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Territorial Issues, Audience Costs, and the Democratic Peace: The Importance of Issue Salience

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Democratic leaders are more prone to domestic sanction following defeats, and these audience costs allow democracies to signal their intentions during public disputes. Empirical tests strongly support this relationship; however, recent criticisms have questioned whether the causal mechanisms of audience costs are responsible for these findings. We provide a unified rationale for why both arguments are correct: democracies rarely contend over territorial issues, a consistently salient and contentious issue. Without these issues, leaders are unable to generate audience costs but are able to choose easy conflicts. Our reexaminations of threat-based and reciprocation-based studies support this argument. We also present tests of within-dispute behavior using MID incident data, which confirms that the salience of territory matters more than regime type when predicting militarized behavior. Any regime differences suggest a disadvantage for democratic challengers over territorial issues, and any peace between democracies results from the dearth of salient issues involving these regimes.

When leaders are able to make public announcements and risk their tenure as leader, the credibility of their threats and actions should increase. Knowing that the leader is risking their domestic political future informs the rival about the challenger's resolve. One of the most effective and consistent means of punishing leaders for policy failure is an election; regularized elections aggregate domestic opinion quickly and in a low-cost way for the domestic audience. Because elections are contentious and regularized in democracies, their leaders are more vulnerable to domestic sanction than autocratic leaders, and this gives democratic leaders an advantage when bargaining internationally with other leaders. Uncertainty is diminished when two democracies bargain against each other, and this provides a coherent explanation for why democracies do not fight each other but still bargain well with non-democratic leaders (Fearon 1994; Schultz 2001a).

Though audience costs are difficult to identify empirically (Schultz, 2001b), a large body of research has noted that democratic challenges are not often reciprocated by their rivals (see, for example, Gelpi and Griesdorf 2001; Schultz 2001a; Weeks 2008). This lack of reciprocation is supposed to denote the rival's understanding that the challenge is indeed credible. Recent criticisms have called this argument

into question, however. Examining the actual threats made by leaders, Snyder and Borghard (2011) and Downes and Sechser (2012) note that few disputes or crises follow the explanations provided by audience cost logic (see, also, Trachtenberg 2012), and systematic examinations demonstrate that the threats made by democratic leaders are not often successful (Downes and Sechser 2012). This leads to an empirical puzzle: why are the challenges of democratic leaders so successful when their threats during conflicts rarely are?

We argue that the answer rests in the relationship between democracies and the types of issues they are most likely to face. Democracies tend to cluster together in peace (Gleditsch 2002), democracies are unlikely to fight other democracies (Russett and Oneal 2001), and the conflicts that democracies do escalate rarely involve their own territories (Gibler and Miller 2013). These empirical patterns suggest that democracies face few direct threats to their homeland, and this makes situations in which audience costs matter both exceedingly rare and more easily manipulable by the leader. Safe in peaceful environments, democratic publics tend to care more about their economies and taxes rather than conflicts abroad that have little direct effect on the average citizen. Foreign policy reversals (or steadfastness) become inconsequential during either good or bad

economic times. Thus, when a democratic leader issues a threat during a foreign policy crisis, it is unlikely that the public will care enough about the issue to generate audience costs during the crisis. However, because the democratic leader is sheltered from direct threats, she or he has the ability to avoid potential losses and instead initiate disputes only when there is a high likelihood of winning the issue. This is why democracies perform poorly when threatening other states yet so few of their challenges are ever reciprocated, and this explanation has far-reaching implications for theories of the democratic peace.

We begin the article by discussing, briefly, the importance of audience costs for democratic peace theory and the empirical puzzle surrounding it. We then describe the salience of territorial issues and their relationship with democratic regimes. We argue that the development of democracy may actually be tied to the removal of territorial issues from the state, in part, because the evidence is so strong that democracies seldom face threats to their homeland territories. We follow two paths to test our argument. First, we re-examine previous threat-based and reciprocation-based research designs, demonstrating how the introduction of territorial threats in these analyses can make better sense of democratic conflict behavior. Then, we discuss the implications of our argument for within-dispute bargaining, using Fearon's (1994) expectations as baseline hypotheses. Providing some of the first-ever analyses of the Militarized Interstate Dispute (MID) Incident data, we find that democracies seldom have an advantage over other types of states when bargaining over territorial issues. We close by arguing that these findings suggest audience costs cannot be a general explanation of the democratic peace but instead support the contention that democracies rarely face contentious issues between them.¹

Do Democracies Signal Credibly?

When leaders hold private information regarding their capabilities and resolve, cooperation becomes challenging. State leaders have incentives to bluff about their capabilities or resolve in order to coerce greater

concessions from the other actor. Therefore, the ability to differentiate between cheap talk and credible information becomes critically important both to avoid losses and to win concessions in international bargaining. While leaders can often deduce reliable assessments of opposing capabilities, understanding an opponents' resolve is more difficult. How does one distinguish between a leader who is bluffing and one who is resolved to carry through with their threat?

Originating with Schelling's (1960) discussion of credible commitments, audience costs are the domestic penalties (e.g., removal from office) that leaders will likely suffer if they back down from a public threat during an international crisis or dispute (Fearon 1994). The added cost associated with backing down adds credibility to leader threats, thereby providing an informative signal to their adversaries. These audience costs have been used to explain a variety of international interactions, but most studies have focused on the ability of democratic leaders to signal their intentions. In this argument, since democracies have institutions that both publicize policies and offer citizens a means of checking leaders (mostly, elections), democracies have an advantage over other types of regimes in their ability to remove from office any leader who backs down. Ultimately, the increased constraints placed on democratic leaders are understood as a general explanation for why democracies do not fight each other since informative democracies reduce the uncertainties that could lead to war between them (Fearon 1994; Schultz 2001a).

Eyerman and Hart (1996) were the first to empirically test Fearon's argument. Using a sample from the SHERFACS conflict-management dataset and employing multiple measures of democratic institutions, their findings were consistent with the conflict behavior expectations cited by Fearon (1994). Partell and Palmer (1999) confirmed this finding using dispute data and a revised coding of audience costs based on executive constraints. Finally, Gelpi and Griesdorf (2001) extended the argument even further by showing that democracies that use violent bargaining methods—the resolute audience-cost leaders—are more likely to win international crises over leaders without audience-cost constraints. In sum, early tests demonstrated abundant support for the logic of audience costs, even when using three very different datasets.

