.94* (3.39)
	Target	.072 (.299)	.3756 (.269)		
	Constant	-3.01 (.335)	-2.54** (.850)	-1.63* (1.00)	-22.21** (7.40)
	Chi2	14.20	46.42**	35.78	44.79**
	N=	197	181	109	42

Top numbers are Hazard coefficients. The numbers in parentheses are standard errors. *p<.05; **p<.01 All sig. tests one-tailed.

Model 2 of Table 4-6 introduces the measures related to the parliaments and governments under investigation. As in the previous chapter, I have organized the models by category; ideological diversity, political orientation, and structural characteristics. Among all three overarching categories, only the CIEP remainder variable is significant. The hazard ratio is .96, which means that for every month further away from the next election for a given government, settlement is 4 percent less likely. The closer the government gets to the next mandated election, there is a 4% greater chance of dispute settlement short of violence. Only contiguity remains significant among the dyadic factors and it is still in the same direction but has a slightly larger effect on the likelihood of settlement. Yet settlement of disputes short of escalation occurs only when the democratic government initiates the dispute. Furthermore, differences in removal costs have an effect on settlement only under these conditions.

In order to examine how the decision to initiate a dispute interacts with the role of audience costs, I separate model 2 according to which state initiated the dispute. Model 3 examines disputes in which the parliamentary government was the target, while model 4 examines disputes where the parliamentary government was the initiator. I turn to model 3 first. Most of the variables are statistically insignificant, which is what I expected given that settlement is less likely overall with a democratic state as the target. Only one variable is in the direction towards an early settlement --the ideological diversity of parliament as a whole. In chapter 2, I argued that as parliamentary diversity increases, the costs of removal decline. While not entirely expected, the positive coefficient suggests that as parliamentary diversity increases, the likelihood of settlement also increases. This result is consistent with the increase in audience costs of the government

leading to a greater likelihood of settlement but unexpected given that the government was the target. CIEP remainder is again significant and in the expected direction. The effect has slightly increased from 4% to 6 %. Finally, both left and right opposition are significant and in the same direction. The effects are rather strong as well with each decreasing the risk of settlement by at least 70%. Oppositions unified around a political orientation are more likely to raise audience costs. Schultz argues that a competitive opposition can increase that credibility of a government's threat by what he refers to as the "confirmatory effect" He also argues "governments that face domestic competition are ... more likely to stand firm in the event of resistance"(2001:96). A left-leaning opposition leads to approximately a 74% decrease in the likelihood of settlement short of conflict. A government that faces a right leaning opposition reduces the likelihood of settlement by about 80%. Centrist and/or divided oppositions might not be perceived as organized and thus might not be seen as competitive vis a vis the government, thus reducing the credibility of the signal about resistance. Only contiguity is still close to achieving statistical significance at the .05 level and is still in the expected direction.

Model 4 in Table 4-6 considers disputes in which the parliamentary government has initiated the dispute. I expect that escalation is more likely to occur and that those factors that lower opportunity and transaction costs and subsequently raise audience costs should have an even greater effect on the probability of escalation. I turn to the dyadic factors first. Only two of the dyadic factors are significant, the balance of power and facing a democratic opponent. The regime type of the opponent has a large and positive effect on settlement. The hazard ratio is 2818.1. Substantively this result is almost impossible to interpret save to say that democracies settle disputes rather quickly. One might think that the time it takes democracies to settle a dispute would be longer given

the hypothesis put forth by Maoz and Russett about the slow deliberate nature of democracies (1993). Although the Maoz and Russett hypothesis is still possible, settlement tends to more quickly between democratic states. As stated above contiguity is no longer significant. Democracies favor policy over territory (Bueno de Mesquita et al. 1999), so I expect disputes initiated by parliamentary governments would involve land shared between states.

I now look at the factors related to government removal. Most of them present statistical significance in the expected directions. Taken together the measures related to party and partisan politics are significant while most of the structural variables remain statistically insignificant. I first examine the ideological diversity measures. According to the "gains from trade" argument that I made earlier and controlling for single party majority governments, more ideologically diverse two party governments should see less settlement given that they have lower audience costs and higher transaction costs. A two-party, highly diverse government, I argued, is more stable than a government comprised of two ideologically similar parties. Nevertheless, this advantage should decline quickly as more and more parties enter government. The ability to trade over important policies becomes harder as more and more parties want more and more policies. Thus, with large coalitions, more ideologically similar parties are necessary to sustain the government. Hence, coalitions with three or more parties should have higher audience costs and lower removal costs, meaning that settlement should be more likely short of violence. More divided oppositions should raise removal costs and thus lower audience costs, given the increased difficulty of uniting the opposition. Settlement is thus less likely. Ideologically diverse parliaments decrease government removal costs and hence raise audience costs, which should lead to clearer signaling and a greater incidence of

settlement. All four measures are significant and in the expected direction. Both diverse oppositions and diverse parliaments have the expected effect with a divided opposition reducing the risk of settlement while a diverse parliament increases the risk of settlement short of escalation. Once I control for single party and two-party governments, ideological divisions in government increase the likelihood of termination. Under this condition, opportunity and transaction costs decrease because of the problems of bargaining and policy trade as the number of parties increases.

The political orientation measures also have significant effects on the likelihood of settlement. Right governments are almost never likely to settle short of escalation. In chapter two I argued that dispute behavior is less risky for right governments given their perceived hawkishness. Therefore, dispute involvement does not change their removal costs. Interestingly, left governments also tend to avoid settlement. While not at the magnitude of right governments, they are still very unlikely to settle any dispute. One would think that given the audience costs literature and the idea that left government are more dovish, threats would appear as more credible. Perhaps opposing states do not see left governments credible, or maybe because left governments face domestic perceptions of dovishness, they are likely to escalate to overcome this perception.

What role does the opposition play? Governments with right oppositions are likely to settle disputes short of conflict. This outcome is entirely in line with Schulz's work on oppositions and audience costs. We would expect that a hawkish opposition in conjunction with a government threat would indeed lead to a much more credible signal of threat and to a quick settlement. On the other hand, left oppositions delay settlement. Perhaps left oppositions appear less credible in signaling and thus make escalation more

likely. On the other hand, they might push right governments into escalating a dispute so that they can change the opportunity costs of the existing government.

Now I turn to the structural features of government and parliament. Of the three variables related to single party government, only the measure of single party minority government is highly significant and in the expected direction. When a single party government initiates a dispute, it sends a strong signal about its domestic vulnerability. The measures of time and majority status are no longer significant, suggesting that other factors are more important when a government initiates disputes than the timing of the dispute vis a vis the election cycle. The final structural feature is returnability. An increase in returnability leads to an increase in the likelihood of removal.

Combined, the above results paint a coherent picture, suggesting that as opportunity and transaction costs of parliament and government decrease their ability to signal threats credibly increases, which is entirely consistent with the audience costs literature. Now that I have considered settlement short of escalation, I turn to how opportunity costs affect the risk of escalation among parliamentary governments.

Escalation

If disputes are not settled, what factors hasten or delay escalation? The audience costs literature suggests that one critical factor toward escalation is the congruence of regime types with similar audience costs. Fearon argues that if both states have similar audience costs, then any factors related to escalation become independent of the audience costs. However, he also states that as audience costs diverge, the likelihood of escalation increases (1994). I test these arguments by examining how variations within parliamentary governments generate different opportunity and transaction costs and how

these costs translate into different audience costs. I expect that governments that have high opportunity costs should escalate less than those that have low opportunity and transaction costs given the inverse relationship between opportunity costs and audience costs.

Table 4-7 presents models that analyze this relationship. Model 1 of table 4-7 again examines only the dyadic factors. The unit of analysis again is the dispute phase; however I exclude phases that cannot escalate. More specifically, I exclude any dispute in phase six, the settlement phase, because the SHERFACS does not allow escalation to occur once this phase has been reached. The results indicate that the dyadic factors affecting escalation are very similar to the results present in table 2 on settlement. Again, contiguity is significant, and this time is positively associated with escalation as opposed to the decreased risk of settlement found in model 1 of table 2. In addition, the variable controlling for the regime type of the opponent state is negative, indicating that democracies are less likely to escalate disputes between themselves, which fits well with the tendency for democracies to settle short of violence.

Table 4-7: Hazard Analysis of Escalation

	Variables	Dyadic Factors Model 1	Full Model Model 2	Opposing State Democratic Model 3	Opposing State Non-Democratic Model 4
Ideological Diversity	Government Ideological Division		-.049* (.027)	-.310* (.152)	-.067* (.034)
	Opposition Ideological Division		.024 (.017)	.195* (.108)	.043* (.021)
	Parliament Ideological Division		.013 (.029)	-.003 (.138)	.031 (.038)
	Two Party Government X Ideological Division		-.033 (.041)	-498 (488)	.014 (.055)
Political Orientation	Right		.662 (.580)	-.043 (2.96)	1.36* (.662)
	Left		.873* (.435)	.789 (1.68)	1.49** (.625)
	Right Opposition		-1.17* (.516)	-4.67 (3.25)	-2.07** (.588)
	Left Opposition		.128 (.447)	-2.16* (1.30)	.214 (.586)
Structural	Single Party Majority		-1.53** (.568)	-3.56 (2.38)	-1.77* (.723)
	Single Party Minority		-5.46** (2.24)	-262.5 (000)	-4.17 (2.71)
	Minority*Opposition Ideological Diversity		.192 (.123)	-12.89* (.198)	.188 (.159)
	Government Majority		-.623 (.674)	-2.00 (1.95)	-.290 (1.01)
	CIEP remainder		-.010 (.010)	-.011 (.030)	-.015 (.012)
	Returnability		-.438 (.366)	-.359 (1.02)	-.829* (.456)
Dyadic	Balance of Forces	.000 (.000)	-.001 (.001)	-.001 (.001)	-.035** (.011)
	Alliance	-.514 (.339)	.144 (.441)	-2.02 (1.52)	.380 (.592)
	S (foreign policy affinity)	.045 (.260)	-.115 (.320)	2.07* (1.24)	-.808* (.421)
	Contiguity	.496* (.240)	-1.10** (.323)	-1.02 (1.63)	2.10** (.466)
	Democratic Opponent	-.570* (.329)	-.822* (.377)		
	Target	.379 (.271)	.266 (.309)	3.61** 1.39	-.235 (.346)
	Constant	-3.39** (.367)	-2.25** (.923)	-2.82 (2.27)	-2.74* (1.30)
	Chi2	27.82**	57.32**	35.90**	52.93
	N=	251	233	87	146

Top numbers are Hazard coefficients. The numbers in parentheses are standard errors. *p<.05; **p<.01 All sig. tests one-tailed.

