Only a few works in modern deterrence theory allowed for threat credibility to be at least partly a function of domestic public opinion. One of the pioneering studies pointed to the problem of threat credibility as a function of the audience’s perception of the deterrer’s behavior and suggested that “the audience may be broken down very simply into enemy, domestic, and allied categories” (Kaufmann 1956, 18). Nevertheless, the idea of domestic audiences as a key to the credibility of a government’s foreign threats was not integrated into deterrence analyses until very recently.1 Fearon’s (1994b) formal stylization of the impact of domestic audience costs on a state’s behavior revived the issue of domestic politics in deterrence research. The model presumes that if a Challenger is not deterred in a general deterrence and “selects itself” into conflict by initiating an immediate deterrence crisis, its resolve must be so strong that it cannot be deterred by an unfavorable balance of forces.2 According to Fearon (1994b, 586; also 1994a), the main implication of this “self-selection effect” is that the balance of force or interests becomes less relevant to the success of immediate deterrence. Instead, the major concern of the players at this stage of conflict shifts toward their domestic audiences.

This argument fits closely the idea, shared by many proponents of the democratic peace view, that domestic politics may have a larger impact on the outcomes of conflicts than does relative power. Specific to deterrence, this view implies a shift in our analytic focus from capabilities to the issue of threat credibility. Furthermore, in immediate deterrence, the domestic costs of foreign policy failure for a Defender are now considered to become the critical indicator of a Defender’s resolve and, thus, the credibility of its threats. Even the “balance of interests,” that is, external issues at stake, becomes less relevant for explaining a state’s behavior at the immediate crisis stage. The Defender’s vulnerability to domestic audience demands corresponds
closely to its regime type (i.e., “democratic leaders on average have an
easier time generating audience costs”; see Fearon 1994b, 582), demo-
cratic leaders being more vulnerable to domestic audience costs than
autocratic leaders (Fearon 1994b, 585). Consequently, their resolve is
assumed to be strong if general deterrence escalates into immediate
deterrence crisis.

This chapter examines the relationship between a major power’s
regime types and its willingness to prevail in deterrence. In particular,
the propositions about this relationship specified in the domestic audi-
ence costs model of deterrence (Fearon 1994b; Schultz 1998; Smith
1998) will be examined in the context of all cases of extended-immedi-
ate deterrence between major powers from 1895 to 1985. A multino-
mial logit model is again used to examine whether and how a major
power’s domestic political system affects its willingness to acquiesce,
compromise, or fight. Threat credibility is explored now as a function
of domestic audience costs for failing to protect a third party in an
extended deterrence situation. This is contrasted with the explanation,
examined in the previous chapter, that treats threat credibility as a
function of the regional salience of conflict for a potential Defender.

The domestic audience costs model of deterrent threats is also a
part of the democratic peace research program as it attempts to resolve
several puzzles in this area. A brief survey of the research puzzles that
prompted the domestic costs arguments will, therefore, precede the
closer examination of the model and its implications for threat credi-
bility in deterrence.

The Democratic Peace Puzzles

The number of empirical studies reporting the absence of war between
democracies has grown steadily in the last two decades (e.g., Rummel
1983; Doyle 1986; Maoz and Abdolali 1989; Maoz and Russett 1993;
Russett 1993; Ray 1995). Despite extensive research, some basic puzz-
les have yet to be resolved. Even among those who accept the demo-
cratic peace theory, there remain strong disagreements over several
issues, and the question of why this phenomenon occurs is still to be
adequately explained. Are democracies more pacific than other
regimes in general, or only when they face similar systems? Are democ-
racies dovish in all types of military conflicts including those short of
war? The model of domestic audience costs is an important recent
attempt to address these critical questions, while also introducing the context of deterrence, which was mostly neglected in the democratic peace literature.

Causal Explanations

The democratic peace puzzle has been well-publicized since the emergence of the first empirical reports of the absence of war between democracies (Rummel 1983; Doyle 1986). Such findings contradicted the previous contention that there was no significant relationship between domestic regime type and war (Small and Singer 1976). The newly uncovered “joint democratic peace” phenomenon led to alternative theoretical explanations (for the distinction of alternative explanations, see Ember, Ember, and Russett 1992; Maoz and Russett 1993). Proponents of the cultural or normative explanation argue that the phenomenon is the result of domestic socialization into the democratic norms of political compromise and accommodation being externalized into the foreign arena (e.g., Doyle 1986; Dixon 1994). This externalization succeeds because democracies share expectations of similar behavior from each other, which evolves from their common domestic experiences of peaceful conflict resolutions (Dixon 1994; also Mintz and Geva 1993). Consequently, if democracies get involved in low-scale military disputes they are expected to search for peaceful resolutions, especially when dealing with other democracies.