In two separate works, Schultz (1999; 2001a) introduces a slightly different mechanism for why democratic actions are more likely than other states to be perceived as credible. The argument rests on the strategic politics of democratic opposition parties. Schultz argues that opposition parties provide checks

¹All data used in this piece as well as the original replication command files will be made available upon publication, via the author's Dataverse page at <http://dvn.iq.harvard.edu/dvn/dv/dmgibler>. An online appendix also supports this article with an explanation of several research design issues regarding the dispute reciprocation analyses. That appendix can be found at <http://dmgibler.people.ua.edu/audience-costs.html>. All errors remain the responsibility of the authors.

on the actions and statements of the leader. Opposition parties that back the leader signal the resolve of the state, while opposition parties that fail to support the leader signal ambivalence or contention within the state. In a politically competitive state, opposition parties try to garner support and votes, so their position taking is informative, and since democracies tend to be the only states that have both active opposition parties and a media system that advertises these platforms, democracies will have a signaling advantage over other types of states during crises. Schultz (2001a) confirms this advantage by demonstrating that militarized disputes initiated by democracies are less likely than other types of disputes to be reciprocated; democratic leaders' initiations are indeed credible. Weeks (2008) confirms this finding and also extends the logic of the argument to a limited set of nondemocracies with similar domestic constraints.

Experimental evidence also suggests that audience costs may matter. Tomz (2007) embeds foreign policy anecdotes in a survey experiment to determine whether citizens would sanction a leader who backs down. Finding that citizens care about the reputation of their country's leader, Tomz demonstrates that the likelihood of political sanction increases with the level of escalation described in the experiment. This provides some of the best evidence that citizens will favor political sanction if their leaders were to back down during important foreign policy crises. Levendusky and Horowitz (2012) mitigate this evidence somewhat with their argument that the leader's informational advantage over citizens offers a way to avoid removal. According to their survey experiments, if the leader told the public that new evidence came to light during a crisis, then respondents were more likely to view the leader as competent rather than weak for backing down.

Despite this ample empirical support, recent research has begun to question whether audience costs really do exist for democratic leaders engaged in international bargaining. Most notably, Downes and Sechser (2012) argue that extant empirical tests of the argument have used data that are wholly inappropriate for testing the implications of audience-cost theories. They argue, quite rightly, that dispute (and crisis) data do not constitute threats made by leaders against their rivals. Instead, the bulk of the conflict data identifies low-level conflict and other types of disputes that rarely include threats made by leaders to affect change. Second, the conflicts captured with conflict data do not often identify whether the threat actually changed rival behavior. Thus, for example, dispute reciprocation and similar measures will not really capture whether

democracies' leaders are successful in the threats they make against other leaders.

To solve these problems, Downes and Sechser (2012) develop a set of compelling threats which they use to retest the Schultz (2001a) dispute-reciprocation findings. Using the compelling-threat dataset, they find that democracies have no audience-cost advantage over other states, once the unit of analysis is the actual threat made by the leader. They also examine the extension of audience-cost logic made by Gelpi and Griesdorf (2001) and find that democracies are no more or less likely than other types of states to win their crises, again, once compelling threats are properly identified. Their research adds to the growing case-study evidence that questions the real-world veracity of audience costs (see, for example, Trachtenberg 2012).

More case-study evidence suggests that the world just does not behave as audience-cost theories would predict. Snyder and Borghard (2011), for example, argue that leaders seldom make clear threats during crises, preferring instead to allow flexibility in their offers when bargaining. Leaders care about their international reputations and do not wish to risk backing down in that environment. They argue that these same reputations do not matter, though, for domestic populations because citizens care most about policy success during crises and reputations for state strength and resolve that are independent of the leader. Finally, audience-cost theories assume that nondemocratic rivals understand the mechanics of democratic governance, but Snyder and Borghard (2011) argue that almost all leaders see rivals as unitary actors and do not differentiate between leader and public. They demonstrate their argument with numerous case studies that suggest only secondary support for audience costs, in only a few cases.²

The argument and findings in Downes and Sechser (2012) and Snyder and Borghard (2011) call into question one of the principle explanations for democratic peace. However, left unexplained is why there has traditionally been so much large-N empirical support for tests of the audience-cost logic. Again, we know that democracies do not fight each other. We also have good evidence that disputes initiated by democracies are not often reciprocated, that citizens want to sanction leaders who back down, and that democracies tend to bargain

²Brown and Marcum (2011) also provide an interesting critique of the audience-cost logic. They argue that collective-action problems should make it more difficult for democracies to remove leaders over failed international policies. Smaller winning coalitions in nondemocracies provide the advantage here, and their discussion of the Cuban Missile Crisis provides support for their theory.

well within disputes. So, why do Downes and Sechser find such bleak results when testing actual threats? And why do most case studies (Snyder and Borghard 2011; Trachtenberg 2012) suggest little connection between the success of leader threats and the likelihood of public sanction?

One answer could be that threats are only a subset of the data needed for testing general audience-cost models. For example, both Downes and Sechser (2012) and Snyder and Borghard (2011) force a requirement that overt threats have to be made in a crisis for audience costs to attach to a bargaining position. However, this misses a key point in much of the early formal literature that assumed troop deployments, mobilizations, and other costly signals were similar to public threats and considered more credible when made by democracies. Fearon explicitly states as much when he writes, "Measures such as troop deployments and public threats make crises public events in which domestic audiences observe and assess the performance of the leadership" (1994, 577). Democratic leaders may be signaling their resolve with these actions rather than their words, and, if so, this may account for the empirical discrepancies currently in the audience-cost literature.

A second answer may rest on the realization that empirical tests of the audience-cost logic are always conducted on a (strategically) selected sample of cases. Schultz (2001b) was among the first to point this out. Schultz argues that the strategic behavior theoretically implied by audience costs would most likely cause cases of sanctioned leaders to be unobserved empirically. Because escalating a crisis and subsequently backing down endangers political survival, a leader's strategic incentives dictate that she purposely avoid situations in which audience costs would be highest. Observed outcomes then represent a censored sample because leaders will only choose to engage in situations with lower audience costs and, hence, a reduced risk of removal. Therefore, the mean of observed audience costs is systematically different from the mean of the population of audience costs, the vast majority of which remain unobserved. If Schultz's logic is correct, then the leader threats identified by Downes and Sechser (2012) may actually be cases in which domestic sanctions were not likely; threats that were never made because of potential audience costs never get into the data sample. Schultz (2012) makes a similar argument in his response to the recent critiques in Trachtenberg (2012), Downes and Sechser (2012), and Snyder and Borghard (2011).

Nevertheless, we find a third answer most compelling. In the next section, we outline an argument

that suggests explanations of audience costs need to consider more seriously the importance of domestic issue salience in their explanations. Salient issues tend to be reciprocated by rivals, while issues that are not salient to the public provide little risk of political sanction for the leader. As we describe, the implications of this observation are far-reaching for theories dependent upon the signaling power of democracies, especially those related to the democratic peace.

