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A Domestic Institutional Approach to the Study of Foreign Policy: Factors Affecting Dispute Behavior

By

Patrick J. Moriarty

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE

Doctor of Philosophy

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ABSTRACT

A Domestic Institutional Approach to the Study of Foreign Policy: Factors Affecting Dispute Behavior

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Traditional approaches to the study of international disputes and war have generally aimed at providing very simple and broad explanations. Dominant among theories has been the explanation that war is a result of power politics between states competing in the international system. This type of explanation though, overlooks the study of how states make choices and how the resulting actions influence international relations. In this dissertation, I take a different theoretical approach by considering the influence of domestic factors as an important component for understanding international relations. I contend it is important to understand how the domestic political process influence foreign policy choices to best understand international affairs. In particular, I focus on the influence of institutional relationships and the role of the stakeholders as they relate to foreign policy decision-making.

I present a general theory of foreign policy development that addresses the specific role of domestic political institutions and selectoral constraints. I treat the foreign policy process as a modified principal-agent model where three
important actors have an influence on the development of policy: the chief policy maker, the primary oversight institution, and the relevant stakeholders of a state. I consider policies to be the result of the interaction between these three actors. In empirical examinations, I find moderate support for the expectations drawn from the theory. I find that domestic institutional relationships have an influence on foreign policy behavior, however the scope and strength of the influence still warrant further investigation.

My primary theoretical contribution is the notion that the key domestic political factors that affect policy are institutional relationships combined with leadership selection factors. The theory presented in this research fully specifies this relationship and sheds light on how domestic political relationships affect policy development, and how the resulting policies influence international dispute behavior.
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# Table of Contents

**Chapter 1:** Domestic Politics: A Missing Piece of the Puzzle... 
1

**Chapter 2:** Domestic Politics and Conflict Studies
- I. The Realist School
  - 10
- II. Introducing Domestic Politics
  - 14
    - A. The Democratic Peace
    - 15
    - B. The US Case
    - 18
    - C. Efforts to Fill Theoretical Gaps
    - 24
    - D. Focusing on Institutional Constraints
    - 28
- III. General Criticisms and Gaps to Fill
  - 34

**Chapter 3:** The Policy Making Process
- I. The Policy Development Process-An Example
  - 38
- II. The Policy Development Process-Guiding Assumptions
  - 46
- III. Other Illustrative Cases
  - 53
    - A. The Iranian Diplomat Incident
    - 55
    - B. The Spanish-American War
    - 57
    - C. Britain and the Italian Invasion of Ethiopia
  - 59
- IV. Conclusion
  - 59

**Chapter 4:** A Model of Policy Development
- I. The Core of the Policy Development Process
  - 61
    - A. Steps to the Model
    - 62
    - B. Key Factors in the Decision Making Process
    - 69
- II. The Complete Model of Institutional Policy Development
  - 72
- III. Theoretical Implications of the Policy Development Model
  - 83
    - A. The Leader's Decision to Initiate Action
    - 86
    - B. The Overseer's Decision to Support
    - 91
    - C. The Leader's Decision to Continue
    - 95
    - D. Combining These Decisions
  - 102
- IV. Conclusions
  - 104

APPENDIX for Chapter 4

**Chapter 5:** Putting the Domestic Institutional Theory to the Test
- I. Research Design
  - 110
    - A. Dependent Variables and Operationalizations
    - 112
    - B. Independent Variables and Operationalizations
    - 114
- II. Empirical Results and Analysis
  - 126
    - A. Results and Analysis
    - 128
    - B. Discussion
    - 150
- III. Conclusions
  - 156

**Chapter 6:** Domestic Institutional Influences on Foreign Policy: Fact or Fiction
- 158
# List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 3.1</td>
<td>The Three Stages of Policy Development</td>
<td>41</td>
</tr>
<tr>
<td>Figure 4.1</td>
<td>Model of Institutional Policy Development</td>
<td>64</td>
</tr>
<tr>
<td>Figure 4.2</td>
<td>The Decision Theoretic Model of Policy Development</td>
<td>74</td>
</tr>
<tr>
<td>Equation 4.1</td>
<td>Leader's Decision to Initiate Action</td>
<td>84</td>
</tr>
<tr>
<td>Equation 4.2</td>
<td>Overseer's Decision to Support Action</td>
<td>87</td>
</tr>
<tr>
<td>Equation 4.3</td>
<td>Overseer's Decision to Not Support Inaction</td>
<td>89</td>
</tr>
<tr>
<td>Equation 4.4</td>
<td>Leader's Decision to Continue without Support of the Overseer</td>
<td>92</td>
</tr>
<tr>
<td>Equation 4.5</td>
<td>Leader's Decision to Choose Action After Initially Choosing Inaction</td>
<td>94</td>
</tr>
<tr>
<td>Equation 4.6</td>
<td>Role of the Overseer on Policy Selection</td>
<td>97</td>
</tr>
<tr>
<td>Equation 4.7</td>
<td>Threshold of Overseer vs. Threshold of Leader</td>
<td>99</td>
</tr>
</tbody>
</table>
List of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 4.1:</td>
<td>Outcomes and Payoffs State of the World #1</td>
<td>76</td>
</tr>
<tr>
<td>Table 4.2:</td>
<td>Outcomes and Payoffs State of the World #2</td>
<td>77</td>
</tr>
<tr>
<td>Table 4.3:</td>
<td>Outcomes and Payoffs State of the World #3</td>
<td>78</td>
</tr>
<tr>
<td>Table 4.4:</td>
<td>Outcomes and Payoffs State of the World #4</td>
<td>79</td>
</tr>
<tr>
<td>Table 5.1:</td>
<td>The Existence of a Legislature &amp; Dispute Initiation</td>
<td>129</td>
</tr>
<tr>
<td>Table 5.2:</td>
<td>Logistic Regression of Existing Legislature &amp; Dispute Initiation</td>
<td>129</td>
</tr>
<tr>
<td>Table 5.3:</td>
<td>The Existence of a Legislature &amp; the Use of Force</td>
<td>130</td>
</tr>
<tr>
<td>Table 5.4:</td>
<td>Logistic Regression of Existing Legislature &amp; the Use of Force</td>
<td>131</td>
</tr>
<tr>
<td>Table 5.5:</td>
<td>Legislative Effectiveness &amp; Dispute Initiation</td>
<td>134</td>
</tr>
<tr>
<td>Table 5.6:</td>
<td>Logistic Regression of Legislative Influence &amp; Dispute Initiation</td>
<td>135</td>
</tr>
<tr>
<td>Table 5.7:</td>
<td>Legislative Influence &amp; the Use of Force</td>
<td>135</td>
</tr>
<tr>
<td>Table 5.8:</td>
<td>Logistic Regression of Legislative Influence &amp; the Use of Force</td>
<td>136</td>
</tr>
<tr>
<td>Table 5.9:</td>
<td>Institutional Selection Similarity &amp; Dispute Initiation</td>
<td>137</td>
</tr>
<tr>
<td>Table 5.10:</td>
<td>Institutional Selection Similarity &amp; the Use of Force</td>
<td>138</td>
</tr>
<tr>
<td>Table 5.11:</td>
<td>Logistic Regression for Institutional Selection Similarity &amp; the Use of Force</td>
<td>138</td>
</tr>
<tr>
<td>Table 5.12:</td>
<td>Regulated Transfer of Power &amp; Dispute Initiation</td>
<td>140</td>
</tr>
<tr>
<td>Table 5.13:</td>
<td>Competitive Executive Replacement &amp; Dispute Initiation</td>
<td>140</td>
</tr>
<tr>
<td>Table</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>5.14</td>
<td>Logistic Regression for Executive Selection Factors &amp; Dispute Initiation</td>
<td>141</td>
</tr>
<tr>
<td>5.15</td>
<td>Regulated Transfer of Power &amp; the Use of Force</td>
<td>142</td>
</tr>
<tr>
<td>5.16</td>
<td>Competitive Executive Replacement &amp; the Use of Force</td>
<td>142</td>
</tr>
<tr>
<td>5.17</td>
<td>Logistic Regression for Executive Selection Factors &amp; the Use of Force</td>
<td>143</td>
</tr>
<tr>
<td>5.18</td>
<td>Open Recruitment for Executive Position &amp; Dispute Initiation</td>
<td>145</td>
</tr>
<tr>
<td>5.19</td>
<td>Logistic Regression for Open Executive Selection &amp; Dispute Initiation</td>
<td>146</td>
</tr>
<tr>
<td>5.20</td>
<td>Open Recruitment for Executive Position &amp; the Use of Force</td>
<td>147</td>
</tr>
<tr>
<td>5.21</td>
<td>Logistic Regression for Open Executive Selection &amp; the Use of Force</td>
<td>147</td>
</tr>
<tr>
<td>5.22</td>
<td>Selectoral Competition for the Legislature &amp; Dispute Initiation</td>
<td>148</td>
</tr>
<tr>
<td>5.23</td>
<td>Logistic Regression for Competition for the Legislature &amp; Dispute Initiation</td>
<td>148</td>
</tr>
<tr>
<td>5.24</td>
<td>Selectoral Competition for the Legislature &amp; the Use of Force</td>
<td>149</td>
</tr>
</tbody>
</table>
Chapter 1

Domestic Politics: A Missing Piece of the Puzzle?

One of the great puzzles faced by social scientists is the task of developing a clear explanation for the occurrence of war. The international relations literature is full of a number of relatively simplistic theories that seemingly provide parsimonious explanations for the factors and motivations behind interstate conflict. Many contemporary international relations scholars propose that wars result for a variety of reasons. Some of the notable explanations for conflict include diplomatic mistakes, mercantile expansion, struggles for dominance within the interstate system, and as actions used to divert attention from domestic problems. Many scholars provide indisputable empirical evidence that supports many of these interesting and well-presented arguments. Perplexing though, is the consistent evidence that contradicts the various explanations for conflict. These contradictions raise questions as to the depth of our understanding and the true generalizability of our theories.

Approaches to the study of war have generally aimed at providing very simple and broad explanations. Dominant among theories has been the explanation that war is a result of power politics. This theoretical approach portrays states as competing entities in an anarchic system (Morgenthau 1948). The simple explanation is that wars are the result of interstate competition over finite resources. This type of explanation though, overlooks the study of how states make choices and how the resulting actions influence international
relations. Many realist scholars treat the study of foreign policy as wholly distinct from the study of war. These scholars consider foreign policy as merely anecdotal evidence that adds spice to their very simple explanations.

The theoretical approach I take in this dissertation departs from traditional approaches to the study of conflict by considering the development of foreign policy as an important component for understanding international relations. My goal is not to challenge the important contributions of systemic explanations. Instead, I develop a model of domestic politics that helps to explain elements of conflict behavior that systemic explanations do not explain. The theory I present in this research builds on the important contributions of earlier work by esteemed scholars in the field of international relations. My primary contribution is that I focus on the influence of domestic politics to address elements of conflict behavior that is often unaccounted for by systemic theories.

The dominant theoretical tradition pertaining to the study of war asserts that the struggle for power and security in the interstate system is the single best explanation for why states engage in conflict (Kagan 1995). Realist scholars make the argument that all states seek to maximize power. They argue that war is the inevitable result in the competition for finite resources. The fundamental notion guiding realist theories of international politics is that individual states desire dominance over all other states.

Along similar lines, Neo-Realism suggests that security rather than dominance is the fundamental goal of all states (Waltz 1979). According to Neo-Realism, states seek to maximize their power in an effort to minimize external
threats to their sovereignty. Like the realists, the neo-realists explain war because of the constant competition for power among states in the interstate system.

Realist and Neo-Realist explanations for war are simple and sometimes powerful explanations. It is quite reasonable to expect that power and security have a considerable influence on state leaders' choices to engage in a war. After all, war is a dangerous and costly enterprise. The strengths of these theoretical approaches though also appear to be their greatest weaknesses. The struggle for power may provide adequate explanation for the Crimean War in 19th century Europe however, explaining the Falkland or Persian Gulf wars strictly as a result of power politics requires theoretical creativity. In fact, some suggest that the entire last half of the twentieth century does not conform to the theoretical logic offered by realist and neo-realist explanations for international relations.

It could be argued that Realist and Neo-Realist theories provide us with an important and authentic understanding of big wars. Big wars being those that have a lasting impact and shift the power balance of the interstate system. Such an argument treats events like the Persian Gulf and Falklands wars as irrelevant towards a true understanding of international relations. Such little wars are likely considered simply as symptoms of struggle within the hierarchy of the interstate system. The dangerous fallacy in this reasoning is that it must mean that big wars are inevitable events out of the control of the participants. This is a reckless argument when we consider the overwhelming social and economic costs associated with war. It is also not consistent with empirical evidence. For
instance, the Seven Weeks War fundamentally shifted the power balance in the interstate system, but it was not a big war. Conversely, using the logic of Realism we would have expected balancing to occur against Prussia in the Franco-Prussian War. The fact is that no countries assisted France in their efforts to defeat Prussia (Bueno de Mesquita & Lalman 1992). Balancing did not occur. Realism and Neo-Realism simply cannot account for the choices made by states because the focus is on the system.

A theory that rests on the assumption that states act to secure their sovereignty ignores the influence of the sovereign people in those states. This assumption makes the theory unable to explain many small wars. It also fails to explain fundamental shifts in the system: a factor that Realists claim is the strength of their theory. Consequently we have a theory in which understanding politics and foreign policy is completely irrelevant towards understanding foreign affairs.

Realist and Neo-Realist theories of war provide us with a foundation for building a theory of international relations. The problem with these theories though, is that they leave a considerable gap in our ability to explain why states choose conflict as a means to resolve a dispute. I explain this gap as the reluctance by scholars to account for the influence of states' foreign policies. The notion is that foreign policies exist in different forms simply to extend the states' efforts to maximize their power. Perhaps this is the case, however states choose different actions at different times for different reasons. My fundamental assumption in this dissertation is that such foreign policy choices have an
important influence on how states interact. Furthermore, these foreign policy choices determine whether peace or conflict results. In order to best understand why disputes, conflicts and wars occur, we need to supplement traditional approaches to the study of conflict and war with a well-formed understanding of the foreign policy process.

Generally, I recognize that the development of foreign policy depends on a number of factors. The stability and structure of the international system are important considerations for state policy-makers. Leaders must also focus on the security concerns and economic interests of the state. The problem is that the concerns and interests of the state are not always obvious or the result of consensus among the decision-makers or the governed. Often the goals of the state are issues of great contention among competing political factions within the state with various interests and objectives. I contend it is important to understand how the domestic political process influences the development of foreign policy in order to understand foreign policy choices.

In this dissertation, a theory of the domestic political factors that influence foreign policy is developed and tested. I focus on the influence of institutional relationships and the role of the stakeholders as they relate to foreign policy decision-making. My approach is consistent with recent scholarly efforts that emphasize the importance of addressing domestic influences on foreign policy activity. A common approach among many of these efforts is to address the influence of regime type and decision-making constraints on the types of international dispute behavior we observe. In many instances, the emphasis is
on establishing that a relationship exists between domestic factors and foreign policy. Even with these efforts, research in the field offers few well-developed theories that identify the important elements that influence this relationship between domestic and international affairs. The theory developed in this dissertation is an effort to increase the number.

In this dissertation, I present a general theory of foreign policy development that addresses the specific role of domestic political institutions and selectoral constraints. I treat the foreign policy process as a modified principal-agent model where institutional relationships mediate the problems associated with information asymmetry. State leaders make choices that maximize their political capital and the stakeholders seek to select leaders who will pursue their collective interests. Furthermore, I assume that decision-making institutions interact over matters of policy development and we observe the effects of this interaction as they relate to the selection of leaders in a state.

I develop the theory as a multistage decision theoretic model. I incorporate a number of assumptions drawn from the international relations literature to account for the influence of domestic politics on states’ dispute activities. I consider three important actors to have an influence on the development of policy. The Leader of a state is the chief policy maker. The Overseer acts to evaluate the choices made by the Leader. Finally, the stakeholders make selection decisions based on policy outcomes and the interaction between the Leader and Overseer.
In my decision theoretic model I pose a very simple role for the Leader of a state. He simply chooses from a set of available policy alternatives and then tries to implement his choice as policy. I assume that Leaders choose policies they believe will succeed and improve their support among their stakeholders. I conceive that the Overseer appraises the policy option selected by the Leader. The Overseer simply supports or does not support the choice made by the Leader. The Overseer’s appraisal of the Leader’s policy choice works as a cue for their stakeholders and those of the Leader.

The stakeholders are responsible for making the decisions to retain or replace the Leader and the Overseer. They make their judgment based on the decision-makers’ performances in office. I assume that the stakeholders cannot consistently monitor the decisions and effort put forth by the decision-makers. Instead, they make their choices based on two factors: the observed policy outcomes and the observed interaction between the Leader and Overseer.

I consider the role of the stakeholders as the most important one in the theory. One of the fundamental assumptions guiding this research is that the stakeholders frame political power and the ability to develop policy. This expectation holds whether the governed is the inhabitants of a township in New Hampshire, the military in Ecuador, or the Politburo in China. The stakeholders exercise their power when they choose to replace or retain the Leader and the Overseer. The stakeholders are very important because the Overseer and the Leader both desire to return to office. Consequently, I assume that decision-makers use policy to maximize the likelihood that they will return to office. The
stakeholders frame the costs and benefits associated with policy development. The Leader and Overseer seek to develop policy to best maximize the benefits of office and minimize the costs.

I explore these notions and their implications in this dissertation. I review the relevant literature in Chapter 2. Based on my assessment of the literature, I argue that there is need for a general theory of foreign policy decision making. I contend that such a theory helps us to understand international interactions more completely. I also address the various approaches used to assess the role of domestic politics on international relations. Furthermore, I show that most scholars tend to agree that domestic factors influence conflict behavior, but there is little consensus on an explanation. In particular, I examine the body of research that identifies important domestic factors, the influence of these factors on decision making, and their relevance in developing a general theory of foreign policy.

In Chapter 3, I discuss the institutions and interactions that are important in decision making as well as present some illustrative cases. I present the decision theoretic model of policy development in Chapter 4. I discuss the implications of this model as they apply to the study of foreign policy, and present some of the hypotheses that can be derived from the model. The hypotheses derived from this model are operationalized and tested in Chapter 5. In general, I find that the tests of the model provide moderate support for the expectations drawn from the theory. I find that domestic political factors definitely have an
influence on foreign policy behavior, however the scope and strength of the influence still warrant further investigation.

I conclude by discussing the important contributions of the theory introduced in this dissertation in Chapter 6. My primary contribution is a general theory that addresses some of the gaps in our understanding of international dispute behavior. I assert that we need a well-formed understanding of domestic influences on international relations. My theory specifically addresses this need by focusing on the influences of domestic institutional relationships and selection factors as they apply to policy development. I conclude with an overall assessment of my theoretical contribution in light of the analytical results, and a discussion of potential strategies for further research.
Chapter 2

Domestic Politics and Conflict Studies

In this chapter, I review the existing literature regarding explanations of conflict including systemic explanations as well as research on domestic politics. Traditionally, domestic politics has been absent in studies of conflict, but recent studies have started to address these issues. Nevertheless, gaps remain in our understanding and these gaps need filling.

I. The Realist School

Thucydides’ commentary on the Peloponnesian War attributes the outbreak of war to the combination of Spartan security concerns and Athenian ambitions to dominate Greece. If we consider the long rivalry between the two states, lingering ill will between the two, and political instability among smaller states in the region, the conditions for war were present. Many scholars contend that this explanation is the first Realist theory of war, where two powerful states are attempting to maximize power in an anarchic world.

It is clear to Thucydides that the root cause behind the conflict is result of the two powers battling for supremacy. Interesting though, is the amount of attention he pays to the underlying political maneuvering that occurred in both states prior to their engaging in war. Drawing straight from his narrative, it is obvious that Archidamus and Pericles, the good friends and respective leaders of Sparta and Athens, did not wish to go to war (Kagan 1995). It is not even
clear that the majority of citizens in either of the states wanted conflict. Instead, Thucydides tells of an influential political opposition in Athens and a rigid pro-war contingent among the Spartan ephors as ultimately contributing to the decisions that led the states to war. Still, despite the considerable attention paid to describing the politics that ultimately led to a devastating conflict, Thucydides dismisses the influence of domestic politics explanation as simple-minded. Thus, Thucydides concludes that war was the result of power politics.

Thucydides' conclusion underscores what has been a primary assertion drawn from the realist paradigm: "politics stop at the waters' edge". Many scholars have interpreted this idea as an assertion by Realist scholars that domestic politics simply do not matter. It is interesting though that Realist scholars sometimes refer to 'the will of the people' or the collective goals of the state when explaining a state's involvement in a war. Similarly, the writings of Morgenthau (1948), Kennan (1951), Kissinger (1979) and other Realist scholars indicate a clear expectation that domestic politics have an influence on international relations. These scholars discuss at length the influences of policy constraints on diplomatic matters as well as decisions to engage in conflict. The intellectual inconsistency is that these scholars clearly state that domestic politics have a recognizable influence on international relations on one hand, but they still assert that domestic factors are superfluous towards a sound understanding of international relations¹. Furthermore, they contend that explaining interstate

¹Kissenger (1994) recants previous assertions as to the primacy of power politics in foreign policy decision-making. He addresses the special importance of domestic politics in the US case.
behavior as the result of states' efforts to maximize power and security in an
anarchic system provides a lot of understanding with a very simple theory.

It is true that we do gain a great deal of understanding from the simple
thesis laid out by the Realists.\(^2\) It is reasonable to expect that as states in the
system vie for the control of resources and for the insurance of survival, disputes,
conflicts and war will occasionally arise. While we expect that conflict or war will
occur, we still must query as to its reason. For some, war simply does not seem
to be a logical outcome because the costs and devastation in human and
economic terms are so great. This has led some to conclude that war is the
result of misperception or mistake (Jervis 1968; George 1969; Janis 1982).
Similarly, Bueno de Mesquita and Lalman (1992), using a deductive model based
upon their interpretation of the assumptions associated with realpolitik, find that
the only logical explanation for war is that it occurs by mistake. They find that
war is an impossible result under conditions of full information. If war cannot
occur under complete information, the only plausible explanation that remains is
that it occurs by mistake or misperception. Inevitably, the mistake or
misperception must be a result of the domestic factors which scholars such as
Waltz (1979) acknowledge as influential but not important towards understanding
international relations.

Bueno de Mesquita & Lalman and many others are uncomfortable with
explaining war as a result of mistakes or misperceptions. They do not view the

\(^2\) Although there is no unified Realist mantra, my reference to Realism is largely based the commonly held assumptions associated with realpolitik. i.e., State as unitary rational actor, anarchic system, states primarily concerned with security; international relations determined by power structure. I recognize that
study of the foreign policy as a wholly different enterprise from the study of international relations, despite Waltz's (1979) assertion otherwise. Therefore, realpolitik has provided a sound foundation from which to address international relations, crudely restated as states' efforts to survive in the international system. However, the Realists fail to provide an adequate explanation for how states make foreign policy decisions while attempting to ensure their survival in the international system. This is a void in their theories.

For example, Realists cannot explain long-term cooperation among states unless the cooperation is against a common enemy. After the common enemy disappears, so should the cooperation. However, cooperation among NATO leaders, for instance, continues even as the Soviet Union has disappeared. Similarly, Realists cannot explain when states will not cooperate against a common enemy. They assume that cooperation will occur against an enemy to balance the system, but the Franco-Prussian War is a good example of a case where no balancing occurred under conditions where we should expect it to according to Realists. Finally, Realists cannot explain why states act differently in similar situations, such as France's decision not to help Czechoslovakia but to help Poland in 1938 and 1939. Power considerations had not altered significantly, but France's actions were very different.

Perhaps the best approach to account for these variations in state behavior is to focus on the domestic influences on foreign policy development. Once we gain insight regarding the domestic influences on policy development there are different variants of Realism and that in some instances these variations may guide scholars to reach conclusions that are at odds with my discussion in this dissertation.
we can then progress towards understand how states interact in the international system.

II. Introducing Domestic Politics

There have been several approaches which have been used to address the influence of domestic politics on foreign policy, but few have endured with any great deal of empirical support (Zinnes & Wilkenfeld 1971; Levy 1989). Early studies addressing the influence of internal turmoil on external conflict behavior raised the notion of the relationship between domestic factors and war. However, these studies generally failed to provide a uniform explanation for the relationship between domestic politics and international dispute behavior (Haas & Whiting 1956; Rummel 1963; Wright 1965; Wilkenfeld 1968).

More recently, two significant lines of research have fortified the persistent notion that domestic politics have an important influence on international relations. The first is driven by the empirical observation that democracies do not fight each other despite being no less war prone than non-democracies (Rummel 1968; 1983; 1985; Babst 1972; Small & Singer 1976; Chan 1984; Maoz & Abdolali 1989; Russett 1989; 1990; Maoz & Russett 1992; 1993; Ray 1993; Bremer 1993). The second is the body of research that addresses the relationship between domestic support for the US president and the use of military force by the US (Mueller 1973; Kernell 1978; Brody 1984; Stoll 1984; Ostrom & Simon 1985; Ostrom & Job 1986; Nincic 1988; James & Oneal 1991; Nincic & Hinkley 1991; Morgan & Bickers 1992). While neither line of research provides a clear explanation for the occurrence of international disputes, they
highlight the importance of addressing domestic politics toward enhancing our understanding of why disputes occur.

A. The Democratic Peace

More than any other line of research, the observation that democratic or liberal oriented states do not fight each other has lent more credence to the notion that domestic politics are important (Levy 1988). However, the reason for this has less to do with the overall understanding that the result provides than with the fact that Realism simply cannot explain why democracies do not fight each other (Bueno de Mesquita & Lalman 1992). According to Realism, regime type should not matter as states compete and interact in the international system, The democratic peace phenomenon suggests otherwise. Among the few theoretical explanations that have attempted to account for the democratic peace, two have gained the most attention. One of these specifically addresses the influence of domestic politics as they relate to the development of foreign policy.

Among the two dominant explanations for the democratic peace, one approach has been to focus on the norms associated with non-violent forms of conflict resolution inherent in democratic systems (Doyle 1986; Russett 1989, 1990, 1993; Maoz & Abdolali 1989). More relevant to this research, however, is the second approach, which focuses on institutional factors as they relate to the development of foreign policy. More specifically these institutional factors incorporate the costs and constraints on decision making imposed by the

The institutional explanation focuses on the domestic factors that constrain leaders and that effect their perceptions and judgment among a set of policy alternatives. In some instances, leaders may be able to do very little in response to an international situation. On other occasions though, a leader may have no choice but to engage his state in high levels of conflict or war. More importantly, the scholarship in this area has tended to use a theoretically rich deductive method to provide an explanation for the democratic peace (Bueno de Mesquita & Lalman 1992). This approach builds on the foundation of previous research and is not reliant upon the empirical observation it attempts to explain, thus avoiding tautological pitfalls often attributed to narrative theoretical approaches. Focusing on the influence of domestic institutional factors on conflict involvement provides a vehicle to address a far broader range of issues beyond the democratic peace phenomena; it also helps us understand foreign policy development and international relations more generally.

An example of the institutional approach is the work of Bueno de Mesquita and Lalman (1990,1992). Previously, I noted that an important element of their research was showing the primary failing of realpolitik as a theory of international relations. Equally important though, is their theoretical notion addressing the influence of domestic costs on interstate behavior. By incorporating the influence
of domestic political factors into the domestic variant of their model, they are able to account deductively for international events that their interpretation of Realism cannot. They identify the fundamental factors addressed by their domestic cost variable as electoral and institutional constraints, factors that also draw the interests of Morgan and Campbell (1991).

Morgan and Campbell assert that we need to focus on the key elements that influence foreign policy decision making in order to better understand why some states fight each other and others do not. Morgan and Campbell identify the centralization of decision-making power among relevant institutions, the type of executive selection, and the level of political competition as key constraints on more pugilistic types of foreign policy. They find that among major powers, increased constraints have an inhibiting influence on conflict behavior. For Bueno de Mesquita & Lalman and Morgan & Campbell, explaining the democratic peace becomes relatively simple. Leaders in democratic states tend to be more institutionally constrained than leaders in non-democracies. Because they are more constrained, they are less likely to fight each other. It is very important to note that these domestic theories are not solely artifacts of the democratic peace phenomenon. In both cases, the authors lay the theoretical groundwork for a more general approach to understanding interstate conflict behavior (Miller 1995).

In addition to their contributions to the democratic peace literature, both of these scholarly endeavors fill a place in the international relations literature by addressing the domestic influences on conflict behavior in a general fashion.
When extended theoretically to account for the numerous studies addressing the relationship between the use of military force and public support for the US President, the contribution of this approach is clear.

