The Political-Economic Leverage of Intergovernmental Organizations in Interstate Disputes

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Abstract

How do international organizations shape countries’ choices between using force or negotiations in political conflicts? This paper argues that international (governmental) organizations (IGOs) with high economic leverage over their member states, such as some development banks, substantially lower the risk that political disputes escalate to long and deadly wars. This effect is noteworthy because the primary mandates of these institutions are not conflict resolution or global security, but economic development, trade, or other primarily economic issues. Empirical tests covering a sample of country-pairs from 1946 to 2001 make use of a new dataset of international organizations that have economic leverage and use it toward increasing states’ cost of using force in disputes. The results indicate that when pairs of states are subject to the economic leverage of IGOs, they are much less likely to use force over conflictual claims, and less likely to escalate political crises. These results are robust to a variety of specifications and tests, including accounting for potential self-selection of more peaceful states in these IGOs. For the political economy of interstate dispute resolution and international conflict more generally, these findings suggest a new linkage between opportunity-cost based arguments about economic interdependence and war and investigations in the role of IGOs in interstate disputes.

JEL Classification: F51, F52, F53, F55, H56

Keywords: Economic leverage of IOs; Indirect influence of IOs; Armed conflict and development; Interdependence; Fragile states
Why do political disputes between states sometimes turn violent whereas states acquiesce and negotiate at other times? What role do international institutions play in shaping these outcomes? This paper argues that international (governmental) organizations (IGOs) with high economic leverage over their member states substantially lower the risk that political disputes escalate to long and deadly wars. This is a noteworthy effect because the primary mandates of these institutions, such as the World Bank or IMF, are not conflict resolution or global security, but economic development, trade, or other economic issues. Such a political-economic logic of IGOs’ role in primarily political claims and potential militarized disputes has implications for how these organizations may use their leverage and resources in the future.

Researchers have long suggested that IGOs are an effective tool for states to establish cooperation. But this research has highlighted a number of competing causal mechanisms, resulting in a variety of perspectives that make similar predictions but ultimately have different implications for the magnitude, timing, and effectiveness of IGOs’ ability to resolve interstate disputes, and for international relations in general. This variety of theoretical accounts of the role of institutions results in stagnation of our understanding of how institutions can contribute to conflict resolution. Wagner (2010, 36) summarizes this bluntly: “we do not know what contribution international institutions short of a world government might make to the resolution of interstate conflicts.” Simultaneously, most research on IGOs has asked whether IGOs prevent the onset of disputes between states—or how IGOs may mediate conflicts. The former focuses on the role of IGOs in preventing disagreements. The latter requires that states choose to allow IGOs to mediate or resolve conflicts. For instance, neighboring states and regional organizations have been hoping that Guatemala and Belize would take a long-standing dispute over territory to the International Court of Justice for settlement. But in 2013, the Guatemalan government decided to postpone a referendum seeking voters’ approval of bringing the case to the ICJ.¹ This illustrates the difficulty of timely support from IGOs for

conflict resolution: it requires disputants’ approval and (later) compliance.

In contrast, this study argues IGOs with high economic leverage can exercise an indirect influence on how states behave in disputes. The theoretical argument highlights the role of IGOs as commitment devices during interstate disputes and suggests that they can change the utility of using force in conflicts. This argument and the assumptions behind it are supported by qualitative evidence from two IGOs that are exemplary for institutional influence on the utility of using force: the International Monetary Fund and the World Bank.

Empirical tests covering a sample of country-pairs engaged in claims and political crises from 1946 to 2001 make use of a new dataset of international organizations that have and use their economic leverage toward increasing states’ cost of using force in disputes. These tests investigate whether claims that a state has made toward another state end in violence or are resolved peacefully. The results show that when pairs of states are subject to the economic leverage of IGOs, they are much less likely to use force over conflictual claims and in crises.

**IGOs and conflict: Competing mechanisms**

Research in international relations has highlighted a number of competing causal mechanisms behind the idea that IGOs may help countries resolve or avoid disputes. These competing mechanisms result in a variety of perspectives making different predictions about the magnitude, timing, and effectiveness of IGOs’ ability to resolve interstate disputes. These causal mechanisms that can be grouped in four perspectives. Overall, these perspectives have all received some empirical support but are not all that instructive for answering (a) what independent effect IGOs may have on conflict resolution and (b) whether IGOs can help manage conflicts when disputes have already arisen and the conflict parties are unwilling to voluntarily involve a mediating IGO.

**Socialization.** IGOs may foster shared identities and align states’ preferences to prevent conflict (Haas 1964; Adler and Barnett 1998; Pevehouse and Russett 2006; Bearce and Bondanella 2007; Kinne 2013). IGOs may also promote trust between leaders and encourage peaceful bargaining
between leaders (Bearce and Omori 2005; Haftel 2007). Bearce and Bondanella (2007) tested this argument and found that states’ collaboration in some institutions (highly institutionalized IGOs) can be linked to a gradual approximation of interests expressed as votes in the UN General Assembly. These studies use specific information about institutional features and the typical time lag associated with socialization and identity-crafting to approximate the theoretical argument. However, the institutional features that allow for socialization frequently overlap with other features that are associated with other causal mechanisms as well, thus not allowing for an all that conclusive test of this causal mechanism.

**Information.** IGOs may force or incentivize states to reveal valuable information, thus eliminating private information as a main cause of conflict (Fearon 1995; Haftel 2007; Shannon, Morey, and Boehmke 2010; Kinne 2013). States may strategically use international institutions in conflict bargaining in order to reveal information about their preferences or resolve. Thompson (2006), Chapman (2009), and Chapman and Wolford (2010) focus on the United Nations Security Council as a key institution that can perform this function. In this logic, the presence of institutions allows states to engage in (potentially) more efficient bargaining and to avoid fighting due to information problems.

**Mediation and conflict resolution.** IGOs may open avenues for multilateral talks about conflict resolution (Shannon 2009; Crescenzi, Kadera, Mitchell, and Thyne 2011). Mitchell and Hensel (2007) suggest that IGOs with proper dispute resolution mechanisms can help prevent conflict even when the probability of conflict may be high ex-ante. Similar results exist for disputes over rivers (Hensel, Mitchell, and Sowers 2006). Hansen, Mitchell, and Nemeth (2008) similarly found that more democratic and more institutionalized IGOs are associated with interstate disputes ending in agreements.

**Commitment devices.** IGOs may be an opportunity for conflict parties to address commitment problems (Shannon, Morey, and Boehmke 2010). Given that states’ power regularly fluctuates,
sometimes based on purely exogenous factors such as environmental disasters or oil discoveries, states cannot credibly commit to not seeking a revision of the status quo in the future when the distribution of power raises the odds of successful revisionism. IGOs can potentially address this problem by imposing additional costs on revising the status quo, and providing benefits for maintaining commitments. Work on IGOs as commitment devices has proven fruitful in other issue areas, e.g. international trade and protectionism (Baccini and Kim 2012), foreign investment (Büthe and Milner 2008), and human rights (Simmons and Danner 2010). These studies spent more efforts on identifying specifically the features of IGOs that make help potential and existing members make commitments. The IGOs I identify as addressing commitment problems are quite distinct from traditionally more security-related IGOs; their commitment-enhancing influence works through economic channels. Studying this causal pathway thus offers a productive way to address several of the inferential challenges summarized below.

