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Reputations and Signaling in Coercive Bargaining

Todd S. Sechser[1]

Abstract

When do states defend their reputations? States sometimes pay high costs to protect their reputations, but other times willingly tarnish them. What accounts for the difference? This article investigates reputation building in the context of coercive diplomacy. In coercive bargaining, giving in to a challenge can harm one's reputation. I argue, however, that states value their reputations less—and therefore are more willing to capitulate to coercive threats—when they do not expect future challenges. Using a data set of more than 200 coercive threats, empirical tests find support for this logic. Coercers that are constrained in their ability to initiate future challenges exhibit higher rates of coercive success in the status quo. The results shed light on the causes of reputation-building behavior and add an important element to our understanding of the dynamics of coercive diplomacy.

Keywords

assurance, bargaining, credibility, coercive diplomacy, crisis, compellence, power, reputation, resolve, signaling, war

When do states defend their reputations? In an anarchic international system, states would prefer to have reputations for resolve, since potential adversaries might be less inclined to challenge states that defend their commitments tenaciously. States therefore often fight back against territorial encroachments, secession attempts,

[1]University of Virginia, Charlottesville, VA, USA

Corresponding Author:
Todd S. Sechser, Woodrow Wilson Department of Politics, University of Virginia, PO Box 400787, Charlottesville, VA 22904, USA.
Email: tsechser@virginia.edu

speculative currency attacks, and other challenges in order to prevent additional depredations in the future. As Schelling (1966, 124) famously argued, one's reputation may be "one of the few things worth fighting over." Yet, states do not always fight for their reputations. Indeed, sometimes they choose to acquiesce to challenges even though they could be branded as irresolute or weak-willed for doing so. This raises a puzzle: why do states defend their reputations in some cases but not others?

Most research about reputations in international politics has focused on whether reputations are worth defending, with little consensus about the answer (see, e.g., Snyder and Diesing 1977; Huth 1988; Mercer 1996; Danilovic 2002; Sartori 2005; Press 2005; Tomz 2007; Gibler 2008; Narang and LeVeck 2015; and Weisiger and Yarhi-Milo 2015). There is growing interest, however, in understanding the conditions under which states *believe* their reputations are worth defending (for instance, Wolford 2007; Clare and Danilovic 2010; Lyall 2014). This is a critical question in international relations because reputation building often takes the form of costly behavior. Depending on the context, states may try to defend their reputations by fighting wars (Snyder and Diesing 1977), defending allies (Crescenzi et al. 2012), sacrificing profits (Alt, Calvert, and Humes 1988), raising interest rates (Leblang 2003), repaying expensive loans (Tomz 2007), or taking other actions that place lives and wealth at risk. Identifying the factors that motivate reputation building can help scholars understand some of the most important and puzzling phenomena in international relations.

This article explores reputation building in the context of coercive threats. When do target states acquiesce to threats, and when do they fight back? Rejecting threats can be an important way to protect one's reputation: by refusing to back down in the face of a military threat, states may believe that they can deter future challenges. But a reputation is only worth protecting if there will be an opportunity to benefit from it in the future. States therefore must consider the likelihood of future coercive encounters when choosing how to respond to a threat. If additional challenges are thought to be likely, then fighting to demonstrate one's resolve might be worthwhile. If they are improbable, however, then states will be less motivated to invest in their reputations.

While future challenges could originate from many sources, this article focuses on one in particular: a state's immediate crisis adversary. If a state capitulates to an adversary's threat today, will that adversary be emboldened to engage in further coercion tomorrow? An adversary's future intentions are impossible to know for certain, but several observable factors provide important information about the extent to which future threats might be forthcoming. Specifically, aggressors that are (1) geographically close, (2) have a demonstrated history of aggression, or (3) possess the ability to project military power are more likely to constitute potential future challengers that need to be deterred. When facing such aggressors, it may be worthwhile for target states to fight back in order to develop a reputation for toughness that will prevent further coercive attempts. By contrast, aggressors that are geographically distant, rarely make threats, or are unable to project power are less

likely to inspire anxiety about future depredations—and therefore less likely to provoke reputation-building behavior by target states.

This argument builds on previous literature by investigating reputation-building behavior within crisis dyads. Whereas existing theories of reputation building emphasize that states often act to influence the beliefs of neutral observers,[1] the theory presented here points out that third parties are not the only actors watching how a crisis plays out: the crisis participants themselves may be drawing reputational inferences as well. States therefore have incentives to consider how their behavior will impact the beliefs of their immediate crisis opponents, not just third parties. Indeed, immediate adversaries may be even more important for reputation building, since a state that has already revealed its willingness to launch a coercive challenge is likely to provoke fears that it will do so again. One's incentives to reputation-build thus depend not only on third-party observers but also on who is the immediate crisis opponent.

Empirical tests conducted below provide support for this logic. Using data on more than 200 coercive threats issued between 1918 and 2001, these tests evaluate the conditions under which coercive threats are likely to succeed and fail. They suggest that states are more likely to resist aggression when their immediate opponents are unable to credibly commit to future restraint. Quantitative analyses demonstrate that a challenger's proximity, past behavior, and military reach are systematically associated with the outcomes of coercive threats. Indeed, these factors appear to be as important for explaining coercive outcomes as several other factors commonly thought to be central in coercive diplomacy, including the balance of power and the value of the stakes. While coercion depends on many factors, the evidence suggests that reputation building plays a central role in the success and failure of coercive diplomacy.

The article proceeds in four parts. First, I outline the logic of reputation building in international relations, discussing when reputations are worth defending—and when they are not. This logic then yields several specific hypotheses about the conditions under which the targets of coercive threats are likely to engage in reputation-building behavior, with special emphasis on the role played by immediate adversaries. Second, I describe the study's research design and data. The third section conducts empirical tests using data on the outcomes of coercive threats in international crises. The fourth section discusses the implications of these findings for theories about reputation, and for our understanding of the causes of war more broadly.

Reputation Building and Coercive Bargaining

One of the most contentious issues in recent international relations scholarship has been the value of a good reputation.[2] Despite serious disagreements about the answer, however, scholars on both sides of the debate tend to agree that reputations "matter" in one critical sense: whether or not states pay attention to others'

reputations, they often feel compelled to defend their own. The question is: *when* do states find their reputations worth defending?

Reputations can be costly to build in the short term: to establish a reputation for toughness, one must first endure pain. The reason to pay these costs is that they might generate future dividends. If one expects to have many opportunities to reap these dividends, then a good reputation will be a valuable asset. If such opportunities are likely to be rare, however, the costs involved in reputation building may not be worth paying. In either case, the value of reputation building depends on one's expectations about the future. Below I apply this logic to coercive bargaining and derive several hypotheses about when states will risk war in order to look tough.

