

War Voting

Interstate Disputes, the Economy, and Electoral Outcomes

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This article explores the interactive effects of the economy and the use of force on incumbent parties' electoral performance. Research on the diversionary use of force assumes that leaders (especially democratic leaders) use force abroad to bolster their domestic political fortunes during hard economic times. But other research suggests that crises either lead to removal from office or have no effect on incumbents' political fortunes. Although a good deal of scholarship assesses the role of the economy on electoral outcomes, no research has explicitly examined the interactive effects between dispute involvement and the economy on leaders' share of the vote. We argue that the salience of the economy conditions voters' sensitivity to the costs of conflict, which reduces electoral support for incumbent parties engaging in dramatic foreign policy events. Moreover, we expect executives' efforts to emphasize foreign policy during economic downturns to be met with electoral punishment as voters prefer to see leaders working on a remedial economic policy. To evaluate this argument, we examine incumbent parties' vote shares in elections among nine advanced democracies from 1960 to 2000. Our results support the hypothesis that during economic downturns voters care more about domestic politics than foreign policy. Furthermore, our results have implications for the diversionary hypothesis, gambling for resurrection argument, the democratic peace, and economic voting research agendas.

KEYWORDS: conflict; diversionary theory; economy; elections; vote choice

Does dispute participation compensate for poor domestic economic conditions in democratic leaders' electoral fortunes? Research on the diversionary use of force assumes that leaders (especially democratic leaders) use force abroad to bolster their domestic political fortunes during hard economic times. But

research on crisis involvement and political survival suggests that crises either lead to removal from office (Bueno de Mesquita et al., 2003) or make little difference (Chiozza and Goemans, 2004). Moreover, studies examining the influence of crises on leader popularity indicate that uses of force have little impact on leader approval ratings (Lian and Oneal, 1993). We are aware of no research that has explicitly examined the interactive effects of dispute involvement and the economy on leaders' share of the vote, yet such an effect is the crux of the diversionary research agenda.

In this article, we empirically evaluate the extent to which the use of force can compensate for the effect of poor economic conditions on incumbent parties' vote share. Our argument is a micro-theoretical account of how voters respond to the economy and foreign policy, and follows from two assumptions. First, for voters in democracies, the economy tends to be a more salient issue than foreign policy (see Page and Shapiro, 1983; Lewis-Beck and Stegmaier, 2000). Second, voters' sensitivities to the costs of conflict, either actual or expected, depend on the context (Gelpi et al., 2005). Indeed, during economic declines, leaders emphasizing foreign policy may be penalized for appearing to overlook the suffering of the electorate due to the economy (see Baum, 2004). We argue that uses of force do not typically compensate for poor economic conditions, but may make a bad electoral situation worse for incumbents. Specifically, voters expect executives to focus their efforts on solving the most pressing problems first, which tend to be associated with the economy. Executives that ignore the economy while pursuing potentially costly foreign policy are likely to be punished at the polls.

To test this conditional hypothesis, we examine election outcomes among nine advanced democracies from 1960 to 2000. Our results support our theoretical expectations. Incumbents who use force while plagued by poor economic conditions are punished at the polls, while those who use force during prosperous times reap no appreciable electoral benefits. The conditional effect of the role of the economy on using force in elections suggests that uses of force may magnify the electoral costs of the economy.

This research is important because little if any systematic research examines whether conflict influences how citizens vote, especially beyond the United States. The majority of scholarship focuses on the effects of conflict on the executive's ability to remain in office. Thus far, we have limited knowledge of how voters in advanced democracies respond to conflict in the face of varying economic conditions. Given the relative lack of cross-national research examining the effects of international conflict on voting, this research fills an important gap.

Our findings have implications for several extant research agendas. First, the results appear to cast doubt on the causal mechanisms assumed by the diversionary use of force literature. Democratic leaders faced with poor economic conditions do not improve their electoral prospects with dramatic foreign policy, suggesting that such leaders are unlikely to possess incentives to use force under such conditions. The results also suggest that executives may not benefit electorally from "gambling for resurrection" during economic downturns (Downs and Rocke, 1994). Since poor economic conditions heighten voters' sensitivities to the potential costs of conflict, leaders engaging in potentially costly escalations may

hurt their electoral chances. Finally, our results imply that current models of economic voting may be misspecified. Given the theoretical linkage between economic performance and foreign policy behavior, measures of economic conditions appear to be correlated with the typically excluded measure of conflict behavior. This can potentially lead to omitted variable bias. Our study suggests that future efforts to model the economic vote should take account of dramatic foreign policy behavior.

Literature

According to Norpoth (1987:949), “war and economics have few rivals when it comes to making or breaking governments”. Research on the economy, approval ratings, and voting suggests that voters evaluate incumbents based on recent and current economic conditions as well as future prospects of success for recent and proposed economic policies (e.g. Norpoth, 1996; MacKuen et al., 1992). Voter dissatisfaction with the economy due to sluggish growth, or higher than expected unemployment or inflation, decreases incumbent parties’ vote share (Palmer and Whitten, 2000). In the hierarchy of electoral issues, “none is more consistently present, nor generally has a stronger impact than the economy” (Lewis-Beck and Stegmaier, 2000: 211).