Alternatively, the institutional or structural explanation does not focus on norms and perceptions, but rather concentrates on domestic constraints and costs, which are expected to be higher for democratic leaders than for their authoritarian counterparts. These higher costs make democratic leaders more constrained and therefore less willing to accept the risks associated with war (e.g., Morgan and Campbell 1991; Bueno de Mesquita and Lalman 1992; Lake 1992; Bueno de Mesquita, Morrow, Siverson, and Smith 1999). The predominant argument is that democracies rarely fight each other because their governments face greater decisional constraints than do authoritarian ones (Morgan and Campbell 1991; Morgan and Schwebach 1992). In addition, Bueno de Mesquita and Lalman (1992) suggest that democratic governments are vulnerable to higher domestic political costs in the case of foreign policy failures and are consequently more reluctant to engage in violent conflicts that often have uncertain outcomes.

More recently, Bueno de Mesquita, Morrow, Siverson, and Smith (1999) expanded the institutional model of democratic peace to include
some elements of audience costs arguments as well. Since democratic leaders are more vulnerable to domestic costs for foreign defeats, they avoid conflicts they do not expect to win. Moreover, due to domestic institutional constraints, they need to try harder than autocrats to mobilize domestic support and resources for risky foreign policies. So “two democrats in a dispute both . . . can anticipate that, if they go to war, each will spend lots of resources in a risky situation in which neither is disproportionately advantaged by greater effort. Therefore, democrats are generally inclined to negotiate with one another rather than fight.” By contrast, the political survival of autocratic leaders primarily depends on satisfying key constituents (either the military or civilian domestic elite) “through the distribution of private goods. Autocrats do not have a great need to produce successful public policies. Consequently, they try less hard than democrats in war” (794). This, in turn, makes them an easier target, which then explains why democratic states are not as restrained against autocratic regimes as they are when facing other democratic states.

Their argument, developed through a formal model as well, seems to explain both dyadic and monadic aspects of democratic peace regularities (see the next section). It is also closely related to the audience costs literature (Fearon 1994b; Schultz 1998; Smith 1998), which suggests that once a democracy “selects itself” in a serious dispute, the high domestic costs of foreign policy defeat make it less willing to compromise and thus more prone to conflict escalation. Note that this theoretical expectation of audience costs models is at odds with the normative model’s expectation that democracies should be less likely to escalate, especially when interacting with other democracies (e.g., Dixon 1994). That is, unlike the model developed by Bueno de Mesquita and his coauthors (1999), the audience costs models of deterrence do not seem entirely consistent with the monadic approach to democratic conflicts (see below). These divergent predictions alert us to the importance of a closer examination of conflict initiation as well as escalation.

Empirical tests of the relative explanatory power of both normative and structural theories have produced inconsistent results. Some studies lend support to normative arguments (Ember, Ember, and Russett 1992; Maoz and Russett 1993; Russett 1993), while others find a greater explanatory power in institutional arguments (Morgan and Schwebach 1992). Despite their different understandings of the causal mechanism behind democratic peace, both normative and structural approaches challenge the realist paradigm of international relations.
Instead of treating a state as a black box in the international struggle for power, both see foreign policy as a function of domestic politics.

The realist view, on the other hand, considers the democratic peace findings to be confounded by factors such as a stable balance of power, alliances, or mutual interests in a realpolitik sense, like those shared by democratic allies during the Cold War (e.g., Farber and Gowa 1997; Gowa 1999). The critics of democratic peace theory argue that the low probability of democratic states engaging each other in wars was limited to the period between 1945 and 1980. They consequently doubt that the “democratic peace phenomenon” is generalizable beyond the Cold War era, and question the appropriateness or timeliness of U.S. foreign policy, for instance, aimed toward spreading democracy in the post–Cold War context (e.g., Gowa 1999).