**B. The US Case: Domestic Support and the Use of Force**

Many scholars have contributed to this second vein of studies of domestic politics. To begin, Mueller (1973) raised interest in the relationship between domestic support and the use of force by claiming that US Presidents gain popularity whenever they engage in a short-term use of force. A number of studies have followed, examining this relationship from many different angles.

The various empirical treatments of the relationship between presidential popularity and US military activity have led to many different conclusions. Nevertheless, a consistent expectation is that Presidents use force in part for domestic political reasons. One particularly interesting claim by Russett (1989) suggests more generally that democratic leaders are more likely to become internationally aggressive in the face of domestic economic downturn than in times of prosperity. Accepting the assumption that Presidents and other democratic leaders are primarily judged on the state of the economy and foreign affairs, Russett’s finding proposes a sort of policy substitutability, using foreign policy to offset trouble in the domestic arena.

Despite Mueller’s and Russett’s claims, scholars interested in the relationship between public opinion and foreign policy agree on one thing: there is a relationship between the two (Russett & Graham 1989). Beyond that
however, there is little consensus on the matter. For example, the “rally ‘round the flag” argument asserts that leaders use foreign disputes to gain support or to unify a disaffected public (Kernell 1978; Brody 1984; Ostrom & Job 1986 Ostrom & Simon 1985; Ostrom & Job 1986; Brody & Shapiro 1987; Nincic 1988). Generally, these scholars conclude that there is an increase of support for the President but it is limited terms of overall effect and time. The true contribution of the “rally ‘round the flag” literature is that it identifies a simple, clear and direct relationship for aggressive foreign policy in the US case. However, the primary flaw of this theoretical position is that it is too simplistic a theory and too limited in its explanatory power. Most notably, it fails to account for the formal institutional structures that influence US foreign policy decisions.

Some disagree with the “rally ‘round the flag” hypothesis, asserting the alternative explanation that public opinion drives foreign policy decisions. Scholars making this argument contend that wars are an unpopular policy and that electoral defeat represents a very real sanctioning element for leaders. Following this logic, leaders must pay close attention to the mood of the electorate when considering uses of force (Stohl 1975; Stein 1980; Stein & Russett 1980). Theoretically, this explanation suggests a more active role by the electorate that the “rally ‘round the flag” literature. However, it still does not take into account the influence of other institutional factors such as the US Congress and constitutional provisions for the use of external force. As with the “rally ‘round the flag” research, this approach to addressing the use of force does little more than establish that a relationship with public opinion exists. By failing to
account for other factors or to provide a more clear and resonant explanation, we cannot draw reasonable conclusions as to the direction of the relationship. This helps to explain the fact that many scholars consider neither argument to be particularly useful except for their demonstration of an empirical relationship between public opinion and the use of force by the US.

Beginning with the empirical relationship between the use of force by the US and public support for the US President, recent theoretical accounts have identified the elements affecting the relationship more carefully. James & Oneal (1991) follow up on the research by Ostrom & Job (1986) but focus explicitly on use of lower levels of force. Their theory suggests that US Presidents might respond to declines in levels of domestic support with foreign endeavors, but that they use very low-risk foreign policies for diversionary purposes. This is important because it distinguishes between just any old fight and one intended to manipulate a quick surge of support with very low or limited costs.

James & Oneal (1991) provide a clear explanation for the direction of the relationship between the use of force by the US and public support for the US President. They assert that the President initiates low-cost, sure-fire operations in an effort to gain greater levels of support by the public. This is certainly an improvement over the more empirically driven explanations, yet it still fails to account for other institutional factors. Also, James & Oneal fail to provide a sound explanation for when presidents would choose to use foreign policies as opposed to other types of policies to affect their level of public support.
Morgan & Bickers (1992) address the question of when a US president might seek to use foreign policy to increase support more directly than James & Oneal (1991). Morgan & Bickers assert that Presidents are less concerned with maximizing their support than they are with fortifying their minimum winning coalition. Their theory and findings shed additional light on the expectation that Presidents are most likely to respond to declines in public support with force when their popularity is in the moderate range. The important contribution of this research is the explanation that US Presidents pursue policies that solidify their prospects of their return to office. This explanation leads us to the expectation that Presidents sometimes use strategic low-level conflicts to enhance their position among their constituents. We can extend this argument further to account for why a leader might use external force rather than a domestic economic policy. Simply stated, the policy choice may be that which is most preferred by the President’s constituents. Still, Morgan & Bickers do not account for other institutional factors and political entities. Thus, we still can only conclude that the use of force is a presidential prerogative unhindered by anything except opportunity.

Along similar lines, Stoll (1984) investigates the influence of the proximity of an election on the President’s propensity to use force abroad. His effort suggests that they may take the “rally ‘round the flag” phrase literally to manipulate electoral returns in their favor. He finds limited support for this notion, thus suggesting that leaders do not necessarily go looking for a fight, but they do pursue action in existing conflicts during the presidential election season. Taken
in the context of the conclusions drawn by Morgan & Bickers (1992), Stoll’s finding adds the additional element of timing as it relates to a President using foreign policy as a means of increasing political support.

As we pull the conclusions of much of this research together, there is considerable evidence of a recognizable nexus between domestic electoral politics and foreign policy in the US case. We have the insight that Presidents can expect to gain a small increase in overall levels of public support after using low-cost, sure-fire military force. More importantly, we expect that the President is actually focusing explicitly on the gains in support within his own party or electoral coalition. It is within this electoral group where the President expects enduring and greater gains in support relative to those expected from the public. We further expect that the timing of such endeavors relate to the Presidential electoral cycle inasmuch as the opportunity to use force exists.

The major strength of this literature is the systematic nature of the empirical analyses. However, this very strength sheds light on one of this literature’s primary weaknesses. Much of this work is without strong theoretical underpinnings, resulting in interesting results but a somewhat confusing and inconsistent understanding of the relationship between domestic politics and conflict. Some of the recent examples have attempted to remedy this problem by developing and testing well developed theoretical frameworks (James & Oneal 1991; Morgan & Bickers 1992; Miller 1995). This latter approach is more instructive towards gaining a greater understanding of the relationship between domestic political factors and international relations, as the quantitative evidence

1 Moderate is defined as support ranging between 40% and 60% of the electorate.
already suggests that a relationship exist. The task at hand is to gain a
greater understanding as to the precise nature of the relationship.

A second major weakness of this literature is that it fails to account for the
roles and influences of other major institutions including the US Congress and
the US Constitution. The Constitution accounts for formal arrangements
pertaining to executive action and addressing factors concerning the use of force
against foreign states. Furthermore to ignore the role of Congress in this
literature is either a gross oversight or implies that the institution is irrelevant
towards understanding the development and implementation of foreign policy. If
the latter is the case, we are not apprised as to why this is the case. Thus, we
must query the role of Congress and the extent to which it has an influence on
the policy of using force by the United States. Certainly, the beginnings of the
Spanish-American War suggest that the role of Congress is important towards
understanding US foreign policy.

The final major weakness this literature is the lack of generality. All of the
empirical work is limited to the study of the US and the theory follows along
accordingly. For the most part, this results from the decidedly empirical traditions
of the research, which focus on explaining the actions taken by the US President
as it relates to his public support. Even though the literature is limited in scope
intentionally (which therefore limits any effort to develop general theory from it), it
is instructive. In particular, the profound interest in the relationship has inspired
more theoretically-oriented treatments that address the relationship between
foreign policy makers and the govened in a more general fashion.
C. Efforts to Fill Theoretical Gaps

One interesting way to address the relationship between domestic support and the use of force has been the effort to model it as a Principal-Agent problem. Richards et al. (1993) applied the Principal-Agent problem to Russett's notion that leaders may use foreign policy to divert attention from internal economic problems. Drawing in part from the theoretical framework guiding Morgan & Bickers (1992), Richards et al.'s use of a principal-agent model provides a theoretical expectation of the type of leaders we would expect to engage in diversionary behavior. Following from the logic of their model, they found that actors who are considered good leaders, or managers, are most likely to engage in diversionary behavior in order to prove their abilities. This is somewhat surprising as it is generally believed that diversionary behavior is an effort by poor managers to manipulate the public to focus on another policy realm.

A major contribution of the Richards et al. model is that it lays out the logical foundations for an explanation of leaders acting before an electorate. The authors do not treat diversionary behavior as a last ditch effort to turn attention from internal troubles or poor ratings. Instead it is treated as a policy decision to use force or not, which is based on other domestic factors. The model accounts for diversionary behavior, but it also offers us additional insight as to the factors that influence foreign policy decision-making. Most importantly though, it sheds additional light on some of the previous empirical findings. For instance, it supports the findings of Ostrom & Job and James & O'Neal but provides
additional explanation for their result. We expect leaders who are doing a
good job with moderate approval ratings (40% to 60%) to most likely use force in
an effort to strengthen public perceptions of their competence.

Further filling the theoretical void in this area is the work by Downs &
Rocke (1994) where they apply the Principal-Agent relationship to the concept of
"gambling for resurrection." In their research, Downs & Rocke try to discern the
conditions in which a leader with low levels of support might be willing to pursue
a very risky foreign policy in hopes of recovering enough lost support to be
reelected. By focusing explicitly on the decision rules of the electorate (the
principal), Downs & Rocke find that optimal decision rules can be incorporated to
discourage risky diversionary behavior, with two notable exceptions. In support
of Richards et al., the principal is likely to reward good or competent leaders for
engaging in successful diversionary actions because the principal views the
agent as acting on their behalf.

More interestingly, when the electorate's optimal decision rule is in place,
a leader with a very low probability of being reelected has an incentive to
"gamble for resurrection." In certain instances, leaders with very low levels of
selectoral support may engage in high profile, high risk international actions with
the hope that success will lead to their continuation in office. This finding varies
somewhat from the empirical literature addressing the US case specifically.
Although, when considered together with the Richards et al. model, we have
gained a stronger theoretical basis that helps us to better understand existing
empirical findings
Building upon the literature exploring domestic factors and decision making, much recent research has focused on the influence of domestic institutional rules and relationships on international relations (Volgy & Schwartz 1991; Miller 1995; Gelpi 1997; Morgan & Palmer 1998; Gelpi 1997). Most notably, Bueno de Mesquita & Siverson (1995) have undertaken efforts to address the relationship between regime maintenance and foreign policy outcomes. Resting on several simple assumptions, Bueno de Mesquita & Siverson contend that when leaders develop foreign policy, they consider the implications of the external atmosphere, the potential policy choices, their ability to pursue those policy choices given institutional constraints, and the implications of their choices on being retained in office. This is a highly instructive approach towards understanding how foreign policy development influences international relations. Wars may result because leaders choose policies which best benefit their desire to remain in office yet are not in the interest of peace. Conversely, holding to this very same logic, peace may be the result not of judicious and compromising leaders, but of strategic decisions by self interested actors.

The interesting and new contribution that these approaches provide is partly the restoration of statism, focusing the analysis on the decisions and actions of the state (Morganthau 1948). At the same time though, there has been no great exodus from considering the influence of external variables. Several studies recognize the influence of non-domestic factors despite their

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4 Most notable for this research are the following assumptions: 1) Politics are competitive, 2) Political Leaders desire to stay in power, 3) Political Leaders use policies as a means of retaining power, 4) Desire to remain in power encourages responsible policy development (pursue public welfare), 5) All systems have leaders and selectorate
focus on domestic influences to foreign policy (Bueno de Mesquita, Siverson & Woller 1993; Bueno de Mesquita & Siverson 1995; Bremer 1992 & 1993; Ray 1993; and Morgan & Palmer 1995). This lends considerable credence to approaching the study of war by considering domestic and systemic conditions in light of each other. In order to do this, a clear conceptualization of the foreign policy process needs to be developed that can incorporate the important elements of the international system.

The primary goal of this research is to demonstrate that focusing on a state's internal politics can offer us a great deal of understanding as to why conflict occurs. We have learned in the US case that when Presidents initiate short successful uses of force they can expect a gain in domestic support (Mueller 1973; Stoll 1984; Brody & Shapirc 1985; Ostrom & Simon 1985; Ostrom & Job 1986; James & Oneal 1991; Morgan & Bickers 1992; Miller 1995). We expect that if their intention is to seek gains in support, they initiate low-risk, big publicity actions which are generally aimed at satisfying members of their own party in an effort to be retained in office (James & Oneal 1991; Morgan & Bickers 1992; James and Hristoulas 1994; Miller 1995).

Furthermore, as suggested by Richards et al., and Downs & Rocke, using force may serve as an opportunity for leaders to demonstrate their "abilities." Finally, Bueno de Mesquita & Siverson (Bueno de Mesquita, Siverson & Woller 1993; Bueno de Mesquita & Siverson 1995) provide a more explicit general theoretical explanation for the relationship between regime maintenance and foreign policy choices. Following from their research, we are better able to
understand international relations as the aggregate result of informed strategic decisions that take place at the domestic level. Their theoretical approach is clearly an improvement over explaining war or conflict as an accident or a result of systemic forces beyond our control.

Clearly, the aforementioned international relations scholars have acknowledged the importance of addressing the influence of domestic politics on conflict behavior in recent years. In many instances, there is an affirmed belief that we must consider systemic and domestic factors in light of each other (Maoz & Russett 1992; 1993; Bremer 1993; Ray 1993; Bueno de Mesquita & Siverson and Woller 1993; Bueno de Mesquita & Siverson 1995; Morgan & Palmer 1995). However, one of the great failings has been the lack of generality and the limited theoretical conceptualization of domestic politics. Scholars discuss the influence of institutional constraints, but ultimately the operationalizations of the variables focus on either electoral costs or institutional constraints. Rarely are both of these variables considered in light of each other despite the theoretical premises that assert they should be.

D. Focusing on Institutional Constraints

Much attention has been paid to the role of institutional constraints, but few researchers have attempted to conceptualize theoretically how institutional relationships might constrain policy making in a generalizable fashion. Morgan & Campbell (1991), conclude that they should matter, and even go so far as to operationalize variables. However, you can draw little explanation from their
work as to how institutional constraints specifically influence foreign policy development. We only have the conclusion that they do matter. Even though their conclusions are valuable, very few researchers have picked up on their work and attempted to stretch it both theoretically and empirically.

One area where addressing the role of institutional constraints seems most fruitful has been the research addressing diversionary theories of war. As previously noted, this line of research has been very influential in identifying the importance of electoral politics on foreign policy decision-making. Electoral factors are a specific element identified by Morgan & Campbell and many others as an important constraint on leadership.

One interesting finding from this research has been that the President receives short-term gains in support following the initiation of an action. An important consequence of this finding is the suggestion that leaders may be able to manipulate foreign policy for their own political well being. Thus, a big question arises for scholars: If a leader can manipulate foreign policy for their own political well being, then what keeps actors from constantly using foreign affairs to their advantage? We should expect frequent foreign actions in an effort to manipulate, especially when the leader has an information advantage over the electorate.

The most reasonable explanation for why we do not see this type of behavior may lie in the role of other actors, institutions, and important decision-makers. These seemingly secondary actors or groups either share power with leaders or have the ability to publicize instances in which the public trust is
violated or manipulated. Thus, we must not only look at systemic factors or domestic variables regarding the leader, but we must also consider the domestic constraints on the leader in the form of other institutions and actors. By incorporating such an approach, we will better understand foreign policy decision making and the use of force.

Allison (1971) provides the seminal account of how other actors influence executive foreign policy decision-making. In any of the three models he presents, there are a number of actors who are either influential or responsible for the development of foreign policy. Most intriguing to this study is the Organizational Process model in which each of the important actors' primary consideration is their own organizational or personal goal. Therefore, their input on the development of policy reflects the desire to preserve particularized interests. This expectation presents the most portable explanation towards addressing the influence of institutional constraints on foreign policy development.

Thus, decisions result from the interaction of responsible institutions, each of which has particular roles in the policy development process. How those actors fill their roles depends heavily upon their institutional goals and the individual goals of the membership. Members of a legislature may desire to act in a manner which best assures that they will be returned to office. Also plausible is that the legislative approach will be one that enhances the institution's power over policy development. In any case, whenever we discuss the institutional constraints associated with policy development, it is important to
consider the institutional goals which guide behavior very much in the way that organizational goals guide behavior according to Allison. This conceptualization certainly remains consistent with much of the recent literature addressing the role of Congress in the development of US foreign policy.

During the 20th century, a popular view has been that Congress is little more than a rubber stamp for presidential preference on foreign policy. Recent research suggests that this is not entirely the case (Trimble 1989; Oldfield & Wildavsky 1989; Rose & Thompson 1991; Wittkopf & McCormick 1992; Peterson 1994; Ambrose 1994; Silverstein 1997). Lindsay (1994) outlines three distinct ways in which Congress influences policy development. First, they hold reserved constitutional powers such as the abilities to declare war and to appropriate funds for military efforts. Second, they have procedural powers, such as framing the defense budget, putting restrictions on intelligence operations and general oversight of defense. Finally, they enjoy the position as recognized leaders and can use this position to address the media or the electorate regarding their concerns over presidential acts.

Several scholars assert that Congress is an important player in the development of foreign policy because both the institution and individual members have a great deal to gain politically through their involvement (Weisberg 1978; Smith 1981; Brody 1984; Destler, Gelb & Lake 1984; Wittkopf & McCormick 1992; Meemik 1993). Any effort towards understanding presidential action in foreign policy must at least query the role of Congress. Often times, Congress is the first place the media goes for a response to presidential word or
Indeed. This is certainly the case during events such as the end of the Vietnam War, the debate over granting fast-track negotiating authority, and recent military operations in the Balkan region and the Middle East. The recent past suggests that Congress is more than willing to assert its foreign policy powers over the President. The evidence is clear that there is substantial reason to consider the role of Congress in the foreign policy process.

Despite the rather obvious and prominent role of Congress in the development of US foreign policy, many scholars ignore its role in their research. This contributes to the historical notion that although Congress holds reserved powers, it often capitulates to the preferences of the executive branch (Wildavsky 1966; Sundquist 1991; Peterson 1994). Indeed, there are historical instances when Congress ceded authority to the President. Many suggest that this was the case during the era following World War II until the growth of US involvement in Southeast Asia circa 1965. Congressional acquiescence was due in large part to the atmosphere surrounding the Cold War and post WWII agreement.

Although Congress acquiesced in those instances, it was quite involved in decisions regarding the Korean Conflict (1951-1953) when many members of the institution were influential advisors to the President. More importantly, there are several historical instances when Congress has asserted its authority over matters of foreign policy. In fact, Congress directed foreign policy during much of the 19th century including the war with Mexico and its settlement as well as US actions to declare war on Spain. More recently, the passing of the War Powers Resolution, the Iran-Contra investigations, and the denial of fast-track negotiating
authority for the Free Trade Area of the Americas indicate that Congress clearly plays a role in foreign policy decision making.

Despite the considerable evidence that Congress is an important player in foreign policy decision making in the US, studies linking public support for the President with foreign policy do not even address the role Congress. This is an enormous theoretical void. Perhaps scholars ignore Congress because its role was beyond the scope of the research or because its role seemed diminished during most of the late 20\textsuperscript{th} century in comparison to earlier eras. Whatever the reason, this failure to address the role of Congress underscores the void that exists in terms of systematic empirical literature linking electoral and institutional constraints to the development of US foreign policy. A few studies do examine the relationship between the use of military force and Congressional support for the President (Stoll 1987; Meernik 1993).\textsuperscript{5} However, studies of this nature do not address the underlying role of Congress in the development of foreign policy. Instead, they suggest that the institution merely reacts to executive action.

Congress does not operate at the pleasure of the executive branch. Studies that attempt to address the influence of executive action on Congress do not necessarily illuminate the role of Congress as a decision-maker. Instead, Lindsay's categorization of the institution's procedural powers provides the most insight as to its influence, specifically regarding congressional oversight. Members of Congress generally do not have the expertise to formulate foreign policy or to conduct foreign affairs. However, the institution and its members do

\textsuperscript{5} These studies find that the president does receive a slight increase in Congressional support for his preferred legislation following successful foreign actions.
hold the power to oversee executive activity (Fiorina 1981; McCubbins & Schwartz 1984; McCubbins, Noll & Weingast 1987; Lindsay & Ripley 1993; Lindsay 1994).

Oversight fits in with the traditional notion of constraint more than any other potential power given to Congress (Lindsay 1994). Using this power, members of Congress and the institution as a whole can restrain and influence presidential action in a very real and high profile manner. This translates readily to the notions of domestic costs laid out by Bueno de Mesquita & Lalman, or decentralization of power discussed by Morgan & Campbell. A true theory of the influence of domestic factors on US foreign policy must consider the very real influence of institutional constraints in addition to electoral costs. However, in the literature addressing domestic influences on the use of force, scholars treat only the roles of electoral factors in a systematic fashion.

III. General Criticisms and Gaps to Fill

Generally, there remains a theoretic and substantive void addressing the influence of domestic politics on the development of foreign policy. Theoretically, scholars address, discuss and empirically examine the influence of institutional constraints in much of the recent conflict literature. Unfortunately, institutional constraints have not received the same level of attention as research addressing the influence of electoral considerations. Surprisingly, much of the research completely ignores the potential interaction between electoral costs and institutional relationships.
Substantively, numerous studies focus exclusively on the influence of electoral factors on foreign policy development in the United States. Very few, though, address the relationship in a general fashion. Furthermore, the scarce literature focusing on the influence of institutional constraints is less empirically systematic almost exclusively focuses on the case of the US. This is an area of research in need of further inquiry, better theory and systematic empirical examination.

In the next two chapters, I discuss the process of policy development and develop a general theory addressing the relationship between domestic political factors and foreign policy. This theory builds upon the foundations laid by the institutional explanations for the democratic peace and diversionary studies of war. The research discussed here provides a basis for focusing on institutions in decision making particularly the role of the legislatures and the sovereign. Underlying all of this research is the assertion that domestic politics matter.

I build upon the assertion that domestic politics matter in this dissertation. The literature addressed in this chapter is instructive towards a greater understanding of the influence domestic factors have on international relations. Unfortunately though, it is fragmented theoretically and not very general empirically. I incorporate electoral costs and institutional constraints as important domestic influences on the development of policy. By doing so, I am developing a more general inclusive theory of domestic politics. As a general theory there is

* Some notable exceptions are Norpoth’s (1987) study of diversionary theory in Britain pre/post Falkland War; Volgy & Schwartz’s (1991) addressing the relationship between electoral factors and changes in scope of foreign policy; Gelpi (1997) examining the role of government structure and the externalization of
no expectation that domestic politics matter only in the US or in other selected democratic states. I apply the theoretical framework across all types of regimes to address the influence of institutional relationships in light of electoral pressures. I build the theory using various assumptions drawn from the literature addressing the influence of domestic politics on the development of foreign policy guide the theory.

This theoretical effort is a response to research addressing the role of domestic politics on international relations that have inadequate conceptualizations of domestic politics. In many instances, a critical void exists as scholars address either electoral factors or institutional elements but consider neither in light of the other. In this dissertation, this void is filled by specifically addressing both factors together to consider how they guide the development of foreign policy. My primary contention is that both institutional constraints and electoral pressures are important elements necessary towards understanding the differences in states’ approaches to foreign policy. I present the underpinnings of this theory in the next chapter. My theory rests on very simple notions of the domestic concepts I have discussed. At the same time, it offers an improved understanding of the very complex relationship between domestic politics and international relations.

Previous research has provided relevant contributions to the study of conflict and decision making, but they focus on pieces of the puzzle. In this research, I unify these pieces by looking at the way institutions interact and using conflict. and Dassel & Reinhardt (1998) addressing the influence of different types of domestic strife as it relates to diversionary behavior.
this interaction as an influential factor in policy choice. The important question is, *How do relationships between institutions in states affect foreign policy?* In the remainder of this dissertation I discuss, develop and test a very simple yet powerful explanation.
Chapter 3
The Policy Making Process

In the previous chapter, I made the assertion that there is a wealth of scholarship that addresses the relationship between domestic factors and international relations, but the research provides very little overall understanding of the relationship. I contend that the body of research is too fragmented theoretically and narrow in its empirical assessments, thus leading to a lack of understanding. Overall though, I argue that the real shortcoming is the lack of a well-formed general theory of the domestic policy process that incorporates both electoral and institutional factors in light of each other. In short, international relations scholars have not adequately conceptualized domestic politics as they relate to foreign policy development. In this chapter I present the theoretical underpinnings of a simple yet complete general theory of policy development and then consider its applications to the foreign policy process.

The inadequate conceptualization of domestic politics in much of the literature is not necessarily the result of reckless theoretical negligence on the part of the scholars. Instead, I suggest that scholars have considered domestic politics largely as an explanatory variable for the applications of force but rarely as the central focus of research. For the most part, scholars in the field of conflict are interested in determining the factors that lead states into disputes and wars. As I have pointed out, much of the research has asserted that domestic political factors influence international relations. Much of the emphasis though, is
on defining concepts like "uses of force", "disputes" and "war", or identifying the timing of such actions. A result of these approaches is that scholars often conceptualize domestic politics in simple but vague terms such as electoral costs or institutional constraints. Researchers rarely devote the same attention towards defining domestic politics as explicitly as they do concepts for force, disputes and wars. Similarly, scholars do not invest the same energy towards theoretically accounting for domestic politics as they do for systemic factors.

In this dissertation, I develop a theory of the influence of domestic politics on policy development independent of international conflict factors. I explicitly define the concepts that I see as important towards understanding how domestic political factors influence policy. I devote my efforts towards explaining a simple yet powerful theory of how policies are developed and implemented. I formalize my theory as a decision theoretic model and use the model to derive hypotheses regarding the foreign policy process specifically. The advantage of this approach is that I develop a complete theory of domestic politics and policy formation that is sufficiently general and applicable to address questions regarding the development of foreign policies, dispute initiation, and interstate war.

I contend that too often we try to fit our explanatory theories (domestic politics) to the phenomena that we are trying to explain (dispute involvement). By taking such an approach, scholars fail to recognize that domestic politics also influence domestic policies or they assume that somehow foreign policy is developed in a different manner than domestic policy. The true value to my approach is that I assume the opposite: Policy is developed similarly for both
domestic and international issues. Furthermore, I assume that domestic political factors affect the formation of foreign and domestic policy in exactly the same way. To capture these fundamental expectations, I develop a theory addressing how domestic factors influence policy development then I consider how this theory applies to the development of foreign policy. This approach enables me to address the question: "How do relationships between institutions in states affect foreign policy?" in a theoretically sound, systematic, and unbiased fashion.

I. The Policy Development Process – An Example

In the foreign policy decision making process, leaders must consider a variety of policy options, the institutional context of decisions, and the reception of their decisions by constituents. Leaders develop expectations about the institutional context and the likelihood of returning to office in light of their policy choices. They implement policy options that best respond to the current state of affairs, that are politically plausible, and that maximize the probability of their constituents retaining them in office. These are the three factors I consider most influential to the leader's decision-making.
I assert that decisions are made on a single issue through this policy development process. The world of policy development is comprised of three actors: a leader, an overseer and an evaluator (or selector). I consider the development of policy on an issue to consist of three distinct stages: the policy choice stage, the oversight stage, and the selectoral evaluation stage. I do consider that there is an order to the stages, but I do not assume that there is a clear distinction in time between the stages. More simply, stage 2 cannot occur before stage 1 and stage 3 cannot occur before stage 2, however the policy choice stage (stage 1) may occur in anticipation of stages two and three. It is conceivable that all three stages occur simultaneously as with a decision made by a school district superintendent (leader) at a school board hearing (overseer) open to all the parents of a community (selector/evaluator). For the sake of clarity, I discuss each stage in order, within the discussion though I will address those instances where later stages influence previous ones.
In the first stage, a leader identifies a range of plausible policy options to address a particular issue at hand. For instance, following Iraq's invasion of Kuwait in August of 1990, President Bush had variety of policy options from which to choose in response to Iraq's action. A very simple interpretation of the plausible options might include the following: do nothing, respond with immediate unilateral force, or work within the context of the UN to negotiate Iraq's withdrawal from Kuwait. In this first stage of the policy process, Bush had to decide which among the available alternatives was a best response to the situation at hand, but he must also had to consider other factors, domestic political factors.

In the policy choice stage (stage 1), the leader also considers which of the available options is politically feasible. Considering the US response to Iraq's invasion of Kuwait in retrospect, neither the immediate use of unilateral force nor doing nothing were considered by Bush to be both acceptable and politically feasible. The option that apparently met both criteria to Bush was to negotiate within the context of a UN coalition to end the occupation of Kuwait. Thus when faced with a range of policy alternatives, Bush implemented a choice of action that was commensurate with his desire to act and likely to be supported politically. This example provides a clear illustration of the first stage of the policy process. The leader identifies an issue, and chooses a policy that is a best response to the situation and is politically plausible.

