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Rivalry and Diversionary Uses of Force

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Scholars have argued for some time that the rally 'round the flag phenomenon creates incentives for political leaders to use military force to divert attention away from domestic turmoil. It is hypothesized that a state’s strategic or historical context conditions its use of military force abroad, and that the probability of diversionary uses of force is higher in opportunity-rich environments of enduring rivalry. Empirical analyses lend support to this hypothesis, showing that high levels of inflation increase the probability of militarized dispute initiation in settings of rivalry but actually decrease it in nonrival settings. However, the results are contingent on the regime type of the potential initiator. Consistent with recent strategic models of diversion, the analyses demonstrate that although democratic leaders have the greatest incentives to divert, they have fewer opportunities to do so due to the transparency of their regimes.

Keywords: interstate conflict; diversionary theory; rivalry; MID initiation

The terrorist attacks on the World Trade Center and the Pentagon in 2001 revealed the extent to which the public rallies around its leader in times of crisis. George Bush’s approval ratings increased to more than 80% following the attack, and a large majority of Americans supported the use of militarized force for retaliation. An interesting question is whether a rally around the flag effect creates incentives for leaders to use force in general. Some scholars have argued that diversionary uses of force are attractive to leaders because they can increase a leader’s public support and potentially his or her tenure in office.

We contend that diversionary behavior is conditional on the strategic and historical relationship among states. We expect the use of force to be more strongly tied to domestic political conditions in certain types of environments. Some states have very few opportunities for diversionary uses of force, even if domestic conditions worsen,

1. In fact, the increase in President Bush’s approval rating represents the largest rally effect in Gallup poll history [Gallup Organization Web site, (www.gallup.com), September 19, 2001]. We are certainly not suggesting that the Bush administration created this attack to increase public approval; rather, we are offering this as an example of how strong the rally ‘round the flag effect can be.

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whereas others operate in opportunity-rich environments. To date, many studies have concentrated on uses of force by the United States, a state that may have ample opportunities to use force. When we generalize diversionary arguments to a cross-national context, however, we must take into account the environment in which decision makers operate. We believe that states involved in enduring rivalries can more easily justify the use of force when domestic turmoil is high. Our study thus helps to account for a puzzle in the diversionary literature; many studies focusing on the United States and Great Britain find clear evidence of an increased likelihood in the use of force when domestic turmoil is high, whereas most cross-national studies find little or no evidence linking domestic economic and political conditions to the use of force. We believe that the latter sample contains many states with little or no opportunity to use force and that controlling for rivalry is one useful way to capture the variance in states’ security environments.

We develop a model of diversionary uses of force that takes this broader environment into account. We also argue, consistent with recent formal models on diversion, that democratic states have the greatest incentives to use diversionary force but are faced with the fewest opportunities to do so (e.g., Smith 1996). Potential adversaries hold strong beliefs about democratic states’ willingness to stand firm in crises when domestic turmoil is high; the transparency of democratic regimes reduces the number of opportunities for diversionary force, even in highly competitive environments, such as enduring rivalry. On the other hand, we argue that nondemocratic states’ use of force against their rivals is well timed; they take advantage of opportunities when domestic conditions are poor to improve their standing at home. Paradoxically, then, the initiation of diversionary force by nondemocratic regimes fits the pattern that we have expected traditionally from democratic states.

The study is organized as follows. First, we summarize the primary theoretical arguments in the diversionary use of force literature. Second, we argue that opportunity-rich environments, such as rivalry, offer a more appropriate environmental setting from which to test diversionary theory predictions. Our primary hypothesis is that domestic turmoil will be more likely to result in the use of militarized force by states in opportunity-rich environments of rivalry. Analysis of directed-dyadic, militarized dispute data provides support for our hypothesis, demonstrating that rivals are more likely to initiate the use of force when the inflation rate is high, but states uninvolved in enduring rivalries are actually less likely to use force when economic conditions worsen. But we demonstrate that this effect is driven largely by the diversionary behavior of nondemocratic regimes; democracies are no more or less likely to initiate force against their rivals when inflation levels rise. Our results illustrate why we must consider the international environment in which states operate when evaluating diversionary theories of conflict in cross-national settings and that regime type plays an important conditioning role in diversionary uses of force.

2. Scholars have identified a wide variety of factors that make the diversionary use of force more attractive, including a poorly performing economy, a high level of internal conflict, and electoral periods.
DIVERSIONARY USES OF FORCE

State leaders have a strong desire to remain in office, and their chances of doing so depend on their ability to manage domestic and foreign policies. The notion of using force to divert attention away from domestic problems stems from the sociological literature on in-groups and out-groups (e.g., Coser 1956). When faced with a threat from an external source, individual members of a group tend to become more cohesive and supportive of their leader. A plethora of empirical studies find evidence of a rally around the flag effect (e.g., Mueller 1973), or an increase in a leader’s popularity during an international crisis. Because leaders know that the public is more likely to rally around them when faced with an external threat, they have incentives to draw attention to their enemies, perhaps through the use of militarized force.

Given the rally effect, leaders who face domestic discontent may engage in international conflict to generate events that obscure problems being experienced at home (Ward and Widmaier 1982). Such manipulation is also designed, particularly in democratic states, to demonstrate leadership skills and competency in governing. Indeed, risky foreign policy moves may be used by politically threatened governments to boost their flagging poll ratings by solidifying public support prior to an election (Ward and Widmaier 1982; Stoll 1984; Levy 1989). Furthermore, belligerent foreign policies may offer elites a way to rationalize their control over the levers of the state (see Schumpeter 1939; Levy 1989).

Although early research (e.g., Rummel 1963) that focused on the relationship between internal conflict (such as protests, riots, civil wars, etc.) and external conflict (interstate war) found very little support for diversionary behavior, more recent empirical evidence does tend to suggest at least some externalization by political elites (see, e.g., Ward and Widmaier 1982; Stoll 1984; Ostrom and Job 1986; James and Oneal 1991; Morgan and Bickers 1992; DeRouen 1995; Enterline and Gleditsch 2000). These more recent studies focus less on domestic violence and more on political and economic weakness, such as high inflation and unemployment, slow economic growth, and low (general or partisan) approval ratings. This newer research also focuses heavily on electoral periods. Evidence uncovered by Lebow (1981), for example, shows crisis initiation and escalation to be related to domestic discontent. Stoll (1984) concluded that in the United States at least, presidential uses of force were targeted toward the electoral calendar. Other studies have found some indication of a partisan effect. Morgan and Bickers (1992) and James and Hristoulas (1994) both discovered that political opposition was associated with diversionary behavior.