Capabilities, Intentions, and the Shadow of the Future

In international politics, a state's resolve is known only to itself: its willingness to fight for its interests is not directly observable to others. States therefore must infer the resolve of others from their responses to threats and challenges. The unobservable nature of resolve is what makes reputation building possible: by refusing threats and risking war, states may be able to convince others that their resolve is high, even if it is not (Nalebuff 1991).[3] Irresolute states therefore have incentives to resist threats that they would really prefer to accept. At the same time, however, aggressors have incentives to draw out the truth about others' resolve so that irresolute states can be exploited and tough states can be avoided. Thus, there is tension between those that want to hide their true resolve (to protect themselves) and observers that want to learn it (to exploit them).

A state's behavior in a crisis, of course, does not perfectly reveal its willingness to defend its other interests with military force. The issues at stake in international disputes generally vary from crisis to crisis, so there are limits to what one can infer from observing a state's response to a coercive threat (Snyder and Diesing 1977; Press 2005). Acquiescing to a demand for trade concessions, for instance, does not necessarily imply that one is also willing to give away one's capital city. But military crises do share one important similarity: war is always a possible outcome. A state's response to a coercive threat thus may reveal important information about its general sensitivity to the human and financial costs of war—information that could be used against it in future crises, even if those crises are about different issues.

In a world of private information, capitulating to a coercive threat therefore carries risks. Acquiescing to a threat could communicate to the challenger—and to other potential predators—valuable information about the limits of the target's cost tolerance. This information could, in turn, embolden aggressors to issue further challenges in the future.[4] In other words, capitulation might mean more than simply giving up the issue at stake: there may be greater costs to pay down the road if today's concessions invite additional demands. Target states must ask themselves: if I capitulate today, can the challenger credibly promise to stop or will he be emboldened to demand more?

The central implication of this logic is that target states may be more reluctant to capitulate to coercive threats, other things being equal, when the likelihood of a future crisis is high. Although states generally are more willing to defend high-value items in crisis situations, low-value items might also be worth defending if doing so would bolster one's reputation and deter future threats. The immediate costs might be high, but the benefits from preventing future crises could make the gamble worthwhile. By contrast, if additional demands are seen to be improbable, then there will be little benefit to the target from investing in its reputation today. In this way, a target's value for its reputation—and its willingness to capitulate to coercive challenges—is linked to its beliefs about the future.

Hypotheses: When Will States Defend Their Reputations?

The argument that the value of one's reputation depends on expectations about the future is not new—indeed, it is a central insight of classic studies of reputation in economics and other fields.[5] Translating this insight into testable predictions, however, requires us to specify more precisely when states are likely to view their reputations as worth defending.

Reputation-building behavior is driven by the expectation of future interaction. The main benefit of a reputation is that it might prevent future threats from potential challengers. Who, then, constitutes a potential challenger? In principle, any third-party observer to a crisis might represent a potential future challenger, and therefore motivate a target to defend its reputation. Indeed, most literature on the subject has investigated how third-party observers motivate reputation-building behavior (e.g., Walter 2009; Clare and Danilovic 2010). But in a crisis, states may also attempt to protect their reputations in the eyes of the immediate crisis challenger. This is the case for two reasons. First, an immediate challenger has already revealed its willingness to mount coercive challenges against the target. This feature distinguishes it from most observers, whose willingness to initiate a crisis may be in doubt. An immediate challenger therefore is likely to loom especially large in a target state's calculations about the future. Second, an immediate challenger is likely to learn more about a target's resolve from a crisis than a third-party observer. Not only is the challenger paying closer attention due to its involvement and interest in the crisis, but immediate challengers are also privy to private details about the target's behavior (such as secret concessions) that are hidden from observers. In short, when target states consider whether to defend their reputations during crises, the immediate adversary is likely to weigh just as heavily as third-party observers—and perhaps even more so—in these calculations.

From a target state's perspective, the likelihood that an immediate crisis adversary will mount another challenge in the future depends on two factors. First: how easily can the adversary project power? Will it be physically able to threaten war over other issues in the future? Second: what are the adversary's intentions? Are there other issues about which the challenger might wish to make threats later? A

challenger believed to have expansionist objectives naturally will provoke greater anxiety about the future than a challenger that is seen as benign. A reputation for toughness is far more valuable against a revisionist challenger than against a status quo state.

Reputation-building theory therefore expects that a challenger's perceived *capability* and *desire* to initiate future crises will provoke resistance to coercive threats in the status quo. From an empirical standpoint, what specific attributes might be associated with these risk factors? I outline three such attributes below.

Geography. First, a challenger's physical proximity to a target state is a useful indicator of its ability to threaten the target's interests. Challengers that have difficulty reaching target states will not be able to credibly threaten to seize or destroy items of value to the target, making future coercion unlikely. Along these lines, an important consideration is whether geographic obstructions impede a challenger's ability to threaten the target in the future. Specifically, the presence of a large body of water could limit a challenger's ability to threaten a target's other possessions. Other things being equal, an army's ability to inflict punishment is drastically curtailed if it must first conduct an amphibious invasion. As Mearsheimer (2001, 114) has argued, "large bodies of water sharply limit an army's power-projection capability." States therefore may have less to fear from adversaries that lie across bodies of water—even if they are not far away. For example, the English Channel has for centuries protected Great Britain from territorial conquest, despite being just twenty-one miles wide at its narrowest point. This does not mean that a challenger's ability to project power is eliminated altogether by water barriers—particularly in the age of aircraft carriers and ballistic missiles, states have a variety of military instruments that can overcome maritime obstacles. But these instruments tend to be more expensive than ground forces, and they cannot seize and hold territory. According to the logic of reputation building, then, target states should be more likely to acquiesce if the parties to a dispute are separated by large bodies of water:

Hypothesis 1: Target states are less likely to resist coercive threats issued by states separated by major bodies of water.

Relatedly, a challenger that is near to a target will be better able to threaten its other possessions, other things being equal. States are much more likely to experience conflicts of interests with their neighbors, which could provide fuel for additional coercive encounters (e.g., Bremer 1992; Diehl 1998). Persuading a nearby adversary of one's toughness therefore may carry high potential payoffs. By contrast, when a crisis challenger is distant, a future crisis may be seen as less likely:

Hypothesis 2: Target states are more likely to resist coercive threats issued by states in close geographic proximity.