**Disputes and observed conflict**

Almost all studies exploring the mechanisms of IGO participation that reduce the probability of interstate conflict have investigated conflict onsets. But for several reasons, a better understanding of IGOs’ role benefits from looking beyond conflict onset as an outcome of interest in evaluating the pacific impact of IGOs. First, explaining and predicting conflict onset is plagued by problems in terms of theory (e.g., multicausality), observability (e.g., Most and Starr 1989), and statistics (e.g., King and Zeng 2001). Second, conflict onset may suffer most substantially from the charge of endogeneity when it comes to establishing a causal impact of IGOs. Third, conflict onset is only one particular outcome of interest when one is interested in determining the causes of interstate dispute. In other words, a number of important processes take place before and after conflicts begin. Each of these processes contributes to the overall rate of conflict we observe in the international system. Hence, diversifying outcome variables in this research area is particularly important.
IGOs and the bargaining approach to conflict

Because the bargaining approach has become so central to the study of conflict (see, e.g., Wagner 2000; 2010; Lake 2010), it lends itself as a framework to study the impact of institutions as well (e.g., Bearce, Floros, and McKibben 2009). Fearon (1995) argued that states are more likely to bargain over outcomes when the shadow of the future is longer. Based on early institutionalist research (Axelrod 1984; Axelrod and Keohane 1985), Bearce et al. suggest that shared membership in IGOs proxies a longer shadow of the future. Consequently, they find that when states make or encounter territorial claims, they are more likely to engage in bargaining when they have substantial IGO links. Mitchell and Hensel (2007), who initially collected the Issue Correlates of War data that makes such tests possible, similarly find that international institutions make cooperative bargaining more successful. This type of research on bargaining productively addresses the endogeneity problem in that it moves back toward an earlier stage of interstate disputes.

Self-selection and reverse causality of institutional effects

Popular realist and methodological critiques of institutionalist research on conflict suggest that states only join institutions in order to gain rewards for behavior they would pursue anyway (Mearsheimer 1994; Downs, Rocke, and Barsoon 1996; von Stein 2005). This critique directly targets such studies that find associations between joint institutional participation and the risk of conflict onset because it is entirely possible that pairs of states only jointly enter international institutions when they see no or a negligible risk of conflicts of interests that could evolve into disputes. In contrast, my interest in the effect of institutions on dispute development avoids this problem by examining only the relevant subset of cases where states have demonstrated a viable conflict of interest. In addition, I empirically address the degree to which endogeneity might bias my findings.
Focus on institutional mechanisms

The research that has examined cases where conflict is present (see, e.g., Shannon 2009; Shannon, Morey, and Boehmke 2010) has focused on security-related institutions, but has not offered much guidance how empirical features of such institutions might be linked to theoretical conflict resolution processes. Tir and Stinnett (2012), for instance, point to treaty institutionalization as mitigating potential water conflicts, but so far have not presented evidence about particular institutional features (beyond cumulative institutionalization) that could be linked up to institutional theory. But this refined focus is necessary to adjudicate whether institutions affect dispute bargaining by solving information or commitment problems, and—subsequently—to clarify when international institutions might steer disputes toward peaceful resolution and when they are ineffective at doing so.

Consequently, some authors suggested for future work that researchers “might develop more refined measures to test the specific bargaining obstacles that IGOs are most effective in removing” (Shannon, Morey, and Boehmke 2010, 1135). I offer a theoretical and empirical approach for moving in this direction. First, I focus on the influence of exogenous costs (imposed by institutions) on the dispute bargaining process, and specify a theoretical model, illustrating how institutions resolve the commitment problem in dispute bargaining. Second, I examine several possibilities of empirical institutional structures that capture the cost-benefit mechanism; here, I move beyond previous models that assumed linear relationships captured in either a count of institutions or subsets of institutions that capture several theoretical mechanisms at once.

Theoretical argument

I argue that the economic leverage of international institutions have an indirect and latent, but effective influence on states’ decisions to use force in disputes. Herein, I focus on institutions that are not explicitly tasked with a security-related mandate. Theorizing and testing the influence of these institutions allows to isolate a cost-benefit based mechanism of institutional influence.
Two states can face a visible conflict of interest materializing in a claim one state makes toward another, where one state wants to obtain land or resources from another state, or influence that state’s policy in a particular way. Conflicts of interest frequently lead to disputes between states; these disputes can range from the exchange of diplomatic notes and withdrawal of diplomatic personnel to non-fatal hostilities and, eventually, war. When states go to war and the fighting ends, conflicts are often not terminated perpetually, but frequently recur. In each of these scenarios, states face commitment problems as a major hurdle to peacefully resolving their disagreement. These interactions are classically defined as a prisoner’s dilemma (see, e.g., Jervis 1978), where the lack of centralized enforcement in the international system forces states in disputes to use force in order to avoid being exploited in the future.

Military conflict involving members of an institution is costly for the institution. Institutional cooperation between states is generally hampered when one or more member states are engaged in militarized conflict. For example, for the case of preferential trade agreements, Mansfield and Pevehouse (2003, 236) suggest that

“[i]nterstate conflict can scuttle these expected gains [from entering a PTA] by undermining commitments to sustain commercial liberalization, inhibiting investment on the part of firms that are reluctant to operate in unstable regions, and damaging the bargaining power of members in negotiations with third parties.”

These losses from conflict are not limited to PTAs or commercial (trade) institutions (Bearce 2003), as previous research has suggested. Many types of international institutions should experience some damage when members are at war (e.g., Smith 2013). In turn, the missions of the institutions—such as delivering benefits to member states—can be negatively affected.

Multilateral development banks lose some of their investments and loans when recipient states spend considerable resources on war and when military action causes damage in recipient countries. Similarly, organizations that coordinate the production of exportable goods, such as oil or coffee, suffer from heightened uncertainty if one or several members are at war. Equally important, interstate conflict and political violence in general frequently divert resources from cooperative
purposes to the conflict, for instance through increased funding for security expenditures.

In line with this dynamic, and exemplary for other institutions, the World Bank and IMF have long recognized the cost of conflict and political violence. Establishing this point requires a closer look at both institutions’ general missions, operational procedures, and lending practice. Both the Bank and IMF have no direct conflict resolution mandate at all: neither institution is tasked with resolving conflicts between member states or between member and non-member states. In fact, each institution is required to maintain political neutrality. This pillar of the institutions’ mandates is well reflected in staff’s current behavior. Bank and IMF staff frequently emphasize that they take no official position on political conflicts among member states, or between member and non-member states. While this assessment is correct in terms of the legal mandate of the Bank and IMF, it is crucial to emphasize that the Bank and IMF (and other institutions as well) have recognized the important effects of interstate conflict on their core missions, economic development and macroeconomic stability.

Prominent evidence for this assumption comes in the publication of the 2011 World Development Report (The World Bank 2011). Each year since 1978, the Bank has published one such report that focuses on one particular topic. The Bank’s president chooses this topic three years before the year in which the report is published. In this case, the Bank’s president at the time, Robert Zoellick, gave a speech in 2008 outlining the general negative effects of conflict on economic development, noting in particular the issues of unstable institutions, public health problems, and regional instability. The fact that the whole 2011 WDR focused on conflict underlines the importance of conflict and organized violence and their detrimental effect on the Bank’s key mission, economic development. The report is unequivocal about the impact of conflict on development:

- “insecurity not only remains, it has become a primary development challenge of our time.”

\(^2\) An example can be seen in a report the Bank’s role in combating corruption: “[...] its staff must be concerned only with the economic causes and effects and should refrain from intervening in the country’s political affairs.” Source: “Helping Countries Combat Corruption: The Role of the World Bank.” Report by the unit for Poverty Reduction and Economic Management. Source: [http://www1.worldbank.org/publicsector/anticorrupt/corruptn/corruptn.pdf]. Last accessed September 10, 2014.