3. This is especially true in democratic states, where leaders depend on mass support for reelection.
4. However, this finding is the subject of debate. For example, Lian and Oneal (1993) find no evidence of an empirical rally following the use of force by U.S. presidents. However, even though some rally effects are small, they must be judged against what would have happened to presidential approval in the absence of the external conflict, something very difficult to judge empirically.
5. The manipulation of macroeconomic policy follows a similar logic (Lewis-Beck 1990; Tufte 1978).
Theoretical models of foreign policy decision making also appear to establish elec-
toral incentives for using force abroad (see, e.g., Smith 1996; Richards et al. 1993;
between political elites and the electorate, coupled with the asymmetrical level of
information that often exists when it comes to international affairs, naturally creates
incentives for leaders to manipulate foreign policy events. Smith (1996) reaches a
similar conclusion. In his model, electoral incentives rarely cause a head of state to
behave tentatively. Smith argues that

if foreign policy evaluation is likely to be important at the next election then the range of
international conditions under which intervention occurs increases . . . when the voters’
evaluation of the government’s foreign policy performance affects the outcome of an
election, the model shows that suboptimal foreign policy decisions are made. Since the
government cares, not only about taking the best course of action for the nation, but also
about getting reelected, it is biased towards violent behavior. (p. 147)

As we discuss below, democratic leaders may have strong incentives to engage in vio-
lent behavior to enhance electoral fortunes, but their enemies know this as well, which
ironically creates fewer opportunities for democratic leaders to engage in diversion.

The diversionary literature identifies a variety of domestic factors that increase the
likelihood that a leader will use militarized force. These factors include a leader’s pub-
lic approval, elections, domestic economic conditions, partisan approval, and internal
conflict. Most of the studies focusing on these variables reach the same general con-
cclusion—that a leader is more likely to use force when the state is experiencing domes-
tic turmoil. Such domestic turmoil includes declining levels of general or partisan
approval, worsening economic conditions, and increasing levels of domestic violence.
One limitation of this monadic view of diversionary behavior is that it does not really
capture the international strategic environment well. In the next section, we elaborate
on factors that increase or decrease opportunities to use diversionary force, focusing
on rivalry and regime type.

**OPPORTUNITY FOR DIVERSIONARY USES OF FORCE**

It is not difficult to find historical anecdotes of diversionary behavior, such as the
Crimean War, the Russo-Japanese War, and World War I (Levy 1989). However,
cross-national statistical analysis of the relationship between internal and external conflict has produced very little cumulative knowledge (Levy 1989). Although more recent studies focusing on domestic factors, such as the state of the economy and elections, provide more support for diversionary arguments, these results are not fully consistent even in the U.S. case. For instance, Hess and Orphanides (1995) observed that U.S. conflict behavior increased dramatically as a result of elections and economic downturns (see also Russett 1989, 1990). Yet, Gaubatz (1993) reported that democratic states rarely engage in war around election time. Stoll’s (1984) research, interestingly, can account for both observations if a state of war is controlled for. That is, Stoll found that uses of force declined prior to an election during peacetime, but they slightly increased during wartime. When one broadens the spatial domain beyond uses of force by the United States, evidence for diversionary behavior may be even more questionable (see Leeds and Davis 1997).

Several explanations have been posited to help explain the inconsistencies in the empirical diversionary literature. Some scholars have argued that externalization is only one option leaders may choose in the face of domestic turmoil; other options include repression10 (Enterline and Gleditsch 2000; Gelpi 1997) and resolving international disagreements to free up resources for domestic purposes (Bennett and Nordstrom 2000). Other scholars focus on the differences in diversionary behavior across various regime types (Gelpi 1997; Miller 1995; Russett 1989) or on the influence of the military on a state leader’s decision to use force abroad (Dassell and Reinhardt 1999).

Smith (1996) provides another perspective, contending that selection effects may help to account for the inconsistencies in the empirical relationship between domestic turmoil and the use of militarized force. Leaders, especially democratic ones, have incentives to engage in more adventurous foreign policies when they are experiencing domestic problems. However, their potential adversaries realize this and, as such, are less likely to target them at precisely the time when diversionary tactics would be most beneficial.

Just when a democratic leader most needs opportunities to demonstrate his competence, foreign states that might provide a democrat with a tempting diversionary target have

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9. Some scholars have even concluded that the decision to use military force abroad has little if anything to do with the domestic political conditions of a country (see Meernik and Waterman 1996). Ward and Widmaier (1982), for instance, found little evidence that sustained an externalization argument, and they insisted that the circumstances that would enable a political leader to moderate conflict domestically by using military force abroad are nearly nonexistent.

10. We consider only international options for responding to domestic turmoil. Although such an approach is not uncommon in the diversionary literature, some recent studies have examined both domestic and international policy making in a unified framework. Enterline and Gleditsch (2000, 22), for example, combine arguments from the diversionary and repression literatures, treating diversion and repression as interchangeable policies that can be used in response to domestic problems. They find, however, that "repression and external conflict involvement appear to be largely independent and driven by different challenges. While there is some evidence that domestic conflict increases the likelihood of disputes and that external threat may promote repression, there is little support for the idea of direct substitution in kind since leaders frequently combine both dispute involvement and repression." This evidence for independence between decisions to repress and divert increases our confidence in examining only the diversionary side.
incentives to make themselves unavailable for conflict by avoiding controversial policies that might make them appropriate targets. (Clark 2003, 1017)

Leeds and Davis (1997) find empirical support for this argument. An analysis of 18 industrialized democracies reveals no significant relationship between deteriorating economic conditions, electoral cycles, and the use of militarized force. They do find, however, that democracies are more likely to be targeted when their economy is strong, implying that leaders are careful not to target democratic states at the times when they would be most likely to respond. The conclusion is that democratic leaders have incentives to use diversionary tactics, but they are faced with few opportunities to do so.

Selection effects and opportunity represent two sides of the same coin. To date, most research on diversionary behavior has assumed the probability of military action to be invariant across space and time. Meernik and Waterman (1996, 575) write,

We have no way to evaluate presidential decision making when a use of force was considered, but not utilized. We are forced to assume that presidential decision making in a quarter when no use of force took place is analogous to decision making in a crisis where no force was used.

Focusing on the United States, Meernik (1994) tries to identify instances when a president has incentives to use force but chooses not to. This includes situations in which there is a perceived threat to the territorial security of the United States or its allies, a threat to diplomatic personnel or U.S. citizens abroad, or a threat posed by ideological opponents of the United States (i.e., communists), among others. Meernik identifies 458 opportunities for the United States to use force between 1948 and 1988. His analysis reveals that international factors best predict when a president will use force, given an opportunity to do so. Contrary to Ostrom and Job (1986), he finds that domestic factors, such as the misery index and presidential popularity, have no discernable effect on whether the president will use force.