Conflict history. A challenger's perceived future intentions—specifically, its desire to coerce additional concessions from the target—play a key role in the logic of reputation building. Aggressors believed to harbor expansionist designs are more likely to prompt targets to reputation-build since the benefits of deterring these states could be considerable. But because a challenger's intentions are known only to itself, target states must instead rely on observable proxy indicators. One indicator of a challenger's likely intentions is the historical frequency of conflict between the challenger and target. Frequent conflicts could suggest that there are outstanding disputes or long-standing rivalries that could provoke future demands from the challenger (e.g., Diehl and Goertz 2000; Colaresi, Rasler, and Thompson 2007). Moreover, a lengthy history of challenges from an adversary may indicate that the target's reputation is not strong enough to deter challenges and therefore requires strengthening. For both of these reasons, targets may be more likely to adopt a reputation-building strategy when facing challengers against whom they have recently engaged in militarized disputes. For example, the theory would expect India and Pakistan to have strong incentives to reputation-build vis-à-vis one another, since their lengthy history of conflict and the persistence of the Kashmir dispute suggests that there will be many more opportunities to benefit from a strong reputation (or suffer from a weak one). In contrast, reputation-building incentives would be considerably weaker among, say, Canada and Spain, since the rarity of militarized disputes between them[6] implies that neither state would gain much from persuading the other of its toughness:

> **Hypothesis 3:** Target states are more likely to resist coercive threats from frequent crisis opponents.

Although the central question of this article concerns reputation building vis-à-vis immediate adversaries, states may also have broader audiences in mind when engaging in reputation-building behavior. In international crises, third parties may be watching in order to learn about the target state's vulnerability to possible future coercion. Target states therefore may have incentives to display toughness so that outside observers are not emboldened to initiate their own coercive challenges. While all states hope to deter challenges to their interests, states that frequently engage in militarized conflicts with their neighbors are especially likely to perceive future security threats. These states therefore are likely to place a high value on establishing a general reputation for toughness and should be less likely to acquiesce to coercive threats:

> **Hypothesis 4:** Target states that are frequently involved in conflicts with their neighbors are more likely to resist coercive threats.

Military power projection. A state's motivation to defend its reputation also depends on the military reach of its adversaries. The physical ability to threaten a target's

interests creates a unique assurance problem for coercive challengers: although a challenger might want to promise that today's threat will be the last, these promises will lack credibility if the challenger possesses the ability to project military power, since it could easily return with additional demands if it ever changes its mind. The United States, for instance, could try to assure Iran that if it terminates its nuclear program, the United States will make no further demands. Even if this promise were sincerely meant, however, Iranian leaders might be skeptical of its veracity since the United States possesses a vast military reach that would allow it to threaten Iranian interests whenever it wished.

In contrast, coercive threats from states without power projection capabilities are less likely to foreshadow escalating demands. After World War II, for example, states such as India, Indonesia, and Morocco made coercive territorial demands against their former colonial masters in Europe. These states could not have threatened their adversaries' other possessions even if they had wanted to—the demands they made necessarily were of a onetime, almost serendipitous nature. The targets in these cases therefore did not worry that acquiescing would embolden the challengers to make additional demands—the challengers' limited capabilities ensured their future restraint. Among crisis adversaries, then, a target's incentives to reputation-build will be lowest when the challenger lacks power projection capabilities, and greatest when the challenger can project military force widely.

The logic of reputation building therefore implies that a challenger's ability to project military power creates strong incentives for target states to invest in their reputations. Challengers with advanced weapons platforms (e.g., aircraft carriers) and sophisticated transportation logistics can better impose physical harm on far-away targets, and therefore could more easily seize upon today's diplomatic victory to threaten a target's other interests. Targets therefore may be more likely to resist threats from challengers with longer military reach, compared to challengers without such capabilities:

> **Hypothesis 5:** Target states are more likely to resist coercive threats issued by states possessing the ability to project military power.

The logic of reputation building described above implies that states will resist coercive challenges from adversaries that are likely to challenge them again. However, this raises a natural question: can challengers anticipate this problem and adjust their threats accordingly? Indeed, challengers should have strong incentives to recognize reputation-minded targets beforehand and reduce their demands to make them more likely to succeed. Reputation-building incentives, however, create information problems that can undermine a challenger's efforts to adapt. A target's concern for its reputation, after all, constitutes private information—its value for its reputation, driven by its expectations about the future, is known to itself but not others (Fearon 1995). Further, target states may exaggerate how much they value their reputations in order to get better deals (Sechser 2010). Thus, even

if challengers can recognize in a general sense when targets are likely to defend their reputations, they cannot know exactly how much to discount their demands. Some will inevitably discount them too little, leading to coercive failures. By contrast, when reputation-building motives are absent, challengers need not try to guess how much discounting is required. Coercive threats therefore stand a greater chance of succeeding when targets have few incentives to reputation-build, since reputation-building dynamics create information problems that even the best efforts of challengers cannot fully overcome.

To be sure, reputation building is not the only factor driving responses to coercive challenges. A state's decision to capitulate or fight back against a coercive threat is based on a careful assessment of its interests. The stakes of the dispute, the availability of allies, the perceived balance of resolve, and a multitude of other factors undoubtedly play a critical role in these calculations. The theory above aims to build upon—not replace—these factors. It explores how crisis dynamics can change once the stakes of a dispute involve not only the target's possessions but also its reputation. As Leng (1983, 381) has argued, a reputation for resolve is not separate from a state's interests; rather, it can be a central component of them.

Research Design and Data

I employ the Militarized Compellent Threats (MCT) data set, which identifies 210 distinct coercive threats between the end of World War I and 2001 (Sechser 2011).[7] As described by Schelling (1960, 195), compellent threats are a particular type of coercive threat designed to "make an adversary *do* something (or cease doing something)"—in other words, to frighten an adversary into changing its behavior or relinquishing a valued possession (see also Schelling 1966, 69-91). A central feature of a compellent threat is that the target must alter the status quo in some way in order to comply with the demand. Deterrent threats, by contrast, require the opposite: to comply with a deterrent threat, a target must simply refrain from acting. The distinction between these two types of coercive threats thus lies in the degree to which they aim to alter the status quo.[8]

Compellent threats are especially well suited for testing reputation-building theory because they are precisely the kinds of threats that the theory expects to provoke reputation-building behavior. According to the theory, the fear of future coercion is the central mechanism underlying reputation-building behavior: the theory argues that coercive threats are more likely to fail when target states believe that today's threat foreshadows future demands. It is easy to envision how compellent threats could provoke these fears because, in principle, a challenger could always demand more changes to the status quo. Unless a challenger demands complete annexation, a target state could always be asked to give up more territory, implement additional policy changes, or make other concessions. It would be natural, then, for a target state to be concerned that today's compellent demands will simply be scaled up later. Deterrent threats, in contrast, cannot escalate in the same way since they aim to

prevent the target state from acting.[9] The mechanisms highlighted by reputation theory therefore apply best to a coercive context.