• “The death, destruction, and delayed development due to conflict are bad for the conflict-affected countries, and their impacts spill over both regionally and globally.” (p. 5)

• “[...] organized violence [...] disrupts governance and compromises development [...]” (p. 53)

• “Poverty reduction in countries affected by major violence is on average nearly a percentage point slower per year than in countries not affected by violence.” (p. 60)

• “The disruptive effect of violence on development and the widening gap between countries affected by violence and those not affected are deeply troubling.” (p. 60)

• “Violence is the main constraint to meeting the MDGs.” (p. 62)

• And finally, in the year following the report’s release, the Bank established a separate unit aimed at dealing directly with the cost of conflict: the Center on Conflict, Security and Development⁴ as well as an evolving knowledge platform designed to provide the Bank’s staff with access to conflict-specific resources.⁵

Do these effects translate into any potential actions or procedures of institutions when they anticipate their mandate to be compromised? Some institutions routinely translate these negative effects into costs for member states engaging in military conflict. In other words, when a member state chooses to go to war over an issue with another state, that member state can expect some form of negative ramification from the institution. This ramification may come in the suspension of benefits, direct costs (such as sanctions), or exclusion.


The origin of costs. Consider two states engaged in a disputatious claim. Going to war over this claim will have a rather dramatic effect on a state’s dedication of domestic resources. For instance, Gibler and Tir (2010) have shown that states engaged in territorial disputes are more likely to sustain autocratic regimes and suppress democratization efforts. In the same dynamic, we can expect that states at war will face few incentives to focus on, and thus display, cooperative behavior toward other members of an institution. For instance, a country at war should be less likely to liberalize trade, implement projects on development loans, and provide stable resource output to a collective arrangement such as OPEC. Such unstable and unreliable behavior is a fundamental problem for an institution’s mission, as the previous section laid out by way of referencing examples from the World Bank and IMF.

Types of costs. As a consequence, member states can expect costs with different time horizons. Immediately, states at war may experience a suspension of benefits that the institution is distributing, such as loans, projects, or information. The 2011 World Development Report states that institutions such as the Bank typically “[step] out during active conflict” (The World Bank 2011, 2). Another more recent and direct example comes from the European Bank for Reconstruction and Development (EBRD). The EBRD had promised substantial aid in the form of loans to Ukraine to help facilitate construction projects in the aftermath of Ukraine’s domestic disturbances in early 2014. However, as fighting in Ukraine intensified again with the involvement of separatists and potential Russian contingents, the EBRD froze all loans in August 2014. In the medium term, states at war may be excluded from active institutional cooperation, such as the further liberalization of trade barriers in trade organizations. In the longer run, warring states may gain the reputation of unstable partners that tarnish the institution, which may then preclude them from extensions of current institutional arrangements. Altogether, it should not be controversial to expect that going to war will create costs—either as direct costs or indirect through the withdrawal of

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benefits—for the respective state.

**Clear rules for imposing costs.** While institutions with the appropriate leverage *can* impose costs on member states that engage in conflict, it is not clear that they *must* or *will* automatically do so. In general terms, this renders the role of international institutions in interstate conflict quite situation-specific. If it is the case that institutions only impose costs in selected cases, their influence over the evolution of disputes should vary.

International institutions that set up costs for conflict resolve exactly this commitment problem, and therefore lead to peaceful bargaining outcomes. The key causal mechanism here is that particular institutional arrangements increase the cost of using force in a particular dispute. When the cost of using force increases, disputants’ incentive structure changes such that settling a dispute by using force becomes a less viable option.\(^8\)

This cost-based solution to the commitment problem is most likely to apply when *both* states in a dispute are facing costs from one or more institution. This dyadic component of the argument is important for several reasons. First, being subject to the same types of cost-constraints from an institution makes it more likely that both states have good information about the likelihood and volume of the costs they would incur for using force. Fearing that the other side will engage in revisionism down the road is the driver of the commitment problem. Joint memberships in cost-generating institutions present clear and symmetric information about the cost of using force now and down the road.

This logic yields the **general expectation** that:

States should be able to settle disputes peacefully, once they arise, when joint memberships in international institutions establish sufficient costs for the use of force.

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8This concept is similar to a standard approach to the role of international institutions in interstate disputes such as in Chapman and Wolford (2010). The distinguishing feature of my theoretical model is its focus on real and tangible costs generated by international institutions on a regular basis, rather than (a) the more diffuse costs such as reputational damage or loss of legitimacy or (b) costs dependent on the institutions’ positioning in a particular dispute, as Chapman and Wolford (2010) explored.
IGOs with high leverage

The institutional costs laid out in my argument can emerge from multilateral, formal intergovernmental organizations (IGOs). Beginning with the Correlates of War project’s list of IGOs (Pevehouse, Nordstrom, and Warnke 2004), I isolate those institutions that conduct such operations that give them leverage over member states and that have the operational structure to exercise such leverage. For an impact on observed conflict or conflict resolution, institutions need to raise the cost of conflict for member states such that the payoff from negotiating is greater than the payoff from using force, taking into account the cost imposed on member states of using force. To do this, my theory suggests that institutions need to fulfill several requirements.

**Decision-making at the IGO.** First, they need to possess some capacity to make decisions at the institutional level, rather than being a forum or occasional meeting of heads of states. For this requirement, I use two previous studies that identified institutional characteristics: Boehmer, Gartzke, and Nordstrom (2004) and Ingram, Robinson, and Busch (2005). From these studies’ lists of intergovernmental organizations, I examined those that are at least “structured” (Boehmer, Gartzke, and Nordstrom (2004, 37) and Ingram, Robinson, and Busch (2005, 855)). This feature requires that IGOs “contain structures of assembly, executive (nonceremonial), and/or bureaucracy to implement policy, as well as formal procedures and rules” (Ingram, Robinson, and Busch 2005, 855), and thus captures my requirement.

**Benefits through IGOs.** Second, I selected from this list all institutions whose activities yield tangible benefits for member states. This step separates those institutions identified in my theoretical argument from security-related or purely coordinating institutions. These benefits can include the following typical functions or issues that IGOs cover: providing short-term or long-term loans, harmonizing currencies, harmonizing trade and enhancing market access, facilitating foreign investment, assisting with and coordinating the production of goods, and facilitating the extraction, processing, and sale of natural resources, such as regional trade agreements (Feng and Genna 2003;
I then collected more specific information on each institution to capture the aspects raised in my theoretical argument: the institutions’ ability and practice to impose costs on member states that use force in interstate disputes. This combination of ability and practice gives these IGOs high leverage over member states; I therefore refer to them as high-leverage IGOs or HLIGOs. Based on my coding, 17 different HLIGOs exist; they are listed in Table 1. States are co-members in 9 HLIGOs at most.

**IOs in interstate disputes**

The following empirical test focuses on the development of (a) claims that states have made toward each other and (b) interstate crises, which I explore in more detail further below. Claims are ideal outcomes to evaluate the role of IGOs on states’ behavior during disagreements. The very existence of a claim indicates that two states are facing a disagreement. Such a disagreement expresses the fundamental willingness of at least one state to engage in conflict with another state, and it presents an opportunity for both states to escalate this conflict.

Claims are a situation where states have expressed a disagreement over an issue; this situation lends itself to examining the influence of international institutions on how states proceed in dealing with this dispute. States frequently express claims over issues against another state.

As an example, consider Turkey’s efforts to build the Ilısu dam on the Tigris river. The Tigris flows from Turkey to Iraq (via Syria); this makes Iraq an (indirect) downstream neighbor of Turkey and means that any regulation of water supply through a dam in Turkey will affect the amount of water available in Iraq. Managing water resources between Turkey, Syria, and Iraq has been a contentious issue for decades, but Turkish plans for a multi-dam project, including the Ilısu dam, has led to more serious tensions between Turkey and Iraq. Iraq has long expressed concern about reduced water supply for Iraqi areas, should the dam be built (Warner 2012). In 1999, Iraq demanded that Turkey change course to reflect Iraq’s claims on the Tigris water supply (Hensel, Mitchell, and Haftel 2012; 2013).
**Table 1:** IGOs with high leverage: Issue coverage.