Unlike the rest of the democratic peace scholars, who juxtapose domestic political variables to power- and interest-based factors, the domestic audience costs model claims that these latter factors matter less only in the immediate stage of deterrence crises. That is, observable measures of the balance of forces and balance of interests do deter challenges. However, if the challenge does occur, despite an unfavorable balance of power or interests, then the Challenger has signaled its strong resolve. This high resolve, then, overshadows the importance of power- or interest-based factors. Accordingly, a secondary objective of this analysis is to examine the relative explanatory power of domestic politics and realist paradigms in the case of deterrence—a type of conflict that warrants closer attention in the democratic peace literature.

Are Democracies Generally More Pacific?

A second puzzle that is as yet unresolved is related to the question of whether democracies are inherently more pacific than nondemocracies. Both monadic and dyadic approaches to this question have emerged (Rousseau et al. 1996). Proponents of the former argue that it is sufficient to study democracies as monads as they are less aggressive when dealing with any opponent, regardless of its regime type. On the other hand, those who use dyadic analysis expect the behavior of democracies to vary depending on their opponent’s regime characteristics. The proponents of the domestic audience costs model also advocate the dyadic position. “In the model, democratic leaders have a structural incentive to pursue more escalatory, committing strategies when they face authoritarians than when they face fellow democrats”
(Fearon 1994b, 586). This study provides the first empirical test of such a proposition in strictly deterrence situations.5

As for previous empirical findings concerning the validity of monadic or dyadic explanations of military disputes and wars, here again the evidence is mixed. While cases of violence between democracies have been rare, Maoz and Abdolali (1989) find at least the same frequency of violent conflicts in mixed pairs (democracy vs. nondemocracy) as in nondemocratic dyads. Moreover, democracies are just as likely to initiate such disputes. Some studies show a higher probability of violent conflict among nondemocratic dyads than among those with at least one democracy involved (Bremer 1993; Bueno de Mesquita and Lalman 1992), while others find the reverse pattern (Morgan and Schwebach 1992; Oneal and Russett 1997). In yet another analysis, Dixon (1994) finds no difference between mixed and strictly nondemocratic dyads in their likelihood to settle conflicts peacefully.6 Despite these diverse findings, the weight of empirical evidence seems to suggest that democracies are less pacific when facing a nondemocratic opponent.

In Search of the Dependent Variable

What does “democratic peace” really tell us? Is the democratic peace argument relevant only for wars? Or, alternatively, can it provide some insights into the less severe forms of conflict, those short of war? In one of the first systematic analyses of the connection between regime type and conflict behavior, Maoz and Abdolali (1989) found democratic dyads to be less likely than nondemocratic or mixed dyads to enter either wars or militarized disputes short of war. Subsequent refinements of this result have shown democratic states to be less likely than other regimes to participate in militarized disputes in general, although more likely to escalate to wars against nondemocracies (Rousseau et al. 1996). Relatedly, Bremer (1993) finds that disputes between democracies are more likely to escalate in the first stages of conflict (i.e., to some form of the limited use of force), but less likely to continue escalation to full-scale war, than those disputes involving mixed or nondemocratic dyads. Together, these findings suggest that the impact of regime type on foreign behavior varies according to the type and severity of military conflict.

Besides differentiating conflict types by severity, it is also important to examine the linkage between domestic factors and peaceful
forms of crisis resolution. Indeed, an improved understanding of the
dynamics that lead to compromise, or adjustments without force,
might illuminate the causal mechanism underlying the democratic
peace phenomenon. As Dixon has noted, the problem of ambiguous
evidence and tangled causal mechanisms (e.g., normative vs. institu-
tional) is not solved, but actually “exacerbated by the fact that most of
these studies employ but a single testing ground where questions focus
on what democracies do not do (i.e., fight), rather than on what they
might do differently” (1994, 15). Within democratic peace research,
alternate peaceful forms of dispute termination have been explored
much less frequently than violent outcomes.7

It is evident that much more work needs to be done in specifying
and enriching the domain of the dependent variable in democratic
peace research. The differentiation among peaceful outcomes might be
particularly informing about the absence of wars between demo-
cracies. Did two democratic states decide not to fight because they were
willing to compromise, or because one of them was more willing to
yield to an adversary sharing similar democratic institutions than to an
adversary with a different ideological makeup? The last scenario of
peaceful resolution represents deterrence failure as much as war does.
If the ultimate concern is related to policy success or failure, then
defining the dependent variable dichotomously, as the absence or pres-
ence of war, is not particularly revealing about the political
gains and losses from the dispute. Such a definition can merely indicate that nei-
ther side was willing to lose face peacefully. Refinement of the depen-
dent variable to reflect such nuances as the notions of violent and
peaceful foreign policy failures should provide a more adequate empirical
test for the democratic peace propositions. My differentiation
between four distinct deterrence outcomes (introduced in chap. 3)
directly addresses these concerns.

