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A Quality of Government Peace? Bringing the State Back Into the Study of Inter-State Armed Conflict

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Abstract:

Domestically, democracy or democratization has not proved as successful in bringing about preferred economic and social consequences as has "good governance" and quality of government. Within the field of international relations, by contrast, one of the strongest empirical regularities still remains that democracies do not wage war against each other. In this paper we show however that the impact of quality of government, most notably corruption, on the risk of interstate conflict by large amounts trumps the influence of democracy. These results draw on dyadic Militarized Interstate Disputes data in 1984-2000, and hold even under control for the capitalist peace, incomplete democratization, realist claims and geographic constraints. We argue that the causal mechanism underlying this finding is that quality of government reduces information asymmetry among potentially warring parties, improves their ability to communicate resolve, and to credibly commit to keeping to their promises.

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Introduction

That democracies do not wage wars against each other is undoubtedly one of the most widely accepted claims within the study of international relations. Probably less well known is the fact that, when seen from the perspective of the broader literature on domestic consequences of democracy, the democratic peace effect is something of an exception. Despite countless of studies, there are for example no robust evidence linking democracy to economic growth or even to poverty reduction or human development more generally (for an overview, see Rothstein and Teorell 2008). True, democracy usually comes out as a strong predictor of human rights, but democracy should arguably be *defined* at least partly in terms of key personal integrity rights, so this finding is not all that surprising.

This contrasts sharply with the more robust findings linking "good governance" and high-quality government institutions — other than democracy — to preferred social, economic and political outcomes. To begin with, economists have started to view dysfunctional government institutions as the most serious obstacle to economic development across the globe (e.g., Hall and Jones 1999; Acemoglu, Johnson, and Robinson 2001, 2002; Easterly and Levine 2003; Rodrik, Subramanian, and Trebbi 2004). Unlike democracy, the quality of government (QoG) factor has also been argued to have substantial effects on a number of important non-economic phenomena, both at the individual level — such as subjective happiness (Frey and Stutzer 2000; Helliwell 2003; Tavits 2007; Helliwell and Huang 2008), citizen support for government (Anderson and Tverdova 2003; Chang and Chu 2006), and interpersonal trust (Rothstein and Uslaner 2007; Rothstein and Stolle 2008; Rothstein and Eek 2009) — and at the societal level — such as improved public health and environmental sustainability (Holmberg et al. 2009), and state legitimacy (Gilley 2006).

In this paper we attempt to bring the study of interstate conflict more in line with this more general literature. More specifically, drawing on dyadic Militarized Interstate Disputes data in 1985-2000, we show that the impact of quality of government on the risk of interstate conflict by large amounts trumps the influence of democracy. We thus find stronger evidence in favour of a quality of government as compared to a democratic peace. These results hold even under control for incomplete democratization, realist claims and geographic constraints. We also find that the relationship between quality of government and peace is robust to controls for the "capitalist peace" (Gartzke 2007), an alternative account that in recent years has been

put forward as a challenge to democratic peace theory. Theoretically, we argue that the causal mechanism underlying this finding is that quality of government reduces information asymmetry among potentially warring parties, improves their ability to communicate resolve, and to credibly commit to keep to their promises. By taking into account broader features of the state as a complex organization, we conceive of the quality of government peace as an argument for brining "the state back in" to the study of armed conflict and international relations more generally.

The paper is organized as follows. We first overview the key controversies within the democratic peace literature, followed by our main theoretical argument as to why quality of government should matter for peace. A section on data and research design is then followed by the empirical findings. We conclude with some reflections on the broader implications of our findings.

The Democratic Peace and Its Critics

The philosophical roots of the democratic peace theory can be traced back to the essay "Perpetual peace", written by Emanuel Kant in the late 18th century. Kant's basic argument is that the public in democracies are pacifistic, while leaders in autocracies are warlike. Since citizens are the ones doing the fighting, they are likely to be opposed to decisions for war. Democratic leaders who want to remain in power must thus obey the will of the people and stay out of war engagement. Although many of the assumptions made by Kant have been criticized, the "Perpetual peace" remains an important source of inspiration for contemporary advocates of the democratic peace proposition (Ray 1995: 1-3).

