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THE EFFECT OF TERRITORIAL INVASIONS ON DECISION-MAKING:
A REVIEW OF COMPELLENCE IN THE GULF WAR AND THE FALKLANDS WAR

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ABSTRACT

Throughout history, there are numerous examples of weaker states in conflict with major powers. Although faced with a compellent threat and possibility of military involvement of the major states, these weaker states do not comply. These historical anomalies are not able to be explained with rational choice theory because this does not take into account cognitive factors. Prospect theory offers a bounded rationality model that explains why weaker states are not compelled by focusing on the domains of the leader. Prospect theory currently lacks a theory of framing for domains but it can be assumed a fear of loss of aspirations and audience costs would lead to a domain of loss. In specific instances involving territorial invasions of a protégé's territory made by the adversary state, the leader can assume he will be unable to achieve his aspirations and his power base will punish him domestically if he is unable to maintain his initial action. The two cases examined include instances involving an adversary's decision for a territorial invasion and the subsequent effect this produces on the decision-making processes of the adversary.

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Chapter 1: Introduction

Compellence is often utilized throughout history by strong states who wish to impose their will on another state but without the cost and effort of a military conflict. Major powers, especially when they are the coercers of non-major power states, should be able to impose their will because it is evident they have the capability to militarily defeat the target state. Major powers are among the strongest states in the international system and tend to be involved in compellence situations, especially those involving protégé states. For a strong coercer state, the option of using compellence to achieve its goal is appealing. If successful, the state would achieve its goals and save the extra costs of utilizing brute force. They would be able to maximize the beneficial outcome with the lowest possible cost. This strategy is used often yet many times it fails, which forces the coercer states to resort to military conflict. But why do coercive threats fail? Understanding this why could lead to crucial understanding of what could lead to peace or war. Coercion depends upon understanding the decision-making process of the target state. What led the leader of the target state to reject the compellent threat?

Territorial disputes involve two states who both believe they own a specific area of territory. When the leader of an adversary state invades this territory and is then faced with a compellent threat, he must make a crucial decision whether to comply or defy. These disputes are special cases of compellence within international relations and exploring the link between the territorial invasions and the subsequent attempted coercion may offer interesting insights. Territorial invasions of disputed territory offer a unique scenario of an otherwise common use of compellent threats. Current research regarding audience costs, territorial invasions, major powers, and extended compellent threats already exist but my argument combines all of these elements to explore specific cases. By understanding how the leader of the target state was motivated in these specific instances, assumptions can be drawn that may apply to other cases as well.

Although deterrence is usually the focus of coercion research, compellence situations are also an important part of history. Sechser (2011b) shows that a JSTOR search of deterrence articles in political science journals brings up 152 articles while a search for compellence brings up only four. Sechser also states that many researchers believe compellence is more difficult to

achieve than deterrence. Gaining a greater understanding of compellence could help political scientists understand why exactly this is the case. This important area for research should not be ignored. When deterrence breaks down and the major powers attempt to coerce for the second time by utilizing compellence, it becomes even more critical for these decision-makers of the coercer to understand how to successfully implement compellence.

Understanding the decisions of the leader and the motivations leading up to his ultimate decision can help provide greater understanding of two contrasting theoretical arguments, prospect theory and rational choice theory. These two both attempt to provide a theory on the target state's decision-making process to explain when successes and failures of compellence are expected to occur. Prospect theory has been tested in laboratory settings with plenty of empirical support to back it up. To observe if this applies in real world decision-making would be helpful in making policy choices.

The significance of this understanding could help us to better understand historical cases and provide greater clarity for future cases and policy decisions. If similar situations occur in the future, the coercers can look to lessons from the past to decipher the situation and make accurate predictions. Instead of repeating history, policy-makers can examine past precedents, learn from these mistakes, and gain an understanding of the adversary's thought process. This could lead to greater peace as effective compellent threats would mean a cessation of hostilities. By understanding the decision-making process of the target state, the coercer may also improve communication with the target because the coercer understands the motivations and drivers of the target. By understanding the concerns of the target state, clearer understanding of the target's grievances may evolve. Prospect theory is a bounded rationality model that has been empirically corroborated in many laboratory studies, however what it lacks is a theory of framing. Although there are two different domains that would lead to different actions of the target state, there is no agreed theory for how to determine this initial domain. Determining the indicators for this domain is important because from there, once the domain is known, policy choices can be made. The significance of this thesis is to examine if territorial invasions and the ensuing fear of consequences would lead to risk-accepting behavior indicative of a domain of loss, which could then explain the outcome of compellence.

Chapter 2: Literature Review

There are two military strategies; one involves utilizing force to defeat the enemy while the other uses threats, pressure, and negotiation on the adversary, which is coercion (Kimminau 1998, 5). A country with enough military force does not need to bargain because it could win with brute force. However, for the sake of time and costs, coercion is employed with the threat or anticipation of military action if the other state does not comply (Schelling 1966). A coercive strategy involves changing the opponent's will to reconcile a crisis without engaging in military conflict by attempting to persuade the opponent to engage in a particular action the coercer views as desirable. The coercer must persuade the opponent of its ability to inflict costly damage that will far outweigh the benefits of continuing or undertaking a particular action (Lauren 1972; Kimminau 1998). This bargain arranges for the adversary to end up better off doing what the coercer prefers (Schelling 1966). There is a need for the anticipation of violence and the ability to avoid this violence if the adversary accommodates. The potential suffering that comes with a war with the coercer must appear contingent on the adversary's choices. Exploiting this power to potentially hurt the adversary is coercion. "Pure violence appears most conspicuously between unequal countries" where there can be no argument of the outcome of the conflict (334).

Coercion focuses on the way the adversary makes decisions instead of utilizing military superiority and open conflict to achieve the coercer's goals. The coercer attempts to understand the adversary's estimate of the future and then offer a bargain to the adversary that influences this estimate to pressure the adversary into accepting this deal (Kimminau 1998). It can be assumed that the adversary will choose the behavior that will yield it the greatest utility and a coercion attempt changes the adversary's assessment of the costs and benefits of its choices (Schaub 2004). The previously utility-maximizing choice before the coercion attempt could change once these extra costs and incentives are part of the equation. To increase costs for the adversary, coercion attempts utilize threat of military involvement, limited force or controlled pressure and to offer incentives, the coercer may offer economic aid or other positive sanctions (390). Due to these coercive attempts, the adversary must re-assess the costs and benefits for each alternative and decide either to comply with or defy the demand.

For effective coercion to occur, several elements must hold true: the coercer must ensure that the target understands the demands of the coercer, the punishment threatened by the coercer must be costly to the adversary, the costs of non-compliance must be greater than the costs of compliance, and the target state must believe the coercer's threat is credible in that the state will act upon its threat (Tedeschi, Bonoma, and Brown 1971). There must be clear communication detailing the costs and benefits threatened by the coercer and any actions taken by the coercer to stress their resolve in undertaking the threats should be reinforced with direct verbal statements (Lauren 1972). The threat must be "overt" and clearly spell out the use of military force (Huth and Russett 1984).

Within coercion, there are mechanisms that the coercing state uses to manipulate the adversary; these mechanisms are how their threats and the adversary's choices are connected (Kimminau 1998). Because coercion depends upon manipulating the costs and benefits of the adversary, the coercer must make assumptions on how the adversary views the situation. Whatever strategy the coercer implements will impact the behavior of the adversary. The key to coercion is understanding the adversary's decision-making process, assessment of the coercer's threats, and evaluation of alternatives. Once the motivations of the adversary's decision-making are known, the coercer understands how to manipulate the coercer into performing the exact actions he wants.

There are two types of coercion: deterrence and compellence. These two can be seen within the context of two contrasting theories on decision-making: expected utility theory and prospect theory (Schaub 2004). In a deterrence situation, the coercer demands that the adversary does not undertake an action that would increase utility while in a compellence situation, the coercer demands the adversary engage in an action that will reduce its utility. In coercive diplomacy, the defender demands the adversary perform an action to change the status quo. Coercion affects the assessment of costs and benefits by the adversary so in either case, the coercer will demand a reduction in the *anticipated* utility estimate of the adversary. The alternative choice to compliance, which would certainly reduce the anticipated utility, is defiance, which may help the adversary reach the anticipated level of utility but includes risks of suffering the sanction or not receiving the benefits of compliance. In practice, compellence and

deterrence often overlap therefore there should be less emphasis on distinction between the two. Instead, Morgan believes researchers should "treat them as interrelated components of coercive diplomacy, the use of force or threat of force by a state to get its own way" (Morgan 2003, 3).

Direct deterrence is concerned with an attack directly on the defending nation while extended deterrence involves three state actors: an adversary, defender, and protege. Extended deterrence involves the defense of an ally nation against an aggressor (Berejikian 2002). This applies for compellence also; if a deterrent threat breaks down and the defender issues a compellent threat in this situation to defend the protegé, it would be considered an extended situation because there is no direct threat to the coercer.

Compellence occurs when policy-makers in a state seek to influence another state through the use of sanctions or military threats to comply with their demands, which may include retracting actions already taken (Huth and Russett 1990). According to Slantchev, within compellence, the coercer can persuade an opponent to stop short of a goal or to undo the action (Slantchev 2005). A situation of compellence in application to a protégé would occur if a country moved into the territory of a another country, which is the protégé of the third state. This third state compels the first to return to the status quo before it invaded the territory of its protégé (Huth and Russett 1990). Compellent threats offer the adversary a choice of either altering the status quo or being faced with military punishment (Sechser 2008).

For a successful compellent threat to be issued, it must clearly communicate the coercer's demands and the threat of punishment if the demand is not followed (Lauren 1972). Clear and unambiguous communication is essential, the threatened punishment must be deemed costly by the target and credibility of the threat must be established (Tedeschi, Bonoma, and Brown 1971).

Slantchev (2005) believes that compellence must have a deadline or else the threat will be less effective and the situation could extend for far longer than it should. Sauer (2006) believes the three elements that comprise a compellent threat are a demand, a threat, and time pressure. He believes just a demand and threat are not sufficient. George quotes Peter Jakobsen: "Opponents will simply not perceive a threat of force as credible unless it is accompanied by a deadline" (George 1994, 614). Sechser believes that a deadline is not necessary to a compellent threat. It may be more effective in communicating the seriousness of the threat but a compellent

threat will not cease to be a compellent threat without a deadline. Sechser believes that many times throughout history, a strict deadline is not set so that the coercer will have greater flexibility regarding his threats (2011b).

Compellence success and failure are both easily observed because the adversary either continues with his current action or reverses or halts the behavior. Slantchev (2005) believes that unlike deterrence, compellence is active because it seeks a change in the status quo, the ongoing behavior of the adversary. Compellence is much more evident than deterrence because the adversary state is already performing the action so a change in the action or continued refusal would be a more evident indication of success or failure. A deterrence success would be much more ambiguous because the complied action would have to be shown to be related directly to the threat.

Compellence success or failure can be determined by whether the threat is implemented or not (Sauer 2006). Although compellence may seem like an easier approach than brute force, it is actually a very complicated process and there are many factors Sauer believes must be present for compellence to succeed. He believes there must be a legitimate demand, demand in proportion with the objective, possibility of future demands, credibility of the threat, credibility of the time pressure and motivation of the coercer. The success can be seen if there is a change in the action by the target. If the target concedes either immediately after the threat or after a bargaining process, the compellence situation is resolved to the benefit of the initiator (Petersen 1986).

If compellence fails, there are only two basic scenarios left. The threat can either be carried out or the coercer may opt for another diplomatic solution or do nothing. If the threat is carried out, this could also mean negative consequences for the coercer. The coercer would have to mobilize troops and accept potential casualties in a future war if its compellent threat is not complied with. Therefore, Robert Art says that coercive diplomacy should not be utilized unless the coercer is prepared to either go to war or has prepared a backup plan of escape (Sauer 2006). If the coercer does not do anything after issuing the threat, its reputation and credibility are weakened. If the target does not concede, the coercer must either continue bargaining and stand firm with its demands or decide to withdraw the demands. If the adversary concedes and the

coercer does not need to carry out the threat, the crisis will be resolved without war to the benefit of the target. If both sides stand firm, war is the outcome (Petersen 1986). Sechser (2008) determines reputation, honor, and domestic politics have a role in the adversary's decision-making process and could cause compellence failures to occur, even if the coercer is much stronger.

In the case of partial successes or failures, the target and coercer may bargain and the target may agree with either some of the demands or agree to all the demands but with certain conditions. The original demands may be cut down or limited to a new set of demands. Sauer believes these could count as failures or successes, depending on the perspective of the viewer (Sauer 2006, 6). Van Angeren believes these would count as compellence successes because the coercer at least persuaded the adversary into accepting a few of the demands (Van Angeren 2006, 27).

In rational choice theory, the credibility of the coercive threat is the independent variable determining the failure or success (Berejikian 2002). According to Huth, credibility is made up of three requirements: intent, capability, and communication. Huth (1999) believes that not only should the coercer have greater capability so that it has the ability to enforce the threat but it must also have the resolve to carry out the threat. The coercer must have the will to utilize the capabilities. A key part of every compellent threat must also be the clear communication of the capability and intent.

Danilovic (2001) argues, especially in situations of extended coercion, establishing credibility is difficult. An extended situation is not a coercive threat against a direct attack where it can be assumed a counterattack would be forthcoming. Extended situations involve a commitment to the protégé where it is more difficult to gauge the resolve to defend the ally. Quackenbush (2011) believes a reputation for honesty is best able to enhance the credibility of a compellent threat however a reputation for bluffing would undermine a threat. Sauer (2006) also believes reputation is an important determination of a credible threat; those with honest reputations can be believed when they make a threat. Berejikian (2002) believes credibility can be enhanced with a public statement of commitment to an ally which could include either public statements or deployment of military personnel. Displays of military force may help in

convincing the target of the seriousness of the coercer's intention (Sauer 2006). Sechser (2011b) finds through his dataset that signaling does seem to work as intended. Compellent threats that were backed by military signaling succeeded half the time while compellent threats without signals only succeeded 12.5% of the time. Sauer (2006) believes the threat must be explicit, in which case signaling can act as an effective method in convincing the target.

Sechser (2011b) believes that democracies automatically make more credible threats because these leaders are held accountable by audience costs. Tomz (1998) agrees that domestic audience costs may help to make international threats more credible. The domestic audience may have an enormous influence on threat credibility. If the underlying objective of the threat is legitimate, the public will support the threat. If the public does not believe it is legitimate, the public will not support its government's compellent threat and it will be difficult for the government to convince the target it is a credible threat. This could end up convincing the target state the threat will not actually be implemented (Sauer 2006). However, a way the public could legitimize a threat is through audience costs. By issuing a threat, the leader may enhance credibility because of the fear of domestic punishment if he backs down (Baum 2004). Once a public threat is issued, the democratic leader has "effectively tied his hands." Adversaries will likely see these audience costs as legitimate reasons for the threat to be acted upon (604). Audience costs occur because citizens believe empty threats will undermine the reputation of the country and leaders who make them are incompetent, inconsistent, and even "dishonorable" (Tomz 1998). Because leaders want to hold onto power and avoid the political punishment of backing down, they will follow through with public statements.

Casualty aversion is one way domestic audiences in democracies can undermine credibility. A perception likely held by target states is that the coercer may be unwilling to commit to carrying out the threatened action for fear of casualties (Hyde 2000). When casualties start to increase, it is believed the United States withdraws from commitments because of the decline of public support. By examining the declining public support in Korea and Vietnam, Mueller comes to the conclusion that, "Every time the U.S. Casualties went up by a factor of ten, support in both wars decreased by approximately 15 percent" (3). Hyde concludes the American public cannot handle increasing casualties which leads targets of coercive attempts to decide

American threats are not credible. Hyde relates this directly to Saddam Hussein's belief that the United States would not be able to handle the large number of casualties needed to implement the coercive threat before the Gulf War. This concept does not only apply to the United States. The term has been assigned to Western democracies in general (Schörnig 2006).

Major powers are unique among the international system because their power can project into any region of the world. While other stronger states may have regional domination, major powers can intervene globally. Major powers are unique and have different characteristics, interests, and behavior from other relatively stronger states. Major powers are unique in several ways. The first is through their power dimension or the "sheer size of the nation's capabilities" (Danilovic 2002, 28). The second is the geographic scope of the major powers. These states have the capability to have interests and to project their power in regions around the world. The third is their status in the international community, which is the most subjective but is established by acknowledgment of others of their power and status. Especially relevant for the major powers is the criterion of global reach, their ability to intervene anywhere in the world. Although regional powers may only intervene in the one region where they are considered relatively strong, major powers have a possibility of influencing other regions of the world. Because of their possibility to intervene anywhere, adversaries may or may not believe in the credibility of a major power. Though certainly possible, it would be a challenge or at least an inconvenience for the major power to pour resources and effort into an event involving a protégé in an entirely different geographic region. These beliefs may influence the adversary's initial act of invasion then later affect their understanding of the compellent threat.

It is common in compellence situations for not just a stronger power, but for a major power to coerce a weaker adversary by protecting a protégé. The Militarized Compellent Threats Dataset was developed by Sechser and contains cases of compellence from the years 1918 - 2001. Sechser noted in his Militarized Compellent Threats dataset that one of the most robust patterns that appeared in the dataset is for major powers to choose minor powers as targets to coerce. He found that in 67.6% of the dyads he studied, challengers had an advantage in military capabilities (2011b). Great powers have a much greater number of strategic and economic interests and have the capability to project their power so they become involved with more

international disputes than other states. These major powers have international interests and defend these interests: "By definition, major powers are those actors with global (or at least multi-regional) interests and capabilities" (Corbetta and Dixon 2004, 7). They have the ability to affect the outcomes.

A widely-used measurement of major powers by researchers is the Correlates of War (2008) designation. This table lists the start and end dates for major powers with the latest update in 2008. Scholars agree that both tangible assets, such as military capability, and intangible assets, such as reputation play a role in determining great power status (Corbetta and Dixon 2004). The United States became a great power on August, 13, 1898 until June 30, 2008. The United Kingdom became a great power on January 1st, 1816 and remained until June 30, 2008. France became a great power on January 1st, 1816 and remained until June 22, 1940. It then became a great power again on August 15, 1945 and remained until June 30, 2008. Germany became a great power on January 1st, 1816 and remained one until November 11, 1918. Germany re-entered the major power system on January 1st, 1925 and remained until May 7th, 1945. It entered the major power system again on December 11, 1991 and remained until June 30, 2008. Austria-Hungary was a great power starting from January 1st, 1816 and remained until November 3rd, 1918. Italy became a great power on January 1st, 1860 and remained until September 2nd, 1943. Russia became a great power on January 1st, 1816 and remained until December 5th, 1917. It then re-entered as a major power on January 1st, 1922 and remained until June 30, 2008. Japan became a great power on April 1st, 1895 and remained until August 14, 1945. It became a great power again on December 11, 1991 and remained until June 30, 2008 (2008).

