

# **International Conflict and Endogenously Timed Elections**

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### **Abstract**

This paper offers an empirical test of two alternative causal mechanisms for the external behavior of democratic countries, namely Fearon's (1994a) audience costs and Bueno de Mesquita and Lalman's (1992) decision-making costs of the use of force. We focus our attention on states with endogenously timed elections. From these mechanisms we extrapolate two alternative competing expectations regarding the conditions under which political leaders should decide to resort to force and should decide to call elections. We test our hypotheses on a sample of 14 parliamentary democracies from 1962 to 1991. We estimate a two-stage probit model that allows for an endogenous relation between the propensity to use force and the propensity to call elections. Our results show that political leaders are more likely to use force as the probability of new elections increases, as the audience costs thesis predicts. But they are reluctant to call new elections when the risks of external conflict are higher, as Bueno de Mesquita and Lalman argue.

Two models of domestic politics underlie recent work on the causes of war, Fearon's (1994a) audience costs and Bueno de Mesquita and Lalman's (1992) decision-making costs of the use of force. As they highlight opposite features of leaders' decision-making, they offer contradicting hypotheses as to those leaders' actions. We put these mechanisms and their observable implications for states with endogenously-timed election in head to head competition. While neither piece deals with endogenously-timed elections directly, outcomes generated by these game theoretic models should be applicable to leaders of these states. As a result, we extrapolate from the assumptions of the authors what their predictions would most likely be for states with endogenously-timed elections.

James Fearon's (1994a) model of audience costs has had a major impact on the way we think about international politics. The insight that leaders can reveal private information about their states' intentions and capabilities by generating an expected domestic political punishment for not following through on their threats is both intuitive and elegant in its logic. Audience costs have begun to appear in all sorts of works, as they appear to be a compelling explanation for why domestic political leaders engage in a variety of actions, from security to sanctions to economic reform (Fearon, 1994a; Martin, 1993; Kitschelt and Malesky, 2000). Nevertheless, the concept is more often invoked than directly tested. The reason is that – to paraphrase Justice Potter Stewart – it is hard to know 'em when we see 'em.

For an empiricist attempting to use audience costs as a tool to explain how domestic politics affects international action, operationalizing audience costs is a challenging task. Some authors have tried to use office tenure and survival rates as their proxy variable (Gelpi and Grieco, 1998), but such specifications fall prey to problems of endogeneity and selection bias (Schultz, 2001). Other authors have used crisis behavior in order to test the audience cost thesis: while potentially appropriate, these studies fail because their measure for democracy conflates institutional constraints and normative features in a single indicator. Thus, it is hard to judge whether audience costs are truly the causal mechanism behind international behavior, and not

some other features of democratic institutions (Eyerman and Hart, 1996; Partell and Palmer, 1999).

More importantly, however, these tests are limited by their static understanding of election theories. They ignore that audience costs are built upon a structure of retrospective voting, where voters' calculations change over time (Fiorina, 1981; Ferejohn 1986; Alesina and Rosenthal, 1995). We should expect that rational voters gauge their leaders' past international behavior to infer the most appropriate estimate of their future behavior. Rational choice theory leads us to believe that voters should use all the information in the most efficient way, which implies that their method for assessing events varies over time. In essence, events that occurred early in the election cycle are discounted, whereas events which occur shortly before an election should be weighted heavily in the voting calculation, because they are the best predictors of future behavior. In this respect, audience costs become a time-variant feature associated with the electoral calendar.

In this paper, we offer a test of audience costs by narrowing our focus on countries with endogenously-timed elections. States where elections can be called at any point rather than waiting a fixed-period of time provide an ideal testing ground for Fearon's (1994a) thesis: if audience costs are the linchpin that connects the domestic and the international arenas, we should see their impact on two different fronts, while leaders decide to resort to military force, and while they calculate when to hold elections. In brief, we expect that the use of force should be more likely as new elections approach and that new elections are more likely to be held in the immediate aftermath of an international dispute.

In this project, we derive two observable implications that extend Fearon's (1994a) original framework and show how audience costs are connected with the dynamics of the electoral cycle. By asking what else should be true if the audience costs mechanism is at work, our approach avoids the pitfalls of previous tests, while going beyond inferences based on Monte Carlo simulations (Schultz, 2001). While there is always potential for selection bias in any test of

the audience costs thesis, nonetheless, we believe that our approach is ideally suited to deal with this problem: we are only studying democracies, that is, regimes with supposedly high audience costs. Because we are relying on a homogenous unit of analysis (King, Keohane, and Verba, 1994, 91-94), the data generating process should be the same across the sample. The endogeneity and selection bias problems should be minimized because all states should have the same theoretical probability of entering a conflict, and leaders should attempt to alleviate the domestic political consequences of the crisis in a similar manner.

Despite all their theoretical appeal, audience costs are just one possible mechanism underlying democracies' external behavior. Bruce Bueno de Mesquita and David Lalman (1992, 153-155; BdM-Lalman thereafter) have argued that the differences between democracies and other authoritarian regimes stem from the fact that democratic political leaders face greater political costs for the use of force. Their causal concept – the decision-making costs of the use of force – comprises “costs arising from domestic opposition [which] include demonstrations in the streets, electoral defeat, coups d'état, and the difficulties in obtaining the funds with which to wage war” (BdM-Lalman, 1992, 45). But, above all, it entails the opportunities for opposition parties to replace the current leadership. Leaders that are driven by the political imperative of staying in office are expected to take actions that limit that possibility. And war involvement, as Bueno de Mesquita and Siverson (1995) have shown, is usually associated with a reduction in office tenure.

From this line of reasoning, we derive two alternative competing expectations. If democratic political leaders are indeed constrained by these costs, we should be able to observe that their foreign-policy decisions should follow the dynamics of the electoral cycle with the aim of minimizing the chances of losing power. In essence, we expect that the resort to force should be more likely in the early phases of the electoral cycle and that new elections should be strategically rescheduled so as to have them precede a dispute in the international arena.

Thus, this project engages two alternative causal mechanisms for the external behavior of democratic countries in a confrontation against the empirical record. The battlefield of this confrontation is the analysis of the linkage between elections and the use of military force in a sample of parliamentary democracies from 1962 to 1991. A third contender participates in this contest: the venerable realist null hypothesis that domestic political variables have no effect in explaining international politics. Nonetheless, this test cannot be considered as a fully-fledged lakatosian three-cornered fight (Lakatos, 1970, 115). Despite some variation for which we try to control, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Great Britain, Ireland, Italy, Japan, Netherlands, and New Zealand – the 14 countries in our sample – all faced a relatively mild security environment in the period under investigation. Therefore, electoral considerations might play a larger role than it would be the case where states faced constant threats of international conflict and thus record crises with practically no interruption.<sup>1</sup> Previous analyses of the election-dispute connection have found scant, if any, evidence of a causal relationship when they were spanning the years between 1816 and 1976, hardly a period of time in which systemic conditions remained constant (see Gaubatz, 1999, 89-98). In circumscribing our test, then, we maximize the chances to detect an empirical difference between the two competing mechanisms we have identified. Should the test turn out to be inconclusive, that will be strong evidence that the sources of democracies' external behavior should be looked for elsewhere.

In what follows we proceed in five steps. First, we explore how the decisions of using force should be affected by the electoral cycle according to the premises offered under the Fearon and the BdM-Lalman scenarios. Secondly, we show how endogenously timed-elections can be manipulated by Fearon-type and Bdm-Lalman-type leaders. Third, we move on to explore the 'slips' in the model that must be dealt with to make correct inferences. Fourth, we lay out the

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<sup>1</sup> Israel and India also have endogenously-timed elections. At the beginning of the project, we had insufficient data for these two countries. We are presently in the process of adding them to the data set.

statistical model which we employ to test our hypotheses. Finally, we explore our findings. In an appendix, we pursue a preliminary additional analysis of the relationship between the electoral calendar and the chances a democratic country is targeted in a militarized dispute.