Issue Salience, Territory, and Audience Costs

Building on recent theories of state development, we argue that democracies, as territorially mature states, rest sheltered from the threats that will most consistently be salient to their publics. This freedom from constraints benefits democratic leaders since, without nearby rivals, they can choose when best to involve themselves in foreign crises, picking easier victories and conflicts in which opponents either do not reciprocate or back down quickly. Of course, this freedom from territorial conflict also implies that most citizens will rarely care much about international bargaining, so democratic leaders will not have an audience-cost advantage when they are forced to engage over issues that are not of their choosing. Thus, the correlation between democracies and nonterritorial issues best explains both the tendency of democratic leaders not to have their disputes reciprocated *and* the ineffectiveness of their overt threats during crises.

We develop the logic here by first discussing the many studies that demonstrate the salience of territorial issues and their association with democratic development. We then explain how extant findings in the audience-cost literature can be understood as a function of territorial issue salience, also suggesting novel empirical tests of our argument using existing studies. Finally, we extend our theory to within-dispute bargaining, arguing that this environment provides perhaps the best evidence for assessing whether international behavior is affected by audience costs.

Territory, Issue Salience, and Regime Type

Slantchev (2006) argues that citizens need to know the content of foreign policy positions in order for the leader to generate domestic costs. We believe that citizens also need to care. Not all foreign policies will be salient to the public since crises vary so widely in

their importance to the average individual. Most seizures of ships or goods by foreign powers, for example, matter little to the average individual who is unaffected by the outcome of the crisis. Contrast these cases, however, with any threat of occupation or destruction of homeland territories. While rarer, these are the issues that will galvanize public opinion in the threatened state. Leader pronouncements will be watched closely by the public, and there will be less room available for the leader to maneuver during the crisis. These are the constrained leaders expected by the theories that depend on domestic accountability.³

There is good evidence that territorial issues may be one of the most consistently salient issues to domestic populations. Among the issue classifications used by the Correlates of War datasets, territorial issues end in war significantly more often than disputes over regime type, policy, or any other issue (Senese and Vasquez 2008; Vasquez 1993, 1995, 2001, 2009; Vasquez and Henehan 2001). Vasquez and Henehan (2001), for example, find that over 50% of all wars (53 of 97 in their dataset) are fought over territorial issues. This confirms an earlier study by Holsti which found that 79% or more of the wars since 1648 have been fought over territory or territory-related issues (Holsti 1991). The results are not limited to wars either. Compared to other issue types, territorial disputes also generally have higher fatalities (Senese 1996), are more difficult to resolve, and are more likely to recur (Hensel 1998). Together, these results confirm a higher rate of conflict for territorial issues which implies higher salience for the countries affected by these issues.

From the perspective of the individual in a targeted state, territorial issues often present a direct threat to their homes, lives, and livelihoods (Gibler 2012). Land provides shelter in less-developed countries and often constitutes one's greatest asset in more advanced countries. Thus, targeting the land with occupation implies a threat to both shelter and economic well-being. Of course, territory also holds more than economic value for most individuals. As Vasquez (1995) describes, most individuals have strong attachments to their homes and birthplaces. This attachment is often encouraged by groups within society who socialize the individual with myths and legends, signs and symbols, education, and religion that all equate particular lands with ethnic and national groups, and group socialization reaffirms that threats to territory will be equated with threats to the population. Individuals' sensitivity to

land pulls public opinion in territorially threatened states towards centralization. These citizens are often nationalistic (Gibler, Hutchison, and Miller 2012), intolerant of minority groups (Hutchison and Gibler 2007), and unsupportive of dissent or opposition to the leadership (Hutchison 2011). These changes in public opinion confirm the higher salience of territorial threats already assumed by the strong relationship between territorial issues and conflict.

Gibler (2012) argues that these domestic responses also encourage institutional centralization within the state. In crises over issues that are highly salient to the public, opposition parties are often constrained by the changes in public opinion to support the leader—to do otherwise would risk their parties being labeled as traitorous—and open political dissent decreases. Territorial issues also encourage a militarized state, with a military comprised mostly of a large army to defend the land. The presence of this army further biases negotiations in favor of the leader since domestic opposition will begin to fear repression.⁴ Given this new domestic political environment, the leader has strong incentives to remove the veto players that could pose as threats to the executive's policies, and, with these veto players removed, a centralized state emerges. Since democracy is built on foundations of distributed domestic power and tolerant publics, it follows that the removal of territorial threats encourages demilitarization within the state, the decentralization of power, and the emergence of democracy (also, see Gibler and Tir 2010), assuming the necessary wealth and income prerequisites are present in the state. One implication of this state-development argument, then, is that there will be a correlation between nondemocracies and territorial issues and, conversely, between democracies and nonterritorial issues. In short, democracies will rarely contend over the issue that is most consistently salient to domestic populations.

Still, one need not go so far as to argue that territorial issues cause regime changes to note that the types of issues facing democratic leaders are systematically different from those facing other regime types. Studies of democratization have generally associated democracy with peaceful regional environments that

³See also Slantchev's argument regarding salience: "[a]udience costs are more likely to matter only for salient policies of great national importance" (2006, 469).

⁴There is much evidence suggesting that opposition parties are substantially weakened by external threats to the state. Schultz, for example, found that "domestic opposition to a deterrent threat is relatively rare; we observe it in only five of the thirty-one cases in which democratic states made retaliatory threats" (2001a, 1687). The rate is even higher in territorial disputes. As Gibler (2010) demonstrates, since 1960 only two of 82 nondemocracies had oppositions that broke from the leadership during territorial disputes; when democracies are targeted by territorial disputes (a rare event), the opposition supports the leadership 71% of the time (24 of 34 cases).

have few territorial changes (Gleditsch 2002; Gleditsch and Ward 2006), and ample evidence suggests their issues more likely concern low-salience disputes over trade, fishing rights, and the like (Kalbhenn 2011). Indeed, in an important piece of investigative research, Mitchell and Prins (1999) find that most militarized disputes between democracies involve “fishing stocks, maritime boundaries, and resources of the sea” (1999, 179). Very rarely do mature democracies fight over territorial issues that are likely to be salient to the average citizen. In fact, only two of the 23 disputes between full democracies in the Mitchell and Prins study involved territory, and none of the fully democratic dyads fought over territory in the pre-World War II sample.

Reexamining Previous Studies

Recall that the empirical literature suggests two seemingly contradictory conclusions: threats made by democratic leaders are not more effective than threats made by other leaders, but the disputes they initiate are rarely reciprocated. Here, we explain how these results make better sense given the relationship between territorial issues and regime type.

The Threats Democratic Leaders Make. Democracies rarely, if ever, fight over territory. This matters because issue salience is important for many or most theories of democratic signaling. Clare (2007), for example, argues that the payoffs in any crisis are at least partially a function of the worth of the contested good, so backing down over nonvital issues will have little effect on the tenure of the leader. The public will not care. In crises involving at least one major power, Clare (2007) finds that the democratic bargaining advantage is limited to only issues that are vital to the strategic interests of the state, which are defined as an index of the major power’s regional interests (alliance ties, colonial possessions, and diplomatic missions). When stakes are vital, democratic challenges are reciprocated less often, and democracies back down from their initial challenges less often.