In contrast, international crises and wars tend to be episodic (MacKuen, 1983). Consequently, the effect of these events on elections is uneven—varying over time within countries, or varying across countries where some countries experience more international crises or wars than others. Although questions concerning economic voting have been thoroughly explored in the literature, relatively little systematic research concerning the effect of international conflict involvement on the vote exists. Indeed, a good deal of research examines some logical implications of the expected relationship between conflict and the vote. For instance, the diversionary use of force posits that leaders may be more prone to initiate conflict as a response to economic problems through either an attempt to divert the public’s attention away from the economy (e.g. DeRouen, 1995), or as a way of demonstrating leader competence (Richards et al., 1993). However, there does not appear to be a scholarly consensus concerning the role of dispute involvement in democratic leaders’ domestic political prospects. There are two prevailing theoretical expectations. The first view emphasizes voters’ sensitivity to the costs of international conflict. The second view suggests that elites are able to garner support for their preferred foreign policies, which may translate into greater electoral support.

Cost Sensitivity

The cost sensitivity argument lies at the core of many explanations of the democratic peace captured in the notion of the pacific public. These arguments suggest that voters are risk-averse with respect to international conflict participation. Because citizens in a democratic society provide the blood and treasure required for a military operation, costly foreign policy actions are expected to be met with electoral punishment (Doyle, 1986).

The cost sensitivity argument also connects international conflicts to both incumbent support and war support. Because conflicts typically produce casualties,

this reduces support for the war effort as well as the popularity of the leader (Mueller, 1973; Gartner and Segura, 1998). Furthermore, sensitivity to the costs of conflict helps to explain variations among democracies in the propensity to initiate conflict (e.g. Koch and Gartner, 2005; Palmer et al., 2004).

However, more recent work suggests that the effect of casualties on individuals, voters, and society is context-dependent. We know that casualties do not affect all individuals within a society in the same manner. Recent research suggests that both context and individual factors determine whether voters will support the conflict or not. For example, Gartner and Segura (1998) show that the death of a soldier from one's own geographic area provides more salient information about the cost of a war than national casualties. They note that those who directly experience the costs of war are more likely to oppose it than those who do not.

Gelpi et al. (2005) argue that voters will tolerate casualties depending on the issue at stake and the likelihood of success. Voters are more likely to tolerate casualties when the conflict is important to national security or when the conflict is perceived as morally justified. Furthermore, when voters believe the mission or conflict will be successful, they will continue to support the incumbent government even in the face of mounting casualties. However, if the public thinks victory is unlikely, the smallest of costs can cause support to plummet (Gelpi et al., 2005). Thus, while the cost sensitivity argument suggests that citizens are generally risk-averse, there is some evidence to suggest that sensitivity to cost is dependent on the context of the conflict.

Elites, Foreign Policy, and Public Opinion

Elite leadership arguments are based on the premise that political elites lead public opinion such that it is in line with the elites' policy preferences (e.g. Foyle, 2004). When faced with a dramatic foreign policy event, leaders choose a course of action and marshal sufficient public support for the effort. According to these arguments, a leader's competence in handling foreign policy crises yields increased approval ratings, which translate into electoral rewards at the polls—the "rally 'round the flag effect" (MacKuen, 1983; Mueller, 1973).

The rally effect provides leaders with incentives to use force in an effort to reverse declining approval ratings (e.g. DeRouen, 1995; Morgan and Bickers, 1992) or to divert attention from deteriorating economic conditions (e.g. Hess and Orphanides, 1995)—the diversionary use of force. Diversionary theory suggests that democratic leaders make trade-offs between economic performance and foreign policy in their quest for votes (e.g. Miller, 1995; Brulé and Williams, 2009). When the economy is performing poorly, leaders expect electoral punishment; but using force abroad may reverse the leader's dire prospects if voters reward the leadership for competence in foreign affairs (e.g. Richards et al., 1993).

But the ability of leaders to capitalize on foreign policy exploits is uncertain for a number of reasons. First, boosts in leader approval following crises tend to be small and short-lived, if they occur at all (Lian and Oneal, 1993). Second, it is not clear whether increases in approval ratings translate into improved electoral prospects. As Baum (2004: 192) observes, "short-term support is an unreliable predictor of the

eventual political ramifications of a policy, because many of today's supporters are likely to become tomorrow's opponents should the policy be perceived as failing".