Meernik’s (1994) study of opportunities is limited to the United States, which makes it difficult to generalize more broadly to other states. “With its status as a superpower and global range of interests, external opportunities for crisis activity always exist for the United States” (James and Hristoulas 1994, 339). Other studies that do broaden the spatial domain (Leeds and Davis 1997) include countries with very different external opportunities. Some of the democratic states in Leeds and Davis’s (1997)
sample, for example, operate in an opportunity-rich environment (Israel), whereas others do not (the Netherlands). If the strategic and historical context of state interaction conditions foreign policy behavior, then the impact of domestic political and economic conditions on elite decision making may only be felt in enduring rivalry settings. Therefore, it is precisely in these types of hostile situations that we should look for evidence of externalization.

However, many formal models of diversionary behavior (especially Smith 1996) suggest that diversionary motives operate differently for democratic and nondemocratic states, which implies that rivalry environments may have differential effects, depending on the regime type of the rival states. Although democratic leaders have the greatest incentives to use diversionary force, they may be faced with the fewest opportunities to do so. The transparency of democratic regimes sends a clear signal to their adversaries about the willingness of such states to stand firm in crises when domestic turmoil is high. One implication of this is that democracies involved in rivalries may find themselves with fewer opportunities to use force against their rival when they have the strongest diversionary pressures to do so. In other words, the findings that democracies are more likely to be targeted in good economic times (Leeds and Davis 1997) may carry over to enduring rivalries that involve democratic states. We turn now to a more elaborate discussion about the context of rivalry and its impact on diversionary uses of force.

THE CONTEXT OF RIVALRY

Historical context cannot be overlooked when evaluating the foreign policy decision making of state leaders. Indeed, the perceptions, misperceptions, and decisions of political elites reflect, in part, the enmity, mutual suspicion, and competitiveness of relations, both at the government and individual levels. The concept of rivalry has emerged, in part, to explain the divergent foreign policy behavior of states with extended adversarial relationships. Hensel (1998, 163) states that we can think of enduring rivals as

actors whose relations are characterized by disagreement or competition over some stakes that are viewed as important, where each perceives that the other poses a significant security threat, and where this competition and threat perception last for substantial periods of time.

What distinguishes rivalry and nonrivalry environments is the presence of competition in rivalry, which increases the chances for militarized conflict.

Rivalry means that the threat is immediate, serious, and may involve military force. Thus, competition in a rivalry . . . has a hostility dimension involving the significant likelihood of the use of military force. (Diehl and Goertz 2000, 24)

Furthermore, we can think of rivalry along a continuum, with isolated rivals at one end, enduring rivals at the other end, and proto rivals in between (Diehl and Goertz 2000; Hensel 1998, 1999).
The empirical record appears to demonstrate quite convincingly that enduring rivals behave very differently than most other states in the international system. According to Goertz and Diehl (1993, 148),

45 percent of militarized disputes take place in the context of enduring rivalries. Enduring rivalries are also the setting for over half of the interstate wars since 1816; the most serious enduring rivalries are almost eight times more likely to experience a war than pairs of states in isolated conflict. 14

Evidence also suggests that crisis bargaining between rival states involves, among other things, a higher level of violence, an inability to resolve the fundamental issues at stake, and an unwillingness to accept outside assistance in settling existing quarrels (Brecher and James 1988; Brecher 1993; Hensel 1998). As such, crises between rival states are more likely to escalate to the level of full-scale war. Goertz (1994, 210) writes, “A rivalry sets the stage for escalating tensions in a dispute to culminate in war. Disputes without a violent past are more likely to be resolved peacefully, or at least without resort to all out force.” Given the small number of enduring rivalries relative to all other dyadic relationships, we see that a large amount of the violent conflict in the international system is accounted for by these hostile and highly competitive relationships.

Enduring rivalries represent a specific type of strategic relationship. Indeed, similar to interstate crises, enduring rivalries present a set of conditions that facilitate foreign policy decision making. According to Snyder (1994, 316), for example,

An international crisis is international politics in a microcosm. That is to say, a crisis tends to highlight or force to the surface a wide range of factors and processes which are central to international politics in general.

Rivalries, we think, present an analogous set of cases. Not only do settings of rivalry challenge assumptions that stipulate event independence, but such relationships also enable scholars to acquire more nuanced insights into the factors that contribute to foreign policy decision making as well as the outbreak of war. 15 Hensel (1998, 165) insists that specifying rivalry situations “allows us to generate and test more refined theories, and offers the possibility of more meaningful results than more general studies that do not distinguish between different types of contexts.” Consequently, without controlling for this environment, our theoretical models risk misinterpreting the foreign policy decision making of political elites.

To date, rivalry contexts have been used to test theoretical conjectures from a variety of conflict models (Diehl and Goertz 2000; Goertz 1994; Hensel 1998). For example, the theoretical logic behind power transition depends in part on dissatisfaction. A

14. See also Goertz and Diehl (1992) and Diehl and Goertz (2000).
15. In a replication of Ostrom and Job (1986), Mitchell and Moore (2002) demonstrate that the failure to take the larger strategic rivalry context into consideration changes the inferences one would draw. When uses of force occur in the context of rivalry, then the probability of using force in one instance is not independent of the use of force in another instance. This subsequently affects the choice of an appropriate statistical model.
rising power will typically only issue a challenge if the dominant state is perceived as a competitor and adversary. Arms races and deterrence models also require an environment of fear and insecurity. That is, without an opponent, such military buildups and dissuasion attempts make little sense. Vasquez (1996) maintains that rivalries involving territorial disputes are more likely to experience war than rivalries over other issues.\textsuperscript{16} Therefore, in all of these conflict models, historical context is expected to have an important conditioning effect on foreign policy decision making. But as Goertz (1994) points out, we need to go beyond the use of rivalry as a case selection mechanism and consider the causal impact of the rivalry environment more carefully:

Given that rivalries have been used to study power transitions, arms races, and deterrence it is perhaps not surprising that so much international conflict occurs within this context. What these studies fail to capture, with their use of the concept as only a case selection tool, is that the rivalry context may play a causal role in determining which arms race, power transition, etc., escalate to war. . . That past conflicts condition current ones and future expectations, that leaders learn realpolitik lessons, and that peoples learn to hate each other all mean that theories of enduring rivalries are historical theories. (p. 213)

Diversionary theories may also be more accurately assessed in adversarial contexts. Indeed, given the deep mistrust and animosity between rival states, political elites can more easily manipulate foreign affairs to satisfy their own personal and/or political objectives. That is, using military force for domestic political purposes in an opportunity-rich environment of rivalry does not present the same difficulties for decision makers. The mutual anticipation of violent coercion provides the pretext and justification for military actions that may have little strategic value. Moreover, political leaders in rivalry situations can effectively blame domestic turmoil (such as economic weakness) on foreign enemies, further concealing and diverting attention away from domestic political problems. A rivalry context, then, conditions the relationship between domestic weakness and externalization, facilitating and legitimating the use of military force to conceal political insecurity.