Model 2 in table 4-7 considers the full model of all of the parliamentary measures as well as the dyadic measures. I turn to these measures in three parts. I first examine the diversity measures, then the political orientation measures, and finally the structural measures. The diversity measures for the most part are not significant. Only the government ideological diversity measure is significant, and it decreases the risk of escalation as expected. However, neither the opposition measure nor the parliament measure is significant.

The political orientation measures do slightly better in regards to the hypotheses about escalation. The measures for left governments and right opposition are statistically significant. The right government measure, however, is not statistically significant. I expected this result. In chapter two I suggested that the removal costs of right governments are less affected by dispute behavior in comparison to left governments. The model suggests that left governments are more than twice as likely to escalate disputes. If left governments are indeed more vulnerable, this vulnerability translates into higher audience costs. Finally, right opposition is statistically significant and actually reduces the likelihood of escalation. The presence of a right opposition increases the likelihood of settlement short of conflict.

The structural variables are for the most part insignificant with the exception of the single party government measures. Both have a negative effect. While I expected this result from the single party majority measure, the coefficient of the minority variable is somewhat surprising. Minority governments are much more likely to settle disputes short of escalation, especially those that they initiated.

The dyadic variables remain consistent with model 1 with only slight changes in magnitude. The key here is the audience costs of the opponent. The audience costs literature suggests that one of the most important aspects is dissimilar audience costs between disputants. Models 3 and 4 consider both democratic and non-democratic opponents, respectively, in order to gauge the effects of dissimilar systems.

Model 3 of table 4-7 examines escalation when the opponent is a democratic state. Almost all of the coefficients, especially those that reach statistical significance, are negative, indicating a reduced risk of escalation. Only divided opposition and the interactive term between the opposition diversity and single party minority governments are positive. The measures related to single party minority governments represent only one case in the data: Denmark versus Iceland during the second Cod War. Thus, the results of this model are extremely tentative at best. One of these tentative conclusions is the opposition diversity measure whose sign is in the opposite direction of what I expected. I argue that diverse oppositions should make it harder to remove governments, which means that escalation is less likely. One possible explanation is that a divided opposition allows governments to act with more impunity towards democratic states. If audience costs are unlikely to matter in this scenario, then one explanation is the monadic explanation put forth in the last chapter that these governments are just less constrained. Democracies tend to settle disputes short of fighting. This model captures the effects of the various components of democratic institutions.

Among the dyadic variables, contiguity is no longer significant, which is consistent with the last section and the brief discussion about the types of disputes in which democracies are likely to become involved. The measure of foreign policy affinity, S (Signorinio and Ritter 1999), is again significant and positive. States with

similar foreign policy interests are likely to escalate disputes given that the states value the same thing. The audience costs literature stated that other factors should lead to increase in escalation between democracies. The positive association of S with increased escalation indicates this relationship. Somewhat more puzzling is that when the targeted government is a democracy the dispute will escalate more quickly. If audience costs between similar systems have no effect, then why does the measure indicating whether the initiating state was democratic or not have such an effect?

Model 4 of table 4-7 examines escalation when the opponent state is not democratic. I expect that escalation is more likely to occur given the differences in audience costs between the two states. As the costs of government removal decreases, the likelihood of escalation should increase even further. The ideological complexity measures should be such that increases in government diversity of large coalitions should lead to greater escalation and larger opposition diversity should lead to a lower risk of escalation because a divided opposition should also make removal of the existing government harder. The coefficient for government diversity is negative and significant, while the coefficient for opposition diversity is significant but in the opposite direction from what I expected.[24] Again, this result might be similar to the argument I made above. When opposition parties are unable to remove the government, then governments are less constrained to act. In addition, as the threat of government removal increases, governments become less inclined to use violence. While both of these theories are in line with the "government constraints" literature, they are not entirely consistent with the audience costs literature. The coefficient for parliamentary diversity, while in the

[24] I ran the same model with the two party government measure that was used in the previous model. The measure had no effect on the log-likelihood nor was it statistically significant. A possible interpretation is that audience costs are more effectively used when initiating only.

expected direction, is not significant. Finally, the two-party diversity measure is insignificant, which suggests that escalation is just as likely to occur as not. Because I expected only governments that faced lower removal costs to escalate, this finding is consistent with my assumption.

Three of the four measures of political orientation are significant as well. Interestingly, both coefficients measuring the effects of right and left governments are in the same direction and both are significant. While I expected the coefficient for left governments to be associated with a greater risk of escalation, I did not expect the same of the right government variable. I expected that the right government indicator would have little or no effect on escalation given my hypothesis that audience costs affect right governments less than left governments. While both are significant and positively associated with escalation, left governments are more likely to escalate a dispute than right governments when compared to governments that are more centrist. Perhaps governments more polarized, either to left or right of the political spectrum, face greater constraints in their policy options and thus have higher costs than centrist governments. Right oppositions, conversely, lead to a reduced likelihood of escalation. According to Schultz's argument about the role of oppositions, unified hawkish (right) oppositions make signaling stronger and thus lead to settlement before escalation can occur. Escalation is less likely to occur because these disputes are selected out of the possibility of escalation regardless of the opponent.

I now turn to the structural measures associated with the costs of government failure. Of the six structural variables, only returnability and single party majority are significant. Single party majority governments have a lower risk of escalation than do coalition governments, which is consistent with the audience costs literature.

Returnability also reduces the risk of escalation when facing a non-democratic opponent even though returnability is associated with lower removal costs. If lower removal costs resemble higher audience costs, then I expect that a government facing failure will experience more escalation.

Among the dyadic variables, balance, contiguity, and foreign policy similarity are all significant. Balance measures the power differences between the two states. As power disparity increases, the risk of escalation decreases. Contiguity again increases the likelihood of escalation, which reflects the tendency of non-democratic states to seek territory over policy. Finally, S, or foreign policy affinity, decreases the likelihood of escalation. This finding is the opposite of when the opponent was a democratic state which might be a reflection of preferences for what states' fight over, policy or territory.

Conclusions

So what does it all mean? In this chapter, I first explored how removal costs affect the likelihood of escalation. Second, I attempted to draw links between the theoretical underpinnings of government termination and those of the audience costs literature. In doing so I generated hypotheses based on Fearon's conception of audience costs and adapted them to a more nuanced look at differences among parliamentary democracies rather than just between regime types. I looked at disputes that settled short of escalation and those that did escalate to violence. While the fit was not perfect, the analysis did suggest measurable differences in audience costs within democratic systems. One way of capturing these costs is through the reformulation of opportunity and transaction costs associated with government survival.

One problem with this approach has been trying to separate the selection problem related to both outcomes. While the SHERFACS data actually allow for a testing of hypotheses related to the risk of escalation and settlement, the data structure, in terms of phases, also posed problems. Not all phases can escalate and not all phases can settle short of conflict.

I hypothesized that governments facing higher audience (lower opportunity) cost will see more disputes settled short of violence especially if they initiated the conflict. Governments with higher audience costs will tend to escalate disputes, especially when facing states with dissimilar types of political systems that generated lower audience costs. Table 4-8, below, displays how well the measures of removal costs stood up to the hypotheses related to audience costs. The two models are those that should have had the best fit with the hypotheses.

Table 4-8: Comparison of Hazard Analysis

	Variables	Government Initiated		Opposing State Non-Democratic	
		Hypothesized Direction	Model 1	Hypothesized Direction	Model 2
Ideological Diversity	Government Ideological Division	Increase	.347* (.147)	Increase	-.067* (.034)
	Opposition Ideological Division	Decrease	-.315** (.099)	Decrease	.043* (.021)
	Parliament Ideological Division	Increase	.362** (.106)	Increase	.031 (.038)
	Two Party Government X Ideological Division	Decrease	-.348* (147)	Decrease	.014 (.055)
Political Orientation	Right	Decrease	-9.87** (4.67)	Decrease	1.36* (.662)
	Left	Increase	-4.20* (2.13)	Increase	1.49** (.625)
	Right Opposition	Decrease	3.91** (1.25)	Decrease	-2.07** (.588)
	Left Opposition	Increase	-4.74* (2.24)	Increase	.214 (.586)
Structural	Single Party Majority	Decrease	1.61 (2.39)	Decrease	-1.77* (.723)
	Single Party Minority	Increase	12.80** (4.83)	Increase	-4.17 (2.71)
	Minority*Opposition Ideological Diversity	Decrease	-2.38 (170.45)	Decrease	.188 (.159)
	Government Majority	Decrease	-1.57 (1.69)	Decrease	-.290 (.1.01)
	CIEP remainder	Decrease	.001 (.041)	Decrease	-.015 (.012)
	Return ability	Increase	6.83** (2.36)	Increase	-.829* (.456)
Dyadic	Balance of Forces	Decrease	-.001* (.000)	Decrease	-.035** (.011)
	Alliance	Increase	1.78 (2.19)	Decrease	.380 (.592)
	S (foreign policy affinity)	Increase	-1.61* (1.26)	Decrease	-.808* (.421)
	Contiguity	Decrease	-353 (2.00)	Increase	2.10** (.466)
	Democratic Opponent	Increase	7.94* (3.39)		
	Target			Increase	-.235 (.346)

The first model is the government-initiated settlement model and the second model is the non-democratic opposition model. I focus only on the measures related to government and parliament. So how well do the models stand up? Look first at the initiation and settlement model; 9 of the 13 measures were statistically significant while having the predicted sign on 7 of 12 coefficients. One of the incorrect predictions was the measure of left government. However, when compared to the coefficient of right governments the measure becomes closer to what I expected. Thirteen measures of government and parliament have explanatory power. The majority of those are from the ideology and political orientation measures, not the structure measures. In the first model, only two variables are significant from the structural group, which is the same as in the second model.

