Audience Costs, Domestic Economy, and Coercive Diplomacy

Online Appendix

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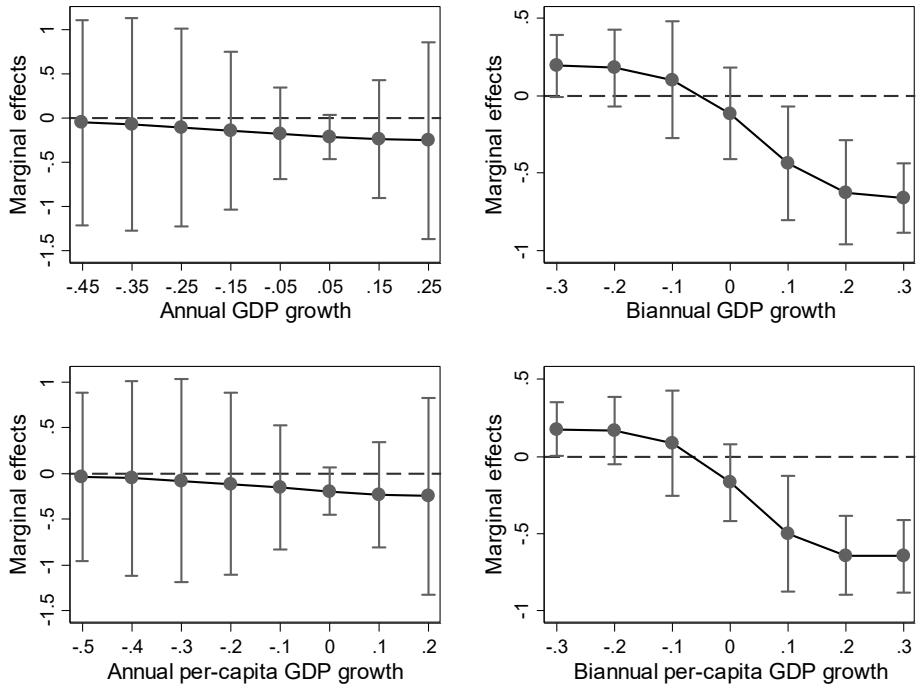
Plots of the average marginal effects of the main models

Figure A1 presents the plots of the average marginal effect of the category of high audience cost capacity and no strategic territory, conditional on the range of the GDP growth rate that is observable in the dataset. The figure indicates that the effect remains statistically insignificant across the range of the annual growth rates, and changes from positive to negative as the biannual growth rates increase (meaning that a larger economic growth in a biannual term is associated with a lower probability of failed threats). In other words, there is no evidence that a good economy reduces the size of the effect of audience costs that enables successful coercive diplomacy; if any, a good economy seems to *increase* it.

Figure A1: Average marginal effect of the category of high audience cost capacity and no strategic territory, conditional on the range of GDP growth rate



Dots: mean
Bars: 90% confidence intervals

Results of the Replication of Weeks (2008)

Weeks (2008) examines the sensitivity of democracies and various authoritarian regimes to audience costs, focusing on militarized interstate disputes (MIDs) from 1946-1999 (i.e., the unit of analysis is MID episodes). She finds that not only democracies, but also some authoritarian regimes (single-party, military, hybrid, mixed non-democracy, dynastic monarchy, and non-dynastic monarchy), are similarly sensitive to audience costs and, therefore, able to make threats credible. Yet, more recent studies find that democracies are overall more effective at generating audience costs than autocracies (Kurizaki and Whang 2015; Uzonyi, Souva, and Golder 2012). To accommodate these arguments, I use two dummy variables, one for democracies and the other for audience cost-sensitive autocracies.

Democracies are coded 1 if initiating states in MIDs are democracies; 0 otherwise, which is the same variable as Weeks's (2008) original models. Audience cost-sensitive autocracies are coded 1 if initiating states in MIDs are one of the following authoritarian regimes, according to Weeks's (2008) findings: single-party, military, hybrid, mixed non-democracy, dynastic monarchy, and non-dynastic monarchy. Aggregating these categories to one single category makes it simpler to examine the interaction effects between regime types and a growth rate variable, thereby helping to increase the statistical power of the models. The aggregated category of audience cost-sensitive autocracies adequately captures the same effect as Weeks's (2008) original models, as shown in Table A1 later.