Having at least one great power involved in a war will mean a greater likelihood the conflict will last for a longer time period and reach greater levels of hostility. Disputes that involve great powers are more likely to have a definitive end rather than end in a stalemate, which is more likely for minor powers (Corbetta and Dixon 2004). Between 1816 and 1976, Gochman and Maoz found that major powers were more likely to become involved in a dispute against a minor power than against other powers. They were also found to initiate these disputes more than minor powers and they were more likely to enter disputes as third parties "at a faster

rate than other states" (7). Major powers with global interests aim to maximize returns and decrease costs of participation in conflicts. What is especially relevant for major powers is the distinction between direct and extended coercion. Extended involves the protection of an allied state or protégé, which is a "common element of major power relationships" (Danilovic 2001, 52).

Sechser finds that territorial claims being associated with conflict is a "common finding." Sechser found in analyzing his dataset that territorial issues are very strongly associated with the initiation and the escalation of militarized conflicts. He found that 123 compellence situations or 58.5% of the total compellence situations contained territorial demands (2011b). Vasquez (1996) believes territorial disputes are a common cause of war and can swiftly lead countries into conflict. Countries believe their territory is a part of their national identity and their sovereignty is being infringed on if another country possesses it. For another country to hold what they justly believe is their territory causes feelings of anger and nationalism to surge through the nation. The territory, though may not be worth much, is a representation of their national pride. Political scientist Vasquez found that many conflicts are escalated due to territorial issues and his own quantitative findings support Sechser's finding that states involved in territorial disputes are more likely to go to war than states that dispute over non-territorial issues (Upp 2011). There has been numerous prior research focusing on the association of war and territorial disputes. Hensel observes that although many issues that cause conflict have a high value either in tangible attributes such as natural resources or intangible attributes such as prestige, there are very few issues that have a high value in both, such as territory. Rasler and Thompson (2006), who have studied territorial disputes, agree that when territory is disputed, it can play a major role in escalating conflict. Territory can help make disputes more concrete to the public.

Rasler and Thompson believe that territorial disagreements escalate conflicts so easily because of its value to the public. Nationalism also plays a big role with territory because the people believe the territory is a part of their country and belongs to them. Leaders may find that it is difficult to convince the public otherwise on territorial disputes and they may suffer domestic costs for compromising on territorial issues. Political leaders may utilize territorial issues as part of their agenda but may be "difficult to manage" in that even if the territory does

not provide much tangible value, it is a national symbol valued greatly by the people. Zacher agrees that territory is extremely important to its people because the state is fundamentally a place that is rooted in the territory. The state establishes a specific territory over which it has explicit authority and control so territory is "at the heart of national identity" (2001, 531). Territory by itself is passive but because of human actions, meaning is imbued into the territory. "Territorial issues can become infused with life-or-death urgency if leaders portray them as critical to national military or economic security" (Rasler and Thompson 2006, 147). Because of this, claims over territory utilizes words that show the territory rightfully belongs to the state and the state is merely returning it to its rightful place (Zacher 2001). Maps of the state are a clear tool used to show the rightful claim.

In compellence situations, specifically for those involving territorial claims, the domestic political audience becomes an increasingly important focus. Not only are democracies affected by audience costs in examining the credibility of compellence threats, territorial claims and actions made by autocracies are also affected by audience costs. Non-democracies may also generate these audience costs and these leaders face more severe penalties when being removed from power (Slantchev 2012). Slantchev argues that the "higher cost of losing," compared to a democracy, can offset the probability of the sanction being applied, which results in a similar risk to those that democratic leaders face. Jessica Weeks (2008) argues that autocratic audience costs involve the support of domestic elites the same way that democracies rely on the voting public. Although these groups of supporters differ, they are the same in that they have the authority to remove leaders from power. If the elites have the incentive to remove a leader, they will do so; autocratic leaders rely on the support of domestic groups.

Often, regimes will suffer from audience costs if any commitments previously made are not followed through with. The assumptions behind audience costs are that the domestic public values how the state handles foreign policy issues and public support will greatly be influenced by this issue. It can be assumed that those in office wish to stay in power. This issue can become especially pronounced for territorial disputes which hold a great deal of symbolism for the nation's people (Heldt 1999). When political leaders make public statements, these enforce the credibility of their threats and actions because of the expectation this creates among the domestic

public. These leaders are "risking their domestic political future" (Gibler 2013, 9). And territorial claims are one of the most salient issues to the public, which is encouraged with societal myths, legends, symbols, and education.

Individuals who are not responsible for an original policy that failed are more likely to stop this policy from continuing instead of putting further resources into it. However, for the original policy-makers of a failed policy, they will be much less likely to stop the policy and more likely to continue putting further resources into it (McDermott 2004). This demonstrates the loss aversion of those who first committed themselves to a particular policy or strategy, then realized it either failed or had a potential of failing. They are unlikely to pull out or admit their mistakes but will be relatively more risk-accepting in pursuit of a gain. However, an individual who was not responsible for the original policy will most likely not face punishment for the failures of that policy and is more likely to pull out. This demonstrates the concept of sunk costs. Once a cost is sunk, it can never be reversed or changed and should have no effect on future decisions and should play no role in rational choice (Friedman et al. 2007). Because people have already invested time and effort into one action, they feel compelled to honor sunk costs, which is generally considered to be an irrational action (Kelley 2004). In fact, they may put extra effort into hoping their choice of action succeeds because of a small chance of hope and to recoup their costs. Individuals often seem to treat sunk costs as if they are practical reasons. If individuals do not pursue actions in which they already put a significant effort in, they may feel regret for having put so much effort into the action to begin with. This statement rings true for the decision-maker: "If I had not previously invested heavily in this course of action, then I would not continue to perform it now" (6). These psychological states or any foreseeable future consequences are taken into account when deciding whether to perform an action. An earlier study by Arkes and Blumer argued that individuals will continue to pour resources into a project that they have already started because if they abandon it, others will have a negative view of them. Maintaining a good reputation and not appearing in a negative light because individuals care about other people's opinions is a reason for pursuing a failing action. The consensus and belief is that individuals who give weight to sunk costs fare worse in terms of achieving their goals than those who do not give weight to sunk costs, so it is altogether inconsistent with

rational choice theory. This can be related to coercive threats in that a coercer must keep in mind sunk costs when understanding an adversary's decision-making process. An adversary who has already put in time and effort into pursuing a certain action will be unlikely to give it up easily. The sunk costs have already been input and the adversary will likely give weight to the sunk costs when considering the compellent threat. After an action committed by the adversary, he will be in a new status quo and a compellent threat must convince him to reverse his position, thereby asking him to put aside his sunk costs and returning to a position before all of the resources were put into achieving the new position.

Neale (1992), who studies dispute resolution and organizations, provided insight on how sunk costs can lead to further escalation of commitment beyond the point of rationality. In a famous business case regarding Robert Campeau, often utilized to demonstrate how future actions based on sunk costs may lead to irrational choices and defeat, Campeau was only willing to exit an escalation of his commitment if he were allowed a face-saving exit. His business competitor Macy's was about to win a bidding war and Campeau desired negotiations to provide a settlement where he could save face. Yet when Macy's refused, Campeau destructively dug his own grave by purchasing a bad investment for $500 million higher than Macy's final offer. Subsequently, he ended up filing for bankruptcy. Those who have already committed to an initial action or investment, have a tendency to continue that commitment beyond a rational level. Further resources are utilized and poured into a failing effort only in order to justify previous commitments. By persisting in such situations, it could be counterproductive to the initial goal and waste time, energy, and money. Individuals who initially commit feel to need to continue in their first course of action because they are worried about their reputations. Because of the fear that others are observing their actions, they feel the need to provide confirming, instead of disconfirming, information. They are reluctant to admit public failures and are also motivated by a desire to appear consistent in their choices. Consistence would require making future decisions that attempt to justify the original investment.

Reputations are highly valued by leaders. Reputations are given to a state by those in the international community and is not something a leader can assign himself (Mercer 2005). The community who assigns the reputation will observe the outward actions of the leader to decide.

Because of this, leaders want to publicly appear consistent with their actions and portray an image of strength. Conventional wisdom among scholars is that reputation is a large motivating factor in keeping one's promise (Tomz 1998). State leaders truly care about reputations and take the time to build up their reputations, especially building up a reputation for toughness (Tingley and Walter 2011). In tests conducted by Tingley and Walter, they found that those who heavily invested in reputations for toughness gained value because others viewed that they will not back down easily. In coercive situations, the adversary state may be focused on his reputation. His worry over his reputation and how others will view him as well as worries about future situations influence his judgment on whether to comply or not. To build a reputation for toughness and consistency, leaders may well pursue decisions that rational choice theory does not account for.

Coercive attempts are usually seen from a rational decision-making perspective, utilizing expected utility theory. As part of rational actor theory, there are seven main assumptions made according to Monroe and Maher. These assumptions are: actors pursue goals, goals reflect self-interest, the behavior results from processes that involve conscious choice, the individual is basic agent in society, actors have preferences that are consistent and stable, if given options, actors will choose alternative with highest expected utility, actors possess extensive information on available alternatives and likely consequences of choices (1995). In expected utility theory, the concern is with examining alternatives, considering the outcomes of each and measuring the utility of each outcome, then determining which choice is the most preferable. The standard decision theory provides a framework by combining the probability of an event with the preference. This framework assigns numerical values to both the likelihood and the preference to indicate probability of occurrence and value of the outcome. To determine the value of the choice, the costs and benefits of that option are summed then multiplied by the probability of occurrence (Schaub 2004). When all the alternatives are calculated out in this fashion, the weighted average of the utility can be calculated, which is its expected utility (Yi 2012). Expected utility theory assumes after the decision-maker calculates the expected value of each option he will behave rationally by choosing the option that maximizes utility (Schaub 2004).

When applying this theory to coercion, the adversary carefully weighs the costs and benefits of complying or defying and chooses whichever option is the most utility-maximizing

(Kimminau 1998). Rationality is an intuitive and simple model to understand; if the costs and benefits can be found, predicting the adversary's choice is straightforward.

Walter Petersen (1986) assumes that all major policy decisions are made by an individual decision-maker. Although many may have an influence on the individual decision-maker and an input in the decision-making process, the ultimate responsibility for the actions rest in the leader . The decisions to initiate war-threatening conflicts can be viewed as if they're product of calculations of a single decision-maker and this decision-maker is a rational expected utility maximizer. It is necessary to treat states as unitary actors, dominated by the leader.

Increasingly, it has seemed as if rationality as the foundation for coercive diplomacy theories is not satisfactory. It does not seem realistic for foreign policy actors to absorb all the information available to make the best value-maximizing choice in an uncertain situation involving numerous alternatives. An alternative to a simple rational model is to use a bounded rationality model. This model is closer to real decision-making yet still retains the benefits of a rational choice model. (Berejikian 2002). Bounded rationality could explain the anomalies existent within rational decision-making and provide a new broader and more realistic framework for examining decision-making (Kimminau 1998).

Prospect theory is a bounded rationality argument that offers an alternative method for examining coercive diplomacy (Kimminau 1998). Prospect theory identifies the conditions necessary for compellence to occur, which are quite different conditions than what rational choice theory posits. It is able to explain why compellence fails in certain situations and why there are deviations from rationality. (Berejikian 2002). Prospect theory suggests that in deterrence and compellence situations, the adversary will value the stakes in a different fashion which would affect the risk propensity of complying or defying the defender (Schaub 2004).

In prospect theory, decision-makers, similar to in expected utility theory, try to maximize their utility. However, under prospect theory, there are additional rules that influence how decision-makers actually make their choices. Prospect theory is able to explain why people sometimes do not choose the decision with the highest expected payoff. It could be a reasonable alternative to expected utility theory when it comes to re-examining coercive diplomacy situations. Prospect theory observes that decision-makers do not always choose the most value-

maximizing choice because of four axioms that impact the decision-making process. These are an initial reference point that affects risk propensity, overweighting losses in comparison to gains, the framing effect, and weighting of probabilities (Kimminau 1998). The calculations involved in prospect theory are "biased by the phenomena of loss aversion, the endowment effect, differentiated risk propensities, and nonlinear reactions to probability" (Schaub 2004, 398). Prospect theory integrates these phenomena into the decision-maker's calculation by examining a choice through a combination of the decision weight and the value function. The value function includes the loss aversion, endowment effect which includes a willingness to stay at the status quo, and the framing effect while the decision weight incorporates the nonlinear weighting of probabilities (Gneezy and Epley 2007).

Because prospect theory can offer predictable outcomes of non-rational behavior, it is possible to form a theory of coercion based on prospect theory. Prospect theory has a two-step decision-making method which is the meta-theory that spans decision-making in all fields. The four common violations to expected utility theory are incorporated into the meta-theory (Kimminau 1998).

The first axiom is that decision-makers are affected by their initial reference point, from which they view gains and losses; the *risk propensity* of the decision-maker is affected by the reference point. Decision-makers tend to exhibit risk aversion in the domain of gains and risk acceptance in the domain of losses. Risk propensity is overwhelmingly affected by the perception of outcomes from a reference point (Berejikian 2002). For example, attributes such as brightness, loudness, or temperature are only experienced due to a present reference point (Kahneman and Tvserky 1979). In expected utility theory, there is a single utility function that shows individuals themselves may be risk-averse or acceptant but their risk propensity does not change depending on the situation (Berejikian 2002).

The second axiom is loss aversion, in which gains and losses are valued differently. Decision-makers are willing to put in more effort to avoid a loss than to pursue a gain (Kimminau 1998). Decision-makers will act aggressively to avoid giving up what they already have and avoid these losses beyond what is rationally expected. This endowment effect means that greater value is placed on what is already owned (Berejikian 2002). There is greater

"disutility" from relinquishing what he currently possesses than there is utility from gaining the exact thing (Levy 2003). The decision-maker will overvalue what is currently his and this overvaluation enhances the pain of giving it up (Berejikian 2002). The asymmetry in the manner gains and losses are viewed is a major difference between the two theories. Rational choice theory presents a single utility function that all outcomes are evaluated against while prospect theory utilizes separate value functions for gains or losses. The value function is S-shaped, so that it is concave for gains but convex for losses with the x-axis representing the status quo and the value function for losses much steeper than for gains (Gneezy and Epley 2007). The S-shape demonstrates how, near the reference point, the loss or gain will be valued much more but the further away from the reference point these far-off losses or gains are, the less value or impact they will make for the individual.

Refer to the figure below.

Figure 1.

Subjective Utility Functions Under Prospect Theory
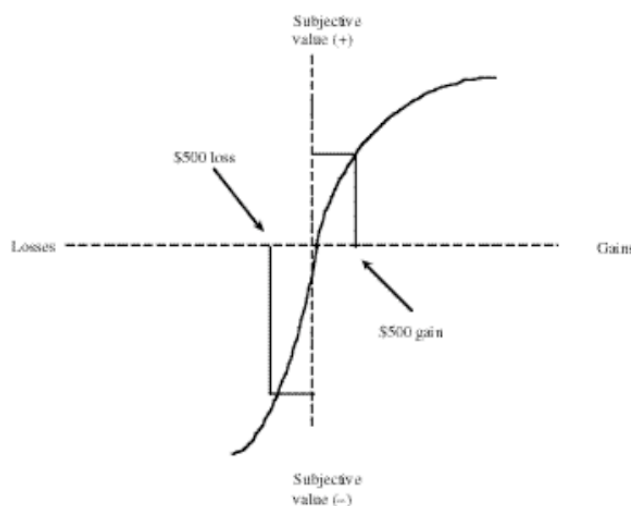
Source: Berejikian, 2002.

The third axiom is that the reference points that people choose may be affected by irrelevant factors that are outside the "parameters of the decision." (Kimminau 1998, 18). The way a problem is framed may generate different emotional reactions and put people into domain of gains or losses when they are not even in that domain objectively. This framing effect is demonstrated in prospect theory, and is known as preference reversal. Under rational choice, this

phenomenon is not predicted because no matter how prospects are framed, it should not have an effect on choices. However in prospect theory, the same decision could be framed in different ways that lead to different decisions or outcomes (Berejikian 2002).

The fourth axiom deals with decision weighting; the payoffs are multiplied by probabilities in expected utility but in prospect theory the perceived values are multiplied by the decision weight. Often, the decision-maker does not utilize the actual probability but instead weights the probability according to its 'size.' Decision-makers have a tendency to overweight small probabilities, underweight moderate probabilities, and overweight almost certain probabilities. The objective probability itself does not change but the evaluation of the probability is affected (Kimminau 1998).

The meta-theory for prospect theory is comprised of the editing phase then the evaluation phase. In the editing phase, the decision-maker establishes a frame or reference point and simplifies and defines alternatives. All of the possible outcomes and contingencies are framed by the reference point. The simplification process could include combining outcomes or discarding trivial information (Schultz 1997). In the second phase, the evaluation phase, the decision-maker applies the corresponding risk propensity and decision weights to evaluate each of the edited prospects and make the final decision (Kimminau 1998).

This two-step process is what leads to seemingly irrational choices. For both continuing actions or acquiescing to the coercer, the uncertainty of each action, decision weights, and perceived value is taken into consideration. In continuing actions, the decision-maker will examine the benefits of resistance multiplied by the probability of success then subtract the future cost if the coercer enacts the threat. This will be examined through the reference point. In acquiescing, the terms of defeat are multiplied by the probability or expectation of negotiation and added to it is the value of positive sanctions.

Specifically within compellence situations, the impact of credible compellent threats may vary depending on the domain of the target. Under prospect theory, the current state satisfaction with the status quo determines how effective coercion will be. If states are satisfied with the current status quo and see two choices, one as a gamble which could improve the status quo in their favor, which would mean action that would result in a further gain is possible but also a

possibility for conflict could occur, and the other is to remain at the status quo. This would entail a frame of gains which would mean that instead of risking conflict, the state would opt for the certainty of the status quo (Berejikian 2002). Berejikian argues that in a domain of gains, even if the expected value of defection is greater than staying at the status quo, states will not risk defiance because if there is even a small probability of loss or conflict, the states would prefer to stay at the status quo. Kimminau says for a decision-maker in the domain of gains, he will focus on the probabilities of the outcome instead of the payoffs (Kimminau 1998).

If the state views the current status quo as unacceptable and has a current reference point above the status quo and the state considers improving its position by defection, which is a gamble that would either lead to a further loss or a return to the status quo, the state would be in a domain of loss (Berejikian 2002). While in a domain of loss, states will pursue even a small chance of raising the status quo to their reference point even if the expected utility of doing so is less than remaining at the status quo; they will be more accepting of gambles. Policy makers in a domain of loss would take risks that they would not take in a domain of gains (Mercer 2005). Kimminau states that the adversary will focus on outcome or payoff instead of the probability of achieving these outcomes when in a domain of loss (1998).

For individuals to accept and then assimilate losses is much harder than assimilating to gains. This reason can be partially explained by the endowment effect, where individuals place greater value on what they currently own. When the individual believes they own something valuable, the thought of losing the item would cause great resistance and stress. Territorial conflicts are especially relevant in these cases because both sides believe the territory, which is extremely valuable to them, belongs to their own respective countries (McDermott 2004). As Rose McDermott has pointed out, in Northern Ireland or the Middle East, disputes over territory may extend from events that occurred hundreds of years ago and show the difficulty of giving up what both sides see as valuable to their country. When faced with loss aversion, both sides feel entitled to the territory and may even have stories of "ancestors who controlled the land hundreds or even thousands of years ago" displaying their belief of rightful ownership (299).