Without an interested public, there is no electoral check on either the opposition or the leadership, and, without this bargaining leverage, there are no informational advantages for democratic governments (see, again, Snyder and Borghard 2011). This implies that the correlation between less-salient/nonvital foreign policy issues and democratic governments is incredibly problematic for arguments that rely on bargaining leverage from an informed public. Thus, while Clare (2007) finds crises that do advantage democratic major powers, we argue that these will be rare events, especially

when salience is defined in terms of territorial issues. Democratic citizens enjoy safety from direct threats and worry more about the economy, taxes, and their prospects for the future. Citizens in democracies will have little reason to sanction either leadership or opposition for their foreign policy positions, which makes democratic behavior uninformative.⁵

One way of assessing this explanation is by taking a closer look at some of the threat data provided by Downes and Sechser (2012). Their online appendix provides a useful recoding of the Correlates of War MID narrative data, 1993–2001, that identifies whether a coercive threat took place during a dispute. This has been the principle dataset used in the audience-cost literature, and they find, with their recoding, that the vast majority of these dispute cases never contained deterrent or compellent threats. Indeed, out of 319 narratives, Downes and Sechser identify only 30 cases (9.4%) in which a deterrent or compellent threat was made; democracies were involved in two-thirds of these threat cases (this is based on our examination of their appendix Table 1).⁶ The majority of these cases (17 in all) had large democracies, such as the United States, issuing threats to far-flung nondemocracies. Another eight cases involved contiguous nondemocracies, and two more cases involved noncontiguous nondemocracies. Supporting our theory of the relationship between territory and (non-)democracy, there were only three cases in which threats were made in disputes that involved a democracy and at least one contiguous state.⁷

The full sample of Sechser’s (2011) Militarized Compellent Threats Dataset (MCT) tells a similar story. Eighty-two of 242 challenges (34%) were initiated by a democratic state. However, only nine of those threats were over territory and between contiguous states, and just seven of those nine were coded as the democracy being the primary challenger in the threat episode. Once again, democracies seldom have disputes over their

⁵Our argument also suggests that Clare’s (2007) findings may be better understood as a function of leader interests rather than the effects of citizen-based audience costs. We argue that citizens care most about threats to their own homeland territories and are less likely to be politically engaged when leaders involve the state in far-flung conflicts.

⁶Downes and Sechser (2012) use the Correlates of War “side A” and “side B” classifications but do not distinguish which state (or both) issued a deterrent/compellent threat during the conflict. Their online appendix is available at <http://faculty.virginia.edu/tsechser/Downes-Sechser-IO-2012-Appendices.pdf>. For our discussion, we added two variables to the dataset: whether the threat initiator was democratic (using Polity IV data, 6 and above) and whether the states involved in the threat were contiguous.

⁷These are MID#’s 4040 (Turkey and Greece), 4277 (Pakistan and India), and 4291 (Turkey and Syria).

TABLE 1 The Probability of Dispute Reciprocation, 1816–2001

<i>Variable</i>			
Initiator is democracy	-0.293*	-0.251	-0.433*
	(0.144)	(0.157)	(0.185)
Target is democracy	-0.060	0.109	0.120
	(0.134)	(0.149)	(0.147)
Both states are democracies	-0.254	-0.423	-0.466
	(0.284)	(0.306)	(0.312)
Major versus major	-0.000	0.010	0.008
	(0.226)	(0.246)	(0.246)
Major versus minor	0.122	0.228	0.228
	(0.169)	(0.185)	(0.184)
minor versus major	0.255	0.420 [†]	0.412 [†]
	(0.203)	(0.219)	(0.220)
Initiator's share of capabilities	-0.288	-0.295	-0.305
	(0.200)	(0.227)	(0.227)
Contiguous	0.830***	0.709***	0.704***
	(0.118)	(0.128)	(0.127)
Alliance portfolio similarity	-0.106	-0.104	-0.121
	(0.176)	(0.195)	(0.196)
Status quo evaluation of initiator	0.214	0.412	0.494 [†]
	(0.252)	(0.278)	(0.281)
Status quo evaluation of target	-0.345	-0.226	-0.298
	(0.241)	(0.262)	(0.265)
Territory	0.883***	0.977***	0.813***
	(0.154)	(0.176)	(0.189)
Democratic initiator X territory			0.612*
			(0.286)
Policy	-0.519***	-0.317*	-0.310 [†]
	(0.141)	(0.160)	(0.161)
Regime	0.805***	0.824**	0.822**
	(0.238)	(0.273)	(0.274)
Other	-0.495 [†]	-0.258	-0.256
	(0.280)	(0.304)	(0.305)
Highest action: occupation		-0.638**	-0.587*
		(0.237)	(0.233)
Highest action: clash		3.962***	3.966***
		(0.367)	(0.368)
Highest action: seizure		-0.426**	-0.435**
		(0.165)	(0.165)
Constant	-0.220	-0.794**	-0.740**
	(0.240)	(0.281)	(0.280)
N	2,325	2,325	2,325

Note: Logistic regression of dispute reciprocation, robust standard errors clustered on directed dyad. [†] $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

homeland territories, and here is evidence that very few threats over contiguous territory are ever made—only 3.7% of all threats in the MCT data and less than 1% of the MID data from 1991 to 2003.

The lack of territorial threats made by democracies provides at least indirect evidence for why their threats

may not be more effective than those made by other types of states. Threats over issues that are not salient to the public will seldom carry an audience-cost advantage. However, this is still indirect evidence, of course, and the salience of territory is likely to cut both ways. Control of land is zero-sum, so the salience of the issue for one state will often be mirrored in the other state, making informative demonstrations of resolve difficult to decipher. Dispute reciprocation demonstrates this well.

Democracies and Dispute Reciprocation. Most large-N tests of the audience-cost logic rely on dispute reciprocation as the dependent variable (see, for example, Schultz 2001a; Weeks 2008). In these studies, the failure to reciprocate is evidence of a successful signal of resolve by the initiator and denotes credible signaling by the initiator. If our argument is correct, however, this approach is problematic unless there are also controls for whether the dispute initiation involved homeland territories. First, it is likely that many disputes are reciprocated not because the threats are incredible; rather, territorial threats are so salient to targeted publics that they require dispute reciprocation from their leaders. Failure to respond to even a credible threat to territory poses too many risks for the regime of the threatened state. Second, if democracies are removed from these threats to homeland territories, their leaders will be better able to choose which disputes to escalate (Gibler and Miller 2013). They need not fear their neighbors, can engage abroad as they wish, and, if their leaders are smart, will be predisposed to choosing disputes that can be easily won or unlikely to be reciprocated. The remaining sample of nonterritorial disputes will have many fewer reciprocations, and the democratic advantage results from the correlation of democracy with nonterritorial disputes. Together, the salience and distribution of territorial disputes are likely to overwhelm empirical tests of the audience-cost logic.