## **I. Audience Costs and the Timing of the Use of Force**

In Fearon's (1994a) model, international crises are public contests carried out in front of domestic and international audiences. Political leaders initiate disputes, escalate, resort to force, or back down under the eyes of their principals, be they fellow democratic citizens or the members of the ruling coalition, and of their international opponents, be they actual or potential. If a leader is able to manage an international success, he will be rewarded with longer office tenure and a higher reputation for competence. A leader who does not stand up to his adversaries, however, is likely to be removed from office. Thus, threats, declarations of intent, warning signals, and promises, come with a price tag – political loss or even humiliation for leaders unable or unwilling to follow through on their public stances. We know these price tags as audience costs. But audience costs are not necessarily weights burdening politicians. They serve an important role in international conflict, as audience costs help states signal a state's intentions more clearly to other states. A leader able to mobilize larger audience costs will be less likely to back down in an international struggle (Fearon, 1994a, 577).

In democracies, the mechanism through which audience costs function is electoral choice. In essence, election day is the day of reckoning for democratic leaders. According to the audience cost thesis, voters should assess the term of their leaders and cast their votes accordingly. Leaders who have subjected their states to humiliation abroad should be removed from office and challengers should be given a chance to lead the country.

As students of electoral behavior have long recognized, a pattern of retrospective voting characterizes the way in which voters acknowledge the performance of candidates. Voters tend to discount events that take place early in the election cycle and give more weight to events

occurring later in the election cycle. This is because voters have already taken previous actions into their expected utility calculations, but have not yet adjusted to more recent events (Fiorina, 1981; Ferejohn, 1986; Alesina and Rosenthal, 1995). Thus, it makes sense for rational politicians to take this into account and choose the appropriate time for conflict that will give the best opportunity for success abroad and at home. Consequently, we should expect that a democratic leader intending to signal resolve in an international struggle will likely choose to initiate that conflict before and as close as possible to an election day, in order to ensure that audience costs are at their highest. This enhances the chances of victory in the international arena, but it is also the best way to capitalize the foreign policy success audience costs are supposed to determine before it fades from voters' memories.

On the other hand, if the audience cost mechanism is not functioning and leaders are wary of international conflict hurting their election chances, they will likely choose to initiate conflicts early in the election cycle, when new elections are as far away as possible. Underlying this alternative observable implication is what BdM-Lalman (1992, 45-46) call the decision-making costs of the use of force: leaders that resort to force are deemed to face the consequences of a political failure, as they reveal their inability to achieve their foreign policy goals while avoiding the costs of a military confrontation. This mechanism is best exemplified by this statement by a key advisor to President Bush about why military intervention was not considered in Haiti in 1992:

We're dealing with a tiny, impoverished country that has no tradition of democracy and that poses no threat to us. It would be very hard in a presidential election year to explain why we suddenly felt it necessary to resort to military action there (Goshko, 1992, A37).

It is important to note that BdM-Lalman (1992, 71-78) are not arguing that democratic leaders will always avoid the use of force. In fact, military engagement cannot take place in their model without domestic politics. In deriving this observable implication, we extend BdM-

Lalman's argument<sup>2</sup> by looking at the circumstances under which democratic leaders are supposedly less burdened by the domestic political costs of the use of force. Insofar as democratic leaders are rational – as BdM-Lalman's model assumes – they will try to minimize the domestic political repercussions of the use of force, and will be more likely resort to it in the early phases of the election cycle.

Therefore, we posit:

*Audience-costs-hypothesis #1*: democratic leaders are more likely to resort to force late in the election cycle, as the probability of new elections is higher;

*BdM-Lalman-hypothesis #1*: democratic leaders are more likely to resort to force early in the election cycle, as the probability of new elections is lower.

## II. Audience Costs and Strategic Timing of Elections

The problem of a test of the implications we have derived above is that in nearly all democratic regimes – the most notable exception is, of course, the United States – the timing of the next election is determined by the current government (Smith, 1999a; Cox, 1997). As figure 1 shows, governments can select the most propitious time in the electoral cycle to hold new elections. This can take place anytime between the time of the old elections ( $t_0$ ) and the legally mandated end of the election cycle, when new elections are required by law ( $t_0 + x$ )<sup>3</sup>. Therefore, a simple test looking at when on the electoral calendar democratic leaders resort to force overlooks the fact the length of the election cycle itself is determined by the leaders themselves.

(FIGURE 1 ABOUT HERE)

The idea that international events can play a role in the termination of governing coalitions has often been articulated. Several scholars have listed wars and international crises,

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<sup>2</sup> As BdM-Lalman (1992, 276) acknowledge, “The game has not addressed such questions such as timing and dynamics.”

along with political scandals and economic downturns, among the critical events that have the potential to bring about a cabinet's dissolution (see Browne, Frensdreis, and Gleiber, 1986, 633). Such intuition, though, remains under-specified, unless it is integrated in a model of actors' choices. As Lupia and Strøm (1995, 651-652, emphasis in original) compellingly argue, "events such as wars, scandals, and economic shocks [...] *become* critical through their effects on parliamentary bargaining." The theoretical perspectives elaborated by Fearon (1994a) and BdM-Lalman (1992) can provide the necessary theoretical linchpin.

Existing explanations of election timing focus primarily on the informational advantage leaders have vis-à-vis the voters in matters of economic policy performance (see Smith, 1999a). We expand Smith's (1999a) intuition by introducing an international politics element to the leaders' informational advantage. We should expect that leaders have private information about on-going diplomatic discussions that may lead to crisis. As a result, they will likely attempt to take advantage of that information and manipulate the election cycle in a way that will most benefit their electoral chances and international signaling.

The reason for this behavior is to be found in the fact that high audience costs give democratic states a bargaining advantage because potential opponents are more likely to shy away from contests and more likely to back down once in them. "This result," as Fearon (1994a, 585) writes, "provides a rationale for why, *ex ante*, both democratic and authoritarian leaders would want to be able to generate significant audience costs in international contests." If the audience costs mechanism is at work, then, democratic leaders attempting to generate audience costs should strategically reschedule a new election until immediately after their recourse to the use of force. By putting their political careers in the hands of their constituents, democratic leaders should be able to signal their commitment to foreign opponents, a strategy that maximizes their chances to get the upper hand in their confrontations in the international arena (see Fearon,

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<sup>3</sup> The legally mandated time for new elections ( $x$ , in figure 1) usually varies between 3 years, as in the case in Australia, and 5 years, as is the case in Great Britain and Italy (see Alesina and Roubini with Cohen,

1994a; Schultz, 1999). As a result, democratic leaders signal to their international adversary that they are locked into threat of force in situations where a diplomatic solution is impossible. This is credible because they will face their day of reckoning immediately after conflict.

It is quite evident that calling an election is an extreme option political leaders might take only after assessing what the future distribution of seats in the parliament will be. But it is also the case that democratic leaders sometimes put their political careers at stake by taking stances on the international arena that do not admit any solution other than their adversaries' back-down. Though such examples are rare, some historical accounts of the Falklands/Malvinas war of 1982 demonstrate how the audience costs mechanism is applicable. Facing declining popular support, Mrs. Thatcher seized upon the crisis and let no other option open rather than the complete withdrawal of the Argentinean forces. While describing the attempts at negotiation in front of the House of Commons, Mrs. Thatcher was adamantly clear: "The key to peace is in the hands of the Argentine Government. The responsibility is theirs" (Harris, 1997, 176). And subsequently, "It was manifestly impossible for Britain to accept [Argentina's] demands" (Harris, 1997, 183). The implications of that position were not lost on anyone: as a Conservative back-bencher said, "Unless firm and effective action is taken within a reasonable period of time to remove the invaders and to restore the Islanders to British sovereignty, the effect on the Government's standing will be dire" (quoted in Dillon, 1989, 136).