<table>
<thead>
<tr>
<th>IGO</th>
<th>Trade</th>
<th>Currency</th>
<th>Development</th>
<th>Investment</th>
<th>Production</th>
<th>Resources</th>
<th>Total issues</th>
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Sowers 2006). When a challenger (in that case, Iraq) makes a claim, the target (Turkey) can choose to accommodate the claim, or bargain over it. Depending on how the bargaining evolves, the dispute can be resolved peacefully, or one state may choose to use force and turn the claim into a militarized interstate dispute.

Claims like the illustrative case above to explore whether cost-generating institutions can steer the conflict bargaining process toward peaceful resolution. These scenarios present states with a commitment problem. Once challenger A has made a claim, it has expressed dissatisfaction with the status quo. Target B can acquiesce or bargain over the issue. The commitment problem in this situation is a typical example for the logic laid out in Fearon (1995). For both A and B, a bargaining solution rather than the costly use of force would be preferable. But neither A nor B can be sure that the other side might not try to exploit the other side in the future, trying to either push through their claim (A) or force a return to the pre-bargain status quo (B). When the commitment problem is severe, hostilities might ensue.

My argument about institutions’ leverage applies to this scenario. Both challenger and target can expect substantial costs from cost-generating IGOs if they use force. Without these costs, the utility of using force may often be higher than accepting a peaceful bargain—given that one state fears the other will use force later to exploit it. But as the costs of using force increase, the utility of using force decreases. Consequently, my expectation is that during claims, we should observe fewer occurrences of the use of force as challengers and targets are subject to more cost-generating IGOs. I express this expectation in the following

**Claims hypothesis (H1):** Claims are less likely to experience the use of military force when states face higher potential costs from joint memberships in international institutions with the appropriate leverage.

In other words, there should be a *negative association* between states’ joint participation in high-leverage IGOs and the probability of claims to ending in one or both states using force. Below, I evaluate the validity of this hypothesis against the influence of other institutional mechanisms. I focus on two mechanisms: socialization and information dissemination. The former should be
captured by all active international institutions to which both states in a claim are members; the second should be germane to security institutions.

**Empirical test**

**Data on claims**

For this analysis, I use information from the Issue Correlates of War (ICOW) project (Hensel 2001; Hensel and Mitchell 2005; Hensel, McLaughlin Mitchell, Sowers, and Thyne 2008) on several hundreds of claims that states have made toward each other between 1946 and 2001. These data provide as the unit of analysis territorial, maritime, and river claims at the dyadic level. Each claim is a “focus of disagreement between two or more nation-state actors” (Hensel 2013, 4). To be recorded, a claim must be based on explicit and public statements by official representatives of the government of at least one state (ibid.). This matches closely the condition that I identify for an opportunity for international institutions to change states’ behavior: a claim establishes a contention over an issue that can (but need not) result in a military confrontation. The existence of a claim means that there is a demand from one state to another. Basing my analyses on the existence of such expressed disagreements helps address the problem of identifying the relevant set of observations that should enter an analysis of the correlates of conflict onset.

**Outcome: Use of force in claims**

The argument specifies that the influence of international institutions with substantial leverage should translate into a heightened cost of using force in disputes, which in turn would result in a lower probability of observing actual conflict between states in a dispute. Using claims as units of analysis, I code a binary outcome for each claim: whether either side in the claim dyad used force. This outcome is based on the ordinal hostility measure in the ICOW data for each claim. I code it as 1 if the highest hostility level throughout a claim reached the use of force by at least one state.
in the dyad or if a full-scale war ensued. If hostilities remained below that level—if states only threatened with the use of force, displayed force, or no militarized dispute at all occurred—the variable is coded as 0. Here, I assume that observing at least one government (say, A) using force indicates that the payoff from using force for that government exceeded the payoff from the status quo and peaceful conflict resolution, taking into account the cost of using force incurred through relevant international institutions. Between 1946 and 2001, the ICOW data record 196 claims for which I have information on international institutions. Of these 196 claims, 40 experienced the use of force.

The current version of the ICOW data (version 1.10, as of August 2014) provides information on claims in North and South America, Europe, and the Middle East; Figure 1 illustrates the claims recorded in this version.

**Figure 1**: Claims and the use of force, 1946-2001. Gray shading indicates the number of claims that a country was involved in (darker shade: more claims). Red dots mark countries involved in claims that experienced the use of force, with larger dots indicating more incidents of using force. For countries in white, no information on claims is yet available in the ICOW data (version 1.10).

**Institutional influence: co-membership in cost-generating IGOs**

The key variable to measure the economic influence of international institutions is derived in the previous section. My theoretical argument suggests that the cost of using force in a claim increases
with the influence of high-leverage IGOs. This influence is present when both states in a claim are involved in such IGOs. Therefore, I use the count of both states’ joint memberships in institutions with high leverage (see Table 1) to measure the aggregate costs that institutions can credibly impose on states engaged in a dispute. When both states are members in an institution, the costs of using force are similar for each state and transparent to each state. Because the outcome is the observed use of force by either state, joint memberships are the most appropriate measure for this type of institutional influence. Figure 2 displays the distribution of the HLIGO variable in the sample of interstate claims. States’ joint memberships vary from zero to nine, with two being the modal category and 20% of dyads sharing four or more HLIGOs. I measure these joint memberships in the year in which the claim begins. This choice helps isolate the influence of HLIGOs from potential processes during the claim.

**Figure 2:** Joint memberships in high-leverage IGOs of states involved in claims, 1946-2001.

**Other IGO variables**

To distinguish the cost-based institutional mechanism from others, I also investigate the role of two other variables as a placebo test to see whether other IGOs also exhibit similar effects. If they do, the correlation between high-leverage IGOs and the development of claims would be insuf-
ficient evidence to support my theory’s implications. The impact of a dyad’s joint membership in those IGOs that can proxy the idea that interactions in international institutions can socialize states into shared identities or build trust (for examples, see for instance, Checkel 1999; Johnston 2001; Bearce and Bondanella 2007). This may in turn facilitate the peaceful resolution of claims. For this concept, I measure a dyad’s count of shared memberships in structured IGOs, following Bearce and Bondanella (2007) who first operationalized IGO socialization in a quantitative manner. Structured IGOs comprise IGOs with “structured” and “interventionst” character. These institutional features capture the “bureaucracy necessary for a high density of member-state interactions” (Bearce and Bondanella 2007, 713); this high density is necessary for the interactions that give way to member state socialization and the resulting preference alignment.

The other channel of IGO influence addresses information problems about other states’ capabilities and/or intentions (see, for instance, Shannon, Morey, and Boehmke 2010). I focus on the type of institutions with the structure and issue coverage most likely to resolve information problems when it comes to military conflict: IGOs with centralized, “interventionist” (Boehmer, Gartzke, and Nordstrom 2004) structures operating in the military-political domain. Because each mechanism relies on the role of the respective IGOs for both states in a dispute, I operationalize each of these two mechanisms as the count of joint memberships in the respective type of IGOs.

Control variables

Salience. In order to account for the importance of the claim in each case and the stakes each state may have in it, I control for two ordinal measures of salience provided by the ICOW project. Tangible salience measures the value of the object (such as a territory) under dispute to the states involved. Intangible salience operationalizes the ideational or historical value that states have expressed for the object under dispute. Both variables increase with higher salience (Hensel and Mitchell 2007, 15).
**Territorial claims.** Because disputes over territory are arguably more likely to escalate to wars (see, e.g. Huth 1996; Hensel and Mitchell 2005; Tir 2010), I include a binary indicator for territorial claims.

