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The Foundations of Domestic Audience Costs: Attitudes, Expectations, and Institutions.

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**The Foundations of Domestic Audience Costs:
Attitudes, Expectations, and Institutions**
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1. Introduction

This chapter examines a question that is central to the theory and practice of international relations: what makes international military threats credible? Almost every day, it seems, some leader somewhere in the world threatens to use military force against another country. The threat could be sincere, or it could be a bluff the threatener has no intention of carrying out. The challenge for diplomats and scholars is to discern the difference—to know how to distinguish credible threats from incredible ones.

Many scholars think that the credibility of international threats depends, at least to some degree, on the leader's vulnerability to "domestic audience costs."¹ According to domestic audience costs theory, citizens would disapprove if their leader made military threats and subsequently backed down. In democracies and other types of countries where leaders care about swings in public approval, leaders will have incentives to avoid making false threats, because they fear that getting caught in a bluff would lead to domestic repercussions. By this logic, the presence of a powerful domestic audience can contribute to the credibility of international threats.

The concept of domestic audience costs plays a prominent role in international relations theory, but scholars debate whether and when audience costs exist in practice. In this chapter I hope to shed light on these important issues. I begin by presenting a simple

¹ The seminal discussions of this idea appear in Schelling 1960 and Fearon 1994.

but useful model of a military crisis with domestic audience costs. I then focus on three themes—attitudes, expectations, and institutions—that are important for understanding audience costs. First, I examine the *attitudes* that citizens express about leaders who make threats and subsequently renege. Second, I consider how leaders *expect* their own citizens to respond in these kinds of situations. And finally, I discuss whether audience costs are perceived to be greater in some *institutional* settings than in others.

2. A Model of Military Crises with Audience Costs

Consider a simple model of a military crisis with domestic audience costs (Figure 1). In the model, two leaders from different countries disagree about something they both value. Leader A (denoted L_A) may want territory or resources currently under the control of Leader B (denoted L_B), or may want to change some aspect of Leader B's domestic or foreign policy. The model is general enough to cover a wide range of disputes in international relations.

[Figure 1 about here]

The interaction begins when Leader A decides whether to challenge Leader B over the policy or good, which has a normalized value of 1. In armed crises the challenge often takes the form of an ultimatum: meet certain demands or face military action. If Leader A decides not to challenge (takes no action), he receives nothing and leaves his opponent with the maximum payoff of 1. If Leader A challenges, on the other hand, Leader B has two options: concede, thereby transferring the entire prize to Leader A, or resist, which would force Leader A to make the next move. At that point, Leader A could carry out the ultimatum (stand firm), resulting in war with payoffs war_A and war_B , or

Leader A could back down and receive a payoff of d , where d represents the domestic political reaction to yielding after having made a challenge.²

The value of d in this model has a major effect on credibility. Suppose Leader B thinks that d is less than war_A , such that Leader A would rather fight than suffer the domestic humiliation of backing down. Leader B would then perceive a challenge by Leader A as credible, and—if the prize is not worth fighting for—would concede at the second node of the game. But suppose, on the other hand, that Leader B thought war_A was greater than d , such that Leader A would rather back down than stand firm at the terminal node. In that case, Leader B would view the challenge as a bluff and resist the challenge at the second node. This simple model suggests how both credibility and behavior might depend on beliefs about domestic audience costs.

What do we know empirically about audience costs? In the remainder of this chapter, I'll discuss the state of knowledge about three key themes: the attitudes of citizens, the expectations of leaders, and the effects of institutions.

3. Attitudes and Audience Costs

The existing literature offers three conjectures about domestic attitudes in military crises. Some analysts assert that the parameter d in the model is negative, meaning that citizens would disapprove if their leader issued threats and subsequently backed down.³ Citizens might, for example, think that backing down would hurt the reputation of the country, or regard backing down as proof that their leader is incompetent. Other analysts say the value of d is likely to be zero, either because citizens understand that bluffing can

² The payoffs war_A and war_B take into account both probability of winning versus losing the war, and the value of winning versus losing the war.