It is also unclear whether leaders can successfully shape public opinion and take advantage of potentially beneficial events. Indeed, the relationship may flow in the opposite direction: democratic citizens may constrain decisions on the use of military force (Sobel, 2001). Efforts to emphasize foreign policy over the economy may backfire. In his analysis of US intervention in Somalia, Baum (2004) suggests that military intervention increased when the public paid the least attention toward foreign policy. George H.W. Bush realized that an attentive public would be unimpressed with any dramatic foreign policy attempts as the economy slowed. Consequently, Bush chose not to send ground troops into Somalia during the summer and fall of 1992 (Baum, 2004). Conventional wisdom suggests that sending ground troops was a reasonable option. Foreign policy was considered Bush's strength *vis-à-vis* Clinton, and the public and Congress largely supported the intervention. Ultimately, Bush did not want to escalate the conflict when the economy was performing poorly. He was already fighting the perception that he cared more about foreign policy than domestic policy. For example, his campaign advisors were "'fearful of accusations that all the President cared about was foreign policy' and had urged him to take a low public profile on all foreign policy issues until after the election" (Oberdorfer, 1992, quoted in Baum, 2004: 203).

For dramatic foreign policy actions to compensate for the influence of the economy there must be a tradeoff between the two policies. However, voters rank issues based on their salience (e.g. Edwards et al., 1995). All issues, including conflict, are not equally important in the minds of voters. Among the voting public, at least at the macro level, economic issues are consistently more salient than foreign policy issues (Page and Shapiro, 1983: 182). Domestic issues have a greater impact on candidate evaluations because their greater salience makes them more cognitively accessible to voters (Lavine et al., 1996). These preferences are meaningful, as policy outcomes shift in response to changes in foreign policy preferences as much as domestic issues (Page and Shapiro, 1983). This is especially the case when the policies under consideration are considered salient by the public (Everts and Isernia, 2001).

The literature on the effects of conflict on vote choice has two flaws. The first flaw is that the diversionary theory suggests a conditional relationship between economic outcomes, conflict behavior, and vote choice. Unfortunately, this is an empirical question that has yet to be addressed in a cross-national, systematic manner. Perhaps most importantly, the second flaw flows from a failure to incorporate theories of voter behavior into studies of foreign policy. Diversionary studies, as well as most cross-national studies of the constraining effects of institutions, suggest that conflict always has the same beneficial (or harmful) effects on popular support. This ignores the strong foundation that individual-level voting theories provide.¹ In fact, our understanding of how voters choose which parties to support suggests vastly different predictions than diversionary or cost

¹ An exception to this is Morgan and Anderson (1999).

sensitivity theories. In the next section, we introduce our theory of the conditional influence of economic conditions, conflict behavior, and vote choice.

Theory

Our contention is that any theory linking the domestic political situation and international conflict must begin with a solid micro-foundation of the behavior of individual voters. We argue that the effect of conflict on vote choice is conditioned by the state of the economy. We contend that the economy is usually the most salient issue facing voters in advanced democracies, although sometimes foreign policy is more salient than the economy, for a variety of reasons. While these times are relatively rare when compared to the ever-salient economic issues, these are precisely the times when leaders would have an electoral incentive to use force. In the majority of cases, however, we expect that when the economy is poor, voters respond negatively to leaders who become distracted from domestic problems by international conflict.

We assume that voters do not reward leaders for emphasizing non-salient issues or shirking from the most pressing problems (Page and Shapiro, 1983; Everts and Isernia, 2001). Indeed, leaders' efforts to address issues that are peripheral to the central concerns of voters may result in electoral punishment. When leaders are successful in delivering desirable outcomes on high-salience issues, then leader performance concerning secondary issues is unlikely to influence vote choice because leaders will be rewarded regardless. But when leaders are unable to provide acceptable policies or outcomes on paramount issues, voters will regard the concentration of leaders' efforts on secondary issues—even if they result in successful outcomes—as negligence and a failure of leadership. In other words, opportunities for a tradeoff between the economy and foreign policy are likely to be rare. Clearly, foreign policy can be expected to trump voter concerns about the economy when the foreign policy issue involves an existential threat to voters. However, most of the disputes involving Western democracies since World War II have concerned issues that fall short of existential threats.

Voters in democracies are usually most interested in the performance of the domestic economy. In the United States evidence suggests that health of the economy is the major determinant of presidential election outcomes (Tufte, 1978; Nadeau and Lewis-Beck, 2001). Cross-national evidence also suggests that economic perceptions condition government vote and popularity (Lewis-Beck, 1988). If the state of the economy is satisfactory then voters usually reward incumbents. On the other hand, poor economic performance leads voters to punish incumbents (Markus, 1988; Lewis-Beck and Stegmaier, 2000). This does not mean other issues are unimportant; but there is a hierarchy of issues (i.e. economic policy, foreign policy, etc.) determined by the issues' salience among voters (Edwards et al., 1995), and foreign affairs tend to be secondary in the hierarchy of issues for voters in established democracies (Page and Shapiro, 1983). As Larson (1996: 6) states in regard to US foreign policy:

The current public opinion environment itself evidences continued support for active U.S. involvement in international affairs and opposition to isolationism—but, at the

same time, the public shows a preference for concentrating on domestic economic and social issues and a desire to avoid military entanglements that will distract leaders from domestic affairs.

