# Power-Sharing, Elite Culpability and War

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## Abstract

Theories of domestic politics and international conflict concur that the public affects leaders in war, but have sharply different implications for the likelihood of war in response to domestic pressure. To reconcile this debate, I develop a theory of power sharing and accountability. I argue that power-sharing rules structure how accountability operates by determining when the leader and the political elite will be held responsible. Using a formal model, I show that the opportunity for credible signaling, and thus the direction of the effect of domestic pressure on war changes with the extent of shared responsibility. Since shared power is highly correlated with democracy, but not exclusive to it, power sharing is the core mechanism that underlies the well-known relationship between democracy and war. My statistical results indicate that regardless of whether a government is a democracy or a dictatorship, war propensity depends on the degree to which policy-making power is shared between governing individuals.

Keywords: power sharing, accountability, political institutions, war

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# 1   Introduction

Why has Iran *not* launched a single direct attack on the U.S. or its allies – despite numerous verbal threats, an international standoff surrounding their nuclear program, and many opportunities to become overtly involved in present-day turmoils in Iraq and Syria – *and yet North Korea has* launched multiple nuclear tests and even sunk a South Korean warship? What separates *some* democratically-elected leaders such as Chavez in Venezuela and Hezbollah in Lebanon *from other* presidents who embody norms of democratic cooperation? Too much of our understanding of war relies on two aspects: that the effect of domestic pressure hinges on regime type, i.e., whether a country is a democracy or a dictatorship, and second, this effect runs *primarily* through leaders. These roots have failed to create a consensus about how that effect works. Does domestic pressure compel or constrain leaders at war? Do expectations hold only in democracies, or are they also possible in dictatorships? Although parsimonious, our tendencies overlook *implicit assumptions* of *elite culpability* – whether the political elite will *share credit or blame for foreign policy outcomes.* My theory is simple. All leaders have followers. These followers are embedded in positions of power within dictatorships and democracies – Congress, Parliament, the military, religious leaders, royal family members, for example. Political institutions, specifically, *rules about power sharing*, structure *elite culpability*, which shapes the strategic interaction between leaders and their publics and underlies what we observe in war. Elite culpability adds to our understanding the effect of domestic pressure on war – an effect that holds even across regime types.

The importance of the political elite *is implicit* in our prominent theories of war, yet systematic explanation is scant. For example, audience costs theories argue that

leaders use escalation or verbal threats as credible signals of their resolve, and assume that this theory holds when the political elite – faced with domestic elections or who may be next in line for leadership – can send signals that they oppose or endorse the leader. This implicitly assumes that *the elite will be held culpable* for international crisis outcomes (see Schultz 2000; Ramsay 2004; and Weeks 2010, 2012). The normative variant of the democratic peace in which *domestic deliberation* shapes how leaders bargain internationally can be supported by the implicit institutional assumption that the political elite who hold power *have the incentive to* actively deliberate. Theories of diversionary war in which leaders are able to divert attention from domestic crises by fomenting international wars *implicitly assume* that the elite are not culpable – the elite are not able to send a credible signal that opposes the leader's diversionary tactics (see Pickering and Kisangani 2005, 2010; Enterline and Gleditsch 2000; and Powell 2012). Power sharing rules that vary within and across regime types tap into when we should observe these theoretical expectations by making elite culpability explicit.

Power sharing defines when the elite have political power over specific outcomes. These institutional rules cue the public as to when other individuals will hold the elite and leader accountable, and assist the public in its coordination of sanctions and rewards. In turn, the leader and elite form expectations about when domestic accountability is a credible threat, and *most importantly, this gives the leader and elite a shared (or not shared) stake in policy outcomes.* When the public holds multiple policymakers accountable, these policymakers have a shared stake – the reputational incentive to check risky or costly policies for which they will share blame, and to create beneficial policies for which they will share credit. Shared stakes encourage the elite *to assess* the leader's policy, and *to inform* the public by sending a credible signal

of this assessment. This in turn provides the necessary condition under which the enemy can be informed about the leader's resolve, and thus the leader is constrained.[1] When policy-making power *is shared*, the elite are culpable, and the probability of a risky war in which a leader is looking out for only his own political fate is reduced as each individual checks every other individual to save his political fate.[2]

In contrast, when the public can coordinate sanctions and rewards for *only the leader*, that leader has the incentive to gamble on risky policies for the opportunity to obtain full credit, while the elite have little incentive to sustain the effort to assess the leader's policy. It is far cheaper for these non-culpable to isolate the leader politically – ensure their distance so that the leader is blamed – since by abandoning the leader, these elite increase their chances for political office should the leader's risky policies fail. Under this circumstance, any signal by the elite is uninformative "cheap talk."[3] Since the leader will not be constrained by non-culpable elite, domestic pressure *increases* the chances for risky and costly war.

Power sharing rules, which vary within and across regime type, structure when governing individuals are culpable, and underlies the effect of domestic pressure on war. To develop this theory, I first describe its relationship to current literatures on audi-

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[1]I do not investigate whether the enemy can observe the elite's signal. This is an aspect emphasized by Schultz 2000 and especially by Weeks 2010, 2012. Theoretically, there is reason to believe this observability should not be a central issue. If there are conditions under which the elite's signal matters, then theoretically – regardless of the observability made possible through free media and freedom of speech – foreign enemies should seek and find ways of observing the elite's signal. Enemies should use espionage and informants in countries where political freedoms conceal the elite's signal. Further, the elite – if they will be blamed for poor outcomes – should find ways to reveal that signal to foreign enemies to constrain the leader.

[2]Note that Powell (2003) argues that proportional representation (shared power) impedes accountability as it increases the difficulty for voters to clearly assign responsibility over policy outcomes to political parties. My work does not assume that citizens have difficulty punishing multiple members of government: citizens can punish and reward multiple members of government without any added penalty.

[3]I use the term cheap talk here not to suggest that the elite are signaling their own type, but that they are sending a signal that is not informative about the leader.

ence costs and diversionary war. Then I draw from the well-known Suez Crisis – a crisis currently used to support both audience costs and diversionary war theories – to show how my theory provides for more consistent expectations of political behaviors, crisis outcomes, and political consequences. Third, I follow the large literature on domestic politics and war, by developing my theory with the aid of a formal model (e.g., Fearon 1994; Schultz 1998, 2001; Ramsay 2004; Debs and Goemans 2010). The model generates generates two main hypotheses, and shows that elite culpability provides leverage on questions about the effects of audience costs, enemy behavior, and even political gridlock. Finally, I provide an empirical test to show that elite culpability gives a meaningful second dimension that is independent of regime type in explaining the effect of domestic pressure on war.

The remainder of this paper proceeds as follows. Section 2 reviews the literature, and discusses the limitations and opportunities for unifying audience costs and diversionary war theories. Section 3 shows how power sharing allows for variation within democracies and dictatorships. Section 4 presents the model with formal proofs in the Appendix. Section 5 presents the quantitative support. Section 6 concludes.

# 2 The Effect of Domestic Audiences on International Conflict

A long line of scholarship based on the premise that leaders face domestic pressure, and this pressure affects leader behavior in war has provided years of fruitful scholarship advancing systematic explanations for how democracies encourage peace. However, research advances in theory and empirical studies have generated increased

scrutiny with unclear answers. What is the effect of domestic pressure on war? Should we expect these effects in democracies or in dictatorships?

Both theory and evidence argue that domestic pressure constrains leaders from war *and* can also compel leaders toward war, and support for both of these effects can be found even among dictatorships. It was once thought that diversionary wars – which *compel* leaders toward war – would be more likely in democracies, where leaders regularly are pressured by their publics. However, recent research by Pickering and Kisangani (2005) and (2010), Enterline and Gleditsch (2000), and Powell (2012) show that dictators use diversionary foreign policies. Audience cost theories in which leaders who back down from crises are punished by their domestic audiences – and thus *constrain* leaders from war – were also once thought to be prominent only in democracies. Again, recent research by Weeks (2008) and (2012) explains how dictators can generate their own audience costs, and the behavior of dictators in war are equally affected by audience costs. Weiss (2013) contributes to this discussion by showing that China's use of audience costs influences international bargaining. Thus, empirical support for both effects exists in among democracies and dictatorships.

Yet, there is intense debate about whether any of these theories is valid. Recent critiques of diversionary war include Chiozza and Goemans (2003), Tarar (2006), Oneal and Tir (2006), and Tir (2010). Recent critiques of audience costs include Prins (2003), Snyder and Borghard (2011), Levendusky and Horowitz (2012), and Downes and Sechser (2012). Empirical analyses using various methodological tools have come to no solid conclusions. Arguably this is in part because of the unobservable factors in each theory: the threat of audience costs constrains a leader, and therefore the audience costs themselves are theoretically unobservable, and likewise, leaders are compelled toward war to avoid domestic punishment that would be imposed, again, off

the equilibrium path. *The underlying question of whether either effect exists depends on our abilities to generate empirical implications, and show that these implications are observed when and where they are expected.*

Ideally, one would like to identify the observations or cases where one should expect one theory and not the other. After all, these two theories give markedly different expectations for the effect of domestic pressure on war – does domestic pressure constrain leaders from war as in audience cost theories, or compel leaders toward war as in diversionary war theories? Unfortunately, hypotheses regarding when we should expect these effects – what institutionalizes these effects – are difficult to formulate. Is either effect more likely to hold in democracies where public pressure can be imposed easily without repression, aided by free media and the ease of voting leaders out of office? Or are dictatorships, where leaders are threatened by the risk of death or exile, more likely to alter policies in accord with domestic pressure? Frankly, should we expect that either of these two effects be found in autocracies, or not, especially when one considers the recent research that shows that dictators are indeed threatened by their political demise and can generate audience costs?

To reveal how elite culpability can address these questions, I first discuss the shortcomings of each theory and the extent to which audience costs theories undermine diversionary war theories, but only once we *exogenously assume* that the elite are culpable.

**AUDIENCE COSTS**

Fearon (1994) argues that domestic audiences observe the performance of their leaders and punish them for backing down. These audience costs increase as the crisis escalates, and a separation of leader types occurs, because only stronger leaders can

bear the repercussions of backing down at some point in the future when the audience costs would be larger. Weaker types, or leaders who are not as resolved, back down sooner with the realization that they will be unable to bear rising audience costs. Escalation, through the accrual of audience costs, is therefore a costly signal to demonstrate resolve credibly, while constraining leaders from fighting costly wars against more resolved foreign enemies.

However, audience cost theories face two issues: a collective action problem and a rationality crisis. If audiences fail to coordinate punishment, then they cannot impose costs upon their leaders, and thus leaders will not be able to demonstrate resolve credibly. Second, audience costs alone are not rational, because domestic audiences should prefer that the leader obtain the greater spoils of war – audiences should not punish leaders that escalate to win wars of attrition.

In Schultz (2001) overcomes the collective action problem by transferring the action of imposing costs from domestic audiences to a rationally motivated actor: the political opposition. Schultz argues that four factors are important in allowing the political opposition in democracies to send a credible signal that allows domestic audiences to coordinate their punishment, which then allow leaders to send credible signals of their resolve: publicity, the ability to make dissent public; legitimacy, the ability for the opposition to express their dissent without fear of reprisal; institutionalization, that the opposition's competitive relationship with the leader in elections is institutionalized and repeated over time; and access to information, so that the opposition is able to assess the leader's policy. The key here is that through these factors democracies, and not dictatorships, institutionalize the ability for leaders to demonstrate resolve credibly – not simply because of the threat of domestic accountability or audience costs – but because the political opposition's signal is both *confirmatory* of

the leader's resolve (competition ensures that the opposition does not want to collude in bluffs) and *restraining* against leaders who are less resolved (the potential for the opposition's dissent limits the leader's willingness to bluff). The elite have incentive to send this signal because it will affect the elite's political fate.

Ramsay (2004) clarifies that the opposition's signal is made credible endogenously as long as their incentives are simultaneously pushed and pulled by selfish electoral incentives and unselfish patriotic incentives for greater gains against the enemy. He finds that the elite can give uninformative signals everywhere, but when the opposition is *both office-seeking and patriotic*, then on the one hand, they have incentive to claim that their leader is resolved to obtain the best international crisis bargain, and on the other, to claim that the leader is less resolved to promote their own electoral gain. The tension between these incentives makes the elite an unbiased and credible source of information. Ramsay's theory shows how democratic institutions allow the elite to send credible signals in two directions – simultaneously to both the international and domestic audiences. This not only moves the collective action problem faced by audiences into the hands of a rationally-motivated political opposition (as Schultz did as well), but also removes the rationality crisis of why audiences would want impose costs that limit gains internationally.

These are of interest, because both assume that the elite in democracies are culpable to obtain audience cost outcomes, but also because a rationally-motivated and collectively-coordinated political elite undermines diversionary wars.