In the second stage of the policy process, the choice made by the leader in the first stage is subject to oversight by another relevant political actor or
institution (the overseer). Oversight is a political and legal assessment of the policy option made by the leader. The simple interpretation is that the overseer may either approve or disapprove of the policy choice. I consider the Overseer to be a unitary actor with homogenous preferences, that is I assume that a single assessment emerges from the Overseer when evaluating the Leaders policy choice.\footnote{I impose this restriction for simplicity sake. In this theory I consider the primary role of the Overseer to be as an additional information provider to the relevant stakeholders, thus I do not address the possibility that the Overseer may be made up of multiple parties, groups or individuals with varying and competing preferences. The role of the Overseer is seen as non-strategic, and their action serves as an additional source of information to the Leader’s stakeholders. Some of the literature that challenges this assumption include: recent work by Gaddie & Lockerbie (1995) examines the effect of non-support by members of Congress on their re-election—interestingly they find that non-supporters of the President were less likely to be returned to office. Along similar lines Smith (1997) examines the role of strategic competition at the state level as an influence on the use of diversionary force. Finally, Schultz (1998) explores the interesting role of an opposition on the crisis bargaining, he finds that the existence of and strategic opposition party decreases the likelihood of war, because the opposition serves as an indicator of the state’s preferences at the early stages of crisis bargaining.} Generally, I expect that leaders prefer that the overseer support their choice of policy because this stage is often an assessment of the legality and suitability of the policy choice made by the leader. While in some cases the evaluation of the overseer may not be relevant, I assume that leaders want the overseer to deem their policy choices legal and suitable.

In order to understand the importance of the oversight stage of the policy process more clearly, it helps to consider the influence of this stage on choices made by the leader in the first stage. Recall how the leader selects from among the available policy options in the first stage of the process; he chooses that which he favors and considers is politically feasible. In part, his choice is driven by this second stage of the policy process: the oversight stage. In the case of Bush’s reaction to Iraq’s invasion of Kuwait, we consider the second stage to be Congress’s response to Bush’s decision to negotiate with Iraq within the context
of a UN coalition. In fact, I expect that Bush's decision to negotiate was made in part because he did not believe that Congress would approve of the immediate use of force. In short, where choosing to do nothing might have been unacceptable to Bush personally, immediate military action may not have been politically feasible given certain beliefs about the likelihood of support or approval by Congress. Thus, Bush's anticipation of the oversight stage may have influenced his selection of policy in the first stage.

The primary influence of the overseer is to provide additional information to the relevant stakeholders regarding the policy choice made by the leader. The oversight stage of the policy process operates as an intermediary between the actions undertaken by a leader and the assessments made by the relevant stakeholders. Ultimately, the stakeholders determine whether the choices made by the leader are proper and warrant his return to office. The stakeholders though are at an information disadvantage they may not be legal or diplomacy experts able to evaluate competently the nuances of the leader's choice. Instead, the stakeholders rely on the overseer to assess the legality and suitability of a policy choice made by the leader. The stakeholders then use the oversight assessment as a factor to form their own evaluation of the leader's choice.

With respect to the Persian Gulf crisis it is not a stretch to suggest that most of the American public lacked a well-formed understanding of the history, politics and issues pertaining to Iraq's invasion of Kuwait. Without the oversight role of Congress, the American people would have been reliant on the
explanations of President Bush to assess his response. Instead though, the role of Congress provided an additional conduit of information for the public to evaluate the appropriateness of Bush's policy choice. Above I suggest that Bush's expectation regarding the possible response from Congress may have played a factor in his policy choice, illustrating an important role of the overseer. In the end, the power derived from its role as an information provider to the public (or oversight institution) provides Congress with the power to influence the choices made by the President in the first place. Of course, any discussion as to the power of the overseer is mute without considering the selectoral evaluation stage of the policy process.

The final stage of the policy process is the selectoral evaluation stage. During this stage, the relevant stakeholders register their approval or disapproval of the performance of the leader and the overseer. They make their judgments based on the policy choices and the observable interaction between the leader and overseer that takes place in the second stage of the process. In practice, this represents the influence of electoral factors where the relevant stakeholders assess the performance of the leader and the overseer by some selection/removal process. Conceptually though, I consider that with each policy choice from stage one, there is an evaluation by a relevant group of stakeholders in stage three that affects the likelihood that the leader and/or overseer will be retained in office. More simply, stage three is an assessment by the relevant stakeholders following each policy choice and resulting oversight stage. The leader and/or the overseer are not necessarily immediately replaced by the
assessment, however I assume that both actors desire positive assessments that translate to an increase in the likelihood that they will be retained in their position.

If we apply the inclination behind stage three to the US response to Iraq's invasion of Kuwait, I expect that President Bush considered the influence his choice would have on the public's evaluation of him. Bush did not have to worry about a general election for more than two years, however it is reasonable to expect that he did not choose a policy that he believed would negatively affect public appraisals of his job performance. Clearly, he was right in his choices, as President Bush's approval ratings soared in light of his policy choices regarding the Persian Gulf crisis.

II. The Policy Development Process – Guiding assumptions

For the purposes of theoretical development, I treat the factors discussed above as the stages of policy development, presented in Figure 3.1. In this section, I discuss the fundamental assumptions of the policy process that influence the three actors and their behavior in the three stages of policy development. In the first stage, I assume there is some issue or situation that exists requiring a policy decision. Furthermore, I assume that a leader always has at least two policy alternatives, he can choose to do nothing or initiate a policy of action. A policy of action may be in any form, but it is distinct from no action, as it is a change in the status quo. The leader assesses his available
policy alternatives including doing nothing according to three criteria. The first is his appraisal of the option as an appropriate response to the issue/situation. Secondly, he considers the likelihood that the overseer will support each of the various alternatives. The final factor that influences his assessment is his expectation as to how the policy choice will effect his standing before the relevant stakeholders. In other words, the leader considers the appropriateness of various policy options in light of the anticipated reaction of the relevant stakeholders and the oversight institutions. This occurs because the stakeholders will ultimately determine whether the leader will retain office and the appropriateness of the policy and the assessment of the overseer ultimately effect the stakeholders' decision.

The importance of the stakeholders in the leader's decision calculus in stage one is a very important concept in the policy making process. The influence of the stakeholders rests on a few fundamental assumptions of domestic politics previously laid out by Bueno de Mesquita & Siverson (1995). The first important notion is that the political process is competitive: leaders and groups compete to hold office to advance their interests. Related to the competitive nature of politics is the assumption that an opposition to the leader always exists providing an alternative to the status quo for the relevant stakeholders. Since the political process is competitive, I assume leaders seek to maintain their position in office because they prefer their own governing interests to those of their opponents. Finally, I assume that the relevant
stakeholders of a state hire and fire leaders through a variety of procedures, including but not limited to elections, appointments, and military action.

The stakeholders may range in size from a court of a very few to the universe of people living in a state. Similarly, they may select and replace their leaders through a variety of procedures. I expect leaders seek to hold office in order to advance their interests. Generally though, their desire to stay in office drives them to act in the interests of the relevant stakeholders (James & O'Neal 1991, Morgan & Bickers 1992; Miller 1995; Bueno de Mesquita & Siverson 1995). Therefore, I assume that leaders always consider the preferences of the stakeholders as they consider which policies to pursue. They leaders expect that they will be assessed retrospectively by the stakeholders, thus I assume that the leaders select policies that they expect will ultimately be acceptable to the stakeholders.\(^8\) I assume that this process of calculating the possible selectoral ramifications of their policy choice occurs before the leader makes a choice, though the actions of the stakeholders always occur after a policy choice is made by the leader.

One of the factors that affects a leader's estimate as to which policy alternatives are acceptable to the stakeholders is his expectation regarding the assessment of those policy alternatives by the overseer. In the second stage of

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\(^8\) This is consistent with Fiorina (1981) assertion that voters make decisions on the basis of their assessments of a candidate’s previous performance. This expectation contrasts with recent research most notably undertaken by Gaubatz (1998) which poses the interesting notion that voters are prospective in their voting decisions, thus voters form expectations about the actions undertaken by leaders. The political result of prospective voting is that leaders will attempt to justify their actions ex post with reasonings that may be different from their original goals. The consequence of this is that there is an expectation that leaders can act (choose policy) without considering the influence of the stakeholders, or at least minimizing their importance. In reality the relationship is likely a mixture of both retrospective and prospective explanations.
policy development, I address the interaction between the leader and the overseer. I assume there is at least one institution that assesses the legality and suitability of the policy choices made by the leader. This assumption does not preclude the existence of other institutions that have a role in the policy making process (Allison 1971). More simply this assumption rests on the idea that policy development is a political process influenced by formal procedures (Lindsay & Ripley 1993; Lindsay 1994). Such procedures include constitutional powers, institutional interaction, and the role of non-governmental entities. I assume that these procedural elements have an important impact on the plausibility of the various policy options available to a leader because they function as constraints on his ability to make decisions. Thus, along with considering the plausibility of a certain policy in the eyes of the stakeholders, the leader must also consider the assessment of his policy choices by an overseer.

I include another assumption at the second stage of policy development relating to the possible choices available to a leader. A leader must choose policy alternatives that the overseer will support if the overseer has the power to block implementation of the policy. In this stage, the roles, relative power, and actions of the two institutions are assumed to be key to policy output. Oversight institutions with expressed and implied powers over policy play a pivotal part in decision-making by limiting the choices available to a leader. Similarly, the

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9 The concepts of Leader and Overseer are extensions on the notions raised by Morgan & Campbell (1991). They treat the decision-making unit as a single entity that when constrained by other institutions is more has less control over foreign policy. In this research Oversight is considered the key mechanism by which other relevant institutions can constrain the power of a Foreign Policy leader.
institutions' respective selectoral situation is also relevant to the institutional influences on decision-making.

Policy development is an observable action in the oversight stage (stage 2), where the overseer assesses a policy choice put forth by the leader. I assume that the overseer operates under constraints from his stakeholders, similar to the stakeholder constraints of the leader. The same stakeholders do not necessarily evaluate the leader and overseer, although sometimes the stakeholders are the same for both the leader and the overseer. The important point though, is that selectoral factors have an important impact on defining the relationship between the two institutions. Therefore, both leaders and overseers go through the same processes in the first stage of the model. They consider the policy options available in light of current domestic conditions, and the expectations of their constituents retaining them in office. The overseer then determines which among the available policy alternatives they will support or oppose. Thus, whether their support or opposition is influential depends on both the formal powers and the selectoral factors addressed depicted by the final stage of the policy development process.

The final stage of policy development depends upon the stakeholders and the selectoral process. In the first two stages the leader and the overseer make decisions, and interact with one another to create policies. The policies ultimately affect the relevant stakeholders in the state, and their role in the process is to determine the political fate of the leader and the overseer. I assume that stakeholders make their assessments retrospectively, they judge their leader
on the basis of what they observed in the past, not what they expect in the future. I assume that in the evaluation of the actors, the stakeholders consider the policy outcomes and use cues drawn from the actors' institutional interaction in determining whether to retain them in office.

There is no actual interaction in the third stage of the policy development process (Figure 1). The stakeholders simply decide to either rehire or fire the leader and/or the overseer. The driving assumption of this stage is that the stakeholders desire leaders and overseers who will perform competently and generally pursue their interests. The stakeholders come to their decision based partly on observable outcomes like a good economy or a diplomatic victory because successful policies provide a strong indicator as to the competence of the leaders. However, the stakeholders' decision-making calculus is a little more sophisticated. They do recognize that on occasion, good outcomes occur despite poor leadership and on occasion failed policies occur through no fault of good leadership. Since their goals are to retain competent leaders and to replace incompetent ones, I assume that stakeholders tune into factors other than policy outcomes. In this model, the stakeholders take their cues from the institutional interaction that takes place in the oversight stage as well as the level of satisfaction with domestic conditions as a whole.

One cannot overestimate the importance of selectoral factors on the development of policy. The selection procedures for both the leader and the overseer have a tremendous influence over their behavior in the second stage of the policy making process. The leader and the overseer are constrained from
developing policies purely for their own interests due to the possibility that their constituents will replace them. This is a real sanctioning element.

In a similar vein, the actors' estimates of their selectoral stability have an important influence on their actions in the first and second stages. First, they must consider whether a viable replacement for them exists. If one does not, an institution has more leeway in the policy process, as the sanction of replacement is not very credible. Thus in the case where one institution may have more formal powers, the other may offset their disadvantage if they are more selectoraly stable. A historical example of such a circumstance would be the rise of Hitler following his selection as Chancellor in 1933. Hitler was able to overcome a disadvantage in formal powers by positioning himself so that it would be extremely difficult to replace him. He was able to accomplish this by changing the relevant stakeholders from sovereign citizens to the military. Once Hitler accomplished this political maneuvering, he was able to seize the necessary formal powers to control Germany's policy before World War II. This is an oversimplification of Hitler's rise, but it does provide an instructive example of the importance of selectoral stability on the power to develop policy.

The usefulness of my theoretical approach to examining the politics of policy development is that I theoretically conceptualize the influence of institutional relationships and selectoral factors in light of each other. In stage two of the policy development process, I focus on the role and influence of oversight, as a key component of institutional relationships. I assert that selectoral factors strongly influence oversight. Conversely, in stage three the
selectoral decision is largely determined by the observed oversight action that takes place in the second stage and the initial views of the relevant stakeholders leading up to stage one.

My theoretical approach considers domestic costs and constraints to be interactive, and it poses the selection of leaders in terms of the Principal-Agent problem (Barro 1973; Ferejohn 1984; Richards et al. 1993; Downs and Rocke 1994). The stakeholders (the principal) must determine optimal decision rules to constrain actors (the agents) towards pursuing policies that are in their best interest. The stakeholders determine their optimal decision rule despite being unable to monitor the actors' behavior constantly. This is the classic representation of information asymmetry. In my conceptualization though, the stakeholders use the interaction of the actors in the oversight stage as an additional piece of information from which they can draw conclusions as to the competence of the actors they will be evaluating. Using this model, I shed greater insight as to the political factors that influence policy development and better understanding of why policy makers make certain decisions that directly affect international affairs.

III. Other Illustrative Cases

Although the previous example of the Persian Gulf War involves a decision made by a powerful, democratic nation, the theoretical framework of policy development is not limited to explaining the behavior of only certain types of
states. Instead, it is applicable to all states. Thus, the purpose of this section is to provide a context for the theory outlined above by using the following cases to illustrate that domestic politics influence international relations and therefore warrant more systematic investigation. These illustrative cases are not a test of the theoretical framework previously discussed. Instead, I use them to show that domestic factors as I have conceptualized them are an influential factor in the threat and use of force and in the initiation of conflicts and wars. They also show that this institutional interaction is an important part of domestic politics that warrants further investigation in order to understand international conflict. Finally, they show that domestic politics matter – regardless of systemic power or regime type.

A. The Iranian Diplomat Incident

In August of 1998, the Taliban of Afghanistan killed eight Iranian diplomats and one Iranian journalist. The Iranian public demonstrated and protested the deaths of their countrymen and there were calls by the public for a military strike against the Taliban. The Iranian parliament, concerned that the situation could escalate, called on other Islamic nations to discuss methods of preventing further escalation of hostilities. The Iranian leader, Ayatollah Ali Khamenei, said that Iran must be ready to take whatever actions are necessary, including the use of force. As a state, Iran was still recovering from the effects of its long war with Iraq. The prospects of a costly war with Afghanistan were especially unattractive
to the Iranian public and the parliament. Nevertheless, Iran's leadership placed troops on the border to take a stand against the Taliban. Iran pursued one limited attack against the Taliban but no other hostilities followed.\textsuperscript{10}

A cursory evaluation of Iran's actions indicates there was interaction between the leader (Ayatollah), the overseer (parliament), and the public to choose a policy to oppose the Taliban's actions. The leadership of Iran was confronted with a situation that required a policy response. Iran's leader, Ayatollah Ali Khamenei had a range of policy options at his disposal including doing nothing. In this instance, Khamenei had a clear preference for military action, however there was question as to the level of an appropriate response. The Iranian parliament also had a distinct position evidenced by their action to seek an agreement through international mediation. The message sent by the Iranian Parliament's efforts was that full-scale, direct military action was not an appropriate response to the situation at hand. The actions of the Iranian public indicated a clear desire that the leaders respond to the actions of the Taliban. The fact that Iran was recovering from its war with Iraq however, mitigated the public's desire to enter a long military conflict.

The end result of this situation was a policy choice of constrained military action with Iran moving troops to the Afghanistan border to pursue limited action against a Taliban encampment. This case is consistent with the theoretical framework of policy development process presented above, as the resulting

\textsuperscript{10} There is disagreement about the occurrence and the outcome of the limited hostilities in October 1998. The Iranians claim that during this three hour battle, three Taliban posts were destroyed and that heavy losses were imposed on the Taliban. The Taliban deny that the event even occurred. For further discussion
policy appears to be a compromise of the positions held by the three primary actors. The Iranian leader Khamenei wanted to take military action, however the level of support by the Iranian parliament for such an action was questionable given their efforts to negotiate a settlement of the issue. Furthermore, despite visible and vocal public demonstrations for action, it appears that a choice of extended bloody conflict was less acceptable to the war weary nation than a more limited response. Iran’s action (or policy) was driven by the domestic political situation. I assert that in this case both action by the overseer and the expected evaluation by the stakeholders had a real and observable influence on the resulting policy choice.

B. The Spanish-American War

In the Iranian case, the overseer discourages the leaders’ desire to pursue forceful military action. The result is a compromise policy of a constrained military response that appears to have met with support by both the overseer and the Iranian public. Conversely, the Spanish-American War is an example where the overseer and the public push a reluctant leader towards engaging in a war. President McKinley did not view conflict with Spain to be a desirable or appropriate response to Spain’s problems with revolutionary activity in Cuba. The sinking of the US battleship Maine and the resulting cries for war by a vocal American public, combined with imperialistic sentiments in Congress, pushed

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of this dispute, see http://resoftlinks.com (September and October 1998) and www.abcnews.com (September 1998).
McKinley to declare war on Spain. In fact, war resulted despite the fact that Spain had offered several concessions with respect to events in Cuba in an effort to avoid war with the US.

The Spanish-American War provides an instance where the preferred policy choice of the leader in stage one was to find a negotiated settlement. However, this policy was not sufficient for either the overseer or the stakeholders. President McKinley had little choice but to choose war as Congress and the American public would be unlikely to accept anything less against Spain. Interestingly, it appears the driving factor behind Congress's position was the voice of their constituents. Popular sentiment for war against Spain was so great that neither McKinley nor Congress could expect public support for any policy short of war. This is a point of view supported by noted historian Dexter Perkins' assessment that "never was there a clearer case of war brought about by public opinion." (Perkins 1948) Where often times we consider the role of the overseer and the stakeholders as constraints on the application of violent action, this case provides an example where they were constraints on peace.

C. Britain and the Italian Invasion of Ethiopia

In the cases discussed above we saw how the policy development process affects actual choices regarding dispute initiation. Sometimes though, this policy development process leads to the null case - discouraging any official policy action by a state. An interesting example where no policy resulted is
Britain's decision to do nothing in response to Italy's invasion of Ethiopia in 1935 (which bordered Britain colonial interests in Africa). Britain's public disapproved of Italy's actions in Ethiopia, and they wanted to support the League of Nations to thwart aggression though they also wanted to avoid war. These two goals of the British public were contradictory given the contemporary environment in which supporting the League probably meant war against Italy.

Similarly, there was little consensus in the British parliament regarding appropriate action in response to Italy's aggression. Uncertain as to the level of support any military action would have in the British parliament and weary of the potential anti-war sentiments among the British public, Prime Minister Baldwin chose to do nothing. For the most part, the British reaction to Italy's designs on Ethiopia was limited to vague speeches about the importance of the League of Nations, but no British support for the League to intervene against Italy.

This case serves as an important reminder that inaction is a policy. Furthermore, this policy of inaction is explained within the framework of the policy process discussed above. The leader has a number of policy alternatives at his disposal, however he also had a great deal of uncertainty as to how the overseer and the stakeholders would respond to a policy of action. Choosing to do nothing in response to Italy's aggression in Ethiopia seemed to be a pragmatic policy choice for Baldwin, especially with little consensus for action coming from either parliament or the British public. Baldwin did not want to risk no support by the overseer and a negative evaluation by his stakeholders (who happened also to be the overseer) in stages two and three. Thus, the result was a policy choice
of inaction in stage one and no clamor for another policy by the overseer or the relevant stakeholders. This resulted in Britain doing nothing in response to Italy’s action.\textsuperscript{11}

These examples from history show that the domestic political process has an important influence on international relations. I consider these cases indicative of the guiding notions of the policy development process. Leaders make choices to address a situation, but those choices must also be politically feasible. Policy development as I have described it above is a generic process; I assert that it is relatively similar for each decision. The cases that I have briefly discussed above appear to conform to the generic process I describe. These stories though, provide little more than anecdotal evidence that domestic politics have an influence on foreign policy and that my conceptualization of the policy development process has some promise.

The importance of the cases discussed above is the emphasis on the interaction between the leader, overseer, and stakeholders. This interaction clearly occurs in each case regardless of the systemic factors or regime types. It also occurs during different stages in history and with respect to different types of disputes. These examples provide support for the notion that policies result from domestic political circumstances, and are not simply rote responses to international incidents.

IV. Conclusion
The main purpose of this chapter is to introduce my theoretical framework for the policy development process and discuss its implications with respect to foreign policy decision making. The historical cases I discuss above illustrate the importance observable impact of domestic politics on international relations. They also demonstrate the simple elegance of conceptualizing policy development as a three-stage process. The theoretical premise of the three-stage process guides the presentation of the formal theory of policy that I present in Chapter 4. The theoretical and case discussion in this chapter serve as the foundation for my formal model of policy development presented in Chapter 4 and assessed in Chapter 5.

The important notions that should be drawn from this informal theoretical presentation is that the interaction between the leader, the overseer, and relevant stakeholders occurs both explicitly and implicitly in policy decisions. It occurs regardless of the issue at hand, whether domestic or foreign. The political process and the relationships between decision-making institutions are strong determinants of policy selection, even with respect to the formation of foreign policies. The international relations literature does not theoretically account for these important domestic factors well. I intend to reverse this trend, as the goal of my research is to incorporate the interaction between institutional relations and selectoral factors systematically in a general theory.

"Of course, Baldwin's actions in this instance as well as the Hoare-Laval Treaty eventually led to the fall of his government after Germany remilitarized the Rhineland. He was blamed for failing to secure peace in Europe. For more information, see Baer (1967), May (1964), and Mowat (1968).
The basis of this research is the policy development process discussed above. I characterize the policy development process as three stages during which the leader, overseer, and stakeholders assess the suitability and political plausibility of the existing policy alternatives. I discuss the general concepts introduced above more thoroughly in Chapter 4, where I present the formalized version of my general theory of policy development process in detail.
Chapter 4

A Model of Policy Development

In this chapter, I present a theory of policy development that formalizes the process described in Chapter 3. This theory incorporates the constraints on policy making associated with evaluations made by the overseer and stakeholder. I present this as a formal model capturing the important interaction that takes place between three key actors in the policy process: the Leader, the Overseer, and the Stakeholder. I begin by presenting the core of the policy development process and explaining the interaction among the actors. Then I discuss the model, taking into account the effects of uncertainty and incomplete information. Finally, I discuss the implications of the model and present several testable hypotheses that I derive from the model.

I. The Core of the Policy Development Process

In the model, there are three actors. The first is the Leader. The Leader represents the institution responsible for selecting policy. This institution is usually associated with the individual or group of individuals that serve as the head of state. The second actor is the Overseer. The Overseer represents the institution that has oversight duties over policy development. This institution is commonly associated with the legislative body in democracies and either the military, cabinet, or other groups in non-democracies. I assume that these two
institutions always exist either explicitly or implicitly. The primary goal of these actors is to maximize the selectoral benefits and minimize the selectoral costs of their policy choices.

The third actor is the Stakeholder. The Stakeholder represents the constituents to which the Leader and the Overseer are responsible. The Stakeholder is not necessarily the same for the Leader and the Overseer. The Stakeholder is conceptually outside of the model for two reasons. First, I am most interested in exploring the interaction between the Leader and the Overseer so the focus is on these actors. The Stakeholder is relevant because this actor influences the likelihood that the Leader or Overseer will remain in office and therefore impacts the payoffs for these actors. However, the Stakeholder serves to judge rather than to participate. Second, incorporating the Stakeholder as an actor complicates the model and obfuscates the theory.

A. Steps to the Model

The basic model consists of three distinct stages. In the first stage the Leader chooses to initiate an action or not to initiate an action. In the second stage the Overseer either supports the choice made by the Leader in the first stage, or he does not support the Leader’s choice. In the third stage of the model the Leader decides to continue with his policy choice made in the first

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12 This assumption is grounded in the work of others who argue that policy development is a political process that is influenced by formal and informal procedures (Lindsay & Ripley 1993; Lindsay 1994). Such procedures include but are not limited to constitutional powers, institutional relationships, and the role of non-governmental entities.
stage, or to terminate that policy choice. I assume that if the Overseer supports the Leader's policy choice that the third stage is irrelevant, a Leader will always continue with a policy that is supported by the Overseer. Thus, the third stage is not depicted in the model if the Overseer supports the Leader's original policy choice it simply proceeds to the terminal node. If the Overseer does not support the Leader's choice, then in the third stage the Leader may choose to continue the policy without support or terminate the policy. The Leader's move in the third stage ends the game at the terminal nodes. The influence of the stakeholder is incorporated into the payoffs associated with the outcomes at the terminal nodes. Simply stated, the payoffs associated with the various outcomes represent the likelihood that the actors will be retained given the success or failure of the outcome and the interaction observed in the game.

The success or failure of the policy choice for each actor is represented by two moves by nature before the initial move by the Leader. This is represented in the complete model. In the following discussion, I focus on the moves by the Leader and the Overseer in the basic model. Following this discussion of the core game, I will address the influence of the moves by nature in more detail with a full presentation of the complete model.
In the basic model displayed in figure 4.1, the first move occurs when the Leader chooses between initiating some policy action or initiating no action (A, \(\neg A\)), such as using force or using no force. Once the Leader decides A or \(\neg A\), the Overseer, or actor 2, chooses to support the leader in this position or not to support him (S, \(\neg S\)).

If the Leader takes action (A) and the Overseer supports the action (S), then the policy is implemented and the outcome is labeled “Action with Agreement.” The payoffs for each actor reflect the response of his stakeholder to the policy. The payoff when the policy chosen is deemed successful is \(\Delta_L\) for the Leader and \(\Delta_O\) for the Overseer, where \(\Delta\) represents the probability of being retained in office in light of a successful policy. The payoff when the policy
chosen is deemed a failure is θₜ for the Leader and θₒ for the Oversee, where θ represents the probability of being retained in office in light of a failed policy.

If the Leader takes no action (¬A) and the Oversee supports the Leader in this decision (S), then the game ends simply with the status quo, labeled “No Action with Agreement.” The payoff here is the probability of being retained in light of the status quo represented by SQₜ for the Leader and SQₒ for the Oversee where SQ is the probability of being retained in office given the status quo.

If the Oversee chooses not to support the Leader’s decision to take action or no action (¬S), then the Leader can decide whether to continue his original policy in the third stage of the model (C). The Leader can also choose not to continue his original policy position and pursue an alternative position (¬C). If the Leader chooses to continue, he simply pursues his initial policy choice (A or ¬A). If the Leader chooses not to continue, then he reverses his initial choice—taking no action when he originally advocated action, and taking action when he originally advocated no action.

Several outcomes can occur when the Oversee does not support the Leader’s original policy selection. If the Leader chooses action in his first move and decides to continue despite non-support from the Oversee (AC, ¬S), we reach the outcome labeled “Action with Opposition”. At this outcome, the policy is implemented even though the Oversee opposes it. The actors’ payoffs for this outcome depend on the evaluation by their stakeholder. I assume the Leader will
get some benefit if the policy is a success \((\Delta_L + \Gamma_L, \text{ where } \Gamma \text{ represents the benefit from his stakeholder for pursuing a successful policy})\). Conversely, I expect the Leader will receive a negative credit if the policy is a failure \((\Theta_L - \Lambda_L, \text{ where } \Lambda \text{ represents the costs from his stakeholder for pursuing a failed policy})\).