Rose McDermott also argues that leaders have a specific realm in which they are more concerned or invested in at any given time. It is in this specific area that the leader utilizes the

most time and energy for and they value the most. It may appear that even part of their identity and self-evaluation are linked to success in this specific area. By attempting to recognize which realm the leader is most focused on can be determined by asking: "What is the leader spending most of his time doing? What does he seem to be putting the most time and effort into? What are the focus of public speeches? What does he care about the most?" (295). Once this specific area of focus has been determined, prospect theory can be utilized to determine the domain by analyzing what indicators affect the leader's assessment of his domain. For example, if domestic politics are relatively stable and appear to be going well while foreign affairs seem to be going badly, the way to determine the domain of the leader is to see which realm he values the most. Whichever realm the leader appears to focus most of his time and energy on may be relatively more important to determining the domain than the other realm. Then knowing what is happening currently in that realm would give an indication of the domain. These are the aspirations of the leader and finding the answers to these questions can give a measurement of the commitment level of the leader's to these domains. If most or all of his time is spent on these aspirations and represents a large part of his psychological identity, it can be assumed that he is extremely invested in this realm.

Berejikian states that this produces a general theorem for coercion: it will only be effective when both states are in a domain of gains and will most likely be less effective when both states are in a domain of losses. In a general application to coercion, in a domain of gains, the literature shows that an adversary will comply while in a domain of loss, the adversary may not comply (2002).

Berejikian argues that establishing the credibility for a deterrent threat will most likely not prove useful to a state who is in a domain of losses, as long as the possibility exists of changing the status quo. Mercer agrees by stating that, "Threats against a state in the domain of loss may backfire" (Mercer 2005). If the aggressor is in a domain of losses, the state will view the status quo as unacceptable and the extended deterrence relationship will be unstable (Berejikian 2002). Berejikian believes that at times a credible threat may only serve in generating or worsening a losses frame for the target state and allow it to become more risk-acceptant. Threatening an adversary may at times, even increase the undesired behavior and escalate a tense situation into a

war (Sechser 2008). Sechser believes the 1967 Arab-Israeli War and the 1969-1970 Israeli-Egyptian War were examples of escalation that resulted from credible threats being issued to decision-makers in the domain of losses. When looking to understand decision-making under the prospect theory model, this insight leads to a completely different outcome from decision-making under rational choice model. (Berejikian 2002). Berejikian posits that sanctions undeniably will lead to a domain of losses and even argues that threats alone could produce a domain of losses that could have adversaries attempting to overturn the status quo. Berejikian says prospect theory brings to light under which circumstances a credible deterrent threat is likely to be most effective. The goal is to create credible threats without producing risk acceptant behavior, which could mean a mix of threats and incentives would work best on a rival that is risk-acceptant. Berejikian believes for a compellent threat to be effective, the state must first be moved into the domain of gains, which can be possible through the actions of the defending state if they provide "positive sanctions." If there are powerful defenders who can protect the protege, not only can they establish a credible threat, but these larger allies can coerce the adversary into a domain of gains through other actions with their bountiful resources and engage in actions such as helping in development or providing economic aid. When the aggressor is in a domain of gains, deterrence will be more effective. In a situation where the challenger is dissatisfied with the status quo, the coercer must understand how to address these grievances without going to war (Slantchev 2005). Simply inflicting more costs does not address these grievances. The coercer must somehow be able to increase the status quo to narrow the gap between the status quo and the state's reference point.

In rational choice theory, the independent variable is the credible deterrent threat while the dependent variable is the success or failure of deterrence (Berejikian 2002). In rational choice theory, there will be successful coercion as long as the credibility of the threat and the capability of the coercer remains unchanged while it is more likely to fail when the credibility of the coercer's deterrent threat is reduced. In prospect theory, however, deterrence will only continue as long as the adversary is in a domain of gains. In rational choice theory, what determines failure or success only depends on the capability and credibility of the threat while in prospect theory, the determination is the frame.

Figure 2

Predictions of Each Theory

		Credibility			
		High		Low	
Social	Gains	Deter		War	
frame			*Deter*		*Deter*
	Losses	Deter		War	
			War		*War*

Italics represent predictions for cognitive deterrence.

Source: Berejikian, 2002.

Sechser comments,"It does not appear that having an advantage in material capabilities is associated with higher rates of compellent threat success" (2011b, 391). The anomaly occurring in which more powerful states fail to compel weaker states can be explained by prospect theory. A hardline stance by the coercer that wants to establish credibility may instead push the adversary into a domain of loss (Berejikian 2002). While in conventional deterrence, this hardline stance or "excessive bullying" may only contribute to a legitimate deterrent threat that compels the adversary to remain at the status quo. "Bellicose" diplomacy may convince an adversary to believe that regardless of its actions, there will be some form of negative action by the coercer which is not conducive to compliance.

A state's domain is their perception of whether the current status quo is acceptable or unacceptable. There is no theory of framing but Huth and Kimminau have identified three main contributors to determining the domain of the decision-maker. These three are the preferred military or industrial position, domestic political conditions, and manipulation of the social context. The preferred military or industrial position refers to the aspirations of the leader with regards to the position they believe their country should be in and where their country actually is. Domestic political conditions are relevant when the leaders fear their vulnerability of being removed from office (Kimminau 1998). The manipulation of the social context is how the decision-maker influences the views of the state's people through public statements and justification of actions. This third indicator of domain is based on the leader's wording of his situation to domestic audiences or the international community. The leader can control how a

situation is viewed which can help these leaders justify military interventions. For them to receive public support, leaders utilize statements that focus on loss aversion, such as protection.

In compellence, the coercer demands for utility to be reduced; the S-shaped utility function demonstrates that decision-makers value losses more than gains, which shows reducing the utility is more painful than gaining the utility initially. Which means that in prospect theory, the opponent will more likely be loss averse in compellence situations and take more risk (Schaub 2004). "Because the prospect of losses hurt more than the prospect of gains feel good, people are likely to take greater risks to avoid a foreseeable loss than to ensure a foreseeable gain" (Gneezy and Epley 2007, 3).

Chapter 3: Theoretical Framework

A compellence situation involves three actors, where State A is the coercer, State B is the adversary, and State C is the protégé. The adversary has an intent to attack the protégé and the coercer is aware of this intent. State A issues a deterrent threat to State B, the adversary, to deter him from attacking. However, deterrence fails and State B continues with the invasion on the protégé and now there is open conflict between B and C.

At this point, A issues another threat, a compellent threat to B to persuade the state to withdraw from the territory of State C, the protégé. At this point, B, the adversary, has a choice of complying or defying the compellent threat. My research question is what explains how the decision-makers of the relatively weaker states respond to the compellent threat. What causes the decision-maker to decide to either continue with its current actions or comply with the coercer? The primary research question I am addressing is what explains how decision-makers of weaker states respond to extended compellent threats by major powers in territorial conflicts?

I specifically address extended compellence situations because these situations involve an extended threat regarding the protection of a protégé so credibility is more difficult to establish. The credibility of direct threats are easily established because adversaries can assume a country would go to war to protect or avenge itself after an attack yet an attack on the country's protégé may or may not yield a military response. The adversary may have reason to believe the country's alliance to the protégé will not go so far as an offer of military assistance. The reason this is important is that because there is initial doubt, the adversary may have felt safer invading a protégé. However, after an invasion and the coercer makes clear its intent to intervene, the adversary is faced with a difficult decision. Its original decision now must either be changed or held steady and the adversary is faced with a necessary reevaluation.

Within rational choice theory, the decision to comply or defy is made by utilizing a cost benefit analysis. The costs and benefits of acquiescing are compared with the costs and benefits of defying. This weighing of costs and benefits must be done by the individual decision-maker, who is expected to be an objective actor and has the ultimate responsibility for the decision. The leader weighs the costs and benefits rationally, without emotional or cognitive influence on judgment. Within rational choice theory, the credibility of the compellent threat is the

independent variable determining whether compellence succeeds or fails (Berejikian 2002). It is implied by Berejikian that if there is a credible compellent threat, the costs of continuing because of the consequences of this threat will outweigh the benefits of continuing.

For an objective guideline on what constitutes a credible compellent threat, three necessary conditions exist: intent, capability, and communication. Huth and Russett claim there must be an "overt" threat so the message must be made evident and clear. The clarity of the threat will help the adversary determine if it will likely be executed or not (Huth and Russett 1984). Besides the clear communication, the resolve and capability must also be present. The defender must have the military capability to inflict substantial costs on the adversary and the will to utilize those capabilities. If any of these three requirements are missing, it is possible the adversary will not interpret the threat as credible and rational choice theory would be able to explain why a compellence failure occurred.

I will only observe outright war as a failure of compellence, therefore I believe that the costs far outweigh any benefits of continuing. The only way a compellent threat would fail in rational choice theory is if there is an incredible compellent threat or if the costs and benefits of continuing the defiance outweighed the costs and benefits of acquiescing, which would be unlikely if the cost was a military defeat (Wolf 1991).

The equation for continued defiance would include the benefits of winning the conflict multiplied by the probability of success then subtracting the costs for resistance (Kimminau 1998). The benefits of winning the conflict would mean achievement of the leader's goals which could include a range of factors but namely include domestic political success, international recognition and prestige, territorial victory, and confidence in military capability. The costs for resistance include the compellent threat. This compellent threat would spell out the consequences for defying the threat which would include very high costs; this would almost always mean that the coercer will enter into war with the adversary which would almost certainly spell a military defeat for the adversary. A compellence threat carried out would mean consequences for the adversary including a drastic loss in the domestic political arena, loss of prestige in the international community, and lost resources and troops utilized in the war against the coercer.

The probability of success will be very low because the coercer has a greater capability and will almost certainly win in a military confrontation.

The equation for complying include the terms of defeat multiplied by the expectation of favorable negotiation and the benefits include the inducements offered to cooperate. A compellent threat may or may not include a favorable negotiation, which would be the willingness of the coercer to negotiate and return the adversary to the prior status quo without additional or further losses. The terms of defeat would include the costs of ceding the territory and withdrawing from the protégé. The cost would be the loss of pride and domestic political losses for the leader in the domestic political arena and the international arena. Rational choice theory is utilized to help understand the compellence choices made by the adversary. Berejikian (2002) argues that as long as the threat is credible, coercion will be effective. The costs of a military defeat and low probability of success seem to rationally point towards a policy of acquiescence.

The domain of loss that ultimately contributes to a defiance in prospect theory does not contribute to an establishment of a reference point in rational choice theory. The decision-maker does not start from a reference point of loss or gains but an objective state where the reference point is assumed to be the same as the status quo. Risk propensity varies in prospect theory depending on the domain but it does not vary in rational choice theory; rational choice theory usually posits a continued state of risk aversion (Kimminau 1998).

For rational choice theory, the few instances where compellence failures occur will only be if the seemingly credible threat is actually incredible after further observation. This would not be determined subjectively. An actor affected by cognitive or emotional factors could interpret every public statement or threat as incredible. A rational choice actor is objective and measures the compellent threat in an objective manner. This would mean that the actor found evidence that proved the threat was not credible. The credibility is made of the communication, intent, and capability and if one of these factors were missing, there would be no credible compellent threat. If the compellent threat was well-communicated in that it explicitly defined the demand and warned of consequences and the coercer had greater capability, it could be possible for the actor to doubt the resolve. Especially relevant in extended situations involving protégés, the adversary

may believe the coercer will not attack because of casualty aversion and domestic difficulty of approving a war. However, if the coercer offers a strong position on the issue, the rational actor must not assume the coercer will waver. If resolve and communication are demonstrated, it is possible the target may believe capability is missing. If the target state somehow believed the major power coercer was at a weak point or was not suited to a certain type of conflict and the target had a very good chance of success, a rational actor may be inclined to continue defiance. However, the actor must have evidence that he will have a capability advantage in this type of conflict, not merely an assumption.

There is another instance where a compellence failure may occur in rational choice theory despite a credible threat; if the equation for complying results in higher costs than the costs of acquiescence, such as situations where there is no possibility of a favorable negotiation at all, the target believes it will be punished in either instance, *and* will actually suffer greater costs if he withdrew than if he were defeated. If there is no hope and the coercer has nothing left to lose, the leader would have reason to believe the costs are worth pursuing (Mercer 2005). If the coercer is completely unwilling to negotiate and is only intent on punishing the target, whatever action he takes and even inflicts additional punishment for withdrawing, the target may believe it will bear the costs of punishment in either instance and this would be a rational reason for taking a gamble. The actor may see no more benefit to compliance than there is to defiance if the leader believed the enemy was "bent on his destruction" (Stein 1992, 148). This situation would have to objectively show that there would be further punishments involved in withdrawing than in defiance. The costs of defiance could include a military defeat, economic sanctions, and international condemnation. For rational choice theory to show a compellence failure, the costs of withdrawal must be even higher than these.

Prospect theory does not depend on the credibility of a compellent threat as the independent variable to determining compellence success or failure. Prospect theory depends on the domain as the independent variable, affecting the risk propensity. This domain can be either one of loss or gains but prospect theory lacks a definitive theory of framing. However, it can be assumed that after an invasion of territory and the ensuing fear of loss of aspirations as well as fear of domestic political punishment would result in a domain of loss. This is due to the higher

reference point in relation to the status quo and fear of domestic political losses should the adversarial leader back down, which are cognitive factors that would influence their risk propensity. A decision-maker in the domain of gains would act cautiously, as a rational choice actor would when evaluating costs and benefits. An actor in the domain of loss would be more risk-accepting and this reference point would frame the values of each alternative. Fear of these losses after a territorial invasion would put the government into a domain of loss, which could mean that coercive pressure on governments by an increase of costs may not lead to a change in behavior. Prospect theory still depends on the decision-maker maximizing utility but there are four axioms regarding cognition that must be taken into account that could potentially alter the decision. These axioms are the reference point, loss aversion, framing effect, and decision weighting.

A leader's aspiration and reference point determine the domain of his mindset. A leader's aspiration gives clues to the current satisfaction or dissatisfaction with the status quo. The leader's aspiration can be examined from what he values, which could be individually or nationally focused. If the leader has aspirations that involve being in control of territory, being forced to withdraw would put him in a domain of loss. Kimminau (1998) believes the leader's view of his country's military or industrial position may indicate the domain. By extension, if the leader believes their country should be at a certain point that is higher than the current status quo, either in territory, reputation, economy, or other factors, this would give an indication the leader is in a domain of loss. If the leader values the domestic conditions of the country but not the current military conditions, just assessing the domestic conditions would give an indicator for domain. It is necessary to observe what the leader values and utilize this to decide the domain (McDermott 2004). Though it can be difficult at times to determine the aspirations, what the leader values can be determined through examining where the leader spends most of his time and what they invest their "political or psychological identity" (295). This is the area the leader's identity and self-evaluation flows from and an extremely high degree of commitment can been observed if the leader spends most of his time focused on this realm and if his identity is formed from this realm. An identity formed by this domain could be the leader believes his own self-worth flows from successes in this realm. Moderate to fairly high commitment to the aspirational

goals can be determined if most of the leader's deliberations, planning, public statements, and actions focus specifically on one realm. If the leader aspires to gain control of territory and believes it belongs to him, his reference point is higher than the current status quo. After suffering losses, either in territory, reputation, or domestic political support, political leaders tend not to accept those losses, but instead take excessive risks to reverse them (Kimminau 1998). In the leader's eyes, the injustice and possibility of having to lose sovereign territory as well as the potential domestic consequences for failure are enough to catapult him into a domain of loss.

Hypothesis 1: The greater a leader's commitment to his
aspirational goals, the greater the likelihood he will be defiant.

Jonathan Mercer explains the documents utilized to determine the aspiration: "planning documents, white papers on national security goals and strategies, public pronouncements, instructions to subordinates and diplomatic communications" (Mercer 2005, 6). Interviews or memoirs could give additional information on the reference point and fear of domestic consequences following the invasion (McDermott 2004). Kimminau believes that the "comments of the leaders on their nation's international status" could provide a good indicator for determining the domain (Kimminau 1998, 30). Leaders themselves very often speak in terms of losses or gains (Farnham 1994).

Branislav Slantchev asks, "Why would an actor suffer costs for escalating then backing down?" He is wondering if the leader has already escalated a situation and put his reputation on the line, why would he let those efforts and costs be in vain by backing down? Once a leader has put himself on the line by committing to an action, backing out would lessen his credibility, face, and honor (Slantchev 2005, 2). "Saving face is critical in any encounter" which is why war termination and deescalation are very difficult (Chakma 2012, 13). It would seem to convey that he is all talk but no action, thereby undermining reputation. The leader is concerned with maintaining his individual reputation to consolidate domestic power and to achieve his aspirations so after committing through his actions to obtaining territory, he must follow through or risk damage to his reputation. To back out would be to risk losing his honor while to stand

strong would be to persuade the people of his legitimate power and ability to succeed as well as show resolve.

Territorial claims are associated with the initiation and the escalation of conflict situations, with Sechser coding 123 compellent threats or 58.8% of the dataset as situations involving territorial claims (2011b, 389). After a state has already invaded a territory, they will have acclimated to the new status quo, which matches their reference point. They will be averse to withdrawing, partly because of the endowment effect, which claims the leaders will see the territory as theirs and it will be painful to give up what they currently possess. Another part of the explanation is the concept of audience costs, which states that if leaders issue threats or promises that they fail to follow through with, their domestic reputation will be damaged. The citizens will regard the leaders as less competent than if they had never committed (Tomz 2007). Citizens believe that hollow promises will diminish the reputation of the country in the international system and the leaders who make them are incompetent or even "embarrassing." If the leader performs the action of invading, the people will expect the leader to act consistently, that is, to have the territory remain under the adversary's control. Also, because historical claims have usually been claimed for many years before an actual invasion, if the political leaders go so far as to plan and execute an invasion, they may feel compelled to continue occupation because of all the effort they have put into it. Withdrawing after claiming the territory then invading may seem like a waste of effort. Claiming territory may precede the invasion yet merely verbally stating a claim does not create a high amount of sunk costs. However, planning and taking steps towards an invasion then by implementing an invasion, an enormous cost has been created.

Hypothesis 2: The greater the time and effort put into asserting
and acting towards ownership of a territory, the greater the
likelihood the leader will be defiant.

The domestic political conditions determine the vulnerability of a leader from being ousted from power. If leaders do not want to lose public support and fear domestic political punishment if they fail, they may persist in their commitment to a losing war (Mercer 2005). Not

only are leaders affected by thoughts of reelection but in non-democratic states, they may be worried of a rival faction rising up to challenge their leadership and the possibility of facing severe penalties should they fail (Slantchev 2012). If the leader is invulnerable domestically and does not fear a loss of power, any losses in conflicts or broken promises to the people will not have a large impact on his decisions. If the leader is vulnerable, this will be a motivating factor for him to continue to act for approval of his power base. Since his hold on power relies on popular support or support of autocratic elites in non-democratic regimes, the leader will act in ways to appease these groups who support his leadership (Weeks 2008). The domestic dissatisfaction with the leader is an important factor in determining if this variable points to a loss or gain. If the leader does not stand by his word, his domestic population and those who support him may see him as inconsistent or ineffective and be dissatisfied with his performance. If the leader's internal power position depends on the satisfaction of his support base, he will fear a failure of his objectives would mean being ousted from power (Tomz 2007).