The modern versions of the democratic peace theory focus on the relations *between* democracies (Ray 1995: 21-30). By conducting large-N analysis of data pertaining to pairs of states (dyads), researchers have been able to show that there is a correlation between the probability of interstate war and the regime type of the dyads. Simply put, the more democratic the states in a dyad are, the greater is the likelihood of peace (Maoz & Abdolali 1989; Bremer 1992; Oneal & Russett 1999; Russett & Oneal 2001).

Although these statistical findings to some extent depend on the methodological position of the researcher, such as definitions of war and democracy and interpretation of statistical significance (Elman 1997a: 20-24), the generalization that democracies do not wage war

against each other is by and large quite uncontested in the research community (Bueno de Mesquita *et al*. 1999: 791, Kinsella 2005, Paris 2004:42) and it has even been proposed as an empirical law (Levy 1988).

How then could the democratic peace be explained? There are two major theoretical accounts within the literature: the structural, or institutional, and the cultural, or normative, explanation. According to the latter, democracies are like-minded and have a shared view on economic and political polices and a common political culture. Disputes between democracies do not escalate to war because leaders expect that their shared political ideology will lead them to find a mutual and peaceful resolution of the conflict (Elman 1997a: 10-11). The structural explanation draws on the ideas introduced by Kant, emphasizing the political constraints on democratic leaders which make it more difficult for them to engage in war (Ray 1995: 30). Since democratic leaders need the support of the voting public before they go to war, they will be reluctant and slow to fight. They will count on that other democracies function in the same way and thereby expect an opportunity to reach a negotiated settlement before the conflict escalates to war (Elman 1997a: 13).

In a game theoretical model, Bueno de Mesquita *et al*. (1999) offer an ambitious institutional explanation of the democratic peace. They argue that since democratic leaders can not afford any policy failures, they make a greater effort to succeed in disputes, spending more resources on wars they are certain to win and avoiding those they risk to lose. This implies that two democracies in a conflict will try to avoid war, both of them knowing that such a development would be very costly.

Both the cultural and the structural explanations of the democratic peace have been criticized. The normative argument that liberal states only fight wars for liberal purposes faces difficulties in explaining the historical record of democracies engaged in war for other than humanitarian or self-defense purposes, as “liberal states have consistently violated liberal norms when deciding to go to war” (Rosato 2003: 588-590). It is also possible that a state, itself claiming to be a democracy, will not be perceived as a democracy by other states. This is particularly relevant in the case of recently transformed democracies (Rosato 2003: 586).

Critics of the structural explanation claim that the assumption of a pacifying public is inaccurate since there are many examples where pressure from the public promoted, rather

than constrained, leaders to go to war (Elman 1997a: 27). Additionally, Rosato (2003: 593-594) has questioned the assumption that democratic leaders are more accountable than leaders in autocracies. He claims that the cost from fighting losing or costly wars is just as large for autocratic leaders as it is for their democratic counterparts. Although the significance of Rosato's findings have been questioned (Kinsella 2005), they deserve consideration as autocratic leaders might face far worse treatment than their democratic counterparts — should their policies fail — and thus have even larger incentives to succeed in disputes.

In addition to the contested general relationship between democracy and conflict, another concern about the peacefulness of democracies has been raised. Mansfield & Snyder (2005) agree that the democratic peace holds strong for consolidated democracies but argue that fledgling democracies, undergoing the process of democratization, are highly belligerent and even more war prone than autocracies. They study the relationship between democratization and conflict, also in a dyadic setting, and find that incomplete democratization, where democracy has not yet been consolidated, increases the risk of conflict (Mansfield & Snyder 2002). This implies that joint democracy might not always be a sufficient condition for peace, as some democracies obviously are more war prone than others (Elman 1997b: 488). The transition problem is also illustrated in the curvilinear relationship between democracy and the probability of civil war (Herge *et al*. 2001).