**Democracy.** I control for joint democracy to account for the finding that democracies are more likely to settle claims peacefully (see, e.g., Hensel 2001). This variable is coded as 1 for pairs of states that both exceed a value of 7 on the Polity scale (from −10 to +10) and 0 for all others (Marshall and Jaggers 2009).

**Rivalry.** Due to established findings about enduring rivalries between states as hotbeds for using force (see, e.g., Diehl and Goertz 2000), I include a separate indicator for claims between pairs of states that are also coded as enduring rivalries by Klein, Goertz, and Diehl (2006).

**Power differential.** Previous work suggests that power asymmetry between states is inversely related to the degree of uncertainty about potential war outcomes (see, e.g., Bennett and Stam 1996), and that conflict might be more likely under greater uncertainty. I control for this relationship using the (absolute) differential in capabilities between the two states in a claim, operationalized using the National Material Capabilities/Composite Index of National Capability (Singer, Bremer, and Stuckey 1972) via EUGene (Bennett and Stam 2000). Higher values on this variable indicate greater asymmetry.

**Economic factors.** Finally, I account for the pacifying effect of economic interdependence (see, e.g., Gartzke, Li, and Boehmer 2001; Hegre, Oneal, and Russett 2010) by incorporating the lower value in the dyad of bilateral trade divided by GDP, using data from Gleditsch (2002). To capture the idea that wealthier countries have more to lose from militarized conflict and are thus more likely to avoid the escalation of claims (see, for instance, Gartzke 2007, 171-172), I also include the lower value of GDP per capita as a proxy for economic development (again taken from Gleditsch 2002).
Are all HLIGO co-memberships equally relevant? Controlling for economic development also helps isolate the impact of HLIGOs on the evolution of conflicts because it holds the potential impact of HLIGO-imposed costs constant. The partial effect of HLIGO-imposed costs might be different for a dyad of wealthy countries that depend less on HLIGO-based benefits—compared to a dyad of less wealthy states whose economy draws more strongly on resources from HLIGOs. Adjusting for the economic development of the dyad addresses this possibility by establishing the same baseline for the evaluation of HLGIO co-memberships.

Estimation

Given the binary nature of the dependent variable, I use probit regression models to evaluate the determinants of the probability of a claim experiencing the use of force. These models are fit using Bayesian estimation. The Bayesian approach treats the parameters of interest (in this case, regression coefficients) as part of a distribution, rather than fixed (unobserved) values that are asymptotically approximated in frequentist regression models. Through simulation, I obtain the distribution of these parameters. This allows me to evaluate their statistical significance in a naturally interpretable and robust way, which is particularly useful considering the somewhat small sample in this study (Albert and Chib 1993, 678). For prior distributions, I use noninformative uniform distributions.

Results and discussion

States’ joint participation in high-leverage IGos is negatively related to the probability of claims to ending in one or both states using force. The first row in Table 2 (Models 1, 2, 4, 6, 7, and 8) all show a negative coefficient on states’ joint memberships in high-leverage IGos, suggesting that when states with more joint memberships engage in a claim, they are less likely to use force in it. This relationship holds in the absence (Model 1) and presence (Models 2, 4, 6, 7, and 8) of control variables, and it is statistically significant: in each of the models, more than 95% of simulated parameter values are below 0. Across all models, about 98% of simulated values are
below 0. The posterior estimates peak around values of around $-0.15$ or lower, depending on which model is estimated. Figure 3 illustrates this statement and shows the posterior distribution of the coefficients on joint HLIGO memberships for each model, separated by color. These density plots indicate how many of the posterior draws of the coefficient estimates fall to the left of 0, to the right of 0, or close to 0. Seeing how many draws are in the hypothesized direction (to the left of 0) as well as where the posterior distribution’s highest density occurs (around $-0.15$ or lower) allows to evaluate the certainty with which to make inferences about the relationship between joint HLIGO memberships and the probability that one or both states in a claim used force.

![Coefficient estimates](image)

**Figure 3:** Joint memberships in high-leverage IGOs and the use force in claims, 1946-2001. Posterior distribution of probit regression coefficients. Colors of the density plots indicate the different Models (1, 2, 4, 6, 7, 8) in Table 2.

To distinguish the cost-based mechanism of IGO influence from other mechanisms, I also estimate separate models where I focus on the role of socialization (through states’ co-memberships in structured IGOs) and information provision (through states’ membership in highly structured security-related IGOs). The coefficient estimates for these two mechanisms cannot be reliably distinguished from 0.

The substantive impact of High-Leverage IGOs is considerable. Figure 4 shows the predicted probability of using force at each possible count of joint memberships in HLIGOs in the ICOW sample. In the Bayesian setup, these predicted probabilities are obtained through the posterior dis-
Table 2: Determinants of using force in claims, 1946-2001.

<table>
<thead>
<tr>
<th>Model</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<td>−0.256</td>
<td>−0.155</td>
<td>−0.166</td>
<td>−0.316</td>
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</tr>
<tr>
<td></td>
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<td>(0.08)</td>
<td>(0.121)</td>
<td>(0.081)</td>
<td>(0.085)</td>
<td>(0.137)</td>
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<td>−0.037</td>
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<tr>
<td></td>
<td></td>
<td>(0.014)</td>
<td>(0.021)</td>
<td></td>
<td></td>
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<td>(0.026)</td>
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</tr>
<tr>
<td>Joint Security HSIGOs (Information)</td>
<td></td>
<td></td>
<td></td>
<td>−0.325</td>
<td>−0.275</td>
<td>−0.278</td>
<td>−0.365</td>
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<td>(0.295)</td>
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<td>(0.189)</td>
<td>(0.192)</td>
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<td>(0.2)</td>
<td>(0.224)</td>
<td>(0.231)</td>
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<td>Tangible Salience</td>
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<td>0.236</td>
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<td>(0.079)</td>
<td>(0.08)</td>
<td>(0.083)</td>
<td>(0.084)</td>
<td>(0.106)</td>
<td>(0.105)</td>
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<td>1.455</td>
<td>1.239</td>
<td>1.385</td>
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<td>(0.446)</td>
<td>(0.427)</td>
<td>(0.446)</td>
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<td></td>
<td>(0.276)</td>
<td>(0.267)</td>
<td>(0.275)</td>
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<td>(0.281)</td>
<td>(0.321)</td>
<td>(0.329)</td>
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<td>Power Differential</td>
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<td></td>
<td>−0.128</td>
<td>−0.124</td>
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<td>(0.056)</td>
<td>(0.057)</td>
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<tr>
<td>Trade dependence (lower)</td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td>(0.064)</td>
<td>(0.069)</td>
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<tr>
<td>GDPpc (lower)</td>
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<td>0.081</td>
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<td>(0.306)</td>
<td>(0.316)</td>
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<td>Claims</td>
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<td>167</td>
<td>167</td>
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<td>161</td>
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</tr>
</tbody>
</table>

*Binary outcome variable:* did a claim experience the use of force?

*Estimation method:* Bayesian probit regression with uniform prior distributions on all parameters.

*Cell entries:* Means of the posterior distributions of Bayesian probit coefficients; posterior standard deviations in parentheses. Intercept not shown.