³ See, for example, Fearon 1994; Guisinger and Smith 2002; and Smith 1998.

be a rational strategy, or because citizens care only about how the crisis turned out, and not about the diplomatic moves their leader employed as the crisis unfolded.⁴ Still other analysts suggest that the parameter d is positive—that there might be audience benefits to escalating before backing down, perhaps because the public rewards leaders who try before conceding, rather than giving away the prize immediately.⁵

Which of these views most accurately characterizes the attitudes of citizens? Unfortunately this is not an easy question to answer. We could try to measure audience costs directly by examining the historical fate of leaders who made threats and then backed down. The problem, which international relations scholars widely recognize, is strategic selection bias.⁶ Suppose, as audience costs theory suggests, that leaders take the prospect of domestic audience costs into account when making foreign policy decisions. Then in precisely the situations when citizens would react harshly against backing down, leaders will tend to avoid that path, leaving little opportunity to observe the public backlash. Audience costs would be largely invisible. It would seem, therefore, that a direct and unbiased measure of audience costs is beyond reach.

To solve the empirical conundrum, I have been embedding experiments in public opinion surveys in the United States and other countries. In each experiment, the interviewer describes a military crisis. Some participants are randomly assigned to a control group and told that the president does not get involved. Others are placed in a treatment condition in which the president escalates the crisis but ultimately backs down. All participants are then asked whether they approve of the way the president handled the

⁴ Brody 1994, 210; Desch 2002, 29–32; Gowa 1999, 26; Ramsay 2004; Schultz 1999, 237; Slantchev 2006.

⁵ Walt 1999, 34.

⁶ Baum 2004; Schultz 2001.

situation. By comparing approval ratings in the “stay out” and “back down” conditions, I measure domestic attitudes directly while avoiding the bias of nonrandom selection that would result from studying actual historical crises.

For the purpose of illustration, I’ll describe one experiment that was administered in the United States to a nationally representative random sample of 1,127 adults.⁷ All participants in the Internet-based survey received an introductory script: “You will read about a situation our country has faced many times in the past and will probably face again. Different leaders have handled the situation in different ways. We will describe one approach U.S. leaders have taken, and ask whether you approve or disapprove.”

Participants then read about a foreign crisis in which “A country sent its military to take over a neighboring country.” To put the crisis in context while also preventing idiosyncratic features from driving the results, I provided randomized background information about the military capabilities, the motives, and the political regime of the attacking country. I also randomized whether the invasion, if left unchecked, would affect the safety and economy of the United States.

The key to the experiment was the reaction of the U.S. president. Half the respondents were told that the president stayed out of the conflict; the other half received a scenario in which the president made a verbal threat but did not carry it out. The story then ended the same way for both the treatment and control groups: the attacking country continued to invade and ultimately took over its neighbor. At the conclusion, I measured whether respondents approved or disapproved of the way the president had handled the situation.

⁷ Tomz 2007.

The experiment confirmed a central assumption of audience costs theory: that empty threats cause disapproval to swell (Table 1). Approximately 49 percent of respondents who received the empty threat scenario disapproved of the president's actions. In contrast, only 33 percent disapproved when the president stayed out of the crisis altogether. The difference of 16 percentage points represents the absolute audience cost, or amount of approval that the president lost by escalating and then backing down. The relative risk of disapproval in this experiment was 1.5, meaning that disapproval of the president was 1.5 times larger when the president issued an empty threat than when the president stayed out of the crisis entirely.

[Table 1 about here]

Other experiments that I have conducted support additional conclusions about the attitudes of citizens. I have found, for example, that audience costs increase with the level of military escalation; that audience costs vary with contextual factors such as power and interests; and that audience costs arise partly from the concern that backing down would hurt the country's reputation. Overall, these experiments provide behavioral microfoundations for an important class of models in the international relations literature.

4. Expectations

Having just considered the attitudes of citizens, I now turn to the *expectations* of leaders. Do leaders expect audience costs, or do they think they could escalate and back down without experiencing a domestic outcry? For domestic audience costs to have the theoretical effect on credibility and behavior that I discussed earlier, the challenger and the defender need to appreciate the risk of domestic audience costs.

To study expectations about audience costs, I collaborated with three students from Stanford University—Caroline Andersen, Lauren Falcao, and Merrit Kennedy—on an investigation that involved members of the British Parliament. The team conducted face-to-face interviews with members of the British House of Commons in June-August 2006. All 646 members of the Commons were invited by email to participate in this study, and 75 agreed to be interviewed.