However, at times, foreign policy can supplant the economy in the hierarchy of issues. Foreign policy concerns will clearly be higher when a country is threatened or in the midst of a costly conflict (Mueller, 1973). But foreign affairs often are an important electoral issue even when a country is not engaged in a crisis or conflict. Aldrich et al. (1989), in their examination of US presidential elections, suggest that candidates can, and do, activate the opinions in voters with foreign policy themes being high on the list. For example, in the 1960 US presidential election Kennedy's message of restoring America's prestige abroad appeared to resonate with voters. During the 1960 election the majority of the American public saw foreign policy issues, especially issues tied to Communism or the Soviet Union, as more important than most domestic issues (RePass, 1971).

As noted above conflicts either not in the national interest or where success seems unlikely can lead to dwindling support and ultimately electoral punishment (Baum, 2004). But even when the state is not directly involved in conflict, foreign affairs can have a negative effect on domestic policy and politics. Wood (2009) highlights how increases in saber rattling—which potentially provide a short term gain in approval—can have deleterious effects on the economy, which can in turn affect electoral support. He defines saber rattling as ranging “from relatively broad statements about defending our national interests against external threats (e.g., fascism, communism, terrorism, etc.) to more overt expressions of hostility, sanctions, or war directed toward other nations (e.g., the USSR, North Korea, Libya, Iran, Afghanistan, Iraq, etc.)” (p. 695). He argues that saber rattling increases uncertainty among economic actors, reducing consumer confidence, personal consumption, and overall economic performance. Overall, this suggests that the use of foreign policy tools to gain leverage during an election may provide short term gains, i.e. diversionary gains, but it may also have indirect economic costs that outweigh the gains.

For our purposes this suggests that responses to international crises during periods of economic hardship can be damaging and threaten the fate of democratic leaders. The threat is rooted in voters suffering from poor economic conditions. If leaders seem preoccupied with foreign affairs rather than trying to craft a remedial economic policy, voters may believe that leaders are neglecting the most pressing issue and also potentially making the economic situation even worse. Such a possibility is consistent with the so-called “banker's” model of economic voting, by which voters punish or reward leaders on the basis of expected economic conditions (MacKuen et al., 1992).

This logic is also consistent with Nincic and Nincic's (1995) discussion of the public's response to war. They argue that the public is akin to a consumer of policies while the government is similar to an investor. According to Nincic and Nincic, the public, as consumer, is concerned with the immediate costs and value of policies rather than the long-term potential payoffs. Because the public focuses on immediate costs and benefits, during economic downturns the public is likely to view the additional costs of interstate conflict as a waste of resources that should

be devoted to domestic problems and as problematic since it increases uncertainty about the future distribution of economic resources. Therefore, if the economy is performing poorly and leaders seem to be devoting potentially precious resources to an unnecessary conflict then voter expectations of economic improvement are likely to be reduced further.

At the same time poor economic conditions are likely to affect voters' evaluations of success or failure. During economic downturns, voters may evaluate the possibility of success based on the resources available to the government. Higher costs, both perceived and actual, can signal to the public that there is not a high probability of success (Larson, 1996). As budgets tighten during economic downturns, it becomes more difficult for governments to spend on both foreign and domestic problems, meaning that fewer resources are available to ensure military success. Consequently, voters are likely to punish incumbents at the polls.

The discussion suggests a conditional hypothesis concerning the effects of the economy and the use of force on incumbents' vote share:

Hypothesis 1a: Uses of force coupled with lower levels of economic growth will decrease vote shares for incumbent parties.

Hypothesis 1b: Uses of force coupled with higher levels of economic growth are unlikely to influence vote shares for incumbent parties.

These hypotheses point to the manner in which the economy conditions the effect of uses of force on vote share. Uses of force are not expected to produce electoral benefits under good economic circumstances because voters are likely to have *ex ante* confidence in leaders' foreign policy expertise. However, dramatic foreign policy activity under poor economic circumstances may be regarded by voters as a dereliction of duty concerning the issues of greatest importance to voters. Thus, voters punish incumbents for using force during hard economic times.

Research Design

To test the hypotheses, we examine incumbent parties' electoral performance among nine established democracies (see Table 1) from approximately 1960 until 2000. The unit of analysis is the incumbent party-election. Our dependent variable, *vote share*, is the percentage share of the vote for each incumbent party according to Klingemann et al. (2006).²

We expect vote share to be a function of conflict involvement as well as the economy. Our key independent variable, *dispute*, is a count of new forceful militarized disputes (hostility levels 4 and 5) commencing during the 12 months

² Many of the governments in our sample are coalitions, which presents some problems for estimation and inference. First, because our units of analysis are government elections, we likely have spatially correlated errors. We correct for this possibility using panel-corrected standard errors which correct for both spatially-correlated errors and panel heteroskedasticity. These results, which are consistent with those presented in the article, are available in an online appendix. Second, the party of the executive may be affected more by disputes than coalition partners in elections. We explore this possibility below.

