

© 2022 Hyun Joo Cho

INTRACTABLE TERRITORIAL DISPUTES: CONCESSIONS, SALIENCE, AND THE
POLITICAL GAIN OF DOMESTIC OPPOSITION FACTIONS

BY

HYUN JOO CHO

DISSERTATION

Submitted in partial fulfillment of the requirements
for the degree of Doctor of Philosophy in Political Science
in the Graduate College of the
University of Illinois Urbana-Champaign, 2022

Urbana, Illinois

Doctoral Committee:

Professor Xinyuan Dai, Chair
Professor John Vasquez
Associate Professor Alyssa Prorok
Assistant Professor Robert Carroll
Professor Jeffery Mondak

ABSTRACT

This dissertation explores how making territorial concessions through peaceful settlement methods can affect a leader's political fate in office. While there has been extensive empirical research that suggests territorial issues are the primary sources of war and are less likely to be resolved than other types of non-territorial issues, there is a lack of scholarly consensus on why territorial disputes are highly contentious and intractable.

To gain a deeper understanding on why territorial issues are hard to resolve, this dissertation explores the linkage between territorial disputes and domestic political dynamics. The central argument of this dissertation is that incumbent leaders who make territorial concessions through peaceful settlement attempts are more likely to be punished and be replaced by a leader from the political opposition faction – leadership change with a coalition shift occurs. Also, this study makes one of the initial attempts to break down the components of territorial salience (into overall, tangible, intangible saliences, and specific attributes), and investigates how salience can have a systematic impact on the relationship between making territorial concessions and leadership change with a coalition shift.

For empirical analysis, I use two different territorial claims datasets that each covers different regions and periods: all the regions of the world from 1919 to 1995, and the Western Hemisphere and Western Europe from 1816 to 2001. Concerns of potential selection bias that leadership turnover with a coalition shift can be systematically affected by political leaders' calculation to avoid engaging in risky foreign policy activities that can negatively affect their tenure are addressed both theoretically and through additional robustness checks.

This study demonstrates that making territorial concessions through peaceful mechanisms can be regarded as a critical foreign policy failure that can negatively impact a leader's tenure in

office. This implies that political leaders have domestic political incentives to avoid making major territorial concessions, which can make territorial disputes more difficult to resolve. Furthermore, this dissertation contributes to the literature by studying beyond the influence of territory per se and focusing on how variation within territory or specific attributes of territory can affect conflict dynamics.

To My Family

ACKNOWLEDGEMENTS

I would like to thank everyone who supported me throughout my graduate studies. I would first like to deeply thank Xinyuan Dai for her guidance, constructive advice, and warm support through this journey. I sincerely thank John Vasquez for reading countless drafts and providing invaluable feedback. His deep insight in conflict studies and encouragement have been critical to this project. I am also grateful to have Jeffery Mondak, Alyssa Prorok, and Rob Carroll on my committee. Their thoughtful and insightful feedback have helped to significantly improve this study.

Also, many thanks to the professors in the Department of Political Science who have helped me grow and learn over the years. I would like to thank all my friends who I met in graduate school, especially Navida and Rebeca, for their friendship and support.

Finally, I am grateful for the love and support of my family. I thank my father, Kwanho Cho, for reading drafts of my dissertation and sharing his views, and my mother, Seok Kyung Hong, who has always given me wise advice and incredible support. I thank my sister, Hyun Jung Cho, for being my best friend.

My deepest gratitude to all those who have been on this journey together.

TABLE OF CONTENTS

1. Introduction	1
1.1 Central Question	1
1.2 The State of the Literature	4
1.3 The Contribution	11
1.4 Overview of the Dissertation	13
2. Theory	15
2.1 Peaceful Settlement of Territorial Disputes	15
2.2 Territorial Concessions and Leader Incompetence	20
2.3 The Political Gain of Domestic Opposition Factions: Change in the Source of Leader Support	22
2.4 Definition and Measurement of Salience	25
2.5 The Effect of Overall Salience	27
2.6 The Effect of Tangible vs. Intangible Salience	30
2.7 The Effect of Specific Components	33
3. Territorial Concessions and Leadership Change with a Coalition Shift	46
3.1 Research Design	47
3.1.1 Dependent Variable	49
3.1.2 Independent Variable	50
3.1.3 Control Variables	51
3.2 Empirical Results and Discussion	53
3.2.1 Main Findings	53
3.2.2 Cases	58
3.2.3 Discussion on Challenger vs. Target	64
3.2.4 Discussion on the Effect of Regime Type	66
3.3 Robustness Checks	72
3.3.1 Propensity Score Matching	74
3.3.2 Two-Stage Least Squares Regression	77
3.4 Conclusion	83
4. The Role of Territorial Salience	84
4.1 Research Design	86
4.1.1 Dependent variable	86
4.1.2 Independent variables	86