Hypothesis 3: The greater the domestic political vulnerability of the leader, the greater the likelihood he will be defiant.

Rational choice theory posits that increasing costs will eventually cause an adversary to capitulate. However, prospect theory examines the cognitive effects that influence the adversary's decision-making process. If the leader fears the costs of capitulating, it could be greater than his fear of the costs of continuing. Although rational choice theory would posit that a moderate probability for losing territory in a military defeat are greater than the costs of withdrawing voluntarily, cognitive factors such as desire to protect reputation by acting strong could subjectively increase the costs of withdrawing in the mind of the adversary.

In terms of compellence situations specifically involving territorial conflicts, rational choice theory would posit that loss of territory would be a high cost for complying yet an almost certain military defeat would still be costlier than losing territory. A comparison of the costs and benefits would still reveal that even if it would be painful for the adversary to give up territory he believes as his, a military defeat would be an even worse alternative, objectively, because it

would involve a probability of losing the territory but with additional costs such as casualties and cost of going to war. Thus, rational choice would posit that continual increasing of these costs would result in a capitulation. Prospect theory posits a different outcome. The actions of the adversary depend on what he values. If he is concerned with his aspirations and domestic power, he will overemphasize maintaining security in these realms and focus on payoffs not probabilities, even as the objective costs for defiance increase. Only when he realizes he cannot maintain these realms any longer through resistance can he be persuaded by the very low probability of success and massive costs that withdrawal would be a more attractive option. If the adversary state continued to believe that defeat on the battlefield will win a political domestic victory or achievement of his aspirational goals and is unaffected by casualties of his army, he will pursue defiance according to prospect theory.

Hypothesis 4: Unless there is an extremely low probability of success with extremely high costs of resistance, the adversary will remain defiant.

I will closely follow the Militarized Compellent Threats dataset developed by Sechser (2011b) as a guideline for defining compellence situations. Sechser believes there are three key features to any compellent threat. First, there must be a demand for a change in the status quo. Compellence failures and successes are evident because the target must decide whether to change the status quo or not. Second, a compellent threat must include a future consequence if the target defies the threat. Sechser believes a verbal communication or military maneuvers and demonstrations that occur with the coercer's demand provide evidence enough of consequences. Third, a compellent threat must be issued from one state to another state. What does not count as a compellence situation is if the threat has been issued to "rebel organizations, terrorist groups, intergovernmental organizations, and other non-state actors" (Sechser 2011b, 380). A demand does not have to be issued and directly communicated by one head of the state to another as long as the target state believes that the threat was a legitimate one issued and authorized by the coercer.

Situations in which weaker states being coerced by major power present interesting anomalies throughout history. It is expected that weaker states will not pursue continuing actions against stronger states simply because these stronger states have greater capability and from rational calculations, the carrying out of the compellent threat will lead to military defeat (Wolf 1991). These stronger states are the ones that can issue credible threats that can guarantee "severe punishment" for the weaker states if it does not comply (Sechser 2008). Bueno De Mesquita (1980) makes a proposition that if both the coercer and target are nonaligned, the target state should not rationally initiate a conflict with a more powerful coercer.

These credible compellent threats are what are utilized to convince the target states that it should withdraw or discontinue its actions so it is much more compelling coming from states with greater capability. "When one side's material capabilities are vastly superior, the weaker side is unlikely to harbor illusions about its chances" (Sechser 2008, 2). That is why compellence failures are puzzling because they seem to violate the long-held notion that threats will be more effective if the coercer has a large military advantage (Tedeschi, Bonoma, and Brown 1971). It is clear in these cases that the weaker state harbors a very small chance of success and understands the intent of the stronger state to carry out its threat, yet it continues to defy, seemingly knowing they will probably lose. Because rational choice theory seems unable to clearly explain why this occurs, prospect theory could lead to a fuller understanding of these cases. Rational choice theory would see these as anomalies because according to their theory, a credible compellent threat should have led to a compellence success yet violations of this rule occur throughout history. It is essential that it is a weaker state facing a compellent threat from a stronger state because otherwise, in situations where there are two states with equal powers, the target may not be compelled. In these cases, the target may believe there were reasonable chances for success and had an equal capability to react to the threat. An escalation into war may not have necessarily meant a certain military defeat, which would be the case for a weaker state. A weaker state has very little or no chance of success in a conflict with a stronger state, which is what makes these compellence failures so compelling to study.

Not only will I examine relatively stronger states but I will focus specifically on the major powers because these states are without a doubt much stronger than the other states of the

world. Sechser says that a "longstanding principle" of international relations theory is that coercive threats are more effective when they come from more powerful states and these major powers are the strongest of the states in the system (2011b). There can be no ambiguity concerning the capability and strength of these states. Because major powers have global interests and the capability to defend these interests by affecting the outcomes, they may gravitate towards conflicts they want to solve for their own interests (Corbetta and Dixon 2004). Especially relevant for major powers are extended compellence situations in which a protégé is involved. Rational choice theory requires all of these factors to be present and if they are, it should lead to a compellence success yet I argue that even with credibility, intent, and communication present, domain is the true independent variable.

Compellent threats take the form of an ultimatum, a tacit ultimatum, and a "gradual turning of the screw," but not a try and see approach. An ultimatum includes a demand, a deadline, and a threat. A tacit ultimatum includes a demand and a threat but with no specific time limit. An incremental approach or "gradual turning of the screw" contains a demand and a threat that gradually increases. A soft ultimatum or "try and see" only has a demand with no threat or time limit communicated. There must be a "clear and unambiguous demand" in the coercive threat during the bargaining process (Van Angeren 2006, 200). The basic form of a compellent threat must contain demands and a threat with the intention that it will be carried out. Sechser notes that a compellent demand need not contain a specific deadline. A fixed time limit is not a necessary component of a compellent threat especially because leaders often want flexibility in crises situations regarding their policy decisions (2011b). Ultimatums contain explicit deadlines and may be the most demanding compellent threat but tacit ultimatums and "gradual turning of the screw" threats do not contain strict time limits.

These threats must be credible; that is, the coercer must have the capability and intention to carry out the threat and clearly communicated its resolve. If the coercer is a major power and the target state is not, it can safely be assumed that the coercer has greater capability.

The problem of resolve in credibility can be determined by a look at the past reputation for issuing threats by the coercer. If the coercer utilized bluffs in the past instead of actual carrying out of the threat, the threat may not be credible. A reputation for honesty enhances credibility

(Quackenbush 2011). A domestic backlash could occur as the public does not view a leader who makes empty promises as competent. Leaders making credible threats would face audience costs if these threats were not acted upon. Because of the fear of public disapproval if threats are not legitimate, leaders will tend to make threats they will commit to (Tomz 2007). Especially relevant in democracies, leaders view public approval as a political asset while disapproval is a cost so leaders are careful to maintain a good standing with the public; public approval is "an important source of presidential power." Foreign policy is consistently among one of the most important issues citizens care about and the leader's choices in foreign policy can be utilized to judge if the current leader deserves to stay in power (832). The citizens feel compelled to punish leaders who do not commit because they believe inconsistency in words and actions damages the reputation and credibility of the country. The public is concerned with being able to clearly communicate in future foreign policy situations, which can be damaged by past empty threats and damaged credibility. Therefore, the fear of domestic disapproval causes leaders to make credible commitments.

Casualty aversion could weaken the intent of the threat. A perception among the international community is a threat may not be serious if carrying it out would involve serious casualties (Hyde 2000). If high numbers of casualties are expected, enemies may rationally believe the coercer lacks resolve. This aversion to casualties is caused by the public being unwilling to tolerate anything more than the minimal costs in war.

Credibility may also be determined when the coercer has a public commitment or formal military alliance to the protégé, either through verbal statements or military personnel on the ground (Berejikian 2002). This can be demonstrated in any number of ways, including economic, political, or military ties involving trade, investment, and economic assistance (Huth and Russett 1984). This commitment will serve to strengthen the resolve of the coercer because of the backlash if it were to back out of its alliance commitment. Failing to honor this commitment could cause a deterioration of its reputation and credibility in future alliances. Other potential allies would no longer trust the coercer to be committed to his word. Within Sechser's dataset, the demonstration variable contains information on whether the challenger "mobilized troops or conducted conspicuous military maneuvers after issuing a compellent threat" since these would

provide credibility to their threats. He says these would be signals of resolve and although they utilize force, it would not be a compellence failure because outright war does not result. These are just "demonstrative signals" (Sechser 2011b, 391).

Communication is the third key to an effective threat. Credible threats must be perceived as credible at the time of the conflict and not merely by a retrospective examination of the past. It is possible what appears later to be an insincere threat may have appeared to the credible during the conflict. Sechser's Militarized Compellent Dataset excludes threats that do not have explicit demands because both sides must objectively be able to see the credibility of the threat. If the threat is ambiguous or not well-communicated, the causes of success or failure due to the threat may not be as clear because it will be difficult to assess if the target understood the threat. The dataset only includes situations with clear demands so this problem is reduced.

It is necessary to operationalize the defender's policy of compellence. To code what constitutes a credible deterrent threat, Huth and Russett (1990) rely on directly observable evidence of the defender's action. This threat is demonstrated when public statements are made or when military actions occur that are intended to communicate the threat. Huth and Russett decided to only focus on military cases of deterrence with only military threats utilized. To select cases, I will utilize this criteria also. I code that at least one verbal warning on its own or issued with military mobilization, or initial small-scale show of force could constitute a compellent threat. I believe simply a verbal warning to intervene is enough because a stronger state could be held responsible by the international community to intervene.

Sechser notes that each compellent threat "episode" contains only one target but that each episode may contain multiple challengers. A challenger state is one that threatens the use of military force to back up the compellent demand (2011b). Yet a single episode may contain several demands issued simultaneously if there is a single threat of military force that backs all of these demands. However, if there are new military threats made with each new demand in a continuation of multiple demands, then these would be multiple episodes instead of just one compellence situation.

The Militarized Compellent Threats Dataset addresses the ambiguity of what the status quo is, which could cause miscoding of deterrence and compellence situations. The dataset

establishes an objective reference point so that any threats to preserve the status quo will count as deterrence and compellence cases will only include those that aim to change the status quo. The status quo I will utilize will be the one during the conflict between the target and the protégé, right before the issuance of the compellent threat by the coercer. I am utilizing this status quo because if the target has already captured territory or is simply in open conflict with the protégé, the coercer would demand a change in the status quo by withdrawing from the territory or stopping the continuing conflict.

Compellence may contain a mix of positive inducements or rewards and threatening actions to convince an adversary to comply (Slantchev 2005). The rewards would offer a higher benefit to complying while the threats would raise the costs of resisting so both offer an attempt to change his preferences and expectations. Through examination of case studies, the main reason for a compellence success to have occurred is because of the increased costs, which reduced the benefits of defiance. The majority of the consideration of the target should be paid to the compellent threat. The rewards are only a way to slightly increase the benefits of complying and raise the status quo to narrow the gap and move towards the reference point but the compellent threat must be the main reason for the target to comply or consider. This can be determined by an examination of the credible compellent threat, if there were severe costs that were implemented or threatened to be implemented, and the offer of rewards was not the main consideration of the compellent threat or of the adversary, it would constitute a compellence situation. If the rewards offered were greater than the threat of the costs and the adversary's basis for decision-making focused specifically on the rewards, it would not constitute a compellence situation but rather demonstrate the influence of rewards. If the compellence situation has been classified by Sechser's dataset, I will utilize the case because Sechser only includes in his dataset credible compellent threats, with adequate military threats.

Although the main focus of the adversary should be on the costs of the compellent threat, the coercer should still offer a bargain or way out (Kimminau 1998). Under rational choice theory, steadily increasing costs will eventually induce compliance but under prospect theory, the decision-maker who is in the domain of loss may not be compelled with increasing costs. This is because his goals are higher than the reference point and will remain so unless the coercer

attempts to narrow this gap. Increased costs without any offer of favorable negotiations that would result in achievement of what the decision-maker values would cause compellence to fail. If capitulation would not offer any favorable outcome, the decision-maker may take a riskier approach and focus on the payoff in order to attempt to achieve his goals. If the leader believes there is a way to achieve their goals through negotiations without the risky continuation of defiance, they will be more likely to capitulate.

Hypothesis 5: The greater the probability that negotiations will yield favorable results, the greater the likelihood the adversary will capitulate.

Figure 3

Gradations of Success and Failure of Compellence
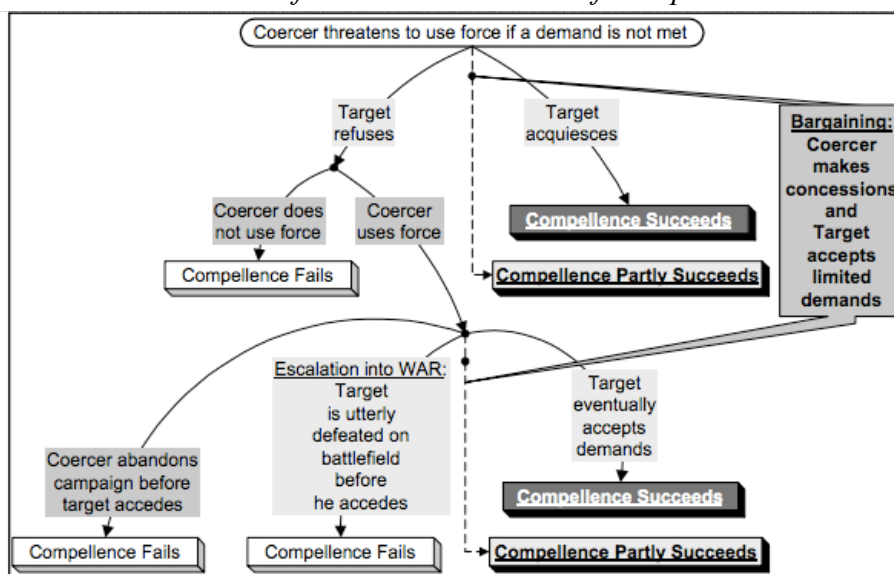
Source: Van Angeren, 2006.

According to this diagram, there are many instances of compellence failure or success. I will only consider a compellence success a coercer threatening to utilize force and the target acquiescing before force is used or the coercer using limited force that coerces the target before an escalation into outright war occurs. A compellence success occurs if the coercer issues a threat and the adversary adheres to the coercer's most critical demands contained within the threat. The

compellent threat itself must contain verbal indications of consequences if noncompliance occurs. These verbal threats may be vague, utilizing language such as "dire consequences." The adversary must adhere to all the major requirements of the coercer, such as withdrawing from conquered territory or stopping its attack. If there are side conditions that are not as critical and these are not adhered to, it would still remain a compellence success (Van Angeren 2006).

A compellence success may also occur if the coercer issues a threat and there is no immediate withdrawal or action to obey the coercer. If, however, after persuasive and limited force is utilized by the coercer, the target decides to concede, this will be classified as a compellence success. This is because the coercer has the capability and has threatened to engage in a war but only utilized limited force to prove the intent and utilize a show of force as a way of proving their greater capability. The target may not have known of the serious intent until the show of force occurred and once this was demonstrated, if they are compelled to back down it is a compellence success. Displays of force involve military demonstrations but no actual occurrence of violence (Jones, Bremer, and Singer 1996). Use of force is the upper threshold for the amount of force utilized before it would be considered a compellence failure.

Use of limited force would not automatically constitute a compellence failure. A compellence success may also occur if the coercer issues a threat and there is no immediate withdrawal or action to obey the coercer. If, however, after persuasive and limited force is utilized by the coercer, the target decides to concede, this will be classified as a compellence success. This is because the coercer has the capability and has threatened to engage in a war but only utilized *limited* force to prove the intent and utilize a show of force as a way of proving their greater capability. The target may not have known of the serious intent until the show of force occurred and once this was demonstrated, if they are compelled to back down it is a compellence success. Military force can be utilized for just demonstrative purposes and may serve as just a costly signal of intent. Sechser also believes a limited use of force is useful for communicating the coercer's intent and does not demonstrate a failure of compellence and his dataset includes variables that indicate the demonstrations of force, use of force, and target's level of fatalities (Sechser 2011b).

A full and detailed definition of limited force should be included to specify exactly which situations would be labeled limited force before it reaches a certain threshold that would constitute beyond limited force. According to the Correlates of War project, there are categories of threat of force, display of force, and use of force. These three would all constitute ways of showing intent in compellent threats with the upper threshold of force being the *use* of force. Displays of force involve military demonstrations but no actual occurrence of violence (Jones, Bremer, and Singer 1996). Use of force is the upper threshold before it would be considered a compellence failure. These would impact the target state directly and include blockades, occupation of part or all of another state's territory, seizure of material or personnel, clashes of regular armed forces, raids where regular armed forces fire upon those of another state, official declarations of war, and use of chemical, biological, or nuclear weapons that result in less than 1,000 deaths.

A partial success may arise when bargaining occurs after the compellent threat is issued between the coercer and the target state. If concessions are made so the original demands have been changed towards more limited demands because of the coercer's willingness to negotiate and both reach an agreement, this is a partial compellence success because the coercer was able to convince the adversary into being amenable to an agreement instead of continuing an attack (Van Angeren 2006).

A compellence failure occurs when any of these negotiations break down or if continued limited force escalates into a full-scale war. The target does not comply and continues with its decision to engage in war with the coercer. At this point, the target knows that the coercer has the intent and the greater capability to win a war yet it decides to continue in its engagement in war. A compellence failure would be coded as a continuation of the adversary's current attack on the protégé, a refusal to withdraw from territory, or if the adversary commits the actions that the defender threatened against all of which could lead to an outbreak of war between the defender and the adversary. If all the major terms of the threat have not been satisfied, compellence has failed. At this point, the target knows that the coercer has the intent and the greater capability to win a war yet it decides to continue and defy the coercer. A deterrence failure, defined by Lebow and Stein, is when the adversary commits the actions that the defender had threatened against.

Huth and Russett define a failure as when there is a large-scale military attack between the protégé or defender and the challenger (Stein and Lebow 1990). I will only consider an escalation into war a compellence failure, which is a different coding from Van Angeren. This is because after the target refuses, if the coercer does not utilize force, it was not a *credible* compellent threat in the first place. It can only be credible if the coercer had the intent to utilize this force had the target not complied. I will not be looking at the coercer abandoning the campaign for the same reason; a coercer issuing a threat must follow the threat through until the end of the conflict. This would mean the coercer will not abandon the use of force or abandon the campaign before the target accedes.