There is also the general neorealist critic that democratic norms or institutions matter little when national interests are at stake. According to this view, adverse distribution of military power and common security interests often account for why democracies have avoided war in the past (Elman 1997a: 25). Arguing along these lines, a number of alternative interpretations of the democratic peace have been put forward. Rosato (2003) introduces the "imperial peace" and claims that the democratic peace is "a post-World war II phenomenon restricted to the Americas and Western Europe", and should be ascribed to the US commitment to ensure peace in these regions. Faber & Gowa (1997) argue that violent disputes between democracies are only rare events during the Cold War and that the dispute patterns are explained by common interests rather than common polities. Gartzke (1998, 2000) offers yet another solution and claims that the democratic peace is really not caused by the constraining power of democratic political institutions or culture, but rather by the lack of conflict between democracies due to affinity.

While these, somewhat similar, explanations rightfully question the universality of the democratic peace theory, it is possible to argue that they do not really contradict its foundations. The "lack of conflict" and "common interests" between democracies might very well be a result of their common polities. Additionally, the growing number of democratic states in the world further questions the assumption that national interests solely account for the peacefulness of democracies.

A more profound challenge to the democratic peace that has emerged in recent years claims that the capitalist economic structure, rather than democratic institutions, accounts for pacifism. Thus, Gartzke (2007) argues, and find empirical evidence in favor of, a pacifying effect of financial and monetary integration generally, and economic development among contiguous dyads. These effects cancel out the democratic peace during the cold-war period, "suggesting that capitalism, and not democracy, leads to peace" (Gartzke 2007: 180). A slightly different view is presented by Patrick McDonald (2009, 2010), who argues that large quantities of public property — a structural feature of the economy antithetical to capitalism — increases the risk of armed conflict by creating a commitment problem between states. Whereas the controversy over the capitalist peace is still in its infancy,[1] both this alternative view and the traditional democratic peace theory omit another critical feature of the state, namely the structure and quality of the state bureaucracy.

The Quality of Government Peace

Whereas democracy relates to the input side of the political system, and capitalism is a feature of the surrounding economic system, the key attribute of quality of government (henceforth QoG) is that it relates to the *output* side of politics, where decisions are prepared and implemented. As opposed to both democratic and capitalist peace theories, which have attempted to explain interstate conflict with reference to how *access* to government authority is regulated, the QoG peace theory we advance thus relates to how government authority in a country is being *exercised*. Following Rothstein and Teorell (2008), we define QoG as impartiality in the exercise of government authority, implying that government officials should act in accordance with the beforehand stipulated law or policy and take no other

[1] The interested reader is referred to a recent theme issue in International Interactions (Schneider & Gleditsch 2010).

considerations into account. This definition (negatively understood) most importantly rules out systematic corruption, patrimonialism, nepotism, and clientelism among state officials.

States low in QoG are sometimes referred to as "failing" or "weak" states, and it is widely recognized that weak or failing states cause many of the most difficult problems facing the world today. Fukuyama (2004: 92-93) claims that these states "commit human rights abuses, provoke humanitarian disasters, drive massive waves of immigration, and attack their neighbors". Tilly (2007: 176) adds that "weak states have a destructive propensity to civil war", which is also confirmed statistically, as the probability of civil war increases as a state gets weaker (Öberg & Melander 2005). While this knowledge strengthens the notion that QoG might reduce the risk of interstate disputes, it does not address the causal mechanism between QoG and peace. How then, does QoG affect the risk of interstate conflict?

In order to answer this, it is first necessary to examine the foundations of conflict resolution. Fearon (1995), in his seminal work on this matter, argues that all wars are ineffective *ex post* and thus that there is always a negotiated solution available *ex ante* which is preferable to both parties. The reasons why this solution is not always reached are twofold: (a) that the parties have asymmetric information about their relative military capability and their opponent's willingness to fight, combined with incentives for leaders to misinterpret this information, or (b) that state cannot credibly commit not to renege on the supposedly efficient bargained outcome, which thus cannot be reached.

So, in what ways does QoG reduce the information asymmetry between states, improve their ability to communicate resolve, and credibly commit to their promises? Most importantly, QoG increases predictability in government behavior. It ensures that rule of law will prevail and that individuals will be treated equally. A strong state hinders civil conflict and reduces the risk that civil unrest will incite international disputes. This means that citizens as well as the international community better can anticipate the actions of the state. An illustrative example of how failed domestic policies can create international crises is the mistrust directed towards weak states failing to curb terrorism (Fukuyama 2004: 93). QoG also increases the credibility of the state as an actor in the international community. A strong state with solid and impartial institutions is more trustworthy and less likely as an adversary. If other states can rely on that their negotiating partner will remain stable and not fall apart any time soon, relations between the countries will be strengthened. On the other hand, in corrupt and

malfunctioning states, where oligarchs and clans battle for power, it might be hard to know who really governs (Johnston 2005: 152-153). This would make it difficult to anticipate the actions of the state, which in turn could make other states suspicious or even contentious.