The dependent variable is MID reciprocation, a binary measure of whether the initiating states in MIDs have the target states responding with militarized actions (=1) or not (=0). If the target states reciprocate, it is considered to indicate the failure of coercive diplomacy. Weeks (2008) finds that democracies and audience cost-sensitive regimes are less likely to have the target states reciprocate. For the purpose of the replication, I also include all control variables used in Weeks (2008).

Table A1 presents the results of the replication of Weeks (2008). In the first model, both democracies and audience cost-sensitive autocracies are less likely to have a target state responding with a militarized action, as expected. The remaining models include the interaction terms between democracies and each measure of growth rate, and between audience cost-sensitive autocracies and each measure of growth rate.

Table A1: Logit regression of MID reciprocation

	Model A1	Model A2	Model A3	Model A4	Model A5
Democracies	-0.710*	-1.008*	-0.893*	-0.834*	-0.785*
	(8.68e-05)	(4.15e-06)	(4.50e-05)	(1.58e-05)	(5.45e-05)
Audience Cost-Sensitive Autocracies	-0.633*	-0.628*	-0.616*	-0.637*	-0.624*
	(5.92e-06)	(3.19e-05)	(5.27e-05)	(9.38e-06)	(1.72e-05)
Annual GDP Growth		-0.655			
		(0.361)			
Democracies		6.375*			
* Annual GDP Growth		(0.0258)			
Audience Cost-Sensitive Autocracies		-0.618			
* Annual GDP Growth		(0.657)			
Biannual GDP Growth			0.0290		
			(0.977)		
Democracies			3.077		
* Biannual GDP Growth			(0.301)		
Audience Cost-Sensitive Autocracies			-0.250		
* Biannual GDP Growth			(0.877)		
Annual per-capita GDP Growth				-0.579	
				(0.437)	
Democracies				3.980	
* Annual per-capita GDP Growth				(0.181)	
Audience Cost-Sensitive Autocracies				-0.972	
* Annual per-capita GDP Growth				(0.496)	
Biannual per-capita GDP Growth					0.273
					(0.798)
Democracies					0.608
* Biannual per-capita GDP Growth					(0.844)
Audience Cost-Sensitive Autocracies					0.0234
* Biannual per-capita GDP Growth					(0.990)
Major Power vs. Major Power	0.135	0.00933	-0.0338	0.0171	-0.0306
	(0.644)	(0.975)	(0.910)	(0.954)	(0.918)
Minor Power vs. Major Power	0.0538	0.0870	0.0979	0.0760	0.0990
	(0.814)	(0.708)	(0.675)	(0.744)	(0.673)
Major Power vs. Minor Power	0.419*	0.393*	0.337	0.394*	0.323
	(0.0419)	(0.0679)	(0.120)	(0.0666)	(0.134)
Initiator Capabilities Share	-0.170	-0.155	-0.144	-0.170	-0.142
	(0.464)	(0.515)	(0.546)	(0.473)	(0.552)
Contiguity	0.575*	0.643*	0.628*	0.650*	0.624*
	(3.93e-05)	(6.96e-06)	(1.03e-05)	(5.39e-06)	(1.26e-05)

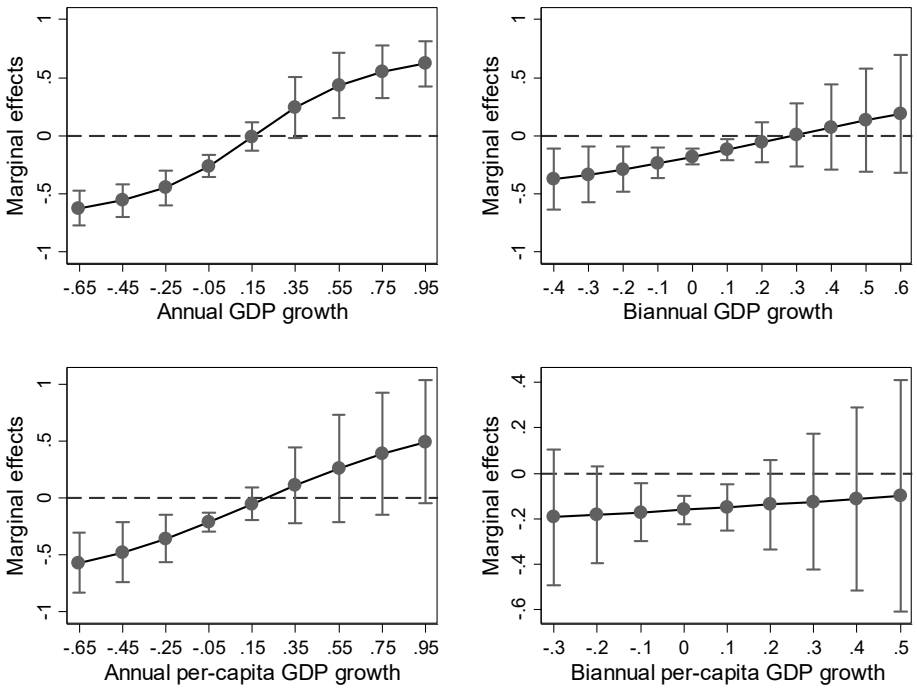
Table A1 cont.