To test this argument, we use the same research design as several previous studies (Downes and Sechser 2012; Schultz 2001a; Weeks 2008). We first constructed a sample of all directed-dyad MID initiations from 1816 to 2001. Our regime identifications are dichotomous—democracy or nondemocracy—and are again based on the Polity IV combined democracy-autocracy scale (Marshall et al. 2002). We code democracies as those states scoring 7 or above on this 21-point scale.⁸ We include dummy variables for the presence of democracy in the (1) initiator, (2) challenger,

⁸Analyses using 6 and above for democracy are substantively the same as those presented here; we report 7 and above for consistency with previous studies.

and (3) both initiator and challenger. Again, this construction is exactly the same as Schultz's (2001a, 146) dispute-reciprocation model, which was also incorporated into tests by Weeks (2008) and Downes and Sechser (2012).

Our capability controls are also similar to Schultz's model. We include dummy variables for the presence of a (1) major state challenging another major state, (2) a major state versus a minor state, and (3) a minor state challenging a major state. We also control for the total share of dyadic capabilities held by the challenger (Singer, Bremer, and Stuckey 1972). We include controls for contiguity (Stinnett et al. 2002) and alliance portfolio similarity (1) in the dyad, (2) between the challenger and the hegemon, and (3) between the target and the hegemon (Gibler and Sarkees 2004). The last two variables have been used to approximate state status quo evaluations.

We improve upon previous studies of dispute reciprocation by also controlling for the highest level of action in the dispute. As we detail in the online appendix associated with this piece, certain types of actions are always reciprocated, regardless of the regime type of the initiator. This is true for clashes, which are reciprocated by coding-rule definition, and also for wars. Few states will fail to respond to another state that has killed 1,000 or more of its citizens. These cases become tautological for models estimating dispute reciprocation.

A different methodological problem occurs with occupations. Occupations often occur when the target is either not aware of the territorial grab or not able to respond to the challenger. For example, Italy occupied some French lands in 1940, when the French were trying to defend against the German attack. In these cases the ability to reciprocate is constrained by the lack of information or ability to respond. We include dummy variables for these highest occupation codes in several of the analyses; again, for more detailed discussions of our rationale, please see the online appendix.

Finally, we code issue type using Correlates of War definitions—territory, policy, regime, or other. We code each issue as positive if either the challenger or the target has the issue as their first revision type. The omitted category for the analyses is “not applicable.”

Table 1 presents the results of our first set of tests. We use the entire sample of all MID initiations, but, consistent with earlier studies (Schultz 2001a; Weeks 2008), we omit the disputes that occur during the world wars. In Model 1, we estimate a base model without controls for the level of hostility used by the challenger. When issues are not considered, democratic

challengers seem to have an audience-cost advantage since their dispute initiations do not seem to be reciprocated. Among the control variables, disputes between contiguous states and the presence of territorial or regime issues are all more likely to generate reciprocation by the targeted state. Policy disputes are less likely to be reciprocated. Overall, the results of this model are entirely consistent with the findings of Schultz (2001a) and Weeks (2008).

In Model 2, we include dummy variables for those actions that are most likely to control reciprocation, regardless of regime or issue type. These actions include occupations, clashes, and seizures, though we exclude wars since our model would not converge if we included this variables—all wars are, in fact, reciprocated. Our results confirm our prior expectations: clashes have a high likelihood of being reciprocated while occupations and seizures do not. In these cases, the highest level of action does control the likelihood of a response, even after controlling for regime type and disputed issue.

Model 2 also suggests that inferences regarding regime-type change as we add controls for the highest level of action used by the challenger. Democratic challengers no longer have a signaling advantage in this model. While the coefficient remains negative, it is no longer statistically significant at any conventional level. Nevertheless, contiguity and the issue-type variables do remain as before—contiguous disputes are more likely to be reciprocated as are territorial and regime disputes; policy disputes are again unlikely to be countered. Since clashes, wars, and occupations all have a higher probability of involving territorial issues, and seldom involve democracies, this provides preliminary evidence for our argument regarding a selection effect in the distribution of disputes by regime type.

Recall that our primary expectation is that democracies are unlikely to be involved in territorial disputes and that this will lead to incorrect conclusions regarding the role of regime type during challenges. We test this expectation in Model 3 by adding a simple interaction term that is positive for democratic challenges over territorial issues. The estimates of all our control variables remain as before in Model 3. Indeed, the only real changes are found in the regime variables. The addition of the interaction term changes the effect of democratic challenges, which is now once again negative and statistically significant. Territorial issues also remain likely to provoke reciprocation. More importantly, the interaction term of democratic challengers initiating territorial challenges is *positive* and statistically significant, suggesting that any audience-cost advantage

inherent in democracy is overwhelmed by the importance of territorial issues to the publics involved.

We believe the estimates in Model 3 provide further evidence for the argument that any supposed democratic signaling advantage results from the lack of territorial issues confronting most democracies. As is evident from the interaction coefficient, democracies actually fare worse when issuing territorial challenges. When combined with the estimate for the base term of democratic challengers, democracies have no signaling advantage (or disadvantage) whatsoever (see Model 2 as well). Instead, democracies are among a set of states that are advantaged by being confronted with relatively few territorial issues.

Extending the Argument

We have demonstrated well that our argument can explain the empirical inconsistencies in the data. However, in our review of the literature, we provided two alternate hypotheses for why recent critics find that democracies perform worse than expected when issuing threats. Threats exclude the use of costly maneuvering (troop deployments and other forms of militarization) during bargaining; the issuance of a threat is also likely to follow a long process of strategic selection such that the final, observed sample is biased toward noncompliance. We have also demonstrated that tests of reciprocity are prone to specification error due to both the highest action of the conflict and the salience of the issue. Together, these potential problems may overwhelm any inferences we can draw from democracies engaged in threats or dispute initiations.

We therefore use this section to specify tests on a new sample of cases: the bargaining that takes place within disputes. The third iteration of the MID data-collection project provides the incident-level data for each dispute, 1993 to 2001. These incidents are the events that comprise a dispute—from the first threat of force to the final event in the dyadic dispute. Thus, they provide us the opportunity to examine for the first time the escalation (or deescalation) *within* a dispute as it progresses. These are not necessarily deterrent or compelling threats since militarized incidents may often be made without public pronouncement. However, these incidents also do not represent the summary data from a dispute and can be used to evaluate democratic state behavior as it interacts with other types of regimes during conflict.