In the escalation model 5 of the 7 ideological diversity and orientation variables reach statistical significance, with four of the six coefficients signed in the appropriate direction. Of the first two groups, opposition diversity and government diversity deviate from the model's expectation about escalation. If settlement fails perhaps constraints, or their absence, play a greater role than audience costs. Among the structural components, the coefficient of returnability is in the wrong direction. Returnability prevents escalation as well as settlement. Highly volatile systems that face constant government turnover may perpetuate disputes without either the ability to settle them short of conflict or the political freedom necessary to escalate the dispute toward a military settlement. This situation initially happened with the French Fourth republic in both Indochina and especially Algeria.

Consider the two models jointly. For example, if right governments cannot settle a dispute short of escalation, they tend to escalate disputes quickly. One interesting result

concerned the orientation of the opposition. Hawkish (right) oppositions forced settlements before escalation; thus, they were less likely to escalate disputes. Conversely, dovish (left) oppositions rarely settled disputes short of violence; consequently escalation resulted. This finding matches Schultz's model of signaling with an opposition party. A hawkish opposition in conjunction with a government that initiates a dispute appears as a very credible threat and thus makes escalation unlikely. The opposite seems true for more dovish oppositions. When parliamentary governments initiate disputes and face a dovish opposition in parliament, opposing states perceive this pattern as less credible, which leads to the greater likelihood of escalation.

Overall, this chapter examined the relationship of how opportunity and transaction costs affect the escalatory behavior of parliamentary states. Besides further refining the way that audience costs operate, it provided empirical tests of some existing hypotheses. Finally, a focus on politics, partisanship and ideology as well the way that parties interact to affect policy yielded more significant results than merely stressing the general role of parliamentary structures.

Chapter 5

Dispute Duration and Outcome

The previous chapter demonstrated how removal costs could affect the ability of governments to signal their resolve. While the concept of audience costs can help explain why we see some disputes escalate while others do not, it does little to help explain the duration of disputes. Essentially, what happens if signals fail? How do we explain the duration and outcomes of militarized disputes once under way?

Fortunately, international relations scholars have recently shown an interest in the duration and outcomes of wars, especially those involving democracies (Goemans 2000, Reiter and Stam 2002). This interest stems from two contradictory observations. Bennett and Stam ask "How do we square the findings on apparent democratic war power with the finding that public support for war declines overtime in democracies (1998:354)?" In order to address this conundrum, they build a model of attrition during war fighting based on the predator- prey model developed by Gartner and Siverson (1995). Both models argue that each actor is willing to absorb some amount of punishment. Any punishment beyond some threshold forces states to seek an end to the fighting. Bennett and Stam posit that this threshold is not static but changes over the course of the fighting. For democracies, they argue that after about 18 months any advantage democracy might give a state on the battlefield then disappears, leaving autocrats with the subsequent advantage.

The predator-prey model fits well with the removal costs model. However, as in past studies that have emerged from the democratic peace literature, they treat democracy as a present or absent condition. While this factor helps to advance their argument vis a

vis autocracies, it lumps democracies together assuming that all democracies have the ability to absorb the same costs *cerates paribus*. Alternatively, the removal costs model assumes that removing or altering the composition of government incurs cost. Put simply, some governments have higher costs than others. Governments with higher costs of removal should also be able to absorb more punishment, and subsequently they should be more likely to win more disputes than other democratic governments. If variation in government structure does affect the duration and outcomes of disputes, this effect should provide further empirical support for institutions-based explanations of the democratic peace (Siverson 1995, Bueno de Mesquita et al. 1999). In this chapter I build from the original predator-prey model and incorporate the removal costs model developed in previous chapters to build a model of democratic politics, dispute duration and outcome. I begin with a brief discussion of the literature on dispute durations and dispute outcomes. I then incorporate the model developed in chapter two with the model developed by Gartner and Siverson and elaborated by Bennett and Stam. I follow with an empirical assessment of a combined model of dispute duration and outcome.

Studying Duration

Empirical investigations on the duration of wars have stimulated more research than the duration of disputes. Explanations of war duration include systemic factors such as polarity and tightness (Bueno de Mesquita 1978). The severity and costs of war, in both blood and bullets, are tied to war duration as well (Singer and Small 1982). More recently, war duration has been linked to regime survival (Bueno de Mesquita, Siverson

and Woller 1992) as well as the political survival of elites (Bueno de Mesquita and Siverson 1995).

Mueller (1973) examined how casualties accrued over time during the Korean and Vietnam conflicts and how the duration of the conflicts affected the public's attitude about the conduct of each. More recently Gartner and Segura (1998) showed how the rate of casualty accumulation over time and the locality of casualties further impacted public opinion over the both the Korean and Vietnam conflicts. As Bennett and Stam note, "While the decision by leaders to initiate or join a war is fundamentally a political decision... the decision to continue fighting is also a fundamentally political one" (239). Finally, war duration cannot be divorced from war-termination. If wars and disputes reveal information (Gartner 1997, Goemans 2000, Pillar 1983), then only over time and through states interacting does that information become revealed. Only by engaging in the dispute do states learn about the resolve of other state and how much punishment they will absorb to win. Thus by trying to understand the decision to continue the war, I can also get a better understanding of why wars end.

Few researchers have probed dispute duration. Part of this problem may stem from the actual duration of disputes. The modal duration of disputes in the Militarized Interstate Dispute data set is one day (Gochman and Moaz 1984). However, the average length of a dispute is approximately 62 days. This disparity implies a bi-modal distribution of dispute duration where disputes appear to be either really short or drag on for quite some time. Because most of the past research focuses only on disputes that escalate to war, this research removes critical information through selection bias that may be important to understanding why some wars are long and costly while others are short, and why some disputes never escalate to war. Although disputes may not incur high

costs in terms of material and money, they can have domestic political costs just as wars do. The longer a militarized dispute lasts, the more likely that it can lead to political openings, which can lead to negative consequences for the incumbent government and ruling party (ies). As Bennett and Stam state:

> Whether a war continues is determined by the benefits at stake, the costs of fighting, and a states ability to deal with those costs. The causes of longer war durations are factors that increase the stakes, decrease the expense and increase countries' abilities to deal with the costs of war (1996:240)

What benefits does the government derive from fighting rather than settling? While Bennett and Stam largely frame the benefits as the goods fought over, governments might also be reluctant to settle if the domestic costs of settling are higher than the overall costs of continuing. Goemans argues that under some circumstances leaders may continue to fight when settlement may mean not only loss of power but also loss of life. If the leader fears extreme punishment, he may indeed continue to fight rather than face the political reality after settlement. Milosevic is a good example of a leader who continued to fight rather than settle, given that settling or ending the war would and did eventually lead to his capture and facing a war crimes tribunal. He continued the war as long as possible in an attempt to stave off punishment as long as possible.

Do all Democracies Fight Equally?

The predator-prey model assumes that different states with different regimes can absorb different degrees of punishment. The more punishment that a regime or government can absorb, the longer the war will continue. Bennett and Stam argue that

democracies fight shorter wars because leaders can less easily repress dissent and have a higher prospect of removal by the opposition. By building a model that focuses on the costs associated with government termination, I can adapt this argument to variation among parliamentary governments.

Governments facing high removal costs will better withstand the pressure of removal than those governments that face low costs. High cost governments, especially one-party governments, can repress and/or withstand dissent in government, if not parliament, allowing them to fight longer riskier wars. This assumption is congruent with the expectations of Bennett and Stam only on a micro level within regimes. It also is consistent with the "declining advantages" argument that they put forth. They argue that over time any advantage that democracy gives a combatant on the battlefield disappears in about 18 months (Bennett and Stam 1998). After eighteen months the two disputants either achieve equality or the authoritarian regime gains a greater advantage.

By focusing on the costs of removal, I explain how dispute duration is associated with a decline in military advantage. As the next mandated election period nears, the costs of government removal decrease for all parliamentary governments. Therefore, the longer a dispute lasts, the more likely the government faces removal or replacement. Governments will fight harder early on, as Bennett and Stam suggest. The question then is whether all democracies fight equally hard at the same points in time.

Figure 5-1 shows a hypothetical government with high removal costs. There is a 10 percent probability that the government will fail at time 1. I assume that the government enters into a dispute at time 4. At this juncture, the probability of removal is low. However, as the dispute drags on, the costs of removal change from high to low. In

chapter two, I argued that as the next mandated election period draws near, opportunity and transaction costs decrease because the overall policy benefit declines with time.

Figure 5-1 demonstrates that the costs of removal decrease over time. In addition, the presence of a dispute further exacerbates this reduction in removal costs. Between time 6 and 7 the probability of removal actually accelerates; by time 9 there is at least a 50 percent chance of removal. As time drags on, changes in removal costs offset any policy benefit gained by winning the dispute. After a while, governments settle for a draw or even loss rather than continue fighting.