Sechser in Militarized Compellent Threats codes three levels of compliance. The first level is full compliance where the target complies with the "main substance" of the challenger's demands. If the target acquiesced to a few but not all of the challenger's demands, this would be coded partial compellence. In the other cases, the coding would be non-compliance. Because Sechser's coding is not as detailed as my coding especially in regards to non-compliance, I will have to examine each specific case and decide if this non-compliance is the same as my coding of a compellence failure (Sechser 2011b).

Chapter 4: Research Design

In cases of compellence success, both rational choice theory and prospect theory would predict the same outcome and agree on the underlying reasons behind the compellence success. Rational choice theory would predict a credible compellent threat would lead to a compellence success. Prospect theory would predict an actor in the domain of gains would act according to rational choice theory which means there should be a compellence success. In cases of compellence failures, the two theories differ on what could cause the failure. In rational choice theory, it predicts that a compellence failure arises when there is no credible threat from the coercer. In prospect theory, regardless of a credible threat or not, an actor in the domain of loss would not be compelled. According to rational choice theory, the outcomes for all cases with credible threats should all be compellence successes. However, prospect theory examines the domain as the main determinant of compellence success or failure. It is only in the domain of loss that these two theoretical arguments differ and predict divergent outcomes that I will examine. Because it is mostly evident in the compellence failure cases whether the domain or the compellent threat was the main cause, I will examine cases according to the domain of loss with a credible compellent threat as a controlled variable. My independent variable is the domain and the dependent variable is the outcome of the case.

Sechser has compiled a Militarized Compellent Threats dataset which contains compellence situations from 1918 to 2001. These involve demands among states to change the status quo with a threat issued by the coercer that is backed by military force (2011). The dataset includes 210 distinct compellence situations. It organizes these conflicts by the year and countries involved and includes additional codings such as the main issue underlying the coercive attempt, which includes territorial claims. This dataset will be utilized to draw upon the cases I will examine. My coding for cases is very similar to Sechser's which makes choosing cases from his dataset convenient and helpful but my requirement for case selection is more stringent. While I utilize his dataset as a starting point for the universe of compellence cases, I examine each territorial compellence case in further detail to determine if it meets my requirements.

I will choose cases with a credible compellent threat and a domain of loss and examine if this domain contributed to an outcome of compliance or defiance. By selecting cases in this manner, I will see if domain of losses has any impact on the result of the case. The way I will determine the domain of loss is to examine if the leader of the target state issued a territorial claim and examining if there are potential domestic audience costs that could follow this claim. If the leader issues a claim and his support base values his claim to the point where the leader feels compelled to carry through his threat or risk losing power, the leader is in a domain of loss. The vulnerability of the leader can be examined through a study of the power structure and observing if his public statements have an impact on his power base.

I will also focus on relatively recent conflicts, from 1945 to the present. I have chosen this time period to focus on because this is post-World War II and all the cases being in the same time period should be able to cut down on other uncontrolled variables that may relate to a different international system. These are relatively recent historical conflicts, which means there should be greater resources available in the form of primary or secondary resources.

Sechser defines compellence as "A militarized compellent threat is defined as an explicit demand by one state (the challenger) that another state (the target) alter the status quo in some material way, backed by a threat of military force if the target does not comply" (2011, 380). According to Lebow and Stein, an immediate extended deterrence situation occurs when the adversary attacks a country and a third party defender commits itself to the defense of its protégé. To extend this definition to compellence, an extended compellence situation can be identified when an adversary has already launched an attack on a country and a defender commits itself to the defense of the protégé. This commitment is shown by attempts by policymakers in the defending state to force, by threat or sanctions, the policy makers of the adversary to comply with its demands, which may include retracting actions already taken (Huth and Russett 1990). I will examine situations where a coercer is attempting to force the target state to retract its actions in the middle of a conflict or invasion of a protégé state.

I will choose on a domain of loss with cases that specifically focus on territorial invasions because this is one of the most conflicting and divisive issues between states as it relates to a state's sovereignty. The cases will focus on an adversary that initiates an invasion to gain control

of the protégé's territory. These territorial possessions could include any land or ocean territory that is disputed between the protégé and adversary. Compellence situations could include attempts by the coercer to remove the adversary's military from these areas under dispute because these cases would involve possession and control of the land (Sechser 2011b). By utilizing Sechser's dataset, I will only choose the cases he has coded as involving a territorial dispute under the category,"Issue Type" (Sechser 2011a, 3).

I will only focus on major powers as the coercing states because they are the most powerful states in the international community so their threats entail great capability. Sechser defined major powers according to the coding by Correlates of War and identified United States, United Kingdom, France, Germany, Italy, China, the Soviet Union, and Japan. These are the countries I will utilize in selecting cases, while being aware of their start and end dates of being a part of the major power system (Sechser 2011b).

According to my framework for case selection, I have selected two cases to examine in further detail because they have met all of my requirements. Sechser coded both cases as involving a major power as the coercer, with territory as the main dispute in the conflict and both coercers were coded as utilizing demonstrative signals. The result of compliance or defiance will rely on Sechser's coding of the compellence outcome (Sechser 2011a).

Chapter 5: The Falklands War

"The Argentine nation ratifies its legitimate and non-prescribing sovereignty

over the Malvinas, Georgias and South Sandwich Islands and over the corresponding

maritime and insular zones, as they are an integral part of the national territory. The

recovery of said territories and the full exercise of sovereignty, respectful of the way of

life of their inhabitants and according to the principles of international law, are a

permanent and unrelinquished goal of the Argentine people."

(*Constitution of the Argentine Nation*)

The ownership of the Falklands has been disputed early in the Islands' history. The French first settled on the Falklands in Port Louis, which is Port Stanley, in 1762 and two years later, the British settled at Saunders Island without knowledge of the other settlements on the Island. The French decided to sell their claim to Spain in 1765, and were named Islas Malvinas by the Spanish (Beattie 2010). When the settlements discovered each other, the Spanish and British nearly conflicted over their claims. Before a war started, the European powers both abandoned their settlements with the British leaving in 1774 and the Spanish in 1811. They had not abandoned their claims and instead left plaques as assertions. When Argentina gained independence in 1820, it claimed all of the surrounding territory in the area that belonged to Spain. Britain disagreed with Argentina over their claim of the Falklands. The British launched a formal protest when Argentina set up a new settlement on the island, raised their flag, and even elected an official governor but decided against any action (Upp 2011). The Argentine governor in the Falklands, Louis Vernet, seized three American fishing vessels in 1831 which caused an American ship, the U.S.S. Lexington, to retaliate by destroying the outpost and arresting the Argentines. The British took advantage of this opportunity to establish a new colony in 1833, after which point they controlled the Islands until the present. The Falklands became an official crown colony of Britain in 1840. This did not deter the Argentines from reviving their claims in 1910 and once more in 1927, then repeatedly bringing the issue to the attention of the United Nations General Assembly after WWII (Beattie 2010).

The junta regime that ultimately invaded the Falklands took control of Argentina in 1976. In four years, they were facing a deteriorating economy and a public who was unhappy after the Guerra Sucia (Upp 2011). The military had begun to realize that a progression to democracy was entirely possible and feared the Dirty War had angered the population enough for "Nuremburg-style" trials after the transition (Levy and Vakili 1992). The public had started demanding for the end of military rule, which greatly worried the military regime.

In the time between 1980 and 1981, more than forty banks and investment firms declared bankruptcy (Oakes 2006). From 1979 to 1981, the total debt doubled and became 42% of the GDP (McClure 2004). The junta had attempted to devalue the peso to reverse the deteriorating economy, which caused inflation to rise and, in fact, hyperinflation occurred (Oakes 2006). By 1982, the peso depreciated by 600% and GDP fell by 11.4% as real wages decreased by 19.2% (McClure 2004). Union leaders organized strikes and business groups openly criticized the government. The Catholic Church who had initially supported the junta, began calling for a transition to a democracy and formed an alliance with the labor movement (Oakes 2006). Opposition to the regime increasingly became more public. Domestic protests and labor strikes increased to the point where the regime feared they would lose control of these demonstrations (Upp 2011). On March 30, 1982, the military suppressed an enormous labor demonstration in the streets of Buenos Aires, adding to their fear of political upheaval (McClure 2004). Mothers of victims in the dirty war called for the government to explain what had happened to their "disappeared" children. Their actions caught the attention of international media and human rights organizations as the Argentine junta came under pressure from the global community also (Oakes 2006). Political activity was banned yet several political parties founded the Multipartidario in protest. The press, previously acquiescing to not reporting negatively on the junta, abandoned this agreement and began condemning the economic policies and even calling for an end to the regime (Beattie 2010). Although the junta had faced dissent before in 1976, as it first came to power the dissent in 1981 differed in two ways. First, by 1981, even previously supportive sectors of the junta regime were opposed, such as the business organizations and the Catholic Church. Second, the opposition did not only question the wisdom of the junta's policies but called for an outright end to the rule (Oakes 2006).

By the time Galtieri became president on December 18, all sectors of society were united in protest against the military regime. Crowds appeared outside Casa Rosada to ridicule General Galtieri and demand a return to democracy ("Leopoldo Galtieri"). The people were disappointed and angered by their performance after the junta's promises of reorganization to restore the "greatness" of Argentina (Upp 2011; McClure 2004). The military regime understood that ignoring these growing domestic problems was politically impossible. General Galtieri acknowledged himself in his inaugural speech that, "The time for words and promises is gone...This is a time for firmness and action." A newspaper, *Conviccion*, published in February, "If...we recover the Malvinas, history will forgive the economic stupidities" (Oakes 2006, 450). General Galtieri believed it was critical for a "resounding triumph" that would save the regime from demise. This triumph, he believed might come from foreign policy. The figure below shows the risk propensity of the junta to take a gamble to save their position.

Figure 4.

*Junta perception of international policy position, beginning of 1982*
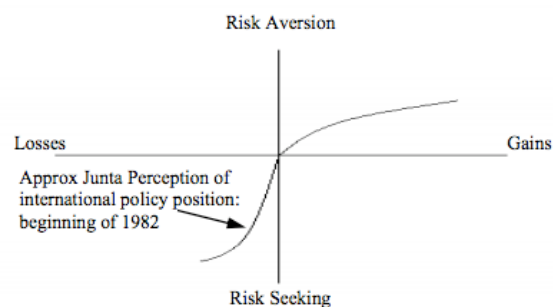
Figure 3.1   Junta Domain and Risk Seeking in Deciding to Invade

Source: McClure, 2004.

They needed an event to popularize their rule and were willing to take a risk for a potential gain (Upp 2011). Galtieri hoped to regain popular support and believed invading the Falklands would be a foreign policy goal that all sectors of Argentina would support, even the regime's critics (Oakes 2006). The entirety of Argentine society wanted to end the "historical injustice" (Welch 1997, 485). The junta believed this invasion would allow the Argentine people to forgive their failings and see them as legitimate rulers (Upp 2011). The Argentine junta had

wanted to take attention away from the domestic issues by looking for an external scapegoat (Arquilla and Rasmussen 2001). The international community was convinced the attack was to distract the Argentine people from the deteriorating state of domestic conditions. Not only would this distract the people of Argentina, but it would cause them to support this politically insecure regime and potentially keep it in power. The decision to invade was very appealing to popular sentiment (McClure 2004). The frame of the junta regime focused on regaining and solidifying domestic power. They were focused on achieving public support and ensuring domestic survival. This frame meant the junta had a high degree of commitment to the territory and also highly valued the benefits of resistance. What they hoped to achieve and the benefits of their success would be an ultimate attainment of the Falklands or Las Malvinas after negotiations with Britain. Based on their frame of remaining in power, attaining the Islands would allow them to maintain political power and gain widespread public support and so this territorial acquisition was highly valuable.

Figure 5

Map of Falklands and Dependencies
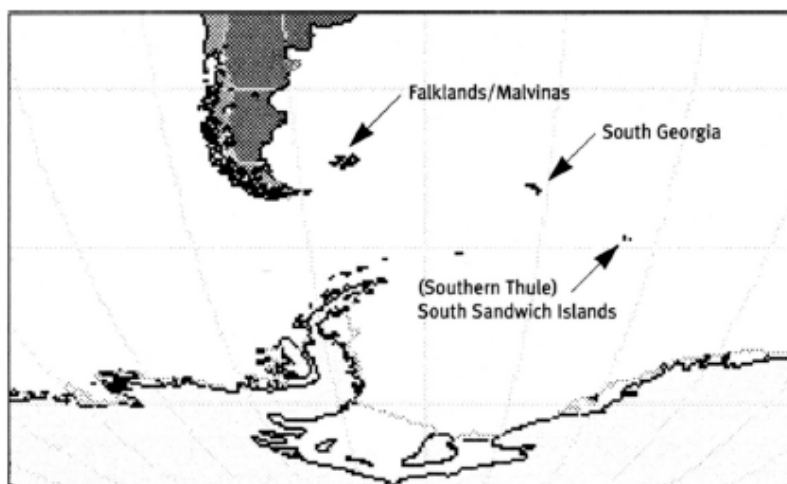
Source: Welch, 1997

The junta had been forced to move their invasion date earlier because an Argentine businessman, Constantino Davidoff, on his way to a whaling station at South Georgia Island, did not stop at a British outpost. When similar incidents happened in March 1982, the British

became suspicious of Argentine behavior and began to surmise the Argentines were intentionally challenging British sovereignty (Upp 2011). The Argentines saw this as their opportunity and began sneaking in Argentine marines as part of Davidoff's crew to try to establish a permanent presence on the Island (Welch 1997).

The Argentines planned to disarm the garrison at Port Stanley and oust the British governor. They were to secure the Port without any British casualties and wait until Argentina and Britain settled an agreement. They officially invaded on April 2nd, 1991 and accomplished their operation with no British loss of life (Zarza 2010). The junta's initial goal of attaining the islands and continued occupation with either no expectation of military engagement or an expectation of limited engagement had an early high probability of success. The probability of accomplishing the success seemed optimistic at the time because of the belief that the British would not have a strong response. They believed they could overtake the current Islanders, establish a governor, and begin negotiations with the British while maintaining this "symbolic assertion" (Paul 1994, 152). At this early stage, costs of the invasion and remaining on the Islands were low or moderate while the benefits to be obtained were quite large. Their initial beliefs were that favorable negotiations were possible and were even optimistic because they would be in a stronger position and because they assumed Britain did not fully value the Islands.

Argentina assumed Britain would not wage a war over the Islands. It was a reasonable assumption because they believed the Islands were not of great value to Britain and believed it would be great expense and trouble to send a task force to regain the Islands, especially when Britain was so far away (Upp 2011). Nicanor Costa Méndez, foreign relations minister of Argentina, asserted the invasion was just to refocus the British negotiations on Argentine claims and was not a military conquest. Admiral Jorge Anaya, commander of the Argentine navy, and General Mario Menéndez, military governor of the Islands, both confirmed that Argentina had no intention of initiating a war (McClure 2004). The invasion was launched for the Argentine junta to "save face." Argentina's only intention was to force Britain into negotiations, with the Argentines in a stronger position. They believed Thatcher would not risk the massive effort and cost just for 1,800 people of British descent living in the Falklands. They believed she valued relations with Argentina more than securing the Island (Welch 1997). The recent example of

Rhodesia where Britain had abandoned 600,000 British citizens and allowed Rhodesia independence in 1980 convinced Argentina the British would not rely on force and instead, would be willing to negotiate the Islands sovereignty issue. All parties involved "knew the disputed territory was of negligible instrumental value" (505). They were so convinced there would be no military intervention, the Argentine junta sent conscripts as young as eighteen years old with very little training to the Islands. The soldiers were all notified that the invasion was only "symbolic" with no expectation of a response (Levy and Vakili 1992).

However, to Argentina's dismay, Britain demanded that Argentina withdraw before any negotiations on the sovereignty of the Falklands could be continued. A credible threat is comprised of the intent, the capability, and the communication of that threat. All three were adequately demonstrated by the British in response to the invasion.

General Leopoldo Galtieri received an explicit ultimatum from the British which convinced him that Britain was single-minded in its goal of wanting Argentina to withdraw right away (Fravel 2010). On April 3rd, right after the invasion, the United Nations Security Council passed Resolution 502 which called for both sides to hold back on military force and required that Argentina withdraw from the Islands. The United Nations reported it was "deeply disturbed" at the invasion by the Argentines, determined this was a "breach of peace," and demanded immediate cessation ("UN Resolution" 1982). The U.N. Resolution allowed Britain its first victory in a battle, because it allowed the justification of sending a retaliatory force by utilizing the provision of Article 51 of the U.N. Charter, which establishes right of self-defense and use of discretionary military force against an aggressor. Resolution 502 had branded Argentina as the aggressor (Moro 1989). "The Security Council- the world's supreme peacekeeper - had handed Mrs. Thatcher the keys to warfare" (42). When Argentina refused to back down, Britain, in the next few days, dispatched "two carriers, eleven destroyers, an amphibious force, and a supply chain to the South Atlantic" (Mauro 2008, 6). Britain also decided to show its resolve by exacerbating Argentina's economic position through sanctions and also convinced the European Economic Community to impose sanctions. On April 12th, Britain established a maritime exclusion zone then on April 28, 1991, Great Britain established a total exclusion zone around the islands, which would have given them a right to fire upon any ships or aircraft that entered

the zone (Moro 1989). Galtieri had the entire month of April to rethink Argentine action after this escalating display of British resolve. These actions greatly increased the costs of achieving Argentina's goals through continued resistance. Economic sanctions would hurt an already deteriorating economy and increase the costs of defiance, while the warships signaled British intent and notably decreased the probability of the Argentines achieving their success.

"A Third World country with largely dated military equipment, a con-script army, and virtually no power-projection capability took on a technologically sophisticated, nuclear-armed great power with a mod-ern blue-water fleet and an experienced professional army over stakes of negligible strategic and material value"(Welch 1997, 483). Argentina was much weaker than Britain but they initiated and continued the conflict. At first, they believed Britain would never respond militarily but after resolve was demonstrated by the British through a dispatch of ships to the South Atlantic, Argentina should have been convinced of its intent. Britain, in 1982, clearly had a much greater advantage. The fighting forces of Britain consisted of professionally trained soldiers while Argentina only had conscripts who were usually very young in age. Britain's military expenditures were also six times higher than Argentina's and its technology, training, and firepower were all superior (Paul 1994). The "ill-trained Third World army stood little chance against highly trained and equipped NATO forces" (McClure 2004, 30).

The sanctions imposed by the British and the European Economic Community were the harshest ever imposed by the group and led to a "state of crisis" that denied $2 billion of export profits to Argentina (Mauro 2008). Instead of capitulating to have relief from these sanctions, the junta remained inflexible. A favorable agreement where British administration over the Islands would be restored with six observer nations monitoring the situation until negotiations were completed and a lifting of all economic sanctions, was completely rejected by the junta. In addition to these economic sanctions, costs of a military defeat also increased. After resolve was demonstrated, Argentina knew a war would have to ensue if they were to continue to hold onto the Islands and the probability of winning was fairly low. Their probability estimates of success decreased dramatically. Because the coercer showed resolve and was much stronger than the adversary, Argentina's refusal to capitulate seems to provide evidence for the hypothesis that

unless there is an extremely low probability of success with extremely high costs of resistance, the adversary will remain defiant.