*Convergence:* Tests passed for all parameters (see Appendix ??).
distribution of (simulated) predicted probabilities of using force at the given number of joint HLIGO memberships. This also allows a measure of uncertainty based on that posterior distribution. Here, the data show that dyads with more HLIGO memberships substantially drop in the probability of either side using force. Moving from no co-memberships to 3 cuts the probability of using force in half, from over 30% to about 15%. At 6 co-memberships, that probability drops below 10%. Keeping in mind the overall distribution of HLIGO memberships in this sample (Figure 2), values between 3 and 6 are frequent; the lower probabilities in this area are therefore substantially relevant.

\[ \text{Figure 4: Predicted probabilities of using force in claims, 1946-2001. Black dots are the means of the posterior distribution of (simulated) predicted probabilities of using force at the given number of joint HLIGO memberships, with other covariates held constant. Grey bars indicate 90\% credible intervals based on the posterior distribution of predicted probabilities. Calculations based on Model 2, Table 2.} \]

**Control variables and model quality**

In Models 2 through 6, control variables behave as one would expect from the extant literature. Claims over issues that have higher tangible salience are more likely to experience the use of force,
whereas higher intangible salience is associated with a lower risk of that outcome—a relationship that has been shown previously, for instance, by Hensel and Mitchell (2005). As the large literature on territory as a source of violent conflict suggests, territorial claims are more likely to experience the use of force; the same applies to enduring rivalries (see, e.g., Diehl and Goertz 2000). If high power asymmetries are interpreted as the absence of uncertainty over potential war outcomes, the models support the idea that claims are more likely to be resolved peacefully when opponents have a clear understanding (and little uncertainty) over which side would prevail in a militarized conflict. The coefficients for democracy and trading relationships point in the expected direction (negatively associated with the use of force), but do not allow for inferring such a relationship with a high degree of certainty. Economic development exhibits no relationship with how claims evolve.

Judging by the models’ classification of the binary outcome variable, the models perform satisfactorily, with the area under the Receiver Operator Characteristic-curve (see Ward, Greenhill, and Bakke 2010) being above 70% for each model but the bivariate Model 1. Each model in Table 2 also contains separation plots to graphically evaluate how well these binary models classify the binary outcomes to which they are fit. Separation plots display how well the predicted probabilities from a statistical model correspond to the actually observed events in the data.

Modeling selection into claims

The previous test chooses claims between states as its relevant sample. For an unbiased estimate of the effect of HLIGOs on the probability of using force in a claim, the test assumes that claims with dyads are a random sample of all dyads. But it might be possible that in pairs of states where one state makes a claim another state, some unobserved factor explains why these two states in particular enter into a claim. If that is the case, one would need to correct for potential (downward) bias in the estimates of the coefficients on HLIGOs.

Based on theory, there should be little reason to be concerned about upward bias, i.e. findings that are too optimistic about HLIGOs, arising from this selection process. If the sample of dyads in
claims were more conflictual or ridden with animosity, for instance, evidence for a positive impact of HLIGOs in that sample would be based on a particularly hard test. This is part of this study’s motivation to focus on revealed disagreements only, rather than all (politically relevant) dyads.

I test for the robustness of the previous findings to selection bias comparing these findings to those from a model that corrects for sample selection, the most common approach to this problem in the quantitative IR literature. This type of sample selection model estimates two equations, one for selection of all dyads into claims, and one for the use of force in claims (akin to Models 1 through 8 above). The population for the selection equation is all pairs of states; the dependent variable is the onset of a claim. As in Models 1 through 8 above, there are just short of 200 claim onsets. The outcome equation is then estimated on the sample of these claims, with the binary dependent variable being the indicator of whether force was used during the claim. The correlation between the error terms of both equations can then indicate the presence or absence of selection if both equations are appropriately specified.

I choose two variables that plausibly identify the selection equation. First, two states’ affinity should be strongly related to states’ probability of starting a claim against each other in the first place. For affinity, I use a common measure based on states’ voting in the United Nations General Assembly (Gartzke 1998; 2000; Voeten 2000; Gartzke and Jo 2002; Voeten 2013). For robustness, I also rely on a recent alternative, dynamic ideal point estimation (Bailey, Strezhnev, and Voeten 2013), that arguably outperforms the previous measure based on voting similarity. On each of these measures, lower values indicate greater preference divergence, and higher values indicate higher concordance. To be a plausible identifying variable for the selection equation, the instrument should contribute to the process of claim onsets but not be related to the evolution of the claim and whether either or both states choose to use force. Affinity is a good candidate for this requirement on a theoretical basis: states with a high degree of preference similarity are by definition quite

\footnote{For examples, see studies of international and intrastate conflict (Lebovic 2004; Shannon, Morey, and Boehmke 2010; Lemke and Reed 2001; Reed 2000; Sartori 2003; Allee and Huth 2006; Hansen, Mitchell, and Nemeth 2008; Beardsley and Asal 2009; Brochmann 2012; Clayton and Gleditsch 2014), international political economy (Jensen 2003; von Stein 2005; Kim 2008; Busch and Pelc 2010), and international organizations and law (Plümper, Schneider, and Troeger 2006; Donno 2010; Gray 2009; Conrad and Ritter 2013).}
unlikely to establish claims or demands against each other. Otherwise, one would expect that their latent dispute would also materialize in preference divergence in, for instance, their voting behavior in the UN General Assembly. On the other hand, it is difficult to imagine that two states with high preference alignment would first make a public claim but then resolve it peacefully—in that case, one would expect that either these states have no latent disagreements that would lead them to make a public claim, or that they resolve latent disagreements in amicable negotiations without having to publicly stake hostile claims against the other states. Empirically, there is no observable relationship between affinity and the probability of using force in claims ($p = 0.55$ in a bivariate model).

Second, I also use the contiguity of the two members of a dyad to help explain the onset of claims. This variable is also plausible because one would expect that states are far more likely to make claims about territorial, maritime, or freshwater resources of states that are in reasonable proximity to the claim-making state. I use the Correlates of War project as the source for this variable (Stinnett, Tir, Diehl, Schafer, and Gochman 2002).

Table 3 shows three key results from Heckman probit selection models. First, the coefficients on HLIGOs are virtually unchanged from the results in Table 2. Assuming that the selection model is correctly identified, this suggests the absence of selection bias on my variable of interest. While identification cannot be tested objectively, the good model fit (with an area under the ROC curve around 0.88) suggests that modeling the selection stage with the chosen variables is appropriate, and does not invalidate the assumptions behind identification.

Second, none of the models in Table 3 indicate a significant correlation between selection and outcome equation, also indicating the absence of selection bias. Third, the information shown in the visualization of the results in Figure 5 is consistent with what one would expect, lending some credence to the specification of the selection model. First, dyads that find themselves in claims share the following characteristics: they are likely to be geographically close to each other; they express diverging preferences in their voting in the UN General Assembly, and they are enduring rivals. Interestingly, states that make claims to each other also share more highly-structured IGOs
Table 3: Accounting for selection into claims: determinants of using force in claims