We believe that the rivalry context can increase the probability of diversionary conflict in both direct and indirect ways. Rivalry has a direct effect on the propensity for leaders to divert because they can identify a clear target against which to divert. In this sense, we would expect leaders to get involved in militarized disputes against their rivals when they are faced with increased domestic turmoil.

When circumstances make a confrontation with one’s real opponent too dangerous and costly, but at the same time the domestic political and international benefits of pursuing a rivalry are attractive (e.g., domestic political integration, personal or party politics, distraction from other problems), one is tempted to look for a rival with whom one can safely and plausibly quarrel.\textsuperscript{17} (Schroeder 1999, 78)

\textsuperscript{16} Vasquez (1993) argues that wars of rivalry are distinct from other types of wars and that there are multiple causal paths to war. Wars of rivalry are wars between equals; they are wars of “rivalry” because they are usually preceded by longstanding mutual hostility and conflict.

\textsuperscript{17} Schroeder (1999) argues that domestic considerations played a significant role in the Franco-Austrian dispute over Italy after 1815.
It is also easier to exaggerate a threat against a rival state (as opposed to a nonrival state) in times of domestic turmoil.

Crises of legitimacy, calls to “rally 'round the flag,” and the general constraints of the public are other domestic factors that may at times be critical to rivalry dynamics. These same factors may also tend to encourage politicians to exaggerate the threats associated with rival policies. (Thompson 1999, 22)

Enterline and Gleditsch (2000, 28) make a similar argument about diversionary uses of force being more plausible in highly threatening environments:

Diversion through foreign conflict involvement is likely to reduce popular dissent only when leaders can capitalize on a hostile interstate environment where the relevant target public may be persuaded to consider alleged threats plausible. . . . Some states have a large supply of long-standing rivals or plausible enemies that leaders may resort to in times of domestic pressures . . . the impact of domestic pressure on the probability of a leader resorting to force abroad is likely to be mediated by leaders’ opportunities to invoke credible threats to externalize through conflict abroad.

In addition to the direct effect of rivalry discussed above, we also believe that the rivalry context can have an indirect effect on the propensity for a leader to use force in times of domestic weakness. Some rivalries, such as the cold war rivalry between the United States and Soviet Union, involve the use of force in regional areas that are related to the overall strategic rivalry. In this regard, even if a state does not get involved in a militarized dispute directly against its rival, a regional dispute may be viewed as having importance for the rivalry in general (Mitchell and Moore 2002).18 The indirect effect implies that being involved in an enduring rivalry will influence a leader’s decision to become involved in a militarized dispute or crisis, even if the state faces nonrival opponents.

Our notion of rivalry as environment is similar to Most and Starr’s (1989) concept of opportunity.19 Drawing from the work of Harold and Margaret Sprout (1965), Most and Starr identify the ecological triad, which consists of an entity, its environment, and the relationship between the entity and its environment. The environment affects “the probability of certain outcomes. The environment not only presents the decision maker with what is possible, but what course of action is more (or less) likely under those particular circumstances” (Most and Starr 1989, 27-28). A leader’s decision to use force to divert attention away from domestic problems depends on the strategic environment in which he or she is operating. States involved in enduring rivalries understand that their environment offers greater opportunities for using diversionary force. Leaders of states without rivals will find it more difficult to identify an external enemy and justify the use of force abroad to their constituents. This leads us to our primary hypothesis:

18. The United States, for example, is an actor in 32 crises between 1918 and 1994 (Brecher and Wilkenfeld 1997) that are not against a direct enduring rival, but an examination of these cases reveals that most of them (such as Vietnam and Korea) are related to the rivalry with the Soviet Union.

19. It is also similar to Goertz’s (1994) conceptualization of rivalry as a context.
Hypothesis 1: Domestic turmoil will be more likely to result in the initiation of militarized force by states in opportunity-rich environments of rivalry.

We assert that the environment of rivalry modifies the relationship between domestic turmoil and the use of force. Because many diversionary scholars have focused their analyses on uses of force by the United States, they have selected cases in which the opportunity to use force is generally high, particularly during the cold war rivalry. When we generalize diversionary arguments to a broader set of states, however, we must consider the strategic environment in which these states operate. An environment of rivalry produces greater opportunities for diversionary uses of force.20

As noted above, however, the influence of rivalry environments may have differential impacts on the probability of force initiation, depending on a state’s regime type. The transparency of democratic regimes makes it more difficult for democratic leaders to seize opportunities to divert public attention away from domestic turmoil. A strategic model of diversion implies that we would not find a strong relationship between domestic turmoil and rivalry for democratic states; nondemocratic states would avoid tangling with their democratic rivals when their economies are weak, elections are approaching, and so forth. On the other hand, nondemocratic states may have the ability to initiate force against rivals when domestic turmoil is high.

Hypothesis 2: Increasing domestic turmoil will have little or no effect on the initiation of militarized force by democratic states in opportunity-rich environments of rivalry.

Hypothesis 3: Increasing domestic turmoil will be more likely to result in the initiation of militarized force by nondemocratic states in opportunity-rich environments of rivalry.

RESEARCH DESIGN AND DATA

Our theoretical hypotheses focus on the conditions that make diversionary uses of force by a given state more or less likely. We are interested in examining the relationship between domestic turmoil and the use of force, taking the potential environment of rivalry into account.21 To test the relationship between domestic turmoil and the use of militarized force in rival and nonrival environments, we use the militarized interstate dispute (MID) (Jones, Bremer, and Singer 1996) data set, coupled with the world development indicators provided by the World Bank (1997). Using EUGene, a basic directed-dyadic data set is constructed for the years from 1960 to 2001.22 The World

20. We look at the initiation of a militarized dispute and thus distinguish between targets and initiators.
21. We believe that the environment of rivalry has both direct effects, where states may choose to use force directly against an enduring rival, and indirect effects, where states may use force against nonrival states, but such uses of force are influenced by the rivalry environment. A state has multiple options in a given year, including (1) use no militarized force, (2) use militarized force against a rival state only, (3) use militarized force against a nonrival state only, (4) use militarized force against a rival state and a nonrival state, (5) use militarized force against more than one nonrival state, and (6) use militarized force against more than one rival state. We feel that a multinomial logit model, which could capture all of these choices, is more complex than the directed-dyadic design employed below. In this study, we assess only the direct effect of rivalry on diversionary conflict. We leave for later a study of the indirect effect of rivalry.
22. We created the data set using EUGene, version 2.40 (Bennett and Stam 2000, 2002).
Bank data have been merged with the conflict, polity, and capability data provided by EUGene. This data set allows us to examine the direct effect of rivalry on diversionary uses of force for all COW system members during the years 1960 to 2001 and to model effectively who does what to whom (Ray 2001). Not only does this data set enable one of the first empirical examinations of diversionary uses of force in a cross-national context, it also provides a dyadic framework with appropriate temporal and cross-sectional controls, which have been largely absent from most empirical studies on diversionary theory.