4.1.3 Control Variables.....	90
4.2 Empirical Analysis and Discussion.....	93
4.2.1 Initial Analysis: Cross-Tabulations	95
4.2.2. Main Findings: Regression Analysis.....	106
4.3 Robustness Checks.....	123
4.3.1 Different Time Gap	123
4.3.2 The Heckman Selection Model	124
4.3.3 Bilateral Negotiation as Settlement Mechanism	132
4.4 Conclusion.....	135
5. Conclusion	138
5.1 Implications.....	139
5.2 Directions for Future Research	141
References.....	143
Appendix A: Supplementary Materials for Chapter 3.....	150
Appendix B: Supplementary Materials for Chapter 4.....	156

1. Introduction

1.1 Central Question

In 2016, President Abdel Fattah El-Sisi of Egypt decided to cede the control of the two Red Sea Islands (Tiran and Sanafir) to Saudi Arabia. The government was criticized for relinquishing sovereignty over the Red Sea Islands in return for billions of dollars of aid from Saudi Arabia. Egypt's supreme administrative court ruled against the agreement and large-scale protests occurred. Thousands of protesters marched the streets chanting the slogan "people want the fall of the regime" (Aboulenein 2017). The territorial concession has provided an opportunity for the political opposition factions to unite and rise against the regime. Egypt's case is important as it helps us to understand why territorial disputes are difficult to resolve.

One of the persistent puzzles in the conflict literature is that territorial disputes are relatively harder to resolve than any other type of issue. Scholars have produced extensive empirical research that suggests territorial issues are the primary sources of war and are less likely to be resolved than other types of non-territorial issues (Vasquez, 1993; Vasquez and Henehan, 2001). Territorial disputes are also more likely to escalate into war, more likely to recur (Hensel, 1996), and involve more fatalities than disputes over non-territorial issues (Senese, 1996).

While it is widely acknowledged that territory is a primary source of conflict and is hard to resolve, there is a lack of scholarly consensus on why territorial disputes are highly contentious and enduring. Previous literature has focused much on a territory's tangible (e.g., material, economic, strategic values) or intangible values (e.g., symbolic, emotional, historic values) (Goertz and Diehl 1992; Hensel and Mitchell 2005; Huth 1996), states' concerns for their

harmed reputation after making major concessions to adversaries (Toft, 2002; Walter, 2006), and territoriality behavior (Johnson & Toft, 2014; Powers, 2018; Vasquez, 2009).

Another important strand of research is based on the role of domestic factors. Empirical studies have provided evidence that there is a systematic association between territorial issues and domestic politics (Allee & Huth, 2006; Huth, 1996; Huth & Allee, 2002a, 2002b; Simmons, 1999, 2002). However, how the conflictual nature of territory itself is translated into domestic policies is still understudied in the literature. For example, Wright and Diehl (2014) state that “the role of domestic politics in most territorial treatments of conflict and war, including those related to salience, is implicit, but not specifically elaborated” (647). Identifying how the conflict proneness of territory translates into actual military action or failure to peacefully settle a dispute needs to be further investigated.

To fill in this gap, and more broadly, to gain a deeper understanding on why territorial issues are hard to resolve, this dissertation explores the linkage between territorial disputes and domestic political dynamics. The central argument of this dissertation is that incumbent leaders who make territorial concessions through peaceful settlement attempts are more likely to be punished and be replaced by a leader from the political opposition faction – leadership turnover with a coalition shift occurs.