**Domestic Audience Costs and Deterrence**

As already pointed out, recent models of domestic audience costs
(Fearon 1994b; Smith 1998) represent a variation of the structural
approach to democratic peace and also provide a link to strategic stud-
ies of deterrence. They certainly enrich modern deterrence studies, by
providing a means of exploring the possible connections between
domestic politics and threat credibility, a long-neglected issue in deter-
rence theory. The audience costs approach is essentially based on two
premises. First, leaders' domestic audience costs for foreign policy failures are a function of their regime type; second, leaders “select” themselves into foreign conflicts depending on their prior beliefs about their opponent’s future behavior (Fearon 1994b). The formal stylizations of deterrence, based on these two premises, generated several theoretical expectations. Central to the democratic peace debate is the expectation that leaders in democracies are less likely to back down in conflicts with authoritarian states than with democracies, because their domestic costs for such failures are higher. On the other hand, if the rate of domestic costs is similar and high for both disputants, as would be the case in conflicts between democracies, escalation is less likely to occur. Furthermore, due to these selection bias effects, the key variables in realist analyses—relative power and alliances—become less important predictors of behavior once general deterrence fails and the immediate deterrence crisis starts.

Smith (1998) also takes up the issue of domestic political survival and the credibility of foreign commitments. He models crisis behavior in the context of domestic reelections and assumes that voters evaluate foreign statements as signals of their leaders’ competence. Leaders have an incentive to make hawkish statements since “nonintervention signals lower competence. . . . This interpretation supports Fearon’s conjecture that electorally vulnerable democratic leaders have larger audience costs than their autocratic rivals. At the extreme, when leaders have nothing to risk, they cannot commit to carrying out their threats” (633–34). Once again, the major implication is that democratic states make more credible threats than autocracies as they are likely to sustain larger domestic political losses as a result of foreign policy failures. The main question to be examined here is, then, whether deterrence works differently depending on the regime types of the actors.

It is worth reiterating that the link between domestic politics and threat credibility has been a long-neglected issue in deterrence theory. The domestic audience costs models, however, provide us with three key hypotheses linking the deterrer’s willingness to persevere in deterrence to the level of its domestic costs. One hypothesis contradicts the monadic democratic peace argument, as it maintains that democracies are less likely to back down in an ongoing dispute (i.e., immediate deterrence encounters) than are authoritarian states, since their domestic political costs are higher for policy failures.

On the other hand, the second argument of the audience costs approach is quite consistent with the dyadic approach to democratic
peace. The logic of the model suggests that deterrent crises between democracies are less likely to escalate than those between the states with divergent audience costs rates (i.e., those between democratic and authoritarian states). The third key hypothesis compares the impact of internal and external factors on the onset and outcomes of deterrence. It is generally expected that balance of power and issues at stake matter more in the onset stage, while domestic regime factors have stronger impact once the deterrence encounter started. According to this model, we should generally expect the direction of correlations to be reversed when moving from the question of whether deterrence would start to the issue of how it is likely to end. The main implication of the self-selection effect is that the balance of forces becomes less relevant for the success of immediate deterrence, while it is indeed significant, together with the external issues at stakes, for predicting the onset of immediate deterrence. On the other hand, the major concern of the players in the stage of immediate deterrence, i.e., once general deterrence failed and escalated into immediate deterrence, shifts toward their domestic audiences. The credibility of their threats then becomes a function of their domestic costs for failing to succeed in an immediate deterrence crisis.

The third argument about the factors impacting the onset and outcomes of immediate deterrence will be subject to empirical analysis in the next chapter. Although Fearon (1994b), for example, was primarily referring to the power balances as a factor that affects the choices of states whether to “select or do not select themselves” into immediate deterrence, the empirical analysis here points in the direction of a potential Defender’s regional stakes as the critical self-selecting determinant. Contrary to the domestic audience model (Fearon 1994b), however, regional interests are also found to be significant in accounting for immediate deterrence outcomes as well (see chap. 5).