Importantly, there are strong prior expectations in the audience-cost literature regarding what democratic states will do during conflicts. These include

Fearon's (1994, 585) predictions of when high-audience-cost states will (1) back down, (2) engage in limited probes, or (3) escalate their disputes. These predictions present more difficult comparison hypotheses than null findings for the expectations derived from our argument. Here, we describe Fearon's predictions and follow these with our own arguments for how issue salience will drive within-dispute bargaining.

Fearon's (1994, 585) first prediction is that higher-audience-cost states are less likely to back down during conflicts against authoritarian states.⁹ However, if the conflict targets the homeland territories of the authoritarian state, our argument would suggest that the authoritarian leader would be unable or unwilling to back down. The issue would be too salient to the leader's supporters. Further, as Weeks (2008) has pointed out, certain types of autocracies have audiences—mostly elites—who can punish their leaders for missteps in international bargaining. These elite audiences are likely to be smaller and better informed about foreign policy issues than the audiences in democracies because their stakes in these issues are higher. Elite-led systems will also redistribute payoffs among fewer individuals, giving each person more incentive to fight over their state's policy choices. Therefore, the leaders of these elites will actually be more constrained by their audiences when bargaining over nonterritorial issues or even far-flung territories; democratic audiences will remain largely apathetic over these outcomes. We expect then that,

H1: Democracies will be more likely than other states to back down when challenging the homeland territories of authoritarian states.

Fearon (1994, 585) also argues that democratic leaders will be unlikely to use military force to conduct "limited probes" of adversaries. Their larger audience costs leave them less room to make mistakes, and challenging a rival could potentially escalate a dispute and engage their public. Nevertheless, we have already

⁹Fearon: "Thus if actions such as mobilization generate greater audience costs for democratic than for nondemocratic leaders, we should find the democracies backing down significantly less often in crises with authoritarian states" (1994, 585). Partell and Palmer (1999) test this proposition using MID outcomes, and they were especially struck by the relative infrequency of states backing down. However, with backing down defined only as yields by the target or victories by the challenger, dispute-based coding of backing down may entirely miss the many cases of states deescalating into a stalemate or compromise. The bargaining process within a dispute is likely to include a series of steps, and failed status quo challenges could provoke backing down so that the challenger can draw a stalemate or negotiated compromise. These are, of course, missed with end-of-dispute coding of outcomes, as Partell and Palmer (1999, 393) note. This point is consistent with Downes and Sechser's (2012) critiques as well.

demonstrated that the salience of territorial issues is such that disputes initiated over homeland territories are almost always reciprocated. Leaders will likely know this and avoid territorial issues if their goal is only a limited probe. This suggests that any empirical relationship between fewer limited probes and regime type may actually result from democracies having fewer territorial issues affecting them. Democratic leaders do not engage in fewer limited probes generally; rather, democratic leaders have been selected out of the types of issues over which few leaders will probe. In hypothesis form we would expect that,

H2: Leaders will engage in fewer limited probes over territorial issues, regardless of their regime type.

The final prediction of Fearon's (1994) model that we test concerns the number of escalatory steps in disputes involving democracies. As Fearon (1994: 585–586) notes: “When large audience costs are generated by escalation, fewer escalatory steps are needed credibly to communicate one's preferences. . . . Thus crises between democracies should see significantly fewer escalatory steps than crises between authoritarian states” (1994, 585–86). This argument again ignores the salience of the issue. Responses to territorial issues should be different than responses to nonterritorial issues, so much so that initiations over territory will provoke a greater response. If true, this will conflate nonterritorial issues with a need for initiators to take fewer escalatory steps. Again, since democracies experience fewer territorial issues, then these regimes will be correlated with fewer escalatory moves within their conflicts, assuming there are no controls present for issue type. This leads to our last hypothesis:

H3: Leaders will experience a greater number of escalatory moves when fighting over territorial issues, regardless of regime type.

Note again that these expectations are derived from the audience-cost literature for observed cases of conflict. Thus, they are sheltered from potential biases derived from strategic selection. The inclusion of other types of coercive behavior, rather than just threats, also allows a fairer test of the audience-cost argument. We use the remainder of the article to test these expectations and discuss the implications of the findings.

Within-Dispute Bargaining: MID Incidents

To properly test the backing-down hypothesis, we created a two-part dependent variable that identifies

the number of times a state deescalated their hostility level during a dispute and the overall outcome of the dispute. Hostility levels include (1) no militarized action, (2) threat to use force, (3) display of force, (4) use of force, and (5) war, and these are defined for each incident within a dispute based upon the hostile action that was taken. We define backing down in a dispute as Partell and Palmer (1999) do—the presence of a victory by the target state or yield by the challenger—but we also include cases of stalemate or compromise that contained a deescalation of hostilities by the challenger. These are cases of bargaining in which the challenger backed down into a stalemate or compromise with the targeted state.¹⁰

Our independent variables for these and subsequent models remain largely the same, except for two changes. While the dispute-reciprocation studies controlled for the presence of joint democracy, Fearon (1994) had explicit predictions for cases in which the audience costs of challenger and target diverged. Therefore, we no longer include a dummy variable for disputes between democracies and instead control for democratic challenges against authoritarian states, with authoritarian states defined as -7 or below on the Polity IV scale. We also change the interaction term to assess the prediction that regime type behaves consistently across issue type. We now include a dummy variable for democracy-versus-autocracy challenges made over territorial issues. Finally, since our model is dichotomous—the presence (or absence) of backing down in a dispute—we again use logistic regression with standard errors clustered by dispute to estimate the model.

We present two models in Table 2 to demonstrate the effects of adding the interaction term for regime predictions over territorial issues. Model 1, without the interaction, seemingly confirms Fearon's assumption that democracies are unlikely to back down against nondemocracies ($p < .05$). The strategic setting is indeed important as democratic challengers seem to have no intrinsic likelihood of deescalating the dispute. This is also true of the capability-based indicators since these have no effect on the likelihood of a challenger backing down. Challenges against democracies are actually *less likely* to result in backing down, and that is true

¹⁰It is interesting to note that a large majority of deescalatory moves occur in the disputes with a stalemate outcome. There are 136 disputes in which the challenger acted in ways that were less hostile than previous actions in the dispute; 104 of these deescalated disputes ended in stalemates. The five categories of victory (side A or B), yield (side A or B), and compromise only had 18 deescalations combined. Almost 60% of the deescalations ending in stalemate (58 of 104) concerned territorial issues while the remaining cases were equally split across other four issue categories.