The United States acted as the mediator in the conflict and sent Secretary of State, Alexander Haig, to meet with both sides. He went between Galtieri and Thatcher for the month, attempting to allow clearer communication and prevent war. On April 10, a United States embassy source publicly stated that he believed Britain would carry out its threat and Haig, the United States mediator, also told this to the junta (Arquilla and Rasmussen 2001). According to political scientists, John Arquilla and María Rasmussen, "The messages were anything but ambiguous" (753). When General Galtieri, Army representative of the junta, spoke to President Reagan, Reagan's warning was, "Mrs. Thatcher is a decisive woman and she will have no choice but to fight back" (McClure 2004, 39). According to rational choice theory, these threats of force and deployment of ships as well as greater capability all led to low probability of victory and increased costs of defiance, which should have compelled Argentina to withdraw. The British had even agreed to negotiate as long as Argentina complied, which could slightly increase the benefits of compliance because of hope of future negotiation.

Yet the credible compellent threat was difficult to compromise with the overwhelming domestic support. For years, schoolchildren in Argentina have been told the Malvinas rightfully belong to Argentina and will be reclaimed (Upp 2011). In Argentina, irredentism is very strong and leaders in Argentina frequently inspire the people by mentioning the Malvinas in speeches to create nationalism. The Argentines are strongly nationalistic and have high expectations for their nation. In a 1985 Gallup poll asking Argentine citizens whether they believe Argentina has won or lost territories throughout history, 73.6% answer the country has lost territory (McClure 2004). As the education level of the respondent increases, so does this perception of loss, showing that all sectors of society held this belief. IPSA polls conducted in 1981, 1982, and 1984 asked for opinions on Argentine's position in the world and concluded that a majority of the Argentine population believe that, "Argentina deserves an important place in the world." This kind of nationalism is called "national superiority complex" by Escudé and creates intense territorial nationalism as well as an "exaggerated sense of Argentina's place in the world" (9). The Argentines are very sensitive to territorial disputes (Escudé 1988).

Yet, the junta was amazed at just how supportive the Argentine people were of the takeover of the Islands on April 2. The popular support went far beyond what the junta expected (Arquilla and Rasmussen 2001). The people of Argentina celebrated on the streets in whole-hearted support of the junta when just a week earlier, there were protests and labor demonstrations (Levy and Vakili 1992). The people were swayed by fervent nationalism and 250,000 people gathered in the Plaza De Mayo on April 6, waving Argentine flags, shouting and singing in support. Even prisoners of the labor demonstrations and exiled guerilla fighters volunteered to fight for this cause (McClure 2004). A surprising offer was made by Saúl Ubaldini, the leader of the labor confederation who was imprisoned after the March 30 demonstration. He volunteered to head the union delegation to the Malvinas to inaugurate the military governor. Argentine society from every walk of life showed support; even highly educated professors joined in as one remarked: "We are drunken with patriotic feelings, we are standing proud, because we are witnesses and participants of a rescue promised to the blood of our forebears" (34). The press joined in the nationalism by raving about the takeover with headlines such as: "Argentina strikes back: the Malvinas have been recovered! (*Crónica*); Military manoeuvres have begun in the South to back up national sovereignty (*La Nación*); Recovery of the Malvinas is imminent (*Clarín*); Today is a glorious day for the Motherland. After one hundred and fifty years' captivity, a Sister is brought back into our National Territory (*La Razón*)" (Bellot 2011, 92).

Galtieri was taken aback by this display of nationalism and was "overcome with emotion" as he was standing on the balcony of the Presidential Palace. General Galtieri was "basking in his reception as the liberator of the Malvinas" (Welch 1997, 492). After the invasion, the Argentine officials did not know what their future plans were for the Islands and what happened afterwards was all improvised (Zarza 2010). General Galtieri did not consult other officials but spontaneously proclaimed that Argentina would never withdraw from the Falklands (Welch 1997). He announced, "We recovered the Islands that make up our heritage. We are willing to teach a lesson to those who dare to play with even a square meter of Argentine territory. If they want to come we will present battle" (Bellot 2012, 60). Because the junta's

reputation and popularity increased significantly after the invasion, they feared withdrawing would cause reputation damage.

In initial planning, General Galtieri had not originally intended to stay on the Islands permanently (Arquilla and Rasmussen 2011). On March 2, he had told General Menéndez, temporary Argentine governor of the Malvinas, that the Argentine force would only remain until November and then on March 26, stated that Argentina would never fight a war with Britian. The junta realized that instead of provoking negotiations, they had provoked a British military response (McClure 2004). Galtieri was given plenty of time to think over his future options as the British expeditionary forces were gathered and made their way to the Falklands. He decided to stay and fight when he knew the consequences and response of the British, unlike his earlier decision to invade (Arquilla and Rasmussen 2011). However, Galtieri must have realized that after his invasion of the Falklands, he could not just go back to the same position he was at before the invasion. When the junta took power in 1976, it had stated one of its goals as securing national frontiers, specifically in Malvinas (McClure 2004; Beattie 2010). One of their primary reasons for seizing power in 1976 was territorial consolidation (McClure 2004). Since this goal had been stated to the people from the very beginning and the government actually carried out its promise with an invasion, the junta felt responsible to carry their promise to a proper conclusion. Once the invasion occurred, the months of planning culminated in a final result. The takeover of the Islands has already been done and it is a cost that cannot be changed so they would have to justify their initial invasion for future actions to be consistent with the junta's promise. To capitulate would be to acknowledge the costs involved in the planning and invasion, with no result to show. The domestic nationalism displayed and his time and effort put into the invasion convinced Galtieri he needed to be committed to the territory. Governments from the past were not punished for not going into the Falklands in the first place even though they had made verbal claims. However, the junta went so far as to invade the Falklands and must uphold their initial action. This gives evidence for the hypothesis, the greater the time and effort put into asserting and acting towards ownership of territory, the greater the likelihood the leader will be defiant. Once an invasion had been accomplished, the leader would be reluctant to leave.

Galtieri was driven by domestic opinion and it had become his primary consideration for decision-making. When Alexander Haig considered joint administration of the Islands until further negotiation, Galtieri presented this proposal publicly to ascertain public opinion. The people rejected it and clamored for war (Mauro 2008). Argentina refused to withdraw without an acknowledgment by Britain of the credibility of Argentina's claim to the Malvinas (Levy and Vakili 1992). Alexander Haig saw Galtieri not as an intransigent leader but just a leader who could not go against the public will without losing power (Mauro 2008). The junta understood that Haig had offered a reasonable compromise yet feared that withdrawal would have meant overthrow (28). As the Argentine newspaper *La Prensa* markedly observed in February, "The only thing that can save this government is a war" (Fravel 2010, 20). Galtieri calculated that he would have to avoid appearing to waver on his invasion or else he could risk domestic costs. The heavy costs to pay for capitulation would be loss of domestic power while the benefits of defiance include a continuation of power. Because the junta was committed to staying in power, the heavy costs of capitulation and benefits to resisting caused them to view defiance as more favorable. The junta feared the domestic political punishment that would result from a withdrawal and his position was so politically weak he could not make any move against what the people demanded. This provides evidence for the hypothesis that the greater the domestic political vulnerability of the leader the greater the likelihood he will be defiant.

The British had offered negotiations pending a withdrawal, which a leader who did not fear domestic punishment may have accepted. Past British behavior had shown a lack of clear-cut determination to keep the Islands permanently in British hands so opening up negotiations may have provided a slight increase in probability of successfully obtaining the Islands (Paul 1999). In 1965, the United Nations Resolution 2065 urged both countries to resolve this territorial issue. The British sincerely wanted to relinquish these Islands to Argentina because it was an impediment to relations. The British Foreign Office attempted many types of persuasions to convince the Islanders to relent to transferring sovereignty. However, in the end, Britain could not persuade the Islanders but also did not want to risk damaged relations with Argentina so engaged in "endless" negotiations (Welch 1997). However, The British Foreign Office reiterated they desired a transfer of the Islands and this provided hope for Argentina. When negotiations

were again commenced in 1979, the British were again open-minded and even considered an option of a lease-back where sovereignty would eventually be returned to Argentina (Ridley 1980). Yet without the Islanders' consent, negotiations were "obviously failing" by February 1982 (McClure 2004). Negotiations for future sovereignty of the Islands dragged on and Argentina was very anxious when it neared the 150th anniversary of British settlement of the Islands (Welch 1997). At this point, probability for negotiations for a favorable result by the 150th year seemed slightly low unless Argentina took action. When they decided to invade, at the early stage, before and right after the invasion occurred, the junta believed there were prospects for favorable negotiations and were even optimistic but later this changed when the British decided to respond strongly. After the British demand, the probability for favorable negotiations decreased. The hypothesis states that the greater the probability that negotiations will yield favorable results, the greater the likelihood the adversary will capitulate. Because the British yielded to the demands of the Islanders, likelihood of resolution seemed low. This provides evidence for the hypothesis because favorable negotiations seemed low, the benefits of capitulating were low, so the Argentines were reluctant to capitulate.

The junta's objectives remained successfully obtaining the Islands but this was motivated by a desire to stay in power. They feared an act of withdrawal would anger the people and British promise of future negotiations was not enough to assuage this fear. Although the probability of winning in a military conflict was fairly low to moderate, and would include costs of casualties and effort of going to war, the benefit to the junta of maintaining domestic control was fairly large. Because of Britain's refusal to allow the junta to maintain occupation of the Islands, there was no face-saving method for the junta to negotiate. So as long as the Argentines had this view of fearing domestic losses following an invasion, decreased probability of achieving success and increase of costs would not compel the Argentines. They would have to be convinced through either extremely low probability of success or through massive costs. If the British offered a legitimate promise and actions to transfer sovereignty and increased the benefits of compliance, this would have increased chances of a capitulation. Slight increase of risks of military defeat and economic sanctions would not be objectionable to the Argentines.

General Galtieri's aim had always been to protect the military regime and he worked to create a political party that was friendly to the military. He had prepared for an eventual transition to democracy by preserving a means for the military to have its interests represented because he hoped to preserve his own power for the future in case of popular elections (Levy and Vakili 1992). He feared for his own and the junta's political survival if they could not appease public opinion. After his decision to invade and own unyielding public stance generated widespread popular support, he felt he had no choice but to continue with his occupation, no matter how credible or militarily devastating the British threat was. The leaders of the dominant political parties approved of the invasion and even actively collaborated in the war effort (McClure 2004). If Galtieri was prepared to develop a political party friendly to him and the junta after the transition to democracy, the support of the these leaders would be invaluable. A White House cable stated, "Galtieri's problem is that he has so excited the Argentine people that he has left himself little room for maneuver. He must show something for the invasion. Or else he will be swept aside in ignominy. But if he is humiliated militarily, the result will be the same" (Haig 1982). His aspirations were for a political party friendly to the military in power. He feared this loss of his aspirational goal because if he withdrew, he would not be able to establish any political party that supported the military. This provides evidence for the hypothesis, the greater the leader's commitment to his aspirational goals, the greater the likelihood he will be defiant. Galtieri was determined to remain in power, even after a transition to democracy, and he understood this military party would need popular support.

The junta knew that to go to war would have a high probability of resulting in a loss yet they rejected withdrawing their forces. The junta felt they had no choice but to fight because the domestic support after the invasion had been overwhelming (McClure 2004). They felt pressured by a fear of audience costs to appear strong and unwavering. Audience costs are the domestic punishments the people can dole out if they feel the leader has marred the reputation of their country by going back on his word. The Argentine people possess a fervent nationalism so a propensity to punish leaders who cannot fulfill and continue to uphold territorial claims should be expected. Slantchev argues that reversing a policy has significant consequences for leaders of mixed regimes (Slantchev 2012). The regime "found itself in a corner" because the junta feared a

withdrawal would cause a loss of support (McClure 2004). For the sake of domestic support, the junta would want to fight as hard as it could to continue their rule (Arquilla and Rasmussen 2001). After Galtieri's impromptu speech at the Plaza De Mayo, a senior official said of Galtieri's actions: "He did not expect this reaction but the crowds made him feel like a hero...he decided unilaterally to countermand the withdrawal and to declare that Argentina would never leave the Malvinas. It was a big mistake. It tied our hands" (Welch 1997, 492). The General had "painted himself into a corner" by generating so much enthusiasm that the only escape was a war (Arquilla and Rasmussen 2001, 749). Because of the junta's fear of loss of aspirations driven by a fear of domestic political punishment, the junta acted risk-accepting by deciding to stay and carry out their promise because they were in a domain of loss.

Upp (2011) believed that every Argentine had an intense desire to reclaim the Falklands that they would unite behind any leader that would be able to do so. The press also became involved, claiming that it was not a military dictatorship that was fighting for the Malvinas but the entire people of Argentina, "her women, her children, her old people, regardless of their political persuasion. Opponents to the regime like myself are fighting for our dignity, fighting to extricate the last vestiges of colonialism. Don't be mistaken Europe, it is not a dictatorship that is fighting for the Malvinas, it is the whole nation" (McClure 2004, 40). Yet, if the junta could not obtain the Falklands, it would be evident that their rule would end swiftly (Upp 2011). The junta had believed that, "No true Argentine would ever speak or act against the state while it was fighting to restore the nation's birthright" (46).

During this time, the military regime's slogan had been "The Falklands have been, are, and will be Argentina's" (Escudé 1988, 159). The junta had already occupied the Falklands and promised the Argentine people that they would never withdraw from Argentina and could never honorably reverse their invasion without fear of reprisal and domestic loss of power. Prospect theory argues that those acting in the domain of losses will act in ways that are risk-accepting in order to recoup their losses. Their situation was deteriorating because they faced a losing scenario so they focused specifically on the payoff, in this case, the gain of the Malvinas. "The members of Argentine junta were textbook examples of people who were very willing to gamble in the hopes of reversing their current misfortunes" (Upp 2011, 58). They were so deeply in this

domain they would take any glimmer of hope that offered redemption. "A clean, glorious reclamation of the beloved Islas Malvinas was their only chance to dig themselves out of the hole they were in with any sense of credibility and Legitimacy" (58). The only choice they had, considering its fear of domestic losses, was to defend the Islands (McClure 2004).

On April 25, Britain retook the South Georgia Islands and April 30, the United States abandoned neutrality on the issue and provided the British with military aid. On April 31st, the British launched their offensive (Arquilla and Rasmussen 2001). Argentina surrendered on June 14 (Levy and Vakili 1992). When newspapers reported that the garrison surrendered, anger broke out among the people. They filled the streets in protest against the military regime as the fears of the junta became true. After the loss, the military was discredited and General Galtieri was forced into a resignation just three days after the surrender at Port Stanley (McClure 2004). All of the senior commanders of the military regime were eventually forced to resign and Argentina transitioned into a democracy (Levy and Vakili 1992; McClure 2004).

Chapter 6: The Gulf War

Saddam's aspirations were developed very early on in his childhood and he has maintained these visions of greatness for his entire life. Saddam's early childhood caused his developing self-esteem to emerge as what Post describes as "the wounded self," an inability to empathize with others. This can have two differing effects, depending on the person, either causing them to sink into hopelessness or to become consumed by thoughts of grandiosity. Post compares this mindset as being similar to a vow of, "Never again shall I submit to superior force" and even Saddam's name means, "The One who Confronts" (Post and Baram 2002, 164). When he was still young, the greatest influence on his aspirations was his uncle, Khayrallah, who told stories of Saddam's heroic relatives who lost their lives fighting for Arab nationalism and resisting foreign invaders. Khayrallah tutored Saddam on Arab nationalism and the stories of heroism so inspired Saddam, he began to have "dreams of glory," comparing himself to Nebuchadnezzar and Saladin (166). Psychologists, Coolidge and Segal, argue that Saddam's desire to be an exalted ruler borders on the delusional. They conclude his aspirations including these grandiose dreams centered around a theme are symptoms of paranoia. They also conclude narcissism is one of his character traits which involves an overestimation of self-worth and an intense aspiration for power (2008). Saddam would not let anything stand in the way of his aspirations. In his mind, the fate of Iraq and Saddam were equivalent and his pursuit of power was "boundless" (Post and Baram 2002). Post believes Saddam's "grandiose self-image and self-absorption" was extreme (173). Similar to how Mao had icons of him throughout China, statues and pictures of Saddam were plentiful in Iraq. As he invaded Iran, he believed he fit into the role of defending the Arab nation against the "Persian threat." But after the war ended, the economy had deteriorated, the population was angered at the conditions, and his prestige in the Arab world had declined significantly. Saddam desired an event where he would be the focus of world attention to fulfill his aspirational goals.

Throughout history, Iraq has persistently claimed the territory of Kuwait with public claims in 1938, 1961, and 1990, though Kuwait has also long asserted its own sovereignty (Sluglett 2002). Iraq had believed Kuwait was a part of its sovereign territory since the rule of the Ottoman Empire, which ended during World War I. The British had control over Kuwait after

the war and granted them independence on June 19, 1961. At this time, Iraq decided to restate their claim on Kuwait (Abidi 1991). The Iraqi Premier, just days after the granting of Kuwaiti independence, claimed Iraq had sovereignty over Kuwait over Radio Baghdad. Iraq believed that Britain had separated Kuwait from Iraq to weaken the state (Sluglett 2002). The image below from Peter Sluglett shows the 1992 map of Iraq and Kuwait.

Figure 6

1992 Frontier between Iraq and Kuwait

BASRA, KUWAIT, AND THE SHATT AL-ARAB,
SHOWING THE 1992 FRONTIER BETWEEN IRAQ AND KUWAIT

Source: Sluglett, 2002.

Kuwait's opposition to higher oil prices exacerbated Iraq's own economic weakness after the war with Iran (Stein 1992). Kuwait and the Emirates increased their production of oil and Kuwait's continuous pumping of oil from the Rumaila oil reserve, which belonged to Iraq also angered Saddam. Saddam had claimed that Kuwait owed Iraq $2.4 billion for drilling from the Rumaila oil field. Saddam saw this continuing action by Kuwait as unacceptable and an affront

to the Iraqis who felt they were "victims of aggression" (Hayes 1990). After the Iran-Iraq war, Iraq had debts of up to $80 billion to be owed to Gulf monarchies and creditors. By 1990, Chaudhry argued the regime faced such chaos that even the repressive Ba'ath party could not "guarantee domestic political stability." The quickest way to ease Iraq's burdens was to obtain control over Kuwaiti resources (Gause 2002, 52). Gregory Gause argues these economic problems did not contribute directly to the invasion but contributed to a fear among Saddam and the Ba'ath party that Iraq was being weakened by external forces and a drastic event needed to reverse this process.