Figure 5-1

The probability of a government losing office

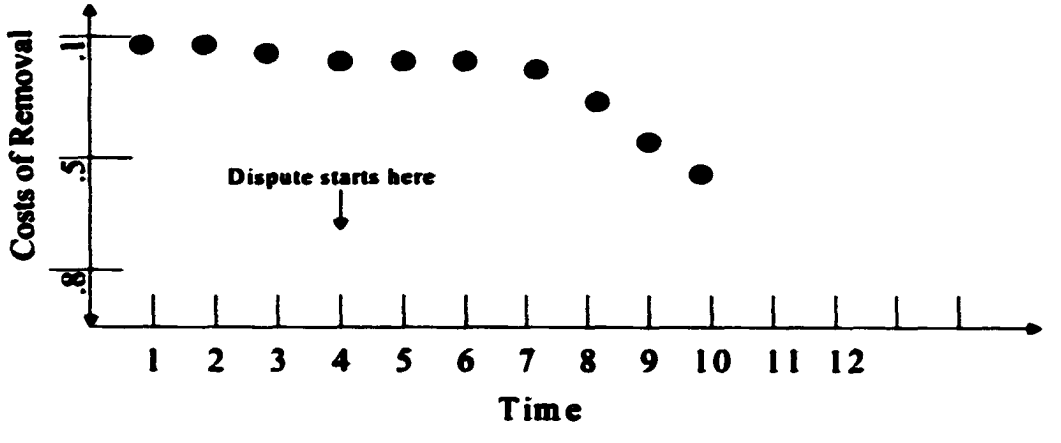
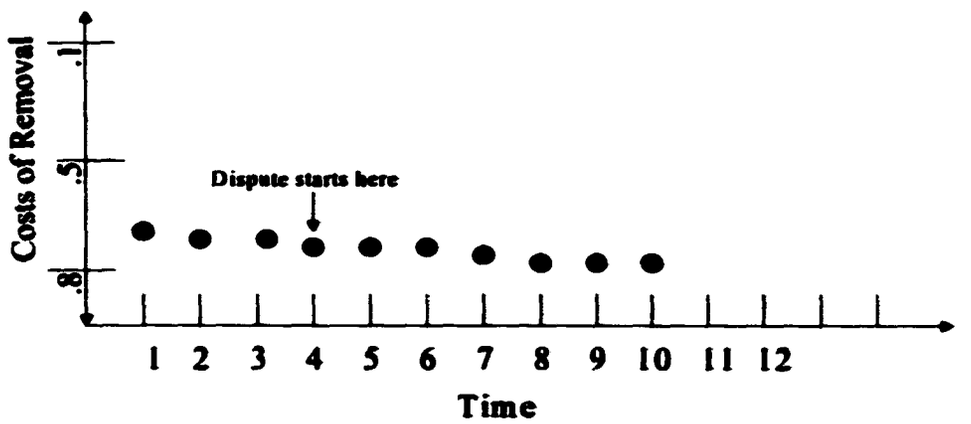


Figure 5-2 examines the relationship of time to removal costs beginning with a government that starts with low removal costs. This time the government already faces about a 65 percent chance of removal. The removal costs change very little over time. By time 7 the government faces about a 75 percent chance of removal. The probability of removal has increased by only 10 percent. Compare this outcome to the high cost

government where the probability of losing office went from 10 percent to 50 percent in approximately the same time. Governments that face lower removal costs have less to lose, given the likelihood of either retaining office or winning re-election. Hence, governments with low removal costs will resist becoming involved in disputes overall, because any change in the status quo alters their already tentative hold on office. Nevertheless, once these governments do become involved in a dispute, they will quickly escalate, because a short dispute that they win can only help; any other outcome cannot hurt much more. Alternatively, the high cost government has less to fear initially when becoming involved in a dispute. However, because it has "more" to lose over time in terms of future policy payoffs' quick escalation is unlikely to occur. These disputes tend to last longer than low cost government disputes.

Figure 5-2

The probability of a government losing office



The model of government removal costs is also consistent with the contemporary consent model put forth by Reiter and Stam (2002) who argue that leaders pay constant

attention to current public opinion when making crucial foreign policy decisions. By contrast, the electoral punishment model argues that voters evaluate the leader policies after the outcomes are known. Most parliamentary governments ultimately face pressures of dissolution or replacement before the mandated election date. Minority and coalition governments are especially susceptible to replacement without ever facing re-election. However, even majority governments can face dissolution or call elections if the opportunity proves advantageous. Because of the constant threat of removal, whether it begins from within or outside government, leaders pay more attention to the current result of policies rather than take an "act now pay the consequences later" stance over decisions. In presidential systems however, executives face regularly scheduled elections in which little possibility of removal exists until after the actual election.

The expected relationship between dispute duration and the costs of government removal is that governments that are harder to remove should have longer disputes given that it takes time for removal costs to change. However, easily removed governments should engage in only short disputes.

What about the relationship between dispute outcomes--win, lose, or draw-- and the costs of government removal? I expect that governments with lower removal costs tend to either win or lose but rarely settle for a draw. A decisive outcome emerges: they either do something akin to "gambling for resurrection" to stay in power or settle the dispute quickly before the costs of war accrue.

High removal cost governments will either win their disputes or settle for draws. The predator-prey model argues that governments that can absorb the most punishment are more likely to win or at least less likely to lose. High cost governments can either absorb more punishment than the opponent absorbs and win a dispute or at least absorb

enough punishment to the point where the opponent sues for peace and the dispute ends in a draw rather than a loss.

What are the predicted results when combining both duration and outcome? I expect that high cost governments will generally fight more disputes of attrition attempting to outlast and out-punish their opponents to either win or garner a draw.

Conversely, I expect low removal costs governments to either win or lose quickly. They should settle the dispute prior to sustaining casualties by either winning through credibility or escalation (see chapter 4) or by surrendering quickly to avoid incurring casualties and other costs associated with fighting. This leads to two general hypotheses about duration and outcome.

Hypothesis 1: The higher the costs of government removal the longer the duration of the dispute and the less likely the government is to lose.

Hypothesis 2: The lower the costs of removal the shorter the duration of the dispute and the more decisive the outcome.

Table 5-1 summarizes these hypotheses in terms of the expected directions for each unique outcome.

Table 5-1: Hypotheses for the Probability of Dispute Duration and Outcome

	Measures	WIN	LOSE	DRAW
Ideological Diversity	Government Ideological Diversity	Decrease	Increase	Decrease
	Opposition Ideological Diversity	Increase	Decrease	Increase
	Parliament Ideological Diversity	Decrease	Increase	Decrease
	Two Party Diversity	Increase	Decrease	Increase
Political Orientation	Right	Increase	Decrease	Increase
	Left	Decrease	Increase	Decrease
	Right Opposition	Increase	Decrease	Increase
	Left Opposition	Decrease	Increase	Decrease
Structural	Single Party Majority	Increase	Decrease	Increase
	Single Party Minority	Decrease	Increase	Decrease
	Minority*Opposition Diversity	Increase	Decrease	Increase
	Government Majority	Increase	Decrease	Increase
	CIEP remainder	Decrease	Increase	Decrease
	Returnability	Decrease	Increase	Decrease

Research Design

Bennett and Stam used a cross section time series multinomial logit to test their hypotheses about duration and outcomes. They used changing measures of battlefield strategy, essentially time varying covariates, although their measures of regime type and political structures remained static. However, I have data that vary as governments change but have static measures related to the dispute. To control for dispute properties I include a number of measures related to the disputing dyad. These measures include whether the opponent was democratic (*Democratic Opponent*), whether the parliamentary government was the initiator (*Initiate*), the balance or capabilities between states (*Balance of Capabilities)*, the distance between the two states (*Contiguity*), whether the two countries shared an alliance (*Alliance*), and the hostility level of the dispute (*Hostility Level 4* and *Hostility Level 5*). These measures were generated using EUgene and are yearly measures. While not perfect, they do allow for potential variation in capabilities and other dyadic factors and allow me to control for potential battlefield progress. The unit of analysis is the government dispute month. I examine 441 disputes drawn from the MID dataset between 1945 and 1992 for 19 parliamentary democratic states.

I apply hazard analysis because it is the appropriate statistical method given that I am concerned with both the outcome and the duration of a dispute. Because I have three outcomes, I use a competing risks model. Bennett and Stam used a multinomial logit model in which they modeled one outcome as continuation in addition to win, lose or draw. While this method says something about the probability of continuation, it does not directly address the duration aspect of disputes. Survival analysis allows me to account for both the timing of failures and examine multiple outcomes. A competing risks model is essentially a single hazard model with multiple types of failure (see

appendix c). I estimate a full model and then estimate each of the subsequent models across failure type. This method allows for a comparison of the independent variables across the various failure mechanisms.

The failure mechanisms are labeled win, lose or draw. Outcomes are taken from the MID data variable *outcome*. The outcome variable is a categorical variable ranging from 1 to 9. I collapse the categories sideA win and sideB yield and recode this as a *win* for the parliamentary government. Conversely, I code sideB win and sideA yield as a *loss* for the parliamentary government. I code all others as *draws*. Draws are essentially disputes that end in stalemate or where there is no clear outcome. This recoding yields 50 wins, 14 losses, and 377 draws. I estimate two variations of the same competing risks model. The first set of models examines the control variables related to the international or dyadic factors of the dispute. The second set of models incorporates the dyadic factors with the government measures introduced in chapter two.