**An Empirical Analysis of Domestic Costs in Deterrence**

**A Quantitative Measure of Domestic Regime Type**

The magnitude of domestic audience costs is considered to be a function of the domestic regime type (Fearon 1994b, 582; see also Schultz 1998; Smith 1998). Regime type is commonly measured in terms of a nation’s overall level of democracy as operationalized in the Polity III
data set (Jaggers and Gurr 1995). The Polity III democracy and autocracy scores are additive continuous measures that aggregate a nation’s ratings on several variables: degree of competitiveness and openness of executive recruitment, extent of regulation and competitiveness of political participation, and constraints on the chief executive. The measure is calculated by subtracting a state’s autocracy score from its democracy score. The resulting regime score ranges from –10 (complete autocracy) to +10 (complete democracy).\(^\text{10}\)

The Effects of Regime Types on Deterrence Outcomes

Descriptive statistics for the independent (domestic regime type) and dependent (the outcomes of extended-immediate deterrence) variables in this data set show several distinct patterns. First, as shown in table 6.1, exactly 50 percent of all cases of extended deterrence ended with the Challenger’s acquiescence. The frequency of the Challenger’s acquiescence in democratic dyads is particularly striking (83 percent of the total), while there was no instance of Challenger’s acquiescence in nondemocratic dyads.\(^\text{11}\) This pattern is almost reversed for nondemocratic dyads. Although no instance of Defender’s acquiescence was found in democratic dyads, it is three times more likely for the Defender to acquiesce in nondemocratic dyads (57.1 percent) than in the entire universe of cases (17.1 percent). Note also that the descriptive statistics are consistent with democratic peace research, since not a single case of war was found between democratic powers (table 6.1). A brief descriptive survey of explanatory variables also reveals several interesting patterns, to be subjected later to more robust examination in the logit analysis. For instance, the average regime score for the Defender is higher than that for the Challenger, potentially indicating that it is more likely for a nondemocratic state to challenge the status quo and trigger a deterrence crisis. Most important, regime similarity seems to have a significant impact on either side’s willingness to yield to the opponent’s demands.

Table 6.2 presents the results of the multinomial logit analysis of deterrence outcomes. The parameter estimates indicate the predicted marginal effects of the regime score on the log-odds ratio between the outcomes in all six pairs of deterrence outcomes. The logit analysis shows the domestic politics variable to be a statistically significant predictor of certain types of deterrence outcomes. The chi-square is far less significant than the chi-square of the regional salience model, but it nevertheless has a strong explanatory power especially for the pairs of
outcomes that include the Defender’s acquiescence as one of the two possibilities. A democratic Defender is least likely to acquiesce to the Challenger’s demands. Moreover, a democratic Defender is also less likely to acquiesce (see the first three pairs of outcomes in table 6.2) if the Challenger is also a democratic power. This is indeed a puzzling finding, worthy of further examination.

While the parameter estimates in a logit (or probit) analysis are convenient for establishing the statistical significance of independent variables and the direction of their effects on deterrence outcomes, they are inconvenient for assessing the magnitude of those effects. To assess the substantive impact for the statistically significant independent variables, equations 1 and 2 in appendix D were used to predict the probabilities of each deterrence outcome for different combinations of regime types (see table 6.3).

In addition, this method provides a convenient solution to the measurement problem that often arises in testing the dyadic democratic peace argument. It is common to select a cutoff point on the democracy scale in order to classify states as either democratic or non-democratic types. The selected numerical cutoff, usually set at +7 on a scale from –10 to +10, is necessarily a somewhat arbitrary decision (see Jaggers and Gurr 1995). To avoid the arbitrariness of such a selection, the threshold I use is set by the mean value of the sample in this study.12 That is, the predicted probabilities of deterrence outcomes are calculated given the average values of regime scores for the four types of

| TABLE 6.1. Descriptive Statistics for the Domestic Regime Variable |
|---|---|---|---|---|
| Explanatory Variables | Mean Value | SD | Minimum | Maximum |
| Defender’s Regime Score | 4.83 | 7.19 | –9 | 10 |
| Challenger’s Regime Score | –1.87 | 7.42 | –9 | 10 |