## DIVERSIONARY WAR

Most generally, diversionary war theories contend that domestic pressure creates incentive for leaders to divert attention toward international conflict. Three mecha-

nisms account for diversionary wars. The first is given by the scapegoat hypothesis in which leaders enter wars to shirk responsibility for domestic policy failures. The second mechanism is gambling for resurrection in which a leader who is losing a war may have the incentive to raise the stakes or increase the risks in war in hopes for a larger victory; any victory in war that keeps the leader in power will outweigh the certainty of political death from a losing war (e.g., Downs and Rocke 1994; Chiozza and Goemans 2003; Debs and Goemans 2010). The third mechanism stems from sociological theories of the in/out-group hypothesis: leaders rally domestic support by emphasizing a foreign threat to increase domestic cohesion and overcome domestic opposition.[4] Conflict with a common enemy allows leaders to consolidate power, or more commonly, nationalism binds splintered countrymen in the face of war. Each mechanism is motivated by the underlying notion that domestic pressure compels leaders toward the initiation and escalation of risky and costly wars.

While these mechanisms explain why a leader is compelled toward war, no mechanism explains why a domestic public would increase its support for a leader who attempts a diversion. No mechanism explains how a leader could possibly gain public support by engaging in a risky and costly war, especially if that leader is attempting to shirk responsibility for failed policies. This has not gone unnoticed: Levy (1998) wrote, "There is an interesting divergence between explanations of why political elites engage

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[4]This version of the theory originally evolved from social identity theory which suggested that divided societies would become more cohesive as the emphasis on differences between in-groups and out-groups grew. Much of the research on the in/out-group hypothesis has not altered the basis for diversionary war, e.g. Rothbart 1993. However, more recently the in-group/out-group hypothesis has been modified to suggest that in-groups are made more cohesive not by hating or facing a threat from out-groups, but by finding trust and security from within their own group. This modification supports the idea that highly fractious societies would not pull together in the face of a common threat, and that the relationship between domestic unrest and international conflict may not be linear. Further, groups in conflict in divided societies may not form the bonds of trust required under one leader. A non-linear relationship has been previously suggested within political science research as well. See also Simmel 1956; Coser 1956; Stein 1976; Richards et al. 1993; Brewer et al. 2005; Bicchieri, 2002.

in external scapegoating and explanations of *why scapegoating works* to enhance or maintain their domestic support."[5]

## RECONCILIATION

Consideration of the two theories side-by-side has benefits. The logic of credible signaling through a rationally-motivated elite from within the audience cost literature resolves the collective action problem, can endogenously arise from office and patriotic motivations, and implicitly undermines all three mechanisms for diversionary war. The scapegoat mechanism fails because the elite send a credible signal of the leader's faulty policy, his incompetence, or his limited resolve. This prevents the leader from shirking blame for domestic failures with an unnecessary war. The in/out-group mechanism fails since leaders cannot rally the public for a diversionary war when that public knows it can rely on a credible unbiased signal from the elite assessing the leader's foreign policy. Gambling for resurrection also fails: if the leader is losing a war, then the informed elite have already sent the signal that the leader made the *correct* foreign policy decision, and blame for a losing war can be shared with those who supported it; this removes the incentive to gamble. As a recent example, consider the U.S. war in Iraq, in which Democratic members of Congress who voted in support of the war were equally at risk of domestic backlash for any losses in war. Recall Senator Kerry's struggled attempt during his campaign for President to switch positions on Iraq after having voted in favor of the war. His vote was seen as a credible signal that assessed Bush's plan for unilateral action – an assessment in which Bush's war was not a selfishly-motivated diversionary tactic but a response to a genuine security threat.

Audience cost theories undermine diversionary war theories, but only if we exoge-

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[5]Levy, p. 155. Emphasis added.

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nously assume that the elite stand to gain politically from war outcomes. The assumption of accountability for the elite gives them a costly and therefore credible signal. Power-sharing rules that institutionalize elite culpability thus can systematically account for additional variation not explained by either theory – the evidence found within dictatorships and democracies – while bridging these theories together.

# 3 Elite Culpability and the Institutionalization of Political Responsibility

The theory of political responsibility moves this dialogue forward by examining a larger set of the actors – the leader and elite – who are responsible for policymaking, and specifying how variation on the assumptions drive our expectations for the effect of domestic publics on war. The foundations of this argument rest on the premise that *power-sharing rules establish accountability.* Many things, other than power-sharing rules, also affect when the public will hold individuals accountable. For example, whether wars are covert or overt is a factor. Leaders alone will be held accountable for covert wars that they initiate – only Kennedy apologized for the Bay of Pigs fiasco, only Clinton decided to launch air strikes at Iraq in 1998, and Obama assassinated Osama bin Laden and he alone bears responsibility for the expanded use of drone strikes. However, power-sharing provides a necessary first step in moving past regime types and leaders. Power-sharing rules allow domestic audiences to form expectations about who is responsible, and thus domestic audiences use institutional rules when coordinating accountability – punishment against the leader and other politicians.

Samuels (2004) defines accountability as the ability to punish or reward incumbent politicians.[6] In Powell's (2003) *Elections as Instruments of Democracy*, accountability is strengthened when voters can clearly identify who is responsible for policy, and when these voters are able to cast meaningful votes for or against those policymakers. Since policy-making is clear (clarity of responsibility is high) in majoritarian systems, where a majority electoral outcome determines who makes policy, voters can more easily punish or reward incumbents for policy outcomes and adherence to policy promises. Proportional representation systems (shared power) limit domestic accountability as it increases the difficulty in assigning punishment or reward. My theory draws from this work, but is distinct in two ways. First, I examine foreign policymaking, which is more clearly linked to specific politicians than domestic policy. Thus for foreign policy, the clarity of who to blame when there are multiple policymakers is not as prohibitive: as an example, in the U.S. the public does blame both Congress and the President for foreign policy blunders when applicable to both; in Britain, the Prime Minister must vehemently defend his foreign policy actions; and in Germany where more than one party shares power and where there is a President and a Chancellor, the Chancellor is the effective leader on foreign policy and receives blame alone. Second, unlike Powell, I explicitly account for the strategic dynamics between politicians who may or may not check each other.

When the audience threatens to hold multiple members of government accountable, these governing individuals have a shared stake in the policy. This shared stake provides the reputational incentive that encourages the elite to investigate the policy, and in turn makes the elite's endorsement or opposition a costly and credible signal. Power-sharing sends the signal to the public that these politicians have information

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[6]p. 425.

about whether the leader's policies are viable. With this informative signal, domestic pressure on the elite and the leader give the elite an informative signal that constrains the leader. When power is shared, the escalation of war demonstrates resolve credibly since leaders who escalate wars beyond their means will be blocked by politicians who prefer to not share in leader's fate. Therefore, expectations associated with audience cost theories emerge when the audience has a credible threat through the mechanism of power-sharing.

In contrast, when the leader can act alone, the domestic audience knows that the elite are not responsible for the policy outcome. The threat of holding these members of government accountable is not credible, or at least less credible, because there is no institutional mechanism that allows the audience to coordinate punishment. Without this reputational stake in the policy outcome, the elite have no incentive to investigate the policy. Their opinions are equivalent to uninformative "cheap talk."[7] The leader, who will be held accountable, has the incentive to take risky and costly gambles for the chance of domestic reward – a diversionary war. Finally, why are publics willing to support a diversion? The elite has no incentive to check the leader's reckless policies – it pays for the elite to allow the leader to risk political suicide on a gamble for which they will not be held accountable.[8] The elite can sit aside and let the leader gamble on a risky war, and the domestic public (and international public) are not

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[7]This does not mean cheap talk in the sense of the government signaling its own type, but cheap talk in the sense that the signal is uninformative about the leader's type.

[8]If the elite share responsibility, then that means that the elite are held accountable for reacting to the leader, that is, for taking an act of commission (authorization) or objection. The model does not account for an act of omission; when the elite do nothing. An act of omission did appear to be the strategy taken by several Democrats in Congress when G.W. Bush moved to use force in Iraq. In contrast, consider the objection in the 1991 Persian Gulf War in which Democrats tied their hands against the war: the House of Representatives vote for the resolution to use force divided along party lines with 164 Republicans and 86 Democrats in favor, and 3 Republicans, 179 Democrats and 1 independent opposed. Therefore, acts of omission may be important for future research. However, this requires some understanding of how the public judges a governing body who sits quietly even when it clearly has institutional power to limit or prevent war.

informed and *must wait to observe* the viability of the leader's policy as the outcome unfolds. *The lack of power-sharing provides a mechanism that both compels leaders toward war, and explains how diversions can succeed.*

By generating expectations for when the domestic audience is able to use cues from the political elite to inform judgments about the leader's policies, power-sharing limits the leader's feasible set of policies. Table 1 summarizes these arguments and outlines how power sharing alters responsibility for outcomes, and outlines the effects on the elite and on accountability.

Audience costs theories are therefore supported, but only if one exogenously assumes that multiple politicians are electorally punished and rewarded, that is, when power sharing exists. Without power sharing, pressures from domestic audiences compel leaders toward war, and diversionary war theories are supported. Therefore, the direction of the effect of domestic pressure on war – whether leaders are constrained or compelled – is institutionalized by power sharing. This is summarized in Table 2.

Since power is more likely to be shared in democracies, to some extent the theory accounts for the more easily observed variation between regime type, i.e. differences between democracies vs. dictatorships. However, since power sharing also varies within regime types, this dimension cuts across common expectations as we can see in Table 3. Democratically-elected leaders who face strong checks and balances, and dictators whose policies are subject to religious or military leaders are constrained by domestic pressures from initiating risky and costly wars. Presidential systems where the executive dominates policy-making, where a strong single-party dominates state policy, or in majoritarian parliamentary systems in which the majority party controls policy-making leaders may be compelled by domestic pressure toward war.

As an example, consider Venezuelan President Chavez who has become increasingly belligerent over his three terms in office, while successively removing checks on his power. To see how this theory can explain elite behavior and political consequences, I next revisit the Suez Crisis.

## 3.1 The Suez Crisis Revisited

The Suez Crisis represents one of the strongest case studies for both audience cost theories, and also supposedly, for diversionary war theories. In brief, Prime Minister Anthony Eden made a secret deal with France and Israel, in which Britain and France would come to Israel's aid if Israel initiated a crisis with Egypt. Israel initiated the crisis, Britain and France came to Israel's aid, but the international community and domestic political parties with Britain strongly expressed their dissent. Eden, faced with Egyptian resistance, U.S. and British domestic pressure, eventually backs down from the crisis and resigns. Interestingly, each theory gives specific implications for what should be observed. If any theory better explains the crisis in ways that cannot be explained by other theories, then holding all else equal, this case gives support to that theory over the others.

According to audience cost theories, British Labour Party's dissent against Prime Minister Eden's secret deal provided a credible signal that Eden was not resolved, and would back down if Egypt resisted, and thus Egypt resists (e.g., Schultz 2001; Ramsay 2004). Ramsay (2004) argues Labour's dissent was credible because Labour had both a patriotic and office incentive, and thus Labour was the source of an unbiased informative signal. If the microfoundations of audience cost theories are supported, then the Labour Party should receive credit (an electoral reward) for its informative

signal rebuking Eden. For diversionary war theories, the Suez Crisis is often referred to as Eden's gamble – a diversionary war. If diversionary war theories are correct, then Eden should prefer to escalate the crisis, and perhaps even gamble for resurrection once faced with a losing war. My theory argues that Labour could not provide a credible signal because Labour was not culpable – Britain uses a majoritarian parliamentary system in which Prime Minister can dictate foreign policy, which was especially the case for the Suez Crisis where Eden's *secret* deal certainly kept all members of Parliament out of decision-making. According to the theory here, Labour did not provide a credible signal, and would not obtain any credit for objecting to a poor policy choice. Further, the Conservatives, who are also not responsible for policymaking, should not share any blame with Eden, and should not obtain any credit for opposing Eden. Both parties should abandon the Prime Minister, who alone should face punishment or reward.

First, was Labour held accountable? The case shows that Labour did send the "correct" signal, but was not electorally rewarded. Prime Minister Eden resigned in January 1957, and the Conservatives replace him with Harold Macmillan on January 22nd with the Labour Party demanding new elections "at once."[9] Macmillan rejected the demand for general elections, however, in seven by-elections immediately following the crisis, the Conservatives maintained their majorities losing a total of one seat to the Labour Party in February.[10] During the following election in 1959, the Conservative party not only went on to win the general election, but also increased their seat share in the process winning an extra twenty seats. Although one cannot assess whether the Labour Party's signal was credible to the public, one can certainly argue

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[9]Veysey, Arthur. "Macmillan's Regime Shapes New Policies," Chicago Daily Tribune, January 22, 1957, p. 16.