It will always remain an intellectual speculation whether, had a debacle occurred, the ensuing political crisis would have been resolved only by taking the issue to the populace through an election or whether Mrs. Thatcher's resignation would have satisfied the public's desire for retribution. Be that as it may, elections were strategically called in June 1983, assuring a landslide victory to Mrs. Thatcher's Conservative Party. As *The Economist* (26 June 1982) dryly commented, "The best thing an unpopular government can do for itself is find a short, sharp war to fight somewhere else, and make it victorious."

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1997, 177-184).

BdM-Lalman's results (1992), on the other hand, would have us believe that democratic leaders will take a starkly different action: they will move the election before the conflict, in order to deflect the negative domestic repercussion of using any sort of force. The point is that should a foreign crisis appear likely to escalate, leaders will take steps to avoid the domestic repercussions of their international actions. Thus, leaders, who look ahead and see that diplomatic negotiations over a contentious issue begin to break down, will be likely to move the election forward to an early date, so that the election precedes the expected conflict. This way they will not incur high costs for the use of force, as they will have the election behind them. By doing so, they will have distanced their performance in the international arena from the electoral scrutiny of their constituents. As Lupia and Strøm (1995, 649) specify, "Party leaders are more likely to terminate coalitions or call early elections in the wake of major unexpected events beyond their control."

Indeed, the Fall 2000 Israel elections offer an anecdotal illustration. The protests resulting from an inflammatory speech by Likud leader Ariel Sharon had already erupted into a violent military conflict between Palestinians and Israeli security forces, and all indicators were pointing to continued violence and a high possibility of further escalation. Prime Minister Ehud Barak was left in a difficult domestic political dilemma: he faced a threat of parliamentary (Knesset) dissolution from the opposition coalition, but opinion polls indicated that without a peace agreement in hand, he would be defeated in an election by Sharon and trounced by former Prime Minister Benjamin Netanyahu. In response, Premier Barak called for elections two years ahead of schedule. Under the new Israeli constitution, elections could take place any time within the next six months (Sontag, 2000). Sharon vehemently argued that they should take place as quickly as possible, "even before Passover (on April 7<sup>th</sup>)" in order to prevent resources, which should be used in conflict, from being wasted during the protracted electoral campaign. Premier Barak, fearing that he might be forced to run against Netanyahu, however, resigned from office on December 9<sup>th</sup>, thus necessitating immediate elections where Barak would stand against Sharon.

Netanyahu would call it “The most cynical ploy in Israel history” (The Economist, December, 14, 2000). Despite his gamesmanship, Barak would eventually lose to Sharon in the election.

In the scenario depicted above, had Barak been attempting to generate audience costs, we should have expected him to behave in exactly the opposite manner. Rather than calling early elections to take place prior to escalation of a crisis, he should have tried to hold on, transforming the current conflict in the fundamental test of his Premiership, and should have waited to call elections until the resolution of the conflict. By rescheduling the elections that way, he could have signaled his resolve to his international opposition. Moving elections forward prior to any conceivable time when a resolution to the conflict can be reached, on the other hand, might be interpreted as an attempt to deflect the domestic political costs of the use of force.<sup>4</sup>

Therefore, on the basis of the Fearon and Bdm-Lalman mechanisms, we might expect:

*Audience-costs-hypothesis #2:* elections are more likely to take place after an international conflict, all else being equal;

*BdM-Lalman-hypothesis #2:* elections are more likely to take place before an international conflict, all else being equal.

### **III. The Slips: Problems with the Audience Costs Model Specification**

We have argued above that the proper forum for testing the predictive power of Fearon and BdM-Lalman competing models is the set of democratic states with endogenously-timed elections. But as John Maynard Keynes so eloquently reminds us, such obvious tests generally fail, because, “There is many a slip ‘twixt the cup and lip.” In this case, the slips are the multiple pathways through which economic factors and domestic institutional variables influence the relationship between elections and the use of force, and the constraints created by the external

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<sup>4</sup> Schultz’s (2001) discussion of the Abadan crisis on the British 1951 elections offers another example of this BdM-Lalman’s (1992) mechanism.

security environment. In the next three sections, we highlight these ‘slips’ that might throw noise in the smooth operation of our model.

*Slip #1: The Double-Edged Impact of Economics*

It is a central tenet of the political business cycle literature that macro-economic variables undergo a pattern of expansion and contraction that is associated with the electoral calendar (see Alesina and Roubini with Cohen, 1997; Schultz, 1995). But, the existence of a converse causal relationship – from the macro-economic conditions to the timing of election – has not passed unnoticed. Takatoshi Ito (1990), for example, challenged the standard explanation of political business cycles, when he found that the Japanese government did not manipulate policies to boost the economy before general election. Instead he found that “...general elections were usually held during times of autonomous expansion. In short the Japanese government opportunistically manipulated the timing of elections rather than the economy” (Ito, 1990, 135). Other scholars have followed-up on this research agenda both in Japan (Cargill and Hutchinson, 1991) and in India (Chowdury, 1993) and confirmed this result.

These findings have not remained uncontested. Recently, Alesina and Roubini with Cohen (1997, 170-173) tested the endogenously timed elections argument on a larger sample of OECD countries, but were unable to find that elections are more likely to be held when the economy is doing well. The rationale they offer for these results is revealing: “First, the economy is only one of the many variables that may influence the choice of an election. The incumbent may use strategically a major success in foreign policy...” (Alesina and Roubini with Cohen, 1997, 172).

Given these arguments, it becomes important to control for the state of the economy when we estimate the conditions under which elections are strategically called. By integrating economic and foreign-policy factors, therefore, our model should enable us to shed empirical light on the Alesina speculations.

But, there is a second entry point of economics into our model. Economic variables might have an impact on the use of force. In many ways, this supposition resembles the diversionary war argument, that is, the claim that the worsening of domestic political conditions might induce leaders to initiate conflict abroad to reconsolidate their power at home (see Levy, 1989). Our focus, though, is limited to the state of the economy, and not to a larger set of factors that might generate political instability, from social unrest to rebellions (see Gelpi, 1997). There are two reasons for this choice: the countries we analyze are stable and consolidated democracies that are unlikely to experience these kinds of domestic problems, and, more importantly, the economy is a key predictor of the electoral chances of the incumbent politicians (see Lewis-Beck, 1988). Assessing the impact of the economy, therefore, controls for an important factor that is directly related to the strategic calculus of politicians along the election cycle.

As is the case with the diversionary war hypothesis in general (see Levy, 1989), the empirical support for the connection between economic conditions and external conflict is mixed, and prevalently related to the American political context. For instance, Ostrom and Job (1986) have shown that American Presidents are more likely to use force as the conditions of the economy worsen, a result that has been subject to many extensions and critical re-examinations (see Fordham, 1998; Meernik and Waterman, 1996 among others). Similarly, Gregory Hess and Athanasios Orphanides (1995) have argued that foreign conflict initiations are more likely following the onset of recessions in a President's first term. While its theoretical underpinnings are under-specified – the concept of leadership ability and how conflict signals to voters are not fully specified with no appeal at all to cognitive psychology (Jervis, 1976) – this result is, nonetheless, important because it shows the existence of an interaction effect between electoral chances and economic conditions on the probability of conflict. But once these hypotheses are exported to other countries, the evidence becomes even thinner: Leeds and Davis (1997), for example, were unable to discern any systematic pattern in an analysis of eighteen democracies: as they conclude, “The election cycle and the change in the economic growth rate are statistically

unrelated to the probability that a state will initiate a military dispute or show or use of military force” (Leeds and Davis, 1997, 827).