Regarding the settlement methods, there are mainly peaceful and violent means. In this dissertation, I focus on peaceful resolution methods, primarily bilateral negotiation (in chapter 3), as it is the most frequently employed method to resolve territorial disputes. In chapter 4, in addition to bilateral negotiation, other peaceful methods such as binding third-party (i.e., arbitration and adjudication) and non-binding third-party settlements are included in the empirical analyses. There may be systematic differences in the probability of leadership turnover

depending on the settlement methods that political leaders pursue. How making concessions through violent versus non-violent methods may matter is a meaningful topic to be explored, but this topic is beyond the scope of this dissertation and is left for further research.

In chapter 3 of this dissertation, I empirically demonstrate making territorial concessions leads to a higher probability of leadership turnover with a coalition shift. In chapter 4, I investigate the impact of territorial salience or characteristics of a disputed territory. That is, I examine the joint effect of making territorial concessions and the level of territorial salience on leadership change with a coalition shift. Territorial salience is largely categorized into tangible values, intangible values, and specific characteristics such as being a homeland territory, having identity, historical, strategic, and economic values.

The impact of territorial salience is a significant topic, as scholars have demonstrated that both the relative salience of the issue itself and variation in salience within issues are critical to understand territorial conflict. As extensive studies have shown that not all territorial disputes are equally likely to escalate to military threat or the use of force (Hensel et al. 2008; Hensel and Mitchell 2005; Huth 1996), not all territories may have equal influence on conflict resolution. Thus, it would be meaningful to explore which specific value/attribute of territory may be a significant driver for peaceful resolution. This dissertation goes beyond studying the influence of territory per se and focuses on how variation within territory affects conflict dynamics.

Overall, I ask the questions whether making territorial concessions through peaceful methods lead to an increased probability of leadership change with a coalition shift. Another major question explored in this dissertation is how the effect of making concessions on leadership turnover with a coalition change may vary within issue salience. Would the salience

level of a disputed territory significantly affect how negatively leaders are punished for making territorial concessions?

1.2 The State of the Literature

The conflictual nature of territorial issues

Many of the world's most escalatory and enduring disputes involve territorial issues, such as the South China Sea, the Senkaku-Diaoyu Islands, Indo-Pakistan conflict over Kashmir, and the Nagorno-Karabakh conflict. The Issue Correlates of War (ICOW) Project identifies 843 territorial claims around the world between 1816 and 2001 (Frederick, Hensel, and Macaulay 2017, 102). Roughly 65 percent of the interstate wars were fought over territory from 1816 to 1945, and around 72 percent in the post-1945 period (Vasquez and Henahan 2011, 184). There has been voluminous research on the puzzle of why territorial disputes are the most prone to conflict and relatively harder to resolve than any other types of issues.

Although there has been extensive research on this topic, there is a lack of agreement on why territorial disputes are highly violent and intractable. Below, I discuss the main factors that have been investigated by scholars, including tangible and intangible traits of territory, states' concerns for precedent setting after making concessions to opponents, and territoriality behavior.

Territories often have tangible values based on economic resources such as oil or natural gas, can contain populations, or are in strategically important areas such as waterways. Also, the geographical features (such as mountainous terrains) of a territory may enhance defense capability and can be used as important surveillance posts or territorial buffers. For example,

Huth (1996, 146) finds that if the disputed territory is strategically located, the probability that the challenger seeks a compromise settlement decreases by 5.5 percent.

In terms of the intangible values, as the Israel and Palestine conflict exemplifies, psychological, symbolic, ethnic, historic, and religious values are often deeply embedded to the disputed territories and are viewed as the underlying causes of territorial indivisibility. Intangible values can also be referred to as 'relational' values of territory in which actors attach different identity or historical values to a territory (Goertz & Diehl, 1992).

Bargaining failures can be accounted by issue indivisibility (Fearon, 1995), which its source may be rooted in intangible values of territory (Hassner, 2006; Toft, 2006). For instance, Hassner (2006) argues that symbolic entrenchment is one of the mechanisms that make territorial conflicts increasingly difficult to resolve over time. The unique significance of the disputed territory grows to those who claim the land, as the disputed territory becomes more invested with historical, emotional, or religious infrastructures. With intensifying symbolic attachment to the disputed territory over time among individuals, fewer options (partition or redefinition of boundaries, compensation) become available to reach a compromise.