[10]McCann, p. 10.

that Labour was not rewarded – *the key incentive that provides the opposition with its credible signal – electoral reward – is not here.* The microfoundations for the theory of political responsibility are supported while the microfoundations for audience costs theories are not, because Labour was not culpable.

The Conservatives were also not culpable, and thus even though the Conservatives go on to win elections, note that this electoral reward was not given for correctly signalling and replacing Eden during the Suez. Importantly, beyond replacing Eden with Macmillan, the Conservative Party *made no reversals in foreign policy.* Macmillan retained Selwyn Lloyd as foreign secretary, and as *The Times* wrote, "Macmillan does not represent entirely a repudiation of the Eden policy since he sat in the cabinet and backed the Suez policy."[11] Thus, even though *Macmillan supported Eden's blunder* in the Suez, neither Macmillan nor the Conservative Party shared any blame for what was seen as Eden's solo act. In support of the theory here, Macmillan's signal of support for Eden was *as uninformative as* the Labour Party's dissent. And just as the public did not reward Labour for its correct signal in the Suez, the public also did not punish Macmillan and the Conservatives for their cheap talk.

The microfoundations seen in this crisis provide far more support for the theory here, and the theory provides a more consistent explanation of the actions of both political parties. All non-culpable elite should act as if they are in competition with the leader for office, which can compel a leader toward full credit or blame for a risky war. Eden's secret deal to provoke hostilities was viewed around the world as a disaster – Eden's blunder – for which Prime Minister Eden took full blame. *The Economist* reported, "echoing the words of Sir Winston Churchill after Munich, 'Britain had suffered a total and unmitigated defeat.' 'The withdrawal of British and

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[11] "The Old and The New," p. 2.

French forces is unavoidable,' it said, 'but it will not wipe out the blunder of sending them in."'[12] Eden's party, the Conservatives, politically isolated the Prime Minister – "...the moderate Tories - between 20 and 30 are said to be on the verge of defying the Whip - could combine with the Labor Opposition to put the Government out."[13] And indeed, they did promptly replace Eden – as the Labour Party, the United States, and the United Nations all voiced their opposition to Eden's plan. As in accord with this theory, *all non-culpable elite* isolated the leader who risked full credit and would take full blame.

As noted, Eden's gamble is sometimes seen as a diversionary war. Note that as a diversion, Eden did manage to launch a war for which the public would need to adopt a wait and see attitude. However, as a diversion it, it failed – not because the political opposition managed to block policy, but because the elite allowed Eden's gamble to unfold into a disaster for which Eden would need to back down. This behavior by the elite to force the public into a wait and see attitude is explained by the theory of political responsibility. But what about the theory of diversionary war? Do its expectations fit the case? According to diversionary war theories, one should expect that the elite would have united with Eden against the foreign enemy – which did not occur, as instead the elite united against him. One should also expect that Eden might gamble for resurrection: upon realizing that Eden would soon be replaced, Eden's political fate was sealed and he had nothing to lose by raising the stakes in war. Eden could have perhaps gambled for resurrection, but instead he did the opposite – Eden backed down. Thus, while diversionary war theories provide a motivation for Eden to make the deal that started the crisis, all of diversionary war theories other explanations do not match the case. The theory of political responsibility fits with

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[12]Grant, Bruce. "British Opinion Divided on Suez Issues," The Age, November 26, 1956, p. 2.
[13]Grant, p. 2.

Eden's ability to launch a diversionary war, the public's wait and see attitude, and the elite's behavior in uniting against a leader's risky gamble.

This theory gives a consistent explanation where other theories fail. That the parties united to isolate the leader, the abandonment of the Prime Minister, the electoral consequences to both political parties fit with this theory. Importantly, the political divisions were not between the Conservatives and Labour – the government and the opposition – the true divisions were between the leader and the non-culpable elite who joined the chorus of blame for a leader over his failed policy. One aspect not explained by the theory here is why Eden would back down. Schultz (2001) wrote: "A better interpretation is that, because any military action by Britain and France would take place in the face of US resistance, the political divisions within Britain cast doubt on whether such action could be sustained for long."[14] To put this in terms of a formal model, Eden's utility for backing down would involve audience costs, but not audience costs that would be large enough to outweigh the disaster of continued war. To incorporate this into a model, and draw more specific consequences, I now continue to the formal model.

# 4 The Model

## 4.1 Setup

The leader and elite of a home country and a foreign enemy, modeled as a single actor, are involved in a crisis in a game of one-sided incomplete information. The leader has issued a demand, $x > 0$, to the enemy. At the start of the game, Nature draws

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[14]p. 221, quoting from Epstein 1964 p. 86.

the leader's type, who is either biased toward war, $b > 0$, or unbiased, $b = 0$, where $q \sim U[0,1]$ gives the probability the leader is biased. The leader's type is known by the elite and the leader but not by the enemy. The elite decide whether to *endorse* or *dissent* in response to the leader's demand. Let $m = \{E, D\}$ represent the elite's choice, which will be referred to as the elite's message which is observed by domestic actors and the foreign enemy.

Upon observing the elite's message, the enemy updates its beliefs about the leader's type and decides whether to *concede* or *resist*. If the enemy concedes, then the enemy gives $x$ to the home country. If the enemy resists, then the leader decides whether to *escalate* or *back down*. If the leader backs down, then nothing is transferred between the two countries, but the leader suffers from an audience cost, $-a - b$, where $a > 0$ and audience costs are a function of the leader's type $b$.[15]

If the leader stands firm, then the two countries fight a war modeled as a costly lottery. Let $p \in [0,1]$ represent the probability that the home country wins the war, and let $c > 0$ represent the costs of war for each country. If the home country wins, then the enemy gives the home country the demand $x$. If the home country loses, then nothing is transferred but each country pays the costs of war. Concessions, backing down, and war end the game. Let $\Omega$ represent this set of possible outcomes where $\Omega = \{x, -a - b, px - c\}$, and let $\omega_m$ represent the home country's payoff for the outcome given elite message $m$.

The leader is modeled as an office-seeking politician whose payoff is given by a support function $s(\omega_m) : \mathrm{R} \to [0,1]$ where $s$ is a continuous and weakly increasing function that maps from the home country's crisis outcome $\omega_m$ to the $[0,1]$ interval and gives

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[15]This assumption makes a biased leader willing to escalate for a riskier costlier war than an unbiased leader will tolerate.

the probability that the leader will maintain office. By assumption, the leader will receive a majority of support if he obtains concessions, and the leader will receive less than the majority if he backs down: $s(x) > \frac{1}{2} > s(-a)$.

The elite's payoff consists of two parts: first, the elite receive the home country's crisis payoff. Second, the elite care about the opportunity to obtain office (political payoff). Let $R \in \{0, 1\}$ indicate whether the elite share responsibility so that when $R = 1$ the elite are culpable and if they endorse they receive a political payoff of $s(\omega_e)$, which means that they share credit or blame. If they dissent, then they are in a zero-sum competition with the leader regarding the crisis; the elite receive a political payoff of $1 - s(\omega_d)$. When $R = 0$ the elite are not culpable, and are in competition against the leader regardless of whether they endorse or dissent: the elite's political payoff is $1 - s(\omega_m)$. Dissent is costly: the elite pay $d > 0$ for mounting an objection, and the leader pays a cost $-dR$ for enforcing a policy if dissent was expressed by an elite who shares power over policymaking.

The solution is given by a pure strategy perfect Bayesian equilibrium.[16] For convenience, I refer to the elite strategy of dissenting to the biased leader and endorsing the unbiased leader as an informative strategy; the reverse as a misinformative strategy (this is still informative since only the biased leader is endorsed); and endorsing to both leaders, or dissenting to both leaders, as uninformative strategies. Figure 1 presents a stylized version of the model.

## 4.2   Results

PART 1. POOLING EQUILIBRIA

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[16]I make the tie-breaking assumption that each actor prefers a peaceful outcome.

The equilibrium when biased and unbiased leaders pool strategies – both back down or both stand firm – are depicted in Figure 2 when $p \leq p_1$ and $p > p_2$. Given the value of $p$ in these regions, respectively, the home country is *likely to lose* the war or *likely to win*. When the home country is likely to lose in war, $p \leq p_1$, both leaders will prefer to back down, and therefore, the enemy resists any leader regardless of the message sent by the elite. When $R = 0$ the elite endorse if

$$1 - s(\omega_E) + \omega_E \geq 1 - s(\omega_D) + \omega_D - d.$$

Since the enemy's behavior does not change in response to the elite's strategy, $\omega_E = \omega_D$, then the non-culpable elite endorse since dissent is costly, $d > 0$. On the other hand, if the elite are culpable, the elite endorse if

$$s(\omega_E) + \omega_E \geq 1 - s(\omega_D) + \omega_D - d.$$

Since $\omega_E = \omega_D$, the culpable elite endorse if $d \geq 1 - 2s(\omega)$, and dissent otherwise: the elite's best response is conditioned on the value of the crisis outcome and the costs of dissent. Generally, culpable elite endorse better crisis outcomes and dissent to worse ones, however, if dissent is too high a price, *prohibitively costly,* then the elite endorse both leaders. These best responses for the elite when the outcome does not vary is useful, and therefore I state the following lemma.[17]

**Lemma 1.** *When $\omega_E = \omega_D$, if $R = 0$ the elite endorse both leaders, and if $R = 1$ the*

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[17]Lemma 1 indicates that when the crisis outcome does not change as a result of the elite's message, the elite who do not share responsibility endorse. When $R = 0$, the political payoff for the elite is the same regardless of whether they dissent – the elite are in a zero-sum competition for office – but if they dissent, then they have to pay those costs. Since the outcome does not vary, it is senseless to pay the costs of dissent. When the elite share responsibility, dissent places the elite into competition against the leader, while endorsement links their own fate with the leader's. These elite weight the costs of dissent and the prospect of political competition against the opportunity to share credit or blame for any given outcome.

*elite endorse if $d \geq 1 - 2s(\omega)$ and dissent otherwise.*

Similarly, when the home country is likely to win, $p > p_2$, both leaders will stand firm. The enemy's best response is to resist if $x > \frac{c}{1-p}$, which is when the concessions demanded are too high relative to the costs of war and the enemy's chances of victory. Let $x^* = \frac{c}{1-p}$ represent this threshold for the enemy, so that the enemy resists when the stakes are *high*, $x > x^*$, and concedes when stakes are *low*, $x \leq x^*$. As above, the elite's message does not alter the strategy of the enemy, $\omega_E = \omega_D$, since the enemy's strategy varies only with the size of the stakes demanded. By Lemma 1, non-culpable elite endorse both leaders. The culpable elite dissent against both leaders when the enemy will resist – refusing to share fate with any leader who risks a high stakes crisis – as long as dissent is neither prohibitively costly nor so cheap that the elite dissent all the time. These strategies form pooling equilibria which are described in the following proposition.

**Proposition 1. Pooling equilibria (all uninformative)** *Where $x^* = \frac{c}{1-p}$, the following are pooling equilibria:*

- *When $p \leq p_1$, the enemy resists and both leaders back down. When $R = 0$, the elite endorse. When $R = 1$, the elite endorse both leaders if $d \geq 1 - 2s(-a)$ and dissent to both leaders if $d < 1 - 2s(-a - b)$.*

- *When $p > p_2$ and $x > x^*$, the enemy resists and both leaders escalate. When $R = 0$, the elite endorse. When $R = 1$, the elite endorse if $d \geq 1 - 2s(px - c)$ and dissent otherwise.*

- *When $p > p_2$ and $x \leq x^*$, the enemy concedes and both leaders escalate. The elite endorse when $R = 0$ and when $R = 1$.*

PART 2. SEPARATING EQUILIBRIA

When $p_1 < p \leq p_2$, leader types separate – the biased leader stands firm and the unbiased leader backs down – which gives the elite the opportunity to inform the enemy about what the leader will do. Suppose that the elite choose an uninformative message. The enemy's beliefs after observing the elite's message are $\mu = q$. The enemy resists if:

$$\mu_m < \frac{x}{px + c}. \tag{1}$$

Thus, $q^* = \frac{x}{px+c}$ is the cut point that defines the enemy's strategy: the enemy resists if $q < q^*$ and concedes if $q \geq q^*$. Note that for high stakes crises, since $x^* = \frac{c}{1-p}$, when $x > x^*$ implies that $q < q^*$ for all $q$. Therefore, when the stakes are high, then $q < q^*$, and the enemy resists.