The essence of this reasoning is that QoG reduces uncertainty and increases trust among states, which equals reduced information asymmetry and improved communication channels. This reduces the risk of conflict as peaceful international relations are easier to achieve with a stable, predictable, and credible state that other nations can rely upon. This argument should in particular pertain to the dyadic level. Since a conflict can result from the actions of a single state, it is likely that the beneficial effects of QoG are strongest when both states in a dyad are governed impartially.

Admittedly, our reliance on Fearon's (1995) private information and credible commitment mechanisms is by no means novel. On the contrary, both mechanisms have in one way or another been used before to explain either the democratic or the capitalist peace. So why would the QoG peace argument fit these mechanisms better? Although this claim naturally requires more precise empirical testing in the future, our main argument is that the actors implied by the QoG peace theory more closely resembles the key decision makers involved when states make the choices of whether to wage wars against each other. Democratic peace theory, to the extent it at all points to a set of actors, has been mainly preoccupied by trying to understand the inner workings of the top political leadership, be they democratically elected government executives or dictators. But the administrative apparatus engaged in planning and executing modern warfare of course extends far beyond these top echelons of the political system. Other key players involve, most importantly, the governing corpus of the armed forces and its intelligence service, but also other parts of the bureaucracy involved in extracting resources or in maintaining domestic order necessary for the war machinery. The preoccupation with the question of whether the top political leadership has been democratically elected or not has led to a neglect of these other and far more numerous key actors within the state decision-making machinery.

Our QoG peace theory, by contrast, directly takes into account the behavior of all facets of the political system, including the actors within governmental bodies responsible for preparing and implementing key political decisions. This is also of critical importance when considering the relational character of the international system, that is, that most decisions of this

magnitude are based on expectations among the contending parties. When assessing the strength of one's opponents' signal of resolve, or the credibility of their commitment not to renege on a struck bargain, it seems more probable that larger parts of their administrative apparatus is taken into consideration, not simply the expected behavior of the head of their executive.[2] At a more general level, our claim is thus an argument for "bringing the state back in" to the study of international relations.

Data and Research Design

To sum up, we expect that, all else being equal, the higher the QoG of the weaker state in a dyad, the lower the risk of interstate conflict. We test this assertion through logistic regression analysis performed on dyad year observations from two replication datasets: that of Sobek *et al.* (2006),[3] covering the time period from 1984-2000, and that of Gartzke (2007),[4] restricted to the time period 1984-1992. In both tests, we use as dependent variable the Correlates of War MID3 data set data on militarized interstate disputes (MIDs) (Ghosn et al. 2004). This data records all instances of when one state threatened to use force, made a demonstration of force, or actually used force against another state. Each year that the two states in a dyad were involved in a dispute with each other is coded as an outbreak of conflict if there was no conflict coded in the previous years. There are 203 outbreaks of conflict recorded in the sample covering the longer time period (1984-2000), and 162 outbreaks in the more restricted sample (1984-1992).

Our gauge of the key concept we wish to add to the study of international armed conflict, quality of government, is from the International Country Risk Guide (ICRG), which is a product of the Political Risk Services Group (www.prsgroup.org). This data has been collected annually since 1984 and includes roughly 140 countries at best. The main reason why we choose to use the ICRG data, rather than, say, the World Bank's development indicators, is that the former spans over a considerably longer time period, being more or less unique among QoG indicators in extending back to the cold war era. Three of the ICRG indicators are of particular interest to us since they are based on expert perceptions of risks to

[2] A similar argument holds when comparing the QoG peace with capitalist peace. With rare exceptions, both Gartzke (2007) and McDonald (2010) merely refer to "states", in the aggregate, as the relevant actors involved in decisions on war making.

[3] Their data can be found at: http://www.davidsobek.com/services.html. The original data set contained 317 duplicates which have been removed in our analysis.