As defined by the MCT data set, a militarized compellent threat contains two elements (Sechser 2011, 380). First, each episode contains an explicit demand by one state (the challenger) that another state (the target) alter the status quo in some material way. Second, the demand must be backed by a threat of military force if the target does not comply.[10] The 210 episodes in the MCT data set include many well-known crises, such as Nazi Germany's threats against Poland, Austria, and Czechoslovakia in the 1930s, the US threat against the Soviet Union during the 1962 Cuban missile crisis, and NATO's 1999 threat against Serbia over the status of Kosovo. Other cases in the data set involve lower-profile disputes, such as the 1995 Red Sea clash between Eritrea and Yemen over the Hanish Islands. The issues at stake in these episodes include disputed territory (59 percent of cases), demands for policy changes (47 percent), demands for regime change (12 percent), and even demands for monetary reparations (7 percent).[11]

A potential drawback of using the MCT data set is that it includes only explicit verbal demands, excluding coercive threats in which a demand was implied rather than stated.[12] The data set therefore may constitute a sample of threats that are especially unlikely to succeed, since explicit compellent threats may occur during disputes only after implicit threats have already failed. However, there is no reason to suspect that this would bias the findings of the empirical tests below. Even if explicit threats constitute especially "hard" cases, they nonetheless offer a fair testing ground for reputation-building theory, which encompasses all coercive threats—both explicit and implicit.

Dependent Variable

The dependent variable in the analysis is target capitulation. A target is considered to have capitulated if, according to the MCT data set, it complied with all of the challenger's demands without the use of large-scale military force. "Large scale" is defined here as military action that produces more than 100 fatalities on the target's side.[13] It is important to permit some military action before classifying a threat as a failure, since challengers often use limited military force to communicate resolve (e.g., Fearon 1997). At the same time, a limit must be established so that the outcomes of threats are not conflated with the outcomes of military operations. As Schelling (1966, 10) observes, "violence is most purposive and most successful when it is threatened and not used." It is therefore important to ensure that successful wars are not classified as successful threats, since the purpose of a threat is to avoid war in the first place (see Downes and Sechser 2012). A casualty threshold helps strike a balance between these two requirements.[14]

The dependent variable measures the target's response to the threat, rather than the ultimate victor of the crisis. This is an important distinction because the hypotheses described above make predictions about how states will respond to threats, not

whether they will be able to prevail in a crisis or war. Indeed, even crisis defeats may help states build reputations for toughness if they signal a willingness to risk war or endure military costs. From a reputation-building standpoint, there is an important difference between losing a crisis by capitulating and losing after a costly armed struggle. The act of resistance may demonstrate a target's cost tolerance even if the target state does not ultimately win. One need not prevail in a crisis in order to obtain reputational benefits from it (Sechser 2010).

Of the 210 compellent threats in the MCT data set, challenging states (or coalitions) achieved success in eighty-six cases, or roughly 41 percent of the time. This suggests that compellence is difficult, as conventional wisdom suggests, but it is not impossible. At the same time, when compared to reported success rates for deterrent threats, compellent threats do not appear to succeed as frequently.[15]

Independent Variables

The theoretical discussion above identified three key risk factors that might motivate coercive targets to defend their reputations: proximity to the challenger, recent conflicts with the challenger, and the challenger's ability to project military power. The empirical analysis employs at least two different ways of operationalizing each key risk factor.

Geography. The logic of reputation building argues that the geographic proximity of a challenger provokes fears about future exploitation, thereby motivating states to invest in their reputations. The observable implication is that threats are less likely to succeed if the challenger has easy geographic access to its target, since that access could facilitate additional coercive attempts in the future. Four main variables will help to test this proposition. The dummy variable WATER BARRIER denotes targets that are separated from their challengers by bodies of water other than rivers, offering a direct test of Hypothesis 1. To test Hypothesis 2, a set of three variables will be used. First, the variable DISTANCE measures the logged capital-to-capital distance, in kilometers, between the challenger and the target. Even for states without oceans between them, the prospect of having to traverse through other states or across long distances on land can limit the ability of a challenger to inflict future punishment on its target.[16] A separate variable, NONCONTIGUOUS, indicates whether the members of a crisis dyad shared a contiguous land border at the time of the crisis (Stinnett et al. 2002). This variable is coded zero if the two shared a land border and one otherwise.

Conflict history. The next observable implication of the theory is that targets that have experienced conflicts in the recent past tend to expect them in the future, and therefore are more likely to invest in their reputations in the status quo. I construct four variables to measure conflict history. First, the widely used Militarized Interstate Dispute (MID) data set (Jones, Bremer, and Singer 1996) provides a useful guide to a state's degree of involvement in international disputes. States participating in many MIDs—even if those MIDs did not involve coercive threats—are likely

to have more outstanding disputes and more conflictual international relations than states that exhibit little MID participation. The first variable therefore measures the number of recent MIDs in which a target state and its MCT challenger were on opposing sides during the previous twenty years. This variable counts the aggregate number of "dispute-years" experienced by the target in a given period, thereby accounting for both the total number and duration of ongoing MIDs. It offers a test of Hypothesis 3 by measuring (roughly) the level of hostility between the challenger and target—and, by extension, the extent to which the target might be motivated to demonstrate its toughness to the challenger.

A different way to measure hostility is to assess the existence of a strategic rivalry between two states. Rivalries are long-standing, competitive relationships between states in which the expectation of future conflict is higher than in ordinary interstate relationships. Rivals are more likely to engage in militarized conflicts with one another, and their conflicts are more likely to escalate to war (see, e.g., Diehl and Goertz 2000; Thompson 2001). For the theory of reputation building presented here, however, it does not matter whether militarized conflicts are the cause or the effect of rivalries (Lemke and Reed 2001); what matters is that expectations of future conflict are higher within rivalries than in other dyads. The variable RIVALRY therefore indicates whether a rivalry existed between the two states in each compellent threat dyad in the MCT data set.[17]

A third conflict history variable reports the number of recent MID episodes in which the target state and one of its neighbors were on opposing sides. If target states are concerned about the inferences that third parties might draw from their crisis behavior, as Hypothesis 4 asserts, then they might reject threats in order to showcase their resolve for this audience. The more MIDs a target has experienced with members of that audience, the greater this inclination will be. This variable therefore allows us to test the extent to which the presence of third-party observers influences the reputation-building behavior of target states.