From our perspective, it is important to understand that domestic economic conditions can influence foreign disputes. Moreover, it is important to recognize that the importance of this variable varies during the electoral cycle. In sum, both of these entry points for economic variables must be controlled for or a model risks misspecification. As a result, they are introduced into our model and their individual impact along with their interaction effects are hypothesized.

### *Slip #2: Domestic Institutional Variables*

It can hardly be disputed that domestic institutional variables should have an impact on the decision to call elections. The institutional configuration of the political system is usually associated with varying degrees of political instability, fractionalization of the party system, legislative and executive relationships, all factors that alter the constraints and opportunities decision-makers have to face in their decision-making process. That some countries might, then, be more prone to the phenomenon of early elections is an easy, but rarely explored (see Palmer and Whitten, 2000; Kayser, 1999, for an exception), guess. But, different domestic institutions can also affect foreign policy behavior, as they affect all major policy areas (see Auerswald, 1999; Prins and Sprecher, 1999).

Proper theorizing over the endogenous relation between elections and the use of force must look at the executive’s control of the agenda, how much legislative power the chief executive has in the form of decrees and vetoes, and how many veto players must be included in negotiations. Several different models can be used for differentiating between domestic regimes. Shugart and Carey (1992) offer the most sophisticated mechanism for measuring the continuum between parliamentary and presidential regimes, but their typography includes too many executive powers that are only tangential to the use of force abroad. For our purposes, George

Tsebelis' (1995; 1999) veto points offers a more parsimonious mechanism for understanding differences between regimes.

Under the Tsebelis perspective, we expect that coalition parliamentary regimes are less likely to use force, because more veto points must be overcome before initiation. Many parties must be united behind such a decision. On the other hand, a strong president with agenda control is less constrained by veto points and thus is more likely to use force. As Bueno de Mesquita, Morrow, Siverson, and Smith (1999, 150) remind us, "The larger the winning coalition in a country, the thinner must be spread the private goods that will be used to purchase political loyalty." Leaders need to be wary of using force abroad if it will not generate the private goods necessary to pay off the coalition which backs them. Veto players, therefore, capture an additional dimension in BdM-Lalman's (1992) concept of the decision-making costs of the use of force.

This argument can be applied to the decision to call elections as well. As the number of parties that comprise the cabinet coalition increases, the decision to call early election might be more difficult to reach. This expectation seems to contradict the argument that countries with fragmented party systems should have greater levels of political instability, and more frequent elections. Indeed, King, Alt, Burns, and Laver (1990) have shown that cabinet governments in countries with fractionalized and polarized party systems have shorter duration. Attention should be paid, however, to avoid conflating two distinct political processes into one.

Fragmentation and polarization might give coalitional governments shorter life spans: the bargaining arrangements might become more complex and mutually favorable policy platforms could be more difficult to determine. This should lead to greater hazard of cabinet termination. Nevertheless, calling an early election is a high political decision that might become even harder in coalitional governments for two reasons. First, parties might be afraid that their bickering and maneuvering could be punished by the electorate. Second, parties might have different preferences regarding the most appropriate time for new elections. Therefore, political systems

with large numbers of veto players might be characterized by less frequent elections. We also control whether the political system comprises an elected president with substantial executive power. A directly elected president that is not a mere figurehead can be seen as an additional veto player that might play a significant role in the decision-making process.

A final factor that should be considered is the partisan orientation of the governing coalition. It can be argued that once the goal to remain in power is brought into the theoretical picture, the policy choices of the leaders will reflect – at least to a certain extent – the ideological orientation of their supporters. As a matter of fact, several comparativists, as Palmer and Regan (2000) point out, have shown that parties differ in terms of foreign-policy platforms and that voters of different ideological orientation have different opinions on the appropriate means to conduct the foreign affairs of their countries. These differences might influence state behavior through the representative nature of democratic institutions. Should this hypothesis turn out to be empirically supported, it would cast doubts on the conventional characterization of state external behavior and foreign policy as a paradigmatic collective good (see for example Smith, 1998).

### *Slip #3: The External Security Environment*

The third set of control factors is related to international political variables and their impact on the decisions to initiate a dispute. The parliamentary democracy in our sample enjoyed a relatively secure international environment. With the exception of Britain in 1982, none was involved in a war. Nonetheless, some of these countries might have larger risks to cope with. To control for this possibility, we identify which countries were members of NATO, which were major powers, and which were involved in an enduring rivalry, all factors that potentially make the resort to the use of force a more likely event. We also consider the levels of military mobilization as it might be seen as an additional mechanism political leaders might resort to signal commitment in the international arena. Moreover, the decision to mobilize troops represents a typical costly decision in the BdM-Lalman's (1992) perspective.

Finally, we expect to find temporal dependence in our data set, that is, that the hazard of a dispute is itself a function of time. We, therefore, assess this conjecture by controlling for the time elapsed between crises. Time dependence has been shown to be a pervasive feature of many International Relations data sets, from dispute involvement (Beck, Katz, and Tucker 1998) to rivalries (Bennet 1998), to alliance duration (Gaubatz 1996). While Ireland and Gartner (2001) have not unveiled any temporal dependence in the dispute initiation choices of 18 parliamentary democracies in the 1920-1990 period, it is still important to assess whether the risk of a military dispute declines as peaceful relations unfold.

#### **IV. Research Design and Dependent Variables**

In this section, we lay out the research design and the dependent variables we use to test the hypotheses we have derived from the audience costs thesis and BdM-Lalman's (1992) argument. Our model is tested on a pooled time-series cross-section data set with quarterly observations from 1962 through 1991 for fourteen parliamentary democracies with endogenous timing of elections. There are 120 observations for each country, for a total of 1680 observations.

In the preceding sections, we have posited the existence of a simultaneous relation between the electoral cycle and the patterns of conflict behavior of democratic countries. To estimate this relation, we would ideally need a hazard model that predicts the duration of the electoral cycle: a model analogous to that used by Alt and King (1994) to study the temporal stability of cabinet governments would be optimal for our own purposes. Then, we would need a model predicting the use of force by a given country at a given point in time: a logit/probit specification would be the appropriate choice. But, while each equation *per se* can be estimated in a straightforward manner, the combination of the two in a unique model that allows for the endogenous determination of the use of force and the length of the electoral cycle simply cannot: as Box-Steffensmeier and Jones (2000, 180) admit, "Methods to explicitly account for

endogeneity or selection bias in the context of the duration modeling framework are nascent.” But while the ideal solution is still beyond reach, we try to conceptualize our estimation problem in a way that is amenable to more manageable approaches.

To begin with, we present the intuition underlying the statistical model we estimate. Let’s imagine that we could measure the propensity to hold elections ( $y_1^*$ ) on a continuous scale. Let’s also suppose that we could measure the propensity to use force ( $y_2^*$ ) in a similar way. In this case we would write a simultaneous equation model with endogenous dependent variables and we would use either 2SLS or 3SLS to estimate it. The structural form would be as follows:

$$\begin{aligned} (1) \quad y_1^* &= \beta_{10} + \beta_{12}y_2^* + \gamma_{11}X_1 + u_1 \\ (2) \quad y_2^* &= \beta_{20} + \beta_{21}y_1^* + \gamma_{22}X_2 + u_2 \end{aligned}$$

where  $X_1$  and  $X_2$  represent a set of independent variables,  $u_1$  and  $u_2$  are error terms,  $\beta$  and  $\gamma$  are parameters to be estimated.