[4] Available at: http://dss.ucsd.edu/~egartzke/htmlpages/data.html.

international business and financial institutions stemming from (a) corruption (e.g., special payments, bribes, excessive patronage, and nepotism), (b) law and order (e.g., weak and partial legal systems, low popular observance of the law), and (c) bureaucracy quality (lack of autonomous and competent bureaucrats). The ICRG indicators have a distinguished history in the field of cross-national measurement of QoG going back to at least Knack and Keefer (1995). We use both the average of all three and the individual indicators, restricted to range from 0 (low) to 1 (high quality). Drawing on the weakest-link methodology applied in the democratic peace literature (Oneal & Russett 1999; Russett & Oneal 2001), we let the state with the lowest ICRG score in the dyad represent the joint governmental quality of the dyad, while controlling for the higher score of the two.

Following the conventional strategy within the democratic peace theory, we use the Polity IV data to measure the level democracy within states. As with QoG, the weakest-link methodology is applied and the variable Democracy (Low) thus equals the lower, Democracy (High) the higher, of the two democracy scores in each dyad and year. To control for Mansfield and Snyder's (2002) argument that incomplete democratization spurs the risk of conflict between states, we also replicate their measure of incomplete democratization and add it to the analysis. However, while they used the Polity III data, we use the more recent Polity IV version. Since this data was not included in the data set of Sobek *et al*. (2006), we add the Polity IV scores from the Quality of Government Institute data set (Teorell *et al*. 2010). We then recode the revised combined polity score into regime type, where scores from –10 to –7 become autocracies, scores from –6 to +6 anocracies, and scores from 7 to 10 democracies. The regime type for each state in the sample is coded in year *t*–1 and again in year *t*–6. A state is considered to be experiencing an incomplete democratization if it has moved from autocracy to anocracy during this five-year interval. The five year time period is of course arbitrary but in accordance with previous research.[5]

Apart from these key political variables, we add control variables using the exact same specifications as in the models we are replicating, largely designed to respond to realist challenges and to account for the geographical limitations of international relations. In the case of Sobek *et al.* (2006) this implies controls for the capability ratio, political or military alliances, dissimilar civilizations, preference similarity, geographical contiguity and political

relevance of the dyad. Following Gartzke (2007), we control for trade dependence and financial openness as proxies for market integration, for GDP per capita and the interaction of contiguity and GDP per capita to account for the capitalist effect of development, and (as in Sobek *et al*. 2006) for preference similarity to measure state affinity. We also follow Gartzke (2007) in controlling for contiguity, distance between national capitals, major power status, alliances and the capability ratio.

All independent variables are lagged one year. We take time dependence into account by controlling for three cubic splines (and in the Sobek *et al*. replication the number of peace years), together with robust standard errors clustered on dyads to purge the variance estimates from any additional cross-sectional dependence.

Results

We start in Table 1, based on the Sobek *et al*. (2006) data, by reproducing the standard finding in the democratic peace literature. In model 1, without any control for QoG, the level democracy in the least democratic state of the dyad is negatively related to the outbreak of militarized disputes. While this effect is reduced once the ICRG index of QoG is introduced in model 2, it remains statistically significant. However, the magnitude differs substantially between the effects of these two political variables. Since the democracy measure from Polity have here been rescaled to range from 0 to 1, the coefficients for the two variables can be compared directly. In logit terms, the negative and clearly significant QoG effect is about twice as large as the democracy effect. The relative risk of war outbreak when the democracy low score goes from its lowest (0) to its highest (1) decreases by 52 percent, as compared to a move of the low QoG score by the same amount, which implies a reduction of the relative risk by 78 percent. In sum, the pacifying effect of QoG, on this sample of militarized interstate disputes in the world between 1984 and 2000, clearly trumps the democratic peace effect.

[Table 1 about here]

What dimensions of QoG account for this result? In model 3, we tackle this question by substituting the ICRG index by its three component indicators, bureaucracy quality, corruption, and law and order. As the results clearly demonstrate, the most important factor in

[5] Consult Mansfield and Snyder (2002) for a longer motivation of the proper length of the time period.

the QoG assemblage appears to be corruption. The substantive impact of corruption even trumps that of the composite ICRG index, a results that also holds in model 4, where the corruption indicator is introduced individually. Since corruption is probably the most well-known and extensively theorized topic within the literature on quality of government, this finding is reassuring. Corruption, commonly defined as the abuse of public office for private gain, is clearly at contrast with impartial government. It makes perfect sense from the perspective of our theoretical argument that corruption creates information asymmetries, makes it harder to communicate resolve, and to credibly commit to uphold promises.