In a similar vein, Toft (2002) observes that actors tend to view territory as indivisible components of their identity or physical survival. In the context of ethnic civil wars, Toft (2002) argues that actors' attachment to disputed territory can lead to a higher probability of violent disputes over even objectively worthless territory. Ethnic groups regard the control of disputed territory fundamental to a group's identity, and vital to their existence as a separate and independent group. For states, territories are regarded to be indivisible when they fear that allowing one ethnic group to gain territorial sovereignty will set a precedent that encourages

other ethnic groups to demand sovereignty (Toft, 2002; Walter, 2006). States fear that losing control over territory poses a direct threat to their physical survival.

Furthermore, scholars argue that there is a difference between territorial and non-territorial issues, and the relatively high salience of territorial issues can be attributed to territoriality. Territoriality is a tendency (or genetic proclivity) of human beings to use violence and force to protect their own territory as the basis for survival and economic activity (Johnson & Toft, 2014; Vasquez, 2009). This proclivity is “deeply ingrained and is part of humanity's collective genetic inheritance,” meaning that humans have learned through historical experiences that territorial issues could be most effectively managed by using force and have developed a predisposition to react violently over territorial issues (Vasquez 2009, 154).

Johnson and Toft (2014) also argue that territorial behavior is an effective way to control resources that are needed to maximize survival, and “adaptations to acquire these via territorial behavior have been subject to strong selection pressure throughout evolutionary history” (9). They view that humans possess a “built-in propensity” to regard territory as being the most important and indivisible (Johnson and Toft 2014). Furthermore, survey experiments at the individual level show that humans are likely to act more aggressively in situations dealing with territorial issues than non-territorial issues in both interpersonal and foreign affairs contexts (Powers, 2018). Such findings provide support to the argument that the shortages in available territory throughout humans’ evolutionary history most likely led them to become more prone to aggression when confronted with territorial conflicts.

Domestic politics

While the conflict proneness of territory and the difficulty to peacefully resolve disputes involving territory have been widely acknowledged in the literature, how these matters translate into foreign policies by political leaders is still underexplored in the literature. Scholars have linked territorial disputes and domestic politics (Allee & Huth, 2006; Huth, 1996; Huth & Allee, 2002a, 2002b; Simmons, 1999, 2002), but a limited number of studies have provided direct empirical evidence on the linkage between domestic political processes and territorial policies.

For example, there are studies that indirectly support the argument that leaders could be domestically punished when they take a conciliatory attitude on territorial issues. Allee and Huth (2006) argue that leaders who wish to settle disputes are more likely to resort to international rulings (both arbitration and adjudication) when strong domestic opposition is anticipated and thus seek “political cover” for their actions (Allee and Huth 2006). Also, based on the analysis of territorial disputes from 19th and 20th century in Latin America, Simmons (1999, 2002) argues that governments are more likely to pursue international arbitration when they lack domestic political capacity to ratify territorial agreements.

Wiegand’s (2005) study provides the most direct evidence on how conciliatory territorial policy can lead to negative domestic political consequences. It focuses on a case study on the territorial dispute between Guatemala and Belize. For example, in 1983, the Guatemalan military leader Efraín Ríos Montt's decision to withdraw the country’s claim from disputed territory to settle a dispute with Belize played a significant role in his removal from power by a coup d’état. Also, in 1993, President Jorge Antonio Serrano’s announcement to recognize Belize’s independence (in exchange for economic gains) ultimately led him to lose his presidency (the regime at the time is known to be under indirect military rule).

As such, there has been a lack of studies that explore the direct linkage between conciliatory territorial policy and leadership turnover, especially based on large-N research. There have been previous studies on the relationship between war outcomes and leader tenure (Bueno de Mesquita, Siverson, and Woller 1992; Bueno De Mesquita and Siverson 1995; Debs and Goemans 2010),¹ but not specifically related to territorial disputes.

Also, more investigation on the role of domestic political opposition factions can help us to better understand domestic political dynamics. While political punishment of the incumbents as a consequence of the territorial policy they pursue is a political process that involves the role of opposition factions, their role is stated implicitly and the theoretical mechanism of how the opposition matters is not specified in the existing literature. In fact, the role of opposition factions is an understudied area in foreign policy (Levy & Mabe Jr, 2004), and in understanding the escalation and settlement of territorial disputes. Therefore, in addition to directly testing the association between conciliatory territorial policy and leadership turnover with a coalition shift, this study addresses theoretically how political opposition groups can play a critical role in facilitating the punishment of leaders who make territorial concessions, and thereby, make the resolution of territorial issues difficult to achieve.