| Total Distribution of Deterrence Outcomes | N | % | N | % | N | % | N | % |
| Both Non-democratic | Defender Democratic | Only Challenger Democratic | Both Democratic |
| Defender’s Acquiescence | 12 | 17.1 | 4 | 57.1 | 6 | 13.3 | 2 | 16.7 | 0 | 0.0 |
| Challenger’s Acquiescence | 35 | 50.0 | 0 | 0.0 | 25 | 55.6 | 5 | 41.7 | 5 | 83.3 |
| Compromise | 12 | 17.1 | 1 | 14.3 | 7 | 15.6 | 3 | 25.0 | 1 | 16.7 |
| War | 11 | 15.7 | 2 | 28.6 | 7 | 15.6 | 2 | 16.7 | 0 | 0.0 |
| Total | 70 | 100.0 | 7 | 100.0 | 45 | 100.0 | 12 | 100.0 | 6 | 100.0 |
actors in this data set of deterrence encounters. Those are: democratic Challengers (the mean value of +9.0 in this data set), democratic Defenders (+9.1), nondemocratic Challengers (–5.63), and nondemocratic Defenders (–6.63). In this way, we can estimate the probabilities of different deterrence outcomes for the typical Defender and Challenger of each regime type.

### TABLE 6.2. Domestic Regime and Deterrence Outcomes, Multinomial Logit Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Compromise vs. AcqDef</th>
<th>AcqCh vs. AcqDef</th>
<th>War vs. AcqDef</th>
<th>Compromise vs. AcqCh</th>
<th>AcqCh vs. AcqCh</th>
<th>War vs. Compromise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defender’s Democracy Score</td>
<td>.211** (.098)</td>
<td>.290*** (.093)</td>
<td>.125* (.093)</td>
<td>–.078 (.068)</td>
<td>–.165** (.080)</td>
<td>–.086 (.088)</td>
</tr>
<tr>
<td>Challenger’s Democracy Score</td>
<td>.225** (.103)</td>
<td>.237*** (.097)</td>
<td>.143* (.102)</td>
<td>–.012 (.061)</td>
<td>–.094 (.078)</td>
<td>–.082 (.088)</td>
</tr>
<tr>
<td>Constant</td>
<td>–.156 (.490)</td>
<td>.487 (.448)</td>
<td>–.027 (.460)</td>
<td>–.644* (.460)</td>
<td>–.515 (.441)</td>
<td>.129 (.484)</td>
</tr>
</tbody>
</table>

Model Chi-Square (df) = 16.326* (6)
Log Likelihood Function = −86.943
Predicted correctly = 54%
N = 70

*Note: Numbers in parentheses are standard errors.
*p < .10; **p < .05; ***p < .01 (one-tailed t-tests).*

### TABLE 6.3. Joint Regime Effects on the Probabilities of Deterrence Outcomes

<table>
<thead>
<tr>
<th>Political Regime Types</th>
<th>AcqDef</th>
<th>AcqCh</th>
<th>Compromise</th>
<th>War</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Joint Democracy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Democratic Defender, Democratic Challenger</td>
<td>0.40</td>
<td>77.34</td>
<td>17.83</td>
<td>4.43</td>
</tr>
<tr>
<td><strong>Mixed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mixed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nondemocratic Defender, Democratic Challenger</td>
<td>16.27</td>
<td>32.74</td>
<td>25.94</td>
<td>25.05</td>
</tr>
<tr>
<td><strong>Joint Nondemocracy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nondemocratic Defender, Nondemocratic Challenger</td>
<td>76.28</td>
<td>4.77</td>
<td>4.51</td>
<td>14.43</td>
</tr>
</tbody>
</table>

*Note: Predicted probabilities are presented as percentage values. Defender’s (Challenger’s) democracy = +9.1 (+9.0), Defender’s (Challenger’s) nondemocracy = −6.63 (−5.63).*
Figures 6.1 through 6.4 visually facilitate a better interpretation of the likelihood of each deterrence outcome for the entire range of the Challenger’s and Defender’s regime scores, not only for their average values as shown in table 6.3. Note that the figures use the same 21-point scale of regime score for both Defenders and Challengers (i.e., ranging from –10 to +10), but the order of the values is sometimes reversed on the axis to facilitate a better visual insight into the pattern of relationships.

It is evident from these figures that the domestic regime variable is useful for predicting the probability of either side’s acquiescence (figs. 6.1 and 6.2), where the predicted probabilities range from 0 to 100 for different combinations of domestic regimes. On the other hand, the validity of the domestic variable substantially decreases if we want to predict the probability of compromise or war. Note that the highest probability of either compromise or war, which can be predicted with the domestic regime variable, is less than 30 percent (figs. 6.3 and 6.4).