Now suppose that the elite choose an informative strategy. Upon observing dissent, the enemy will believe that the leader is biased, $\mu_D = 1$, and when $x > x^*$, again, the enemy resists since $1 < \frac{x}{px+c}$ when $x > x^*$. Upon observing endorse, the enemy resists since the enemy believes that the leader will back down. The same is true if the elite chose a misinformative strategy: dissent to the unbiased leader and endorse the biased leader. The enemy resists if there is dissent since the enemy believes that the leader is unbiased and will back down. And if the enemy observes endorse, $\mu_E = 1$, then the enemy resists since $1 < \frac{x}{px+c}$. Therefore, regardless of the elite's strategy, when the stakes are high the enemy resists. This gives the following lemma.

**Lemma 2.** *When $x > x^*$, the enemy resists regardless of the leader or elite strategy.*

The intuition that explains the enemy's behavior has little to do with strategic interaction. Since the concessions demanded can be any value, $x > 0$, at some point the concessions are so high that the enemy prefers to go to war – refusing to concede –

even if the enemy is certain that the leader will escalate. *The enemy will resist if the concession demanded is sufficiently high, regardless of whether the elite's message is uninformative or informative.*[18]

Since by Lemma 2, the enemy will resist, then by Lemma 1 we know the non-culpable elite ($R = 0$) endorse both leaders. An uninformative endorse strategy is the only strategy in equilibrium for these elite. The culpable elite ($R = 1$) weigh the political consequences and choose an informative strategy. These elite prefer to compete with a biased leader who risks a high stakes war, since they can receive credit for doing so, rather than share that leader's fate. These elite also prefer to share fate with an unbiased leader who does not escalate the high stakes crisis.

Therefore, when the stakes are high, only culpable elite send an informative signal; this occurs only if if dissent is neither prohibitively costly nor too cheap. Non-culpable only play uninformative strategies in equilibrium. These results for high stakes crises can be seen in Figure 2 in the center-top region, where $p_1 < p < p_2$ and $x > x^*$, and are stated in the following proposition.

**Proposition 2. High Stakes Crises (uninformative and informative)** *When $p_1 < p \leq p_2$ and $x > x^*$ the unbiased leader backs down, the biased leader stands firm, the enemy resists, and*

- *when $R = 0$ (uninformative) the elite endorse, $\mu = q$;*

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[18]This arises from a modeling decision: if instead the enemy's best response were to concede the high stakes, then the result would change. One way to do this would be to make the outcome of the war, the enemy's payoff when the leader escalates, a function of the leader's type; for example, if the enemy's losses in a high stakes war were always lower for unbiased leaders than for biased leaders. Then the enemy would care whether the high stakes crisis is being fought by an unbiased or biased leader, and thus the enemy's response would change as a function of the elite's signal. Here, as in many models, the enemy only cares about whether the leader escalates or backs down, *and not* which leader escalates. Thus, an interesting future alteration of this model would be for the enemy's expected utility in war to change as a function of leader type.

- *when $R = 1$*

  1. *(uninformative) the elite dissent if $d < 1 - 2s(-a)$, $\mu = q$,*

  2. *(informative) the elite endorse the unbiased leader and dissent to the biased leader if $1 - 2s(-a) \leq d < 1 - 2s(px - c)$, $\mu_E = 0$ and $\mu_D = 1$;*

  3. *(uninformative) the elite endorse if $d \geq 1 - 2s(px - c)$, $\mu = q$.*

In low stakes crises, the enemy no longer has a dominant strategy to resist – if the enemy believes that the leader is biased (will escalate), then the enemy concedes the low stake, and if the enemy believes that the leader is unbiased (will back down) then the enemy resists. Given the enemy's best response, it is reasonable to believe that the elite might prefer to keep the enemy uninformed. If the elite choose an uninformative strategy, then the enemy's prior beliefs determine its behavior. The enemy concedes when a biased type (escalation) is likely, when $q \geq q^*$, and resists if an unbiased type (back down) is likely, when $q < q^*$.

To see if where there are uninformative equilibria, suppose that the elite's message is uninformative. Then this message does not alter the strategy of the enemy, and by Lemma 1. the elite who are not culpable endorse both types. The culpable elite choose an uninformative strategy *to endorse* when dissent is prohibitively costly, and *to dissent* when objection is cheap.

Proposition 3 states these uninformative low stakes equilibria. Note that in low stakes, as in high stakes crises, there is a region in which the culpable elite will play only informative strategies – when $1 - 2s(-a) \leq d < 1 - 2s(px - c)$. Next, we see what those informative strategies are, and where informative strategies are also possible for non-culpable elite.

**Proposition 3. Low Stakes Crises (uninformative)** *When $p_1 < p \leq p_2$ and $x \leq x^*$ the unbiased leader backs down, the biased leader stands firm, the enemy resists when $q < q^*$ and concedes when $q \geq q^*$ with beliefs $\mu = q$,*

- *when $R = 0$ the elite endorse;*

- *when $R = 1$*

    *1. the elite endorse if $q \geq q^*$, or if $q < q^*$ and $d \geq 1 - 2s(px - c)$,*

    *2. the elite dissent if $q < q^*$ and $d < 1 - 2s(-a)$.*

When the elite inform the enemy, the enemy's best response will be to concede to one leader and resist the other. For this to be an equilibrium, the elite must prefer that only one leader obtain concessions, while the other does not. As I will show, these informative equilibria often require that low stake be of a value that is within a specific range, and that the elite sometimes be *patriotically-motivated* rather than *office-motivated*.

To see this, consider the informative strategy in which the elite endorse only the unbiased leader. To endorse the unbiased leader who backs down (instead of gaining the concession) requires $u_e(x, D) \leq u_e(-a, E)$, and to dissent to the biased leader who will obtain the concession (instead of war) requires $u_e(px - c, E) < u_e(x, D)$. For both to hold, elite preferences must be ordered as follows,

$$u_e(px - c, E) < u_e(x, D) \leq u_e(-a, E), \tag{2}$$

where endorsing the biased leader who will escalate a war is worse than dissenting to the biased leader, which is also worse than endorsing an unbiased leader who backs

down. The requirement in (2) is required when $R = 0$ and when $R = 1$.[19]

This indicates two things. First, this equilibrium is possible only for very specific ranges of $x$ in relation to the other parameters.[20] Second, the expressions to the left and right that "sandwich" $u_e(x, D)$ involve the elite endorsing, $u_e(px - c, E)$ and $u_e(-a, E)$, which therefore differs depending on whether the elite are culpable or not, $R = 1$ or $R = 0$.[21]

When $R = 1$, these two include the payoffs for shared credit, and the equilibrium requires that shared credit for a low stakes war plus the war payoff must be less than the shared credit for when the leader backs down and the country's payoff for backing down:

$$s(px - c) + px - c < s(-a) - a. \tag{3}$$

Since $s(px - c) < s(-a)$ and $px - c < -a$ when $p_1 < p \leq p_2$, the equilibrium requirement in (3) is met as long as $x$ is in the range required by (2).

When $R = 0$, these two include political payoffs for a zero-sum competition, $1 - s(px - c) + px - c$ and $1 - s(-a) - a$, and this equilibrium requires:

$$-s(px - c) + px - c < -s(-a) - a. \tag{4}$$

Since very few assumptions were made about the function form of the support function, $s(\omega)$, (4) is *possible* but difficult to meet. To see why, let $\beta \in [0, 1]$ represent the weight that the elite place on the payoff for office. Then the inequality in (4) can be

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[19]The reverse informative strategy requires the following order of elite preferences: $u_e(px-c, D) < u_e(x, E) \leq u_e(-a, D)$.

[20]Further specification can be found in the appendix.

[21]Note that $u_e(x, D) = 1 - s(x) + x - d$ for either value of $R$, since when $R = 0$ the elite are always in a zero-sum political competition, and when $R = 1$ this zero-sum competition exists since dissent was expressed.

rewritten as:

$$\beta(1 - s(px - c)) + (1 - \beta)(px - c) < \beta(1 - s(-a)) + (1 - \beta)(-a). \qquad (5)$$

Since the elite have a higher chance of obtaining office against the biased leader who escalates the low stakes war, if $\beta = 1$ then behavior is office-motivated, and (5) would not be met. This would not be an equilibrium, because the informative strategy cuts against the elite's political aspirations.

However, since the model makes so few assumptions, the elite may care about both office and their country, and this equilibrium is possible, but the country's payoff (that backing down is better than a war, i.e., $-a > px - c$) must make up for this political difference: $\beta$ must be small. This informative equilibrium is possible for non-culpable elite only if they are *patriotically-motivated*. We can define motivations as follows: [22]

**Definition.** For $\{\omega_1, \omega_2\} \in \Omega$ where $\omega_1 > \omega_2$, the elite and leader are *patriotically-motivated* if $\frac{s(\omega_1) - s(\omega_2)}{\omega_1 - \omega_2} < 1$, and *office-motivated* if $\frac{s(\omega_1) - s(\omega_2)}{\omega_1 - \omega_2} > 1$.[23]

The misinformative strategy, that also informs the enemy, in which the elite endorse the biased leader and dissent to the unbiased leader is possible, too, but only when

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[22]Technically, this equilibrium requires $\frac{s(-a) - s(px - c)}{-a - (px - c)} < 1$. To understand how this affects political behavior, note that behavior is driven by whatever pushes utility above some threshold. If $\frac{s(-a) - s(px - c)}{-a - (px - c)} = 1$ were the required condition, then concern for the country's payoff in the crisis and the concern for office drive behavior equally. Similarly, if $\frac{s(-a) - s(px - c)}{-a - (px - c)} > 1$ were required, then an increase in political support for a better outcome raises utility more than the corresponding increase in a country's crisis payoff: office-motivations will drive behavior. Interestingly, since patriotically-motivated vs. office-motivated has to do with the slope of utility, and risk seeking or risk aversion have to do with the convexity or the concavity of the utility function, an actor can be office-motivated and risk seeking or patriotically-motivated and risk seeking using this set up. These concepts may have very different implications for public welfare in crisis bargaining which are left for future research.

[23]Motivations are neutral if $\frac{s(\omega_1) - s(\omega_2)}{\omega_1 - \omega_2} = 1$.

$R = 1$ and only if these elite are patriotically-motivated. Details for this are in the appendix. As in the above, patriotic motivations are required because dissent places the elite in competition with an unbiased leader who provides the better outcome – not a wise political move, but perhaps beneficial to the country under certain parameter specifications. When $R = 0$ this is not an equilibrium because the elite are required to be office-motivated when considering concessions vs. backing down, but patriotically-motivated when considering backing down vs. war. Given that the model makes very few assumptions about the political support for outcomes, again, this is *possible*. However, it is sensible to require that behavior must be *consistently-motivated* over all outcomes. This follows Schultz (2000) and Ramsay (2004) who use $\beta$ as a parameter that assigns weight to the office vs. country payoffs in each actor's utility function, and implicitly makes the consistent motivations requirement. Given the above, Proposition 4 states the informative equilibria in low stakes crises.

**Proposition 4. Low Stakes Crises (informative)** *When $p_1 < p \leq p_2$ and $x \leq x^*$ the unbiased leader backs down, the biased leader stands firm,*

- *(informative) when $R = 0$ if $d \geq s(-a) - s(x) + x + a$ and behavior is patriotically-motivated, the elite endorse the unbiased leader and dissent to the biased leader for $x$ such that $u_e(px - c, E) < u_e(x, D) \leq u_e(-a, E)$ . The enemy resists after endorse with beliefs $\mu_E = 0$, and concedes after dissent with beliefs $\mu_D = 1$.*

- *when $R = 1$:*

  1. *(informative) the elite endorse the unbiased leader and dissent to the biased leader for $x$ such that $u_e(px - c, E) < u_e(x, D) \leq u_e(-a, E)$. The enemy resists after endorse with beliefs $\mu_E = 0$, and concedes after dissent with beliefs $\mu_D = 1$.*

2. *(misinformative) if behavior is patriotically-motivated, the elite endorse the biased leader and dissent to the unbiased leader for $x$ such that $u_e(px - c, D) < u_e(x, E) \le u_e(-a, D)$. The enemy resists after dissent with beliefs $\mu_E = 1$, and concedes after endorse with beliefs $\mu_D = 0$.*

## 4.3 Discussion

Main result: The Effect of Elite Culpability

In the literature, a leader who faces audience costs escalates only if he is indeed resolved, because the risk of the elite's confirmatory signal which cues the public to impose audience costs prevents a leader from escalating when he would back down. Escalation therefore encourages an enemy to back down in the face of this credible threat, which reduces war, in a process where the elite's informative signal is key. The results here show *elite culpability is a necessary condition for an informative signal,* and therefore the assumption of elite culpability within the current literature is essential for the effect of audience costs.