Saddam Hussein was also especially concerned after the fall of several Soviet client states in Europe that his own regime would follow the same fate and the economic trouble only added to his fear. He was worried Iraqi citizens would believe it was possible to change regimes and overthrow his government and surmised that his international enemies were deliberately trying to create this impression (Gause 2002). Saddam Hussein always strived to cultivate an image of Iraq as the natural leader of all Arabs. In January of 1980, Saddam revealed his goal for Iraq to "achieve its proper weight based on our estimation that Iraq is as great as China, as great as the Soviet Union, and as great as the United States" (Robinson 2004, 26). Saddam's goal was for Iraq to be seen as the leader of the Arabs due to its "heroic" history and his push to incorporate his belief that everything that benefits Iraq will benefit the Arabs helped legitimize his political maneuvers (Baram 2000). Al-Sammara'i, who was head of Iraqi military intelligence, reported when Saddam realized his policies were failing, it affected his psychological state and led him to make decisions that were more and more "spasmodic" (Gause 2002). He responded especially vehemently to a Voice of America broadcast in 1990 that directly compared him to fallen Eastern European leaders. He was afraid these were international efforts to destabilize the Ba'ath regime and his own power and this belief was one of the main contributors to his decision to invade (Gause 2002). Saddam's frame was one of Iraqi leadership over the Arabs with himself as the supreme leader. This was ingrained as part of his identity and has been developed in his personality since childhood so he would have a high amount of commitment to this realm. To this end, he cared deeply about his grip on power, his reputation, and Arab support for his regime. His focus was on becoming that desired leader. Saddam

Hussein would not tolerate an international conspiracy focused on weakening his regime which would interfere with his grand aspirations. Because Saddam saw his domestic and international aspirations deteriorate, he began to feel a "growing sense of crisis" (56).

At a February meeting in 1990 at the Arab Cooperation Council, Saddam launched a verbal attack on Israel and the West and presented himself as the only Arab leader who could stand up to the Imperialist powers (Sluglett 2002). There were always those in the Arab world, specifically those in refugee camps in Jordan, the West Bank, and Gaza, and Arab intellectuals, who supported Saddam because of his anti-imperialist stance. They believed he was unlike other Arab leaders for his fearlessness in resisting the West. Saddam Hussein deliberately fostered this view and believed he had "talked himself into a corner" where the only option he had left was invading Kuwait (814).

Before the invasion of Kuwait, the United States issued a weak and ambiguous deterrent threat (Stein 1992). This did not deter Saddam Hussein from invading perhaps because it was a confusing and incredible attempt on the part of the United States, who did not seriously believe he would attempt an attack. At a meeting before the invasion April Glaspie had made it appear that the United States did not have an opinion on Arab affairs, specifically indicating the Kuwait and Iraq disagreements (Sluglett 2002). Saddam may have underestimated the riskiness of his decision because he did not expect the United States to intervene militarily, let alone a coalition of 30 countries (Byman, Pollack, and Waxman 1998). On August 2nd, 1990, Iraq took over Kuwait (Jakobsen 1998). Because of Saddam's frame of achieving Arab support for his leadership, Saddam's view of success was in achieving territorial sovereignty of Kuwait. Saddam believed the Arabs would support him and was convinced the United States would not intervene because they would fear casualty aversion, so this led to an optimistic view of achieving his goals.

A credible threat is comprised of the intent, the capability, and the communication of that threat. All three were adequately demonstrated by the United States in response to the invasion. After the invasion, the United States issued an ultimatum that met all the "textbook" requirements of a coercive threat (Stein 1992). The United Nations Security Council passed Resolution 660 that very same day. This stipulated an immediate Iraqi withdrawal and threatened

"further steps" if withdrawal was not forthcoming. The United States, Britain, and France immediately froze all Iraqi assets. The U.S. and Britain also sent warships to the Gulf (Jakobsen 1998). President Bush worked through the United Nations to establish economic sanctions and an embargo against Iraq (Stein 1992). These sanctions were in place since the August invasion and by December, exports were decreased by 97% and imports were 10% of the levels before the invasion. These sanctions tremendously lessened supplies for the Iraqi army and caused great economic hardship throughout the country (Broderick 2000). The United Nations had a constant and unchanging demand for the Iraqis to leave Kuwait. Warships sent to the Gulf and a coalition of nations being involved dramatically decreased the probability of success and increased the costs for defiance. The implementation of the economic sanctions increased the costs to defiance because Iraq was already suffering economically.

In November, President Bush sent large troop reinforcements which consisted of three army divisions, three aircraft carrier task forces, and 30,000 marines to the region. At this point, there were over 400,000 troops as President Bush said this was to "insure that the coalition has an offensive military option" (Broderick 2000, 17; Jakobsen 1998, 53). It is evident at this point that American strategy went beyond simple defensive measures and was truly compellence (Broderick 2000). It was also in November, 1990, that UN Resolution 678, a clear ultimatum, was passed, which allowed its members to "use all necessary means" to force Iraq to adhere to the prior resolutions with reference to Kuwait (Paul, Wirtz, and Fortmann 2005, 143). President Bush specified the consequences for defiance and an explicit deadline, a U.N. international ultimatum, for withdrawal of Iraqi forces on January 15, 1991. President Bush asserted he would not negotiate "for one inch of territory" (Friedman 1990). In November, as resolve was strengthened and solidified, the costs of defiance all increased considerably and the probability for success, which in Saddam's eyes was obtaining Kuwait, decreased to a low chance.

The United States assembled an international coalition after the war that demonstrated a resolve to go to war if Iraq did not comply (Stein 1992). This coalition was much stronger than Saddam's forces and supplemented America's military forces in Saudi Arabia. Yevgeny Primakov, a Soviet envoy, persistently reminded Saddam Hussein that the United States military

capabilities were much stronger than Iraq's (Paul, Wirtz, and Fortmanm 2005). Even Iraqi military intelligence repeatedly told Saddam that Iraq would not be able to win (Gause 2002).

The United States and United Nations continued providing clear communications to Saddam Hussein throughout the period between invasion of Kuwait and coalition action. The demands were kept clear and consistent during the entire time period while pressure escalated as military forces in the region increased. British and American leaders had promised that they would not attack Iraq if Iraq withdrew from Kuwait and followed the U.N. Resolutions (Jakobsen 1998). The Soviet President, Gorbachev, warned Iraq that, "Time was running out" and Iraq had better withdraw (53). The negotiations were not to Iraq's favor because they contained choices of either unconditional withdrawal or punishment. For a rational choice actor, increasing costs would result in eventual capitulation but for an actor in the domain of loss, simply increasing costs will not have that effect. Increasing costs may well push the actor further into the domain of loss. Because his aspirations are greater than the reference point and if he capitulated, would never achieve his aspirations, the actor would need a favorable result from negotiation that could somehow offer a way for him to preserve honor in the Arab world while capitulating. Saddam's rejection of the ultimatum showed the hypothesis that the greater the probability that negotiations will yield favorable results, the greater the likelihood the adversary will capitulate. Because negotiations would not yield favorable results, it follows then that the adversary would not capitulate.

Before November, even a leader unaffected by aspirational goals may have decided not to withdraw because of doubt of intent. Democracies suffer from casualty aversion and Saddam was convinced at first that the United States would not allow high casualties to accrue (Hyde 2000). Saddam Hussein told April Glaspie, "Yours is a society which cannot accept ten thousand dead in one battle" showing his belief the United States would not be willing to accept casualties (Stein 1992, 175). Saddam Hussein compared his belief of America's reaction with references to Vietnam by arguing America was incapable of tolerating casualties (Paul, Wirtz, Fortmann 2005). The benefits Saddam had focused on were ultimate sovereignty of Kuwait and a ploy to gain Arab support as he defied the West. Because American troops in Saudi Arabia until November were focused on defense and not an offense option, Saddam could have reasonably

assumed the probability of a war was moderate while the benefits of continued defiance were high. The American and United Nations demand for withdrawal never changed and the negotiation result they were offering remained constant so the benefits of compliance remained the same. The ultimatum never offered favorable negotiations for Saddam because it remained focused on withdrawal from Kuwait. Although the benefits of compliance were low, if the costs of defiance continued to increase as they did before the ultimatum deadline, an actor uninfluenced by his aspirations would eventually capitulate. A significant aspect of Saddam's view of success were his aspirations so if the United States could find a way for Saddam to back out with his honor intact, it would lower his view of the costs of compliance.

Though as November came by and military escalation continued, where strong resolve was demonstrated, there was higher probability of a war and the costs of defiance increased. The coalition of nations prepared to go to war also demonstrated a low probability of an Iraqi military success. Now that resolve was clear, the chances of successfully staying in Kuwait would decrease significantly, as the costs of achieving that success increased. The escalating economic sanctions also contributed to lessening the chances of an Iraqi victory militarily as supplies were cut off and these sanctions continually increased the costs of defiance. The fear of reputation damage, linked to Saddam's aspiration, would focus more on the payoff of a military success not on the small probability of winning a conflict. This demonstrates the hypothesis that unless the coercer implements enormous costs and ensures a very low probability of achieving success for the adversary, the adversary will continue to be defiant. The adversary focuses on his own aspirations and fears, so will still be motivated to be defiant as long as there is even a small chance for success.

After the invasion, Saddam Hussein issued an explicit territorial claim on Kuwait, proclaiming it as Iraq's 19th province, and addressed Iraq's successful invasion. Saddam Hussein stated directly to the Iraqi people that Kuwait should not be returned to avoid war and announced to his army that they should be prepared to go to war in order to keep Kuwait (Gause 2002; Abidi 1991). After the invasion, Saddam announced over television and radio: "You are now prepared for one historic battle after the return of the branch Kuwait to the root. The return of Kuwait is a fact and not a claim. It is the 19th province on the maps of Iraq, with its long history in the

present and future"(Tyler 1991). For Iraqi diplomats, they continued to refer to a December 17 statement by the Revolutionary Command Council that affirmed Kuwait was a part of Iraq and that, "This belief could never be shaken" (Tyler 1991). Mark Fineman reported that Iraq had already started to rename the country's capital of Kuwait City as the capital of the province, Kadhima, which is an ancient Arabic name for the region of Kuwait. A new district was also created further south renamed after Saddam, Saddamiyat al Mitlaa (Fineman 1990). Not only had Iraq invaded Kuwait, it had already started imposing Iraq and Saddam's identity into the region. Because Saddam had grand dreams for his own power, he believed it was appropriate for the Iraqi leader, hopeful future leader of the Arabs, to go into other territories and stamp his identity. This directly shows the immense commitment to Saddam's aspirations because his own identity was formed by these goals. After the invasion, Saddam ordered new maps of the territory that represented his aspirations for the present and future of Iraq. Hundreds of thousands of the new official Iraqi maps were printed that showed Kuwait as a new province of Iraq, province 19, instead of a sovereign nation. The director of publicity, Naji al Hadithi said, "What this means is Kuwait is and always has been part of Iraq. And now, Kuwait has become a part of Iraq forever. This is nonnegotiable" (Fineman 1990). In interviews with the Americans after his capture, Saddam announced that Kuwait being the nineteenth province of Iraq was "deserved and logical" and justified the invasion historically by remarking in 1961 the Iraqi president Qassem intended to make Kuwait a district in Iraq (Hussein 2004).

Iraq had claimed Kuwait throughout its history, long before the actual invasion. Saddam Hussein also went through the effort of talking with Kuwait about his grievances and even discussing the issue of Kuwait with April Glaspie. After these deliberations, finally, he invaded. The effort put into Saddam's efforts and plans to invade and the actual invasion itself and annexation of Kuwait as the 19th province created large sunk costs. He had even created a new district and renamed it, as if further proclaiming that he was the true leader of an Iraqi-controlled Kuwait. Once this effort has already been accomplished, coercing an actor to back down from an action in which he had already put in effort is difficult because of he had publicly and dramatically committed himself to this invasion. In fact, early on in the conflict, he was offered an extremely favorable settlement, which would be far better than anything he could hope to

achieve by resistance. However, the hypothesis that the greater the time and effort put into asserting and acting towards ownership of a territory, the greater the likelihood the leader will be defiant is shown to be true in this case. Once a large investment has been made, a leader would continue with his current action; Saddam did not take the settlement. Because of his initial investment incurred in invading, Saddam would lead Iraq to a further escalation of his commitment and uphold his stance that he will not compromise on the return of Kuwait (Neale 1992). Instead of backing down from a threat as the situation becomes bleaker, Saddam continued a defiant stance for a small chance at victory. If he wanted to maintain his reputation among the Arab world, this act would show he had never made the wrong choice so he would never back down. He believed that if he capitulated to the coalition, "It would suggest to Saddam's loyalists that his foreign policy has led only to defeat and suffering with nothing to show for it in return" (Byman, Pollack, and Waxman 1998, 135). There was an expectation that there should be results to show to the Arab community, especially after he had made quite a show and focused international attention on himself. Saddam had finally asserted Iraq's historic claim to Kuwait (Stein 1992). Saddam wanted his future actions to justify his past actions.

Although the Iraqi newspapers honestly depicted that the American coalition was stronger, militarily and technologically, than Iraq, they also portrayed that Iraq was united in the "defense of national territory" (Falah, Flint and Mamadouh 2006, 147). Saddam was so greatly devoted to his aspirational goal of pan-Arab leader, he incorporated his takeover of Kuwait with his dream of becoming this leader. In his Victory Day speech of August 8th, 1990 he remarked, "Honor will be kept in Mesopotamia so that Iraq will be the pride of the Arabs, their protector, and their model of noble value" indirectly referring to his own honor and pride tied into the takeover of Kuwait (Post and Baram 2002, 169). Saddam Hussein remained unwilling to back down from Kuwaiti territory because he feared the loss of his aspirations if he were to waver. Saddam Hussein saw himself as the natural leader of the Arab nation and believed defiance could offer a positive portrayal of his character. Officials believed that a withdrawal would weaken Iraq domestically, which was why Saddam was so unwilling to back down after he invaded (Gause 2002). Why withdrawal caused such reluctance in Saddam Hussein can be examined through a detailed look into his aspirational goals.

Up until his invasion of Kuwait, Saddam Hussein believed he had "languished in obscurity" and was overshadowed by his heroes and other Middle Eastern leaders. Saddam believes his position requires maintaining his honor which would result in dominating any confrontation. This image of strength is how he holds onto power at home (Byman and Waxman 2000, 17). His "survival in power - with his dignity intact - is his highest priority" (Post 1990, 8).

Saddam Hussein believed himself as destined for the role as the only leader for Arab nationalism (Post 1990). His view of his own leadership is linked in his mind with leaders he admires, including Nasser, Castro, and Mao Zedong. These leaders were able to transform their society and remain defiant to foreign domination. Saddam's role model for Pan-Arabism was Nasser, who had valiantly challenged the Western imperialist powers and afterwards was a hero in the Arab world. Saddam Hussein views himself so highly and is so obsessed with his "messianic mission" that he overestimates the Arab world's support for him. He believes many see him as a hero but this is untrue. When he invaded Kuwait, he was genuinely surprised at the international condemnation. When he linked his struggle with the Palestinian cause, he hoped to achieve a unified Arab popularity for his actions because of solid Arab consensus on the Palestinian cause. His legitimization of invasion utilizing Arab nationalism was "effective in the Arab world" (Falah, Flint, and Mamadouh 2006, 142). He issued a claim that if Iraq were to back out of Kuwait, Israel must also withdraw from its current occupation. Arab public opinion was incensed at this double standard as the conflict quickly changed from solely an Iraqi-Kuwaiti dispute to a confrontation between the Arab world and the Western world, which was what Saddam desired (Farsoun 1991, 1). The Palestinians saw him as a hero and savior as his statement caught the "imagination of the masses throughout the Arab world" (Post 1990, 11). The Palestinians saw Saddam as the only challenge to Israel (Hallaj 1991). As early as August, Muslim countries Sudan and Algeria demonstrated in support of Iraq. Within Tunisia and Morocco, although the governments supported the coalition, public support was for Iraq and Saddam (Heradstveit and Bonham 1996). In Jordan, there was "unquestioning" support (Abed 1991). In January, in Egypt, the Muslim Brotherhood and other associations protested Egyptian troops as part of the coalition and demonstrations occurred in Cairo University. The people of the Arab world started opposing the coalition after the involvement of the United States in Saudi

Arabia; this caused anti-Saddam sentiment to change into anti-coalition sentiment. Within the Arab world, great value is placed on words and expressing resolve against an enemy "in and of itself" (Post 2002, 9). In an Arab context, just having this courage to stand up to these imperialist powers would constitute honor. Saddam Hussein spoke to demonstrate his courageous defiance to the Arab community. For the first time in his life, he was at the center of world attention and fulfilling his dream of being as influential as his role models and other Arab leaders. Saddam had always wanted to achieve this level of international attention and support by the Arab community. His aspirations seemed to be slowly coming to fruition.

Saddam Hussein, at this point, was in a domain of loss because his reference point of Pan-Arab leader was greater than his current status, and either option he had would lead to a worse alternative that would present losses compared to his current status quo (Kimminau 1998). Because he had portrayed himself as unyielding on Kuwait, he could not have backtracked without appearing as an incompetent leader and undergoing international and domestic loss of face (Post and Baram 2002). In his eyes, to withdraw would be tantamount to giving up his aspirations, which he greatly valued. After invading, publicly pronouncing Iraq's claim to Kuwait and issuing a promise to Palestine, if he had backed down in the face of America's threats, he would have "lost face" in the Arab world, which would have humiliated him in his support base also. Essentially, Saddam had "painted himself into a corner" (182). He stated on several occasions that neither the Iraqi people nor the Iraqi military corps would accept an unconditional withdrawal and that such an act would cost him his head (Jakobsen 1998). In interviews with FBI agent, George Piro, Saddam claimed that Iraq would have been the "laughingstock of the world" if he had withdrawn (Hussein 2004). This would have ruined his international image and Saddam wanted to avoid the humiliation of having to reverse his own proclamation and appear weak to the Arab community, where he feared audience costs of lost respect (Byman, Pollack, and Waxman 1998). Saddam's own fears and thoughts show that a leader that invades a territory will be reluctant to withdraw due to fear of appearing incompetent and risk of reputation damage. "Saddam concluded that to reverse himself would be to lose his honor," in front of domestic elites and the Arab world (Post 1990, 12). Instead, Saddam wants to portray his leadership as a symbol of Iraqi defiance (Byman, Pollack, and Waxman 1998). He was obsessed with achieving

his role as the destined leader of an Iraqi empire and America's implementation of economic sanctions and increasing military costs would not be able to compel him. In his view, there were great benefits for defiance and also immense costs for capitulating. Saddam's circumstance provides evidence for the hypothesis that the greater a leader's commitment to his aspirational goals, the greater the likelihood that he will be defiant.