The structure of payoffs is similar for the Overseer. I assume the Overseer will face blame if the policy is a success \((\Delta_O - \Lambda_O \text{ where } \Lambda \text{ represents the costs from his stakeholder for pursuing a failed policy})\) because he did not support the policy. Conversely, he will get credit for his efforts to alter the Leader's course of action if the policy is deemed a failure \((\Theta_O + \Phi_O, \text{ where } \Phi \text{ represents the credit received from his stakeholder for trying to convince the Leader to choose a different policy})\).

An alternative set of outcomes occurs when the Leader selects no action at the first stage of the model. When the Leader chooses no action, the Overseer may support or disapprove of the policy choice. If the Overseer does not support Leader's policy of inaction, the Leader may continue \((C)\) with no action or choose to reverse his original choice and pursue some course of action \((\neg C)\) at his second move. If the Leader chooses no action and continues at his second move despite no support from the Overseer \((\neg AC, \neg S)\), then the outcome is “No Action without Agreement” in which no policy is implemented. This generally leads to the status quo so part of each actor's payoff includes his likelihood of being retained given the status quo \((SQ)\). Another part of the payoff for each actor will depend on the evaluation of the policy by the actor's stakeholder regarding policy credit and policy blame. If the Leader's stakeholder
grants him policy credit for his decision (if inaction is considered a success),
then his payoff will be \(( SQ_L + \Gamma_L )\) but if his stakeholder attaches policy blame for
his decision (inaction is considered a failure), then his payoff will be \(( SQ_L - \Lambda_L )\).
Similarly, the Overseer may attain a payoff of \(( SQ_O + \Gamma_O )\) if the Overseer's
stakeholder grants policy credit for the decision, or \(( SQ_O - \Lambda_O )\) if the stakeholder
attaches blame for the decision.

The Leader may decide not to continue with his original policy choice if the
Overseer does not support it. In the instance where the Leader chooses to take
action but does not continue with his choice after not getting support from the
Overseer \(( A\sim C, \sim S )\), we reach the outcome "Policy Reversal to No Action" in
which no action is taken. The general outcome is the status quo, but some
political interaction took place between the Leader and the Overseer, providing
the Stakeholder with additional information. The payoffs for each actor reflect
this as they include likelihood of being retained given the status quo \(( SQ )\), in
addition to some credit or debit for the observed interaction. As noted above, the
Leader and Overseer may be assigned credit or blame for this policy. The payoff
for the Leader is \(( SQ_L + \Phi_L )\), if his stakeholder grants him credit for making the
effort to take action in the first place even though he changed his mind. If the
stakeholder decides that his reversal was ill advised his payoff is \(( SQ_L - \Lambda_L )\), as
they attach blame for his policy reversal. Similarly, the Overseer receives a
payoff of \(( SQ_O + \Gamma_O )\) if the Overseer's stakeholder grants policy credit for the
decision, or \(( SQ_O - \Lambda_O )\) if his stakeholder attaches blame for the decision.
Finally, if the Leader chooses no action and does not continue with this choice after Overseer chooses not to support the policy of inaction (¬A¬C, ¬S), then we reach the outcome labeled "Policy Reversal to Action." At this outcome, the Leader reverses his initial decision and chooses a policy of action. Since action is taken, the probability of being retained in office given the success or failure of the policy is important, as is any policy credit or blame attributed by his stakeholder. Thus, if the Leader's stakeholder deems the policy a success, the Leader will receive a payoff of \((Δ_L - Λ_L)\). This payoff represents the likelihood of being retained in light of a successful policy as well as policy blame for not supporting this action in the first place. If the Leader's stakeholder considers the policy a failure, the Leader will receive a payoff of \((Θ_L + Φ_L)\). This payoff represents the likelihood of being retained in light of a failed policy as well as policy credit for supporting non-action in the first place. If the Overseer's stakeholder considers the policy a success, the Overseer will receive a payoff of \((Δ_O + Γ_O)\). This represents the likelihood of being retained in light of a successful policy as well as policy credit for changing the Leader's decision and leading to the implementation of the successful policy. If the Overseer's stakeholder considers the policy a failure, the Overseer will receive a payoff of \((Θ_O - Λ_O)\). This payoff represents the likelihood of being retained in light of a failed policy as well as the policy blame received for advocating action in opposition to the Leader when action failed.
B. Key Factors in the Decision Making Process

I assume that the Leader and the Overseer seek to increase the likelihood of being retained in office and to obtain policy credit for decisions supported by their respective stakeholders. Conversely, I assume they try to avoid supporting policies that will decrease the likelihood of being retained in office or that will lead to policy blame for pursuing policies not desired by their respective stakeholders. Thus, the stakeholders influence the decisions made by both the Leader and Overseer.

It is clear that choosing a successful policy is important. Additionally, gaining policy credit and avoiding blame is equally important because credit and blame directly impact the likelihood that either actor will be retained. As mentioned above, the selectoral benefit that an actor obtains from being able to claim sole credit for a successful policy choice is represented by the variable ($\Gamma$). This variable can range between 0 and (1-$\Delta$) and is the additional boost in selectoral support an actor can expect by choosing policies that are successful and ultimately result despite opposition by the other actor ($\Delta$ or SQ). It gets at the notion that an actor can appear more competent or stronger when their policy choice succeeds without support, in a sense it is a gambler’s benefit.

The other side of this benefit is represented by ($\Lambda$), the potential selectoral costs associated with blame for an unsuccessful policy choice. This variable ($\Lambda$) ranges in value between 0 and (1-$\Theta$). The value of ($\Lambda$) is subtracted from the
probability of being retained in light of a given policy outcome ($\Delta$, $\Theta$, or SQ) where appropriate. The variable ($\Lambda$) encompasses the notion that an actor who pushes his policy must be prepared to absorb the possible consequences if the policy fails. This variable also applies to actors who choose policies that are not implemented, but considered likely to have been failures by those actors’ stakeholders. This effectively places constraints on leaders using proposing provocative policies simply as a test of the other actors.

Somewhere in the gray area between credit ($\Gamma$) and blame ($\Lambda$) are the instances where an actor tries to persuade other actors of the most appropriate policy but fails to get the policy implemented. Without the observable interaction of the institutions, such efforts go unnoticed by the relevant stakeholders. However, when a stakeholder observes that one actor proposed an alternative in light of an observed unsuccessful policy pushed through by the other, it is assumed that the actor may be able to recoup some credit for his efforts. This is represented by the variable ($\Phi$), the value of which is added in some outcomes to the value of being retained in light of an unsuccessful policy or to the value of the status quo ($\Theta$, or SQ). This variable ($\Phi$) ranges between 0 and ($\Gamma$). It is limited by ($\Gamma$) to protect the notion that an actor can never achieve more of a boost for trying unsuccessfully to get a policy implemented as opposed to actually achieving success. I summarize these variables in Table 4.1:
Table 4.1: Explanations and Restrictions of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Explanation</th>
<th>Restrictions On Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \Delta )</td>
<td>The probability of being retained in light of successful action</td>
<td>( \Delta \geq \text{SQ} )</td>
</tr>
<tr>
<td>( \Theta )</td>
<td>The probability of being retained in light of failed policy</td>
<td>( \text{SQ} \geq \Theta )</td>
</tr>
<tr>
<td>( \text{SQ} )</td>
<td>The probability of being retained in light of status quo (no policy)</td>
<td>( \Delta \geq \text{SQ} \geq \Theta )</td>
</tr>
<tr>
<td>( \Gamma )</td>
<td>Selectoral Benefit for Policy Credit</td>
<td>( (1-\Delta) \geq \Gamma \geq 0 )</td>
</tr>
<tr>
<td>( \Lambda )</td>
<td>Selectoral Cost for Policy Blame</td>
<td>( (1-\Theta) \geq \Lambda \geq 0 )</td>
</tr>
<tr>
<td>( \Phi )</td>
<td>Selectoral Credit for Effort</td>
<td>( \Gamma \geq \Phi \geq 0 )</td>
</tr>
</tbody>
</table>

The influence of selectoral factors is pervasive at each of the actors' decision nodes because both the Leader and the Overseer consider these factors when making decisions. The Leader and the Overseer seek to maximize the probability that their stakeholders will retain them in office, and each actor makes decisions with this goal in mind. The actors are also concerned with receiving policy credit or blame because this is assumed to impact the probability of being retained in office, just as is the success or failure of the policy.

This presentation of the core processes in policy development has highlighted the key issues associated with the actors' moves, the various outcomes and the payoffs associated with those outcomes. Now I further specify the conditions under which we expect these payoffs to occur and I incorporate uncertainty into the model.
II. The Complete Model of Institutional Policy Development

To specify the model further and to incorporate uncertainty, I take the core model and add two moves by Nature in the beginning before the Leader’s first move. I include these moves by nature in the complete model depicted in Figure 4.2. The first move by Nature determines whether an observable foreign policy action will be a success or a failure in the eyes of the Leader’s stakeholder.\textsuperscript{13} \( P \) denotes the Leader’s belief that his stakeholder will view a policy of action as a success. \((1-P)\) denotes the Leader’s belief that the stakeholder will view the policy as unsuccessful. Thus, the first move by Nature establishes the probability that a policy action available to a Leader will be successful in the eyes of his stakeholder and therefore translate into an increased likelihood of him being retained in office.

The second move by Nature determines whether a foreign policy action will be successful or unsuccessful in the eyes of the Overseer’s stakeholder.\textsuperscript{14} \( Q \) denotes the Overseer’s belief that his stakeholder will view a policy of action as successful. \((1-Q)\) denotes the Overseer’s belief that his stakeholder will view a policy of action as unsuccessful. Thus, the second move by Nature establishes the probability that a policy action will be successful in the eyes of the Overseer’s

\textsuperscript{13} It is assumed that the level of support for the Leader given a successful policy will always equal to or greater than the level of support before the policy. Also, it is assumed that the set of available foreign policy actions available to a Leader at a given point in time is limited to a single action and the probability for success is randomly distributed between 0 and 1.

\textsuperscript{14} As is the case with the Leader, it is assumed that the level of stakeholder support to remain in office after a successful policy is equal to or greater than the status quo, and it is assumed that the probability for a successful outcome is randomly distributed between 0 and 1.
stakeholder and translate into an increased likelihood of him being retained in office.

In this model, I assume that the Overseer knows the Leader's probability estimates of P and 1-P, and that the Leader knows the Overseer's probability estimates of Q and 1-Q. Both the Leader's and the Overseer's probability estimates are incorporated into the model to determine the expected utility for the various outcomes associated with the choice combinations of the two actors.

The successive moves by nature divide the game up into four parts defined as different "states of the world". In the first state of the world, both the Leader and the Overseer believe that a policy of action will be successful in the eyes of their respective stakeholders. Conversely, in state of the world #4, both the Leader and the Overseer believe that a policy of action will be unsuccessful in the eyes of their stakeholders. The second and third states of the world are a little more interesting. In state of the world #2, the Leader believes that a policy of action will be unsuccessful in the eyes of his stakeholder, while the Overseer believes that his stakeholder will view a policy of action as a success. Conversely, in the third state of the world, the Leader believes that his stakeholder would view a policy choice of action as a success, while the Overseer believes that a policy of action will be viewed as a failure by his stakeholder. The four states of the world thus influence the interaction that takes place in the core of the game. They frame the conditions in terms of beliefs under which the actors develop policy. In summary, the first two moves by nature determine the state of the world that the actors believe they are in when
endeavoring upon policy development, then the game as depicted in figure 4.1 begins with a move by the Leader.

Following the two moves by Nature, the Leader and Oversee move in accordance with the core of the basic model discussed above and depicted in Figure 4.1. At the initial node, the Leader chooses to take action or no action. At the second node, the Oversee chooses to support the Leader's decision or not to support it. If the Oversee does not support the Leader, the Leader chooses to continue his original policy or to alter in the third stage of the game. The full model is presented below in Figure 4.2.

\[\text{Figure 4.2: The Decision Theoretic Model of Policy Development}\]

--- Denotes Information Set.
In the discussion of the core model we labeled each outcome and then discussed the payoffs associated with those outcomes as conditional on the success or failure of the policy. By adding the two moves by nature the success or failure is already determined, thus, each outcome in the full model has a determinant payoff. The payoffs received by the Leader and the Overseer are fully defined for both actors at each terminal node in this more complicated model. In the each four states of the world, the Leader and Overseer are concerned with the impact of a policy on the likelihood of their stakeholder retaining them in office. Therefore, they are more concerned with their own stakeholders' positions than with the other actor's stakeholders. Stakeholders influence the position of their respective actor, but they can also influence the other actor. The Overseer's stakeholder though, may influence the policy credit or blame given to the Leader because they affect the Overseer's decisions. The Leader's stakeholder affects the Overseer in much the same way. This is why each state of the world is fully accounted in the model.

In the model depicted in figure 4.2, there are 24 possible outcomes. Discussing each outcome and its associated payoff is a tedious and unnecessary process. The discussion above has incorporated much of what drives each outcome and the principles behind the payoffs. To simplify the discussion, below I will elaborate on the payoffs associated with outcomes in each of the four states of the world, but I will refrain from another detailed discussion as to how each outcome results.
A. State of the World #1: \((P & Q)\) Leader & Overseer believe action will be a success.

In this state of the world, initiating a policy action will be a success in the eyes of their stakeholders for both the Leader and the Overseer. The following table describes this scenario.

**Table 4.1: Outcomes and Payoffs State of the World #1**

<table>
<thead>
<tr>
<th>Strategy Combination</th>
<th>Outcome Label</th>
<th>Payoffs</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC, S</td>
<td>A</td>
<td>(\Delta_L; \Delta_O)</td>
<td>Both agree. Action is taken. Payoffs reflect the probability of being retained given a successful policy.</td>
</tr>
<tr>
<td>AC, ~S</td>
<td>B</td>
<td>(\Delta_L+\Gamma_L; \Delta_O-\Lambda_O)</td>
<td>Action is taken in spite of opposition. Leader gains policy credit and Overseer acquires policy blame because Leader chose action and Overseer did not support.</td>
</tr>
<tr>
<td>~AC, ~S</td>
<td>C</td>
<td>(S\Delta_L+\Phi_L; S\Delta_O-\Lambda_O)</td>
<td>Leader wants to act but Overseer opposes. Policy is reversed; status quo results. Leader gets credit for effort and Overseer is blamed for opposing action.</td>
</tr>
<tr>
<td>~AC, S</td>
<td>D</td>
<td>(S\Delta_L; S\Delta_O)</td>
<td>Status quo results because Leader took no action and Overseer supported him. Payoff is simply likelihood of being retained given status quo.</td>
</tr>
<tr>
<td>~AC, ~S</td>
<td>E</td>
<td>(S\Delta_L-\Lambda_L; S\Delta_O+\Phi_O)</td>
<td>No action is taken by Leader but Overseer opposes this decision. Leader suffers policy blame for not acting; Overseer gains credit for effort.</td>
</tr>
<tr>
<td><del>A</del>C, ~S</td>
<td>F</td>
<td>(\Delta_L-\Lambda_L; \Delta_O+\Gamma_O)</td>
<td>Leader reverses policy in face of Overseer's opposition and takes action after initially preferring no action. Leader suffers policy blame; Overseer gets policy credit.</td>
</tr>
</tbody>
</table>
B. State of the World #2: \( (1-P \& Q) \) The Leader believes action will fail, but the Overseer believes action will be a success

In this state of the world, pursuing a policy action is successful in the eyes of the Overseer's stakeholder. Pursuing action though is an unsuccessful policy to the Leader's stakeholder. The following table describes this scenario.

**Table 4.2: Outcomes and Payoffs State of the World #2**

<table>
<thead>
<tr>
<th>Strategy Combination</th>
<th>Outcome Label</th>
<th>Payoffs</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC, S</td>
<td>G</td>
<td>( \Theta_L; \Delta_0 )</td>
<td>Both agree on action. Payoff reflects expectation of probability of being retained with action as a failure for the Leader and a success for the Overseer.</td>
</tr>
<tr>
<td>AC, ~S</td>
<td>H</td>
<td>( \Theta_L-\Delta_L; \Delta_0-\Delta_0 )</td>
<td>Leader takes action in spite of opposition. Leader attains policy blame for taking action since his stakeholders see this as unsuccessful; Overseer also gets blame because Overseer did not support action when his stakeholders see action as successful.</td>
</tr>
<tr>
<td>A~C, ~S</td>
<td>I</td>
<td>( SQ_L-\Delta_L; SQ_0-\Delta_0 )</td>
<td>Leader reverses his policy of action due to Overseer's opposition. Status quo results where both actors attain policy blame for going against stakeholders' preferences.</td>
</tr>
<tr>
<td>~AC, S</td>
<td>J</td>
<td>( SQ_L; SQ_0 )</td>
<td>Leader and Overseer agree on no action. Status quo results.</td>
</tr>
<tr>
<td>~AC, ~S</td>
<td>K</td>
<td>( SQ_L+\Gamma_L; SQ_0+\Gamma_0 )</td>
<td>Leader takes no action even though Overseer supports action. Leader gains policy credit for pleasing his stakeholders; Overseer receives credit for effort to encourage action.</td>
</tr>
<tr>
<td><del>A</del>C, ~S</td>
<td>L</td>
<td>( \Theta_L+\Phi_L; \Delta_0+\Gamma_0 )</td>
<td>Leader reverses his initial decision and takes action after initially preferring no action because of Overseer's opposition. Leader gets credit for trying to avoid action, which pleases his stakeholders; Overseer gets policy credit for pushing action, which pleases his stakeholders.</td>
</tr>
</tbody>
</table>
C. State of the World #3: *(P & 1-Q)* Leader believes action will be a success, but Overseer believes action will fail.

In this state of the world, the Leader's stakeholder views action as a successful policy choice. The Overseer's stakeholder considers a policy of action as unsuccessful. The following table describes this scenario.

**Table 4.3: Outcomes and Payoffs State of the World #3**

<table>
<thead>
<tr>
<th>Strategy Combination</th>
<th>Outcome Label</th>
<th>Payoffs</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC, S</td>
<td>M</td>
<td>$\Delta_L; \Theta_0$</td>
<td>Leader and Overseer agree on action. Payoffs are expectation of probability of being retained given that action is viewed favorably by the Leader's stakeholder and unfavorably by the Overseer's stakeholder.</td>
</tr>
<tr>
<td>AC, ~S</td>
<td>N</td>
<td>$\Delta_L+\Gamma_L; \Theta_0+\Phi_0$</td>
<td>Leader takes action in spite of Overseer's opposition. Leader attains policy credit for taking action which his stakeholder see as successful; Overseer acquires credit for effort because Overseer did not support action, in line with his stakeholder.</td>
</tr>
<tr>
<td>A, ~C, ~S</td>
<td>O</td>
<td>$SQ_L+\Phi_L; SQ_0+\Gamma_0$</td>
<td>Leader reverses policy of action due to Overseer's opposition. Status quo results where Leader gets credit for effort to take action which his stakeholder prefer; and Overseer gets policy credit for lack of action, which his stakeholder prefer.</td>
</tr>
<tr>
<td>~AC, S</td>
<td>P</td>
<td>$SQ_L; SQ_0$</td>
<td>Leader and Overseer agree on no action. Status quo results. No policy credit or blame because they agreed.</td>
</tr>
<tr>
<td>~AC, ~S</td>
<td>Q</td>
<td>$SQ_L-\Lambda_L; SQ_0-\Lambda_0$</td>
<td>Leader takes no action even though Overseer wants action. Leader attains policy blame for displeasing his stakeholder and not taking action; Overseer receives policy blame for failing to prevent action.</td>
</tr>
<tr>
<td>~A, ~C, ~S</td>
<td>R</td>
<td>$\Delta_L-\Lambda_L; \Theta_0-\Lambda_0$</td>
<td>Leader reverses policy of no action and takes action because of Overseer's opposition. Leader gets some policy blame for originally avoiding action, which displeases his stakeholder; Overseer gets policy blame for pushing action.</td>
</tr>
</tbody>
</table>
D. State of the World #4: \((1-P \& 1-Q)\) Leader and Oversee believe that action will be a failure.

Finally, In the final state of the world, the stakeholders for both the Leader and the Oversee view a policy of action as unsuccessful. The following table describes this scenario.

Table 4.4: Outcomes and Payoffs State of the World #4

<table>
<thead>
<tr>
<th>Strategy Combination</th>
<th>Outcome Label</th>
<th>Payoffs</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC, S</td>
<td>S</td>
<td>Θ_L; Θ_O</td>
<td>Leader and Oversee agree on action. Payoffs are expectations of probability of being retained in office given an unsuccessful policy.</td>
</tr>
<tr>
<td>AC, ~S</td>
<td>T</td>
<td>Θ_L-Λ_L; Θ_O+Φ_O</td>
<td>Leader takes action in spite of opposition by Oversee. Leader obtains policy blame for taking action which his stakeholder views as unsuccessful; Oversee acquires credit for effort because Oversee did not support action, in line with his stakeholders.</td>
</tr>
<tr>
<td>A-C, ~S</td>
<td>U</td>
<td>SQ_L-Λ_L; SQ_O+Γ_O</td>
<td>Leader reverses policy of action in face of Oversee's opposition. No action is taken. Leader gets blame for effort to take action which displeases his stakeholder; and Oversee gets policy credit for pressing for lack of action, which his stakeholder prefers.</td>
</tr>
<tr>
<td>~AC, S</td>
<td>V</td>
<td>SQ_L; SQ_O</td>
<td>Leader and Oversee agree on no action. Status quo results. No policy credit or blame because they agreed.</td>
</tr>
<tr>
<td>~AC, ~S</td>
<td>W</td>
<td>SQ_L+Γ_L; SQ_O-Λ_O</td>
<td>Leader takes no action even though Oversee wants action. Leader attains policy credit for not taking action; Oversee receives policy blame for advocating action.</td>
</tr>
<tr>
<td>~A-C, ~S</td>
<td>X</td>
<td>Θ_L+Φ_L; Θ_O-Λ_O</td>
<td>Leader reverses policy of no action and takes action because of Oversee's opposition. Leader gets credit for effort for trying to avoid action; Oversee gets policy blame for pushing action.</td>
</tr>
</tbody>
</table>
As I mentioned before in the discussion of the core of the model, the selectoral benefits and costs are essential to this process. The jockeying for position with stakeholders as well as the efforts to gain policy credit and avoid blame in the institutional interaction are the key emphases in the model. In fact, the selectoral factors of \((\Gamma)\), \((\Lambda)\), and \((\Phi)\) refer to the true influence of the institutional policy making process. Without institutional interaction, the stakeholders must make their selection decisions on the basis of observed outcomes that can be categorized as successes or failures. However, the interaction between institutions provides an additional cue from which the stakeholders may make decisions on factors beyond simply observing policy success or failure.

I assert that the inclusion of institutional interaction as a cue to the stakeholders is a useful extension to previous principal-agent treatments of foreign policy development. Richards et al (1993) suggests that the stakeholders cue into the leaders’ abilities on other issues, such as the state of the economy. They argue that stakeholders use their previous assessments of leaders as the foundation for their judgement of the leaders current actions or decisions. Along similar lines, Downs & Rocke address the conditions under which a leader might seek to “gamble for resurrection” by using force to address low probabilities of being returned to office. They identify the key decision rules that the stakeholders impose that discourage a leader from pursuing the use of military force for his political rejuvenation. In both instances the onus for gaining information or limiting the effect of the information asymmetry between the leader
and the stakeholder is placed on the stakeholder. The stakeholder must
either incorporate the leader's abilities on other issues or they must impose
selection rules such that rein in the leader from pursuing action that they do not
support. There is a lot of value to both of these conceptualizations, but they are
highly reliant on a very attentive group of stakeholders.

I think that the Richards et al approach is an insightful one towards
addressing the question as to when leaders may use force to gain votes. I
contend though, that the stakeholders generally are not so attentive or wise as to
link various issues, form assessments of leaders based on those issues and then
incorporate their assessment into their judgements. My assertion is that they
seek additional information from sources they generally trust, a watchdog so to
speak. The overseer serves as the watchdog for the leader and the leader
serves as the watchdog for the overseer. The stakeholders observe the
interaction between the two and form their assessments based on the interaction
and the outcome.

Where Richards et al (1993) and Downs & Rocke (1994) focus on the
decision rules developed by the stakeholders to rein in the activities of the
Leader and the Overseer, I suggest that the stakeholders' rules are very simple.
If they observe harmony over the policy development process and the policy is
successful, both actors are judged to be competent leaders. Conversely, if they
observe bi-lateral agreement between the Leader and the Overseer and the
policy is a failure then both actors are judged to be incompetent. It becomes
much more interesting though, when the Leader and the Overseer disagree, this
where the influence of the institutional interaction is most evident. If a Leader pursues a policy that is not supported by the Overseer and the policy fails, then the stakeholder has gained additional knowledge as to the competence of the leader. In this case the stakeholder may judge the Leader as reckless, or uninformed. Similarly across the range of other scenarios the stakeholders for both the Leader and the Overseer gain useful insight regarding the abilities of each actor based on the combination of observed outcomes and the institutional interaction that takes place when the policy was selected.

The idea that the stakeholder cues into factors other than observed successes or failures adds an additional twist to previous efforts that applied the principal-agent problem to address issues of foreign policy decision-making. I contend that the additional information stakeholders incorporate into their selectoral decisions, is result of their observations drawn from the institutional interaction that occurs during policy development. The selectoral factors of (Γ), (Λ), and (Φ) tap into the spirit of this notion by linking accountability to the policy making process. Successful policies may result, but not necessarily because the two institutions agreed in their choices. These variables suggest that at least sometimes the actor who deserves credit may get it, sometimes those who deserve blame may get it, sometimes effort and good intentions may be rewarded, and sometimes, successful outcomes may count for nothing.

Now that the model has been presented, I derive expectations and determine the implications of the model. Although the model is presented as a solvable game, it is actually a decision theoretic model with a sequence of
moves. Thus, instead of solving for equilibrium as one would with a strategic
game, I use the model as a device to derive expectations based on each actor’s
expected utilities for the various outcomes. Explicitly specifying the institutional
interaction present in policy development in the game is a contribution in itself,
and expectations are derived logically due to the explicit nature of the structure.

III. Theoretical Implications of the Policy Development Model

A. The Leader’s Decision to Initiate Action

Utilizing the decision theoretic model presented above we can draw
expectations as to the factors that influence the various choices that the actors
make. First, I focus on the critical value for the Leader’s decision to initiate
action. By focusing attention on the outcomes associated with the decision
theoretic model, I compare his expected utility for initiating action to his expected
utility for initiating no action. Formalizing the model I find that this is
mathematically represented as:15

\[
EU \text{ (Action)} = EU \text{ (No Action)}
\]

\[
P^*Q(\Delta_L) + P^*(1-Q)(\Delta_L+\Gamma_L) + (1-P)^*Q(\Theta_L) + (1-P)(1-Q)(S_Q-L-A_L) = \\
P^*Q(\Delta_L-L) + P^*(1-Q)(S_Q-L-A_L) + (1-P)^*Q(S_Q+\Gamma_L) + (1-P)(1-Q)(S_Q)
\]

Solving for P, I find that the Leader will initiate action when:16

---

15 See the Appendix for an explanation of the equations and solutions presented in this section.
Equation 4.1\(^{17}\):

\[
P \geq \frac{Q(SQ_L + \Gamma_L - \Theta_L - \Lambda_L) + \Lambda_L}{Q(2SQ_L - \Theta_L - \Delta_L - \Delta_L) + 2\Delta_L + \Delta_L + \Gamma_L - SQ_L}
\]

Since \((P)\) is the Leader's belief that an action will be successful in the eyes of the stakeholders, the equation above allows us to investigate the factors that influence when he will initiate action. When analyzing this equation, I focus on the influence that the variables in the equation on the right hand side of the inequality have on \((P)\). As the quotient of the equation on the right hand side of the inequality increases, the value for \((P)\) necessary for the Leader to initiate action also increases. This means that the Leader has to be more certain that the chosen action will be successful in the eyes of his stakeholders before he is willing to initiate action. In other words, the Leader will be less likely to initiate action as the right hand side of the equation increases, and more likely to initiate action as the right hand side of the equation decreases.

This equation provides more insight into the factors that impact a Leader's decision to initiate action. First, as the magnitude of policy credit \((\Gamma)\) increases, the right hand side of the equation decreases therefore the Leader is more likely to initiate action. This is intuitive because the Leader will seek visible policy credit to boost his support from his stakeholders. Thus, I assert that:

---

\(^{17}\) This equation and others in this section are inequalities of "greater than or equal to" because of the restrictions on variables presented in Table 4.1.