As Table 2 shows, the British MPs who answered our invitation were fairly representative of the House of Commons as a whole. For example, the party affiliations of participants in our study, and their political experience (measured by years in office) were very close to the House benchmarks. The sample did include a disproportionate share of males and a larger-than-normal share of MPs who had served on foreign affairs committees or had, in their official biographies, expressed an interest in foreign countries. This particular kind of sample bias may be useful for understanding audience costs, though, since those who express an interest in foreign affairs or serve on such committees are probably the most influential shapers of British foreign policy.

[Table 2 about here]

We asked the British MPs to consider nearly the same military scenario that had been administered to American voters.⁸ Half the MPs were told that the British Prime Minister decided to stay out of the conflict. The other half were told that the Prime Minister threatened to use the British military to push out the invaders. Both halves of the sample then learned that the attacking country continued to invade, that the British Prime

⁸ Due to the relatively small sample size, we provided all MPs with the same background information, instead of randomly varying information about the military capabilities, the motives, and the political regime of the attacking country, and the potential effect of the invasion on the safety and economy of the United Kingdom.

Minister did not send troops, and that the attacking country took over its neighbor. After describing the situation, we asked: “If a British Prime Minister handled the situation in this way, would most British voters approve, disapprove, or neither approve nor disapprove of the way the Prime Minister handled the situation?”

Our experiment confirmed that many British leaders understand and expect audience costs (Table 3). Of the leaders who received the empty threat scenario, 59 percent said that a majority of British voters would disapprove of the way the Prime Minister handled the situation. In contrast, only 15 percent of leaders who considered the stay-out scenario expected a majority of British voters to disapprove. The difference of 44 percentage points is strong evidence that leaders anticipate audience costs and might, therefore, take them into account when deciding how to respond to military crises.

[Table 3 about here]

5. Institutions

I have shown that leaders expect audience costs. How do domestic political institutions affect those expectations? Many scholars hypothesize that leaders expect audience costs to be higher in democratic countries than in autocratic ones, because disappointed citizens can remove a leader more easily by voting than by launching a coup d'état.⁹ If this hypothesis is correct, then threats by democratic leaders should be more credible than threats by autocratic leaders. The hypothesized asymmetry in audience costs between democracies and autocracies might even explain some of the most striking patterns in international relations, including the famous “democratic peace” and the fact that democracies usually prevail in military crises.

⁹ See, e.g., Fearon 1994; Eyerman and Hart 1996.

Do leaders really think that audience costs are higher in democracies than in autocracies? To find out, we asked members of the British parliament: “Which type of leader—the leader of a democracy, or the leader of a dictatorship—would be more likely to lose power at home if they backed down in a military confrontation, instead of following through on the threats they had made?”

In our study, 46 percent of MPs thought that the democratic leader was more likely to incur politically significant audience costs (Table 4). But 32 percent thought the dictator was more likely to pay a heavy domestic price for backing down, and 22 percent perceived no real difference in the likelihood of audience costs between the two types of political regimes. This pattern contradicts the now-common assumption in the international relations literature that leaders expect democratic leaders to be particularly vulnerable to domestic audience costs.

[Table 4 about here]

Why did British MPs think that autocrats would be vulnerable at home? They offered a number of interesting explanations. One explanation concerns the ability to share blame. Autocrats, as solitary leaders, must take full responsibility when their threats fail, whereas democratic leaders can push some of the blame for foreign policy failure onto other domestic political actors. Second, autocrats depend disproportionately on a strongman image to maintain their grip on power. Backing down in a military crisis would reveal cracks in the autocrat’s armor, thereby encouraging military challenges at home. Third, many MPs pointed out that it is less pleasant to lose power in an autocracy, where the ousted leader is often killed, than in a democracy, where the fallen leader can retire to the countryside.

These insights suggest interesting directions for follow-up work. Perhaps audience costs vary across countries, depending on the leader's ability to share blame, the leader's reliance on a strongman image, and the presence of mechanisms to remove leaders peacefully. These institutional distinctions, rather than the traditional dichotomy between democracies and autocracies, may be more useful for understanding audience costs and, more generally, the relationship between domestic politics and foreign policy.¹⁰

6. Conclusions

What makes international military threats credible? This chapter has examined one potentially important factor: the presence of domestic audiences that can hold leaders accountable for making threats and failing to carry them out. Through a series of experiments embedded in interviews with voters and policymakers, I have reached three conclusions. First, citizens disparage leaders who escalate crises and then back down. Second, leaders expect this kind of reaction from citizens. Third, institutions are clearly relevant to audience costs, but the simple distinction between democratic and autocratic institutions is not as salient as scholars have previously assumed.