TABLE 2 The Likelihood of Challengers Backing Down, 1993–2001

Variable		
Initiator is democracy	0.842 (0.619)	0.664 (0.597)
Target is democracy	-0.882* (0.433)	-0.939* (0.426)
Democratic challenger vs. authoritarian Target	-2.082* (0.908)	-3.272* (1.389)
Major versus major	-0.113 (0.927)	-0.157 (0.980)
minor versus major	-0.091 (0.643)	-0.382 (0.659)
Initiator's share of capabilities	-0.221 (0.484)	-0.174 (0.472)
Contiguity	0.601 (0.406)	0.737 [†] (0.417)
Alliance portfolio similarity	-0.333 (0.679)	-0.759 (0.844)
Status quo evaluation of initiator	3.541* (1.424)	4.421* (1.754)
Status quo evaluation of target	-1.429 (1.479)	-1.908 (1.693)
Territory	4.918** (1.565)	4.691** (1.595)
Territory X dem challenge of authoritarian target		2.920* (1.393)
Policy	3.885* (1.524)	4.022** (1.558)
Regime	0.404 (0.889)	0.612 (0.857)
Other	3.018* (1.451)	3.029* (1.482)
Constant	-5.574** (1.967)	-5.411** (1.984)
N	369	369

Note: Logistic regression predicting whether a challenger backs down in a public dispute, robust standard errors clustered on directed dyad. [†] $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

regardless of what type of regime is challenging them. These estimates are found while also controlling for contiguity and disputed issue type, each of which is associated (to varying degrees) with an increased probability of the challenger backing down. There may also be some systemic influences in the model since similarity with the system leader increases the likelihood that the challenger will back down.

Model 2 introduces the interaction term of democratic challenges to autocracies over territorial issues, and this variable is positive and statistically significant ($p < 0.04$). This suggests that democracies are actually *more likely* to back down when confronting

nondemocracies over territorial issues. Of the 369 cases of dispute in our sample, there are only 17 instances of democracies challenging autocracies over territorial issues, and the democracy backs down in 12 of those cases. The relationship between democracy and backing down over territory seems to be strong enough, though few in total, to dilute the base coefficient of democracy versus autocracy, since the added control now makes these challenges substantively stronger.¹¹

Not reported here are tests we conducted on the ability of challengers to force backing down by the targeted state. We estimated the exact same models as above in Table 2, but we changed the dependent variable to whether the target backed down. Regime-type dummies had no statistically significant effect in either model. Only contiguity (negative) and three issue variables—territory, policy, and regime (all positive for an increased likelihood of backing down)—were statistically significant in each model. In short, we find no evidence that challenges against democracies are more likely to be averted during a dispute. If there is an audience-cost advantage for democracies, it must happen during conflict selection, at least for this sample.

Overall, these results demonstrate well that the audience-cost advantage of democracies results from an empirical association of democracies with nonterritorial disputes. Democracies are generally less likely to back down against autocracies in public disputes over nonterritorial issues, but, when involved in territorial issues, democracies actually tend to deescalate their hostilities, backing down from their original dispute actions. We find no support for a democratic advantage in high-salience disputes such as those over territory.

The incident data for the 1993 to 2001 disputes also allows a straightforward test of the limited probe proposition. To do this, we created a dichotomous variable for the presence of a limited probe by the challenger in which only one incident was initiated by the challenger during the dispute.¹² Since Fearon's expectation seems to apply to all democracies, rather than democracies challenging autocracies, we returned our interaction dummy variable to the presence of a democratic challenge over territory. Otherwise, our

¹¹The coefficient increased by over 50% from Model 1 to Model 2. Since the models are nonlinear, we confirmed that this increased substantive effect was true using predicted probabilities. Holding all other variables at the mean in both models, we found the strength of the effect to increase by 72% with the addition of the interaction term.

¹²Over 48% of the disputes (196 cases) have only one incident made by the challenger. Seventy-three percent of disputes have four or fewer incidents initiated by the challenger.

models remain the same as before, and we present the results predicting limited probes in Table 3 below.

Once again Model 1 of the model seemingly finds support for the regime-based expectations of the model. Democracies are unlikely to pursue limited probes of their rivals ($p < .07$). Further, limited probes are unlikely to target democracies. Differences in regime type between challenger and target seem not to matter. These conclusions change, though, with the addition of the interaction term, which controls for democratic challenges over territorial issues. Democratic challenges over other issues are no longer statistically significant at any conventional level, though challenges of democracies do tend to last longer than one incident. The only other effects consistent across both models include issue type (territory and policy) and the system similarity score of the target. Each of these variables predict disputes containing more than one incident initiated by the challenger.

The results of these models also provide confirmation of our argument that the types of issues on the agenda of democracies control the likelihood of observing audience-cost effects empirically. Democracies behave as expected over nonterritorial issues, with lower likelihoods of conducting limited probes. However, when the disputed issue concerns territory, there seems to be no regime-type advantage.

Finally, we use the incident data to provide empirical leverage on the question of dispute escalation. We created two dependent variables to measure threat credibility. First, we totaled the number of incidents in the dispute initiated by the challenger; we use the natural logarithm of this measure since the event data is highly skewed. Our assumption with this measure is that challengers will need fewer threats in order to convey their resolve. Our second dependent variable is similar to the dependent variable used in the Eyerman and Hart (1996) study. We use the hostility levels of each incident to calculate the number of escalatory moves by the challenger; each increase in hostility level is an additional count for the dependent variable. According to Fearon's argument, democracies should need fewer escalatory moves in order to signal their intentions. Table 4 presents our findings.

Models 1 and 2 use the total number of incidents as the dependent variable, and, as can be seen in the table, there are few regime-based effects in either model. More importantly, democratic challenges only seem to matter over nonterritorial issues. In Model 1, democratic challenges are not statistically significant at any meaningful level; these challenges only have an effect once the challenges over territory are specified with the interaction term. In Model 2, democratic

TABLE 3 Predicting Limited Probes, 1993–2001

Variable		
Initiator is democracy	-1.191 [†] (0.644)	-1.170 (0.757)
Target is democracy	1.047** (0.406)	1.050* (0.412)
Democratic challenger vs. authoritarian target	0.882 (0.605)	0.891 (0.601)
Major versus major	0.523 (0.574)	0.522 (0.574)
minor versus major	0.417 (0.550)	0.424 (0.559)
Initiator's share of capabilities	-0.547 (0.513)	-0.544 (0.510)
Contiguous	0.217 (0.423)	0.222 (0.415)
Alliance portfolio similarity	0.944 (0.662)	0.948 (0.678)
Status quo evaluation of initiator	2.197 [†] (1.332)	2.191 (1.349)
Status quo evaluation of target	-2.726* (1.127)	-2.708* (1.098)
Territory	-2.655** (0.845)	-2.626** (0.856)
Democratic initiator X territory		-0.077 (0.693)
Policy	-1.999* (0.836)	-2.000* (0.835)
Regime	0.029 (0.975)	0.031 (0.971)
Other	-0.742 (0.841)	-0.740 (0.839)
Constant	1.535 (1.358)	1.507 (1.348)
N	369	369

Note: Logistic regression of a "limited probe" defined as 1-incident challenge, robust standard errors clustered on directed dyad. [†] $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

challenges over territory are actually *more likely* to have numerous incidents, which of course provides additional support for our theory.¹³

To help confirm these findings on escalation, we estimated Models 3 and 4 with the number of escalatory steps as the dependent variable. Since this sum is a count variable, with variance greater than the mean, we estimate the models using a negative binomial regression, clustering the standard errors on the dispute. Models 3 and 4 again demonstrate the importance of

¹³We also added a dummy variable for the NATO versus Serbia dispute, MID#4343. There are 37 dyadic relationships associated with this MID, which makes it incredibly difficult to discern to which state Serbia responds with its incidents.