The significance of exploring the impact of territorial salience and its components

Scholars have argued that the salience of disputed territory can systematically affect the initiation, escalation, or severity of conflicts. Political leaders are likely to evaluate the utility of

¹ Bueno de Mesquita, Siverson, and Woller (1992) find that during the period between 1816 and 1975, governments that face defeat in international wars are more likely to be removed through violent means such as revolutions and coup d'état.

engaging in militarized conflicts or making concessions in a dispute, depending on the salience of territory. According to Diehl (1992), issue salience could be a ‘loose’ necessary condition for state behavior in that “When the stakes are high enough, states will be willing to use military force to achieve their goals” (339). In general, it is likely that “policy makers should be willing to pursue costlier or riskier options to achieve their goals over issues that are considered highly salient than over less important issues (Hensel et al., 2008, 124).”²

Territories can be largely characterized as having either tangible or intangible traits. To better understand how territorial salience matters, numerous studies have investigated the significance of tangible and intangible aspects of disputed territories. However, whether and how tangible or intangible saliences of territory matter have produced mixed results in the literature. The conflict literature indicates that intangibly valued lands are more likely to be related to conflict escalation and less likely to reach a compromise, but there also are findings that cast doubt on the significance of intangible values over tangible ones. For example, Hensel and Mitchell’s (2005) analysis indicates that states are more likely to reach an agreement over intangibly valued lands than tangibly valued lands. However, this finding may not necessarily indicate that tangible values are more important, or they tend to be harder to resolve than intangible values. This is because leaders may be active in seeking a favorable resolution more for intangibly valued territories, which are typically regarded to be more salient, as they are more important in terms of how the public assesses their competence as a leader (James et al., 2006).³

² More specifically related to the topic of this dissertation, Allison and Hensel’s (2002) preliminary analysis, which suggests that simply losing a territory does not have a significant effect on leader tenure, but their tenure is likely to be prolonged when a leader loses a salient territory. Such finding is puzzling as it contrasts with the central argument of this dissertation that incumbent leaders who make territorial concessions are more likely to be removed from office and be replaced by a leader from a political opposition faction. Considering such inconsistency, the effect of territorial concessions on leader tenure, and how this relationship is dependent on salience require further investigation.

³ The last sentence is explained more specifically in section 2.5.

Another interesting finding is by Gent and Shannon (2011), who argue that territories with tangible values, rather than intangible values, are likely to decrease the likelihood of pursuing binding management strategies. That is, states do not want to sacrifice decision control over tangibly valued territories more than intangibly valued ones. The authors argue that losing tangibly valued lands will result in significant international costs (e.g., losing access to resources or strategic area to a rival). Whereas a state leader's decision to pursue legal measures may vary depending on whether the leader personally values the territory (perhaps the leader belongs to an ethnic group that claims the disputed territory).

While this finding provides some insight on understanding how salience can affect a state's choice on management strategies, it is not theoretically clear why losing tangibly valued territories would be regarded to be more politically costly to a leader than losing intangibly valued lands. There would need to be clearer discussion on why the domestic costs for losing lands that are valued primarily for tangible reasons are *consistently* greater than the costs for losing an intangibly valued land.

Lastly, with regards to the influence of specific characteristics of a territory, not many studies have systematically analyzed their effect. An exception is Huth (1996), but this study is somewhat limited as it investigates conflict behavior of only challenger states between 1950 and 1990. Using a different dataset from Huth (1996), we can break down the ICOW salience index to see how each characteristic (i.e., homeland status, identity, historical, strategic, and economic values) can help to enhance our understanding of territorial disputes. I investigate the influence of territorial salience in three largely different categories: (1) overall salience, (2) tangible and intangible salience, and (3) the 5 indicators in the ICOW salience index.