To understand how elite culpability is a necessary condition, Propositions 1, 2, and 3 show that *uninformative "cheap talk" signals are possible everywhere only for non-culpable elite.* Non-culpable elite play uninformative strategies in both pooling and separating equilibria for both high and low stakes crises where the elite endorse the leader. However, when $R = 1$ and dissent is in a middle range, $1 - 2s(-a) < d < 1 - 2s(px - c)$, *culpable elite only play informative strategies.* This is true in every possibility: in both pooling (Proposition 1) and separating equilibria in both for high stakes (Proposition 2) and low stakes crises (Proposition 3 shows that no uninformative equilibrium exists when $R = 1$, dissent is in a middle range, $1 -$

$2s(-a) < d < 1 - 2s(px - c)$, and the leader is likely to be unbiased, $q < q^*$). Elite culpability therefore both allows for credible informative signals and prevents uninformative signals. This gives corollary 1.

**Corollary 1. Culpability and Informative Signals.** *Elite culpability decreases the potential for uninformative signals: when $R = 0$ an uninformative equilibrium exists everywhere, but when $R = 1$ an uninformative equilibrium does not always exist.*

The model shows that non-culpable elite do sometimes provide informative signals, but this requires two things and at least one of these may be considered unlikely: the stakes must be low, and the leader and elite must be patriotically-motivated. Thus especially for high stakes wars, without elite culpability, the non-culpable elite provide uninformative signals that force the public to adopt a wait and see attitude. The model shows that this attitude can result in the elite endorsing the leader for diversionary high stakes wars. Thus without elite culpability, domestic pressure compels leaders toward war, and does not constrain leaders from war.

In reality, non-culpable elite often do stand aside – consider the military in North Korea who are seen but not heard – which fits with the results here where non-culpable elite are yes-men. However, uninformative signals, as in the Suez Crisis, were not of endorsement, but of dissent. It is not clear what provides this incentive, but it could be that the incentive to send uninformative signals of endorse or dissent comes from the threat of punishment (repression in North Korea). Further, at times we might believe that even non-culpable elite may express dissent, and when they do, it might be particularly meaningful – should the North Korean military oppose the leader's actions, the world and certainly South Korea would be stunned. Yet, in those cases any dissent expressed might reflect a domestic aspect not captured

by this model. Both of these suggest that to understand when these non-culpable elite dissent, more study is needed of when and why these elite have dissented in the past.

Importantly, the results show that while elite culpability *is a necessary condition* for an informative signal, *it is not a sufficient condition*: non-culpable elite send informative signals in low stakes crisis when they are patriotic; and culpable elite send uninformative signals if dissent is prohibitively costly (they will endorse) or if dissent is too cheap (they will dissent). While in reality it is not clear what is meant by dissent being *too cheap*, it is clear that dissent can be prohibitively costly. More should be done to empirically understand when power sharing exists in dictatorships and what makes dissent costly for those elite who share policymaking power.

The results also show that the effect of elite culpability on informative signals is most prominent in high stakes crises. By Proposition 2 when the stakes are high, $x > x^*$, and leaders choose a separating strategy, the elite choose an informative strategy that endorses only the unbiased leader *if and only if* $R = 1$ and dissent is in the middle range, $1 - 2s(-a) \le d < 1 - 2s(px - c)$. This is stated in Corollary 2.

**Corollary 2. Informative Signals in High Stakes Crises.** *When $x > x^*$, the elite provide a credible signal of the leader's resolve if and only if $R = 1$ and $1 - 2s(-a) \le d < 1 - 2s(px - c)$.*

RESOLVING MISCONCEPTIONS: THE EFFECT OF AUDIENCE COSTS

If elite culpability is the key mechanism, then what is the effect of audience costs? The most direct effect of audience costs can be seen in comparing the unbiased and biased leader's decision at the final node. As a direct result from audience costs, the biased leader is willing to fight riskier and costlier wars than unbiased leaders. When

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the leader pays a higher price for backing down, then that leader is more likely to stand firm and escalate a risky and costly war. If leaders are then constrained by the threat of elite signals, then without culpability, conditional on a crisis having already begun, audience costs compel leaders toward war: a leader who faces lower audience costs can back down, whereas a leader with higher audience costs will escalate.[24] Since non-culpable elite are often uninformative – even though both biased and unbiased leaders face audience costs – *audience costs alone do not allow the elite to confirm a leader's resolve.* Thus, the existence of audience costs are no guarantee that the enemy will concede.

The likelihood of war may be reduced through audience costs, but only if the culpable elite send an informative signal, which requires that these elite share blame – *audience costs and elite culpability allow the elite to confirm a leader's resolve.* Current hypotheses involving audience costs are more likely to be supported when the elite are culpable for crisis outcomes, but not when the elite are non-culpable. Further, since elite culpability varies across regime type, we should find evidence for the hypothesized effects of audience costs within some democracies and also some dictatorships. Elite culpability might therefore give some systematic insight into the diversity of support for and evidence against both audience costs and diversionary wars.

Resolving Misconceptions: The Effect on the Enemy

A common theme in the literature is that the enemy concedes when the leader is able to signal resolve credibly, however the results show that this is not accurate. Consider Proposition 1, wherein a war occurs when $p > p_2$ and $x > x^*$ since both types of leader escalate and the enemy resists. The reason for war has nothing to

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[24]This is true unless the collective action problem and rationality crises are resolved in another manner.

do with elite culpability since the outcome is the same for $R = 0$ and $R = 1$, nor does the war have to do with audience costs since the outcome is the same for both unbiased and biased leaders. War occurs because both countries have good reason to fight: the home country will likely win the war when $p > p_2$, and the enemy refuses to concede stakes that are too high when $x > x^*$.

The reason previous models have shown that the enemy concedes is because the stakes are modeled as $p$ and not as $x > 0$: the amount the leader demands is a function of the balance of power. Bueno de Mesquita and Lalman 1992 and Schultz 2001 explain that concessions may be likely to reflect the balance of power. Thus, the enemy compares the amount he obtains if he concedes, $1 - p$, to the amount he obtains if he resists (and the leader escalates to war), $1 - p - c$, and clearly if the enemy believes that the leader will escalate, then the enemy concedes since war is costly, $c > 0$. These models draw the conclusion that an enemy concedes as long as the leader signals resolve credibly. Yet, an important caveat is often missed: a credible signal of resolve encourages the enemy to back down, *but only if the stakes are limited by the balance of power.* For sufficiently high stakes, a credible signal does not reduce war – regardless of elite culpability or audience costs. An interesting question for future research is to endogenize the leader's demand to see endogenously when and whether the leader limits these stakes by the balance of power.

NEW RESULT: THE POTENTIAL FOR POLITICAL GRIDLOCK

The presence of multiple equilibria in low stakes crises allow for a variety of implications that are important for future research. In this model, the elite are modeled as a single actor and there is no need to be concerned with the elite coordination problems, i.e., elite coordination, deliberation, and coalition formation problems that are possible in reality. These multiple equilibria are not mutually exclusive: they

overlap in certain regions of the parameter space.[25] If we suppose that the elite are multiple actors, and that political gridlock occurs when the elite fail to coordinate, then two conclusions can be drawn.

First, in high stakes crises, the question of whether the elite are motivated more by patriotic or office does not arise. The elite can coordinate in high stakes crises regardless of whether individual members are more office-motivated, more patriotically-motivated, or even inconsistently-motivated – perhaps more patriotic when considering war but more office-motivated when considering concessions. Second, equilibria in low stakes crises often require specific elite motivations, thus if some elite are driven by office while others are driven by patriotism, then the model implies that heterogenous motivations increases the chances for political gridlock in low stakes crises, but not in high stakes crises.


# 5    An Empirical Test

When do crises escalate to war?[26] The formal model suggests that if leaders are constrained by informative elite signals, then when the elite are culpable, domestic pressure should constrain leaders from escalating crises into wars. However, when the elite are not culpable, the elite send uninformative signals, and domestic pressure can compel leaders to escalate crises into wars. By this logic, I expect audience costs to increase the likelihood of war when the elite are not culpable (hypothesis 1), and to decrease the likelihood of war when the elite are culpable (hypothesis 2).

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[25]This is proven in the appendix.

[26]This question is an appropriate empirical fit to the theoretical model, because the model assumes that the leader has already issued a demand. All the theoretical expectations derived assume that a crisis has begun.

**H1:** Audience costs increase the likelihood of war if shared power is low.

**H2:** Audience costs decrease the likelihood of war if shared power is high.

I investigate two dependent variables, *War Initiation* which codes when a leader begins a war against another state, and *War Onset* which codes when any war begins even if that war was initiated by another state.

The main effect to capture is elite culpability, and ideally, one would prefer to use data that code whether the elite have policymaking power over foreign policy within both democracies and dictatorships. Most studies of power-sharing exclusively study democracies, thus I operationalize elite culpability using the Database of Political Institutions 2009 which provides data on variation across regime types. It is limited, however, to only those years from 1975 onward, and thus can provide only a first test of these hypotheses.

The political institutions data provide a variable *Checks* that aggregates several institutionalized checks on a leader's power including: measures of federalism; whether there are local, state or provincial elections; whether these lower levels control taxes, spending, and legislating; whether there are formal restraints on the executive's term; and whether the opposition has political power. This variable is coded on a scale from 1 to 7, and thus to fit the empirical test more closely to the theoretical variable of interest – whether the elite are culpable or not – I use the mean of *Checks*, 2.5, to subset the data into two groups: one of low shared power to indicate where the elite are not culpable, and the other with high shared power to indicate where the elite are culpable.[27]

To test for the effect of elite culpability and whether it is independent of regime

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[27]This provides only a first approximation of when the elite are culpable for foreign policy outcomes. If we observe support, then future research is encouraged to develop better measures.

type, I include the *Polity* score from the Polity IV data, which is commonly used to measure democracy. *Polity* codes each regime on a scale from -10 (autocratic) to 10 (democratic). There is a strong potential for an endogeneity problem between *Checks* and *Polity*, since institutionalized checks are more likely in democracies, however these two measures are theoretically different in that *Polity* picks up on several aspects of political contestation, such as how leaders are selected, that is ignored by *Checks*. In addition, there is positive correlation, .52, but this correlation is less strong than one might expect. Further, the median of *Checks* does not change for *Polity* higher than 5, therefore one can argue that there is little relationship between *Polity* and *Checks* for the most democratic states. Interestingly, and unsurprisingly given the theoretical argument, within presidential systems, there are high and low levels of *Checks*, and here the correlation between *Polity* and *Checks* is only .14. Correlation between *Polity* and *Checks* for parliamentary systems is .47. Correlation between *Polity* and *Checks* for dictatorships that receive a *Polity* score of less than -5 is high. Thus, *Checks* is likely to serve as a useful a second dimension informative of variation in power-sharing across regime type, but perhaps, especially for presidential democracies, and not as much for dictatorships. If support is found here, then it would behoove future researchers to collect these data to more properly capture responsibility for foreign policy.

To measure audience costs, I follow the literature and use the *Post-tenure Fate* of the leader. This measure is coded from 0 to 3 and indicates whether a leader was 'Ok', 'Exiled', 'Jailed', or 'Killed' within a year after leaving office, and comes from the Archigos Data Set on Leaders. The use of this measure suggests that domestic pressure was higher during a leader's tenure who faced a worse political fate. Finally, I control for military capabilities, economic growth, the presence of a civil war, the

presence of an ongoing war, the median tenure of all leaders for a given country, and the duration of peace days. Data on conflicts including fatalities and the duration of conflict come from the Militarized Interstate Dispute Data Set.

The data include 3773 leader-years from 1975 to 2003 where the unit of analysis is leader-country-year.[28] This tests to see whether elite culpability is an important factor, and whether scholars should move beyond regime type and leaders as central units of analysis.

Since the dependent variables are binary, I use maximum likelihood estimation to estimate a logistic model. Tables 4 and 5 show the highlights of these results with complete tables in the Appendix.

These tables show some initial support that the effect of domestic pressure varies with elite culpability. First, when the elite are culpable, the coefficient for audience costs is negative for both war initiation and war onset. This coefficient is statistically significant at the .01 level for war initiation. This supports the theory in that when the elite are culpable, domestic pressure makes war less likely – and in accounting for *Polity*, this effect holds across regime type. Importantly, the effect of audience costs when the elite are *not culpable* is positive and statistically significant at the .05 level, which follows the theory: when the elite are not culpable, domestic pressure makes war more likely since leaders are more likely to initiate war – and again, this effect holds even across regime type.

The results for war onset are not as supportive. The effect of audience costs when the elite are not culpable is again positive and statistically significant at the .05 level, which fits with the theory. However, the effect when the elite are culpable is

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[28]A majority of the sources I use are coded country-year. Dyadic data or conflict specific data are matched to fit country-year format where necessary. Analyses that utilize dyadic data are matched by country and year (month, and day, where available) with corresponding monadic data.

not statistically significant. Culpability may be a better determinant of the effect of domestic pressure on war when that war is initiated by the leader, but not when the leader is defending against enemy attacks. Retrospectively, this is quite reasonable, and the formal model does not differentiate between offensive wars and defensive wars.