Backing down from a commitment would mean losing honor from important audiences, such as domestic groups that form Saddam's rule and the Arab community whose esteem was greatly valued by him (O'Neill 1999). Saddam was always very focused on his reputation and hold on power which would be influenced by his actions. His focus on his aspiration influenced him to act risk-accepting in order to maintain his hold on power by appearing steadfast. Byman, Waxman, and Pollack (1998) argue that Saddam became risk-accepting and exaggerated his own chances of winning, showing great concern for his reputation. The radical Arabs who supported his position contributed to his feeling of importance and optimism, which could have caused an overestimation of success and a focus on the payoff (Post 1990). "He was fulfilling the messianic goal that had obsessed him—and eluded him—throughout his life. He was actualizing his self-concept as leader of all the Arab peoples" (12). Saddam Hussein believed that in every outcome, failure occurs if he proved to be an inadequate leader while success occurs if he is able to build up his domestic position, which involved improving his reputation (Baram 1998). He was more willing to take a chance with an almost certain military defeat rather than face the dishonor of reversing his original stance and risk appearing inept in front of his power base and the Arab community. Saddam Hussein was willing to accept tremendous losses in casualties (Byman, Pollack, and Waxman 1998). Saddam Hussein had demonstrated in the past his ability to reverse his choices if he realizes he has made a mistake in a difficult circumstance. The fact that he did not reverse in this situation demonstrates that his concern for both power and reputation overrode the objective choice of withdrawing (Post 1990).

The logic of audience costs states that in autocracies, the leaders require the popular support of domestic elites who act as audiences and can engender audience costs should the leader make empty promises (Weeks 2008). Because Saddam valued his aspirations as an Arab leader, his audience consisted of the Arabs in the region and those domestic elites who supported

him. The costs that would affect him were their support and belief in him as the true and destined leader of an Iraqi empire. He had become so absolutist in his devotion to the Palestinian cause until UN resolutions 242 and 338 were complied with that if he withdrew, surely he would lose the heroic reputation he aspired to (Post 1990). Post believes that the glory-seeking Saddam Hussein will not "easily yield the spotlight" but will only do so if he could withdraw with his honor preserved, popularity and power intact (10). Saddam Hussein believed that withdrawing would be politically costly and affect the domestic regime security even if it would save military and economic costs (Gause 2002).

Although rational choice theory posits that after November, when intent was clear, probability of winning was low, and costs were high, that a leader would capitulate, Saddam did not. Only a leader acting without fear of loss of aspirations could have been compelled with the credible compellence demonstrated by the coalition. Because he cared so much about his glory, the costs of withdrawing would have been utter humiliation and loss of his aspirations; for a loss-averse leader with high aspirations, the focus would be on the payoff and there would have to be massive costs or extreme lowering of the probability of achieving success. Because Saddam feared the loss of his aspirational goals, the military losses and large amount of casualties he believed to be inevitable would not crucially affect Saddam Hussein's valuation of costs of defiance. In fact, he frequently bragged about the endurance of his forces (Byman, Pollack, and Waxman 1998). Only a drastic lowering of the probability of success to either very low or non-existent would affect his choices and compel him to withdraw. If the probability were lowered to this level, Saddam would know keeping Kuwait is impossible and try to salvage what is left of his army. Though perhaps, even a complete lowering of success may not coerce Saddam, who may have thought of his role model, Nasser, who achieved great popularity in the Arab world despite a military defeat. Tariq Aziz said on January 9, 1991: "Never has an Arab regime entered into a war with Israel or the United States and lost politically...we can come out politically victorious" (Jakobsen 1998, 55). This would show that even if his forces were defeated militarily, he would have nothing to lose because he may have believed he would win domestically just for standing up to the United States. This would increase the benefits to defiance in the eyes of Saddam. Jakobsen argues Saddam may have believed that an unconditional withdrawal was

costlier than a defeat because if the fear of loss of prestige that withdrawal entailed. Yet for an actor uninfluenced by fear of loss of aspirations, the loss of an army and significant casualties with slowly escalating military pressure and economic sanctions before the war would result in unacceptable costs and compliance before an outbreak of military conflict. The benefits of defiance for that actor without aspirations would be significantly lower and there is no consequence, such as loss of aspirations, to fear if he complies. For this actor, the cost of a high probability for a military defeat by a coalition of nations would outweigh the costs of going back on his word. If Saddam had not valued his aspirations so fervently, he would have complied after he realized the coalition's resolve to intervene militarily. But, in fact, most of his thoughts were consumed by his grandiose vision and assumed support in the Arab world. Actors in the domain of loss are willing to accept a chance of losses if they believe there is even a small chance to achieve success. These actors also tend to view the situation based on the payoffs rather than the probabilities of achieving those goals.

Saddam's own aspirations were tied to his power base's goals. His core supporters are especially interested in having Iraq be recognized as the dominant Arab power (Byman and Waxman 2000). When the Ba'ath party first gained power in 1968, they were committed to creating a unified Arab State that could rid itself of imperialist influence (Baram 2000). "The Arab world is one: in the words of the Baathist slogan, umma 'arabiyya wahida, dhat risala khalida, one Arab nation with an eternal mission" (Sluglett 2002, 783). The Ba'athists believed the arbitrary borders created by the imperalists should be disregarded. This Ba'athist goal soon turned into pan-Arabism with the belief that Iraq should be the center of the Arab nation with a formidable ruler in charge (Baram 2000; Post 1990). Saddam believed he was "destined for that role" and aimed to maintain a view of himself as the leader of Arabs to gain his power base's approval, achieve greater influence in the Arab world, and to show himself as strong enough to defy the United States (Byman and Waxman 2000; Post 1990). Saddam's argument that Iraq was the natural leader of the Arab world justified his invasion of Kuwait with his power base who approved this policy and supported his image (Baram 2000; Sluglett 2002). If his power base viewed Iraqi preeminence in the Arab world as critical, a leader being able to stand up to the

United States would be viewed with honor (Post 1990). He was starting to fulfill his power base's belief in Iraq as the leader of the Arab nation.

Although much of the population detests Saddam's regime, he has stayed in power with the creation of an internal security apparatus. His center of gravity, where he draws his power from, is made of the "military and paramilitary organizations - the Republican Guard, the Special Republican Guard, and the Popular Army as well as an array of intelligence and security services." Saddam fills these ranks with members of Sunni tribes, people from his hometown of Tikrit, and old-time Ba'athists (Fearon 1994, 129). Saddam realizes that he must be constantly attentive to his power base because his base of support is a "double-edged sword that can slash his foes or be turned against him" (Bengio 2000, 95). Because of this fear, he develops methods of controlling and watching over his security apparatuses. He created competing groups to keep eyes on each other. Saddam believes his position requires maintaining his honor which would result in dominating any confrontation. He believes this image of strength is how he holds onto power at home (Byman and Waxman 2000). Baram argues that Saddam is attuned to instances of elite dissatisfaction and may at times remain intransigent on issues that would decrease his support from this base. Saddam may not have been scared of loss of domestic power because he had such a tight control over his base and even attempted coups could be controlled. In 1979, he announced the discovery of a plot against him and subsequently executed 22 suspected members of the Ba'ath party in an attempted purge (Bueno De Mesquita 2003). Saddam even frequently purged members of the inner circle during times of decline. It can be safe to assume the hypothesis that the greater the domestic political vulnerability of the leader, the greater the likelihood he will be defiant does not apply in Saddam's case's because he did not fear domestic political punishment. The realm of domestic politics did not influence his decision-making. Saddam was not defiant because of his worries of vulnerability. Instead, he was focused on aspirational goals, which caused his resistance.

The ultimatum was rejected by Saddam Hussein on January 9, 1991. On January 16, the United States and the coalition began a military campaign and launched air strikes on Iraqi troops (Gwertzman n.d.). Unlike the deterrence failure, this compellence failure cannot be attributed to inadequate compellence. Saddam highly valued his aspirations and because of his

frame of mind, held a very high degree of commitment to the territory and really valued the benefits of resistance. Saddam's resistance to the United States hoped to achieve sovereignty over Kuwait, and his reputation and Arab support was linked to this sovereignty.

It was puzzling to the international community just how dedicated Iraq was to remaining in Kuwait: "the intensity of Iraqi passion, the recklessness of the invasion, and the failure...to compel a withdrawal" (Welch 1997, 507). The international community had demanded a return to the status quo prior to August 2, 1990. If Iraq had complied, it would have "rejoined the family of nations" while defiance would lead to a high probability of a military defeat (Schaub 2004, 397). "Saddam has his eye on his role in history and places great stock in world opinion. If he were to conclude that his status as a world leader was threatened, it would have important constraining effects on him" (Post 1990, 9). Saddam's steadfastness and refusal to back down can be understood through a fear of withdrawal causing a loss of reputation which drove him into a domain of loss and acceptance of risky actions. Although a war with the coalition would be extremely costly with little chance of success, he proceeded anyway because of his focus on the payoff.

Chapter 7: Conclusion

Both cases, with the target in the domain of loss, resulted in compellence failures. There was a credible compellent threat in both of these cases and yet, success was not achieved.

There are numerous similarities between these two cases. They were the only cases to fit my requirements in the post World War II era. These cases both involved adversaries who invaded territories they have claimed for many years before the invasion. The Falklands had long been claimed for centuries before the invasion while Kuwait had been claimed several times since its independence in 1961. In both cases, ultimatums, the most credible and explicit forms of compellent threats were issued. Both of these adversaries faced a major power much stronger than themselves, yet they did not give in. My argument rested on the leaders' territorial invasions and the resulting domain of loss this produced, which caused the leaders to both attempt a riskier action to recoup losses. The leaders of both states are in charge of autocratic regimes with a power base consisting of political or military elites. In the case of Argentina, the military elites were in a precarious political position and depended on popular support to survive. The people were already calling for a democracy. In Iraq, Saddam Hussein cracked down on internal dissension and focused on achievement of his aspirational goals. Saddam, and to a lesser extent his power base, had grand aspirational goals for the future of Iraq. The leaders in both cases seemed to demonstrate a fear of loss of domestic power or reputation, which is an indicator of the domain of losses. Both of these leaders believed initially that the coercing state would not actually intervene militarily. The coercing states are both democracies who are able to suffer from audience costs for backing out of a compellent threat and the two coercers were able to gain United Nations approval.

Despite the many similarities, These cases are two separate and distinct events that contain many differences. Where the differences occur will offer helpful insights in the decision-making process. Both occur on different continents with different coercing states. The Falklands are a conflict between a Latin American country, Argentina, against the United Kingdom as a coercer. The Gulf War is a conflict between a Middle Eastern country, Iraq, and the United States as the coercer along with a United Nations coalition. Saddam Hussein was an individual decision-maker whose fear lay in loss of his aspirational goals. Popular revolt was not a concern

of his unless it was an indirect threat to him not achieving his goals. General Galtieri and the junta made decisions in group settings. Although he was ultimately the sole decision-maker, there was much confusion regarding Argentina's official position because of disagreement among the junta. General Galtieri feared domestic political losses, and was afraid the military regime could not continue. Another important difference was the strategic value of the territory each were claiming. Although Kuwait was vitally important to Iraq because of its oil and its proximity to the Gulf, the Falkland Islands were claimed just as intensely, if not more, by the Argentines but it had little tangible value. Ronald Reagan referred to it as that "little ice-cold bunch of land down there" (Welch 1997, 505). The Argentine junta regime still decided to stay in the Falklands, even knowing it would not provide much tangible benefit.

For both cases and on both sides, they were unwilling to negotiate on certain points. The British wished Argentina would withdraw before the initiation of any negotiations while the Argentines wanted the British to first acknowledge the validity of their claim before they withdrew. The junta wanted to appear a certain way to the domestic masses, as a regime that could be effective in foreign policy. Saddam Hussein wanted the United States to inform Israel to back out of its occupation while the United States wanted Saddam Hussein to withdraw from Kuwait first. Saddam Hussein was more interested in honor, which is why he connected his struggle with the Palestinian objective. He wanted the Arabs to see him as a strategic leader in the region.

In both cases, it was possible they may have doubted the resolve of the coercer, even after ample threats and display of force had occurred. Although the compellent threat may objectively be credible, the way the target interprets the threat is subjective. Both leaders were subjectively influenced by their own thoughts of the payoff and overestimated their chances of success. They appeared to downplay the coercer's military capability while overemphasizing their own military strength or endurance. Objectively, it is clear in both cases the coercers were much stronger and offered credible demonstrations of intent while communicating clearly but the target states subjectively interpreted this information and were limited by cognitive factors that led them to overestimation of success and loss aversion. They may have a different interpretation of the credibility of the threat from their point of view. Although, objectively, the threat was well-

communicated and the coercer had the capability and intent to carry out its threat, the target state may have believed one of these elements was missing due to the influence of their reference point. If objectively, one of these elements was missing, then a compellence failure can be explained utilizing rational choice theory.

This thesis offers indicators of the domain of loss in situations involving territorial invasions and offers the concept that the adversary's decision-making process can be better understood within a framework of prospect theory rather than rational choice theory.

Rational choice theory would not have predicted that these target states would continue in defiance. The coercers issued credible threats and were willing to impose very costly consequences for defiance. An objective rational actor would not continue in his current course of action if there are increased costs that outweigh the benefits. Both Saddam and Galtieri assumed initially the coercers would not respond militarily after an invasion and both were surprised at the coercer's willingness to do so. At least part of the initial reason to invade was because of belief of the coercer's unwillingness to respond so according to rational choice theory, after this resolve was established, the target states should have backed out. Yet in both cases, the target states did not and I believe this was due to the cognitive factors that led to a strong propensity of loss aversion.

There has not yet been developed a theory of framing yet territorial invasions and the ensuing fear of domestic audience costs and loss of aspirational goals offers indicators for the domain. The domain explains the loss aversion displayed by both targets.

These case studies show prospect theory offers a more persuasive argument. Although, subjectively, these target states may have doubted the credibility of the compellent threats, these doubts were affected by emotion, cognition, or other factors that are not taken into account by rational choice theory. An objective rational choice actor would have been able to interpret these threats as credible and decided to comply. Although rational choice theory offers compelling rebuttals concerning the actions of the target states, prospect theory seems to offer a broader and more applicable argument for these two cases. The five hypotheses were all shown to be demonstrated in the two cases with the exception being the hypothesis that the greater the domestic political vulnerability of the leader, the greater the likelihood he will be defiant in the

case of Saddam Hussein. Saddam was not concerned about domestic political vulnerability yet he remained defiant, which can be explained by his pursuit of aspirational goals. In the case of the Falklands regarding the hypothesis on the greater the aspirational goals of the adversary, the greater the leader will be defiant, this was not as much of a consideration to the junta as maintaining their domestic political position. In fact, their aspirations were directly influenced by their concern for remaining in power. In the case of the Falklands, the junta's decision-making primarily focused on domestic power because they were politically vulnerable and fearful of losing this power. In the case of the Gulf War, Saddam Hussein was not vulnerable to losing power but he was fearful of losing his goal of becoming the destined pan-Arab leader. These individual drivers motivated them to pursue risk-accepting choices and led them to maintain a domain of loss.

Chapter 8: Limitations and Further Research

There are a few limitations on my research and plenty of areas for further study. Because I had very specific circumstances and requirements to narrow my case selection, I only examined two cases in detail. If my case selection requirements were broadened to include more cases, it could give greater insight to whether prospect theory provides an accurate assessment for each case. These two cases were both autocratic regimes being compelled by major powers who were democratic. In both cases, there were deteriorating domestic conditions and both autocratic leaders made a full public speech regarding their claims, right after the invasion. The two cases also shared many other similarities that were not a requirement for case selection. Further studies could look into whether these similarities contributed or affected the ultimate decision. For example, are autocratic countries more likely to be defiant and risk-accepting? Fear of domestic audience costs and loss of reputation also affect democratic states too so it would be an area of further study to examine if regime type could impact the final decision. It would be interesting to further research cases including the similar requirements but containing more variation across cases to understand if these variations included variables that would have any impact on the final decision. I focused only on a specific time period, post World War II, and this limits the number of cases I could examine. If further studies could use cases over a longer time period, this could potentially increase the cases to study and provide more variation as well as further understanding.

In the Falklands case, General Galtieri was involved in a group decision-making process that, at times, may have lacked clarity and decisiveness. In the Gulf War case, Saddam Hussein was the sole decision-maker, responsible for all decisions and without regard for other's opinions. Future studies in this area can look at how group decision-making affects the risk propensity of the group. If an individual decision-maker is affected by cognitive or emotional factors that may reduce the ability to make an objective decision, how would this effect be amplified or reduced in a group setting when facing a compellent threat? Galtieri was affected by the deteriorating domestic conditions while Saddam Hussein was not as affected by these worsening conditions. These two leaders valued different areas, either valuing aspirations or domestic popularity, which affected their ultimate choice. Areas for future research can examine how to determine what area

is considered most important for an individual leader and how changes in this area could affect the decision-making process. Even if conditions are deteriorating in one area, it could be possible the decision-maker remains unaffected if he is only concerned and focused on a different area. Further areas of study can include expanding the original research and examining territorial claims within direct compellence situations.

The research can also be expanded to deterrence to examine how a credible deterrent threat impacts the decision-making process. Further studies can focus on the evolution of the territorial dispute from its origins until present day. The Falklands conflict has not yet been settled and just a few days ago, Argentine president Cristina Kirchner met with the new pope over lunch to ask for him to intervene in the Falklands conflict (Squires 2013). These studies can examine how the territorial claim has progressed since the invasion and examine the different decisions made throughout history regarding the territory. There are definitely many other indicators to explore in understanding what else can serve to determine the domain of the decision-maker. These would require further study and can evolve from current literature and examination of case studies. Other areas to study would be to examine the coercing states that are stronger powers, not merely major powers. Major powers are the strongest in the international system but unequal conflicts abound that do not involve these major powers. These situations would provide a great number of case studies to examine. Besides compellence theory, a closely related concept is the utilization of rewards, which emphasizes the positive sanctions of complying instead of the costs of defying. In a rational cost-benefit analysis, either increasing the benefits for compliance or increasing the costs for defiance should be able to convince target to comply. Prospect theory, however, would say that by increasing the benefits to complying will help to raise the status quo to the reference point of the target state and increase the likelihood of compliance. More research into this theory or the use of both rewards and punishment can be done to find the most effective method of influence. Further research can also be done in the domain of gains and see if these target states ultimately complied or defied. There are plenty of areas for further study to gain a greater understanding of the decision-making process of the adversary and my thesis addresses only one small part of the continuing research on compellence and prospect theory.

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EDUCATION   Pennsylvania State University Schreyer Honors College
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EXPERIENCE   INTERN
PriceWaterhouseCoopers; San Francisco, CA   June 25 - August 15, 2012
•Attended audit training in Week 1
•Experienced two financial service audits and one non-profit audit
•Utilized Bloomberg to retrieve financial information

CO-OPERATIVE ASSOCIATE
PPL Corporation; Allentown, PA   *May 31-August 12, 2011*
•Created Visio flowcharts detailing budgeting process and invoice process
•Improved ISD New Employee Welcome site
•Suggested improvements for ISD dashboard using Day One Guides
•Updated and closed projects that were no longer used
•Data entry for rules and procedures
•INROADS Intern within PPL

INTERN
International Center for the Study of Terrorism; State College, PA
August 23- December 10, 2010
•Six hours of lab a week on the project Competitive Adaptation in Terrorist Networks
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INTERN
China International Travel Service; Beijing, China   *July 13-August 6, 2010*
•Assisted supervisor in administrative tasks
•Created a travel plan by researching hotels, attractions, transportation, and costs for a tour group.

PARTICIPANT
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ACHIEVEMENTS

•Pennsylvania State University Evan Pugh Junior Award 2012
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