Nevertheless, we do not directly observe  $y_1^*$  and  $y_2^*$ : given the bluntness of our measurement tools, we can only observe whether elections are actually held and whether force is actually used in the international arena. That is,  $y_1^*$  and  $y_2^*$  remain two latent variables that are measured only when they cross a given threshold:

$$y_i = \begin{cases} 1 & \text{if } y_i^* > 0 \\ 0 & \text{if } y_i^* \leq 0 \end{cases} \quad i = 1, 2.$$

This measurement problem transforms equation (1) and equation (2) into a simultaneous equation system with endogenous dichotomous variables. This class model can be estimated using an approach called two-stage probit estimation, (see Mallar, 1977; Alvarez and Butterfield, 2000) This procedure, analogous to a two-stage least squares model for dichotomous variables, yields consistent estimates of the model parameters.

This model is estimated using a two-step procedure in which we first estimate the reduced-form equations for  $y_1^*$  and  $y_2^*$ , basically the two equations with all the exogenous

variables included in the system on the right-hand side. Then, from the estimates of the reduced-form coefficients, we compute the predicted values for the two dependent variables. Next, we take these predicted values and substituted for the right-hand endogenous variables in the two equations. This model, in other words, relies upon the imputation of the two endogenous regressors using the estimate of the two associated reduced-form equations. This implies that the two imputed regressors are measured with sampling error, which biases the estimate of the standard errors in the second stage equations. We correct for this bias in the standard errors using the asymptotically correct covariance matrix, as was derived by Maddala (1983, 246-247) and implemented in *Limdep 7* statistical software.<sup>5</sup>

There are two main points of strength in this specification. First, the model can be estimated using standard computer packages. Second, the interpretation of equations (1) and (2) is straightforward: the former measures the probability of holding an election, the latter measures the probability of resorting to force in the international arena. In this respect, we combine in a single framework that allows for endogeneity the conventional specifications on strategic timing of elections (see Ito, 1990; Chowdhury, 1993; Alesina and Roubini with Cohen, 1997, 170-173; Kayser, 1999; Palmer and Whitten, 2000) and that on state conflict behavior (see Maoz and Russett, 1993 and the corpus of the democratic peace studies for several examples).

Each observation is coded with a dummy variable taking on the value of 1 if elections are held in the *following* quarter, and 0 otherwise.<sup>6</sup> This way, we can capture the strategic calculus of the leaders in calling an election as the probability of conflict involvement varies. From Fearon's (1994a) model, we predict that the coefficient for the use of force should have a positive and

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<sup>5</sup> It should be noted that this system of equations passes the order and rank condition of identification. Both equations are also overidentified. For this to be the case, the number of exogenous variables excluded from a given equation must not be less than the number of endogenous included in that equation less 1 (see Gujarati, 1995, 664-665). Following Gujarati's notation, we have:  $K=11$ ,  $k=6$ ,  $m=2$  for the election equation, and  $K=11$ ,  $k=8$ ,  $m=2$  for the use-of-force equation. Therefore,  $K-k > m-1$  in both cases. As Mallar (1977, 1719) explains, "the criteria for identification with these probability models are identical to those for linear equation systems in terms of parameter restrictions."

<sup>6</sup> Electoral data are taken from Alesina and Roubini with Cohen (1997, 177-184).

significant coefficient in the electoral equation: as the chances of an international dispute increase in a given quarter, strategic leaders should try to generate audience costs by holding elections close to but after the conflict. Conversely, from BdM-Lalman's (1992) framework, we derive the opposite expectation: that coefficient should be negative and significant, which implies that decision-makers are reluctant to have elections right after some conflictual confrontation in the international arena.

We code observations in which force was used with a dummy variable. Following Schultz (1999, 249), we identify the quarters in which any of the countries in the sample either initiated a Militarized Interstate Dispute or reciprocated using force in a disputed initiated by some other country.<sup>7</sup> We only included disputes in which the 14 democratic countries in our sample were either primary initiators, or primary targets in the disputes in which they decided to reciprocate with force after being challenged. By circumscribing the scope of our analysis this way, we try to capture the willingness to use force as a bargaining tool in the international arena. It should be hardly surprising that the conflict events under investigation are limited in number – there are 54 of them<sup>8</sup>. But while primary involvement in international conflict might be a rare event for most of these 14 democracies, nonetheless, this sample of cases is particularly appropriate for your test: this is likely to be the set of instances in which the domestic calculus of the leaders is most prominent because it excludes those crises into which they might have been chain-ganged via the Cold War alliance ties.

The quarters with an ongoing dispute also take on a value of 1. This coding rule has been subject to some controversy with Maoz and Russett (1993) advocating the approach used here, on the one hand, and Bennett and Stam (2000) suggesting that only the outbreak of conflict should be coded, on the other. From a theoretical point of view, however, the bargaining models of conflict behavior developed by Wagner (2000) and Goemans (2000) make a strong case for the

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<sup>7</sup> Data are taken from Zeev Maoz's (1999) Dyadic Militarized Interstate Disputes Dataset, Version 1.1, available at <ftp://spirit.tau.ac.il/~zeevmaoz/dyadmid60.xls>.

Maoz-Russett approach: conflict erupts whenever states are unable to reach an agreement over a mutually satisfactory settlement, and they continue to fight until that agreement is made possible by the new information revealed in the battlefield and by the changes in the domestic political context brought about by that information. Consistently with our theoretical framework, we posit that the phases of the electoral cycle impinge upon the calculations political leaders make in devising the goals they fight for and the duration of their conflicts.

From Fearon's (1994a) model, we predict that the coefficient associated with the propensity to have elections should have a positive and significant coefficient in the use-of-force equation: as the chances to have elections a quarter ahead increase, strategic leaders should be more likely to resort to the use of force. Again, from BdM-Lalman's (1992) model, we derive the opposite expectation: that coefficient should be negative and significant, which implies that decision-makers try to avoid conflict when the chances to face their constituents' electoral judgement increase.

## V. Explanatory Variables

Partisanship: the partisan orientation of the government is measured with a dummy variable that takes on the value of +1 for right-wing administrations, and the value of 0 for left wing administrations.

Data on the political hue of the governments are taken from Alesina and Roubini with Cohen (1997, 177-184).

Number of veto players: the number of veto players in a political system is measured by the number of parties in a coalitional government.

Data for all the countries in this sample are obtained from George Tsebelis' web page<sup>9</sup> (see Tsebelis, 1999, 591; Tsebelis, 1995, 301-302).

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<sup>8</sup> The cases are listed in the appendix.

<sup>9</sup> <http://www.polisci.ucla.edu/tsebelis/vpdata.html>.

Presidential system: this is a dummy variable that takes on the value of 1 if the institutional system comprises an elected president with substantial executive power, and 0 otherwise. Following Shugart and Carey (1994), two countries – France and Finland – have this characteristic. With this variable, we will be able to trace the impact these states have on the aggregate findings.

Economic conditions: the state of the economy is measured by the “misery index” (see Ostrom and Job, 1986), a composite indicator of the unemployment rate and the inflation rate in any given quarter. The inflation rate is coded as the average yearly rate of change of the consumer price index (CPI):  $((CPI_t - CPI_{t-4})/CPI_{t-4}) * 100$  (see Alesina and Roubini with Cohen, 1997, 155). Then, we standardize both inflation and unemployment by subtracting from the actual score the mean value for each country and then dividing by the standard deviation. This procedure eliminates country-specific factors that might affect either inflation or unemployment and gives a uniform measure that is comparable both across time and across countries. The misery index is the average of the standardized inflation and unemployment rates.

Quarterly data for the consumer price index are taken from the International Monetary Fund *International Financial Statistics* publication (IMF, IFS CD-Rom). Quarterly data for unemployment are taken from the OECD *Main Economic Indicators: Historical Statistics* publication. Several missing values plague the OECD publication. We, therefore, filled them in using additional sources, as we are aware of the risks of biased inferences that list-wise deletion might determine. We used monthly data for Belgium and Denmark from those countries’ Statistical Yearbooks. Whenever the OECD publication listed quarterly unemployment in thousands, we retrieved an approximate estimate of the size of the labor force from the yearly data published in the International Labour’s Office Year Book of Labour Statistics. This allowed us to estimate an approximate quarterly rate of unemployment. We used yearly unemployment data for a few observations that remain impervious to our efforts, namely Australia in 1962 and 1963.