Results

Dyadic Factors

Table 5-2 shows the hazard analysis of the dyadic factors as they relate to win, lose and draw. Model 1 examines all disputes combined. All disputes in this model end; thus no censoring is required. Only three of the control factors are significant when I do not differentiate between the failure mechanisms. The three variables are Alliance, Hostility level 4, and Hostility level 5. The existence of an alliance between the two disputants increases the likelihood of the dispute ending. Conversely, both measures of hostility level are significant and extend the duration of a dispute. Hostility level 5 has the most dramatic increase on the dispute duration.

Table 5-2: Competing Risks Model of Dispute Dyad

Variables	End	Win	Lose	Draw
Balance of Forces	-.000	.001	.002**	-.000
	(.000)	(.238)	(.000)	(.000)
	[.999]	[1.00]	[1.00]	[.999]
Alliance	1.10**	3.29**	1.45	.930**
	(.219)	(.824)	(1.60)	(.229)
	[3.01]	[26.94]	[4.25]	[2.54]
Contiguity	.104	.922*	-.913	-.021
	(.111)	(.345)	(.926)	(.118)
	[1.11]	[2.51]	[.401]	[.979]
Democratic Opponent	.130	-1.19	-.393	.246
	(.175)	(.957)	(1.54)	(.179)
	[1.14]	[.303]	[.674]	[1.27]
Initiate	.053	-1.55**	1.64*	.264**
	(.113)	(.364)	(.862)	(.123)
	1.05]	[.211]	[5.17]	[1.30]
Hostility Level 4	-2.28**	-3.03**	-4.04**	-2.17**
	(.145)	(.704)	(1.16)	(.151)
	[.102]	[.048]	[.018]	[.113]
Hostility Level 5	-3.40**	-.518	-5.10**	-4.37**
	(.187)	(.656)	(1.24)	(.254)
	[.033]	[.596]	[.006]	[.013]
Constant	-1.65**	-5.05**	-7.10**	-1.76**
	(.139)	(.671)	(1.06)	(.145)
Chi2	442.81	78.48	25.53	504.38
N=	3735	3735	3735	3735

The dependent, or failure, variable in model 2 is whether the parliamentary government won the dispute or not. All other disputes are included in the model, but I censor them. Again, the presence of an alliance hastens an end to the dispute increasing the likelihood of winning substantially. Contiguity also increases the likelihood of the parliamentary government winning. Hostility level 4 is significant and has a substantive effect on the amount of time a parliamentary government takes to win a dispute. Hostility level 5 is no longer significant. While this result could stem from the fact that democracies have a lower rate of war involvement (Benoit 1996), it may also be due to the fact that both low and high costs removal governments are expected to win but at different durations. Low cost governments will have either decisive victory or quick defeat while high cost governments will outlast their opponents. Thus the lack of

significance could be due to these factors essentially canceling each other out. Moreover, it appears that disputes started by parliamentary governments, regardless of the internal structure, take much longer to win than when they are the targets. Again, neither the regime type of the opponent nor the balance of power between the two disputants affects the duration of disputes when parliamentary governments are the winners.

Model 3 considers only those disputes that end in a loss for the parliamentary government. Of the 441 disputes under investigation, only 14 end in a loss by the parliamentary government. Both the measures, initiate and balance of forces, are statistically significant and positive. When parliamentary governments do lose, they lose quickly -- a finding consistent with my theoretical expectations about low costs governments losing quickly and high cost governments not losing at all. Power considerations also affect dispute duration. Parliamentary governments lose disputes quickly if they are the less powerful state, thereby keeping the costs of fighting down. Both hostility measures are significant and extend the time of the dispute until loss occurs.

Model 4 considers the modal outcome, draw. In this model alliance is again significant as are the initiate and hostility-level control variables. Contiguity, regime type of the opponent and the balance of forces are not significant. As with the models 1 and 3, the higher the level of violence that occurs in the dispute, the longer the dispute lasts. Increased levels of violence thus extend dispute duration regardless of outcome. When examining only wars, losses take the longest time with draws lasting fewer months. Wins are unaffected by the level of violence. When democracies win a dispute, the overall level of violence does not influence the duration of the dispute. Power affects only the

likelihood of losing. The measure, initiate, switches signs between the win, lose, and draw outcomes. Thus, it takes longer for governments to win disputes they start. However, they are also likely to settle quickly either for a loss or draw if they started the dispute. When two states have an alliance, the duration appears shorter. Regime type of the opponent state had no statistically significant effect.

Government, Duration, and Outcome

Table 5-3 introduces all of the government measures in addition to the dyadic factors introduced in table 5-2. Model 1 of table 5-3 examines all disputes regardless of failure mode. Looking first at the ideological diversity measures, both the parliamentary ideological diversity and the two party diversity measures are significant and in the expected directions. Two party diverse governments have higher removal costs and subsequently should be involved in longer disputes. Diverse parliaments have lower costs, thus reducing dispute duration.

Table 5-3: Competing Risks Model of Parliamentary Governments and Dispute Outcomes

	Variables	End	Win	Lose	Draw
Ideological Diversity	Government Ideological Division	.011 (.012) [1.01]	.012 (.037) [1.01]	.319* (.155) [1.37]	.001 (.012) [1.00]
	Opposition Ideological Division	-.003 (.008) [.997]	-.054** (.022) [.946]	-.091 (.071) [.913]	.008 (.009) [1.01]
	Parliament Ideological Division	.052** (.010) [1.05]	.115** (.037) [1.12]	-.236 (.224) [.789]	.052** (.001) [1.05]
	Two Party Government X Government Ideological Division	-.042** (.013) [.958]	-.058* (.039) [.943]	-7.30 (545.8) [.001]	-.031** (.014) [.969]
Political Orientation	Right	.147 (.193) [1.16]	-1.42* (.854) [.242]	-17.97 (6487.7) [1.57e-08]	.324** (.197) [1.38]
	Left	-.158 (.197) [.854]	.979 (.620) [2.66]	4.42** (1.87) [83.38]	-.462** (.225) [.630]
	Right Opposition	-.368** (.167) [.692]	.276 (.632) [1.32]	-18.70 (9412.8) [7.45e-09]	-.439** (.178) [.644]
	Left Opposition	-.764** (.167) [.466]	-1.09** (.551) [.337]	.476 (2.02) [1.61]	-.775** (.185) [.460]
Structural	Single Party Majority	-.556* (.225) [.574]	-1.68* (.688) [.187]	.878 (2.29) [2.41]	-.507** (.244) [.602]
	Single Party Minority	-1.38* (.453) [.252]	-15.09 (561.9) [2.8e-07]	-14.96 (20096.8) [3.19e-07]	-1.01* (.496) [.362]
	Minority*Opposition Ideological Diversity	.089* (.016) [1.09]	.105* (.055) [1.11]	-.106 (.248) [.899]	.088* (.018) [1.09]
	Government Majority	-1.31** (.339) [.271]	-.366 (1.02) [.694]	20.14** (2.68) [5.56e+08]	-1.13** (.378) [.321]
	CIEP remainder	.001 (.004) [1.00]	-.015 (.012) [.985]	-.012 (.032) [.988]	.003 (.004) [1.00]
	Returnability	-.617** (.160) [.539]	-2.04** (.540) [.130]	1.68 (1.45) [5.38]	-.467** (.173) [.626]
Dyadic	Balance of Forces	-.001* (.000) [.999]	-.001 (.001) [.999]	-.001 (.004) [.999]	-.001* (.000) [.998]
	Alliance	1.21** (.269) [3.36]	3.05** (.940) [21.02]	3.00 (2.63) [20.17]	1.02** (.284) [2.78]
	Contiguity	-.505** (.180) [.604]	-.109 (.649) [.897]	-.852 (1.30) [.426]	-.618** (.192) [.539]
	Democratic Opponent	.084 (.209) [.919]	-.427 (1.18) [.652]	.939 (2.55) [2.55]	-.037 (.214) [.963]
	Initiate	.053 (.120) [1.15]	-.939** (.465) [.391]	.698 (.779) [2.01]	.232* (.129) [1.26]
	Hostility Level 4	-2.29** (.154) [.102]	-3.03** (.781) [.048]	-4.91** (1.59) [.007]	-2.20** (.160) [.110]
	Hostility Level 5	-3.56** (.205) [.029]	-.470 (.724) [.625]	-4.28** (1.45) [.014]	-4.52** (.267) [.011]
	Constant	-.729* (.447)	-4.03** (1.63)	-26.87** (.986)	-1.12** (.483)
	Chi2	442.81	114.97	73.26	613.09
	N=	3735	3735	3735	3735

Among the orientation variables, only the opposition variables are significant and both are in the same direction. At first glance, it appears that more unified oppositions, regardless of orientation, actually increase duration. Almost all of the structural variables are significant except for the CIEP remainder variable. Both majority variables are significant and in the expected direction. Majority governments, whether comprised of one party or many parties, have longer overall disputes. These governments can better absorb dissent and repress backbenchers. The single party minority variables are also both significant and both are in the expected direction. When controlling for the opposition, single party minority governments actually have higher removal costs, explaining the negative sign on the single party minority variable. However, I also expected governments with low removal costs to settle disputes more quickly. The coefficient of the interactive term of single party minority government and opposition diversity suggests that more easily removed governments settle disputes more quickly.

As returnability increases, so does dispute duration. Initially, I had expected returnability to decrease the costs associated with removal, which should reduce dispute duration. The rapid cycling of governments in those systems with high returnability suggests another possible explanation. For example, in the French Forth Republic, governments during both the Indo-Chinese and the Algerian wars had a difficult time changing policies. This cycling perpetuated the Algerian dispute until the collapse of the Republic. Returnability, it appears, lengthens dispute duration when no real policy changes tend to occur and when governments in these types of systems cannot effectively deal with changes in the international arena.