Overall, I find initial support that that elite culpability independently contributes to the effect of regime type. This supports the theoretical understanding that domestic pressure constrains leaders from war initiation and even war onset when the elite are culpable, and can compel leaders to *initiate war* when the elite are not culpable. As a first test, this suggests that systematic analysis of the political elite can profitably move the field beyond regime type and leaders as central units of analysis. However, more refined coding of elite culpability across regime types, especially within dictatorships, will enhance our understanding.

# 6   Conclusion

Research exploring the relationship between domestic politics and international conflict relies heavily on characterizations of regime type and political leaders, and has led to fruitful development of audience cost theories, diversionary war theories, and even the theory of a democratic peace. This project shows that we can add to these by examining how domestic political institutions set the stage for who is held accountable for policymaking. Elite culpability explains whether domestic pressure constrains leader from war *or* compels leaders toward war – an effect that varies within democracies and dictatorships.

As argued, audience costs theories that demonstrate that the political opposition can

signal to their domestic audiences, and thereby resolve the collective action problem and rationality crisis found in audience cost theories, either exogenously assume that the opposition's signal is credible or endogenously make the opposition's signal credible by assuming that the elite's own election depends on the accuracy of its signal. However, not all political institutions allot political power to the elite that would lend them the credibility they need to shift electoral outcomes with reactions to international crises. That elite culpability can be institutionalized by power sharing suggests that when power is shared, the elite are more likely to have the culpability that it needs for its signal to be informative – the elite has incentive to expend the effort to assess the policy and to broadcast that signal to domestic audiences. Thus, power sharing determines when the elite have an informative signal; a signal that constrains leaders from taking what some literatures currently consider a diversionary war.

When the elite do not have power over foreign policy, they are not culpable for crisis outcomes. Without a shared stake in the policy outcome, the elite have less incentive to invest in learning about the leader's policy: it pays to stay uninformed. In turn, the public must adopt a wait and see attitude, where they are forced to observe the outcome in order to judge the leader. And by isolating the leader politically, the elite therein are not prohibitive against the leader; the leader can take greater risks. Leaders left unchecked in policy-making who stand to reap the full benefit or blame from wars, may be compelled by domestic pressure toward gambles in war.

The model shows that the credibility of the elite's endorsement, and hence one mechanism for audience costs to constrain leaders, hinges upon whether the elite are culpable. If leaders condition threats on whether the elite's signal is informative, then elite culpability determines when leaders are constrained by domestic audiences. The model also clarifies expectations about when the enemy will concede to a leader who

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faces audience costs – resolve is credible only if the elite are culpable; and the enemy is willing to concede only if the stakes are not too high.

The statistical results show that as a first test there is support for that the mechanism of elite culpability. The effect of domestic politics on leader behavior in war hinges with elite culpability. And further, the effect of domestic pressure in dictatorships is the same as the effect of domestic pressure in democracies when the elite are not culpable – war initiation is more likely, regardless of regime type. However, as a strong limitation, a more accurate coding of elite culpability for foreign policy might provide for better results.

The role of the elite and who has political responsibility for foreign policymaking raises new questions, and speaks to those interested in the design of political institutions. While Powell (2000) argues that when responsibility for domestic policy can enhance accountability, and encourage good outcomes for the domestic public, my results here suggest that high clarity of responsibility – when the executive or dictator makes foreign policy alone – can have detrimental effects for public welfare. It might be nice to examine how high or low clarity of responsibility in dictatorships, as well as democracies, affects domestic and foreign policy. Power sharing increases the difficulties in policymaking for the Iraqis, and may as Powell argues, increases the difficulty for the public to hold politicians accountable. However, shared power between the Shia, Sunni, and Baathist parties might also mitigate the potential for a diversionary war in this emerging democracy, and with considerable research that argues that emerging nascent democracies might be the most dangerous internationally, it might behoove policymakers to encourage power sharing for countries where regional stability is at stake.

# 7 Appendix

## 7.1 Additional Proofs

*Proof of Proposition 1.* When $p \leq p_1$, both leaders back down and the enemy resists, $\omega_E = \omega_D = -a - b$. By Lemma 1, the elite endorse when $R = 0$, and when $R = 1$ the elite endorse if $d \geq 1 - 2s(-a - b)$ and dissent otherwise. Since this depends on type, for the elite to endorse both types of leaders $d \geq 1 - 2s(-a)$ is the binding condition, and to dissent to both types of leaders $d < 1 - 2s(-a - b)$ is the binding condition. When $p > p_2$ and $x > x^*$, both leaders escalate, the enemy resists, $\omega_E = \omega_D = px - c$. By Lemma 1, the elite endorse when $R = 0$, and when $R = 1$ the elite endorse if $d \geq 1 - 2s(px - c)$. When $p > p_2$ and $x \leq x^*$, both leaders escalate, the enemy concedes, $\omega_E = \omega_D = x$. By Lemma 1, the elite endorse when $R = 0$, and when $R = 1$ the elite endorse if $s(x) \geq \frac{1-d}{2}$, which is satisfied for all $d > 0$ since $s(x) > \frac{1}{2} > \frac{1-d}{2}$. $\square$

*Proof of Proposition 2.* Given the enemy's resistance when the stakes are high, $\omega_E = \omega_D = px - c$ if the leader is biased, and $\omega_E = \omega_D = -a$ if the leader is unbiased. By Lemma 1, when $R = 0$ the elite endorse and this forms an uninformative equilibrium.

When $R = 1$, the elite dissent to the *biased* leader if $s(px - c) < \frac{1-d}{2}$, and dissent to the *unbiased* leader if $s(-a) < \frac{1-d}{2}$. Therefore the elite dissent *to both* leaders if $\max\{s(px - c), s(-a)\} < \frac{1-d}{2}$, and the binding condition for an uninformative *dissent* strategy to be in equilibrium is $s(-a) < \frac{1-d}{2}$ since $s(-a) > s(px - c)$ when $p < p_2$. Similarly, the elite *endorse both* leaders if $\min\{s(px - c), s(-a)\} \geq \frac{1-d}{2}$, and therefore the binding condition for an uninformative endorse strategy is $s(px - c) \geq \frac{1-d}{2}$.

When $s(px - c) < \frac{1-d}{2}$ and $s(-a) \geq \frac{1-d}{2}$, the elite will dissent to the biased leader and endorse the unbiased leader. The elite prefer this informative strategy if $s(-a) \geq \frac{1-d}{2} > s(px - c)$, which requires that $s(-a) > s(px - c)$. Since $s(-a) > s(px - c)$ when $p < p_2$, this is an equilibrium. To see that it is not an equilibrium for the elite to endorse the biased leader and dissent to the unbiased leader, note that the elite prefer this strategy if $s(-a) < \frac{1-d}{2} \leq s(px - c)$, which requires that $s(-a) < s(px - c)$ – which is false since $s(-a) > s(px - c)$ when $p < p_2$. $\square$

*Proof of Proposition 4. Case a. Informative:* Suppose there is an equilibrium in which the elite endorse the unbiased leader and dissent to the biased leader in a low stakes crisis. When the enemy observes endorse, the enemy updates its beliefs and believes the leader is unbiased, $\mu_E = 0$, therefore the enemy resists. When the enemy observes dissent, the enemy updates its beliefs and believes that the leader is biased, $\mu_D = 1$: the enemy concedes if $1 \geq \frac{x}{px+c}$, which is if $px + c \geq x$ or in other words when $x \leq x^*$. Therefore, in low stakes crises the enemy resists after endorse

and concedes after dissent. Since the biased leader will escalate and the unbiased leader will back down, $\omega_{E|b>0} = px - c$, $\omega_{E|b=0} = -a$, and $\omega_D = x$.

The elite dissent to the biased leader if:

$$1 - s(x) + x - d > (1 - R)[1 - s(px - c)] + Rs(px - c) + px - c, \qquad (5)$$

and endorse the unbiased leader if:

$$1 - s(x) + x - d \leq (1 - R)[1 - s(-a)] + Rs(-a) - a. \qquad (6)$$

For this to be an equilibrium, the inequalities in (5) and (6) must hold independently and both must hold simultaneously. When $R = 0$, inequality (5) holds if:

$$1 - s(x) + x - d > 1 - s(px - c) + px - c$$
$$d < s(px - c) - s(x) + x - (px - c).$$

Since $d > 0$, it must be true that $s(px - c) - s(x) + x - (px - c) > 0$ for this to be an equilibrium, which is true if:

$$\frac{s(x) - s(px - c)}{x - (px - c)} < 1. \qquad (7)$$

Condition (7) requires that behavior be *patriotically-motivated* – at least when deciding between concessions vs. war. I make the stronger assumption that behavior must be consistently motivated over all possible outcomes given by the following definition.[29]

**Definition.** *Consistent Motivations* exist if for any $\{\omega_1, \omega_2\} \in \Omega$ where $\omega_1 > \omega_2$, $\frac{s(\omega_1) - s(\omega_2)}{\omega_1 - \omega_2} > 1$, or $\frac{s(\omega_1) - s(\omega_2)}{\omega_1 - \omega_2} = 1$, or $\frac{s(\omega_1) - s(\omega_2)}{\omega_1 - \omega_2} < 1$.

To continue, the inequality in (6) holds if:

$$d \geq s(-a) - s(x) + x + a.$$

Since the elite must be consistently (patriotically) motivated, and $s(x) - s(-a) < x + a$ implies $s(-a) - s(x) + x + a > 0$, this inequality is satisfied if dissent is sufficiently costly, $d \geq s(-a) - s(x) + x + a$.

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[29]The condition in (7) technically only requires that behavior be patriotically-motivated when considering concessions vs. war. I make the stronger assumption, which removes one equilibrium possibility. There is reason to think that relaxing this assumption may be appropriate. For example, Fey and Goemans (2009) assume a logistic utility function: if utility is given by support for office, then a logistic utility means behavior is primarily patriotically-motivated for high and low country outcomes, but office-motivated for outcomes in between.

Inequalities (5) and (6) hold simultaneously if:

$$1 - s(px - c) + px - c < 1 - s(-a) - a$$
$$s(-a) - s(px - c) < -a - (px - c)$$
$$\frac{s(-a) - s(px - c)}{-a - (px - c)} < 1,$$

which is if behavior is patriotically-motivated.

Therefore, when $R = 0$, this is an equilibrium if elite behavior is patriotically-motivated and $d \geq s(-a) - s(x) + x + a$.

When $R = 1$, inequality (5) holds if:

$$d < 1 - s(x) - s(px - c) + x - (px - c).$$

Since $x - (px - c) > 0$, this is satisfied for some $d > 0$ if $1 - s(x) > s(px - c)$, which is whenever the odds of unseating a leader who obtains a low stake concession is better than shared credit for a low stakes war.

Inequality (6) holds if:

$$d \geq 1 - s(x) - s(-a) + x + a.$$

This is satisfied for $d > 0$ if $s(-a) > 1 - s(x)$, which is whenever shared credit for backing down is better than the odds of unseating a leader who obtains a low stake concession.

Inequalities (5) and (6) hold simultaneously if:

$$s(px - c) + px - c < s(-a) - a,$$

which is always true since $p < p_2$ implies $s(-a) > s(px - c)$ and $-a > px - c$. Therefore, this is an equilibrium when $R = 1$.

**Lemma 3.** *When $p_1 < p \leq p_2$ and $x \leq x^*$, the elite endorse the unbiased leader and dissent to the biased leader, the enemy resists after endorse with beliefs $\mu_E = 0$ and concedes after dissent with beliefs $\mu_D = 1$, the unbiased leader backs down and the biased leader stands firm:*

- *when $R = 0$ for $x$ such that $1 - s(px - c) + px - c < 1 - s(x) + x - d \leq 1 - s(-a) - a$ if $d \geq s(-a) - s(x) + x + a$, $\frac{s(x) - s(px - c)}{x - (px - c)} < 1$ and $\frac{s(-a) - s(px - c)}{-a - (px - c)} < 1$;*

- *when $R = 1$ for $x$ such that $s(px - c) + px - c < 1 - s(x) + x - d \leq s(-a) - a$.*

*Case b. Reversed Informative:* Suppose there is an equilibrium in which the elite dissent to the unbiased leader and endorse the biased leader in a low stakes crisis.

When the enemy observes dissent, the enemy believes the leader is unbiased, $\mu_D = 0$, therefore the enemy resists. When endorse is observed, the enemy believes that the leader is biased, $\mu_E = 1$, and as in the previous case when $x \leq x^*$ the enemy concedes. Therefore, the enemy resists after dissent and concedes after endorse.