Table 1. Sample Countries and Conflict Behavior

	No. of elections	No. of parties	No. of conflicts	Sample
Australia	16	26	2	1961–1998
Canada	13	13	5	1962–2000
France	9	11	5	1962–1997
Germany	6	12	4	1976–1998
Great Britain	10	10	3	1964–1997
Greece	6	7	2	1977–2000
Netherlands	11	28	2	1963–1998
Spain	6	6	1	1979–1996
US	10	10	14	1964–2000
Total	87	123	38	

prior to the election. The source for these data is the Correlates of War (COW) Militarized Interstate Dispute (MID) dataset (Jones et al., 1996). Disputes reflect the extent to which the state was involved in international disputes during the year prior to the election.³ As such, this variable captures the proximity to elections as well as visibility to the electorate of conflict activity, which overcomes problems associated with minor activity and behavior that occurs well in advance of elections.⁴

A large literature on economic voting (e.g. Lewis-Beck, 1988; Powell and Whitten, 1993) suggests that incumbent governments are likely to be credited with good economic outcomes and punished for poor economic performance. As an indicator of economic performance, we include real annual GDP per capita growth (taken from the *Penn World Table* 6.2).

To account for temporal dependence, we include the *lag of vote share*. Parties that are successful in the past are also likely to be successful in the current election (Lewis-Beck and Mitchell, 1990). Keele and Kelly (2006) show that, under some conditions, failure to include a lagged dependent variable can produce dramatic bias.⁵ This is effective in that it also controls for any inherent differences in the average vote shares gained by parties of all sizes. Moreover, inclusion of the lagged dependent variable can be expected to produce inflated estimates of the standard errors, making hypothesis tests difficult to pass. Because

³ We use dispute involvement, rather than dispute initiation, as our key independent variable. As Palmer et al. note, “dispute involvement indicates that a decision was made to pursue some political issue with another state to the point where military capability was brought to bear” (2004: 12). Thus, it is difficult to determine which actor “acted first”.

⁴ We also accounted for minor, or lower-level disputes, by assessing the effect of all MID, as well as proximity to elections by controlling for the amount of time left in the constitutional inter-election period. These results are available in an online appendix.

⁵ Our data satisfy the conditions detailed by Keele and Kelly (2006). The data are stationary—since the confidence intervals for the coefficients for the lagged dependent variable do not overlap 1, we can reject the null hypothesis of a unit root at the 95% confidence level—and the residuals are characterized by a white noise process.

Table 2. The Economy, Disputes, and Government Parties' Vote Share

	Model 1	Model 2	Model 3	Model 4
GDP	.307 (.293)	.089 (.311)	.368 (.335)	.062 (.432)
Disputes	-2.39*** (1.023)	-5.946*** (2.09)	-3.096 (3.772)	-6.290*** (2.525)
GDP × Disputes		1.01** (.522)	.478 (1.051)	1.006* (.611)
Lag of Vote share	.907*** (.047)	.914*** (.046)	.853*** (.104)	.423*** (.151)
Constant	.182 (1.943)	.763 (1.942)	-.252 (1.993)	21.773*** (6.386)
Observations	123	123	41	82
R ² within	.77	.78	.68	.19
R ² between	.94	.96	.97	.80
R ² overall	.85	.86	.78	.39

One-tailed significance tests: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

we wish to construct hard tests for our hypotheses, inclusion of the lagged dependent variable is consistent with our aims.

We also control for heterogeneity across democracies in the sample by including fixed effects—dummy variables for each state in the sample.⁶ Our model is parsimonious yet generalizable enough to be able to draw broad conclusions about the influence of economic conditions and conflict on electoral outcomes. Although there certainly exist other factors that are expected to condition support for incumbent parties (see Lewis-Beck and Stegmaier, 2000, for a review), we control for country-specific influences in the democracies by including fixed effects dummy variables for each state.

Results

We estimated fixed effects regressions of the incumbent parties' vote shares in the sample countries shown in Table 1. Table 2 shows the regression results for the relationship between economic conditions, dispute involvement, and incumbent party support. The coefficients of the fixed effects dummy variables are available in the online appendix.

Model 1 assesses the additive relationship between economic conditions and vote choice, as well as dispute involvement and vote choice. The coefficient for GDP is positive, which is consistent with the economic voting theory. More specifically, it supports the theory that voters reward incumbent parties for generating high rates of economic growth. The coefficient for the number of

⁶ The Hausman test indicates that the fixed effects model is more appropriate than the random effects model, given the high risk that the states' distinctive intercepts are correlated with the other regressors. The Hausman test gives a χ^2 statistic of 5.94, with a p -value of .11.

hostile uses of force in the previous 12 months is negative and significant. This is consistent with the cost sensitivity argument. Since voters must pay the costs of conflict, they are generally risk averse, punishing incumbent parties that engage in conflict. Thus, we do not see the type of “rally” behavior among voters that diversionary theory would suggest. The lagged vote share indicates that voter support is generally static, in that previous levels of vote support generate high levels of current support. This model gives us an idea about how these policy outcomes influence incumbent party support independent of one another. However, assessing these influences independently, we argue, is based on an idea of voter behavior that is inconsistent with the empirical record. Rather, due to issue salience, voters evaluate economic and foreign policy outcomes conditionally. To test our conditional hypotheses, we turn to Model 2.