Ally	-0.102	-0.0482	-0.0807	-0.0540	-0.0872
	(0.526)	(0.770)	(0.626)	(0.742)	(0.598)
Alliance Portfolio Similarity	0.300	0.210	0.201	0.221	0.215
	(0.153)	(0.334)	(0.355)	(0.309)	(0.326)
Status Quo Evaluation Initiator	0.0549	0.218	0.223	0.177	0.199
	(0.843)	(0.447)	(0.439)	(0.536)	(0.486)
Status Quo Evaluation Initiator	-0.158	-0.182	-0.167	-0.173	-0.176
	(0.558)	(0.517)	(0.555)	(0.539)	(0.535)
Revision Type: Territory	0.250	0.304*	0.323*	0.290*	0.307*
	(0.142)	(0.0840)	(0.0696)	(0.0980)	(0.0841)
Revision Type: Government or Regime	0.0245	0.144	0.155	0.133	0.152
	(0.929)	(0.614)	(0.586)	(0.641)	(0.595)
Revision Type: Policy	-1.273*	-1.216*	-1.195*	-1.221*	-1.198*
	(0)	(0)	(0)	(0)	(0)
Revision Type: Other	-1.378*	-1.298*	-1.260*	-1.298*	-1.260*
	(3.25e-05)	(0.000122)	(0.000174)	(0.000117)	(0.000172)
Constant	0.378	0.288	0.261	0.285	0.271
	(0.157)	(0.301)	(0.357)	(0.303)	(0.336)
Observations	1,582	1,519	1,495	1,519	1,495

P-values by two-tailed tests in parentheses, * p<0.1

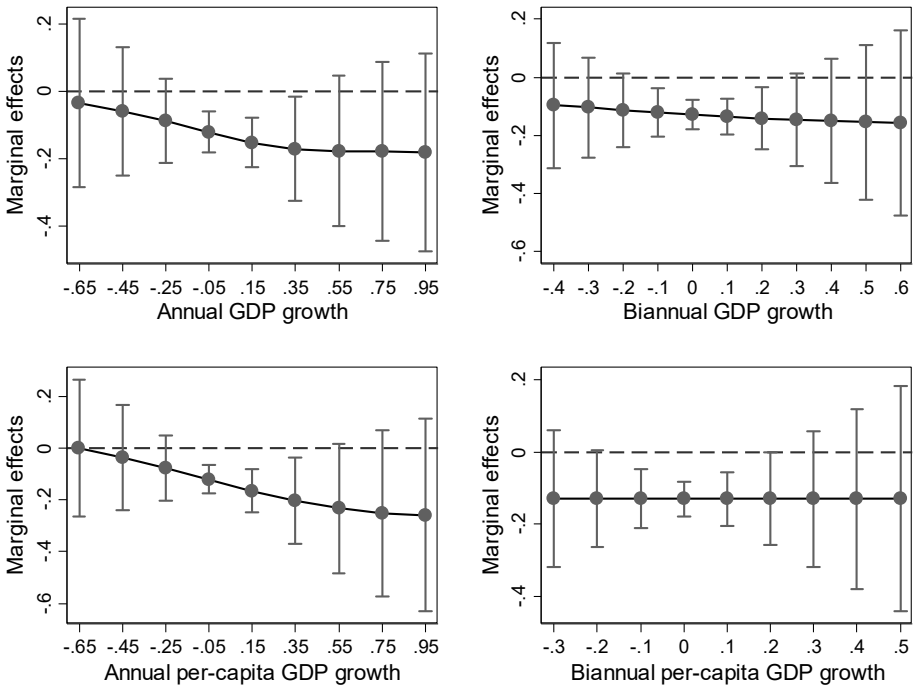
The results are more favorable to the theoretical predictions than those in the main text, but only to a limited extent. In most models, I find no statistically significant effect of the interaction term between audience cost-sensitive regimes and economic growth/decline on the probability of MID reciprocation. But the sign of the coefficients in some models is as theoretically expected (i.e., a higher GDP growth in audience cost-sensitive regimes is associated with a higher probability of MID reciprocation). And, in the model where the interaction is between democracies and the annual GDP growth rate, the interaction term is statistically significant, and a higher GDP growth in democracies is associated with a higher probability of MID reciprocation. These findings are confirmed by the plot of the marginal effects, as presented in Figure A2 and Figure A3. Democracies are associated with a higher probability of MID reciprocation as a growth rate increases, but this relationship is most salient in the case of the annual GDP growth rate. Audience cost-sensitive regimes are associated with a lower probability of MID reciprocation as a growth rate increases (except in the case of the biannual per-capita GDP growth), which is evidence against the theoretical expectations.