The elite dissent to the unbiased leader if:

$$(1 - R)[1 - s(x)] + Rs(x) + x < 1 - s(-a) - a - d. \tag{8}$$

and endorse the biased leader if:

$$(1 - R)[1 - s(x)] + Rs(x) + x \geq 1 - s(px - c) + px - c - d. \tag{9}$$

When $R = 0$, inequality (8) holds if:

$$d < s(x) - s(-a) - x - a.$$

Since $d > 0$, this requires:

$$0 < s(x) - s(-a) - x - a$$
$$s(x) - s(-a) > x - (-a)$$
$$1 < \frac{s(x) - s(-a)}{x - (-a)}.$$

Behavior must be office-motivated. To see that this is not an equilibrium, note that inequalities (8) and (9) hold simultaneously if:

$$1 - s(px - c) + px - c - d < 1 - s(-a) - a - d$$
$$s(-a) - s(px - c) < -a - (px - c)$$
$$\frac{s(a) - s(px - c)}{-a - (px - c)} < 1.$$

Behavior must be patriotically-motivated. Since behavior cannot be office-motivated when considering concessions vs. backing down and patriotically-motivated when considering backing down vs. war, this contradicts the consistent motivations requirement and is not an equilibrium when $R = 0$.[30]

When $R = 1$, inequality (8) holds if:

$$d < 1 - s(-a) - s(x) - x - a.$$

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[30]If Consistent Motivations is not required, then two things are true: first, this forms an equilibrium when $R = 0$ for $x$ such that $1 - s(px - c) + px - c - d \leq 1 - s(x) + x < 1 - s(-a) - a - d$. Second, the unbiased leader and elite must be risk seeking given that their utility functions are convex, since $\frac{s(a) - s(px - c)}{-a - (px - c)} < 1$ and $\frac{s(x) - s(-a)}{x - (-a)} > 1$ (note: the biased leader may or may not be).

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This is possible for some $d > 0$ if $1 > s(-a) + s(x) + x - (-a)$; and since $1 > s(-a) + s(x)$ this is possible if the difference between concessions $x$ and backing down $-a$ is small.

Inequality (9) holds if:

$$d \geq 1 - s(px - c) - s(x) - x + px - c,$$

which is satisfied for $d > 0$ as long as any one of the following is large enough: $x$, $s(x)$, or $s(px - c)$. Inequalities (8) and (9) hold simultaneously if:

$$1 - s(px - c) + px - c - d < 1 - s(-a) - a - d$$
$$\frac{s(-a) - s(px - c)}{-a - (px - c)} < 1,$$

behavior is patriotically-motivated and this is an equilibrium when $R = 1$.

**Lemma 4.** *When $p_1 < p \leq p_2$, $x \leq x^*$, there is an equilibrium in which the elite dissent to the unbiased leader and endorse the biased leader, the enemy resists after dissent with beliefs $\mu_D = 0$, and concedes after endorse with beliefs $\mu_E = 1$, the unbiased leader backs down, and the biased leader stands firm when $R = 1$ for $x$ such that $1 - s(px - c) + px - c - d \leq s(x) + x < 1 - s(-a) - a - d$ if $\frac{s(-a) - s(px - c)}{-a - (px - c)} < 1$.*

The uninformative equilibrium described in the main text and Lemmas 3 and 4 establish Proposition 4. $\qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad\qquad\square$

*Multiple non-mutually exclusive equilibria exist when $R = 1$ for $x \leq x^*$. Cases a. and b. are mutually exclusive for $R = 1$...*

When $R = 1$, the equilibrium in case a. (described in Lemma 4.a.) requires that $d \geq 1 - s(x) - s(-a) + x + a$ and $d < 1 - s(x) - s(px - c) + x - (px - c)$. Let these thresholds be represented by $d_{a.low}$ and $d_{a.high}$ respectively, so that this equilibrium is possible only if $d_{a.low} \leq d < d_{a.high}$. Case b. (described in Lemma 4.b.) requires that $d \geq 1 - s(px - c) - s(x) - [x - px - c]$ and $d < 1 - s(x) - s(-a) - x - a$. Let these thresholds be represented by $d_{b.low}$ and $d_{b.high}$ respectively, so that this equilibrium is possible only if $d_{b.low} \leq d < d_{b.high}$. Since $1 - s(x) - s(-a) - x - a < 1 - s(x) - s(-a) + x + a$, we know that $d_{b.high} < d_{a.low}$. Therefore, $d_{b.low} < d_{b.high} < d_{a.low} < d_{a.high}$, and thus cases a. (truthful equilibrium) and b. (reverse truth equilibrium) are mutually exclusive equilibria when $R = 1$.

*...but uninformative cases are not mutually exclusive from cases a. and b.*

Beyond that, we cannot argue that uninformative cases are mutually exclusive as well. To see this, note that by Lemma 2.b. an uninformative dissent equilibrium exists when $d < 1 - 2s(-a)$. This equilibrium does not overlap with cases a. and b.

if $1 - 2s(-a) < d_{b.low}$:

$$1 - 2s(-a) < 1 - s(px - c) - s(x) - [x - px - c]$$
$$2s(-a) > s(px - c) + s(x) + [x - px - c].$$

Although this is plausible, it is not guaranteed and would require further assumption. Also described in Lemma 2.b., an uninformative endorse equilibrium exists when $d \geq 1 - 2s(px - c)$. This equilibrium does not overlap with cases a. and b. if $1 - 2s(px - c) > d_{a.high}$:

$$1 - 2s(px - c) > 1 - s(x) - s(px - c) + x - (px - c)$$
$$2s(px - c) < s(x) + s(px - c) - x + (px - c)$$
$$x - (px - c) < s(x) - s(px - c)$$
$$1 < \frac{s(x) - s(px - c)}{x - (px - c)},$$

which is if behavior is office-motivated for concessions vs. war. However, since office-motivations over concessions vs. war is not required in either case a. nor case b. I cannot argue that this overlap is not possible. $\square$

*Low stakes are higher when $R = 0$ than when $R = 1$.* To see that there are higher stakes when in Part 4. Case a.: The requirement on $x$ for this to be an equilibrium when $R = 0$, $1 - s(px - c) + px - c < 1 - s(x) + x - d \leq 1 - s(-a) - a$, can be rewritten as

$$1 - s(px - c) + px - c - [1 - s(x) - d] < x \leq 1 - s(-a) - a - [1 - s(x) - d].$$

Similarly, this requirement when $R = 1$, $s(px - c) + px - c < 1 - s(x) + x - d \leq s(-a) - a$, can be rewritten as

$$s(px - c) + px - c - [1 - s(x) - d] < x \leq s(-a) - a - [1 - s(x) - d].$$

Since $s(-a) < \frac{1}{2}$, $1 - s(-a) > \frac{1}{2}$, the upper bound defining the range of acceptable $x$ when $R = 1$ is lower than the upper bound when $R = 0$. Similarly, since $s(px - c) < s(-a)$ when $p < p_2$ we know that $s(px - c) < 1 - s(px - c)$, and therefore the lower bound defining the range of acceptable $x$ when $R = 1$ is lower than the lower bound when $R = 0$. The equilibrium when $R = 0$ in which the elite dissent to the biased leader and endorse the unbiased leader can involve higher stakes than the equilibrium when $R = 1$.
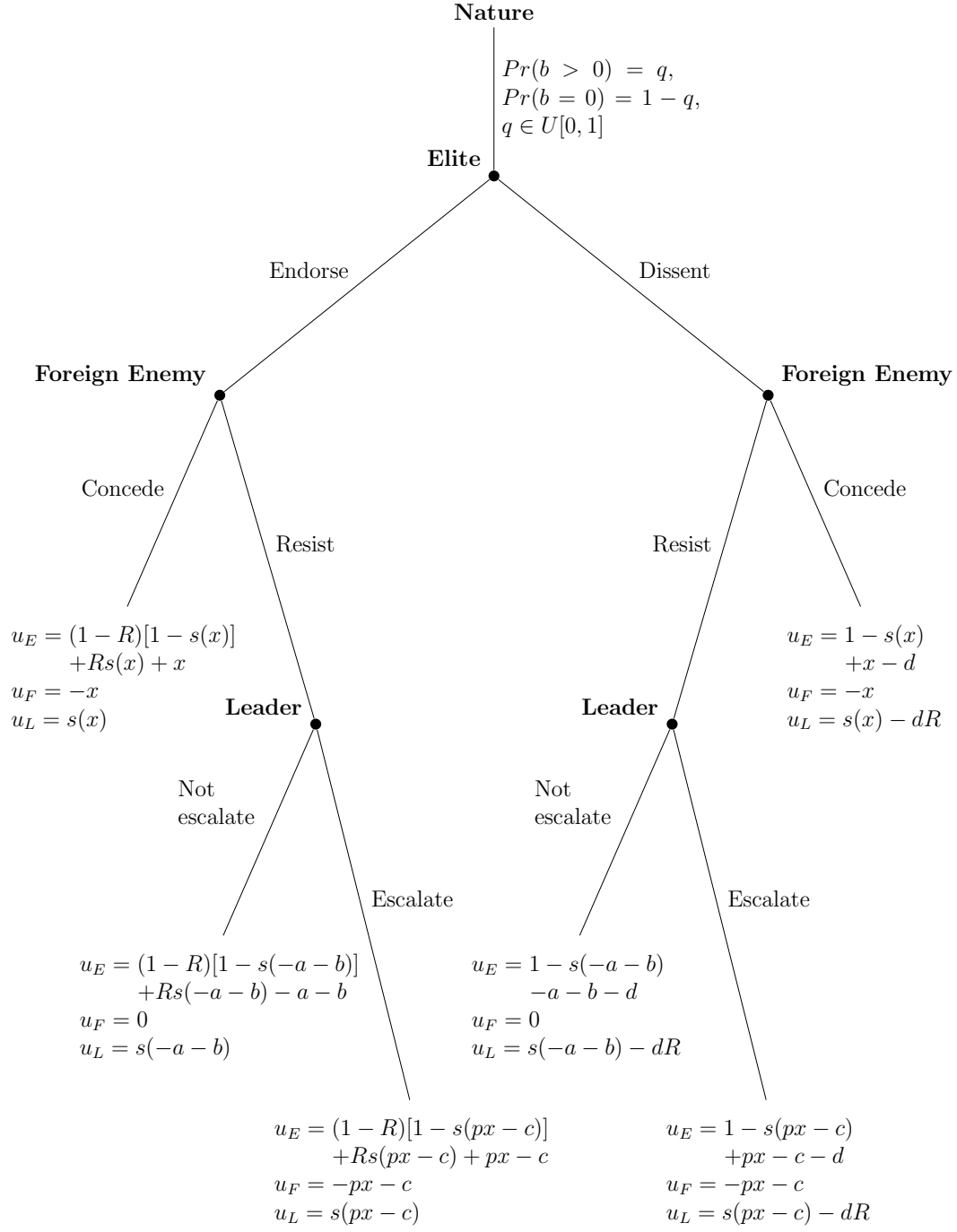
To see that there are higher stakes when in Part 4. Case b.: The requirement on $x$ for this to be an equilibrium when $R = 0$, $1 - s(px - c) + px - c - d \leq 1 - s(x) + x <$

$1 - s(-a) - a - d$, can be rewritten as

$$1 - s(px - c) + px - c - d - [1 - s(x)] \leq x < 1 - s(-a) - a - d - [1 - s(x)].$$

Similarly, this requirement when $R = 1$, $1 - s(px - c) + px - c - d \leq s(x) + x < 1 - s(-a) - a - d$, can be rewritten as

$$1 - s(px - c) + px - c - d - s(x) \leq x < 1 - s(-a) - a - d - s(x).$$

Since $s(x) > \frac{1}{2}$, $1 - s(x) < \frac{1}{2}$, the upper bound defining the range of acceptable $x$ when $R = 1$ is lower than the upper bound when $R = 0$ and the lower bound when $R = 1$ is lower than the lower bound when $R = 0$. The equilibrium when $R = 0$ in which the elite dissent to the unbiased leader and endorse the biased leader can involve higher stakes than the equilibrium when $R = 1$. $\square$

## 7.2 Tables and Figures

**Nature**

$Pr(b > 0) = q,$
$Pr(b = 0) = 1 - q,$
$q \in U[0, 1]$

**Elite**

Endorse

Dissent

**Foreign Enemy**

**Foreign Enemy**

Concede

Resist

Resist

Concede

$u_E = (1 - R)[1 - s(x)]$
$\quad + Rs(x) + x$
$u_F = -x$
$u_L = s(x)$

$u_E = 1 - s(x)$
$\quad + x - d$
$u_F = -x$
$u_L = s(x) - dR$

**Leader**

**Leader**

Not
escalate

Not
escalate

Escalate

Escalate

$u_E = (1 - R)[1 - s(-a - b)]$
$\quad + Rs(-a - b) - a - b$
$u_F = 0$
$u_L = s(-a - b)$