Model 2 shows the fixed effects regression estimates for the specification including the interaction between real GDP per capita growth and dispute involvement. The signs and significance levels are supportive of our hypotheses. However, the inferences one can make from the coefficients themselves are rather limited. To illustrate the conditional influence of economic outcomes and dispute involvement on vote choice, we present Figure 1.

Figure 1 shows the marginal effect (and 95% confidence interval) for a use of force in the 12 months prior to an election across the sample range of real GDP per capita growth. Recall that Hypothesis 1 is two-fold: first, that uses of force in times of poor economic conditions result in lower vote shares, and second, that uses of force in strong economic conditions will have no effect. The results support our hypothesis, as the marginal effect is negative and statistically significant (because the confidence interval does not overlap zero) at lower

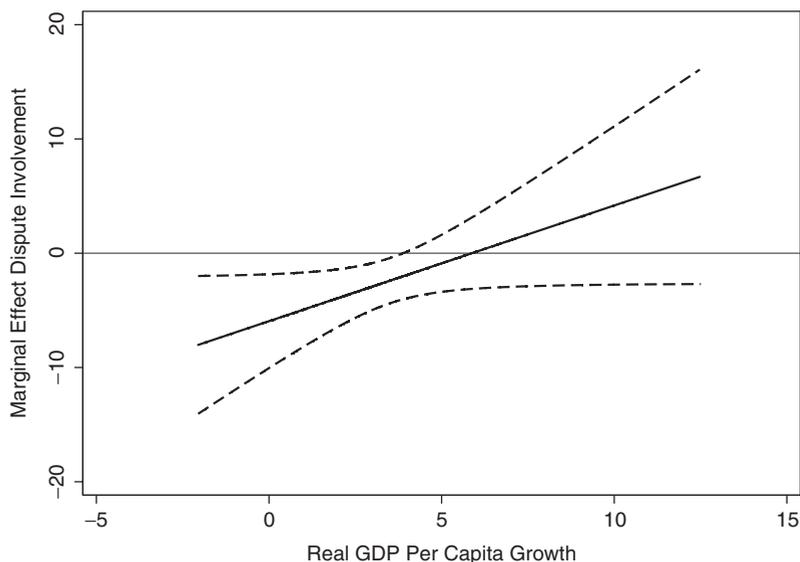


Figure 1. Marginal Effect of Dispute Involvement on Governing Party Vote Share Conditional on Economic Growth

levels of real GDP per capita growth. At satisfactory levels of growth (about 3%), the marginal effect becomes statistically indistinguishable from zero. Contrary to the expectations of diversionary theory, uses of force do not appear to help governing parties. In fact, uses of force hurt governing parties when voters are dissatisfied with the government's performance on the most salient issue—the economy. Voters who are satisfied with the economy are likely to support the governing parties, and little can change that—including engaging in conflict abroad.

Overall, our results are supportive of our theory. We posited that any theory of the domestic consequences of international conflict had to reflect a strong micro-foundation of voter behavior. Since voters do not evaluate all issues equally, voters will respond to changes in more consistently salient issues (e.g. economic issues) more than less salient issues (e.g. foreign policy issues). Based on these expectations, we found evidence supporting the conditional relationship between economic conditions, dispute involvement, and governing party support.

In addition to our analysis of all governing parties, we distinguish between the interactive effects of the economy and dispute involvement for the executive party and junior coalition partners. A particular strength of our theory stems from the micro-foundation of voter behavior. A natural extension to our theoretical expectations is to examine how voters hold different incumbent parties accountable based on perceived competence or responsibility. Not only may voters evaluate salient issues differently when deciding which party to support, but they may also consider each party's amount of responsibility for the outcome. Executives have a great deal of autonomy when it comes to the formulation of foreign policy and in particular, dispute involvement (e.g. Auerswald, 1999). In the eyes of voters, the executive is clearly responsible for becoming involved in interstate disputes. On the other hand, there is evidence to suggest that responsibility for economic conditions is distributed throughout the governing coalition (e.g. Anderson, 1995), or based on perceived competence (e.g. Narud, 1996). Based on this discussion, we expect that the hypothesized conditional relationship will be strongest for the incumbent party that controls the executive, but largely attenuated among the other incumbent parties. Such a distinction is consistent with individual-level surveys that demonstrate that voters can accurately assign accountability for policy outcomes based on the executive's perceived responsibility.

To test this proposition, we estimate the same fixed effects regression shown in Model 2 for a sample of only non-executive parties for Model 3, and executive parties for Model 4. To further illustrate the interactive relationships, we display the marginal effects in Figures 2 and 3.