A fourth variable measures the outcomes of recent coercive encounters. According to the logic of reputation building, backing down to a threat today conveys crucial information about the limits of one's resolve, emboldening adversaries to initiate additional coercive threats in the future. Capitulating to a challenge today therefore may create the conditions under which a state will be forced to capitulate tomorrow.[18] The variable RECENT BACKDOWN indicates whether the target capitulated to the challenger in their most recent coercive encounter.[19]

Military power projection. Hypothesis 5 centers on the military power projection capabilities of coercive challengers. Two variables are used to test this hypothesis. First, the Correlates of War Project's National Material Capabilities data set includes annual measurements of each state's total military expenditures (Singer 1987). This is a useful gauge of a state's ability to project power because it incorporates both weapons purchases and spending on transportation, logistics, and technology—factors that are central to enabling a military to attack faraway targets. Military

expenditures of both the challenger and the target are included in the analyses below.[20] For each, I employ natural logarithms to adjust for probable diminishing effects at very high levels.

As a second, more direct, measure of a challenger's power-projection capabilities, I include the dummy variable CHALLENGER LONG-RANGE WEAPONS, which indicates whether the challenger possessed either fleet-level aircraft carriers or ballistic missiles with sufficient range to reach the target state.[21] Both aircraft carriers and ballistic missiles are quintessential tools of military power projection. During the last two decades, for example, the United States and its allies employed carrier-launched aircraft and cruise missiles to attack targets in Afghanistan, Serbia, Iraq, Libya, the Bosnian Serb Republic, and Sudan. The possession of aircraft carriers enabled the United States to strike these adversaries on short notice even though in most cases it had few land-based military assets near the conflict zones. Similarly, in 1982, Great Britain defeated Argentina in the Falklands war—nearly 8,000 miles from London—using strictly naval, air, and amphibious forces, with aircraft carriers playing a decisive role (Freedman 2005). Likewise, ballistic missiles allow states to rapidly strike targets hundreds or thousands of miles away and can inflict punishment across long ranges even when they are not armed with nuclear weapons.[22]

Additional factors. While the discussion thus far has focused on reputation building in crisis bargaining, reputation building is not the only consideration—and may not even be the most important one—driving states' responses to coercive attempts. Indeed, existing theories of crisis bargaining emphasize a variety of other factors, including the stakes of the crisis (see, for instance, Snyder and Diesing 1977; Huth 1988; George and Simons 1994; Danilovic 2002; Art 2003), the use of costly signals to demonstrate resolve (Fearon 1997; Sechser and Post 2015), domestic politics (Schultz 2001), alliances (Leeds et al. 2002), and the legitimacy of the demand (Gelpi 2003). The analysis below therefore includes several control variables to account for the impact of these factors.[23]

Method

The analysis below employs logistic regressions designed to estimate the probability that a compellent threat will succeed. The logit estimator is frequently employed to evaluate coercive threat outcomes that are coded dichotomously (e.g., Schultz 2001; Weeks 2008). The analyses below employ robust standard errors clustered on the challenger to correct for the possibility that interdependence among cases involving the same challenger might artificially deflate the standard errors.[24]

Empirical Analysis

Table 1 presents the results of several regressions. How do the variables highlighted by reputation-building theory perform?

Table 1. Logit Estimates of Compellent Threat Success.

	1 Main model	2 Alternate geography	3 Alternate conflict history 1	4 Alternate conflict history 2	5 Alternate power projection
WATER BARRIER	1.377**		1.486***	1.242**	1.196**
	(0.441)		(0.431)	(0.463)	(0.384)
DISTANCE		0.782**			
		(0.269)			
NONCONTIGUOUS		−5.586**			
		(2.081)			
MIDS: INTRA-DYAD, 20 YEARS	−0.076***	−0.090***			−0.048*
	(0.021)	(0.024)			(0.019)
RIVALRY			−1.056*		
			(0.480)		
MIDS: NEIGHBORS, 20 YEARS				−0.027**	
				(0.008)	
CHALLENGER'S CAPABILITIES	−0.290***	−0.305***	−0.321***	−0.288***	
	(0.081)	(0.090)	(0.085)	(0.087)	
CHALLENGER LONG-RANGE WEAPONS					−1.503***
					(0.443)
TARGET'S CAPABILITIES	0.030	0.046	0.012	0.052	0.051
	(0.069)	(0.067)	(0.071)	(0.063)	(0.075)
RECENT BACKDOWN	1.693***	1.496***	1.312***	1.433***	1.731***
	(0.326)	(0.370)	(0.326)	(0.330)	(0.384)
TERRITORY	0.107	0.208	0.302	0.001	−0.215
	(0.412)	(0.437)	(0.468)	(0.435)	(0.430)
REPARATIONS	−0.804	−0.252	−0.856	−0.776	−0.641
	(0.896)	(0.798)	(0.861)	(0.966)	(0.739)
LEADERSHIP	2.384***	2.657***	2.440***	2.289***	1.985***
	(0.655)	(0.626)	(0.682)	(0.651)	(0.551)
POLICY	0.072	0.215	0.146	0.090	−0.253
	(0.309)	(0.328)	(0.332)	(0.320)	(0.323)
SIGNAL	2.887***	2.960***	2.887***	2.792***	2.775***
	(0.548)	(0.569)	(0.547)	(0.557)	(0.531)
DEMOCRATIC CHALLENGER	−0.130	0.281	−0.304	−0.076	0.065
	(0.334)	(0.317)	(0.335)	(0.328)	(0.410)
DEMOCRATIC TARGET	0.613	1.042**	0.759*	0.590	0.564†
	(0.375)	(0.373)	(0.371)	(0.368)	(0.331)
COALITION	−1.558***	−1.458**	−1.325**	−1.331**	−1.436***
	(0.461)	(0.447)	(0.434)	(0.486)	(0.407)
NONAGGRESSION PACT	−0.474	−0.272	−0.181	−0.372	−0.439
	(0.586)	(0.572)	(0.531)	(0.594)	(0.478)
CONSTANT	2.276†	2.023†	2.708*	2.118†	−1.690†
	(1.198)	(1.176)	(1.323)	(1.186)	(0.954)

(continued)

Table 1. (continued)

	1 Main model	2 Alternate geography	3 Alternate conflict history 1	4 Alternate conflict history 2	5 Alternate power projection
N	239	239	239	239	239
Pseudo R^2	0.417	0.417	0.410	0.411	0.402
Percent correctly predicted (percent)	82.0	82.0	83.7	81.6	82.0
Reduction in error (percent)	53.2	53.2	57.7	52.2	53.2

Note: Robust standard errors in parentheses. MID = militarized interstate dispute.
$^{\dagger}p < .10$.
$^{*}p < .05$.
$^{**}p < .01$.
$^{***}p < .001$.