Quarters since previous elections: this measures the number of quarters that have elapsed since the last elections, and is equal to 0 in the electoral quarter (see Ito, 1990; Chowdhury, 1993; Alesina and Roubini with Cohen, 1997). What really matters, however, is not the variable *per se*, as it will always become more significant as the deadline for election is approached, but its interaction effect with the misery index. Through this interaction, we can determine whether the impact of economic performance on the dependent variables varies along the phases of the election cycle.

This variable is coded using the electoral data from Alesina, Roubini, and Cohen (1997).

Major power: this is a dummy variable that takes on the value of 1 if a country is a major power (as defined in the COW project), and 0 otherwise. In this sample, France, Britain, along with Germany and Japan in 1991, are coded as major powers.

Data have been obtained from Bennett and Stam's (1999) Eugene computer program.

Military mobilization: this variable is coded using a procedure developed by Alesina and Rosenthal (1995, 215). First, we compute the difference between the number of military personnel at time  $t$  and the number of military personnel at time  $t-1$ . Then, we take the ratio of this difference over the size of the population at time  $t$  and multiply it by 100. Therefore, a positive sign indicates an increase in the level of mobilization, whereas a negative sign implies that military personnel are being demobilized.

Data are taken from the Correlates of War's National Capabilities data set.

NATO countries: this is a dummy variable that takes on the value of 1 for all the countries that are members of NATO, and 0 otherwise.

Rivalry: this is a dummy variable that takes on the value of 1 for all the countries that are involved in an enduring rivalry, and 0 otherwise. Two countries meet this condition: Britain, which is involved in rivalries with the USSR and, from 1984, with Iraq, and Japan, which is involved in rivalries with the USSR and, from 1977, with South Korea.

Data are taken from Scott Bennett's (1998) list of rivalries.

Quarters since previous dispute: this is a count variable that measures the number of quarters that have elapsed since the last dispute in which one of the countries in the sample was involved as a primary initiator or in which it reciprocated when challenged as a primary target. The counter is set to zero in 1946, if no other instances of dispute involvement exist.

## **VI. Data Analysis**

As a first stab, we present a cross-tabulation of the instances of the use of force over the phases of the electoral cycle. As table 1 shows, force initiation and reciprocation seem to become more likely at the end of the electoral cycle. But caution should be exerted in interpreting this result because this table offers only the most pared down connection between the timing of elections and the use of force. We simply cannot infer how often elections have been anticipated or postponed given the expectations on the use of force from these data. While the existence of a statistical relationship between these two variables seems to be consistent with the empirical record, its causal underpinnings are uncertain and await more appropriate statistical analysis. Moreover, only two countries, namely Britain and France, appear to have used force when more than 17 quarters had elapsed since the previous elections. These preliminary findings, therefore, give some indication of an effect of the electoral cycle on the domestic calculation of democratic leaders. We now turn to our more comprehensive test.

(TABLE 1 ABOUT HERE)

### *Data Analysis for the Timing of the Use of Force*

Table 2 reports the results obtained when estimating the electoral equation and the use-of-force equation simultaneously. The first thing to notice in the use-of-force equation is that the coefficient associated with the chances to call elections is positive and statistically significant. Substantively, this means that as the chances to hold elections increase, strategic politicians are more willing to resort to force in the international arena. This is the empirical finding predicted

by the audience costs: the dynamics of the electoral cycle affect the pattern of conflict behavior in a systematic way that is consistent with the conjecture we derive from Fearon (1994a) and contradicts the one we derive from BdM-Lalman (1992).<sup>10</sup>

To compound the negative results for the decision-making-costs-of-the-use-of-force perspective, the coefficient on the number of veto players variable is far from any acceptable level of significance. The complexity of the governing coalition does not make it any more difficult or easier to decide upon force. When push comes to shove, decision-makers are able to overcome the hurdles that the veto players supposedly create.

(TABLE 2 ABOUT HERE)

The remaining domestic level variables do not exert any discernible impact on democracies' external behavior. The partisan orientation of the governing coalition is unrelated to the decision to resort to force: the conventional notion that partisan politics stops at the water's edge is consistent with the data. Similarly, the coefficient on the "misery index" is statistically undistinguishable from zero. The decision of leaders to use force is independent from the conditions of the state of the economy. In this respect, our study corroborates the lack of statistical evidence for the diversionary war hypothesis.

Turning our attention to the control variables measuring the external security environment, we notice that major powers and countries involved in an enduring rivalry might find it necessary to use more force more often than other types of countries. Membership in NATO and the levels of military mobilization, on the other hand, are statistically unrelated to the use of force. This result on military mobilization speaks directly to the way the dependent variable is coded: by limiting our focus on those instances in which a state was the primary actor

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<sup>10</sup> It is important to notice how this result is different from the one shown by Gaubatz (1999): on a much longer temporal span, Gaubatz (1999) found that war involvement is more likely in the early phases of the electoral cycle, while he was unable to detect any pattern when analyzing militarized disputes. The different specification of the dependent variable, the specification of control factors, and the different timeframe, are some of the potential factors that might explain this difference.

in a crisis, we exclude a broader set of conflictual relations that might be related to the levels of military mobilization.

Finally, our estimates show that the flow of time has a dampening effect on the likelihood of resorting to the use of force.

#### *Data Analysis for the Strategic Timing of the Elections*

The results we obtain on the second equation show the come-back of the BdM-Lalman's (1992) perspective: the use-of-force variable has a negative and statistically significant sign. This means that democratic countries are less likely to hold elections whenever the chances of resorting to force increase. Strategic politicians do not generate higher audience costs by putting elections just ahead of an international dispute, as we would expect from Fearon's (1994a) theory. Instead, they try to keep elections and international conflict behavior as separate as possible: this is arguably the behavior of political leaders that face high costs purely for the use of force and do not want to put their political capital at risk in a joint confrontation with their opponents in the international arena and with their adversaries in the electoral campaign.

Unsurprisingly, as time goes by, the probability of new elections increases. What matters, however, is the interaction with the state of the economy: the coefficient for the misery index is positive and significant, whereas the interaction term has a negative sign and slightly less significant (p-value=.042 in a two-tail test). From a substantive point of view, this implies that, as new elections are more likely, the coefficient for the misery index gets smaller and smaller and turns negative. This means that if the state of the economy is bleak and elections are close in time, political leaders try to postpone their day of electoral reckoning. Conversely, when unemployment and inflation are low and the constitutionally mandated timing of elections is approaching, political leaders are more likely to try to capitalize on the favorable economic conditions by calling an early election. In this respect, the hypothesis that democratic incumbents *surf* over economic waves, ready to grab the best opportunity to enhance their chances of

remaining in office, seems to be empirically supported. The substantive interpretation of these findings is not trivial: it shows that once we control for international political factors, economic variables manifest their effect as well. As Alesina and Roubini with Cohen (1997, 172) had speculated, economic and international political factors closely interact in the decision-making process that underlies the strategic timing of elections.

As for the other domestic institution variables, only one of them – the number of veto players has negative signs and is statistically different from zero at the conventional level of statistical significance: the more veto players the less likely an election will be held. This result represents the difficulties of winning broad coalition-wide support. Snap elections are ideal candidates for such actions. As a consequence, incumbents are less likely to take action that may threaten the delicate balance of their polity. The political orientation of the government and a presidential system, on the other hand, do not have any effect on the electoral calendar: both coefficients are statistically undistinguishable from zero.