\(^{17}\) Solutions for the inequalities for this section were obtained using the software application Mathemtica3.0, available from the Wolfram Institute, as well as the careful assistance of some very kind proof readers. Additional discussion regarding the solutions is contained in the Appendix for Chapter 4.
Proposition 4.1: As the magnitude of a Leader's policy credit increases, the likelihood that a Leader will initiate action increases.

Second, as the Leader's likelihood of being retained in office given a successful policy ($\Delta$) increases, the right hand side of the equation decreases. Therefore, the value for $P$ necessary for the Leader to take action decreases so the Leader is more likely to initiate action. It is reasonable to expect that a leader will initiate action if the success of that action will increase his likelihood of remaining in office. Proposition 4.2 follows:

Proposition 4.2: As a Leader's likelihood of being retained in office given a successful policy increases, the likelihood that a Leader will initiate action increases.

Third, as the Leader's likelihood of being retained in office given the status quo increases, the denominator increases therefore the equation decreases. This leads to the conclusion that a Leader is more likely to initiate action as his likelihood of being retained given the status quo increases. Conversely, this suggests that a Leader whose probability of being retained given the status quo is low will be less likely to initiate action. Formally stated,

Proposition 4.3: As a Leader's likelihood of being retained in office given the status quo increases, the Leader will be more likely to initiate action.

Finally, as the value of the policy blame for a failed policy ($\Lambda$) increases, the equation decreases so the Leader is more likely to initiate action. The
Leader is eager to avoid policy blame that in this case will be associated with non-action therefore he is more likely to initiate action. In this decision, the Leader will face policy blame only under two conditions. First, if he initiates non-action when his stakeholders see action as more appropriate and the Overseer supports him. Second, if he initiates non-action, is not supported by the Overseer, and then reverses his initial decision thus initiating action. Therefore, as the magnitude of policy blame increases, the Leader will go ahead and initiate action to avoid this blame.

*Proposition 4.4: As the magnitude of policy blame for a failed policy increases, a Leader will be more likely to initiate action.*

These are the main factors that influence a Leader's decision to initiate action in the model presented above. I will now examine the other important decisions made in the model.

**B. The Overseer's Decision to Support**

In determining when the Overseer will support the policy of action we solve for the value of \((Q)\). Here, \((Q)\) represents the Overseer's belief that action will be a successful policy in the eyes of his own stakeholders. I establish what level of \((Q)\) is optimal for him to support the policy of action and potentially reap the selectoral benefits associated with a successful action. Similarly to the
Leader, the Overseer will compare his expected utility for supporting action to his expected utility for not supporting action, as represented below:

\[
EU (S \text{ when Action}) = EU (\sim S \text{ when Action})
\]

\[
P^*Q(\Delta_o) + (1-P)^*Q(\Delta_o) + P^*(1-Q)(\Theta_o) + (1-P)(1-Q)(\Theta_o) = \\
P^*Q(\Delta_o - \Lambda_o) + (1-P)^*Q(S\Theta_o - \Lambda_o) + P^*(1-Q)(\Theta_o + \Phi_o) + (1-P)(1-Q)(S\Theta_o + \Gamma_o)
\]

This is simplified as:

\[
Q(\Delta_o) + (1-Q)(\Theta_o) = \\
P^*Q(\Delta_o - \Lambda_o) + (1-P)^*Q(S\Theta_o - \Lambda_o) + P^*(1-Q)(\Theta_o + \Phi_o) + (1-P)(1-Q)(S\Theta_o + \Gamma_o)
\]

Solving for \((Q)\) I find that the Overseer will support action as a policy when:

\[
\text{Equation 4.2:}
\]

\[
Q \geq \frac{P(\Theta_o + \Phi_o - S\Theta_o - \Gamma_o) + S\Theta_o + \Gamma_o - \Theta_o}{P(\Delta_o + \Theta_o + \Phi_o - \Gamma_o) + \Delta_o - \Theta_o + \Lambda_o + \Gamma_o}
\]

This result allows me to investigate the influence of selectoral factors on when the Overseer will support policy choices made by the Leader. According to the decision rule, the Overseer will support the policy of action if the condition above is met. As the equation on the right hand side increases, the value of \((Q)\) necessary for the Overseer to support the policy of action also increases. Using this relationship, I am able to investigate the specific influences of some of the selectoral factors that influence the Overseer's choice to support action when initiated by the Leader.

From this equation, I find that as the Overseer's likelihood of being retained in office given a successful policy \((\Delta)\) increases, the equation decreases.
Therefore, the Overseer will be more likely to support action by the Leader as \( \Delta \) increases. I also find that as the policy blame for a failed policy (\( \Delta \)) increases, the equation decreases so support for action is more likely. The reasoning behind this result is similar to that of the Leader. The only conditions under which the Leader will face policy blame in this particular decision are conditions under which his stakeholders would prefer action to non-action. These findings lead to the following propositions.

*Proposition 4.5*: As the Overseer's likelihood of being retained given a successful policy increases, the Overseer will be more likely to support action initiated by the Leader.

*Proposition 4.6*: As the magnitude of policy blame increases, the Overseer will be more likely to support action initiated by the Leader.

When I consider the Overseer's likelihood of being retained given the status quo (SQ), I find that as this value increases, the overall equation increases such that the Overseer is less likely to support action by the Leader. The Overseer has no incentive to gamble on a policy of action if their likelihood of being retained is already high.

*Proposition 4.7*: As the Overseer's likelihood of being retained in office given the status quo increases, the Overseer will be less likely to support action initiated by the Leader.

Now that I have identified the conditions under which we expect the Overseer to support action initiated by the Leader, I identify the conditions under which the Overseer will support a policy of non-action. This will occur when his
expected utility for supporting non-action is greater than his expected utility for not supporting inaction. I find the critical value by solving this equation:

\[ EU(\sim S \text{ when Non-Action}) = EU(S \text{ when Non-Action}) \]

\[ P^*Q(\Delta_0 + \Gamma_0) + (1-P)^*Q(SQ_0 + \Phi_0) + P^*(1-Q)(\Theta_0 - \Lambda_0) + (1-P)(1-Q)(SQ_0 - \Lambda_0) = P^*Q(SQ_0) + (1-P)^*Q(SQ_0) + P^*(1-Q)(SQ_0) + (1-P)(1-Q)(SQ_0) \]

This is simplified as

\[ P^*Q(\Delta_0 + \Gamma_0) + (1-P)^*Q(SQ_0 + \Phi_0) + P^*(1-Q)(\Theta_0 - \Lambda_0) + (1-P)(1-Q)(SQ_0 - \Lambda_0) = SQ_0 \]

Solving for \( Q \) I find that the Overseer's critical value where he will not support non-action is:

**Equation 4.3:**

\[ Q \geq \frac{P(SQ_0 - \Theta_0) + \Lambda_0}{P(\Delta_0 + \Gamma_0 - \Phi_0 - \Theta_0) + \Phi_0 + \Lambda_0} \]

From this information, I can derive several expectations about the Overseer's behavior. First, as the likelihood of being retained given the status quo (SQ) increases, the equation increases so the Overseer is less likely to not support non-action by the Leader. In other words, the Overseer will support the Leader's non-action when he is comfortable with his likelihood of being retained given the status quo.

*Proposition 4.8: As the Overseer's likelihood of being retained in office given the status quo increases, the Overseer will be more likely to support non-action by the Leader.*

Second, as the likelihood of being retained in office given a successful policy (\( \Delta \)) increases, the equation decreases. Therefore, the Overseer is more
likely not to support inaction by the Leader. Instead, the Overseer will advocate action. If the Overseer can gain selectoral support from action, then he is going to oppose non-action by the Leader in order to gain that support.

Proposition 4.9: As the Overseer's likelihood of being retained in office given a successful policy increases, the Overseer will be more likely to oppose non-action by the Leader.

The variables of SQ and $\Delta$, relate to one another. As the difference between these variables increases (i.e., as $\Delta$ gets larger relative to SQ), then the overall equation decreases. Hence, the Overseer will be less likely to support the Leader's policy of non-action. As these variables become closer (i.e., the values of $\Delta$ and SQ approach equality), the equation gets larger therefore the Overseer will be more likely to support non-action by the Leader. These relationships are consistent with Propositions 4.8 and 4.9 presented above.

As the credit for effort ($\Phi$) increases, the equation decreases so the Overseer is more likely not to support inaction. Instead, the Overseer will advocate action, hoping to attain the credit for effort for changing the policy.

Proposition 4.10: As the magnitude of credit for effort increases, the Overseer will be less likely to support non-action by the Leader.

Finally, as the difference between the credit for a successful policy and the credit for effort (i.e., the difference between $\Gamma$ and $\Phi$) increases, the Overseer will be more likely not to support inaction by the Leader. The Overseer will desire
more than credit for just the effort – they will push to change the policy to
attain policy credit.

Proposition 4.11: As the credit for a successful policy increases relative to
the credit for policy effort, the Overseer will be less likely to support non-
action by the Leader.

As we can see from these propositions, the Overseer's behavior is
influenced by the selectoral costs and benefits associated with his actions. From
the model, I derive these intuitive propositions about the Overseer's behavior. I
now turn to the final decision made in the model – the Leader's decision to
continue in the face of opposition from the Overseer.

C. The Leader's Decision to Continue

I have solved for the decision rules thus far that explain when the Leader
will initiate an action, when the Overseer will support the choice of action, and
when the Overseer will not support a choice of non-action. The final two decision
rules left to establish focus on when the Leader will continue to pursue his
original policy choice in light of no support by the Overseer. I first address the
condition in which the Leader decides to continue with a choice of action without
the support of the Overseer. I expect that he will continue when his expected
utility for doing so is greater than or equal to that for reversing his original policy
choice. Turning to the model, I expect the Leader to continue when his expected
utility for continuing is greater than his expected utility for turning back, such that:
\[ EU(\text{AC}) = EU(\text{A-C}) \]

\[ P^*Q(\Delta_L + \Gamma_L) + (1-P)^*Q(\Theta_L - \Lambda_L) + P^*(1-Q)(\Delta_L + \Gamma_L) + (1-P)(1-Q)(\Theta_L - \Lambda_L) = \]
\[ P^*Q(SQ_{L+\Phi_L}) + (1-P)^*Q(SQ_{L-\Lambda_L}) + P^*(1-Q)(SQ_{L+\Phi_L}) + (1-P)(1-Q)(SQ_{L-\Lambda_L}) \]

This can be simplified as

\[ P(\Delta_L + \Gamma_L) + (1-P)(\Theta_L - \Lambda_L) = P(SQ_{L+\Phi_L}) + (1-P)(SQ_{L-\Lambda_L}) \]

Solving for \( P \), I find that the Leader will continue with action despite no support from the Overseer when:

**Equation 4.4:**

\[ P \geq \frac{SQ_L - \Theta_L}{\Delta_L + \Gamma_L - \Theta_L - \Phi_L} \]

From this equation, I find that as the likelihood of being retained given the status quo (SQ) increases, the Leader will be less likely to continue with his policy of action. He will be less willing to gamble on action when he is comfortable with the status quo.

**Proposition 4.12:** As the Leader's likelihood of being retained given the status quo increases, the Leader will be less likely to continue a policy of action in the face of opposition from the Overseer.

However, as the likelihood of being retained given a successful policy (\( \Delta \)) increases, the equation decreases, so the Leader is more likely to continue with his policy of action. Similarly, as the policy credit (\( \Gamma \)) increases, the Leader is more likely to continue his policy of action. Finally, as the difference between obtaining credit for the policy and credit for effort (i.e., the difference between \( \Gamma \)
and $\Phi$) increases, the equation decreases therefore the Leader will be more likely to continue action. He will seek credit for the policy rather than credit for effort.

**Proposition 4.13:** As the Leader's likelihood of being retained given a successful policy increases, the Leader will be more likely to continue a policy of action in the face of opposition from the Overseer.

**Proposition 4.14:** As the credit for a successful policy increases, the Leader will be more likely to continue a policy of action in the face of opposition from the Overseer.

**Proposition 4.15:** As the magnitude of credit for a successful policy increases relative to the policy credit for effort, the Leader will be more likely to continue a policy of action in the face of opposition from the Overseer.

Our final decision rule to be established addresses the case in which the Leader chooses to pursue action after originally choosing no action and not having that choice supported by the Overseer. According to the model, this is the case where the Leader chooses to reverse the policy of no action (outcomes $F$, $L$, $R$ and $X$). It is clearer to consider this decision as the conditions under which the Leader will initiate action despite originally choosing to do nothing.

Drawing from the model, I expect the Leader to choose action when his expected utility for action is greater than his expected utility for continuing non-action, such that:

$$EU (~-A~-C) = EU (~-AC)$$

$$P^*Q(\Delta_L - \Delta_U) + (1-P)^*Q(\Theta_L + \Phi_U) + P^*(1-Q)(\Delta_L - \Delta_U) + (1-P)(1-Q)(\Theta_L + \Phi_U) =$$

$$P^*Q(SQ_L - \Delta_L) + (1-P)^*Q(SQ_L + \Gamma_U) + P^*(1-Q)(SQ_L - \Delta_L) + (1-P)(1-Q)(SQ_L + \Gamma_U)$$

This can be simplified as

$$P(\Delta_L - \Delta_U) + (1-P)(\Theta_L + \Phi_U) = P(SQ_L - \Delta_L) + (1-P)(SQ_L + \Gamma_U)$$
Solving for \( P \), I find that the Leader will choose action despite originally choosing no action and not being supported by the Overseer when:

**Equation 4.5:**

\[
P \geq \frac{SQ_l + \Gamma_l - \Theta_l - \Phi_l}{\Delta_l + \Gamma_l - \Theta_l - \Phi_l}
\]

Here, the Leader will be more likely to continue a policy of non-action as his likelihood of being retained given the status quo (SQ) increases. If the Leader's position given the status quo is secure, he will be less likely to reverse a policy of non-action in favor of action. The Leader will not gamble on reversing a status quo policy if he is comfortable with his position in the status quo.

*Proposition 4.16: As the Leader's likelihood of being retained given the status quo increases, the Leader will be more likely to continue non-action in the face of opposition from the Overseer.*

Conversely, as the Leader's likelihood of being retained given a successful policy (\( \Delta \)) increases, the overall equation decreases therefore the Leader will be more likely to reverse a policy of non-action. A Leader will be more willing to terminate a policy of non-action in favor of a policy of action when his likelihood of being retained given successful action is increasing.

*Proposition 4.17: As the Leader's likelihood of being retained in office given a successful policy increases, the Leader will be more likely to reverse a policy of non-action in the face of opposition from the Overseer.*
Finally, these two variables of SQ and Δ are related. As the difference between Δ and SQ increases (i.e., when Δ is becoming larger relative to SQ), the overall equation decreases. Hence, the Leader will be more likely to reverse his policy of non-action in favor of a policy of action under these conditions. This relationship between variables is consistent with Propositions 4.16 and 4.17.

Now that I have explored the conditions under which we expect the Leader and Overseer to decide A or ~A, S or ~S, and C or ~C, I will now look at the model in terms of combining these decisions to enhance our understanding of the policy making process.

D. Combining These Decisions

The decision rules developed out of the theory and presented above provide us with the basis to draw expectations out of the model as to the influence of domestic selectoral and institutional factors on policy development. In this section, I consider how my model of policy development can be applied to issues regarding foreign policy. In particular, I derive hypotheses that pertain to both comparative foreign policy and the general study of foreign policy decision making that address the relationship between the Leader and the Overseer in determining foreign policy behavior. I assume that behavior such as initiating a dispute, entering into negotiations, and replying to an international situation with military maneuvers constitute policy action. I also make the assumption that in some cases, the Leader and Overseer are not equal with respect to their power
over foreign policy decision making. Thus, I expect that in some instances, the Leader or the Overseer may be irrelevant in the policy development process. However, I assume that the process operates just as I have discussed it previously in this chapter.

Hypotheses

In this section, I focus on hypotheses that pertain to the study of comparative foreign policy and that address the differences across states regarding their international behavior. The theoretical framework that I present above rests on the notion that domestic political factors, particularly electoral constraints and institutional relationships, influence the development of policy. A fundamental assertion of this research is that we can explain the differences in states' international behavior as a function of their domestic political structures. To address my assertion, I derive hypotheses regarding the interaction of the institutions and domestic political structures in foreign policy decision making. Following from the theory set forth above, I draw the following expectations regarding the influence of domestic institutional design on states' proclivities toward conflict involvement.

When foreign policy is primarily the responsibility of the Leader, I expect the following:

Hypothesis 1: A state in which there is no Oversight institution will be more likely to engage in risky foreign policy than a state where such an institution exists.
This hypothesis is derived from the theory because the general expectation is that the threshold value of (P) necessary for the Leader to initiate action is less than the threshold value of (P) necessary for him to continue action in light of no support from the Overseer or pursue action after originally choosing to do nothing. This is exemplified by the relationship between the quotients of equations 4.1, 4.4, and 4.5.

Equation 4.6:

\[
\frac{Q(SQ_L + \Gamma_L - \Theta_L - \Lambda_L) + \Lambda_L}{Q(2SQ_L - \Theta_L - \Lambda_L - \Delta_L) + 2\Lambda_L + \Delta_L + \Gamma_L - SQ_L} \leq \frac{SQ_L - \Theta_L}{\Delta_L + \Gamma_L - \Theta_L - \Phi_L} < \frac{SQ_L + \Gamma_L - \Theta_L - \Phi_L}{\Delta_L + \Gamma_L - \Theta_L - \Phi_L}
\]

This relationship holds except when:

\[
SQ_L < \frac{[\Theta_L + \Delta_L + \Delta_L]}{2}
\]

The exception noted essentially translates to two occasions in which the threshold for continuing is actually lower that the threshold to initiate the policy of action. The first condition arises when there is an overwhelming increase in the probability of being retained given a successful policy (such as when there are high values for \(\Delta\) relative to \(SQ\)). In this case, the expectation may be that the policy will be overwhelmingly successful in terms of the selectoral benefits, or it
may be that the status quo is very unappealing in terms of the selectoral
benefits.\footnote{The expectation that states may initiate action when the status quo is very bad is consistent with the work of other scholars using this methodology including Bueno de Mesquita (1981).}

The second condition is when the Leader is relatively indifferent between
his value for success, the value for the status quo, and the value for failure \([0 \geq \Delta
- \Theta - \Lambda]\). Here, the Leader may be very secure, or very insecure, regardless of
the success or failure of his policy that he is indifferent among his choices. Thus,
these two exceptions account for instances in which a Leader may gamble for
the big gain, or is completely indifferent among choices.

In general, I am not interested in the conditions under which the threshold
value for continuing action is less than that for initiating action. However, the fact
that in most instances, the threshold value for continuing action is greater than
that for initiating action indicates that outcomes we observe in reality can be
explained by the theory. The conditions under which the threshold value for
continuing action is greater than that for initiating action explains situations in
which \((P)\) is sufficient for initiation but insufficient to continue action in the face of
opposition. The Overseer’s choice not to support the Leader in these instances
has a limiting influence because sometimes the Leader will back off of his initial
policy of action.

When foreign policy is primarily the responsibility of the Overseer, I do not
expect the same relationships to exist. One interesting result of Equation 4.1
(which addresses when Leaders will initiate action) is that as \((Q)\) increases, \((P)\)
deCREASES. This means that as action becomes a more successful policy for the
Overseer, the Leader becomes more likely to initiate force. Thus we expect to see more policies of action in states where the Overseer derives benefits from successful foreign policy than from states where the Overseer is simply influential on domestic matters. Extending this expectation, I get the following hypothesis:

**Hypothesis 2:** *As the influence of the Overseer on matters of foreign policy increases within a state, the likelihood that a state will initiate foreign policy action increases.*

In states where the Overseer selects the Leader, I assume that the Leader's estimate for the probability of success of action is the same as the Overseer's estimate. In the model, the threshold \((Q)\) for the Overseer to support action is always greater than \((P)\) for the Leader, exemplified by the following equation:

**Equation 4.7:**

\[
\frac{Q(SQ_{L} + \Gamma_{L} - \Theta_{L} - \Lambda_{L}) + \Lambda_{L}}{Q(2SQ_{L} - \Theta_{L} - \Lambda_{L} - \Delta_{L}) + 2\Delta_{L} + \Delta_{L} + \Gamma_{L} - SQ_{L}} < \frac{P(\Theta_{o} + \Phi_{o} - SQ_{o} - \Gamma_{o}) + SQ_{o} + \Gamma_{o} - \Theta_{o}}{P(\Delta_{o} + \Theta_{o} + \Phi_{o} - \Gamma_{o}) + \Delta_{o} - \Theta_{o} + \Lambda_{o} + \Gamma_{o}}
\]

As a result, I expect the following hypothesis.

**Hypothesis 3:** *States where the Leader's selection is dependent upon the support of the Overseer are less likely to initiate foreign policy action than states where the Leader is selected by other means.*

For similar reasons as above, if the payoffs for the model are exactly the same for both actors, I expect that the Overseer will not support some of the Leader's choices for action (see Equation 4.7). I have also shown that the choice
by the Overseer not to support action has a limiting effect because the threshold of \((P)\) for continuing is sometimes greater than the threshold of \((P)\) for initiating (see Equation 4.6). Furthermore, we apply the assumption that if the stakeholders for both actors are the same, then the payoffs associated with being retained in light of success, failure, and the status quo are the same for both actors. As a result, I derive the following expectation:

**Hypothesis 4:** States where the Stakeholders are the same for both the Leader and the Overseer will be less likely to initiate foreign policy action than states where the Stakeholders are different.

Using the derivations of the theory, I also draw a number of hypotheses that relate to the influences of selectoral factors on the willingness of an actor to initiate foreign policy action. First, I find in Equation 4.1 that as the value of being retained in light of a failed action increases, the threshold value to initiate action \((P)\) decreases. A Leader's position in office is considered selectorally safer as the probability of being retained given a failed policy increases. Conversely, as the probability of being retained in light of a failed policy decreases, the value for \((P)\) increases. I assume that increased political competition in a state is similar to reducing the probability of being retained in light of failed policies, thus I expect the following hypotheses:

**Hypothesis 5:** As the competitiveness of the selection for the Leader within a state increases, the likelihood that a state will initiate foreign policy action decreases.
**Hypothesis 6**: As the number of legitimate political competitors for the Leader within a state increases, the likelihood that a state will initiate foreign policy action decreases.

I observe the very same relationship in Equation 4.2 where the probability of being retained in light of a failed policy (Θ) decreases for the Overseer, the threshold value of (Q) increases. Thus, the Overseer will be less likely to support the policy of action. As I have previously stated in the discussion of Hypothesis 1, the Overseer reduces the likelihood that action is pursued when he does not support the policy. I assume that there is a link between the increasing competitiveness of the selectoral process and a decreased likelihood of being retained given a failed policy action, leading to the final expectation:

**Hypothesis 7**: As the competitiveness of the selection of the Overseer within a state increases, the likelihood that a state will initiate foreign policy action decreases.

In this section, I have derived hypotheses from the model. These hypotheses articulate the institutional relationships and the impact of competition on the likelihood that a state will initiate foreign policy action. It is important to note that the theory provides a sound basis for why these relationships exist rather than simply asserting hypotheses about the impact of institutions on state behavior.

**IV. Conclusion**
In this chapter the domestic institutional theory of policy development has been presented and formalized. The particular focus in this dissertation is the role of institutional relationships and selectoral factors as they relate to foreign policy development. The institutional relationship has been identified as the interaction between a Leader and the Overseer of a state when making choices from among available policy alternatives. I expect that the Leader’s primary role is to implement policy and the Overseer’s is to evaluate those choices. Furthermore this interaction between the Leader and the Overseer takes place in front of the relevant stakeholders of a state. The stakeholders’ primary roles are to determine whether the Leader and the Overseer remain in office. They make their determination on the basis of observed policy outcomes and cues drawn from the interaction between the Leader and the Overseer. By and large this is a very simple and straightforward theory.

Using the simple design of the theory I am able to draw a number of interesting hypotheses regarding how the domestic political environment influences foreign policy development. The seven hypotheses presented in this chapter specify clear expectations as to how institutional and selectoral factors influence a state's foreign policy activity. For this research effort, I am particularly interested in how these relationships impact and influence a state’s dispute activity. Generally, it is expected that institutional constraints as well as open and competitive selectoral environments will decrease the likelihood that a state will initiate foreign policy action, although in some instances institutional pressures may increase the likelihood (i.e., Hypothesis 2).
In the next chapter, the hypotheses presented here are operationalized and tested using existing data regarding dispute activity and domestic political factors. The hypotheses are restated to address the choices that states make when in a particular situation: a dispute with another state. I use this empirical approach as a means of testing the both the validity and the explanatory power of the theory. In a sense, the theory developed here tells a simple story as to how international relations are influenced by domestic politics. In the following chapter we attempt to determine whether this story is fact or fiction.
Appendix

Payoff Matrix for State of the World #1 – P & Q
In this State of the World, if the Leader plays A, the Oversee will play ~S then
the Leader will play C. If the Leader plays ~A, the Oversee will play S then the
Leader will be indifferent between C and ~C. We expect the Leader to play A
when $\Delta_L + \Gamma_L > SQ_L$. By definition, this inequality always holds so we always
expect A in complete information. The complete information equilibrium is (AC,
~S) with payoff $(\Delta_L + \Gamma_L ; \Delta_0 - \Lambda_0)$.

<table>
<thead>
<tr>
<th></th>
<th>S</th>
<th>~S</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>$\Delta_L ; \Delta_0$</td>
<td>$\Delta_L + \Gamma_L ; \Delta_0 - \Lambda_0$</td>
</tr>
<tr>
<td>A~C</td>
<td>$\Delta_L ; \Delta_0$</td>
<td>$SQ_L + \Phi_L ; SQ_0 - \Lambda_0$</td>
</tr>
<tr>
<td>~AC</td>
<td>$SQ_L ; SQ_0$</td>
<td>$SQ_L - \Lambda_L ; SQ_0 + \Phi_0$</td>
</tr>
<tr>
<td><del>A</del>C</td>
<td>$SQ_L ; SQ_0$</td>
<td>$\Delta_L - \Lambda_L ; \Lambda_0 + \Gamma_0$</td>
</tr>
</tbody>
</table>

Payoff Matrix for State of the World #2 – (1-P) & Q
In this State of the World, if the Leader plays A, the Oversee will play S then the
Leader will be indifferent between C and ~C. If the Leader plays ~A, the
Oversee will play ~S so the Leader will play C because $SQ_L + \Gamma_L > \Theta_L + \Phi_L$. The
Leader will play A when $\Theta_L > SQ_L + \Gamma_L$ which by definition will never occur.
Therefore, the complete information equilibrium is (~AC, ~S) with payoff ($SQ_L + \Gamma_L$
; $SQ_0 + \Phi_0$).

<table>
<thead>
<tr>
<th></th>
<th>S</th>
<th>~S</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>$\Theta_L ; \Delta_0$</td>
<td>$\Theta_L - \Lambda_L ; \Delta_0 - \Lambda_0$</td>
</tr>
<tr>
<td>A~C</td>
<td>$\Theta_L ; \Delta_0$</td>
<td>$SQ_L + \Lambda_L ; SQ_0 - \Lambda_0$</td>
</tr>
<tr>
<td>~AC</td>
<td>$SQ_L ; SQ_0$</td>
<td>$SQ_L + \Gamma_L ; SQ_0 + \Phi_0$</td>
</tr>
<tr>
<td><del>A</del>C</td>
<td>$SQ_L ; SQ_0$</td>
<td>$\Theta_L + \Phi_L ; \Lambda_0 + \Gamma_0$</td>
</tr>
</tbody>
</table>

Payoff Matrix for State of the World #3 – P & (1-Q)
In this State of the World, if the Leader plays A, the Oversee will play ~S then the
Leader will play C. If the Leader plays ~A, the Oversee will play S so the
Leader will be indifferent between C and ~C. The Leader will play A when $\Delta_L + \Gamma_L$
$SQ_L$ which is always the case by definition. The equilibrium in complete
information is (AC, ~S) with payoff $(\Delta_L + \Gamma_L ; \Theta_0 + \Phi_0)$.