$u_E = 1 - s(-a - b)$
$\quad - a - b - d$
$u_F = 0$
$u_L = s(-a - b) - dR$

$u_E = (1 - R)[1 - s(px - c)]$
$\quad + Rs(px - c) + px - c$
$u_F = -px - c$
$u_L = s(px - c)$

$u_E = 1 - s(px - c)$
$\quad + px - c - d$
$u_F = -px - c$
$u_L = s(px - c) - dR$

Figure 1: Stylized Model
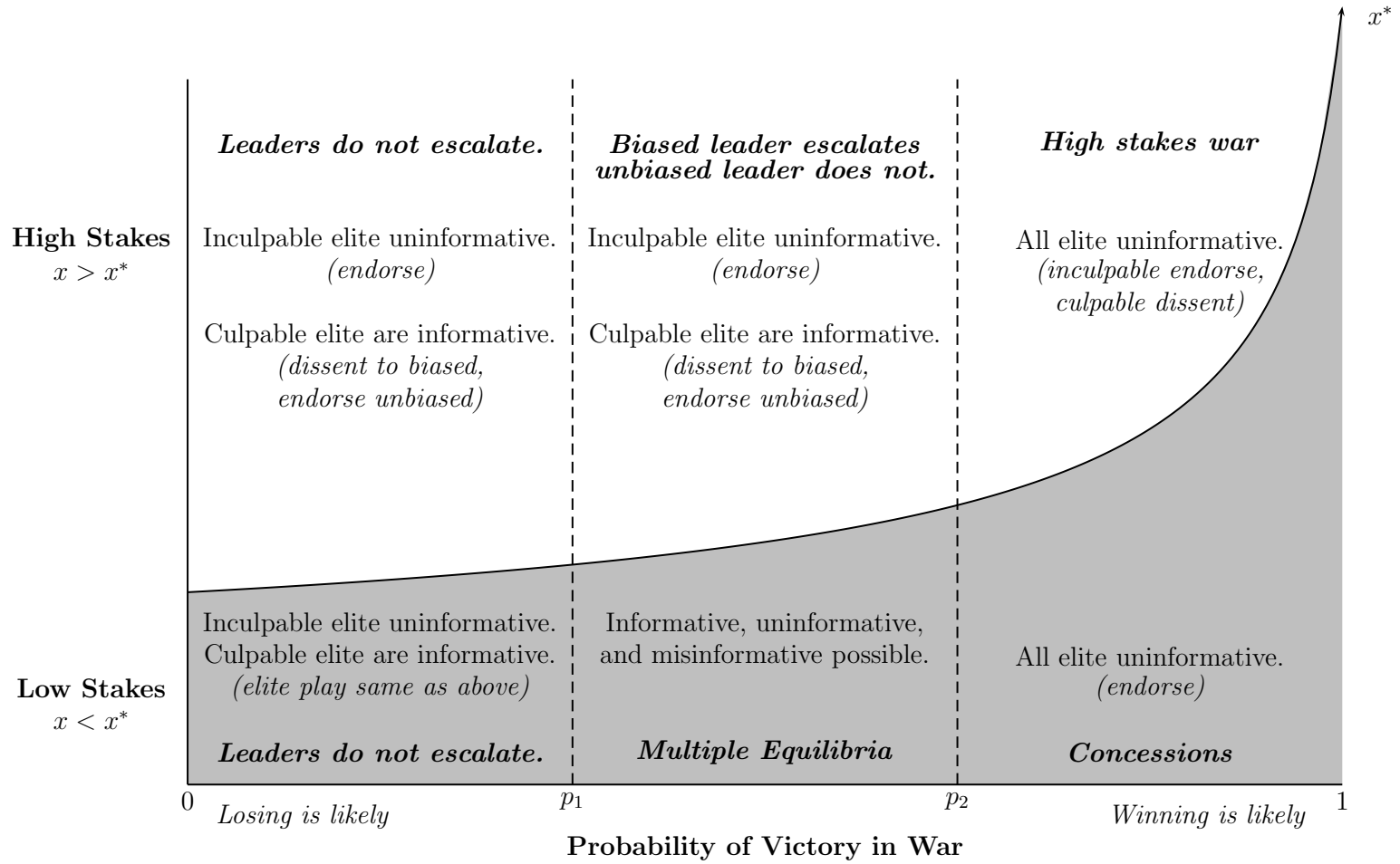
Figure 2: Equilibrium Outcomes

[a]

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[a]Equilibria are shown for moderate costs of dissent. For $p < p_1$, $1 - 2s(-a) < d < 1 - 2s(-a-b)$; for $p > p_1$, $1 - 2s(-a) < d < 1 - 2s(px - c)$. Lower costs encourage dissent and higher costs encourage endorsement everywhere.

|                  | **No Power Sharing**<br>**Non-culpable Elite**                          | **With Power Sharing**<br>**Culpable Elite**                            |
| ---------------- | ---------------------------------------------------------------------- | ---------------------------------------------------------------------- |
| **Responsibility** | One actor is makes policy.<br>High Clarity of Responsibility         | Multiple actors make policy.<br>Low Clarity of Responsibility          |
| **Elite Behavior** | Do not investigate.<br>Uninformative signal.                        | Investigate policy.<br>Informative signal.                             |
| **Accountability** | Public must wait and see.<br>Assigned blame or credit<br>to leader. | Public uses cues from the elite.<br>Assign blame or credit<br>to all policymakers. |

Table 1: Variation in Institutionalized Policy-making Power

|  | No Power Sharing | With Power Sharing |
|---|---|---|
| **Theory** | Diversionary Wars Hold | Audience Costs Hold |
|  | Audiences compel leaders toward war as leaders seek full credit. Elite isolate the leader. | Audiences constrain leaders from war as leaders and elite share credit. Elite constrain the leader. |
| **Domestic Pressure** | Increases War | Decreases War |

Table 2: Direction of the Effect of Domestic Pressure

|  | **No Power Sharing** | **With Power Sharing** |
|---|---|---|
| **Dictators** | One leader with full policy control | Political power shared with religious, military, or political elite |
| **Presidents** | Executive Dominance Single Party Dominance | Congressional Checks and Balances Opposition Parties with Power |
| **Prime Ministers** | Majoritarian systems | Proportional Representation Coalition Governments |

Table 3: Variation Within and Across Regime Types

|                        | **Non-Culpable Elite** | **Culpable Elite** |
| ---------------------- | :--------------------: | :----------------: |
| **Expected Effect:**   |           +            |         -          |
| Audience Costs         |       .1025**          |     -.2723***      |
|                        |       (.0961)          |      (.0549)       |
| Polity                 |       .4917***         |       .0083        |
|                        |       (.0104)          |      (.0098)       |
| Log-likelihood         |      -623.4094         |     -657.2743      |
| N =                    |         1201           |        1571        |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ | | |

Table 4: The Effect of Elite Culpability on War Initiation

|  | Non-Culpable Elite | Culpable Elite |
|---|---|---|
| **Expected Effect:** | + | - |
| Audience Costs | .3054** | -.2218 |
|  | (.1587) | (.1488) |
| Polity | -.0027 | -.0313 |
|  | (.0219) | (.0253) |
| Log-likelihood | -205.3115 | -144.1048 |
| N = | 1194 | 1571 |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ | | |

Table 5: The Effect of Elite Culpability on War Initiation

|  | Estimate | Std. Error | t value | p value |
| --- | --- | --- | --- | --- |
| Polity | .0299*** | .0071 | 4.22 | 0.000 |
| Audience Costs | -.1350*** | .0350 | -3.85 | 0.000 |
| Capabilities | -.3527** | .1447 | -2.44 | 0.015 |
| Economic Growth | .0001*** | .0000 | 6.60 | 0.000 |
| Civil War | -.0237* | .0131 | -1.8 | 0.072 |
| Ongoing War | 2.128*** | .8564 | 2.48 | 0.013 |
| Median Tenure | .4213*** | .0557 | 7.56 | 0.00 |
| Peace Days | -.0001** | .0000 | -2.15 | 0.032 |
| Constant | -6.0641*** | 1.4102 | -4.33 | 0.000 |
| Log-likelihood | -1300.617 |  |  |  |
| N = | 3773 |  |  |  |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ |  |  |  |  |

Table 6: Logit Results for Probability of War Initiation (All cases)

|  | Estimate | Std. Error | t value | p value |
|---|---|---|---|---|
| Polity | .4917*** | .0104 | 4.71 | 0.000 |
| Audience Costs | .1025** | .0961 | 1.07 | 0.028 |
| Capabilities | .43364 | .25747 | 1.684 | 0.131 |
| Economic Growth | .0000*** | .0000 | 2.99 | 0.003 |
| Civil War | -.0313** | .0159 | -1.97 | 0.049 |
| Ongoing War | 1.9441** | .8708 | 2.23 | 0.026 |
| Median Tenure | .3582*** | .6869 | 5.21 | 0.000 |
| Peace Days | -.0000 | .0000 | -1.36 | 0.173 |
| Constant | -.1927*** | .2074 | -4.78 | 0.000 |
| Log-likelihood | -623.4094 | | | |
| N = | 1201 | | | |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ | | | | |

Table 7: Logit Results for Probability of War Initiation (Elite Not Culpable)

|                  | Estimate   | Std. Error | t value | p value |
|------------------|-----------|------------|---------|---------|
| Polity           | .0083     | .0098      | 0.84    | 0.398   |
| Audience Costs   | -.2723*** | .0549      | -4.95   | 0.011   |
| Capabilities     | -.4149*** | .1635      | -2.54   | 0.011   |
| Economic Growth  | .0002***  | .0000      | 6.08    | 0.000   |
| Civil War        | -.0240    | .0238      | -1.01   | 0.313   |
| Median Tenure    | .6634***  | .1089      | 6.09    | 0.000   |
| Peace Days       | -.0000    | .0000      | -1.18   | 0.236   |
| Constant         | -.1776    | .1955      | -0.91   | 0.363   |
| Log-likelihood   | -657.2743 |            |         |         |
| N =              | 1571      |            |         |         |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ | | | | |

Table 8: Logit Results for Probability of War Initiation (Elite Culpable)

|  | Estimate | Std. Error | t value | p value |
|---|---|---|---|---|
| Polity | -.0118 | .0166 | -0.71 | 0.477 |
| Audience Costs | -.1451*** | .0864 | -1.68 | 0.001 |
| Capabilities | -.1051 | .3507 | -0.30 | 0.764 |
| Economic Growth | .0001*** | .0000 | 2.83 | 0.005 |
| Civil War | .0185 | .0253 | 0.73 | 0.464 |
| Ongoing War | .2984*** | .0518 | 5.764 | 0.000 |
| Median Tenure | .3696*** | .1129 | -1.68 | 0.001 |
| Peace Days | .0000 | .0000 | 0.01 | 0.990 |
| Constant | 1.946 | 3.298 | 0.59 | 0.555 |
| Log-likelihood | -354.4221 | | | |
| N = | 3765 | | | |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ | | | | |

Table 9: Logit Results for Probability of War Onset (All cases)

|                  | Estimate  | Std. Error | t value | p value |
|------------------|-----------|------------|---------|---------|
| Polity           | -.0027    | .0219      | -0.12   | 0.902   |
| Audience Costs   | .3054**   | .1587      | 1.92    | 0.054   |
| Economic Growth  | .0001***  | .0000      | 2.69    | 0.007   |
| Civil War        | .0026     | .0312      | 0.08    | 0.934   |
| Median Tenure    | .3578***  | .0001      | 2.76    | 0.006   |
| Peace Days       | .0000     | .0000      | 0.00    | 0.996   |
| Constant         | .8787     | .4267      | 0.02    | 0.984   |
| Log-likelihood   | -205.3115 |            |         |         |
| N =              | 1194      |            |         |         |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ | | | | |

Table 10: Logit Results for Probability of War Onset (Elite Not Culpable)

|  | Estimate | Std. Error | t value | p value |
|---|---|---|---|---|
| Polity | -.0313 | .0253 | -1.24 | 0.215 |
| Audience Costs | -.2218 | .1488 | -1.49 | 0.136 |
| Capabilities | -.0734 | .4163 | -0.18 | 0.860 |
| Economic Growth | .0000 | .0000 | 1.10 | 0.273 |
| Civil War | .0474 | .0467 | 1.01 | 0.311 |
| Median Tenure | .2551 | .2785 | 0.92 | 0.360 |
| Peace Days | .0000 | .0001 | 0.07 | 0.947 |
| Constant | -.5855 | .5030 | 1.16 | 0.244 |
| Log-likelihood | -144.1048 | | | |
| N = | 1571 | | | |
| Legend: * $p < .10$; ** $p < .05$; ***$p < .01$ | | | | |

Table 11: Logit Results for Probability of War Onset (Elite Culpable)

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