## **VII. Conclusion**

Few people would dispute that the study of the connection between domestic and international politics has risen to pride of place in international relations theory. Domestic politics is no longer a black box to be bracketed, nor is it relegated to the shady realm of unexplained variance. But while models and mechanisms contend the field in a lively manner, competing tests of their relative heuristic power are much rarer. In this paper, we have attempted such a test by pitting Fearon's (1994a) audience costs and BdM-Lalman's (1992) decision-making costs of the use of force against each other. Both mechanisms are part of internally coherent models, both sport face-value validity, both purport to shed light on the causes of democracies' external behavior.

By focusing our attention on democratic states where elections can be called at any point in time, we have been able to derive different competing expectations on the choices of leaders

with respect to the timing of elections and the decision to resort to force. Our most important finding is that the use of force is more likely whenever the chances of having new elections are high, while higher risks of conflict dampen the probability of calling elections. This results gives credence to Fearon's (1994a) audience costs when we try to explain conflict behavior, while it supports BdM-Lalman's (1992) expectation when we address the issue of the timing of elections.

The results we have obtained in our two-stage probit model, therefore, offer a balanced verdict: the two mechanisms under investigation seem to account for different aspects of democratic leaders' decision-making process. On the international arena, Fearon's (1994a) audience costs mechanism is able to predict the patterns of use of force more compellingly than BdM-Lalman's (1992). But once we turn our attention to the domestic side of the game, it is the reverse. It is probably not too surprising that a model whose domestic political micro-foundations are under-specified – as is the case with the audience costs thesis (see Smith, 1998) – should have much less heuristic power when applied outside its international political setting.

Most students of international relations will immediately recognize that states have several means of costly signaling short of manipulating domestic electoral cycles. We leave it open for future work to probe these alternative signaling devices. One piece that we find a particularly interesting step in this direction is the demonstration by Gartzke, Li, and Boehmer (2001) that foreign investment and trade flows may provide a means of communication between potential adversaries. On the other hand, elections are simply the most concrete demonstration of audience costs. By showing that the mechanism fails to explain the electoral dynamics of states with endogenously timed elections, we believe we have started to delineate the boundary of explanatory power for Fearon's (1994a) seminal work.

One future direction that this project may take other game theoretic researchers is the addition of endogenously-timed electoral strategy into their formal models. Fearon's and BdM-Lalman's models should be expanded to include this dimension of a leader's strategy. We are forced to extrapolate observable implications from their theories, but as a few readers have

pointed out – it is somewhat unfair to hold these authors accountable for extensions of their theories. A formal model dealing explicitly with the use of force and endogenously-timed elections is clearly the next step.

In our own work on this project, we intend to test the second leg of the audience cost mechanism. That is, are states which exploit audience costs more likely to win in battle? Using a new data set which records whether states were victorious in battle, we hope to find out whether states, whose leaders called for elections within two quarters before conflict, were more or less likely to be victorious.

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Figure 1

## The Endogenous Timing of Elections in Parliamentary Democracies

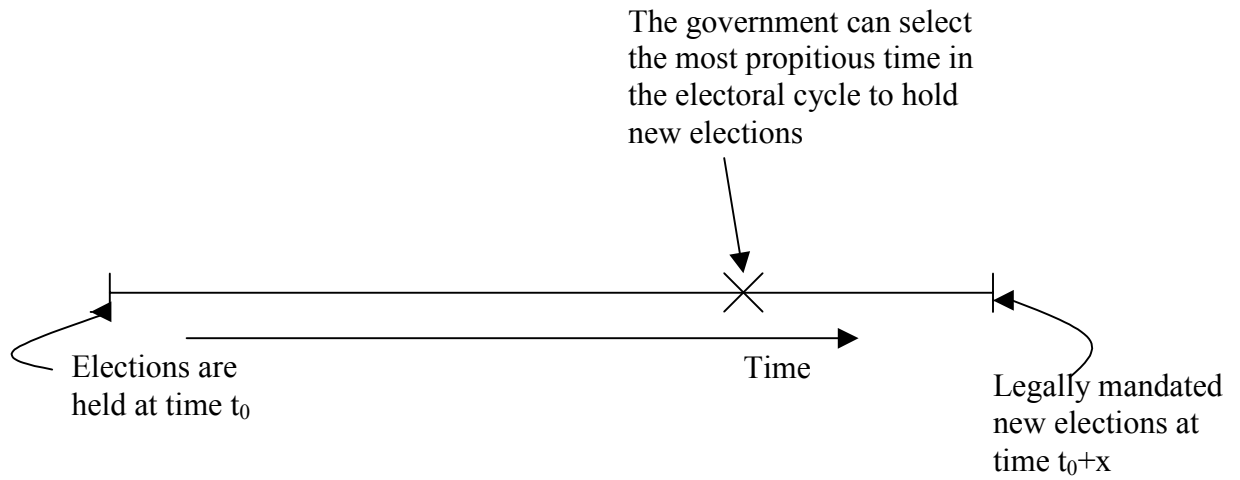


Table 1

**Patterns of Use of Force over the Electoral Cycle**

		USE OF FORCE			
		NO	YES	TOTAL	
N U M B E R  O F	Q U A R T E R S	1 to 4	510 96.41%	19 3.59%	529 100%
		5 to 8	461 95.84%	20 4.16%	481 100%
		9 to 12	359 92.53%	29 7.47%	388 100%
		13 to 16	216 90.76%	22 9.24%	238 100%
		17 to 20	37 84.09%	7 15.91%	44 100%
		TOTAL	1583 94.23%	97 5.77%	1680 100%
		Pearson chi2(4) = 22.5754 Pr = 0.000			

Table 2

**The Use of Force and the Timing of Elections:  
A Two-Stage Probit Model**

<i>Equation predicting the use of force</i>			
	Beta	SE(beta)	P-value
Elections in the following quarter	0.187	0.079	0.018
Veto Players	-0.014	0.065	0.829
Partisanship	-0.016	0.133	0.906
Misery Index	0.047	0.091	0.603
Major Power	0.660	0.171	0.000
Military Mobilization	0.150	1.596	0.925
Nato Countries	0.066	0.184	0.720
Rivalry	0.548	0.166	0.001
Quarters since last use-of-force	-0.008	0.002	0.000
Constant	-1.270	0.276	0.000
Number of Observations:	1680		
Log-likelihood:	-274.976		
Wald chi2(9):	763.180		
<i>Equation predicting elections in the following quarter</i>			
	Beta	SE(beta)	P-value
Use-of-Force	-0.234	0.082	0.004
Quarters since Last Elections	0.161	0.014	0.000
Misery Index	0.419	0.201	0.038
Misery Index X QSLE	-0.038	0.018	0.042
Partisanship	0.036	0.109	0.744
Veto Players	-0.094	0.047	0.044
Presidential System	-0.148	0.174	0.395
Constant	-3.086	0.262	0.000
Number of Observations:	1680		
Log-likelihood:	-363.839		
Wald chi2(7):	115.580		

QSLE: Quarters since Last Elections

## **Appendix A: The Timing of the Elections and the Opponent's Strategies**

It is often pointed out that large  $n$  statistical studies might be plagued by selection bias (see Fearon, 1994b; Schultz 1999; Smith 1999b; Signorino 1999). Because states anticipate the likely responses of their opponents, their decisions to use force are censored or altered, and the sample of observed behavior is not representative of the underlying data generating process. Thus far, our piece could be similarly guilty of ignoring the self-censoring of actors, because we have only looked at the actions of one state, when it is choosing to initiate conflict. This problem is potentially pernicious because a result in favor of the BdM-Lalman mechanism might be accounted for in quite different terms should a selection mechanism be operating. As Figure A1 demonstrates, a state targeting another might not be ignorant of the domestic audience costs generated by the strategic timing of elections. Indeed, it may simply wait until after the elections are held to attack thus obviating the impact of audience cost generation. Thus, it is possible that we do not observe elections right after a conflict because opponents studiously avoid being entrapped in a conflict with a democracy likely to hold elections, and instead launch an attack in the aftermath of an election.