TABLE 4 Predicting within Dispute Escalation, 1993–2001

Variable	(# of Incidents)	(# of Incidents)	(Escalation)	(Escalation)
Initiator is democracy	-0.102 (0.257)	-0.157 (0.261)	1.305* (0.560)	1.204* (0.552)
Target is democracy	-0.214 (0.195)	-0.217 (0.194)	-0.645 (0.451)	-0.628 (0.458)
Democratic challenger vs. authoritarian target	-0.062 (0.262)	-0.301 (0.272)	-1.470* (0.615)	-1.779** (0.687)
Major versus major	-0.174 (0.227)	-0.159 (0.228)	-0.734 (0.721)	-0.735 (0.721)
minor versus major	-0.262 (0.223)	-0.334 (0.227)	0.119 (0.591)	-0.026 (0.587)
Initiator's share of capabilities	0.330 (0.227)	0.346 (0.226)	0.245 (0.581)	0.287 (0.576)
Contiguous	0.083 (0.146)	0.109 (0.149)	0.782† (0.423)	0.799† (0.422)
Alliance portfolio similarity	-0.585† (0.335)	-0.631† (0.340)	-0.547 (0.603)	-0.597 (0.619)
Status quo evaluation of initiator	-0.228 (0.571)	-0.051 (0.539)	0.857 (0.797)	0.983 (0.793)
Status quo evaluation of target	0.473 (0.593)	0.383 (0.585)	-2.434* (0.993)	-2.433* (0.996)
Territory	1.141*** (0.231)	0.995*** (0.255)	3.619*** (0.692)	3.496*** (0.710)
Territory X dem challenge of authoritarian target		0.891* (0.415)		0.913† (0.518)
Policy	0.695*** (0.204)	0.690** (0.223)	2.815*** (0.658)	2.878*** (0.677)
Regime	0.330 (0.297)	0.360 (0.301)	0.953 (0.730)	1.010 (0.770)
Other	0.242 (0.236)	0.209 (0.251)	1.031 (0.649)	1.059 (0.657)
Constant	0.194 (0.459)	0.240 (0.480)	-2.857* (1.116)	-2.864* (1.138)
Inalpha			0.887* (0.393)	0.865* (0.392)
R-squared	0.588	0.598		
N	369	369	369	369

Note: Ordinary least squares (OLS) is used in Models 1 and 2 to estimate the (natural log of the) number of incidents initiated by the challenger. Negative binomial regression is used in Models 3 and 4 to estimate the number of escalations in hostility level by the challenger. Omitted from the table is a dummy variable in each model that controls for the dyadic disputes of NATO versus Serbia (see text). Standard errors are again clustered by dispute. † $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

controlling for democratic challenges over territory. The results from Model 3 seemingly confirm regime effects for escalation—democracies are likely to escalate more often against democracies and nonauthoritarian states but much less often against authoritarian states. However, when Model 4 adds the interaction to predictions of escalation, we find that democracies have *more escalatory* moves than average when their challenges are against authoritarian states over territorial issues. This is

true after controlling for issue type in the general model; territorial and policy issues tend to have more escalatory moves on average. There are only minimal substantive effects on the other variables in the model due to the addition of the interaction term.

The consistency of the results using two separate operationalizations of the dependent variable lends added support to the argument that democracies do not have an audience-cost advantage over territorial

disputes. In our tests, democracies actually fare worse than other types of regimes, needing more escalatory steps and a greater number of incidents to signal their intentions during disputes. In short, we find no empirical advantage for democratic challengers in any of our within-dispute estimates, and we confirm a disadvantage in multiple situations.

Implications

We argue that democracies are unlikely to be involved in the disputes that are typically salient to their publics. We have ample evidence that territorial issues are dangerous, involving more fatalities and more wars than other issue types, and more salient than other issues to domestic audiences. We also have good evidence that democracies rarely face these types of issues. Instead, democracies are more likely to be involved in fishing disputes, policy concerns, and occasional crises over distant regimes. These regularities suggest, then, that foreign crises will seldom be salient to democratic publics, and democratic leaders will therefore have difficulties convincing other regimes that they risk their tenure when backing down from public threats. This is why previous studies have found that democratic leaders perform poorly when making threats during conflicts but still are able to choose their targets well enough to seldom have challenges reciprocated.

Our reexaminations of previous studies support our argument. Democracies seldom make compelling threats over homeland territorial issues and instead have the bulk of their threats focused on nonterritorial issues with noncontiguous states. As has been convention in this literature, we also analyzed dispute reciprocation patterns in the twentieth century and found that targets are actually *more likely* to reciprocate all disputes over territorial issues but especially those initiated by democratic challengers. Without this interaction term, democratic challenges are generally not reciprocated, so our estimates jointly imply that the lack of reciprocation in previous studies is based on the selected sample of conflicts facing democratic leaders and, when bargaining over territory, their initiations are reciprocated.

The selection effect we identify is problematic for tests of audience costs. If conflict selection and conflict escalation are correlated, such that democracies have advantages in both processes, we should still witness a higher rate of democratic effectiveness within the revealed distribution of disputes. However, we do not. Using incident-level data from 1993 to 2001,

we find that democracies are more likely to back down, have a higher number of incidents, and have more escalatory steps than other regimes, when they are fighting territorial issues. Each of these findings contradict the theorized advantage afforded democracies and suggest that democracies do not bargain well over high-salience issues in practice.

The implications of these findings are clear. We know that democracies do not fight each other, but there remains debate over why that is so. Audience costs have traditionally been one of the best explanations for the democratic peace and lead to expectations for why democracies bargain well with other types of regimes (Schultz 2012). However, critics of the audience-costs mechanisms are right (Downes and Sechser 2012; Snyder and Borghard 2011; Trachtenberg 2012). Democratic leaders do not have an institutional advantage when trying to back down the leaders of other regime types. Of course, we go much further than this and explain why there is still a democratic advantage when measuring dispute reciprocation. Our findings confirm doubts regarding the mechanisms of audience-cost logic and suggest that any peace between democracies depends critically on the distribution of issues that affect them.

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