When the government measures are included in the model, both balance of forces and contiguity become significant although the balance measure has a negligible affect on the overall duration. Contiguity goes from being positive but insignificant to negative and highly significant. When one controls for the composition of government, proximity increases dispute duration. The hostility measures are in the same direction and even have approximately the same magnitude; thus as violence increases so does dispute duration.

Ideological Diversity by Outcome

Models 2, 3 and 4 consider the outcomes win, lose, or draw respectively. I compare the results of each variable grouping across all three models at once, beginning with the ideological diversity measures. The general expectations were that governments with higher opportunity costs would fight longer disputes in general and that these disputes would end in either a win or draw. This expectation seems to be borne out by the models. I first consider model 2. Three of the four measures of complexity are significant and in the expected direction. Governments that face divided oppositions and two-party diverse governments have higher removal costs; thus, the time until they win lasts longer. The parliament ideological diversity measure is positive, meaning that the time to win, is shortened by the lowering of removal costs. While government ideological division is not significant in model 2, it is in the expected direction.

In model 3, which is the lose model, government diversity is the only statistically significant variable among the diversity measures. The coefficient is in the expected direction indicating that diversity should reduce costs after controlling for single party and two-party governments.

Model 4 shows the results when the outcome is draw. While only two of the measures are significant, they are both consistent with my theoretical expectations. The two-party measure is negative and increases dispute duration. The parliament measure is positive and reduces dispute duration. Overall, the analysis of the ideological diversity measures supports the more general hypotheses about removal costs and their relationship to durations and outcomes. Returning briefly to the lose category, I would have found it surprising if either the two party government or opposition measure had been significant because I expect governments that have diverse oppositions and two party bargaining coalitions to rarely, if ever, to lose.

Political Orientation by Outcome

I now turn to the political orientation measures. Dispute involvement should have less of an impact on right governments in general or even raise removal costs. The coefficients for both right government and left opposition are significant and negative; both increase dispute duration. Again right governments face higher removal costs in relation to foreign conflict; thus, they can absorb more punishment and fight longer before removal. The presence of a left opposition also increases duration. Why? Either right governments naturally face left oppositions or left oppositions might also be in favor of the dispute giving the government an even greater ability to endure punishment. This has the affect of raising the overall costs of removing the government. Left government is almost statistically significant (p=. 062). The positive coefficient indicates that left governments win more quickly. The hazard ratio is 2.66, meaning that among

disputes that parliamentary governments win, governments of the left win them 166 percent faster than other governments.

Because left governments face pressures from foreign policy, they seek earlier settlements. In model 3, the lose model, the only significant variable is the one controlling for when a left government is in power. Again, this variable is positive and large. However, because the data contain so few losses, I wonder about the robustness of any of the results in the model.

In model 4, the draw model, the results are somewhat different from what I had hypothesized. While all of the orientation measures are significant, three of them switch directions from the win model. In this model, the coefficient for right governments suggests that they are much more likely to settle for a draw than do left governments. While the difference in outcome is generally correct, I expected right governments to take even longer to settle for a draw than left or center governments. Perhaps because the public perceives that right governments have a better grasp on foreign policy and conflict, they can end disputes more quickly rather than suffering some sort of electoral punishment for early removal. Conversely, left governments, once involved, might have to continue the dispute before finally settling for a draw in an effort to delay electoral punishment. Again, both opposition measures are negative and significant, giving credence to the idea that unified oppositions regardless of orientation absorb more punishment, which can affect the opportunity costs of the parties in government during disputes. Comparing the two coefficients of the opposition measures in model 4 reveals a larger coefficient for the left opposition than the right opposition. Hence, left opposition support is an even a stronger signal than right opposition support.

Structural Components by Outcome

I now turn to the structural variables. Comparisons across the three models show that single party majority is significant in both the win and draw models and in the expected direction in both. The results suggest that single party majority governments can absorb more punishment, thus leading to longer dispute durations in the win and draw outcome models. The more general government majority measure is statistically significant in two models yet is in the unexpected direction in one of these. The coefficient in the draw model is negative, which means that majority governments take longer to settle than non-majority governments. However, the coefficient for the lose model is positive, which is unexpected, and the magnitude is extremely large. I expect this result partly derives from the data and the rarity of losses among democracies.

According to the single party minority variables in model 4, only the single party minority variable is significant and consistent with the above interpretation. The interactive term is positive in both models 2 and 4 and negative in model 3. The directions are all consistent with my expectations, but the measures are significant in only models 2 and 4. The coefficient of the returnability measure is negative and significant in models 2 and 4. The cycling hypothesis I put forward earlier is probably correct.

One result that I had not expected is that the CIEP measure is insignificant across all models. This result may be due to the general structure of the data and the use of a hazard model. Direct modeling of dispute durations might affect the CIEP measure, which is a time count measure.

The coefficients of the dyadic measures resemble those found in the models in table 5-1. The opponent's regime type has no statistically significant effect on the overall

duration of a dispute, which is not what one might expect in light of theories about the deliberative democratic process extending the negotiation time to settle disputes short of war.

Conclusions

Overall, the ability of governments to absorb punishment does indeed affect outcomes and durations. While not all of the measures were significant, many were in the expected direction and supported the hypotheses put forward at the beginning of the chapter. The predator-prey model developed by Gartner and Siverson applies to differences within regime types. These results suggest that governments that are harder to remove take longer to settle disputes. These governments also tend to lose fewer disputes in the international system. They will either force their opponents to yield or settle on a truce, but rarely will they lose. Alternatively, governments with lower removal costs appear just as likely to win as to lose, but they almost never accept a stalemate.

Bennett and Stam suggested that any advantage given to democracies lasts about 18 months. While this analysis does not suggest that democracies do not have a declining advantage, the estimate of 18 months might be an artifact of a composition effect in their data, especially if governments facing low removal cost lose the most disputes while their higher-cost brethren can force draws when they face losing. In fact, comparing coefficients just across the win and draw models suggests that these governments often take longer to win than to settle for a draw. Again, this analysis focuses only on parliamentary governments, yet if governments that face higher opportunity and

transaction costs fight longer than other types, what does that portend for non-parliamentary democracies?

Ostensibly, one might think that presidential governments should be able to fight for longer periods because they do not have to fear replacement or dissolution. However, the election cycle in these regimes may make it harder for them to prosecute disputes consistently or continuously over long durations. Governments with fixed election cannot take advantage of either battlefield success or lulls in fighting to hold elections. Executives in fixed-term systems that are involved in disputes have to make sharper policy adjustments during election time, so that they can minimize the costs associated with fighting and the use of force abroad. This difference might also contribute to the 18-month result of Bennett and Stam. For example, if the U.S. president becomes involved in a militarized dispute in his second year and the U.S. election cycle really begins in the beginning of his fourth year, he would have about 18 months to win or settle a dispute.

Another interesting result concerns the role of returnability in dispute duration. The analysis suggests that regimes that produce weak governments perpetuate disputes. One might think that weak governments would quickly lose and their replacements would then end the dispute. Yet the measure for returnability has the opposite effect. Returnability measures the likelihood of a party being part of the next government. If a party or parties do not like the current policy, they can bring down the government if they know that they will participate in the next government. The current party in charge is also likely to be in the next government. This situation leads to both constant government turnover and lack of policy coherence. These governments make few policy changes except trying to stay in power. Either way, the dispute becomes part of the

quagmire of government and continues until the degree of returnability in the system declines or a settlement occurs on the battlefield or negotiating room independent of government initiative.

To summarize, parliamentary governments vary in both dispute duration and outcome. The party costs model explains this variation by examining how different governments can absorb punishment. The degree of punishment a government is willing or able to absorb directly relates to the costs of government removal. These costs help determine both the duration of the dispute and the possible outcomes. High cost governments face longer disputes they are less likely to lose. Conversely, low cost governments enter into shorter disputes that rarely end in a draw. Party turnover, or returnability, perpetuates some disputes. In the final chapter I consider the results of the previous chapters to provide a more comprehensive explanation of dispute behavior in parliamentary regimes.

Chapter 6

Determining the Price of Foreign Policy

As realist and others have argued, "International relations is typically viewed as a subject that is radically different from any other aspect of politics especially domestic politics" (Bueno de Mesquita 2000: 8). Nevertheless, foreign policy is just that, policy. The dispute behavior of states, democratic or otherwise, is results from policy decisions made by leaders just like economic policy or social policy. If institutional settings and political systems affect domestic policy choices, why then should they not also affect foreign policy decisions in a similar fashion?[25] In chapter two I argued that parties have essentially two goals. One goal is to enact the policies that they prefer. The second goal is to retain office so they can continue to reap the rewards of office. Sometimes these goals are complimentary while at other times they are at odds with one another. The vulnerability of governments to removal affects just how governments will attempt to accomplish both of these pursuits.

The substantive question that motivated this research can be broken down into two parts. The first is how does variation among democratic institutions affect political systems writ large? The second is, given the political systems that emerge from the various institutional designs, how does it affect a government's policymaking regarding interstate disputes and foreign conflict? How do the opportunity and transaction costs that governments and oppositions face affect policy choices and dispute behavior?

Empirically, this research has shown that variation in political structure does matter. Not only has it demonstrated that it does matter, which others have also done, but

[25] This proposition does not suggest that foreign and domestic politics are the same. As Bueno de Mesquita correctly points out, in the domestic politics leaders need not worry that their actions will prompt another country to jeopardize their hold on power (2000:9).

also it shows how it matters. This research reveals how the different aspects of a democratic political system fit together to affect the foreign policy decisions of governments in parliaments. Not one structure or institution but the combination of them produces governments with varying degrees of vulnerability.

Politics does not stop at the water's edge as was impressed upon us by realism, especially during the cold war, but rather continues into the murky grey waters of the international arena. Not only does government vulnerability affect policy choice, but vulnerability also affects how other states perceive the policy choices of governments. The policy choice made in conjunction with the constraints that a government faces serves to signal to other governments the credibility of that policy choice.