(FIGURE A1 ABOUT HERE)

This is best exemplified by Figure A1. In this schematic, two states Eddy (E) and Giacomo (G) face off against one another in an international crisis. Only one of these states, G has the ability to manipulate election timing. If state E issues a threat, the leader of state G can respond in one of two ways: 1) he can push his election forward, so that it takes place before the crisis, as the BDM-Lalman mechanism would imply; 2) or he can allow the election to take place at its normally scheduled time (provided the election would be after the anticipated crisis) or postpone the election until after the crisis.

Should state G's leader push the election forward before the crisis, he has now revealed important private information to her adversary in state E (Fearon, 1994b). The leader of state E now knows that state G's leader is unwilling to face the domestic consequences of sustained

international action. The time is ripe to take advantage of state G's domestic political handcuffs.<sup>11</sup> As a result, the probability of state E attacking increases.

The other response to a threat by state G is to generate audience costs by insuring that an election will immediately follow international conflict. Following this line of reasoning, state G would have demonstrated a resolve to win in an international conflict and the probability of an attack from state would be reduced. Above, we simply stopped the analysis at this point, to test whether elections were altered when facing international crises.

It is quite possible that the leader of state E is a much more sophisticated actor, who has been observing the domestic political environment of state G and understands fully that postponed election is an attempt to generate audience costs. Following this logic, state E would wait for the election cycle to run its course and attack after the newly generated audience costs have dissipated. This is demonstrated by the kink in the decision tree after state E decides not to attack. As can be seen, state E will simply postpone that same decision until a date after the election. The resulting branch of decision tree would resemble the BdM mechanism exactly, with the post-election probability of an attack increasing.<sup>12</sup>

By only looking at state G's actions as we have thus far, we might fail to find evidence that states move elections forward before a crisis, not because leaders are constrained by the decision-making costs of the use of force, but because we have not taken into account the targeting state's behavior. Thus we propose to test state E's targeting of state G at node 3, which is circled in the diagram. If there is strategic interaction to the audience cost mechanism, we will see that targeting states will attack predominately after elections are held. Such a result would demonstrate that the foreign opposition is actually a better judge of audience costs than domestic

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<sup>11</sup> As Ho Chi Minh began to realize that war with the United States was inevitable, he advised other members of the Northern Vietnamese Politburo (including Truong Chinh, Vo Van Giap, Pham Van Dong, and Le Duan) that the most propitious time for an initiation of conflict in Southern Vietnam was during an election year in the United States, when a President would find it difficult to respond. He advocated this strategy consistently between the Geneva Accords in 1954 and 1962 (Duiker 2001).

<sup>12</sup> We would like to thank Kenneth Schultz for pointing this out to us.

leaders. Moreover, it helps us understand why domestic leaders might decide not to postpone election in the face of international crises. Strategic calculations on the part of the opponent limit the usefulness of such an instrument. On the other hand, if we find that attacks take place predominantly before elections, we know that foreign opponent's are unresponsive to the generation of audience costs through endogenously timed elections. Thus we posit:

*Targeting-hypothesis:* if leaders are responsive to audience costs, then, democracies are more likely to be attacked right after an election.

### *Testing the Targeting Hypothesis*

The targeting hypothesis asks whether foreign opponents are more likely to target democratic countries when the chances that elections be called are low, that is, right after elections have been held. To test this proposition, we code observations in our data set with a dummy variable taking on the value of 1 if they were targeted by some foreign opponent in a militarized interstate dispute, and 0 otherwise. Quarters with ongoing disputes are not coded as “successes” in this model because the observable implication we derived from Fearon’s (1994a) theory makes a clear prediction on the timing of the decision to initiate a dispute against a democracy. If we included protracted conflicts, we would obfuscate the very decision we try to bring to the fore.

We then identify observations with a dummy variable taking on the value of 1 if elections are held in the *preceding* quarter, and 0 otherwise. From the point of view of the foreign opponents these elections are “given”: they have occurred and can no longer be subject to strategic manipulation. This being the case, then, we no longer need to take into account the endogeneity dynamics in our statistical model and we can rely upon a straightforward single equation probit model.

### *Data analysis for the targeting hypothesis*

Table A reports the results of the (single-equation) probit model we estimate to test the targeting hypothesis. The first thing to notice is that the coefficient on the electoral dummy variable has a positive sign, but is statistically undistinguishable from zero. The immediate period after an election is not more troublesome than the other phases of the electoral cycle. Despite the fact audience costs are at their minimum, foreign opponents do not seem to take advantage of this opportunity. This result, then, seems to indicate that the audience costs mechanism is not helpful to understand the strategic calculation of opponents.

As a robustness check, we have estimated two additional models in which we measure whether elections were held in the previous six months or in the previous year. It could be argued that the post-electoral period of vulnerability is longer than just one quarter. Nonetheless, even in this alternative specifications, the targeting hypothesis fails to receive support from the empirical record. Foreign opponents do not seem to consider the electoral calendar when they decide to launch a militarized dispute against a democratic country.

The remaining domestic politics variables, on the other hand, have greater explanatory ability: partisanship is statistically significant with a positive sign. Countries ruled by right-wing coalitions are not only more likely to initiate disputes, as we have shown in table A, but are also more likely to be attacked by other countries. Greater levels of international tension, therefore, are associated with the spells in power of right-wing parties. The number of veto players is significant and negative. Governing coalitions that comprise large number of parties are less likely to attract “military trouble” from abroad. Insofar as the veto player variable taps into the some institutional features of the decision-making costs of different polities, this result corroborates the support found so far for the BdM-Lalman hypothesis. Finally, the economic conditions of the target country are a poor predictor of military challenges: the coefficient on the misery index is far from any acceptable level of statistical significance.

Turning now to the international politics variables, we can observe that all three variables are significant and have positive coefficients: major power status, high levels of military

mobilization, and membership in NATO are all associated with higher probabilities of being victim of a military attack.

Table A

**The Targeting Of Democracies And The Timing Of Elections:  
A Probit Model**

<i>Variables</i>		Model A	Model B	Model C
Elections in the preceding quarter	b	0.232	---	---
	se(b)	0.167	---	---
	p-value	0.165	---	---
Elections in the preceding two quarters	b	---	-0.008	---
	se(b)	---	0.138	---
	p-value	---	0.955	---
Elections in the preceding four quarters	b	---	---	0.015
	se(b)	---	---	0.108
	p-value	---	---	0.888
Partisanship	b	0.113	0.112	0.112
	se(b)	0.054	0.054	0.054
	p-value	0.037	0.040	0.039
Veto Players	b	-0.174	-0.175	-0.175
	se(b)	0.046	0.046	0.046
	p-value	0.000	0.000	0.000
Misery Index	b	0.028	0.025	0.025
	se(b)	0.079	0.079	0.079
	p-value	0.726	0.748	0.747
Major Power	b	0.472	0.471	0.471
	se(b)	0.130	0.130	0.130
	p-value	0.000	0.000	0.000
Military Mobilization	b	3.648	3.591	3.599
	se(b)	1.230	1.223	1.224
	p-value	0.003	0.003	0.003
Nato Countries	b	0.386	0.383	0.384
	se(b)	0.121	0.121	0.121
	p-value	0.001	0.002	0.002
Constant	b	-1.608	-1.582	-1.589
	se(b)	0.118	0.119	0.123
	p-value	0.000	0.000	0.000
Number of Observations:		1782	1782	1782
Log-likelihood:		-369.602	-370.520	-370.512
LR chi2(7):		70.150	68.310	68.330

Figure A1