MEASURING RIVALRY

The concept of rivalry is clearly a dyadic phenomenon; hostility, tension, and militarized conflict between states can create a rivalry between them. Numerous scholars have identified criteria that can be used to identify the pairs of states in the international system that are rivals. Many of these criteria involve a certain number of militarized disputes in a given time period.23 In this study, we adopt Diehl and Goertz’s (2000) conceptualization of rivalry, which emphasizes spatial consistency, time, and militarized competitiveness. They define an enduring rivalry as a pair of states that have fought a minimum of six militarized disputes over a time period of 20 or more years. Diehl and Goertz (2000) code an enduring rivalry as ending when the states involved have experienced no militarized disputes for 10 years.24

DIRECTED-DYADIC DATA SET

The unit of analysis is the politically relevant directed dyad-year. Thus, we sample from all possible dyadic pairings of states by selecting those dyads that contain contiguous states (via a direct land border) or at least one major power.25 Directed dyads are coded in both directions. For example, relations between the United States and Cuba in 1960 would be captured in two cases: the United States → Cuba and Cuba → United States. We have a total of 91,665 politically relevant directed-dyadic cases from 1960 to 2001. This design makes it possible to model the decision by one state to threaten, display, or use force against another state while capturing the effects of domestic turmoil for one side only. We create a dichotomous enduring rivalry measure that equals 1 if the two states in the dyad are enduring rivals based on Diehl and Goertz’s (2000) criteria.26 We then create an interaction term that combines our measure of rivalry with our measure of domestic turmoil. The interaction term shows how the environment of...
rivalry affects a state’s decision to become involved in a militarized dispute, based on the amount of domestic turmoil the state is experiencing.

We measure domestic turmoil using data provided by the World Bank. The 2001 World Development Survey provides information on 207 nation-states from 1960 to 1999. Included in the survey are numerous series measuring different elements of economic, social, and political development. With 207 nations and 40 years, this theoretically would provide 8,280 country-year observations. However, missing data for many years and many countries limit the available observations to slightly more than 4,000. Of the many data series provided by the World Bank, we selected the consumer price index (CPI) as a measure of domestic turmoil. As is customary in economics, we measure inflation as the percentage change in the consumer price index (first-differenced CPI). 27

The misery index (combination of unemployment and inflation figures) represents the most common measure of domestic unrest in the diversionary literature (see, e.g., Ostrom and Job 1986; James and Oneal 1991; DeRouen 1995; Meernik and Waterman 1996). Our measure of differenced CPI is meant to be an analogous measure of the domestic environment. Although there are ample data for both inflation and unemployment in the U.S. case, the situation becomes more difficult when we move to a cross-national sample. Due to a serious missing data problem for unemployment cross-nationally in the World Bank data set, we chose CPI to preserve the larger set of observations. We believe this decision is justified. Fordham (1998) includes separate measures of inflation and unemployment and maintains that they have similar effects on diversionary uses of force.

The data on conflict initiation come from the Correlates of War (COW) MID data set. 28 The 3.01 version of the MID data set contains 2,323 disputes for the period from 1816 to 2001 (Ghosn and Palmer 2003). Militarized disputes, according to Jones, Bremer, and Singer (1996, 166), are “confrontations that [lead] politicians to invest energy, attention, resources, and credibility in an effort to thwart, resist, intimidate, discredit, or damage those representing the other side.” Given both their public nature and level of militarization, then, militarized disputes (MIDs) are suitable events for testing a diversionary hypothesis. 29 We code an MID participant as the initiator of a new militarized dispute if it is on side A and originated the dispute (i.e., fought on the first day). Although diversionary uses of force could plausibly occur when states are targeted (by responding to threats, displays, or uses of force by other states), we

27. The first difference also avoids the potential problem of endogeneity, where conflict involvement could change inflation levels in a country. Due to extreme values and high variance, we take the natural log of the differenced consumer price index (CPI) series.

28. Fordham and Sarver (2001) argue that the militarized interstate dispute (MID) data set is not ideal for evaluating diversionary hypotheses because it excludes several important incidents related to diversion (such as the use of force against nonstate actors) and includes other incidents not so relevant (such as fishing disputes). Although we sympathize with this position, we use the MID data because we are interested in evaluating diversionary theory in a cross-national setting, and the MID data set is one of the few data sets that covers such a long time span and records militarized conflict involvement for such a large number of countries.

29. In the creation of the directed-dyadic data, we select the following options in EUGene: Dispute Initiators (code side A as initiator, as well as originators and joiners on the initiating side as initiators), MID Exclusions (include ongoing dispute dyad of new MID, keep target vs. initiator directed dyads if no new MID, and include all joiner dyads).
believe the clearest manifestations of diversionary behavior are decisions to initiate militarized disputes.30

Finally, we include four control variables in our empirical models: relative capabilities, peace years, geographical distance, and joint democracy. Capabilities are measured using the COW national capabilities data, in which each state’s capability score is calculated as its percentage share of the total system capabilities.31 This is based on all three COW capability dimensions (military, economic, and demographic). A relative power measure is created and captures the ratio of state A’s COW capabilities (CINC) score to combined capabilities of state A and state B (A/A + B). We anticipate the effect of this variable to be positive because stronger states will attack when the probability of success is high and they have a clear power advantage (Leeds 2003; Bennett and Stam 2000). We also include a measure of peace years that indicates the number of years since the states in the dyad last fought a militarized dispute, and as this measure increases, the probability of a militarized dispute in the dyad should diminish (e.g., Raknerud and Hegre 1997; Beck 1999; Reed 2000; Beck, Katz, and Tucker 1998).