Geography

Measures of geographic proximity are reliably associated with target resistance, as anticipated by Hypotheses 1 and 2. First, the variable WATER BARRIER is included in models 1, 3, 4, and 5 as a direct test of Hypothesis 1. This variable identifies dyads in which the shortest distance between the challenger and target crosses over a major body of water. In all of these models, WATER BARRIER is positive and significant at the 99 percent level or above, implying that the existence of a water barrier between two adversaries is reliably associated with successful coercive threats. In model 1, the presence of a water barrier between adversaries increases the (absolute) likelihood of a successful threat by about 23 percent, other things being equal.[25] The "stopping power of water," in other words, appears to indeed bolster the willingness of targets to acquiesce to compellent threats. This is precisely what the logic of reputation building would expect: anything that limits the challenger's ability to impose future punishment should also mitigate the target's incentives to reputation-build. The existence of a physical barrier therefore appears to act as a built-in reassurance mechanism in coercive encounters.

Model 2 employs two alternative measures of geography to test Hypothesis 2: (1) the (logged) distance between the challenger and target and (2) a dummy variable to indicate the absence of a shared land border. In model 2, the coefficients for both variables are statistically significant at the 99 percent level. Moreover, the marginal effect of these variables is considerable: as the distance between two noncontiguous states increases from the 5th to the 95th percentile, the absolute likelihood that the target will capitulate increases more than sixfold—from less than 6 percent to more than 35 percent.[26]

An alternative explanation for these results could be that geographic proximity is simply a proxy for territorial disputes, which are thought to be more salient to

participants and more difficult to resolve than other types of conflicts (e.g., Bremer 1992; Vasquez 1995). If this were the case, then we would expect the indicator for territorial issues (TERRITORY) to be negative and statistically significant. However, in none of the regressions does TERRITORY achieve statistical significance, suggesting that the unique intractability of territorial disputes is not driving these findings.[27] While territorial disputes may be useful predictors of the incidence and severity of conflicts (e.g., Vasquez 1993), it does not appear that they offer the same leverage for predicting coercive outcomes.

Conflict History

Hypotheses 3 and 4 suggest that targets are more likely to invest in their reputations when they have experienced many prior militarized disputes, either against the challenger or against other neighbors. The two variables measuring the target's recent MID participation all achieve statistical significance at the 95 percent level or above in models 1, 2, 4, and 5. Equally important, both variables are consistently negative, indicating that targets that have experienced many recent militarized disputes are less likely to acquiesce to threats. These results suggest that states attempt to influence how they are viewed both by immediate crisis opponents and by third-party observers.

The substantive impact of recent conflicts on reputation-building behavior appears to be significant. A threat against a target that has experienced no MIDs against the challenger during the preceding twenty years—the 5th percentile— has a 18 percent chance of succeeding, other things being equal. In contrast, a threat against a target that has endured twenty-three MIDs against the challenger—the 95th percentile—has just a 4 percent chance of success. Militarized disputes against other neighbors have a similar effect: a target that has experienced no MIDs against its other neighbors during the preceding twenty years is 19 percent likely, on average, to acquiesce to a compellent threat. But a target residing at the 95th percentile for this variable—having experienced seventy-one MIDs—is less than one-fifth as likely to concede. These estimates confirm the view that states experiencing high levels of geopolitical conflict are more likely to value and invest in their reputations for toughness.

Measuring conflict history using rivalries yields a similar result. In model 3, the rivalry variable is negative and statistically significant at the 95 percent level, indicating that coercive threats within rivalry dyads are considerably less likely to succeed than those issued among nonrivals. Indeed, a threat issued against a rival stands just a 7 percent chance of succeeding, other things being equal, compared to a 16 percent chance—more than twice the odds of success—if the same threat were made against a nonrival.

How do the outcomes of recent coercive encounters shape the effectiveness of threats in the status quo? An answer is provided by the variable RECENT BACKDOWN, which is positive and significant in all five regressions. In other words, backing

down in the recent past is strongly associated with capitulation in the status quo. A coercive threat stands, on average, a 36 percent chance of success against a target that backed down to the challenger in their most recent encounter, compared to a 10 percent chance of success otherwise. This finding is consistent with the logic of reputation building: by backing down, targets reveal crucial information about the limits of their resolve, allowing challengers to make more effective demands in the future. These results suggest that leaders may be right to worry about their reputations in crisis bargaining environments: backing down to a threat may indeed lay the groundwork for future coercive challenges.

Military Power Projection

A third factor highlighted by reputation-building theory concerns the challenger's military power projection capabilities. Hypothesis 5 expects that indicators of a challenger's ability to project military power will be negatively associated with target acquiescence since this ability creates incentives for the target to worry about the future consequences of backing down. The results in Table 1 confirm this expectation. In all four models in which CHALLENGER'S CAPABILITIES is present, its coefficient is negative and statistically significant at the 99.9 percent level, indicating that the probability of a successful compellent threat drops as the challenger's ability to project power grows. To be more precise, as this measure increases from the 5th to the 95th percentile, the probability that a target will back down drops from 30 percent to 4 percent, holding other variables constant at their mean or median values.

A more direct test of Hypothesis 5 is provided by model 5. In this model, the challenger's power projection capabilities are operationalized using CHALLENGER LONG-RANGE WEAPONS instead of overall military expenditures. As a measure of power projection, this variable has both advantages and drawbacks compared to the challenger's military expenditures. On one hand, it offers a more explicit measure of a challenger's ability to project power, since it measures power projection tools directly rather than through an indirect proxy. At the same time, however, it risks painting an incomplete picture since it measures just two such tools (aircraft carriers and ballistic missiles), whereas the challenger's overall expenditures are more likely to represent the full panoply of both weapons and logistics platforms that might allow a challenger to project power. Thus, while this measurement is neither clearly better nor worse, it does offer an important second test of Hypothesis 5.

In model 5, CHALLENGER LONG-RANGE WEAPONS is negative and statistically significant at the 99.9 percent level. In substantive terms, the challenger's possession of either aircraft carriers or ballistic missiles reduces the probability of a successful threat from 19 percent to 5 percent. This is consistent with Hypothesis 5's expectation that possessing instruments of power projection motivates coercive targets to reputation-build.[28]

Other Variables

The results yield several other interesting findings as well. A result of immediate interest is that demonstrations of force appear to carry significant weight as signals of resolve: in every model, SIGNAL is positive and statistically significant at the 99.9 percent level. This finding offers support for theories of crisis bargaining that emphasize costly signaling behavior and suggests that "sunk cost" signals such as mobilizations can indeed communicate one's resolve to an adversary (Fearon 1994, 1997).

By contrast, the challenger's regime type performs poorly as an explanatory factor in the outcomes of compellent threats. The variable DEMOCRATIC CHALLENGER is never statistically significant, indicating that the effect of democracy on the credibility of compellent threats is statistically indistinguishable from zero. This result contradicts the hypothesis that democratic institutions allow democracies to signal their resolve more effectively (e.g., Schultz 2001), while lending support to skeptics of democratic credibility theory (e.g., Snyder and Borghard 2011; Downes and Sechser 2012; Trachtenberg 2012).