Figure 2 shows that at all levels of economic growth, dispute involvement has no influence on the vote share of non-executive parties. Because the 95% confidence intervals overlap zero, the conditional effect of the economy for junior coalition partners is indistinguishable from zero. In contrast, Figure 3, which shows the marginal effects of disputes conditioned by the economy among parties holding the executive portfolio, indicates that dispute involvement is costly for heads of government. When economic conditions are poor, the marginal effect for becoming involved in disputes is negative and significant. When the economy is performing strongly, dispute involvement has no discernible effect on vote share. These results

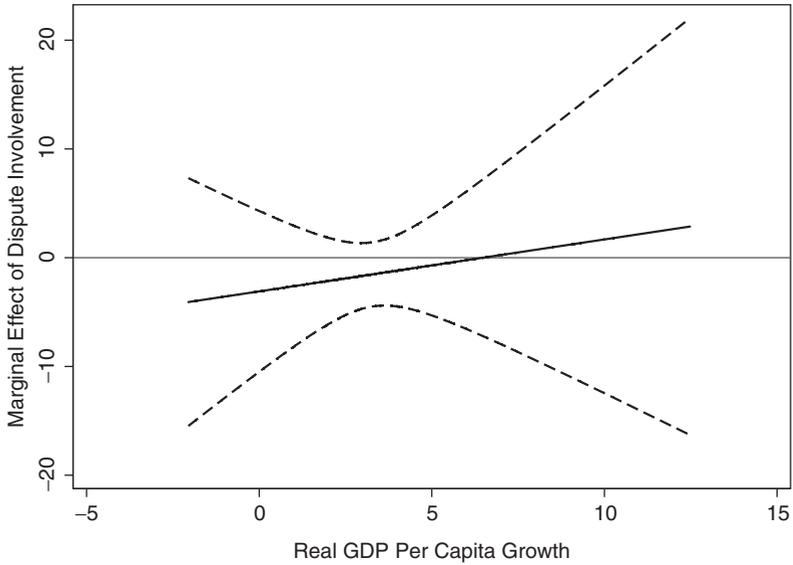


Figure 2. Marginal Effect of Dispute Involvement on Non-Executive Party Vote Share Conditional on Economic Growth

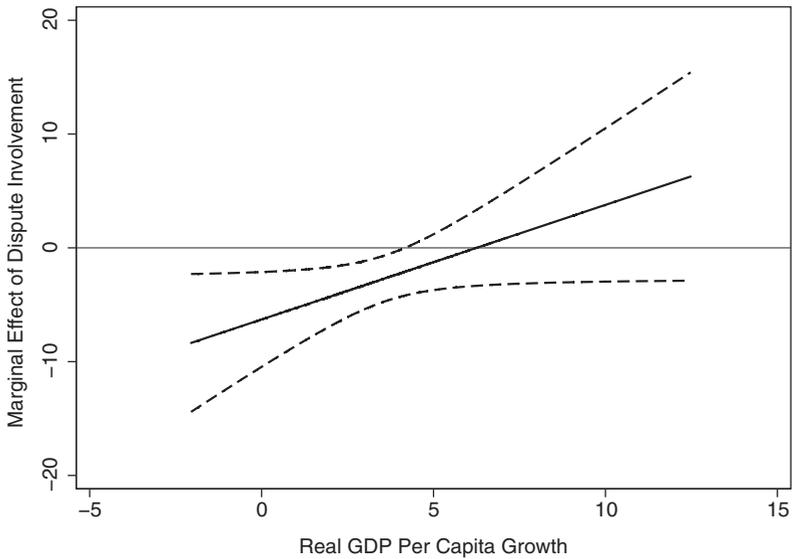


Figure 3. Marginal Effect of Dispute Involvement on Executive Party Vote Share Conditional on Economic Growth

are similar to those presented in Figure 1. These findings are consistent with our conditional expectations and therefore lend additional support to the individual-level theory of issue salience.

Finally, we conducted a set of additional analyses to assess the robustness of our findings.⁷ In one of these, we excluded the US from our sample of democracies to test the extent to which our results relied on the inclusion of the US. We also carried out separate analyses for minor and major powers to assess whether the results varied according to a state's power status. The results of these robustness checks were consistent with those presented here. At lower rates of economic growth, dispute involvement is significantly associated with lower vote share for governing parties.

Conclusion

In this article, we examine the extent to which international conflict involvement conditions the effect of the economy on incumbent vote share, as well as the manner in which conflict may condition the influence of economic voting. Previous research is largely cohesive on the phenomenon of economic voting—voters tend to reward incumbents for good economic conditions, but punish them for poor economic conditions. In contrast, a diversity of perspectives offer conjectures concerning the influence of international conflict behavior on democratic leaders' electoral prospects—incumbents expect to compensate for a poor economy by reaping electoral rewards for using force abroad.

We find, generally, that democratic leaders are punished at the polls for engaging in dramatic foreign policy behavior. Moreover, the extent to which leaders are punished for such behavior is conditioned by the economy in such a way as to directly challenge the incentives described by the diversionary use of force literature. Incumbents are punished at the polls for uses of force when the economy is bad, but receive zero electoral benefits for the use of force when the economy is good. This finding is consistent with our argument. Voters are sensitive to the costs of international crises because they are a part of the larger society that must bear these costs. Consequently, voters are unlikely to approve of potentially costly foreign policy activity. When suffering from the effects of an economic downturn, voters are particularly unimpressed by incumbents who turn their attention toward foreign policy. Such activity detracts from efforts to improve the economy, which directly influences the material well-being of voters.