This research also suggests that the continued breakdown of the barriers between the studies of comparative politics and international relations is not only warranted but also necessary. As international relations research focuses more and more upon the domestic policy process of states, it seems that scholars have two choices. They can choose to re-invent the wheel and develop entirely new theories of domestic political behavior, or international relations scholars can draw on vast literatures already developed in comparative politics. In this sense, this research is only the tip of the iceberg. By using more fully developed theories to explain policy making differences between not only democracies and autocracies but differences within these categories, international relations theories should increase not only their explanatory but also their predictive power. This approach does not mean we should discard past theories. Rather I suggest that by combining them we can provide a much clearer picture of Putnam's two level game and more satisfying answers to international relations puzzles. Below I highlight some of the empirical observations emerging from this research about the

different aspects of parliamentary government and foreign policy. I follow this account with a discussion of some of the broader implications of this research related to the democratic peace, and the disaggregation of both democracies and disputes

Parsing out Parliaments: Empirical Observations

Partisanship

One of the most interesting empirical results from this research is that partisanship matters. Partisanship affects who starts disputes, who escalates disputes, who wins disputes and who loses disputes. Right governments and right parties appear to be more hawkish in general than left governments, which has greater implications for the role of partisanship in foreign policy.

Left governments appear to be more constrained in their foreign policy choices. As expected left governments are unlikely to initiate disputes, but they are more likely than right governments to settle disputes. Left governments are also quicker to escalate to escalate disputes. In other words, once involved, if they cannot reach a quick settlement then they are quicker on the trigger than their right counterparts. Finally, given their dovish perception, they are likely to be involved in shorter disputes that end in a loss and drag out disputes that end in a draw. They face either a quick loss or a long draw, but they do not win. I attribute this tendency to not only the domestic perception of left governments but also to similar international perceptions.

The leaders of opposing states perceive that their own populations see left governments as dovish or weak. Therefore, they attempt to drag out disputes as long as possible so that the parliamentary government crosses its punishment threshold and capitulates. When leaders enter into disputes against right governments, a quick

settlement tends to be the outcome. Foreign leaders perceive the public as more likely to back the use of force, which raises the punishment threshold and reduces the probability of winning. Hence, right governments have a higher punishment threshold, signaling to opposing states that they should settle quickly. It also means that right governments are likely to win disputes but that these will be long, drawn out disputes given their punishment threshold.

Ideological Diversity

The role of ideological diversity in government appears more complicated than the stark differences between left and right governments. However, there does appear to be support for the party bargaining model I put forth in chapter two. Two party diverse governments appear stable and seem to have higher costs than either their ideologically similar counterparts or larger coalitions. Across all three empirical chapters, the coefficients for the two party government variables tend to mirror the direction of the single party majority variable, which is what I expected given that these governments should be the most robust. This outcome suggests that focusing solely on factors such as the number or parties in government or even pivotal parties may not uncover the more nuanced bargaining arrangements that exist in coalition governments.

Another other interesting result is the role of the opposition in foreign policy decisions. Many of the results of this research confirm Schultz's expectations of how oppositions help in signaling resolve and credibility to opponents. Divided oppositions appear to signal that the government is weak and has less support overall. This perceived weakness translates into less resolve. Hence, these governments are more likely to be targets. These disputes are unlikely to settle quickly. Their lack of support also translates

into a lack of credibility. Ironically, divided oppositions both reduce the constraints on governments and signal weakness.

The role that left and right oppositions play is similar in the signaling game especially once a dispute is underway. Parliaments with right oppositions are more likely to see disputes settled short of escalation and much less likely to see disputes escalate. Conversely, governments facing left oppositions are unlikely to settle disputes short of escalation. As Schultz argued because democracies are more transparent, the opposition becomes part of the decision process by foreign leaders.

Structure

In general, the measures related to structure had less effect than I expected. Time until the next election, parliamentary majority, and whether a government was a single party government or not all generally had small effects on decisions related to dispute outcomes.

Time to next election appears to play a very small role in the overall dispute process. The lack of supporting evidence about the effect of time until the next election is puzzling. I argued that, in theory, the closer a government comes to the next election, the lower its removal costs become. Thus, its policies should reflect these costs. The only instance that the CIEP time measure becomes statistically significant is when a government becomes a target and it has a choice to settle or escalate. Interestingly the government is less likely to settle. Given that its costs of removal are lower, the government is more likely to have an incentive to fight than to appear weak in the eyes of the electorate. The lack of evidence suggest that once other factors associated with opportunity and transaction costs are accounted for, time is less important.

Of the structural measures, the most interesting is the one that measures the degree of returnability in a system. Systems with high returnability tend to avoid disputes. However, once underway these disputes lasted longer than most other disputes. Given the high degree of turnover by parties, governments, in effect, cycled through possible policies without acting on any of them. While low removal costs were normally associated with short disputes, these systems are the exceptions.

Democratic Foreign Policy: The Bigger Picture

I conclude with a discussion of the implications of the three broader goals of this research. The first was to provide a clearer explanation of the democratic peace. The second was to provide a more detailed understanding of democratic foreign policy making. The third was to disaggregate disputes to see them as process rather than as a single point in time. I consider each of these in turn.

The Democratic Peace

In chapter one I noted that I hoped that by differentiating democracies I could provide a better explanation of the democratic peace. Below I consider each of the approaches outlined in chapter one and how they stand up to the empirical results of this research.

Normative theories of the democratic peace stress the learning of both a socialization of norms of compromise and conflict resolution. Because these norms are prevalent in domestic politics and society, they should carry through to the international arena as well. One could argue that democratic political systems producing governments consistently facing low costs of the removal should be even more conciliatory then high

removal cost governments often dominated by majority governments comprised of only one or two parties. Low removal cost governments are likely to emerge from multiparty systems such as Italy, Belgium, or Israel. These governments should be even more adept at negotiation and compromise and should use these tools much more than any use of force. The results, however, do not substantiate this proposition. It appears as though low cost governments do try to avoid dispute initiation. However, they are more likely to be the targets of militarized disputes, which suggests that they are unable to reach a deal before physical action occurs. When these governments are threatened, they are actually less likely to seek some sort of settlement; rather they are more likely to escalate disputes quickly. Finally, they are likely either to win or lose a dispute but rarely to settle for a draw or tie. This outcome appears contradictory to the idea of compromise and settlement.

The differences between institutional and informational approaches are more subtle, partly because they both rely on the same underlying causal mechanism. A model that combines choices and signaling based on the removal costs of government appears to be a better choice to explain foreign policy behavior in general and the democratic peace in particular.

The institutional argument reduces to the assumption that leaders are accountable to an electorate and that this accountability makes the government more constrained when considering the use of force. It is a monadic approach, which while intuitively appealing as it also explains decisions regarding the use of force, falls short of explaining the democratic peace because it does not state that the regime type of the opponent should matter. Rather it says that the slow deliberative nature of democracies and the

constraints placed upon leaders will allow enough time for a bargain or compromise short of war to occur. However, is this process necessarily true?

First democratic disputes are not any longer than non- democratic disputes. In other words, there is not necessarily more time to reach a peaceful conclusion for two democracies than for non-democracies. Second, democracies are not more or less likely to be supportive of each other, which is not necessarily what the norms based approach might predict (Reiter and Stam 2002). While all three theoretical approaches are likely to affect the democratic peace, I argue that incorporating both models of signaling and constraints provides a much better explanation.

If democracies are more constrained, then we are likely to see them less involved in violent disputes to begin with. This situation is akin to the selection effects argument laid out by Reiter and Stam (2002) as to why democracies win most of the wars that they fight. However, what happens when a democratic state selects itself into a dispute with another democratic state? The outcome is likely to be a draw. In examining the data from chapter five, we can see that only three times does a win occur when two democracies face each other in a dispute. Two of these instances are between Iceland and Great Britain during the two "Cod Wars." Moreover, one might think that Great Britain would have emerged victorious given its greater military power. Nevertheless, the winner in both instances was Iceland. How? Remember the constraints argument first says that leaders or governments are likely to choose only disputes that they are likely to win. However, constraints can also force a government into entering a disputes that most of the electorate felt was of vital interest to the nation whether it has a high probability of winning or not. While Iceland may not have had the military capabilities to win, they entered the dispute anyway given that 70% of their export earnings and 15 % of the

workforce are directly involved in fishing (CIA fact book 2002). In addition, the Icelandic political system also produces much more constrained governments than does the political system of Great Britain. Governments in Iceland are usually coalitions or even minority from time to time. Iceland won the dispute because they clearly signaled their intentions to Great Britain. The state entered into a dispute that it could have lost militarily, yet Iceland's signal of resolve was clear due to differences in political structures. The Cod War example is interesting because Fearon predicted that when two democracies are engaged in a dispute, audience costs and signaling would not be that important. Yet the audience costs generated by Iceland clearly were important to the dispute outcome.

According to this logic, the democratic peace emerges not because of norms and shared ideas about compromise. Instead, the transparency of democracies and the constraints that governments face allow them to send clear signals that only make credible commitments to disputes. Institutional design and the political systems that emerge from them in democracies reduce the amount of misperception and mis-information. Thus, when two democracies interact both governments are able to gauge accurately the resolve of the other and thus leading to bargaining rather than war.

Disaggregating Democracy

Another implication is that some of the results associated with the democratic peace or with democratic foreign policy making may suffer from a composition effect. Some recent work has argued that variation in structures has very little, if any effect on the foreign policy choices of democratic states. In chapter three I examined the targeting of democratic states by other states in the international system. I used Gelpi and Grieco's

model as a stepping-stone to examine the relationship between tenure and targeting. In their analysis, they found little support for the presence of democracy as a source of targeting but rather certain states are more likely to become a target because of their leader's tenure. However, some democratic governments have much longer tenures and certain political systems are subject to much less government turnover. Democracy becomes statistically insignificant, according to Gelpi and Grieco, because they treat all democracies as the same when in fact there is a wide variation among the tenure of democratic governments.