Distance is measured using the great circle distance formula. Basically, this measures the distance in miles between capital cities, controlling for the curvature of the earth. Countries contiguous by land have a distance score of zero. Because the analysis below only considers politically relevant dyads, the distance measure is, by definition, restricted to those country pairings with a major power on one side. This operationalization makes theoretical sense because major powers alone typically possess the capabilities to project military power away from their borders. However, even for the major powers in the international system, distance should decrease militarized dispute involvement.32

A control for joint democracy is included in the statistical model. Dyadically, the evidence for a democratic peace remains robust. Democratic states not only appear to avoid militarized conflict with one another, but conflicts of interest that do arise are also more likely to be settled through third-party mediation and juridical arbitration (e.g., Russett and Oneal 2001). We use Polity IV to categorize states’ regime types. Dyads in which both states reach a minimum of 6 on the democracy score are considered jointly democratic. In subsequent models, we separate democratic initiators from nondemocratic initiators and employ the same criteria for democracy (6 or higher on the Polity IV scale). Descriptive statistics for all variables are reported in the appendix.33

30. In previous versions of the study, we conducted analyses using militarized dispute involvement as the dependent variable. The results are very similar to those presented here for dispute initiation, with increasing inflation enhancing the likelihood of dispute involvement for rival states and decreasing the chances for nonrival states.
31. “EUGene calculates the COW composite national capabilities index as developed by Singer, Bremer and Stuckey (1972). This is an index of a state’s proportion of total system capabilities in 6 areas: the country’s iron/steel production, the country’s urban population, the country’s total population, the country’s total military expenditures, the country’s total military personnel and the country’s total amount of energy production” (Bennett and Stam 2002, 13).
32. Given the asymmetrical distribution of this variable, we take the natural log to reduce its range and variability.
33. In the calculation of predicted probabilities, we use descriptive statistics based on the reduced sample size (due to listwise deletion of missing cases).
EMPIRICAL ANALYSIS

To assess the relationship between domestic turmoil and conflict initiation, we use a pooled time-series estimator. With the use of pooled data, most likely the standard regression assumptions of constant variance and no autoregression are violated (Sayrs 1989). Indeed, nonindependence of observations may be a result of temporal, spatial, or both temporal and spatial contamination. It is easy to imagine different temporal observations correlated within a cross-sectional unit, different spatial observations correlated within a temporal unit, or perhaps even different temporal observations correlated across different cross-sectional units. Without controlling for this variation, we risk misspecifying the relationship between domestic turmoil and conflict involvement.

To control for the potential cross-unit and cross-time correlations, we employ a general estimating equation (GEE). The quasi-likelihood GEE model uses a population-averaged approach to estimation and is therefore well designed for pooled time-series data. In particular, the GEE approach allows for the specification of a within-group correlation structure. Such an error structure specification may help control temporal dependence within panels and thus reduce inefficiency and coefficient bias. According to Zorn (2001, 475), population-averaged models are “valuable for making comparisons across groups or subpopulations.” With directed-dyadic data, this model specification seems particularly appropriate. In each of the estimated GEE models, we control for temporal dependence, using a peace-years count variable and three cubic splines (Beck, Katz, and Tucker 1998).

We begin by estimating a model for all potential initiators in politically relevant dyads. This analysis is designed to test hypothesis 1, which predicts diversionary uses of force to be more likely in environments of enduring rivalry. In Table 1, we present the estimation results from a GEE model, with annual MID initiation as the dependent variable and differenced CPI (natural log), relative capabilities, peace years, distance (natural log), and joint democracy as the independent variables, plus the cubic splines for temporal nonindependence (not shown). We also include our measure of rivalry and the interaction between rivalry and domestic turmoil (differenced CPI). We expect increases in inflation in an environment of rivalry to militarize the foreign policy process, although it may have no effect or even decrease the chances for conflict initiation in nonrivalry environments.

The results in Table 1 confirm our theoretical expectations. The rivalry variable is in the predicted positive direction and highly significant ($p \approx .000$); a state involved in an enduring rivalry is more likely to initiate militarized disputes in any given year.\(^{34}\) This is to be expected given the measure of rivalry that we employ. More important, however, are the results relating to domestic conditions. We find domestic turmoil to be negatively and significantly related to conflict initiation in nonrival environments (the parameter for ln-differenced CPI). In other words, in opportunity-poor international conditions.

\(^{34}\) This is similar to the findings of Enterline and Gleditsch (2000) that increases in local threat make repression and militarized dispute involvement more likely. They employ a different measure of rivalry than we do, one developed by Crescenzi and Enterline (2001). This finding is a bit tautological, given the coding rules for enduring rivalries. Thus, we focus below on the substantive effects for changes in inflation.
environments, domestic turmoil tends to discourage dispute initiation. If this relationship is confirmed in future studies, it would indicate that domestic weakness typically tends to push political elites away from militarized conflict. For states not involved in enduring rivalries, militarized conflict initiation may occur during times of more prosperous domestic economic conditions.

Although nonrival states may avoid conflict during domestic turmoil, the exact opposite relationship holds for states involved in enduring rivalries. The positive sign for the interaction coefficient indicates that there is an added effect of domestic turmoil on the conflict propensity of rival states ($p = .002$). This indicates that domestic economic weakness is particularly dangerous for rival states. As the inflation rate increases, rival states are more likely to use military force, which supports our primary theoretical conjecture. It appears that the foreign policy decision making of rival leaders may differ fundamentally from the leaders of nonrival states. Thus, the evidence here supports our contention that rivalry conditions the relationship between domestic turmoil and conflict initiation. Models that purport to test diversionary theories without controlling for rivalry appear to be underspecified. Indeed, these results suggest that diversionary theory may apply best to states involved in relationships of rivalry.

We can see the conditional impact of domestic turmoil when we examine the predicted probabilities for militarized dispute initiation in Table 2. A one standard deviation decrease in inflation in nonrivalry environments drops the probability of MID initiation from .0062 to .0047. The absolute change is small, but the relative decrease is around 25%. Across the entire range of the inflation measure, the probability of MID

### Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Beta</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enduring rival dyad</td>
<td>2.005***</td>
<td>.151</td>
</tr>
<tr>
<td>ln-differenced CPI</td>
<td>-0.040***</td>
<td>.015</td>
</tr>
<tr>
<td>Rivalry-differenced CPI interaction</td>
<td>0.078***</td>
<td>.025</td>
</tr>
<tr>
<td>Relative capabilities</td>
<td>0.533***</td>
<td>.176</td>
</tr>
<tr>
<td>Peace years</td>
<td>-0.020***</td>
<td>.007</td>
</tr>
<tr>
<td>In distance</td>
<td>-0.379***</td>
<td>.047</td>
</tr>
<tr>
<td>Joint democracy</td>
<td>-0.626***</td>
<td>.167</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.884**</td>
<td>.359</td>
</tr>
</tbody>
</table>

**Note:** $n = 37,589$; GEE = general estimating equation; MID = militarized interstate dispute; CPI = consumer price index. Wald $\chi^2(10) = 810.55 (p = .0000)$. Dependent variable is directed-dyadic MID initiation. Spline coefficients not shown.