As table 6.3 and figure 6.1 show, acquiescence by a democratic Defender is less likely to occur in both joint and mixed regime dyads. This is especially the case with joint democratic dyads where the Challenger’s acquiescence is the consistent outcome (see also fig. 6.2). The mixed regime dyads also have a low frequency of Defender’s acquiescence if the Defender is democracy. However, the Challenger’s acquiescence is the probable outcome in dyads with a democratic Challenger and a nondemocratic Defender (see fig. 6.2). Overall, it seems that, almost regardless of regime type, it is playing the role of the Defender that makes a state less likely to back down. Nevertheless, to the extent that democracies are presumed to have higher audience costs, the result at least partly supports the audience costs argument about the escalatory propensities of states with high domestic costs.

Another hypothesis of the domestic audience costs model, which is consistent with the democratic peace argument, predicts less frequent escalation between democracies than between other types of regimes. The test indeed shows that war is most likely to result only in the case of deterrence failures between different types of political regimes. However, table 6.3 and figure 6.4 reveal that war is also unlikely between authoritarian states (for similar findings, see Maoz and Abdolali 1989, 32; Ray 1995, 35),13 that is, the relationship is curvilinear. Contradicting the logic of domestic audience costs and democratic peace arguments in general, this suggests that similarity of domestic regimes, regardless of type, makes war a less likely occurrence in extended deterrence conflicts between major powers. War is
Fig. 6.1. A joint domestic regime effect on the probability of defender's acquiescence

Fig. 6.2. A joint domestic regime effect on the probability of challenger's acquiescence
Fig. 6.3. A joint domestic regime effect on the probability of compromise

Fig. 6.4. A joint domestic regime effect on the probability of war
more likely than any other outcome only between dissimilar regime
types, though the predicted probability of war is very low (always less
than 30 percent) to allow for any definite conclusions.

In sum, the empirical analysis shows the domestic costs model to
have strong predictive power, but only for limited combinations of
regime types and only for some deterrence outcomes. The domestic
costs model is superior in explaining deterrence outcomes for similar
regime dyads, that is, both democratic and authoritarian dyads. Fur-
thermore, where extended deterrence situations involve two democrac-
ies, it is essential to distinguish between Challengers and Defenders
for predicting outcomes. Democratic Defenders are unlikely to back
down when dealing with democratic opponents, and democratic Chal-
lengers tend to acquiesce almost as much as their authoritarian coun-
terparts. It is also important to distinguish Defender from Challenger
in joint authoritarian dyads. However, the pattern of expected behav-
ior is reversed. In conflicts involving authoritarian major powers, it is
the Defender who is most likely to acquiesce.

In contrast to similar regime dyads, the potential of the domestic
costs model to explain deterrence outcomes between dissimilar
regimes
is weak. One interesting finding here is that compromise, an often
neglected outcome in the deterrence literature, is a likely outcome only
between dissimilar regimes of equivalent power capability. However,
as pointed out earlier, war is also unlikely between similar regimes,
either democratic or authoritarian.

In the context of the democratic peace puzzles reviewed earlier,
the results are mixed. Regarding monadic versus dyadic arguments,
the test shows that the domestic politics model is superior in explain-
ing deterrence outcomes if the opponents have similar regimes. There
was no case of war in democratic dyads (table 6.1), and the dyadic
argument is, therefore, corroborated. Yet the monadic argument of
the theory of domestic audience costs is not supported here. Demo-
cratic Defenders are less likely to back down regardless of the oppo-
nent’s regime type. Regarding the validity of normative versus struc-
tural explanations, my analysis is not by any means a test of their
validity. Still, it is interesting to observe that normative/cultural
explanations of democratic peace anticipate that compromise should
be most likely between democracies, whereas my results show that this
does not appear to be the case in deterrence situations between major
powers.
Is threat credibility then a function of domestic political costs? It depends. The expectation of the domestic audience costs models that democracies will not back down in confrontations with nondemocracies is supported for democratic Defenders. However, it is not substantiated for democratic Challengers in extended deterrence. This finding underscores the need to differentiate states according to the roles they play in extended deterrence in order to develop a more refined insight into the willingness of the states with high domestic costs to persist and carry out their international threats. It is further interesting to explain theoretically the rationale for the Challenger to acquiesce in democratic dyads, while the pattern is reversed in nondemocratic dyads where the Defender is the one who acquiesces. This finding eludes explanations provided by previous research. The next chapter will attempt to solve this and other puzzles, uncovered by the test, in the context of the interactive effects of all three factors—relative capabilities, regional salience, and domestic regime type—on deterrence outcomes.