Possible Selection Effects

It is worth considering whether these findings can be explained by a selection effect in the data (Morrow 1989b; Fearon 2002). The theory of reputation building developed in this article argues that challengers that have easy geographic access to their targets, have a history of aggression, and possess military power projection capabilities are more likely to provoke target states to reject coercive threats. However, it could be the case that challengers with these characteristics experience a higher rate of failure simply because they make threats over higher-value issues and therefore suffer from especially unfavorable conditions for successful coercion.

Table 2 helps evaluate this proposition. It reports the results from several logit regressions in which HIGH-VALUE DEMAND is the dependent variable.[29] If the selection effects argument is correct, then the key variables highlighted by reputation-building theory—proximity, conflict history, and power projection—should be positively associated with higher-value demands. But the table demonstrates that these factors are not reliably associated with high-stake threats. The only variables on this list that achieve statistical significance at the 95 percent level are the two conflict history variables, but their coefficients are signed in the wrong direction: challengers with an extensive history of aggression are less likely to make high-value demands, whereas the selection effects hypothesis would expect the opposite. In short, the factors associated with coercive failure are not consistently associated with higher-stakes demands, suggesting that a selection effect probably is not responsible for the relationships we observe in the main empirical analysis.[30]

Table 2. Logit Estimates of High-value Compellent Demands.

	6	7	8	9
WATER BARRIER	−0.252		−0.444	−0.136
	(0.383)		(0.404)	(0.394)
NONCONTIGUOUS		0.061		
		(0.305)		
MIDS: INTRA-DYAD, 20 YEARS	−0.037*	−0.035*		−0.032†
	(0.017)	(0.017)		(0.018)
MIDS: NEIGHBORS, 20 YEARS			−0.028***	
			(0.008)	
CHALLENGER'S CAPABILITIES	0.024	0.018	0.041	
	(0.054)	(0.053)	(0.055)	
CHALLENGER LONG-RANGE WEAPONS				−0.323
				(0.360)
TARGET'S CAPABILITIES	0.106†	0.097	0.176**	0.127*
	(0.061)	(0.060)	(0.067)	(0.064)
DEMOCRATIC CHALLENGER	−0.371	−0.509	−0.243	−0.305
	(0.349)	(0.310)	(0.368)	(0.356)
DEMOCRATIC TARGET	0.237	0.196	0.181	0.090
	(0.368)	(0.361)	(0.380)	(0.376)
NONAGGRESSION PACT	−0.492	−0.473	−0.561	−0.495
	(0.348)	(0.352)	(0.349)	(0.349)
CONSTANT	−0.573	−0.404	−1.380	−0.380
	(1.071)	(1.039)	(1.129)	(0.807)
N	239	239	239	239
Pseudo R^2	0.032	0.031	0.068	0.034

Note: Robust standard errors in parentheses. MID = militarized interstate dispute.
†$p < .10$.
*$p < .05$.
**$p < .01$.
***$p < .001$.

Limitations and Conclusions

This article has investigated the conditions under which states defend their reputations in international relations. Specifically, it examined reputation-building behavior in coercive interstate bargaining, exploring why some states choose to defend their reputations by rejecting coercive threats, while others do not. It has argued that reputation-building incentives depend critically on expectations about future coercion: when states expect additional crises in the future, they are more likely to conclude that it is worthwhile to risk war today in order to prevent further challenges. While participants in a crisis undoubtedly must weigh immediate factors such as the balance of power and interests, expectations about the future also play a role in determining how states respond to coercive threats. Using a data set of more than 200 compellent threats issued between 1918 and 2001, a series of quantitative

empirical tests finds support for this logic. Conditions that might cause target states to expect additional coercive threats in the future were consistently associated with resistance to threats in the status quo. Specifically, a challenger's geographic proximity, history of aggression, and ability to project military power all increased the likelihood that target states would invest in their reputations by standing firm against coercive threats.

These results contribute to a growing body of evidence that states invest in their reputations in systematic, predictable ways. Walter (2009), for example, has shown that governments often seek to develop reputations for toughness in order to dissuade intrastate groups from mounting secessionist challenges. The evidence in this article builds on these findings, showing that the logic of reputation building may extend to interstate coercive diplomacy as well. Further, while previous research has emphasized reputation building vis-à-vis third-party observers, this study shows that immediate adversaries play an equally important role in driving reputation-building behavior.

At the same time, it is important to acknowledge the limitations of these findings. The evidence presented in this study is consistent with the logic of reputation building, but it is not direct evidence that reputation-building incentives play a role in crisis decision-making. While many scholars have offered anecdotal evidence that leaders value their reputations (e.g., Jervis 1991; Press 2005), a more systematic analysis of archival evidence is needed to show that reputational motives indeed drive leaders' behavior under the conditions identified by the theory.

The findings of this study may carry implications for several strands of scholarship in international relations. First, they add to our understanding of the consequences of repeated interactions in world politics. Axelrod's (1984) well-known work argued that the "shadow of the future" is critical to sustaining cooperation under anarchy. The theory presented here, however, suggests that the shadow of the future can have perverse effects as well: when states expect to engage in future crises with an opponent, they may be more motivated to risk war in order to protect their reputations. In other words, coercive threats might actually be more effective—and less likely to provoke war—in a world of uniterated interactions. Second, the theory developed here has potentially interesting implications for the literature on rivalries in international politics. Specifically, it could help account for findings by Hensel (1996), Prins (2005), and others that rivalries tend to grow more hostile over time. According to the theory described above, past conflicts undermine coercive diplomacy in the status quo because they motivate both sides to defend their reputations, thereby reducing the prospects for negotiated settlements. This could help explain why rivalries become gradually more intense over time, adding an important theoretical underpinning to Hensel's "evolutionary" model of rivalry escalation.