<table>
<thead>
<tr>
<th></th>
<th>S</th>
<th>~S</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>$\Delta_L ; \Theta_0$</td>
<td>$\Delta_L + \Gamma_L ; \Theta_0 + \Phi_0$</td>
</tr>
<tr>
<td>A~C</td>
<td>$\Delta_L ; \Theta_0$</td>
<td>$SQ_L + \Phi_L ; SQ_0 + \Gamma_0$</td>
</tr>
<tr>
<td>~AC</td>
<td>$SQ_L ; SQ_0$</td>
<td>$SQ_L - \Lambda_L ; SQ_0 - \Lambda_0$</td>
</tr>
<tr>
<td><del>A</del>C</td>
<td>$SQ_L ; SQ_0$</td>
<td>$\Delta_L - \Lambda_L ; \Theta_0 - \Lambda_0$</td>
</tr>
</tbody>
</table>
Payoff Matrix for State of the World #4 – P & Q

In this State of the World, if the Leader plays A, the Overseer will play ~S then the Leader will play C. If the Leader plays ~A, the Overseer will play S so the Leader will be indifferent between C and ~C. The Leader will play A when SQL - \(\Delta_L > SQQ\) which cannot occur by definition. The equilibria in complete information are (~AC, S) and (~A~C, S) with payoffs (SQL; SQO).

<table>
<thead>
<tr>
<th></th>
<th>S</th>
<th>~S</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC</td>
<td>(\Theta_L; \Theta_O)</td>
<td>(\Theta_L - \Delta_L; \Theta_O + \Phi_O)</td>
</tr>
<tr>
<td>A-C</td>
<td>(\Theta_L; \Theta_O)</td>
<td>(SQL - \Delta_L; SQQ + \Delta_O)</td>
</tr>
<tr>
<td>~AC</td>
<td>(SQL; SQQ)</td>
<td>(SQP + \Gamma_L; SQQ - \Delta_O)</td>
</tr>
<tr>
<td>~A-C</td>
<td>(SQL; SQQ)</td>
<td>(\Theta_L + \Phi_L; \Theta_O - \Delta_O)</td>
</tr>
</tbody>
</table>

The Leader’s Decision to Initiate Action

The Leader’s critical value for initiating action can be found by solving:

\[
EU(\text{Action}) = EU(\text{No Action}) \\
PC[\Delta_L] + P(1-Q)[\Delta_L + \Gamma_L] + (1-P)Q[\Theta_L] + (1-P)(1-Q)[SQQ - \Delta_L] = \\
PC[\Delta_L - \Delta_L] + P(1-Q)[SQQ - \Delta_L] + (1-P)Q[SQQ + \Gamma_L] + (1-P)(1-Q)[SQQ]
\]

The payoffs for each state of the world are derived from the expectations outlined above regarding the expected decision to S or ~S by the Overseer and the resulting decision to C or ~C by the Leader. For instance, if action is taken in state of the world #1 (P & Q), then the Overseer will support and the Leader’s payoff will be \(\Delta_L\). If no action is chosen in this state, the Overseer will play ~S and the Leader will respond with ~C, leading to a payoff of \(\Delta_L - \Delta_L\) for the Leader. This method was used to assign payoffs to each state of the world in the effort to find critical values.

Solving for P, we find

\[
P = \frac{Q(SQL + \Gamma_L - \Theta_L - \Delta_L + \Delta_L)}{Q(2SQQ - \Theta_L - \Delta_L + 2\Delta_L + \Delta_L + \Gamma_L - SQQ)}
\]

Which can be rewritten as

\[
P = \frac{Q(SQL - \Theta_L - \Delta_L + \Delta_L + Q\Gamma_L)}{Q(SQL - \Theta_L - \Delta_L + \Delta_L + (1-Q)\Delta_L + (1-Q)SQQ + \Gamma_L + \Delta_L)}
\]

Such that when \(P \geq \frac{Q(SQL - \Theta_L - \Delta_L + \Delta_L + Q\Gamma_L)}{Q(SQL - \Theta_L - \Delta_L + \Delta_L + (1-Q)\Delta_L + (1-Q)SQQ + \Gamma_L + \Delta_L)}\), the Leader will initiate action. When \(P < \frac{Q(SQL - \Theta_L - \Delta_L + \Delta_L + Q\Gamma_L)}{Q(SQL - \Theta_L - \Delta_L + \Delta_L + (1-Q)\Delta_L + (1-Q)SQQ + \Gamma_L + \Delta_L)}\), the Leader will not initiate action.
The Overseer’s Decision to Support the Leader’s Decision of Action

The Overseer’s critical value for supporting the Leader when the Leader has advocated action can be found by solving:

\[
\begin{align*}
EU(\text{Support}) &= EU(\text{No Support}) \\
&PQ[\Delta_0] + P(1-Q)[\Theta_0] + (1-P)Q[\Delta_0] + (1-P)(1-Q)[\Theta_0] = \\
&PQ[\Delta_0 - \Lambda_0] + P(1-Q)[\Theta_0 + \Phi_0] + (1-P)Q[S\Theta_0 - \Lambda_0] + (1-P)(1-Q)[S\Theta_0 + \Gamma_0]
\end{align*}
\]

The payoffs for each state of the world are derived from the expectations outlined above regarding the fact that the Leader has taken action as well as the expectations about the Leader’s decision to C or -C. For instance, when action is taken by the Leader in state of the world #1 (P & Q), then the Overseer will support and the Overseer’s payoff will be \(\Delta_0\). If no action is chosen in this state, the Overseer will play \(-S\) and the Leader will respond with \(-C\), leading to a payoff of \(\Delta_0 - \Lambda_0\) for the Overseer. This method was used to assign payoffs to each state of the world in the effort to find critical values.

This can be simplified to

\[
\begin{align*}
&Q[\Delta_0] + (1-Q)[\Theta_0] = \\
&PQ[\Delta_0 - \Lambda_0] + P(1-Q)[\Theta_0 + \Phi_0] + (1-P)Q[S\Theta_0 - \Lambda_0] + (1-P)(1-Q)[S\Theta_0 + \Gamma_0]
\end{align*}
\]

Solving for \(Q\) we find that the Overseer’s critical value for supporting action as a policy is

\[
Q = \frac{[P(\Theta_0 + \Phi_0 - S\Theta_0 - \Gamma_0) + S\Theta_0 + \Gamma_0 - \Theta_0]}{[P(\Delta_0 + \Theta_0 + \Phi_0 - \Theta_0) + \Delta_0 - \Theta_0 + \Lambda_0 + \Gamma_0]}
\]

Which can be rewritten as

\[
Q = \frac{[P(\Theta_0 + \Phi_0 - \Gamma_0) + \Gamma_0 - \Theta_0 + (1-P)S\Theta_0]}{[P(\Theta_0 + \Phi_0 - \Gamma_0) + \Gamma_0 - \Theta_0 + (1-P)\Delta_0 + \Lambda_0]}
\]

Such that when

\[
Q \geq \frac{[P(\Theta_0 + \Phi_0 - \Gamma_0) + \Gamma_0 - \Theta_0 + (1-P)S\Theta_0]}{[P(\Theta_0 + \Phi_0 - \Gamma_0) + \Gamma_0 - \Theta_0 + (1-P)\Delta_0 + \Lambda_0]}
\]

the Overseer will support the action initiated by the Leader. When

\[
Q < \frac{[P(\Theta_0 + \Phi_0 - \Gamma_0) + \Gamma_0 - \Theta_0 + (1-P)S\Theta_0]}{[P(\Theta_0 + \Phi_0 - \Gamma_0) + \Gamma_0 - \Theta_0 + (1-P)\Delta_0 + \Lambda_0]}
\]

the Overseer will not support action initiated by the Leader.

The Overseer’s Decision to Support the Leader’s Decision of No Action

The Overseer’s critical value for supporting the Leader when the Leader has advocated no action can be found by solving:

\[
EU(-S \text{ when Non-Action}) = EU(S \text{ when Non-Action})
\]

\[
\begin{align*}
&P*Q(\Delta_0 + \Gamma_0) + (1-P)*Q(S\Theta_0 + \Phi_0) + P*(1-Q)(\Theta_0 - \Delta_0) + (1-P)(1-Q)(S\Theta_0 - \Lambda_0) = \\
&P*Q(S\Theta_0) + (1-P)*Q(S\Theta_0) + P*(1-Q)(S\Theta_0) + (1-P)(1-Q)(S\Theta_0)
\end{align*}
\]

This can be simplified as
\[ P^*Q(\Delta_0+\Gamma_0) + (1-P)^*Q(S\Omega_0+\Phi_0) + P^*(1-Q)(\Theta_0-\Lambda_0) + (1-P)(1-Q)(S\Omega_0-\Lambda_0) = S\Omega_0 \]

The payoffs for each state of the world are derived from the expectations outlined above regarding the fact that the Leader has taken no action as well as the expectations about the Leader's decision to C or \(\neg C\). For instance, when no action is taken by the Leader in state of the world \#1 (P & Q), then if the Overseer does not support this non-action, the Leader will play \(\neg C\) and the Overseer's payoff will be \(\Delta_0+\Gamma_0\). If no action is chosen in this state and the Overseer chooses to support this non-action, then his payoff is simply \(S\Omega_0\). This method was used to assign payoffs to each state of the world in the effort to find critical values.

Solving for \(Q\) we find that the Overseer's critical value is:

\[ Q = \frac{P(S\Omega_0 - \Theta_0) + \Lambda_0}{P(\Delta_0 + \Gamma_0 - \Phi_0 - \Theta_0) + \Phi_0 + \Lambda_0} \]

Which can be rewritten as

\[ Q = \frac{P(-\Theta_0)+\Lambda_0 + PS\Omega_0}{P(-\Theta_0)+\Lambda_0 + P(\Delta_0) + P(\Gamma_0-\Phi_0) + \Phi_0} \]

Such that when \(Q \geq \frac{P(-\Theta_0)+\Lambda_0 + PS\Omega_0}{P(-\Theta_0)+\Lambda_0 + P(\Delta_0) + P(\Gamma_0-\Phi_0) + \Phi_0}\), the Overseer will not support the non-action initiated by the Leader. When \(Q < \frac{P(-\Theta_0)+\Lambda_0 + PS\Omega_0}{P(-\Theta_0)+\Lambda_0 + P(\Delta_0) + P(\Gamma_0-\Phi_0) + \Phi_0}\), the Overseer will support the non-action initiated by the Leader.

**The Leader's Decision to Continue a Policy of Action**

The Leader's critical value for continuing a policy of action in the face of opposition by the Overseer can be found by solving:

\[ \text{EU (AC)} = \text{EU (A-C)} \]

\[ P^*Q(\Delta_L+\Gamma_L) + (1-P)^*Q(\Theta_L-\Lambda_L) + P^*(1-Q)(\Delta_L+\Gamma_L) + (1-P)(1-Q)(\Theta_L-\Lambda_L) = P^*Q(S\Omega_L+\Phi_L) + (1-P)^*Q(S\Omega_L-\Lambda_L) + P^*(1-Q)(S\Omega_L+\Phi_L)+(1-P)(1-Q)(S\Omega_L-\Lambda_L) \]

This can be simplified as

\[ P(\Delta_L+\Gamma_L) + (1-P)(\Theta_L-\Lambda_L) = P(S\Omega_L+\Phi_L) + (1-P)(S\Omega_L-\Lambda_L) \]

The payoffs for each state of the world are derived from the expectations outlined above regarding the fact that the Leader has taken action and the Overseer has opposed this action. For instance, when action is taken by the Leader in state of the world \#1 (P & Q), and when the Overseer does not support this action, the Leader will obtain a payoff of \(\Delta_L+\Gamma_L\), if the Leader plays C. In this state, if action is taken, the Overseer does not support this action, and the Leader plays \(\neg C\), the
Leader's payoff is $SQ_L + \Phi_L$. This method was used to assign payoffs to each state of the world in the effort to find critical values.

Solving for $P$, we find

$$P = \frac{[SQ_L - \Theta_L]}{[\Delta_L + \Gamma_L - \Theta_L - \Phi_L]}$$

Which can be rewritten as:

$$P = \frac{[-\Theta_L + SQ_L]}{[-\Theta_L + \Delta_L + \Gamma_L - \Phi_L]}$$

Such that when $P \geq \frac{[-\Theta_L + SQ_L]}{[-\Theta_L + \Delta_L + \Gamma_L - \Phi_L]}$, the Leader will choose to continue a policy of action in the face of opposition from the Oversee. When $P < \frac{[-\Theta_L + SQ_L]}{[-\Theta_L + \Delta_L + \Gamma_L - \Phi_L]}$, the Leader will choose not to continue a policy of action in the face of opposition from the Oversee.

**The Leader's Decision to Continue a Policy of No Action**

The Leader's critical value for continuing a policy of non-action in the face of opposition by the Oversee can be found by solving:

$$EU (\neg A \neg C) = EU (\neg AC)$$

$$P^*Q(\Delta_L - \Lambda_L) + (1-P)^*Q(\Theta_L + \Phi_L) + P^*(1-Q)(\Delta_L - \Lambda_L) + (1-P)(1-Q)(\Theta_L + \Phi_L) =$$

$$P^*Q(SQ_L - \Lambda_L) + (1-P)^*Q(SQ_L + \Gamma_L) + P^*(1-Q)(SQ_L - \Lambda_L) + (1-P)(1-Q)(SQ_L + \Gamma_L)$$

This can be simplified as

$$P(\Delta_L - \Lambda_L) + (1-P)(\Theta_L + \Phi_L) = P(SQ_L - \Lambda_L) + (1-P)(SQ_L + \Gamma_L)$$

The payoffs for each state of the world are derived from the expectations outlined above regarding the fact that the Leader has taken no action and the Oversee has opposed this action. For instance, when no action is taken by the Leader in state of the world #1 ($P$ & $Q$) and the Oversee does not support this non-action, the Leader will obtain a payoff of $SQ_L - \Lambda_L$ if the Leader plays C. In this state, if no action is taken, the Oversee does not support this non-action, and the Leader plays $\neg C$, the Leader's payoff is $\Delta_L - \Lambda_L$. This method was used to assign payoffs to each state of the world in the effort to find critical values.

Solving for $(P)$ we find that the Leader's critical value for choosing action despite originally choosing no action and not being supported by the Oversee is:

$$P = \frac{[SQ_L + \Gamma_L - \Theta_L - \Phi_L]}{[\Delta_L + \Gamma_L - \Theta_L - \Phi_L]}$$

Such that when $P \geq \frac{[SQ_L + \Gamma_L - \Theta_L - \Phi_L]}{[\Delta_L + \Gamma_L - \Theta_L - \Phi_L]}$, the Leader will choose to reverse a policy of non-action in favor of a policy of action in the face of
opposition from the Overseer. When $P < \frac{[SQ_L + \Gamma_L - \Theta_L - \Phi_L]}{[\Delta_L + \Gamma_L - \Theta_L - \Phi_L]}$, the Leader will choose to continue a policy of non-action in the face of opposition from the Overseer.
Chapter 5: Putting the Domestic Institutional Theory to the Test

In the preceding chapter, I presented and discussed a theory of domestic influences on policy development. Using the theory, I have drawn a number of hypotheses regarding the domestic influences on a state’s decision to use force as a foreign policy choice. In this chapter I operationalize and empirically examine the hypotheses in an effort to assess the explanatory power of the theory as it pertains to states’ behavior in international disputes.

The main focus of the analysis in this chapter is to establish that the theory presented in Chapters 3 and 4 helps us to better understand the factors that influence dispute activity. In particular, my aim is to explain the influence of domestic politics on international relations, specifically examining this relationship with an institutional explanation. The proceeding analysis is not geared towards explaining the overall factors that influence dispute activity. Instead, my focus is on testing the specific hypotheses drawn from my theory regarding the influence of domestic politics on foreign policy choices made by leaders.

I. Research Design

I am particularly interested in assessing the usefulness of the theory for explaining when states choose to pursue active foreign policies. I consider active policies along two dimensions, the decision to initiate a dispute and the decision
to use force in a dispute as opposed to other foreign policy alternatives. To examine this relationship, I use measures drawn from three data sources. I use variables drawn from the *Militarized Interstate Dispute: 1816-1992* data set as indicators for my dependent variables regarding foreign policy action. I draw my independent variables regarding the domestic institutional design elements from two sources: *The Polity III: Regime Type & Political Authority 1800-1994* data set (Jaggers & Gurr 1996), and *The Cross National Time Series 1815-1996* data (Banks 1998). I use data drawn from these sources to examine the influence of domestic institutional factors on states' dispute involvement over the time frame of 1816 – 1991. Using this data, I test the hypotheses drawn from the theory as explained in Chapter 4. I use these results of these tests to assess the overall contribution of the theory towards advancing our understanding of the factors that influence dispute behavior from a domestic perspective.

The hypotheses that I presented in Chapter 4 focus on the decisions by leaders to choose action as a policy and the domestic factors that influence that decision. My theory is designed to address when leaders will decide to use action as a policy. I believe this to be a very general approach to policy development and thus useful at examining dispute involvement at two different levels. The first is to use the hypotheses drawn from the model to examine the influence of domestic factors on whether a state initiates a dispute. In this instance, taking action is simply entering into a dispute with another state. On a

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19 In combining these three data sources there is some loss of years and cases. Most notably, I do not include the years 1914-1918, 1940-1945 and 1992. First, I follow the custom of excluding the years in which the World Wars take place, as these wars are vastly different than all other disputes and some of the patterns that emerge can unduly influence the analysis. In addition, much of the data is either missing or
second level, I apply the model's expectations to the decision by states to use force in disputes that they initiated. In this case, a state is in a dispute and the choice is whether to not use force (no action) or use force (action).

I proceed by examining the influence of domestic factors on both of these levels of dispute behavior. The first is the choice made by leaders to initiate a dispute of any type, whether it involves a simple demand, a threat or the actual use of military force up to and including war. The second dimension is the decision by a leader to actually use force in a dispute. Each hypothesis is tested to examine the influence of domestic institutional structures and relationships on two dependent variables: the action of a state initiating a dispute, and the action of an initiating state using force in a dispute.

As a general approach, I believe that my theory applies to each of these dimensions of dispute involvement. In this chapter, I expand upon this point more fully as I present the variables used for analysis and present the results.

A. Dependent Variables and Operationalizations

The dependent variables for this analysis are operationalized using data drawn from the MID data set. To examine the decision to initiate a dispute, I use the variable from the MID data that indicates whether the state initiated a dispute or not. The level of analysis for this variable is state year. I have observations for all states in the system for the time period of 1816-1991. If a state initiated a

unreliable with respect to the World War years. Since this data is not a comprehensive for all disputes in the MID data set, it is available for review at ftp://edspascal.library.emory.edu (effective April 1999).
dispute in a year, the "initiate" dependent variable is coded as a 1; otherwise it is coded as a 0. In total, the data is comprised of 11,709 observations and 2,054 (or 17.5%) are cases in which a state is coded as having initiated a dispute.

To examine the use of force by a state, I construct a variable using the measure for hostility level drawn from the MID data. The hostility level measure in the MID data set categorizes four types of dispute activity pertaining to a state's level of action taken in a dispute. These four types of dispute activity are coded as follows: (2) for the threat of force, (3) for the display of force, (4) for the use of force, and (5) for war involvement. I treat the states' actions as direct choices and not simply as circumstances beyond the control of policy makers. The analysis here is restricted to the dispute activity undertaken by the state that initiates a dispute because my interest is particularly focused on policy initiation, not response. Thus the level of analysis is dispute initiation, of which we have data on 2,054 cases.

The purpose of this variable is to examine the choice by a state to use force. I construct a variable to capture this choice by collapsing the four levels of hostility level to two categories: force or no force. My "use of force" dependent variable is coded as a 0 for all cases in which the level of force is a threat or display of force (i.e., those cases coded 2 or 3 in MID). I code use of force as 1 for all cases in which the dispute activity is the use of force or war involvement (i.e., those cases coded 4 or 5 in MID). To examine the use choice to use force
by states initiating a dispute I have a total of 2,054 observations and 1,341 (65%) are cases in which force was used by the initiating state.

B. Independent Variables and Operationalizations

The independent variables for the analysis are drawn entirely from the Polity III: Regime Type & Political Authority 1800-1994 data set (Jaggars & Gurr 1996) and the Cross National Time Series 1815-1996 data (Banks 1998). These data sets include data pertaining to the internal political structures and activities for states for the duration of their focus. Drawing indicators from both of these data sets, I use the same independent variables to examine the effects of domestic factors on both of the dependent variables: the initiation of a dispute and the use of force within a dispute.

For each year that a state is in the system I have selected a number of indicators regarding domestic political and economic factors from the Polity III and Cross National Time Series (CNTS) data sets. I have a profile of most states with respect to domestic institutions and political activities for each year of my analysis (1816-1991). I am particularly interested in the indicators relating to the executive, legislative and selection structures of states. I have determined that the Polity III and the CNTS data sets provide the best combination of internal domestic variables and time coverage to most adequately examine the propositions of the theory, although they do not come without some problems.
One problem is the data constraint for leaders and overseers. My theoretical efforts have been aimed at developing a general theory regarding the influence of domestic institutions on foreign policy. I am constrained by data considerations to operationalize the Leader as an executive of a state and the Overseer as a legislative institution. I use indicators from the Polity III and CNTS data sets that refer to executive behavior to test propositions regarding the Leader. Similarly, I use indicators referring to the legislature to examine expectations regarding the Overseer. Generally, I do not consider this to be particularly troublesome because the main intuition of the theory is that executives are leaders and legislative bodies are overseers, although I recognize that in some instances my assumptions may be incorrect.

Another problem is that the data does not provide the most direct operationalization of the all variables associated with the theory because they were not created with this theory in mind. Despite this, there are advantages to using the data that I have selected. I have carefully selected the independent variables from the most appropriate indicators available in the Polity III and CNTS data sets. I have confidence that they enable me to test the propositions in a systematic fashion. Furthermore, the sources for my data are widely used by members of the academic community to address questions pertaining to the influence of domestic factors on international relations. This enables me to consider the results of my analysis in light of previous findings using the same data sources. I can evaluate the theory versus existing explanations. In the empirical analysis below, I use the data discussed above to examine six of the
seven hypotheses presented in chapter 4. I discuss the particulars of each of the independent variables more fully as they pertain to the six hypotheses that are examined in this chapter.

All of the hypotheses drawn from my model presented in Chapter 4 apply to both of the dependent variables, the initiation of a dispute and the use of force. For the sake of clarity, I restate the hypotheses in pairs. I state each hypothesis specifically for each dependent variable. I present them as hypothesis #A and hypothesis #B. There is no distinction in the expectations between the two hypotheses except that the dependent variables are explicitly referenced. I present each of the hypotheses that are tested empirically, excluding hypothesis 2 because of data considerations. Following the hypotheses, I present the independent variables used to test my them. I identify their sources and any changes in coding that I have made for my analysis.

The first hypotheses address the impact of the presence of an Overseer on foreign policy behavior. These hypotheses are:

**Hypothesis 1A:** A state in which there is no Overseer will be more likely to initiate a dispute than a state where such an institution exists.

**Hypothesis 1B:** A state in which there is no Overseer will be more likely to use force in a dispute than a state where such an institution exists.

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30 Hypothesis 2 states: *As the influence of the Overseer on matters of foreign policy increases within a state, the likelihood that a state will initiate foreign policy action increases*. I find this to be a very interesting theoretical result that warrants mention, thus I present it in Chapter 4. However, identifying the level of influence an Oversight institution has specifically on foreign policy development is not a concept that is readily captured by existing data, nor easily collected. Hypothesis 2 lends itself more fully to case study analysis or a focused data collection effort, both of which are beyond the scope of my research. Due to these considerations I do not test Hypothesis 2, but I retain the original numbering to maintain continuity between the presentation of hypotheses in Chapter 4 and the empirical analysis in this Chapter.
These hypotheses are tested using a recode of the legislative selection, or "LEGSELEC" indicator in the CNTS Data set. LEGSELEC is a trichotomous variable that is coded: as (0) if no legislature exists in a state; as (1) if a non-elected legislature exists; and as (2) if an elected legislature exists in a state. I transform this variable into a dummy variable collapsing the three categories into two. The variable of interest is whether a legislature exists or not. I code LEGSELEC as (0) for states in which no legislature exists and (1) for states where one does exist. For these hypotheses, differentiating among the roles of the legislative body is unnecessary, as the aim is to establish that having a second institution generally reduces the likelihood that a state will use force.

The next hypotheses address the impact of the selection of the leader on foreign policy behavior, such that:

**Hypothesis 3A:** States where the Leader's selection is dependent upon the support of the Overseer are less likely to initiate a dispute than states where the leader is selected by another means.

**Hypothesis 3B:** States where the Leader's selection is dependent upon the support of the Overseer are less likely to use force in a dispute than states where the leader is selected by another means.

The independent variable used to test these hypotheses is the legislative effectiveness indicator, or "LEGEF," from the CNTS data set. This indicator is coded from 0 to 3 where: (0) is coded if no legislature exists in a sate, (1) is coded if the legislature is considered an ineffective body, (2) is coded for states
where a partially effective legislature exists, and 3 is coded for states with an
effective legislature. I code this variable as (0) if LEGEF is less than (2).
Otherwise, I code it as (1). I want to differentiate between institutions that exist in
name only, from those that actually have an influence over policy development,
thus I code this variable to identify states where the legislature is at least partially
effective. I assume that the greater the influence of a legislature over the
executive, the better able they are to control whether or not he will be retained in
office. The extreme instance of this is in a parliamentary system where the
executive is selected by the legislature. I expect that this relationship is also
relevant to states such as the United States where legislative appraisal of the
President is newsworthy and highly analyzed.

This variable serves as a good indicator as to the influence of a legislature
over the executive of a state on matters of policy. In particular, I assume that
much of this power is derived by the legislature's influence over the executive's
selectoral fortunes. I expect that the greater the influence of the legislature
(Overseer) over the executive, the less likely a state will pursue policies of action.

The next hypotheses address the impact that stakeholders have on
foreign policy behavior when both the Leader and the Overseer are accountable
to the same stakeholders. These hypotheses assert that:

**Hypothesis 4A:** States where the Stakeholders are the same for both the
Leader and the Overseer will be less likely to initiate a dispute than states
where the Stakeholders are different.
**Hypothesis 4B:** States where the Stakeholders are the same for both the Leader and the Overseer will be less likely to use force than states where the Stakeholders are different.

To examine these hypotheses I use a surrogate measure that is consistent with the notion of the proposition. The independent variable used to test this hypothesis is created using the executive selection (*EXSELEC*), legislative selection (*LEGSELEC*), and the premier (*PREMIER*) indicators drawn from the CNTS data set. The *EXSELEC* measure is originally coded as a trichotomous variable where: (1) indicates that an executive is selected by a direct election, (2) indicates that he is selected by an indirect election, and (3) indicates that no election for the executive takes place. The *LEGSELEC* indicator is a trichotomous measure where: (0) indicates no legislature exists; (1) indicates a non-elected legislature exists, and (2) indicates that an elected legislature exists. Finally the *PREMIER* variable indicates whether the head of state is a premier, a president or neither. This variable is coded as (0) if the head of state is neither a premier nor a president it is coded as (1) if the head of state is a premier and coded as (2) if the head of state is a president. I use these three variables to develop a dichotomous variable that establishes the means by which both the executive and the legislature are elected.

Since I cannot determine the exact stakeholders for both the executive and the legislature, I assume that if both actors are selected by the same means in a presidential system the stakeholders are the same. If they are both elected by direct election, but the head of state is a premier, I assume that the
stakeholders are different. The reasoning behind this distinction is simple. In a presidential system the entire audience of the executive and the legislature generally comprise the universe of stakeholders, despite differences in the constituencies between the president and each individual legislator. The universe of stakeholders observe when the legislature as an institution condemns or commends the president. In parliamentary systems the executive is selected from among candidates within a party system or in accordance with the terms of a coalition government. The legislature may be selected by direct election this is not necessarily the case for the executive. The executive in a parliamentary system might be selected by direct election, their ultimate fate is generally determined by their party, a coalition of parties or the legislature as a whole. I assume that in a presidential system where both the executive and the legislature are selected by direct election, they essentially share stakeholders. Conversely, I assume that in parliamentarian systems the executive and legislature are selected by different stakeholders, in many instances the executive is selected by the legislature. Using the PREMIER variable from the CNTS data allows me to make the distinction between these two types of electoral systems where the leaders are selected by direct election.

If one or both of the actors is not selected by direct election, I cannot determine if the stakeholders are similar. Thus, I assume that they are not. I code this variable (SAMSELEC) as (1) for all states with presidential systems
where the executive and the legislature are selected by direct popular
election, it is coded as (0) for all other states.  