We turn next in Table 2, based on the part Gartzke's (2007) data that overlaps with the ICRG indicator (that is, from 1984 to 1992), to a test of whether the QoG factor holds water when controlling for the so called "capitalist peace". In model 1, we simply replicate the findings from Table 2, albeit on a different sample and in the presence of slightly different controls, that both QoG and democracy negatively impacts on the probability of conflict (here the democracy variable has not been rescaled, and hence cannot be as easily compared to the QoG factor). Following Gartzke's (2007) own approach to testing the democratic peace theory, we then introduce the controls for capitalism in successive steps. In model 2, we thus control for the level of financial openness in the least open state of the dyad, in model 3 for GDP per capita and the GDP-contiguity interaction, and in model 4 for preference similarity. In line with Gartzke's own findings, we find that these controls for capitalism reduces the impact of democracy, which in the end does not pass conventional test for statistical significance. The QoG index, by contrast, is hardly affected by controls for the capitalist peace. The effect in model 4 is even slightly larger tan without any controls for capitalism, and in probability terms still implies that an increase from lowest to highest quality of government in the weaker state of a dyad reduces the risk of a militarized dispute by 74 percent. At the same time, the financial openness indicator, arguably one of the theoretically strongest operationalizations of the capitalist peace argument, looses statistical significance. In other words, whereas capitalism may explain the democratic peace, it does not challenge the quality of government peace.

[Table 2 about here]

Conclusions

In this paper we have found that the impact of quality of government, most notably corruption, on the risk of interstate conflict by large amounts trumps the influence of democracy. These results draw on dyadic Militarized Interstate Disputes data in 1984-2000, and hold even under control for the capitalist peace, incomplete democratization, realist claims and geographic constraints. We have argued that the causal mechanism underlying this finding is that quality of government reduces information asymmetry among potentially warring parties, improves their ability to communicate resolve, and to credibly commit to keeping to their promises. Our key expectation is thus confirmed. But what are the implications of this result?

Since the covered time period is fairly limited, one should generally be cautious of drawing to far-reaching conclusions. That being said, the results of the analysis clearly illustrate an interesting difference in the pacifying effects of democracy and QoG. These observations relate to the general debate on what policies developing countries should adhere to. It seems as if the broad recommendation that governmental reform should be prioritized applies also with respect to the international security dimension. It is however not so clear that the reform dimension that should be most prioritized regards the institutions regulating access to government power, such as democracy. More important for international security would be to reform institutions regulating how power is being exercised, that is, to strengthen "good governance" and quality of government.

Evident as this might sound, it is however far from certain that the international community possess the critical know-how on how to successfully implement governance reforms. Although we might know that improved governance theoretically have beneficial effects, we still know little of how this is supposed to happen. And even if we do have the knowledge, it is far from certain it is transferable to recipient states in need of reform (Fukuyama 2004). It is an understatement to say that these problems need to receive a lot of attention in the years to come.

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Table 1. Democracy, Quality of Government, and Militarized Interstate Disputes