Finally, the analysis above paints a complex picture of the role of military power in coercive diplomacy. Dominant wisdom asserts that military power bolsters the effectiveness of coercive diplomacy, since powerful states can threaten more severe punishment against recalcitrant targets (see, e.g., Snyder and Diesing 1977; George

and Simons 1994; Cable 1994; Art 2003). The logic of reputation building, however, suggests that the coercive effects of military power are more complicated. While powerful states indeed can impose greater levels of military punishment, they are also less able to commit to restraining themselves in the future. Reputation building therefore is more valuable against a powerful challenger than against a weaker one, since powerful challengers represent more worrisome future threats. In some ways, then, military power may undermine states' efforts to coerce adversaries—while military capabilities may make threats more credible in the status quo, they may also make assurances of future restraint less credible (Sechser 2010). Military power offers a wide array of advantages in world politics, but those advantages also come with important limitations.[31]

Indeed, the findings in this article shed some light on the puzzling observation that compellent threats issued by United States and other powerful countries seem to have a poor record of success. The prevailing view among scholars is that this poor record reflects the fact that coercion is simply "hard." The logic of reputation building, however, suggests a more complicated story. The theory outlined in this article suggests that the United States faces unique hurdles as a consequence of its overwhelming power. The military power of the United States may make it difficult—and perhaps impossible—to reassure coercive targets that capitulating today will not invite a cascade of future demands. In other words, the extraordinary power of the United States could create unique strategic problems that undercut the effectiveness of its threats. From a practical perspective, this logic suggests that additional military spending is not likely to improve the ability of the United States to coerce its adversaries without war; indeed, it may make matters worse.

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Author's Note

Data, replication commands, and an associated appendix for this article are available at https://dataverse.harvard.edu/dataverse/tsechser.

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Notes

1. See, for example, Selten's classic Chain Store Paradox, in which a retail chain considers whether to engage in a costly price war with a competitor in order to deter other potential market entrants (Selten 1978).
2. For good reviews of this literature, see Huth (1997), Copeland (1997), and Dafoe, Renshon, and Huth (2014).
3. Models of reputation in economics underscore the importance of private information as a precondition for reputation building (Kreps and Wilson 1982; Milgrom and Roberts 1982; Fudenberg and Levine 1989; Kennan and Wilson 1993).
4. For two lucid formal discussions of reputation building and deterrence in repeated crises, see Morrow (1989a) and Sartori (2005).
5. See, for example, Kreps and Wilson (1982); Milgrom and Roberts (1982). For experimental evidence, see Milinski, Semmann, and Krambeck (2002); Bateson, Nettle, and Roberts (2006); Walter and Tingley (2011).
6. According to the MID data set, Canada and Spain have experienced just one militarized dispute since 1815: a dispute over fishing rights in the north Atlantic in 1995.
7. Recent research has shown that several commonly used data sets in international relations, such as the MID and International Crisis Behavior data sets, contain few coercive demands and therefore are not appropriate for testing a theory about the conditions under which coercive diplomacy succeeds and fails (Downes and Sechser 2012).
8. It is important to note that while successful compellence can be viewed as a failure of deterrence, it would be inappropriate to draw conclusions from this analysis about the causes of deterrence failure. The reason is that by examining only compellent threats that were actually issued, the analysis excludes the most successful cases of deterrence—that is, cases in which no challenge ever occurred.
9. In principle, one could think of ways a deterrent threat might expand: for instance, a state could demand that a target refrain from acting only for a limited period of time, but then gradually push back the threat's expiration date. While logically plausible, I suspect that these sorts of threats are rare, if they occur at all.
10. According to the data set's coding rules, threats of force may be communicated either verbally or through military actions such as mobilizations or demonstrations of force

(Sechser 2011, 380). However, the data set excludes compellent demands backed by threats of nonmilitary punishment, such as economic sanctions.

11. Note that episodes in the MCT data set can involve multiple issues simultaneously (Sechser 2011, 384); roughly one-third of the cases fit this description.
12. This restriction was established to prevent the data set from being contaminated by ambiguous demands that were not understood by the recipient (Sechser 2011, 382). Note, however, that the data set only requires substantive demands to be explicit: threats to use force can be communicated implicitly through public military actions.
13. The MCT data set's COMPLIANCE variable indicates whether the target complied with all of the challenger's demands, and the data set's TARGET FATALITIES variable indicates whether the challenger inflicted more than 100 fatalities on the target. See Sechser (2011).
14. Studies of coercive threats often employ casualty thresholds to distinguish between successful and unsuccessful threats; see, for example, Huth (1988).
15. Danilovic (2002, 67-68), for example, finds that extended deterrent threats succeed 50 percent of the time; Huth (1988, 24-25) reports a 59 percent success rate for extended deterrent threats.
16. An alternative distance measurement is provided by the CShapes data set (Weidmann, Kuse, and Gleditsch 2010), which measures the minimum border-to-border distance between states. The main substantive findings remain unchanged when the CShapes distance measurement is used instead.
17. Rivalry data are drawn from the New Rivalry Data set (Klein, Goertz, and Diehl 2006). Approximately 42 percent of the threats in the MCT data set are issued between rivals, according to this measure.
18. Note that the opposite effect is also possible: states that have recently backed down may be especially motivated to stand firm to repair their damaged reputations (Snyder and Diesing 1977, 189).
19. Coercive encounters taking place more than twenty years in the past are not counted in this measurement.
20. These analyses exclude the dyadic balance of capabilities because it is highly correlated with individual capability measures ($r = .22$ for CHALLENGER'S CAPABILITIES and $r = -.68$ for TARGET'S CAPABILITIES). However, the Online appendix reports robustness checks that also incorporate the dyadic ratio of military expenditures. The findings remain similar.
21. Fleet carriers encompass the largest and most offensively capable carriers, distinguishing them from escort carriers and other smaller vessels. Aircraft carrier data were obtained from Chesneau (1984) and Ireland and Crosby (2011). Carriers known to be nonoperational were not counted in this measure.
22. Data on ballistic missile possession and ranges were obtained from Mettler and Reiter (2013).
23. These variables are detailed in the Online appendix.
24. The results are largely unchanged if standard errors are clustered on either the target or the dyad.
25. Marginal effects and predicted probabilities are calculated using Clarify (King, Tomz, and Wittenberg 2000), with other variables set to mean or median values.
26. The 95 percent confidence intervals for all marginal effects discussed here do not include zero unless otherwise noted.

27. This remains the case even when measures of geography—which are likely correlated with territorial disputes—are dropped from the regressions.
28. It is important to emphasize that the effectiveness of one's compellent threats is only one dimension of coercive bargaining. If the effectiveness of threats were all that mattered, states could increase their success rates simply by making trivially small demands. These results therefore should not be taken to imply that military power projection is a disadvantage in coercive bargaining; indeed, it may be optimal for powerful challengers to willingly endure a higher risk of failure in order to make larger—and therefore more lucrative—demands (Sechser 2007, 2016).
29. High-value demands are defined as threats over territory or leadership, both of which are thought to be considerably more important to target states than matters of policy, ideology, or reparations (George and Simons 1994; Huth and Allee 2002).
30. Recoding demands for noncontiguous territory as "low value" does not significantly alter these results.
31. Sechser and Fuhrmann (2013, 2016) make a related argument about the coercive limits of nuclear weapons.

Supplemental Material

Supplementary material for this article is available online.

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