This variable is consistent with the assumptions of the theory. I expect
that the primary role of the Overseer in a state is to provide information to the
stakeholders regarding the competence of the Leader. They do this by publicly
supporting or rejecting his policy choices. The Overseer is expected to be more
effective as an information source when the same stakeholders select him and
the Leader. In this case, I assume that the Overseer is selected partly to
constrain the Leader. By constructing this variable to identify cases in which both
actors are selected directly by popular election, we are able to examine at least
part of this proposition. Furthermore, I assume that presidential systems where
both the executive and the legislature are selected by popular election are the
perfect case where the stakeholders are the same. This is precisely the case
where an Overseer would have the greatest power. I assume that if the
stakeholders are not shared, the stakeholders will be less likely to look to either
actor for information regarding their performance.

Additional hypotheses address the competitiveness of the selection
process for the Leader and its impact on foreign policy behavior. These
hypotheses state that:

**Hypothesis 5A**: As the competitiveness of the selection for the Leader
within a state increases, the likelihood that a state will initiate a dispute
decreases.

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21 This variable is simple the product of the recodes for EXSELEC & LEGSELEC and the existing
PREMIER measure (DEXSEL * DLGSEL * PREMIER). This creates a simple three level variable as
described in the text.
**Hypothesis 5B:** As the competitiveness of the selection for the Leader within a state increases, the likelihood that a state will use force decreases.

To examine these hypotheses, I use two variables drawn from the Polity III data set that address the extent to which executive selection is regulated (\textit{XRREG}) and competitive in terms of the means of selection (\textit{XRCOMP}). The \textit{XRREG} indicator addresses the extent to which the transfer of office is regulated. \textit{XRREG} is made up of three categories coded as: (1) when a state's transfer of power is unregulated, (2) when a state's transfer is via designation within the political elite, and (3) when the transfer of power is regulated either by a formal rule of hereditary transfer or by popular elections. I code this variable where (1) is coded when the transfer of power is regulated (\textit{XRREG} = 3) and (0) otherwise. This variable taps into the general notion that regulated transfer of power is an indicator of a more competitive political system than in states where transfers are unregulated.

I also use the \textit{XRCOMP} variable from the Polity III data set. The \textit{XRCOMP} variable measures the "extent that prevailing modes of advancement give subordinates equal opportunities to become superordinates" (Gurr 1983). This indicator is comprised of three categories coded as: (1) for states where leaders are "selected" by means of hereditary succession or designation, (2) for states with "dual" arrangements such as some combination of hereditary succession and selection, and (3) for states where executives are typically chosen by election from the populous or legislature. I code \textit{XRCOMP} such that
(1) is coded for cases when executives are selected by election ($XRCOMP = 3$), otherwise it is coded (0). This variable addresses the concept that selection by means of popular or legislative election is more competitive than selection from a small pool or by divine right.

In addition to the two constructed variables presented above, I include an interaction term that allows me to distinguish between states with regular transfer procedures that are not by direct election and those where the transfer occurs by election. This variable ($DDXRCOMP$) is constructed by multiplying the recodes of $XRREG$ and $XRCOMP$. Since both of these variables are either 0 or 1, the effect is that states with regulated selection by election will be coded as 1, and all others will be coded as 0. My expectation is that states with regulated elections are less likely to use force than states with irregular or no elections.

The next hypotheses also assess the competitiveness of the Leader's selection process on the foreign policy behavior of states. These hypotheses assert that:

**Hypothesis 6A:** As the number of legitimate political competitors for the Leader within a state increases, the likelihood that a state will initiate a dispute decreases.

**Hypothesis 6B:** As the number of legitimate political competitors for the Leader within a state increases, the likelihood that a state will use force decreases.

The independent variable I use for the test of these hypotheses is a constructed from the openness of executive recruitment indicator ($XROPEN$) from the Polity III data set. This variable addresses the extent to which the
politically active population has an opportunity to attain the position of executive. It is categorized into four levels coded as: (1) if the recruitment process is closed; (2) if the recruitment process is a combination of hereditary succession and an executive or court selection by designation; (3) if the recruitment process is a combination of hereditary succession and executive or court selection by election; and (4) if the recruitment process is open to all citizens who are politically active. I code this variable such that (1) is coded for all cases where the recruitment process is open to all (XROPEN = 4), otherwise I code it as (0) as a closed process. I assume that states where selection of executives is open, there are more legitimate political competitors for the position of leader. I expect that this indicator provides a legitimate test for hypothesis six.

I also include an interaction term to account for the relationship between the openness of the system (my code of XROPEN) and the competitive nature of the system (DDXRCOMP). DDXRCOMP is the interaction term used to examine hypothesis 5 and takes on the value of (1) in states where transfer of power is completed by regulated elections and (0) for all other cases. In this instance, the interaction term DDXROPEN takes on the value of (1) when the selection process is not only completed by regulated election but is also generally open to all political participants, and (0) for all other cases. Utilizing this constructed variable we are able to directly test the influence of domestic political competition on the likelihood of a state using force. I expect that an increase in open political competition leads to a lower probability of a state initiating a dispute or using force in a dispute that it initiated.
The final hypotheses to be tested address the competitiveness of the Overseer's selection process on a state's foreign policy behavior, such that:

**Hypothesis 7A:** As the competitiveness of the selection for the Overseer within a state increases, the likelihood a state will initiate a dispute decreases.

**Hypothesis 7B:** As the competitiveness of the selection for the Overseer within a state increases, the likelihood a state will use force decreases.

To test these hypotheses, I create a dichotomous variable based on the percentage of seats held by the largest party in the legislature of a state. The precise ratio is available in the CNTS data set. I constructed a variable coded as (1) or competitive if the percentage of seats held by the largest party is less than 45%, otherwise I code this variable as (0). This variable serves as a surrogate measure for the number of effective parties represented in the legislature. If the largest party in the legislature has less than 45%, it is quite apparent that the number of effective parties is greater than 2. I assume that as the percentage of seats held by the largest party rises, the number of effective parties, factions or coalitions declines. I create an ordinal variable with two levels of classification for ease of analysis. I assume that as the number of parties competing for seats in a state's legislature increases, the level of competition for seats in the legislature also increases. I contend that this variable I have constructed serves as a good surrogate for the number of effective parties in a state's legislature and

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22 By definition, the second party cannot have more than 45%, thus the 2 largest parties can only comprise 90% of the legislature. The remaining 10% is viewed as effective because they can allign with either of the larger parties to form a majority coalition. Similarly, if the largest party between 45% and 70%, the implication is that there is at least some party competition, likely with two strong parties or coalition of
provides a reasonable measure of the level of competition for seats in the state's legislature. My expectation is that as the competition in the legislature increases, states will be less likely to initiate a dispute or use force.

In all of the tests of the hypotheses discussed above my dependent variables are whether a state initiated a dispute (INITIATE) and if they used force in a dispute or not (DHOSTLEV). I expect that the domestic institutional factors addressed by the hypotheses and encompassed by the independent variables have an influence on when a state initiates foreign policies of action. The data I have selected provide a valuable resource that I use to evaluate the hypotheses drawn from my theory. Using this data, I assess the contribution of the theory towards enhancing our understanding of international relations. In the following section the methods and results of the analysis are presented and discussed.

II. Empirical Results and the Analysis

My dependent variables are dichotomous and many of the independent variables are ordinal variables that correspond to categories of cases. Appropriately, I use methods for analysis that are generally considered the most efficient for examining relationships between categorical variables (Agresti 1984; Freeman 1987; Gujarati 1988). To examine the relationships hypothesized above I use contingency tables and logistic regression as my methods of analysis. I use contingency tables because the variables are grouped into

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parties. If the largest party holds more than 70% of the seats in the legislature, I assume that for all intents and purposes the legislature is dominated by a single party and thus not very competitive.
various categories. In a sense, one can eyeball the effect of the treatment variables on whether a state uses force or not. Using the frequency distributions in the table, I determine whether there is a true difference between groups by using the Chi-Square ($X^2$) statistic. This statistic is a function of the observed frequency distribution given the effect of the independent variables, compared to the expected frequency distribution without the effect of the treatment variables. I use the $X^2$ statistic to make a first cut determination as to whether a statistical relationship exists as a result of the influence of the independent variables.

Logistic regression provides a more systematic means to assess the magnitude and direction of the effects the independent variables have on the likelihood that a state will use force. As a form of maximum likelihood estimation, the logistic regression models provide parameter estimates that maximize the probability that the predicted value of the equation is the same as the observed values in the data set (Aldrich and Nelson 1984). Thus, where contingency table analysis can provide me with information regarding whether the frequency distribution is different from baseline expectations, logistic regression analysis provides me with the probability of observing the initiation of a dispute or the use of force given the values associated with the independent variables. The hypotheses are stated in a manner that is probabilistic in nature. Logistic regression analysis allows me to draw statistical inferences whereby the parameter estimates of our models translate into valid likelihood functions for the influence of the independent variables on the probability that a state will initiate a dispute and use force. As I address the statistical results associated with each
hypothesis, I use both contingency table analysis and the parameter estimates drawn from the logistic regression models as the means for assessing the validity and explanatory power of the theory.

A. Results and Analysis

I organize the discussion below around each set of hypotheses regarding the impact of domestic factors on both dependent variables. I discuss the results for the “initiation of a dispute” dependent variable first, and then I proceed to discuss results for the “use of force” dependent variable. I take this approach for ease of discussion. I focus on how each of the specific hypotheses drawn from the model addresses the different levels of dispute behavior, thus I am better able to assess the explanatory power of the model.

1. Hypotheses 1A and 1B

**Hypothesis 1A**: A state in which there is no Oversight Institution will be more likely to initiate a dispute than a state where such an institution exists.

**Hypothesis 1B**: A state in which there is no Oversight Institution will be more likely to use force in a dispute than a state where such an institution exists.

Tables 5.1 and 5.2 present the contingency table analysis and logistic regression results for the test of hypothesis 1A which analyzes the impact of the presence of an Overseer. The contingency results in table 5.1 show that 19.1%
of the states where a legislature exists initiated a dispute. In contrast, less than 14% of the states without a legislature used force in these disputes. The results in table 5.1 show that states with a legislature were more likely to enter a dispute than states without a legislature. This is contrary to my expectation in hypothesis 1A.

Table 5.1: Contingency Table of Existing Legislature and the Dispute Initiation

<table>
<thead>
<tr>
<th>Existence of a Legislature</th>
<th>No</th>
<th>Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Initiate a Dispute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>1511</td>
<td>7456</td>
<td>8967</td>
</tr>
<tr>
<td>86.1%</td>
<td>80.9%</td>
<td></td>
<td>81.7%</td>
</tr>
<tr>
<td>Yes</td>
<td>244</td>
<td>1762</td>
<td>2006</td>
</tr>
<tr>
<td>13.9%</td>
<td>19.1%</td>
<td></td>
<td>18.3%</td>
</tr>
<tr>
<td>Total</td>
<td>1755</td>
<td>9218</td>
<td>10973</td>
</tr>
</tbody>
</table>

Chi-Square = 26.805 sig. at .01 level

Table 5.2: Logistic Regression of Existing Legislature and Dispute Initiation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.8227</td>
<td>.0690</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Legislature Exists</td>
<td>.3802</td>
<td>.0739</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=2029  R²=.01

Similarly the logistic regression results in table 5.2 supports the findings in the contingency table. I find that the parameter estimate for the existence of a
legislature is positive and significant at the .01 level (.3802). Drawing
inference from this result, I expect that the existence of a legislature raises the
likelihood of a state initiating a dispute by about 6\% \textsuperscript{23}. This is an interesting
result because in this case I expect that existence of a legislature is an obstacle
towards provocative action. This result suggests that having a legislature
increases the likelihood that a state will initiate a dispute. This finding is contrary
to my theoretical expectation, but not disheartening. The marginal effect is fairly
small, suggesting that the influence of an existing legislature on dispute initiation
is limited even if it is in the wrong direction.

Table 5.3: The Existence of a Legislature and the Use of Force

<table>
<thead>
<tr>
<th>Existence of a Legislature</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>State Initiate Force</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>67</td>
</tr>
<tr>
<td>27.5%</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>177</td>
</tr>
<tr>
<td>72.5%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>244</td>
</tr>
</tbody>
</table>

Chi-Square = 6.171 sig. .05 level

\textsuperscript{23} The marginal effects of the independent variables is determined by the following equation:

$$e^\alpha - e^{(\alpha - \beta X)} \over 1 + e^{\alpha - \beta X}$$, where $e$ the base natural logarithm (approx. 2.71828...); \(\alpha\) the intercept of the
logistic regression model; and $\beta$ the parameter estimate for the independent variable and $X$ the observed
value of the independent variable. (Aldrich and Nelson 1984; Gujarati 1988)
Table 5.4: Logistic Regression of Existing Legislature and The Use of Force

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>.9715</td>
<td>.1518</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Legislature</td>
<td>-.3755</td>
<td>.1434</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Exists</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N=2018  R²=.024

Even though the results for hypothesis 1A were contrary to the expectations of the model, my findings for the test for the effect of an existing legislature on use of force are encouraging. The results shown in tables 5.3 and 5.4 suggest there is support for the expectation that the existence of a legislature reduces the likelihood that a state that initiates a dispute will use force. 24 Table 5.3 shows that over 72% of states without a legislature that initiated a dispute used military force compared with less than 65% of the states that have a legislature. The logistic regression results in table 5.4 offer further support for this expectation as we find that the parameter estimate for the existence of a legislature is negative and significant at the .01 level (-.3755). Calculating the marginal effect, the existence of a legislature reduces the likelihood of a state using force after initiating a dispute by more than 25%.

24 Keep in mind that the generalizations drawn from the analysis regarding the use of force within a dispute refer to the set of states involved in Disputes recorded in the MID data set. I expect that the generalizations
This is an interesting result because we are only concerned with the existence of a legislature in a general fashion. Essentially, we consider the general effect of the legislature as deterring the use of military force as a policy. This is particularly interesting in light of my findings with respect to dispute initiation. Apparently, the existence of a legislature does not reduce the likelihood of getting involved in a dispute, but it does reduce the likelihood that a state will use force as a means to resolve a dispute. This suggests that the constraining effect of the legislature may be on limiting provocative actions. A leader's threat to use force or the mobilization of troops may serve as indicators of dispute initiation, but they fall short of putting a state's citizens or interests at risk. The use of force against another state or war do put a state's interests and citizens at risk. According to the analysis of hypotheses 1A and 1B, the existence of a legislature tends to discourage the more risky action. The suggestion is that legislatures do not constrain limited actions normally associated with "cheap talk", but do have an effect when the action moves beyond just words (Fearon 1994; 1997; Smith 1998).

The results of my analysis for hypotheses 1A and 1B suggest that the existence of a legislature has a complicated influence on dispute involvement. Contrary to the expectations of my theory, the existence of a legislature increases the likelihood that a state will initiate dispute, however, consistent with my theoretical expectations the existence of a legislature reduces the likelihood that a state will use force once in a dispute. This suggests that perhaps the role drawn from my analysis are portable to all states, all statements of fact are made with respect to the states and disputes in my data.
of the Overseer may become more prevalent in the latter stages of policy development, especially as the potential risks and costs associated with action increase.

2. Hypotheses 3A and 3B

_Hypothesis 3A_: States where the Leader's selection is dependent upon the support of the Overseer are less likely to initiate a dispute than states where the leader is selected by another means.

_Hypothesis 3B_: States where the Leader's selection is dependent upon the support of the Overseer are less likely to use force in a dispute than states where the leader is selected by another means.

One factor that may provide some insight into the results for hypotheses 1A and 1B is the power of the legislative institution in a state. Hypotheses 3A and 3B state that as the influence of the Overseer over the Leader's likelihood of being retained increases, the likelihood that a state will initiate a dispute or use force in a dispute decreases. The expectations of these hypotheses provide us with additional explanation as to how the relationship between the executive and the legislature affects policy development. If we hold all other factors constant, the more the executive's likelihood of being retained is controlled by the legislature in a state, there is a lower likelihood that a state will initiate a dispute or use force. Hypotheses 3A and 3B go further towards examining the specific nature of the executive-legislative relationship than the simple expectation discussed and tested by hypotheses 1A and 1B. In testing these hypotheses I
am more focused on the role of the legislature on effecting policy action rather than the simple influence of its existence.

The results of contingency analyses listed in tables 5.5 and the logistic regression results in table 5.6 show the influence of an effective legislature on dispute initiation. I find that an effective legislature results in a lower probability that a state will initiate a dispute. In table 5.5, I find that states with an effective legislature initiate a dispute in fewer than 17% of the cases, while states without an effective legislature initiate a dispute in 20% of the cases.

The logistic regression results for this relationship in table 5.6 confirm my expectations. The parameter estimate is in the negative direction and significant at the .01 level. Holding all other variables constant, the marginal effect of executive-legislative parity is a decrease in the likelihood of a dispute initiation by about 35%. This result conforms to the expectation of the theory that institutional designs discourage dispute behavior.

Table 5.5: Legislative Effectiveness and Dispute Initiation

<table>
<thead>
<tr>
<th>State Initiate a Dispute</th>
<th>Legislative Effectiveness</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Limited or none</td>
<td>Effective</td>
</tr>
<tr>
<td>No</td>
<td>4297</td>
<td>4576</td>
</tr>
<tr>
<td>80.0%</td>
<td>81.6%</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>1072</td>
<td>931</td>
</tr>
<tr>
<td>20.0%</td>
<td>16.9%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5369</td>
<td>5507</td>
</tr>
</tbody>
</table>

Chi-Square = 16.950 sig. at .01 level
Tables 5.7 and 5.8 display the results for the influence of an effective legislature on the use of force. It is plainly apparent that an effective legislature negatively influences the likelihood that a state will use force in a dispute that it initiated. The results in table 5.7 show that a states with an effective legislature used force in fewer than 56% of the cases, while states without an effective legislature used force in almost 73% of the cases. The logistic regression results in table 5.8 provide further support for hypothesis 3B. The parameter estimate is negative and significant at the .01 level. The marginal effect of an effective legislature is a decrease in the likelihood that a state will use force of over 26%.

Table 5.6: Logistic Regression of Legislature Influence and the Dispute Initiation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.3734</td>
<td>.0346</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Effective Legislature</td>
<td>-.4824</td>
<td>.0346</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=11679 R²=.029

Table 5.7: Legislative Influence and the Use of Force

<table>
<thead>
<tr>
<th>Legislative Effectiveness</th>
<th>Limited or none</th>
<th>Effective</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Initiate Force</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>290</td>
<td>403</td>
<td>693</td>
</tr>
<tr>
<td></td>
<td>27.1%</td>
<td>43.3%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Yes</td>
<td>782</td>
<td>528</td>
<td>1310</td>
</tr>
<tr>
<td></td>
<td>72.9%</td>
<td>56.7%</td>
<td>65.4%</td>
</tr>
<tr>
<td>Total</td>
<td>1072</td>
<td>931</td>
<td>2003</td>
</tr>
</tbody>
</table>

Chi-Square = 58.037 sig. at .01 level
Table 5.8: Logistic Regression of Legislature Influence and the Use of Force

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-.13734</td>
<td>.0346</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Effective Legislature</td>
<td>-.4824</td>
<td>.0346</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=1987   R²=.029

The results of the tests for hypotheses 3A and 3B are very encouraging as they support the expectations of my theory. The true importance though, is that these hypotheses extend beyond the normal expectation that the mere existence of a legislature in a state reduces the likelihood that a state will participate in a dispute. Analysis of hypotheses 1A and 1B provide mixed results with respect to this expectation, but these results suggest that a legislature may make a state more peaceful when it has the power to control policy development. In this particular test, I am interested in the legislature’s ability to control the executive’s reselection chances. As my theory explains the constraining roles of institutions are tied explicitly to selection procedures. The results for the tests of hypotheses 3A and 3B suggest that this is an area where the theory provides some enhanced explanation.

3. Hypotheses 4A and 4B

Hypothesis 4A: States where the Stakeholders are the same for both the Leader and the Overseer will be less likely to initiate a dispute than states where the Stakeholders are different.
**Hypothesis 4B:** States where the Stakeholders are the same for both the Leader and the Overseer will be less likely to use force than states where the Stakeholders are different.

A critical component of the interrelationship between institutional design and selectoral considerations is the notion that the Overseer serves as a provider of information to the stakeholders of the Leader. The Overseer's primary purpose is to constrain the Leader towards selecting policies that are in the best interest of the state. Their actions though, also serve as a cue to the stakeholders trying to evaluate the performance of the Leader. The fourth expectation derived out of my model of policy development is that states, where the same stakeholders select both the Overseer and the Leader, are less likely to use force than states where the stakeholders are different. Table 5.9 provides the contingency analysis results for this expectation. States where the same stakeholders select the legislature and the executive initiate disputes in 17% of the cases while all other states initiate disputes in 18% of the cases. Given the low Chi-square values we cannot conclude that both the executive and the legislature having the same stakeholders have any effect at all on dispute initiation.

**Table 5.9: Institutional Selection Similarity and Dispute Initiation**

<table>
<thead>
<tr>
<th>State Initiate a Dispute</th>
<th>Same Selectorate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
<td>7756</td>
<td>1442</td>
</tr>
<tr>
<td>81.9%</td>
<td>82.9%</td>
<td>82.1%</td>
</tr>
<tr>
<td>Yes</td>
<td>1715</td>
<td>297</td>
</tr>
<tr>
<td>18.1%</td>
<td>17.1%</td>
<td>17.9%</td>
</tr>
<tr>
<td>Total</td>
<td>9471</td>
<td>1739</td>
</tr>
</tbody>
</table>

Chi-Square = 1.057
Table 5.10: Institutional Selection Similarity and the Use of Force

<table>
<thead>
<tr>
<th></th>
<th>Same Selectorate</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
<td>Total</td>
</tr>
<tr>
<td>State Initiate Force</td>
<td>No</td>
<td>550</td>
<td>144</td>
</tr>
<tr>
<td></td>
<td>32.1%</td>
<td>48.5%</td>
<td>34.5%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1165</td>
<td>153</td>
</tr>
<tr>
<td></td>
<td>67.9%</td>
<td>51.5%</td>
<td>65.5%</td>
</tr>
<tr>
<td>Total</td>
<td>1715</td>
<td>297</td>
<td>2012</td>
</tr>
</tbody>
</table>

Chi-Square = 30.189 sig. at .01 level

Table 5.11: Logistic Regression for Institutional Selection Similarity and the Use of Force

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>.7506</td>
<td>.0517</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Same Selectorate</td>
<td>-.6899</td>
<td>.1271</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=2012 R²=.02

The influence of both the Leader and the Overseer having the same stakeholders is more prevalent with respect to a state using force after initiating a dispute. The results in table 5.10 show that states where the same stakeholders select the legislature and the executive use force in 51.5% of the cases in which they initiated the dispute. This is considerably lower than in states where the stakeholders are different. The logistic regression results in table 5.11 further supports this relationship, as the parameter estimate for same stakeholders is
negative (-.6899) and significant. Calculating the marginal effects, both the legislature and the executive having the same stakeholders reduces the likelihood that a state will use force by over 50%, holding all other factors constant.

The result that the same selectorate reduces the likelihood that a state will use force is a good one for the theory as it supports hypothesis 4B. This is a positive result warrants further analysis with more appropriate data. The independent variable is not a perfect indicator for whether the executive and the legislature have the same stakeholders but it is a reasonable surrogate. I use this variable to test my model's expectations, but I am wary to draw any firm conclusions regarding support for the theory.

4. Hypotheses 5A and 5B

**Hypothesis 5A:** As the competitiveness of the selection for the Leader within a state increases, the likelihood that a state will initiate a dispute decreases.

**Hypothesis 5B:** As the competitiveness of the selection for the Leader within a state increases, the likelihood that a state will use force decreases.

I get mixed results in the tests of hypothesis 5A. The results of the contingency analysis are displayed in Tables 5.12 and 5.13. Table 5.12 shows that states where selection of the executive is regulated initiate disputes in fewer than 17% of the cases, while states where selection is not regulated initiate
disputes in almost 20% of the cases. Conversely, table 5.13 shows that states where the selection of the executive is via direct election initiate disputes a little more than 19% of the cases, while other states initiate disputes in only 17% of the cases under analysis. The result that regulated selection decreases the likelihood that a state will initiate a dispute supports the expectation of the theory, however the fact that the existence of direct elections tends to increase the likelihood of a state initiating a dispute does not support my expectation.

Table 5.12: Regulated Transfer of Power and Dispute Initiation

<table>
<thead>
<tr>
<th></th>
<th>Regulation of Executive Transfer of Power</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unregulated</td>
<td>Regulated</td>
</tr>
<tr>
<td>State Initiate a Dispute</td>
<td>No</td>
<td>4285</td>
<td>5105</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80.1%</td>
<td>84.3%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1066</td>
<td>953</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.9%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5351</td>
<td>6058</td>
</tr>
</tbody>
</table>

Chi-Square = 34.252 sig. at .01 level

Table 5.13: Competitive Executive Replacement and Dispute Initiation

<table>
<thead>
<tr>
<th></th>
<th>Competition for Executive Replacement</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Little or None</td>
<td>Competitive</td>
</tr>
<tr>
<td>State Initiate a Dispute</td>
<td>No</td>
<td>6763</td>
<td>2627</td>
</tr>
<tr>
<td></td>
<td></td>
<td>82.9%</td>
<td>80.9%</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1398</td>
<td>621</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17.1%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8161</td>
<td>3248</td>
</tr>
</tbody>
</table>

Chi-Square = 6.31 sig. at .05 level
Table 5.14: Logistic Regression for Executive Selection Factors and Dispute Initiation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.3912</td>
<td>.0342</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Regulated Transfer</td>
<td>-.6189</td>
<td>.0677</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Competitive Selection</td>
<td>.5678</td>
<td>.0342</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=11689 R²=.04

The mixed results persist in the logistic regression results displayed in table 5.14. The parameter estimate for regulated transfer is in the expected direction and significant, however the estimate for competitive selection is not in the expected direction and is also significant. There is some subtle support for the theory in that the magnitude of the estimate for the regulated transfer of power variable is greater than that of the competitive selection variable. Overall, the marginal effect of both variables is less than -3%. A simple interpretation is that the influence of competitive executive selection factors decreases the likelihood a state will initiate a dispute by less than 3%. This is hardly an overwhelming result.

The theory gets better support in my examination of hypothesis 5B addressing the effects of executive selectoral factors on a state's propensity to use force in a dispute that they initiated. Contrary to the results for dispute initiation, the effect of regulated transfer and competitive selection are both in the expected direction (negative). Tables 5.15 and 5.16 provide the contingency analysis for the variables addressing the influence of regulated executive
selection and competitive means of selection and their effect on the use of force. Table 5.15 shows that states where selection of the executive is regulated use force in 56% of the cases, while those where selection is not regulated use force in over 73% of the cases. Similarly, table 5.16 demonstrates that states where the selection of the executive is via direct election used force in 56% of the cases, while other states use force in almost 70% of the cases under analysis.

**Table 5.15: Regulated Transfer of Power and the Use of Force**

<table>
<thead>
<tr>
<th>Regulation of Executive Transfer of Power</th>
<th>Unregulated</th>
<th>Regulated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Initiate Force</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>261</td>
<td>418</td>
<td>699</td>
</tr>
<tr>
<td></td>
<td>26.4%</td>
<td>43.9%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Yes</td>
<td>785</td>
<td>535</td>
<td>1320</td>
</tr>
<tr>
<td></td>
<td>73.6%</td>
<td>56.1%</td>
<td>65.4%</td>
</tr>
<tr>
<td>Total</td>
<td>1066</td>
<td>953</td>
<td>2019</td>
</tr>
</tbody>
</table>

Chi-Square = 68.089 sig. at .01 level

**Table 5.16: Competitive Executive Replacement and the Use of Force**

<table>
<thead>
<tr>
<th>Competition for Executive Replacement</th>
<th>Little or None</th>
<th>Competitive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Initiate Force</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>426</td>
<td>273</td>
<td>699</td>
</tr>
<tr>
<td></td>
<td>30.5%</td>
<td>44.0%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Yes</td>
<td>972</td>
<td>348</td>
<td>1320</td>
</tr>
<tr>
<td></td>
<td>69.5%</td>
<td>56.0%</td>
<td>65.4%</td>
</tr>
<tr>
<td>Total</td>
<td>1398</td>
<td>621</td>
<td>2019</td>
</tr>
</tbody>
</table>

Chi-Square = 34.567 sig. at .01 level
Table 5.17: Logistic Regression for Executive Selection Factors and the Use of Force

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.0273</td>
<td>.0695</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Regulated Selection</td>
<td>-.7730</td>
<td>.1307</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Competitive Selection</td>
<td>-.0116</td>
<td>.1370</td>
<td>&lt;.9323</td>
</tr>
</tbody>
</table>

N=1976  \[\text{R}^2=0.047\]

The logistic regression results displayed in Table 5.17 indicate that although both variables are in the expected negative direction, only the regulated transfer of power variable is significant. The competitive selection variable is not significant, although there is support for the theory in that the magnitude of the estimate for regulated transfer is strong. The marginal effect of regulated transfer in a state is a decrease in the likelihood of a state using force by over 35% than states where transfer of executive power is not regulated. Once again, I find that that the influence of domestic constraints is much stronger on the decision to use force as opposed to the decision to initiate a dispute. The results for both hypotheses (5A and 5B) are supported by the analysis, but the support for dispute initiation is limited.