**p < .05.  ***p < .01.

---

35. We tested for the joint significance of the component terms (rivalry, inflation) and the interaction. Wald tests reveal that the enduring rivalry and interaction variables are jointly and significantly different from zero for values of logged CPI between –15.5 and 8.5. On the other hand, the inflation and interaction variables are jointly and significantly different from zero for both rival and nonrival dyads. More detailed results are available from the authors upon request.
initiation drops by 75% in nonrival dyads as we move from the minimum to the maximum value. In rivalry environments, domestic economic weakness increases the probability of conflict initiation from .034 to .044. Again, the absolute change may not appear all that large, but relatively speaking, this increase does reflect a 30% increase in the probability of MID initiation. Across the entire range of the inflation measure, the probability of MID initiation increases by 250% in enduring rivalry dyads as we move from the minimum to the maximum value.36 These substantive effects are plotted in Figure 1 as well.37 These results suggest that rival nations both have more opportunities to use force and are more likely to take advantage of diversionary incentives when domestic turmoil increases.

The control variables in the full models perform as expected, and all are highly significant. Consistent with the democratic peace literature, we find that joint democracy strongly reduces MID initiation ($p = .000$). We find a negative and significant relationship between years at peace and annual MID initiation. The longer a state has been involved in a militarized dispute with a specific country (or the greater the peace years with that country), the less likely its chances for future conflict initiation against that country ($p = .002$). Distance between capitals also tends to decrease conflict propensities, even for major powers ($p = .000$). Projecting force abroad remains costly and thus tends to discourage the threat, show, or use of military force to settle contentious issues. Finally, the positive sign on relative capabilities implies that challengers initiate the use of force when they have a distinct capability advantage and hence a high probability of success ($p = .000$).38

These results demonstrate the importance of rivalry as a source of opportunity for diversionary behavior, but we also argued above that the effect may be contingent on a state’s regime type. Hypotheses 2 and 3 suggest that democracies may find it difficult to use force in times of turmoil due to the transparency of their regimes, whereas nondemocracies will find it easier to use force against rivals in bad economic times.

36. As one reviewer pointed out, these effects are even larger if you consider states that are involved in multiple enduring rivalries at the same time, such as the United States.

37. To include both plots in a single graph, it is necessary to create two Y-scales (on the left and right) because the baseline probability of dispute initiation is higher for states involved in rivalries.

38. A similar finding is found in Leeds’s (2003) study of alliances and MID initiation. Her research design is nearly identical to our own, with a directed-dyadic unit of analysis and a general estimating equation (GEE) statistical model.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Predicted Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>No rivalry, 1 SD below mean of differenced CPI</td>
<td>.0062</td>
</tr>
<tr>
<td>No rivalry, 1 SD above mean of differenced CPI</td>
<td>.0047</td>
</tr>
<tr>
<td>Rivalry, 1 SD below mean of differenced CPI</td>
<td>.034</td>
</tr>
<tr>
<td>Rivalry, 1 SD above mean of differenced CPI</td>
<td>.044</td>
</tr>
</tbody>
</table>

NOTE: MID = militarized interstate dispute; CPI = consumer price index.
Tables 3 and 4 present empirical results and predicted probabilities from a GEE model of MID initiation for democratic initiators only, whereas Tables 5 and 6 present results for nondemocratic initiators.

It appears that democratic initiators do not seize on domestic turmoil to divert attention to foreign affairs. Neither the variable for inflation nor the interaction term is statistically significant in Table 3. Table 4 shows also that the predicted probabilities for MID initiation by democratic states do not change, based on increases or decreases in the inflation rate. We infer from these results that democratic initiators typically shy away from the use of military force, due to institutional constraints and norms of political compromise, and that changes in domestic economic conditions appear to have little impact on democratic MID initiation decisions. Furthermore, even those democratic states in rivalry fail to initiate during periods of domestic weakness. We believe this indicates strategic behavior on the part of opponents. The transparency of democratic regimes enables potential targets to avoid foreign policy actions that might be seized on by democratic leaders for political effect.39

Nondemocratic initiators, however, fail to signal efficiently domestic conditions that heighten the probability of dispute initiation. In opportunity-rich environments, nondemocratic states initiate militarized disputes as economic conditions deteriorate. In Table 5, we can see that the parameter for the rivalry-inflation interaction is positive and highly significant. Indeed, as our measure of inflation increases by one standard

39. Our results are consistent with the null results for domestic turmoil and its influence on dispute initiation in Leeds and Davis (1997). As they note, however, democracies were initiators in only 30% of their directed-dyad cases in a sample of 18 industrialized democracies. If we were to analyze dispute targeting, we would expect to find a negative and significant relationship between inflation and the likelihood of being a target of a dispute for democratic states.
deviation, the probability of MID initiation increases by nearly 25% (see Table 6). Diversionary moves by nondemocratic initiators are specifically directed at rival states. This suggests not only that rivals offer a politically acceptable target but also that targets fail to observe the domestic conditions that compel diversion. This regime-type distinction is also displayed in Figures 2 and 3. Figure 3, in particular, shows that the likelihood of conflict initiation increases as domestic turmoil increases, but only for nondemocratic initiators. We see that domestic turmoil tends to push rival states into violent foreign policy action but also that the transparency of democratic institutions diminishes opportunities for such diversionary moves by democratic states.40

It is clear that these empirical results support our conjecture that domestic turmoil increases the use of military force in opportunity-rich environments. Domestic turmoil tends to have an opposite impact, depending on whether states exist in opportunity-rich environments.

40. The effects for the two submodels (democratic initiators and nondemocratic initiators) do not add up to the effect for the full model (all initiators) because we are estimating separate GEE models. Also, we include only the monadic variable for the target in the submodels.

---

### Table 3

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Beta</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enduring rival dyad</td>
<td>2.123***</td>
<td>.206</td>
</tr>
<tr>
<td>In-differenced CPI</td>
<td>-0.00008</td>
<td>.036</td>
</tr>
<tr>
<td>Rivalry-differenced CPI interaction</td>
<td>0.0007</td>
<td>.053</td>
</tr>
<tr>
<td>Relative capabilities</td>
<td>0.748***</td>
<td>.239</td>
</tr>
<tr>
<td>Peace years</td>
<td>-0.027***</td>
<td>.011</td>
</tr>
<tr>
<td>In distance</td>
<td>-0.474***</td>
<td>.066</td>
</tr>
<tr>
<td>Democracy level of target</td>
<td>-0.053***</td>
<td>.020</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.325</td>
<td>.501</td>
</tr>
</tbody>
</table>

NOTE: $n = 24,611$; GEE = general estimating equation; MID = militarized interstate dispute; CPI = consumer price index. Wald $\chi^2(10) = 500.55\ (p = .0000)$. Dependent variable is directed-dyadic MID initiation. ***$p < .01$.