Variable	(1)	(2)	(3)	(4)
Democracy (Low)	–.9313***	–.7443**	–.7271**	–.6506**
	(.3084)	(.3121)	(.3072)	(.3046)
Democracy (High)	.7853**	.5900*	.5592	.8060**
	(.3145)	(.3329)	(.3462)	(.3326)
Quality of Government (Low)		–1.5100***		
		(.4643)		
Quality of Government (High)		1.3229**		
		(.5889)		
Bureaucracy Quality (Low)			.6142	
			(.4755)	
Bureaucracy Quality (High)			1.1177*	
			(.5737)	
Corruption (Low)			–2.8086***	–2.2677***
			(.6933)	(.5268)
Corruption (High)			–.0381	.6708
			(.5838)	(.5006)
Law and Order (Low)			.0309	
			(.4924)	
Law and Order (High)			.2527	
			(.5464)	
Incomplete Democratic Transition	.7756***	.7882***	.7991***	.7699***
	(.1777)	(.1799)	(.1820)	(.1788)
Capability Ratio	–.5568**	–.5755**	–.6820**	–.5928**
	(.2812)	(.2890)	(.2798)	(.2905)
Allies	.2302	.1610	.3025	.1803
	(.2468)	(.2512)	(.2532)	(.2478)
Dissimilar Civilizations	.0709	–.0306	–.0831	–.0381
	(.2144)	(.2271)	(.2241)	(.2245)
Preference Similarity	.7462	.9199	.6037	.7761
	(.5504)	(.5644)	(.5432)	(.5595)
Contiguity	.3395	.4485	.4918*	.2607
	(.2512)	(.2938)	(.2885)	(.2861)
Political Relevance	1.7721***	1.7178***	1.6474***	1.8338***
	(.2470)	(.2515)	(.2545)	(.2500)
Constant	–4.4826***	–4.7792***	–4.1830***	–4.0600***
	(.5825)	(.6252)	(.6472)	(.5940)
Log Likelihood	–973.457	–968.081	–956.107	–961.885
Wald Chi-Squared	1280.22	1311.67	1361.13	1275.26
Pseudo R-Squared	.311	.315	.324	.320

* significant at the .10-level, ** significant at the .05-level, *** significant at the .01-level.
No. of dyad year observations: 79 038 No. of dyads: 8 670 Mean no. of years per dyad: 9.11

Note: Entries are logistic regression coefficients with robust standard errors, clustered on dyads, within parentheses. All models also include controls for the number of peace years and three cubic splines. All independent variables have been lagged one year.

Table 2. Capitalism, Quality of Government, and Militarized Interstate Disputes

Variable	(1)	(2)	(3)	(4)
Democracy (Low)	–.0417**	–.0366*	–.0361*	–.0259
	(.0199)	(.0202)	(.0197)	(.0198)
Democracy (High)	.0057	.0064	.0082	–.0052
	(.0180)	(.0179)	(.0175)	(.0180)
Quality of Government (Low)	–1.2705**	–1.2791**	–1.6535***	–1.3423**
	(.5516)	(.5582)	(.5942)	(.6220)
Quality of Government (High)	.5953	.9049	.7048	–.0422
	(.7405)	(.7757)	(.7673)	(.8219)
Trade Dep. (Low)	1.1128	9.9418	14.1989	18.8164*
	(13.1118)	(11.5909)	(11.2655)	(1.1595)
Fin. Open. (Low)		–.1323*	–.1594**	–.1294
		(.0781)	(.0812)	(.0806)
GDPPC (Low)			.0002***	.0001***
			(.0000)	(.0000)
GDPPC × Contig.			–.0002***	–.0002***
			(.0001)	(.0001)
Preference Similarity				–.6483**
				(.2658)
Contiguity	1.4605***	1.5193***	1.9617***	2.1523***
	(.3111)	(.3273)	(.3744)	(.3618)
Distance	–.3720***	–.3609***	–.3557***	–.2721**
	(.1251)	(.1227)	(.1216)	(.1289)
Major Power	1.4154***	1.3893***	1.3995***	1.1689***
	(.3045)	(.2985)	(.2942)	(.3081)
Alliance	–.4549*	–.3354	–.3265	–.3012
	(.2637)	(.2709)	(.2729)	(.2748)
Capability Ratio	.1058	.1288*	.1328*	.1147
	(.0774)	(.0773)	(.0785)	(.0779)
Constant	–.3678	–.4497	–.6689	–.4769
	(1.1697)	(1.1844)	(1.1541)	(1.1621)
Log Likelihood	–560.644	–558.220	–554.595	–550.772
Wald Chi-Squared	734.85	724.99	723.91	707.49
Pseudo R-Squared	.472	.474	.478	.481

* significant at the .10-level, ** significant at the .05-level, *** significant at the .01-level.

No. of dyad year observations: 41 968 No. of dyads: 6 023 Mean no. of years per dyad: 6.97

Note: Entries are logistic regression coefficients with robust standard errors, clustered on dyads, within parentheses. All models also include controls for three cubic splines. All independent variables have been lagged one year.