<table>
<thead>
<tr>
<th>Model</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome: Using force</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint High-Leverage IGOs</td>
<td>$-0.151$</td>
<td>$-0.158$</td>
<td>$-0.165$</td>
</tr>
<tr>
<td></td>
<td>$(0.066)$</td>
<td>$(0.07)$</td>
<td>$(0.069)$</td>
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<td>Intangible Salience</td>
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<td>$-0.511$</td>
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<td></td>
<td>$(0.157)$</td>
<td>$(0.196)$</td>
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<tr>
<td>Tangible Salience</td>
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<td>$0.164$</td>
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<tr>
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<td>$(0.089)$</td>
<td>$(0.099)$</td>
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<tr>
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<td>$(0.366)$</td>
<td>$(0.384)$</td>
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<td>Joint Democracy</td>
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<tr>
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<td>$(0.058)$</td>
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</tr>
<tr>
<td>Joint High-Leverage IGOs</td>
<td>$-0.04$</td>
<td>$-0.039$</td>
<td>$-0.041$</td>
</tr>
<tr>
<td></td>
<td>$(0.018)$</td>
<td>$(0.018)$</td>
<td>$(0.019)$</td>
</tr>
<tr>
<td>Joint Security HSIGOs (Information)</td>
<td>$0.234$</td>
<td>$0.23$</td>
<td>$0.246$</td>
</tr>
<tr>
<td></td>
<td>$(0.058)$</td>
<td>$(0.058)$</td>
<td>$(0.058)$</td>
</tr>
<tr>
<td>Enduring Rivalry</td>
<td>$0.552$</td>
<td>$0.56$</td>
<td>$0.542$</td>
</tr>
<tr>
<td></td>
<td>$(0.118)$</td>
<td>$(0.116)$</td>
<td>$(0.119)$</td>
</tr>
<tr>
<td>UNGA Affinity</td>
<td>$-0.57$</td>
<td>$-0.567$</td>
<td>$-0.604$</td>
</tr>
<tr>
<td></td>
<td>$(0.089)$</td>
<td>$(0.089)$</td>
<td>$(0.087)$</td>
</tr>
<tr>
<td>Contiguity</td>
<td>$1.113$</td>
<td>$1.112$</td>
<td>$1.131$</td>
</tr>
<tr>
<td></td>
<td>$(0.105)$</td>
<td>$(0.104)$</td>
<td>$(0.107)$</td>
</tr>
<tr>
<td>Intercept</td>
<td>$-3.315$</td>
<td>$-3.317$</td>
<td>$-3.319$</td>
</tr>
<tr>
<td></td>
<td>$(0.053)$</td>
<td>$(0.053)$</td>
<td>$(0.053)$</td>
</tr>
<tr>
<td>$\rho$</td>
<td>$0.045$</td>
<td>$-0.297$</td>
<td>$0.127$</td>
</tr>
<tr>
<td></td>
<td>$(0.2)$</td>
<td>$(0.229)$</td>
<td>$(0.257)$</td>
</tr>
</tbody>
</table>

Claims | 178 | 178 | 173
Dyad-years | 537485 | 537485 | 537480
Wald test $\rho = 0$ | 0.82 | 0.19 | 0.62

*Binary outcome variable*: did a claim experience the use of force?
*Binary outcome variable—selection*: did a dyad experience a claim?
*Estimation method*: Heckman probit regression with sample selection.
*Cell entries*: Point estimates of probit coefficients;
standard errors (robust for dyads) in parentheses.
Figure 5: Modeling selection into claims, 1946-2001. Dots represent probit coefficients, whiskers are 90% confidence intervals. Orange/light (bottom) coefficient estimates come from the selection equation; blue/dark (top) estimates from the outcome equation. Results from Model 11 in Table 3.
with a security mandate. This can indicate that states have turned to such IGOs to manage claims. As my previous models and the work of others (Shannon, Morey, and Boehmke 2010) have shown, though, these institutions do not necessarily succeed at this task. States’ memberships in High-Leverage IGOs have a negligible impact on the onset of claims. This can be seen as evidence that HLIGOs really affect states’ cost calculations once both willingness and opportunity for conflict are given; they do not necessarily affect states’ choice in making claims.

**Interstate Crises**

Investigating how claims evolve is ideal from a theoretical point of view: it offers an opportunity to test for the role of HLIGOs in cases where states have revealed disagreements. But the current geographic limitation of the Issue Correlates of War (version 1.10) data (Figure 1) to the Western hemisphere, Europe, and parts of Asia might restrict the generalizability of these findings. It also leads to a comparatively small number of cases (just short of 200). To address these issues, I repeat the previous empirical test on a different set of cases: all international crises from 1946-2001. In this investigation, I lean on the definition of crises developed by the International Crisis Behavior (ICB) project at the University of Maryland (Brecher and Wilkenfeld 2000; Hewitt 2003) and the data that this project has collected.

**Crises versus claims**

International crises, or more specifically “interstate military-security crises” (Brecher and Wilkenfeld 2000, 1), are events that can, but need not, lead to armed conflicts and wars between countries: “[m]any crises do not involve violence [... i]n fact, one significant question is why some do—and some do not—escalate to military hostilities” (Brecher and Wilkenfeld 2000, 2).

In that sense, crises are functionally similar to claims in that they indicate a disagreement between (usually) two states over a policy. This disagreement can result in militarized conflict, but states can of course also resolve crises without using force. Crises are therefore an appropriate
alternative set of cases to investigate the role of HLIGOs. While some claims and crises overlap, not all crises start with the types of claims recorded by the ICOW project. Information on crises is available globally, extending the geographic range of this empirical test.

**HLIGOs and crises**

International crises mark a disruption of relations between two (or more) states. The involved states have different options of how to deal with this disruption. For instance, the Berlin Blockade in 1948 was a grave crisis that triggered fears of a renewed war, but it was resolved without major militarized conflict between the Western allies and the Soviet Union. On the other hand, the crisis over Argentina’s demands on the Falkland Islands led to a full-scale war. This variation in states’ choices and behavior in crises allows investigating the role of high-leverage IGOs. The argument about HLIGOs’ impact on the utility of using force in crises parallels the dynamics as laid out in the theoretical argument and as applied to claims. I expect that the influence of HLIGOs on both states in a crisis increases the cost of using force in a way that states derive a higher utility from resolving their disagreement in a crisis peacefully and without engaging in major militarized conflict. This expectation results in the following hypothesis:

**Crisis hypothesis** (H2): International crises are less likely to experience the use of military force when states face higher potential costs from joint memberships in international institutions with the appropriate leverage.

**Data on crises**

To test this hypothesis, I use data on international crises between pairs of states from the ICB project (Brecher and Wilkenfeld 2000; Hewitt 2003). Specifically, I use the dyadic-level crisis data (version 2.0) because my theoretical model focuses on conflict dynamics between two states and the influence of international institutions on both of these states. For the time period under consideration, the ICB data contain information on 540 crises, the unit of analysis for this test. A
crisis is defined as “a threat to one or more basic values, along with an awareness of finite time for response to the value threat, and a heightened probability of involvement in military hostilities” (Hewitt 2003, 671). More specifically, a dyadic crisis is identified following three criteria: both states need to be members of the international system; the event between the states needs to meet the criteria for an ICB crisis (see previous sentence); and it must be given that “at least one of the states perceives that the other has directed a threatening or hostile action against it” (Hewitt 2003, 673-674).

**Outcome: Serious clashes or wars**

During crises, states can seek mediation, consult international courts, resolve the crisis peacefully, or escalate the crisis. Because my argument suggests that the costs of using force derived from IGOs with high leverage should reduce the probability of states choosing to use force, I use the ICB data’s coding of the highest level of violence during the crisis as the outcome variable for this test. That variable, “violence”, identifies the severity of clashes between two states involved in a crisis. I recode all “serious clashes” and “full-scale wars” values as 1 and “minor clashes” and “no violence” values as 0, aligning the measure to the variable I used in the test of my argument on claims. Of 540 crises, 332 escalated and experienced at least serious clashes, while the remaining 208 experienced no violence or only minor clashes between the two states.

The key variable of interest for predicting the escalation of crises is again the level of joint memberships in IGOs with high leverage.

**Control variables**

The control variables in the following analyses mirror those used in the analysis of claims, except for one variable that I use to replace the claim-specific “salience” variables. Here, I use the ICB project’s information on the gravity of a crisis and recode the following threats as “existential threats” to at least one of the involved states: threats to a state’s existence, threats of grave damage, and threats to a state’s influence at the global or regional level. Economic threats, political threats,
and limited military threats are grouped together as non-existential threats.