### Table 4

<table>
<thead>
<tr>
<th>Variable</th>
<th>Predicted Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>No rivalry, 1 SD below mean of differenced CPI</td>
<td>.0047</td>
</tr>
<tr>
<td>No rivalry, 1 SD above mean of differenced CPI</td>
<td>.0047</td>
</tr>
<tr>
<td>Rivalry, 1 SD below mean of differenced CPI</td>
<td>.038</td>
</tr>
<tr>
<td>Rivalry, 1 SD above mean of differenced CPI</td>
<td>.038</td>
</tr>
</tbody>
</table>

NOTE: MID = militarized interstate dispute; CPI = consumer price index.
rich (rivalry) or opportunity-poor (nonrivalry) environments. But the effect of the rivalry context is dependent on regime type; unlike democratic leaders, autocrats are able to capitalize on domestic weaknesses when targeting their rival states. In short, both rivalry and regime type have profound effects on opportunities for diversionary uses of force.

**CONCLUSION**

A diversionary theory of war has ample anecdotal support. From World War I, to the Falkland Islands, to Grenada and Panama, scholars continue to insist that military action often stems from political and economic problems at home. In fact, nearly 30 years ago, Rosecrance (1963) went so far as to suggest that elite insecurities take nations to war. Despite such an assertion, however, aggregate studies that attempt to tie domestic turmoil to the use of military force have uncovered mixed empirical evidence to date. Indeed, even studies on U.S. foreign policy behavior during the cold war can-

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**TABLE 5**

GEE Model Results for Directed-Dyadic MID Initiation, Politically Relevant Dyads, and Cubic Splines as Temporal Control (Nondemocratic Initiators Only)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Beta</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enduring rival dyad</td>
<td>2.099***</td>
<td>.219</td>
</tr>
<tr>
<td>In-differenced CPI</td>
<td>–0.041**</td>
<td>.016</td>
</tr>
<tr>
<td>Rivalry-differenced CPI interaction</td>
<td>0.089***</td>
<td>.029</td>
</tr>
<tr>
<td>Relative capabilities</td>
<td>1.028***</td>
<td>.302</td>
</tr>
<tr>
<td>Peace years</td>
<td>–0.017*</td>
<td>.009</td>
</tr>
<tr>
<td>In distance</td>
<td>–0.310***</td>
<td>.077</td>
</tr>
<tr>
<td>Democracy level of target</td>
<td>0.090***</td>
<td>.022</td>
</tr>
<tr>
<td>Constant</td>
<td>–1.938***</td>
<td>.590</td>
</tr>
</tbody>
</table>

**NOTE:** $n = 12,978$; GEE = general estimating equation; MID = militarized interstate dispute; CPI = consumer price index. Wald $\chi^2(10) = 365.99$ ($p = .0000$). Dependent variable is directed-dyadic MID initiation. *$p < .10.$ **$p < .05.$ ***$p < .01.$

**TABLE 6**

Predicted Probabilities for Directed-Dyadic MID Initiation (Nondemocratic Initiators Only)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Predicted Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>No rivalry, 1 SD below mean of differenced CPI</td>
<td>.0050</td>
</tr>
<tr>
<td>No rivalry, 1 SD above mean of differenced CPI</td>
<td>.0042</td>
</tr>
<tr>
<td>Rivalry, 1 SD below mean of differenced CPI</td>
<td>.029</td>
</tr>
<tr>
<td>Rivalry, 1 SD above mean of differenced CPI</td>
<td>.036</td>
</tr>
</tbody>
</table>

**NOTE:** MID = militarized interstate dispute; CPI = consumer price index.
not completely eliminate alternative explanations for the use of military force. As we move away from the U.S. case or attempt to generalize to a larger set of countries, confidence in the hypothesized relationship between domestic turmoil and externalization declines dramatically.

We agree with Meernik (1994) and Smith (1996) that selection effects pose a very real problem for studies of diversionary behavior. Scholars cannot continue to assume
that opportunities for using military force remain constant over time or that the decision to avoid militarizing an opportunity is the same as an opportunity never having presented itself in the first place. We think that the external environment presents certain prospects for state leaders. That is, we contend that foreign policy decision making will be different in opportunity-rich environments compared with opportunity-poor environments. We consider the context of rivalry to be an important conditioning factor in diversionary uses of force. States involved in enduring rivalries presumably can more easily defend diversionary moves when economic conditions deteriorate, given the presence of such a hostile adversary. However, democratic and nondemocratic states are faced with different international environments. Because potential adversaries hold strong beliefs about democratic states’ willingness to stand firm in crises when domestic turmoil is high, the transparency of democratic regimes reduces the number of opportunities for diversionary force, even in highly competitive environments, such as enduring rivalry.

We present empirical evidence that supports the conditioning impact of rivalry contexts. Using a directed-dyadic data set, we observe that domestic turmoil tends to increase the probability of military action in rivalry settings but actually has the opposite effect in nonrivalry settings. In other words, economic weakness tends to increase the likelihood of a state using military force if it is involved in an enduring rivalry. We also show that the results are driven largely by the behavior of nondemocratic regimes. Strategic interaction makes it difficult for democratic states to target their rivals in bad economic times. We think these results provide at least a partial explanation for the inconsistent findings on diversionary behavior. Opportunity-rich environments appear to provide leaders with the necessary conditions to use diversionary tactics, although only nondemocratic leaders are able to seize on these opportunities fully.

One interesting avenue for future work would be to examine negotiations between democratic and nondemocratic states over contentious issues, such as territory. If strategic avoidance is occurring, then we should observe nondemocratic states being willing to concede more to democracies in negotiations over such issues when domestic turmoil is high. In other words, domestic economic and political conditions may influence both decisions to use force and decisions for how to negotiate in peacetime.

APPENDIX

Summary Statistics of Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>MID initiation</td>
<td>0.012</td>
<td>0.109</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Enduring rival dyad</td>
<td>0.023</td>
<td>0.150</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>In-differenced CPI</td>
<td>−0.288</td>
<td>3.679</td>
<td>−25.4</td>
<td>7.483</td>
</tr>
<tr>
<td>Rivalry-CPI interaction</td>
<td>−0.442</td>
<td>.867</td>
<td>−25.4</td>
<td>3.293</td>
</tr>
<tr>
<td>Relative capabilities</td>
<td>0.501</td>
<td>0.418</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Peace years</td>
<td>29.03</td>
<td>28.67</td>
<td>0</td>
<td>178</td>
</tr>
<tr>
<td>ln distance</td>
<td>7.789</td>
<td>1.158</td>
<td>1.609</td>
<td>3.392</td>
</tr>
<tr>
<td>Joint democracy</td>
<td>0.316</td>
<td>0.465</td>
<td>0.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

NOTE: MID = militarized interstate dispute; CPI = consumer price index.
REFERENCES