¹⁰ For path-breaking research on audience costs in autocracies, see Weeks 2008.

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Table 1: Disapproval of Empty Threats versus Staying Out

	<u>Disapproval (%)</u>
Empty threat	49 (44 to 53)
Stay out	33 (29 to 36)
Difference	16 (10 to 22)
Relative risk	1.5 (1.3 to 1.7)

Note: The table compares the percentage of respondents who disapproved when the president issued an empty threat, versus the percentage who disapproved when the president stayed out. The relative risk is the ratio of these two levels of disapproval. 95 percent credible intervals appear in parentheses. Data come from a public opinion survey that was administered to a random sample of 1,127 United States adults in 2004.

Table 2: Demographic Characteristics of the Sample of British MPs

	House of Commons	MP Sample
Political Party (%)		
Labour	55	51
Conservative	31	33
Liberal Democrat	10	15
Other	5	1
Experience (years in office)		
Median	10	10
Mean	12	11
Gender (% Male)	80	87
Foreign Affairs (%)		
Stated interest	62	72
Committee service	20	30

Note: The table compares the demographic characteristics of the entire British House of Commons with the characteristics of the 75 members who were interviewed in June–August 2006.

Table 3: Expectations about Audience Costs

	Anticipated Disapproval (%)
Empty threat	59 (41 to 77)
Stay out	15 (3 to 33)
Difference	44 (19 to 66)

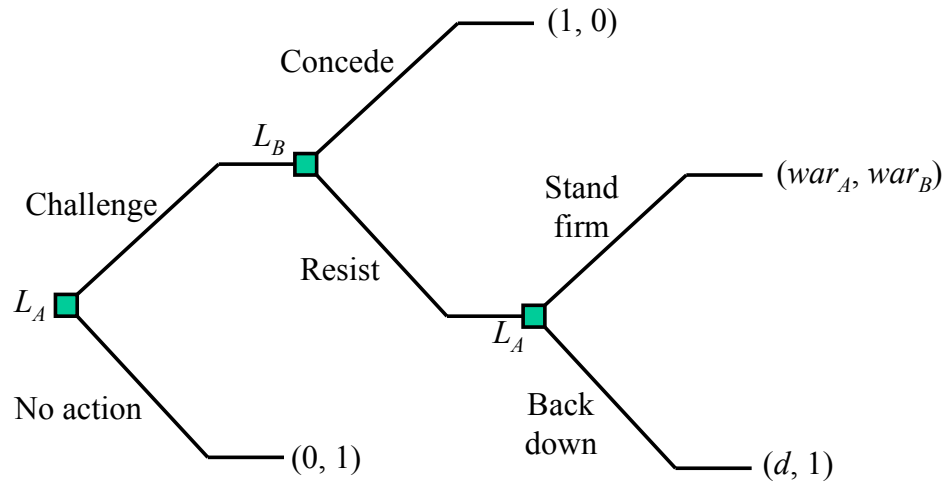
Note: The table compares the percentage of British MP's who expected a majority of British voters to disapprove when the Prime Minister issued an empty threat, versus the percentage who expected a majority to disapprove when the Prime Minister stayed out. 95 percent credible intervals appear in parentheses. 47 MPs participated in this experiment; 27 of them received the empty threat scenario, and 20 received the stay out scenario. Data come from interviews with members of the British House of Commons in June–August 2006.

Table 4: Institutions and Audience Costs

	Percent
Democratic leader is more likely to lose power	46 (34 to 59)
The two types are equally likely to lose power	22 (12 to 33)
Dictator is more likely to lose power	32 (21 to 45)
Difference: Democrat - Dictator	14 (-9 to 36)

Note: The table summarizes responses to the question, “Which type of leader—the leader of a democracy, or the leader of a dictatorship—would be more likely to lose power at home if they backed down in a military confrontation, instead of following through on the threats they had made?” 56 MPs answered this question. “Difference” is the percentage of respondents who answered “democratic leader,” minus the percentage who answered “dictator.” 95 percent credible intervals appear in parentheses. Data come from interviews with members of the British House of Commons in June–August 2006.

Figure 1: A Model of a Military Crisis with Domestic Audience Costs



Note: This model is adapted from Schultz 1999, 240.

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