Our study contributes to our understanding of the domestic consequences of conflict in a number of ways. First, the results directly challenge the processes detailed by the diversionary use of force literature and gambling for resurrection arguments. Rather than compensating for poor economic conditions, uses of force are met with hostility by voters. This suggests that democratic leaders may not have electoral incentives to pursue foreign policy adventurism during hard economic times or to escalate ongoing conflicts. Such a finding may explain the lack of robust evidence supporting diversionary hypotheses (e.g. Miller, 1995; Gelpi, 1997). By extension, our results raise questions for the strategic conflict avoidance (SCA) literature (e.g. Fordham, 2005). If democratic leaders can be expected to be punished for using force during hard economic times, we should

⁷ These results are available in an online appendix.

observe more activity by potential targets of democratic diversions under these conditions. Of course, the empirical record suggests the opposite—potential targets reduce activity that may provoke military action from leaders who appear to have incentives to divert (Fordham, 2005). Consequently, our findings are puzzling when juxtaposed with those of the SCA research.

Second, our study helps explain when the costs of conflict are most likely to matter to democratic societies (Mueller, 1973; Gartner and Segura, 1998). When democratic societies suffer from economic downturns, voters are likely to punish a leadership that engages in new policies that might bring additional costs. This is suggestive of several arguments explaining phenomena associated with the democratic peace. Our findings directly bear out the claim that an electoral mechanism is capable of constraining the use of force (e.g. Doyle, 1986; Bueno de Mesquita et al., 2003). Our findings also suggest that democratic leaders have incentives to choose wars they can win quickly, given that longer or costly wars may either bleed into periods of economic decline or even create economic difficulties (Caplan, 2002) which will cost them at the polls.

Finally, we show that the domestic political consequences of international conflict are conditioned by the state of the economy. This finding has implications for the study of voting behavior in advanced democracies. Most economic voting models account for economic conditions and/or consumer sentiment (e.g. Norpoth, 1996; MacKuen et al., 1992). But our results indicate that conflict involvement can curtail voter support for incumbent parties. If voters' evaluations of incumbent foreign policy behavior are correlated with evaluations of economic performance, economic voting models are plagued by omitted variable bias. Indeed, our theoretical argument and empirical results indicate that voters' evaluations of the economy and foreign policy are related, especially during economic downturns.

One implication from our results is that executives do not seem to receive any electoral benefits from using force, at least in the months leading up to an election. However, this is the time when voters are most likely to pay attention to policies generally. If there are no gains and only losses that occur from using force, why then do leaders engage in conflicts unless it is directly tied to national security concerns? One possibility to consider is that using force abroad, while perhaps not directly leading to electoral success, can indirectly aid executives in terms of both retaining office and in accomplishing their legislative agendas.

Executives engage in conflicts for a variety of reasons not tied directly to electoral support. For example, prime ministers may engage in conflicts to satisfy parts of their winning coalition (Morgan and Bickers, 1992; Morgan and Anderson, 1999). One of the motivating factors of Eden's desire to re-take Suez after Nasser nationalized the canal is the pressure he received from a faction of the Conservative party known as the "Suez" group (Kahler, 1984). Another motivating factor is boosting public approval. Given the direct connections between leader approval and the ability to accomplish their political agenda (Canes-Wrone and Shotts, 2004) leaders can try and prime approval by engaging in conflicts which boost approval. Or leaders might engage in conflict to stave off sagging approval, such as President Carter's ill-fated attempt at rescuing the US hostages in Iran

(Gartner, 1997). Additionally, our results fit with Chiozza and Goemans' (2004) recent work that suggests democratic leaders do not receive any electoral benefit from winning wars.

Furthermore, these results are consistent with prior work on leader tenure and elections. Gaubatz (1991) suggests that democratic leaders are more likely to engage in wars early in the election cycle when they are less constrained and less worried about re-selection. Consequently, leaders are more likely to avoid conflicts late in the election cycle. For example, Norpoth (1987) showed that a dramatic foreign policy event in the Falklands appeared to save the Thatcher government from impending electoral doom due to the state of the economy. While the Falklands war may have staved off a no-confidence motion, Thatcher waited almost a year before calling a new election. Our argument suggests that even with the success of the Falklands war, voters were still likely to place the economy first in terms of issues. Given the state of the British economy in 1982, Thatcher could ill afford to risk elections even immediately after the war. However, by June of 1983 the economy was on a more solid footing than in the previous June. As Whiteley (1984) argues, it was the perceptions of economic performance that led to the Conservative victory of 1983 and not the necessarily the success of the Falklands war.

Overall, the results suggest that conflict involvement reduces the expected vote share for incumbent parties. Moreover, the effect of conflict on electoral outcomes is conditioned by the rate of economic growth. To accurately describe the relationship between the economy and the vote, scholars should take account of the role of potentially costly conflict in voters' decisions.

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