Consider this aggregation problem more broadly when discussing whether institutions or norms provide a better explanation of the democratic peace and democratic foreign policy making. The norms-based argument treats democracies as the same regardless of institutional structure. It basically says that all democracies are imbued with a culture of compromise and conciliation and that this norm of compromise provides the reason that democracies do not fight one another and in general may be more pacific over all in the international system.

A specific problem related to the aggregation of democracy into a present and absent condition is the notion of democracies winning wars and that the declining advantage they have over time. While I did not directly test the war-fighting hypothesis, chapter 5 did examine the duration and outcome of disputes. The problem of comparison to Reiter and Stam's work is obvious given the temporal differences in data sets used. However, as mentioned before, the declining advantage that democracies have may not be systematic across all democracies. Because different democracies have different hazard rates, low removal cost governments are more likely to lose and they are likely to lose a war in the 18$^{\text{-month}}$ period (which is close to the average duration of a parliamentary

government). If a sub-sample of the data fails early, yet the sub-samples are not differentiated, then the whole sample will appear to have the same hazard rate. While I cannot empirically prove this hypothesis, this research does raise questions not necessarily about the robustness of democracies winning, but rather about all democracies facing a uniform decline in advantage. It may also provide another means to explain why democracies appear to fight harder, especially targeted democratic governments. Easily removed governments are more likely to be the targets of other states. However, as I pointed out in chapter four, these same low removal cost governments were also more likely to see these disputes escalate. Hence, some democracies might be fighting harder, not because of selection effects, but because a loss means their political survival. These democracies are likely to engage the enemy more quickly and with greater force in an effort to ensure a quick victory. Israel's wars with Egypt and the Sudan in the 50s and 60s were all very short, very quick wars. The Israeli political system tends to produce governments that have relatively low removal costs. Israel governments do not want a long drawn out war.[26]

Disaggregating Disputes

This research highlighted one reason why the research of those who focus on democratic foreign policy often appears contradictory. Past research often failed to look at wars and disputes as a process from start to finish. Rather they only examined a single element of foreign policy behavior. The factors that affect the onset of interstate disputes affect the escalation and outcomes of disputes in very different ways. The goal should be

[26] Of course, Israel was also constrained by the fact that it was fighting for its survival as a nation, which also affected its desire to fight harder.

to develop theories that can account for the entire dispute process. Combining theories of institutional constraints and information appears to be a very fruitful avenue for developing a more unified theory of dispute behavior in general and for democracies in particular.

Ostensibly, the same factors that constrain governments from initiating disputes might force some governments into a situation in which their only policy option is escalation. At the same time, however, domestic constraints also serve to signal information to the other states in the international system. This signaling assists foreign leaders in overcoming information asymmetries when making decisions about whether to make a demand on another state, whether to believe a threat by a democratic government or whether a government can survive a protracted dispute.

By focusing on how the costs of government removal affect policy choices, constraints and signaling can be incorporated into a single model. Highly constrained governments will not initiate disputes, but given their tenuous nature, they are often targeted. However, the same governments that are likely to be targeted are also more likely to see disputes escalate. Governments that appear to have weak domestic support have little choice in the face of a belligerent state. Either they fight or they are thrown out of office. The more difficult it is to remove a government, the less likely a government will escalate given that their hold on office is more secure and they can seek alternatives to escalation. Finally, governments that can be more easily removed are also less likely to win and more likely to lose a dispute than to settle for a draw.

Much of the empirical work of the past 20 years has drawn upon the Correlates of War data and the Militarized Interstate Dispute data. Both of these datasets have been invaluable to the study of international conflict. However, both have also limited our

ability to test theories about how disputes unfold given the single snapshot nature of the data. This factor has limited our ability to perhaps further identify empirical regularities and understand how the dispute process works. Even in this research, I rely on the MID dataset for two of the three studies I conduct. Nevertheless, what I hope this research has shown is that there is a need to disaggregate disputes. I do not mean that we study the parts of a dispute alone, but instead researchers should unpack the lifecycle of a dispute to get a better grasp of the process itself.

Rosenau (1967) asked, "Are certain leadership structures more vulnerable to developments in the international system than others?"(5). While he was referring to different regime structures, the answer to this question appears to be yes. Political structures do affect the vulnerability of leaders, which in turn affects the policy choices of those leaders. By focusing on political vulnerability and policy choices, this research fits into a larger and growing literature in international relations. This literature appears to be moving toward the study of decision makers rather than power, largely because foreign policy is the result of leaders trying to balance policy objectives with office holding objectives (Bueno de Mesquita 2000). While power may present opportunities in the international arena, it is still up to individuals to make decisions about the use of power.

Appendix A
The Government Data

The following is a list of the states and years in which governments are under observation by country:

Australia 1945-1992
Belgium 1945-1992
Canada1945-1992
Denmark1945-1992
Finland 1945-1992
France IV 1945-1958
Greece 1975 -1992
Iceland 1945- 1992
Ireland 1945-1992
Israel 1948-1992
Italy 1945-1992
Netherlands 1945-1992
New Zealand 1945-1992
Norway 1945-1992
Portugal 1976-1992
Spain 1979 -1992
Sweden 1945-1992
Turkey 1950-1953 1962-1967, 1974-1978, 1984-1992
United Kingdom 1945-1992

While most countries were democratic through out the time period in question, some countries either became democratic (Portugal and Spain) while others went through periods of democracy and non-democarcy. I used the Polity IV data to determine whether state was a democracy. I used standard coding procedures and included states as democratic when they had a combined Democracy-Autocarcy score of 7 or greater. The Polity IV data is extremely helpful in this regard because it denotes the dates when transitions take place, so that the research does not have to guess when in a given year a transition either toward or away from democracy occurred

Appendix B

The SHERFACS Data

The SHERFACS data set is an event history data set. Disputes are divided by phases, with the summation of all phases equaling the "life cycle" of the dispute. The phases arecoded one through six, they are as follows:

Phase I: Dispute Phase -- A dispute claimed by at least one party to be an issue of substantive international political significance.

Phase II: Conflict Phase -- A dispute in which at least one of the parties has demonstrated a willingness to use military force, but has yet to do so

Phase III: Hostilities Phase -- A dispute involving systematic use of military force over specific military objectives, causing casualties, and/or destruction of property.

Phase IV: Post Hostilities Conflict Phase -- Fighting no longer continues as in phase III, however, at least one party continues to view the conflict in military terms. Sporadic violence may continue but the cessation of violence is more than just a lull.

Phase V: Post Hostilities Dispute Phase -- While the dispute is no longer viewed in military terms, the issue has yet to be resolved satisfactorily

Phase VI: Settlement Phase -- The last phase of a dispute where both parties come to resolve the underlying issues or causes of a disagreement.

Movement between phases is not linear. A dispute can move back and forth among different phases. This allows the researcher to gain a much better understanding of the pattern of escalation and de-escalation. However a dispute cannot jump from certain phases to other phases. For example once dispute reached phase III it cannot go back to either phase I or II. Similarly, once a dispute reaces phase VI it cannot return to the previous phases.

Appendix C

Competing Risks Hazard Analysis

Because I am interested in not only the event but also more importantly the timing of the event, this is the correct statistical method. As is denoted by the research designs in chapter 5 I have different possible outcomes. Because I have multiple outcomes I assume a competing risks model. Competing risks models differ from standard hazard models in that it allows the researcher to test for multiple outcomes simultaneously. The models in chapter five tests the timing of the action taken by the government at risk. While a hazard analysis is the appropriate test it is not without problems. Below I will discuss some of the potential drawbacks to this test.

Given that we are interested in the outcome as well as when the timing of the outcome let T_i be the variable denoting time of the event. J_i then is the variable denoting the type of action taken by the democracy. The hazard function is:

$$h_{ij}(t) = \lim_{\Delta t \to 0} \frac{Pr\{t \leq T_i \leq t+\Delta t,\ J_i = j \mid T_i \geq t\}}{\Delta t}, \qquad j = 0,1,\ldots..n$$

The above equation is similar to a dichotomous hazard equation if I were just to model action versus no action. The only difference is the appearance of $J_i=j$. The conditional probability of the equation is the probability that an action occurs between t and $t+\Delta t$ and the action is of type j, given that the leader has not already acted by time t. The overall hazard of a government taking action is just the sum of all the specific hazards $h_i(t) = \sum_j h_{ij}(t)$

The general proportional hazard for all types of out come is
$\log h_{ij}(t) = \alpha_j(t) + \beta_j x_i(t), \quad j = 1,\ldots,n$
where $x_i(t)$ is a vector of covariates and β_j indicates that the effects of $x_i(t)$ may be different for different types of actions taken.

The problem of using a competing risks model for this type of analysis is related to the problem of dependence. Competing risks models require that times for different event types be independent, or as Allison states, "that each event be non-informative for the others" (208). One option is to create a dependence model. Dependence models however "typically impose parametric restrictions on the shape of the hazard functions and the results may be heavily dependent on those restrictions"(209). One way of getting around the dependence problem is to test each outcome as a separate independent model. By specifying a separate model for each outcome, I can test the independence of each outcome and find the hazard rate of each event without violating the non-informative assumption. Hazard analysis is ideal for using time varying covariates. Hazard analyses are essentially connected series of observations over a specified amount of time. By breaking down the overall duration of risk into sub-interval levels we can have independent variables that vary not only across cases but also within cases.

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