Figure A2: Average marginal effect of democracy, conditional on the range of GDP growth rate



Dots: mean
Bars: 90% confidence intervals

Figure A3: Average marginal effect of audience cost-sensitive autocracies, conditional on the range of GDP growth rate



Dots: mean
Bars: 90% confidence intervals

It should be noted, however, that these results from the MID models may not be taken as credible empirical evidence. As Downes and Sechser (2012) argue, the Militarized Interstate Disputes (MIDs) (as well as the International Crisis Behavior [ICB]) are not an appropriate dataset that measure success/failure in coercive threats. To cite a sentence that illustrates this point well:

> Overall, only a small proportion of MID and ICB cases involve coercive threats. Cases with no apparent demands—whether explicit or implied—make up nearly 90 per-cent of all observations in the MID Narratives archive and 83.5 percent of observations in ICB. Deterrent and compellent threats, in contrast, comprise barely 10 percent of MID observations and less than 17 percent of ICB cases. In

> other words, roughly one in ten MIDs between 1992 and 2001 and one in six ICB crisis dyads are appropriate for testing the democratic credibility hypothesis [i.e., audience cost theory] (464).

Downes and Sechser (2012, 464–66) also explain that one cannot identify coercive threats by using the variables available in the MID dataset (such as reciprocation, hostility level, and outcomes).

Given that the models in the main text that use the Militarized Compellent Threats data produce the opposite of the theoretical expectations, it suggests that the results from the replication of Weeks (2008) are driven by the MIDs *other than compellent threats*. If so, for the replication models to support the theoretical expectations, the majority of these MIDs must be assumed to be deterrent threats, as deterrent threats are the other type of coercive diplomacy. Yet, this is highly unlikely, given Downes and Sechser's (2012) aforementioned remark that "deterrent and compellent threats…comprise barely 10 percent of MID observations" during the period of 1992-2001 (the time MID narratives are available and, therefore, Downes and Sechser (2012) were able to qualitatively check each MID episode; see Downes and Sechser 2012, 461). And, even if the majority of the MIDs in Weeks's (2008) models were indeed deterrent threats, this would still raise the question of why the effect of audience costs work only for deterrent threats and not for compellent threats (see Downes and Sechser 2012, 483). Thus, the results from the replication of Weeks (2008) are at best controversial.

References

Downes, Alexander B., and Todd S. Sechser. 2012. "The Illusion of Democratic Credibility." *International Organization* 66 (3): 457–89.

Kurizaki, Shuhei, and Taehee Whang. 2015. "Detecting Audience Costs in International Disputes." *International Organization* 69 (4): 949–80.

Uzonyi, Gary, Mark Souva, and Sona N. Golder. 2012. "Domestic Institutions and Credible Signals." *International Studies Quarterly* 56 (4): 765–76.

Weeks, Jessica L. 2008. "Autocratic Audience Costs: Regime Type and Signaling Resolve." *International Organization* 62 (1): 35–64.