**Results and discussion**

Table 4 shows that states’ participation in IGOs with high leverage is associated with a lower probability of crises escalating and experiencing major clashes or wars. Again, the table reports estimates from Bayesian probit models, with negative coefficients expressing that the respective variable reduces the probability of crisis escalation. 99.8% of all simulated parameter estimates are below 0, indicating that the negative relationship supporting H2 is statistically solid (Figure 6). On the other hand, the other two IGO mechanisms receive less or no support. Joint security IGOs are not consistently associated with the probability of crisis escalation. Membership in joint structured IGOs exhibits a negative relationship with crisis escalation, but the relationship is small in size, about one-sixth of the relationship shown for high-leverage IGOs. Even if one takes into account that the range of co-memberships in joint structured IGOs naturally exceeds that of joint memberships in HLIGOs, the substantial effect size remains small.

![Coefficient estimate distribution](image)

**Figure 6:** Joint memberships in high-leverage IGOs and the escalation of crises to serious clashes or war, 1946-2001. Posterior distribution of probit regression coefficients.

In contrast, the substantive effect of HLIGOs is again considerable, as Figure 7 clarifies. While the baseline probability of escalation is high at close to 70% (given the distribution of the outcome
Table 4: Determinants of crises experiencing serious clashes or war, 1946-2001.

<table>
<thead>
<tr>
<th>Model</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint High-Leverage IGOs</td>
<td>−0.133</td>
<td>−0.121</td>
<td>−0.144</td>
<td>−0.123</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.035)</td>
<td>(0.041)</td>
<td>(0.045)</td>
<td>(0.049)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Structured IGOs (Socialization)</td>
<td></td>
<td>−0.023</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.007)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Security HSIGOs (Information)</td>
<td></td>
<td></td>
<td>−0.021</td>
<td>0.115</td>
<td>0.131</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.088)</td>
<td>(0.097)</td>
<td>(0.099)</td>
<td></td>
</tr>
<tr>
<td>Existential threat</td>
<td>1.257</td>
<td>1.242</td>
<td>1.267</td>
<td>1.28</td>
<td>1.13</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.146)</td>
<td>(0.145)</td>
<td>(0.145)</td>
<td>(0.147)</td>
<td>(0.157)</td>
<td></td>
</tr>
<tr>
<td>Territorial dispute</td>
<td>0.507</td>
<td>0.487</td>
<td>0.433</td>
<td>0.511</td>
<td>0.469</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.18)</td>
<td>(0.178)</td>
<td>(0.177)</td>
<td>(0.181)</td>
<td>(0.189)</td>
<td></td>
</tr>
<tr>
<td>Joint democracy</td>
<td>−0.045</td>
<td>0.152</td>
<td>−0.176</td>
<td>−0.115</td>
<td>0.315</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.595)</td>
<td>(0.608)</td>
<td>(0.599)</td>
<td>(0.581)</td>
<td>(0.605)</td>
<td></td>
</tr>
<tr>
<td>Enduring rivalry</td>
<td>−0.498</td>
<td>−0.45</td>
<td>−0.514</td>
<td>−0.481</td>
<td>−0.426</td>
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</tr>
<tr>
<td></td>
<td>(0.134)</td>
<td>(0.137)</td>
<td>(0.134)</td>
<td>(0.136)</td>
<td>(0.144)</td>
<td></td>
</tr>
<tr>
<td>Power differential</td>
<td>0.029</td>
<td>0.027</td>
<td>0.035</td>
<td>0.035</td>
<td>0.149</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.059)</td>
<td>(0.059)</td>
<td>(0.058)</td>
<td>(0.058)</td>
<td>(0.064)</td>
<td></td>
</tr>
<tr>
<td>Trade dependence (low)</td>
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<td></td>
<td></td>
<td>−0.055</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.016)</td>
<td></td>
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</tr>
<tr>
<td>GDPpc (low)</td>
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<td></td>
<td>−0.391</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.089)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Crises | 540 | 508 | 508 | 508 | 508 | 494 |

*Binary outcome variable:* did a crisis experience serious clashes or a war?

*Estimation method:* Bayesian probit regression with uniform prior distributions on all parameters.

*Cell entries:* Means of the posterior distributions of Bayesian probit coefficients; posterior standard deviations in parentheses. Intercept not shown.

*Convergence:* Tests passed for all parameters (see Appendix ??).
variable, a pair of states that shares 3 HLIGOs faces a risk of just over 50%. Considering that one third of dyads share 3 or more HLIGOs, this decrease is substantial and relevant.

**Figure 7:** Predicted probabilities of crises experiencing major clashes or wars, 1946-2001. Black dots are the means of the posterior distribution of (simulated) predicted probabilities of major clashes or war at the given number of joint HLIGO memberships, with other covariates held constant. Grey bars indicate 90% credible intervals based on the posterior distribution of predicted probabilities. Calculations based on Model 2, Table 4.

The control variables perform as extant literature would suggest: existential threats and territorial disputes are associated with crisis escalation; economic interdependence and development reduce that risk. Surprisingly at first sight, enduring rivals are less likely to escalate their crises. This is, however, a potential artefact of how enduring rivalries are defined and operationalized (Klein, Goertz, and Diehl 2006). Since enduring rivalries are defined as pairs of states that experience repeated disputes, repeated disputes can be counted as part of one crisis. The larger number of non-rivalry crises experiencing escalation can then can produce the negative relationship shown in Table 4. This finding also mirrors previous findings of no or even a negative relationship (DeRouen and Sprecher 2004, 65).
Conclusion

This study investigates suggests that international organizations with high economic leverage over member states raise the cost of using force in disputes for states. As a result, states are substantially less likely to use force during confrontational claims when such institutions exercise influence over them. Claims are critical events for testing the influence of IGOs because they are based on public and explicit demands made by leading state officials. They establish a situation where states may have a good reason to resort to the use of force. This makes looking for HLIGOs’ influence on states’ choices a comparatively hard test in the high politics domain. In the empirical investigation, I find robust support for the expected pacifying effect of states’ participation in HLIGOs. A variety of model specifications and estimators show that states that are subject to more IGOs with considerable leverage are relatively unlikely to use severe force and let a claim escalate. The same relationship exists for the development of interstate political crises. These results stand in contrast to the negligible or non-existing effect that I find for other types of IGO influence: socialization and information about states’ capabilities or preferences.

This central finding helps answering two questions in international relations research: if and how IGOs can contribute to the avoidance of serious militarized conflict between states. Previous work has often shown that IGOs help states avoid disputes, possibly by promoting preference alignment. However, once states do find themselves in a dispute, the role of IGOs appeared to be limited to situations where states actively seek them out for mediation or adjudication—a process that is often long and fragile, as can be seen in the example of Guatemala’s negative referendum over involving the International Court of Justice over a claim with Belize. In contrast to this pessimistic view on IGOs in dispute situations, this study shows that a subset of IGOs—those institutions that have high economic leverage over member states—can steer states away from conflict escalation even when the conditions may be difficult for other IGOs. This effect works through an economic channel, using the economic leverage of these high-leverage IGOs.

Such a political-economic logic of IGOs’ role in primarily political claims and potential militarized disputes has implications for how these organizations may use their leverage and resources.
in the future. For example, the World Bank is dedicating increasing resources to researching how violent armed conflict affects the Bank’s mission. These efforts include pooling researchers in the Center on Conflict, Security and Development in order to provide other World Bank units with more expertise on working in what the Bank terms “fragile and conflict situations.” But beyond sharing conflict-specific expertise for project implementation, organizations such as the Bank are in a position to use their leverage to push member or recipient states toward claim settlement before larger-scale violence erupts. Further research should investigate in more detail the timing and channels through which such leverage is most effective. For instance, do public signals affect public opinion toward the use of force? Or are high-leverage IGOs more effective in signaling privately to political leaders? Exploring these questions would help clarify the role of IGOs in high politics further; it would also enable IGOs to use their potential influence more effectively.
References


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URL: http://www.icow.org