The results for the effect of regulated transfer on the use of force is an interesting and important result in that it establishes that electoral structures have an influence on state's use of force in disputes. It is especially telling when one considers that states with hereditary transfers of power are included as states with regulated selection processes. I expect that such states should be less
constrained from using force. We can draw no conclusions in this analysis as to whether this is actually the case, however we can say that their inclusion did not detract from the expectation that regulated executive selection procedures inhibit the use of force by state leaders.

5. Hypotheses 6A and 6B

_Hypothesis 6A_: As the number of legitimate political competitors for the Leader within a state increases, the likelihood that a state will initiate a dispute decreases.

_Hypothesis 6B_: As the number of legitimate political competitors for the Leader within a state increases, the likelihood that a state will use force decreases.

Using the same intuition of Hypotheses 5A and 5B, Hypotheses 6A and 6B address the influence of an open selection process on the likelihood that states initiate disputes and use force. Following from Hypotheses 6A and 6B, I expect that states, where there are more competitors for the position of Leader, will be less likely to use force. I operationalize the existence of more competition for the executive as those states where all politically active members have the opportunity to hold office.

Table 5.18 presents the results of the contingency analysis looking at the effect of a more open executive recruitment process on the likelihood that a state initiates a dispute. This result does not support the expectation of hypothesis 6a. States where all politically active citizens are open to compete for the position of executive initiate disputes in over 21% of the cases. Meanwhile, states where
the recruitment for the executive is closed initiate disputes in less than 12% of the cases. The logistic regression results in Table 5.19 also indicate that the effect of this independent variable is in the opposite direction (positive) of my expectation and the marginal effect leads us to expect that open executive recruitment in a state increases the likelihood of dispute initiation by almost 10%.

On a more positive note, the interaction term that examines whether the selection of the executive is open, regulated, and competitive has a negative and significant effect on the likelihood of a state initiating a dispute. The magnitude for the parameter estimate though, is quite small. Holding all other factors constant, the marginal effect of the interaction term reduces the likelihood of dispute initiation by a little less than 5%. As a result, I conclude that this analysis provides limited support for the expectations of the theory only when the competition and regulated nature of the system is taken into account. Openness of the selection process alone does not support the expectation of my theory with respect to dispute initiation.

Table 5.18: Open Recruitment for Executive Position and Dispute Initiation

<table>
<thead>
<tr>
<th>State Initiate a Dispute</th>
<th>Limited or Closed</th>
<th>Competitive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>3761</td>
<td>5629</td>
<td>9390</td>
</tr>
<tr>
<td></td>
<td>88.2%</td>
<td>78.8%</td>
<td>82.3%</td>
</tr>
<tr>
<td>Yes</td>
<td>503</td>
<td>1516</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>11.8%</td>
<td>21.2%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Total</td>
<td>4264</td>
<td>7145</td>
<td>11409</td>
</tr>
</tbody>
</table>

Chi-Square = 162.734 sig. at .01 level
Table 5.19: Logistic Regression of Open Executive Selection and the Dispute Initiation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-2.0118</td>
<td>.0475</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Open Executive Recruitment</td>
<td>.8016</td>
<td>.0609</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Open &amp; Competitive Executive Recruitment</td>
<td>-.2321</td>
<td>.0587</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=11639  R²=.027

The influence of open recruitment of the executive on the use of force provides even less support for the theoretical expectation of hypothesis 6B than was received for 6A. The contingency table results displayed in table 5.20 indicate that states with open recruitment of the executive use force in 6% more cases than states with a closed recruitment process. Furthermore, the logistic regression results lead us to conclude that the influence of open recruitment increases the likelihood that a state will use force as the parameter estimate is positive and significant. Similar to the results of the analysis of hypothesis 6a regarding the effects on dispute initiation, the variable for a open, regulated and competitive selection process of the executive yield results that are consistent with the expectations of hypothesis 6B. The parameter estimate is in the specified direction (negative) and it is significant, however this analysis provides little conclusive support for the expectation of hypothesis 6B.
Table 5.20: Open Recruitment for Executive Position and the Use of Force

<table>
<thead>
<tr>
<th></th>
<th>Openness of Executive Recruitment</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Limited or Closed</td>
<td>Competitive</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>State Initiate Force</td>
<td>No</td>
<td>192</td>
<td>507</td>
<td>699</td>
</tr>
<tr>
<td></td>
<td>38.2%</td>
<td>33.4%</td>
<td>34.6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>311</td>
<td>1009</td>
<td>1320</td>
</tr>
<tr>
<td></td>
<td>61.8%</td>
<td>65.6%</td>
<td>65.4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>503</td>
<td>1516</td>
<td>2019</td>
</tr>
</tbody>
</table>

Chi-Square = 3.8 sig at .05 level

Table 5.21: Logistic Regression of Open Executive Selection and the Use of Force

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>.4823</td>
<td>.1192</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Open Executive Recruitment</td>
<td>.5561</td>
<td>.1110</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Open &amp; Competitive Executive Recruitment</td>
<td>-.7957</td>
<td>.0918</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=1989 R²=.003

6. Hypotheses 7A and 7B

Hypothesis 7A: As the competitiveness of the selection for the Overseer within a state increases, the likelihood a state will initiate a dispute decreases.

Hypothesis 7B: As the competitiveness of the selection for the Overseer within a state increases, the likelihood a state will use force decreases.

The final hypotheses that I test address the influence of legislative selection factors on the likelihood that a state initiates a dispute. Table 5.22 displays the contingency analysis results for this test. I find that states where the
competition for selection to the legislature is high initiate disputes in fewer than 17% of the cases compared to 23% of the cases in states where competition for the legislature is not high. The logistic regression results in table 5.23 provide further support for this expectation as we find that the influence of a state having high electoral competition in the legislature on using force in a dispute is both negative and significant as expected. The marginal effect of competitive selection for the legislature reduces the probability that a state uses force by over 50%, holding all other factors constant.

Table 5.22: Selectoral Competition for the Legislature and Dispute Initiation

<table>
<thead>
<tr>
<th>State Initiate a Dispute</th>
<th>Selectoral Competition for the Legislature</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Little or None</td>
<td>3032</td>
</tr>
<tr>
<td></td>
<td>76.3%</td>
<td>4126</td>
</tr>
<tr>
<td></td>
<td>Competitive</td>
<td>1094</td>
</tr>
<tr>
<td></td>
<td>83.4%</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>Little or None</td>
<td>943</td>
</tr>
<tr>
<td></td>
<td>23.7%</td>
<td>1160</td>
</tr>
<tr>
<td></td>
<td>Competitive</td>
<td>217</td>
</tr>
<tr>
<td></td>
<td>16.6%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Little or None</td>
<td>3975</td>
</tr>
<tr>
<td></td>
<td>Competitive</td>
<td>1311</td>
</tr>
<tr>
<td></td>
<td>21.9%</td>
<td></td>
</tr>
</tbody>
</table>

Chi-Square = 29.597  sig. at .01 level

Table 5.23: Logistic Regression of Competition for the Legislature and Dispute Initiation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Value</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-1.1679</td>
<td>.0831</td>
<td>&lt;.000</td>
</tr>
<tr>
<td>Selectoral Competition for the Legislature</td>
<td>-.4496</td>
<td>.0373</td>
<td>&lt;.000</td>
</tr>
</tbody>
</table>

N=5286  R²=.014
The results for the test of hypothesis 7b regarding the influence of legislative selectoral competition on the use of force, are less encouraging. Table 5.24 displays the results of the contingency analysis. There is virtually no difference between states with a competitive process for legislatures and those without. This is indicated by the similarity in the frequencies displayed and by the very low Chi-Square value. It appears that in this particular instance the influence of selectoral competition for the legislature is relevant to states initiating disputes, but irrelevant to the decision to use force.

Table 5.24: Selectoral Competition for the Legislature and the Use of Force

<table>
<thead>
<tr>
<th>State Initiate Force</th>
<th>Selectoral Competition for the Legislature</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Little or None</td>
<td>Competitive</td>
</tr>
<tr>
<td>No</td>
<td>353</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>37.4%</td>
<td>36.4%</td>
</tr>
<tr>
<td>Yes</td>
<td>590</td>
<td>138</td>
</tr>
<tr>
<td></td>
<td>62.6%</td>
<td>63.6%</td>
</tr>
<tr>
<td>Total</td>
<td>943</td>
<td>217</td>
</tr>
</tbody>
</table>

Chi-Square = .080

In this section I have presented the result of my analysis for 6 of the 7 hypotheses presented in Chapter 4. A cursory summary of the results suggests that there is mixed support for the expectations of the theory as they apply to both dispute initiation and the use of force by dispute initiators. In general, there appears to be support for the influences of domestic factors as constraints on the use of force. The results are mixed though, as to the overall effect of domestic structures and relationships on simple dispute initiation. In the following section,
I provide a summary of the analysis and discuss the implications of the results towards assessing my theoretical framework.

B. Discussion

Throughout the analysis above I have examined the influence of institutional factors on the likelihood that a state will initiate a dispute and the likelihood they will use force in a dispute. Admittedly there are operationalization problems associated with a few of the variables, however the expectations of the theory are supported in seven of the twelve hypotheses in this analysis. The expectations of the theory tend to be supported more when we examine the hypotheses with respect to the use of force by a dispute initiator, as four out of six of these hypotheses are supported in the analysis (only one is directly refuted). This is encouraging when we consider the fact that the data does not completely represent the concepts of the theory.

The hypotheses drawn from the theory focus on specific procedural elements of domestic politics that are easily captured by broad indicators such as those contained in the Polity III and CNTS data sets. For instance, hypotheses 3A and 3B focus on the selectoral control by the Overseer, this is not a concept that is easily captured by the data used in my analysis. Similarly, the indicators used to examine selectoral similarity (hypotheses 4A & 4B) and selectoral competition for the legislature (hypotheses 7A & 7B) are little more than surrogate indicators that are consistent with the spirit of the hypotheses under
examination. The purpose of this analysis though is not to address the inappropriate nature of the available data. Instead, the preceding analysis demonstrates some support for the theory that I have developed in this dissertation. It is also instructive as to areas of the theory that I need to consider more completely in an effort to improve its explanatory power.

One of the claims I have made in discussing my theoretical approach is that I treat domestic politics more generally than many previous efforts. As a test of this, I addressed the hypotheses drawn from the model regarding policy action to two levels of dispute behavior. In my analysis of the hypotheses regarding dispute initiation, I found support in the data for half of the hypotheses tested (3 of 6). In my analysis of the hypotheses regarding the use of force, I found support in the data for two-thirds of the hypotheses tested (4 of 6). In two of the six sets of hypotheses the expectations for both dispute initiation and use of force were supported. In light of these results, careful consideration must be given in assessing the general nature of my theory.

The hypotheses that are presented for both levels of dispute behavior receive modest support overall, but apparently there is a distinction between a state initiating a dispute and one using force in a dispute that is not detected by the theory. The suggestion from the analysis is that the constraining effect of legislatures and selectoral similarity is not prevalent when it comes to dispute initiation but has a real observable impact on decreasing the likelihood that force is used. My theory certainly doesn't account for threshold effects regarding the risks or costs associated with a foreign policy choice, but the analysis suggests
that they have an impact. Conversely, I get the result that selectoral
competition for the legislature directly influences dispute initiation, but has no
impact on the use of force by a dispute initiator. The suggestion of this result is
that a competitive legislature appears to have an impact on the low-level choice,
but no impact on the riskier and costlier action. Once again, my theory does not
account for these differences between levels of action. These results point out
that even a general theory may need to be focused on a particular level of policy
action. The analysis above suggests that I should focus on the decision to use
force, or rethink the theory as it applies to dispute initiation.

A second claim that I make builds on the notion that the relative power
between institutions is an important consideration towards understanding the
type of policies that result. Part of the argument is that Overseers provide
constraints on Leaders in two ways. First, they provide cues to the stakeholders
in the states as to their estimate of the Leader's competence. Second, they can
directly constrain the Leader. In either instance the Overseer is assumed to be
only as strong as their selectoral support. That is, the cues they provide are only
useful if the stakeholders are paying attention. The Overseer can only constrain
the Leader if their stakeholders and those of the Leader grant them that power
through selectoral factors.

The results of the empirical analysis suggest that the relationship between
selectoral factors and the Overseer is not direct, but it does exist. The existence
of an Overseer does not appear to have an important impact on the state's
decision to initiate a dispute, but it does when it comes to the use of force. This
suggests that the legislature is most influential when the policy of action has
greater potential costs. This is consistent with the underlying notion of the theory
that institutional relationships are determined by selectoral considerations. As
policies become costlier, riskier or more observable we should expect that the
selectoral costs or benefits associated with policy outcomes also increases. As
the stakes become greater, the need for oversight increases in order to
adequately constrain the Leader. Despite not being explicitly accounted for in my
model, we should expect that Overseers are more likely to intervene as the
stakes of the policy action increase. Especially of his existence in office depends
on it. In general though, the expectation is that the Overseer provides additional
information to the stakeholders, it appears that this probably occurs as the
consequences associated with policy choices become more costly.

The notion that an Overseer of any type provides an additional source of
information to the relevant stakeholders is important towards enhancing our
understanding of the influence of domestic institutions on policy development. At
the very least, it is suggestive that regime type is less important that regime
design. The empirical results show that democratic and competitively elected
legislatures are no more likely to constrain the use of force than non-
democratically non-competitive ones. Still, the existence of a legislature is
important in understanding why some states decide to initiate disputes and use
force when others do not. Drawing from the theory and the analysis, I expect
that states with multiple decision-makers tend to be less likely to use force than
those led by a single actor. This is a much more general expectation than the democratic peace literature provides.

Furthermore, this result improves upon the current theoretical explanations that attempt to account for the domestic influences on international relations. The theoretical explanation provided in this research specifically highlights the added informational dimension that multiple institutions provide for the relevant stakeholders in a state. I can account for the democratic peace phenomenon by asserting that institutional design of democratic states tends to be more efficient at providing information to the relevant stakeholders. Thus when two democratic states are in dispute, the flow of information in both states precludes the unconstrained use of force. A real test of this expectation would be to identify states where only a single institution existed and it was selected by democratic means. More importantly, this explanation can help us explain cases where the use of force does not occur when one of involved states is not a democracy. This is not directly examined in this research effort, the results of my analysis suggests that I may be able to account for these cases by focusing on the institutional make-up of both states involved as opposed to focusing simply on regime type.

The influence of the Overseer is only as useful as the connection between selectoral factors and their influence on a state's use of force. In the empirical analysis presented, I find that there is definitely a relationship that warrants attention. I do find that states with regulated selection procedures tend to be less likely to use force than states where selection is not regulated. Similarly, I
receive subtle support for the expectation that states, where the decision-makers share stakeholders, are less likely to use force in a dispute. These results provide evidence for the notion that selection mechanisms can be utilized to influence policy development. In this case I assume that the greater the involvement of the stakeholders, the less likely force is used as a foreign policy. The analysis presented above indicates support for my expectations resulting from this assumption.

Nevertheless, the strength of the selectoral connection appears limited in this analysis. The models do not account for a great deal of the variance for either dependent variable. I cannot conclude that selectoral factors have any more than a very limited influence on foreign policy development. Clearly, other factors are at play. I do not include any systemic or dispute level factors that have been shown to influence international relations in an effort to limit the focus to the specific influence of domestic political elements. One result of this is that I may be overlooking systemic and dyadic factors that may be influenced by domestic factors. I ignore these factors though because my focus is on directly testing the hypotheses drawn from my theory. The theory as I have developed it does not account for nor control for factors other than the domestic political structures I have addressed and examined in my analysis.
III. Conclusions

The empirical analysis in this chapter suggests that the theory is instructive towards enhancing our understanding of some of the domestic factors that influence dispute behavior. This is especially important when I consider that the data used for this analysis may not allow for the most direct examination of the questions that the theory has been developed to address. It is important to understand that the empirical analysis has also helped me to identify parts of the theory that need to be reexamined more closely. In particular, I need to reassess the level of analysis that I expect the influence domestic political factors to have the greatest impact.

I have found that the hypotheses drawn from my theory are generally supported when I apply them to address the decision by a state to use force in a dispute. The same hypotheses are less supported when applied to decisions regarding dispute initiation. In both cases the though the analysis provides additional information that is worth considering for future research. In particular, I may need to include a cost or risk component to the model to better account for differences in the types of policy decisions being made. Also, it may prove worthwhile to consider the hypotheses discussed here as they apply to changes within a state across time. In this analysis I examine the effects of institutions in a cross-sectional fashion, perhaps a better control is to examine how changes in institutional structures alter a state’s approach to foreign policy. Finally, the
results of my analysis are encouraging as it provides some support that my theoretical approach has merit. It is clear though, that a true assessment of the theory necessitates more appropriate data. I am encouraged though, as the results of the analysis in this chapter provide some support for the theory and is instructive towards developing it more fully.

In this research effort, I have focused on the decisions states make with respect to dispute behavior. In future research though, I may wish to consider that the domestic influences on policy development affect decisions at different levels. In the concluding chapter I address this possibility and consider what has been learned from the theoretical approach described in this dissertation and avenues for further extension of the research.
Chapter 6: Domestic Institutional Influences on Foreign Policy: Fact or Fiction?

In this dissertation a theory of the domestic influences on foreign policy has been developed, discussed and empirically examined. The main goal of my effort was to present the theory that provides additional explanation for how domestic political structures influence international relations. Traditional treatments of the question have focused exclusively on systemic factors, explaining conflict and war as a result of interstate competition for power or resources. Recent research in the field is built upon the legacy of the traditional theorists by introducing the effect of domestic politics to provide additional explanation where Realist explanations fall short. Much of the recent literature though has been long on empirical evidence but short on theoretical explanation. This dissertation has been undertaken to fill this gap, for without a sound theoretical explanation for the events we observe, we can contribute little to enhancing our understanding of why they occur.

The primary assertion of this dissertation is that domestic political factors partially determine how states approach foreign affairs. Specifically, it is argued that the institutional design of a state is a strong determinant for the type of foreign policy we observe from that state. The argument is simple, multiple institutions and broad political participation decrease the likelihood that a state will use force to settle disputes with other states. The theory presented in chapters three and four builds upon this simple relationship, by explaining the
domestic policy process as an interaction between decision-making institutions before an audience of relevant stakeholders. I consider three main actors as influential to policy development. The Leader chooses among policy alternatives and decides whether to initiate action or not. The Oversee evaluates the choice of the Leader and in doing so, provides information to the Stakeholders. The Stakeholders frame the stakes of the entire process. The Stakeholders' power to retain or replace the decision-makers affects the choices and actions taken by the decision-makers during the stages of policy development. I assume that the Leader and the Oversee desire to be retained in office, thus my expectation is that they use policy as a means to maintain their position.

There are several strengths of this theoretical approach, one of which, is the various assumptions that are not included in the model. I do not expect that the decision-makers in a state are in conflict with one another and I do not assume that they work in concert. Instead, the portrayal of decision-makers in the theory is that they are sincere actors with very specific roles. This may be a stretch from reality, but it allows me to generalize my expectations rather than have them dependent on particular regime types or notions of decision making.

There are no presuppositions as to the how and why the actors are selected. I simply lay out the general expectation that in all states there are stakeholders who have an interest in the maintenance of the state. The stakeholders may take the form of the entire populous or a few hardened military
officers. In either instance they frame the costs and benefits associated with the Leader's and Oversee's policy decisions.

The theory is also quite straightforward with the expectation that the all of the actors know the rules and the potential payoffs associated with their choices. The only thing they do not know with certainty is whether the policies selected will be successful or not. This is important, although we treat the actors in the model as individuals making decisions, we are really addressing how institutional structures affect policy. Institutions are not strategic, I expect that for the most part the legalistic structures that define them are observable and readily identifiable.

The theory builds upon a number of the theoretical treatments of domestic politics that have been offered by scholars in international relations. The underlying notion that institutions and selectoral elements work as constraining mechanisms is drawn directly from the important works of Morgan & Campbell (1991) and Bueno de Mesquita & Lalman (1992). The simple assumptions of selectoral politics that guide the Leader's and Oversee's behavior in office is drawn from Bueno de Mesquita and Siverson (1995). Finally, the representation of the decision model as a modified principal-agent representation develops from the work of Richards et al (1993) and Downes and Rocke (1994). Each of these works focused on addressing questions as to the relationship between domestic politics and dispute involvement and the this study follows suite with some notable alterations.
In the theory presented in this dissertation, the concepts of institutional constraints and selectoral costs are more explicitly modeled than in the previously noted works. The notions of domestic costs and constraints are theoretically operationalized as we focus explicitly on the specific roles of oversight institutions and the relevant stakeholders. Furthermore, the principal-agent representation is modified to include the role of institutional oversight as a means of balancing the information asymmetry between the Leader and the stakeholders. In previous models, the principal-agent representation has been used to examine the selection process in light of a monitoring problem. My theory suggests that the monitoring problem can be overcome or at least modified by the existence of institutional interdependence. This improvement, models the selectoral relationship in a more realistic condition. Finally, I focus on the effect of selectoral factors commonly attributed to policy leaders and consider them to be universal in nature. I apply them to all of the decision-making institutions in a state. The result is that I have developed a fully specified general portrait of how policy is made by all the relevant actors in a state in light of the selection process. Using the important contributions from the scholarly literature, I develop a theory of the domestic institutional influence on policy development. I then apply the model to account for political influences on dispute behavior.

The model I present in chapter 4 is intended to be a general depiction of how policy is developed. The fact that it can be applied to the foreign policy process is a strength of this approach. The model I present in chapter four is developed from the parts of a number of different theoretical treatments of the
domestic and international political nexus. Just as many of those theoretical efforts were developed from the empirical observations that persist in the field and applied to unique questions of interest to the researcher, this study focuses on the specific influence of domestic institutional politics on foreign policy behavior.

The focus develops from the general treatment of domestic politics in much of the literature, where the influence is assumed or conceptualized but never fully developed. Bueno de Mesquita and Lalman (1992) use domestic costs and constraints as a crucial determinant of the why their theoretical explanation for conflict is an improvement on systemic ones, but they don’t specify fully how the costs and constraints have an impact. Similarly, Morgan and Campbell (1991) present an interesting explanation for why domestic politics matter in determining dispute behavior, but they do not develop a theoretical explanation for how the costs and constraints interact to effect dispute behavior. Finally, despite the fact that it rests on the fundamental concept that domestic politics matter, much of the literature addressing the democratic peace phenomenon and diversionary theories of war does not explicitly address how domestic political factors influence the decisions made by leaders.

In this research, I attempt to extend the theoretical understanding of how domestic factors influence policy development, which in turn influences dispute behavior. Once this link is established, the theory is used to draw a number of hypotheses regarding the impact of differences in domestic institutional features on dispute behavior.
Utilizing the theoretical framework and decision model developed in chapter four I draw a number of expectations of interest to scholars addressing the determinants of dispute behavior. For the most part, the hypotheses drawn from the model conform to many of the expectations developed in previous theoretical efforts. Generally, this is a good result, as many of the previous studies have revealed interesting and empirically supported expectations. The difference though, is that the hypotheses here are drawn from a theory that is explicitly focused on domestic political relationships and provides more understanding to how domestic politics work. If the ultimate outcome of the theory is to merely reiterate many of the previously addressed propositions though, one should seriously question what I gain with this more complicated theory.

One of the things I gain are hypotheses that are more specific as to how institutional elements influence policy. Rather than addressing constraints in a broad general fashion, I am able to identify specific factors such as the role of the Overseer and apply it to dispute behavior. Similarly, I discuss how the different selectoral mechanisms in states have an impact on foreign policy decisions. More importantly, I can also apply the model to a broader range of factors that fall under the umbrella of foreign affairs. As a result, I have a model of policy development that is used to draw hypotheses regarding dispute behavior. It may also be of use to discuss trade negotiations or treaty agreements. One of the advantages of this theory is that I can apply it to specific questions on a wide variety of topics. My focus is the general development of policy, my unit of
analysis is not restricted only to the relationship between domestic factors and dispute behavior. Instead, my theory is an account for how policy is developed and I apply it to international dispute behavior.

Given the results of the empirical tests of the model, it may be useful to consider other applications of the theory. For the most part, I find that there is definitely a relationship between domestic politics and dispute behavior that is observable. Furthermore, I can use the institutional theory of policy development to account for part of this relationship. The analysis presented in chapter five indicates that the effect of domestic political factors is quite limited toward enhancing our overall understanding of dispute behavior. I expected that the effects of domestic political factors are limited towards explaining dispute involvement, but they are still important. The true contribution of the analysis is that it offers some support that the theory presented in this dissertation has some merit. The results also suggest though, that I need incorporate some additional factors to strengthen the theory. In particular, I need to reconsider how costs and risks figure into the decision-making process.

In part this may stem for a couple reasons associated with our empirical tests. First, the data used for the analysis do not provide for the most direct examination of the hypotheses drawn from the model. The Polity III and CNTS data are made up for the most part of indicators that were collected to address questions regarding regime design. These variables may not be the best indicators to apply to theories of political process. Second, the models that were used for the analysis here were not fully specified to account for the variety of
influences on dispute behavior. I did not include variables addressing the influence of capabilities, the response behavior of the target, information on alliances, the issue over which the dispute occurred, or a number of other systemic and dispute level factors that may influence or be influenced by domestic political factors. These various factors were purposely not included because the focus of this particular examination was to assess the hypotheses drawn from the theory in the most direct fashion. My analysis indicates though, that it may be worthwhile to consider how additional factors might influence the relationship.

Another consideration drawn from the empirical analysis is that I should reconsider some of the assumptions of the theoretical model. One of the expectations of the model is that the selectoral circumstances of the Overseer have an influence on policy. This expectation is not supported by the empirical analysis on the decision to use force. I expect the Overseer to have a more peaceful influence on the foreign policies of a state, but the influence is apparently unrelated to his selectoral circumstances. If this is the case I need alter how they are considered in the model. Doing this though, I change the decision theoretic model. Such a step may ultimately help to improve my theory to account for relationships uncovered in the analysis in chapter five. Instead though, I'd rather pursue further empirical analysis before altering the theory. In any case though, further analysis theoretical or empirical is needed to better assess the explanatory power of the theory of domestic institutional influence on policy as it applies to international relations.
In summary, the results of this research effort has been to develop a theory that provides us with a better specified explanation as to how domestic politics influence international relations. The theory has been built on the foundation laid by a number of important empirical and theoretical scholarly efforts that have addressed the relationship between domestic politics and conflict. As a theory, it improves upon our current understanding as to how and why domestic institutions influence foreign affairs. The empirical analysis of the theory though, reveals two limitations. First, the effect of domestic political factors on dispute behavior may be so limited that it calls into question the importance of a well-specified theory of domestic politics. The importance though is in the explanation, as we gain a better understanding as to how domestic politics influence dispute behavior. Second, we may need to seriously reconsider the relationship between political leaders and the stakeholders. The analysis implies that stakeholders have a real impact on Leaders, but the extent to which they effect Oversight institutions appears limited with respect to foreign policy issues. At the very least, both of these problems raise the need for further analysis that is more consistent with the specific propositions drawn from the theoretical model.

On a positive note though, the empirical analysis generally supports more than half of the propositions drawn from the model and subjected to analysis. This suggests that the theory is useful towards enhancing our understanding of how domestic political factors may affect international relations. This is important because the theory provides a more fully specified theoretic treatment of
domestic politics than has been previously provided. The theory is also one
that may be applied to a number of questions that link policy development to
action. The important relationship of the model is that domestic political factors
influence policy development which influences international relations. The
primary domestic political factors that affect policy are institutional relationships
and selectoral factors, and there is clearly an interrelationship between these two
factors. The theory presented in this research fully specifies this relationship and
sheds light on how politics at one level effect politics at another, perhaps
providing another important piece to the puzzle of why international conflicts
occur.
Selected Bibliography


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IMAGE EVALUATION
TEST TARGET (QA-3)

1.0  1.1  1.25  1.4  1.6

1.0  1.1  1.25  1.4  1.6

1.0  1.1  1.25  1.4  1.6

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6"

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