Overall, previous findings show that studying the impact of territorial salience is important in understanding conflict dynamics. To better understand how territorial salience matters, scholars have studied how tangible and intangible attributes of territory can play different roles but have produced somewhat mixed results. Also, there has been a lack of research in terms of examining each component of tangible and intangible values of territory, which can be further broken down into homeland, identity, historical, strategic, and economic values. Thus, this dissertation examines how territorial salience can condition the relationship between making territorial concessions and leadership change with a coalition shift.

1.3 The Contribution

This dissertation contributes to the literature in several important ways. First, empirical results of this dissertation provide robust evidence that making territorial concessions through peaceful settlement methods can affect a leader's political fate in office. When incumbent leaders make major territorial concessions, there is a higher probability that leadership change with a coalition shift follows. Territorial concessions are regarded as a critical foreign policy failure that could replace the incumbent government with a new leader that represents different domestic interests. This dissertation is one of the few studies that demonstrate how foreign policy outcomes directly lead to certain domestic political changes.

Second, studying the effects of territorial concessions on domestic politics helps us to gain a fuller picture in understanding the endurance of territorial conflicts. There have been continuous scholarly efforts to incorporate domestic political factors to the more conventional "realist model," claiming that realist explanations based on national security interests and military power are limited in understanding conflict dynamics (Bueno de Mesquita, Siverson,

and Woller 1992; Bueno De Mesquita and Siverson 1995; Huth 1996; Huth and Allee 2002a; 2002b). For example, the endurance of territorial disputes may not simply be explained by the economic or strategic values of territory but would also need to consider domestic factors such as the strength of domestic political opposition factions or the timing of democratic elections (Huth & Allee, 2002a, 2002b). The endurance of territorial disputes should not be understood only in the context of military power and security, but also in terms of how domestic actors perceive territories and how the implementation of territorial policies is evaluated by the public.

Third, it is important to know how and when political leaders are accountable for foreign policies. When and under what conditions political leaders are voted out of office, face domestic protests, or ousted from power by coups have been a core interest in political science. This dissertation clearly demonstrates that the management of territorial issues greatly matters in how leaders are evaluated by the public. In addition, the body of works that investigate how foreign policy outcomes affect leadership turnover is limited compared to the volume of studies that examine the opposite – how leadership turnover leads to change in foreign policy (Mattes et al., 2015, 2016; McGillivray & Smith, 2004).

Fourth, this dissertation examines the conditions that are likely to affect the association between territorial concessions and leadership turnover with a coalition change. For example, an interesting empirical pattern identified is that target states leaders who make concessions are more likely to be replaced by domestic opposition factions than those of challenger states. While such a result makes sense, the distinctive effect that being a challenger or a target can have has not been widely accounted for in the literature.

Lastly, this dissertation makes original contribution to the literature by studying the variation within territorial salience. I explore how variation within territory based on its attributes

can systematically affect the relationship between making territorial concessions and leadership turnover with a coalition shift. While the effects of overall salience or tangibility of disputed territory on conflict resolution have been previously investigated in the literature, the substantive importance of specific characteristics of territory is underexplored. This dissertation makes the initial attempt to study each component of the ICOW salience index and examine their individual impact on leadership change with a coalition shift.

1.4 Overview of the Dissertation

In chapter 2, I introduce the major concepts and present the theoretical framework. I explain the logic of the theory that links conciliatory territorial policy and leadership change with a coalition shift, and how this relationship may be influenced by territorial salience. Territorial salience is categorized into overall salience, tangible salience, and intangible salience. Also, the salience index is further broken down into homeland territory, territory with identity, historical, strategic, and economic values.

In chapter 3, I test the relationship between making territorial concessions as an outcome of bilateral negotiations and the probability of leadership change with a coalition shift. To empirically test this, I use the Huth and Allee (2002b) global dataset on bilateral territorial negotiations, which covers the period between 1919 and 1995. Additionally, I examine how the effect of making territorial concessions on the probability of leadership turnover with a coalition shift may be conditioned by factors such as whether a disputant is a challenger or a target, or is a democracy or a non-democracy.

To highlight the causal processes that incumbent leaders are more likely to be replaced by politicians from opposition groups when territorial concessions are made, I also discuss a few examples throughout the study. The examples include the Tacna-Arica region contended between Peru and Chile, the Panama Canal Zone disputed between the U.S. and Panama, Israel's elections regarding the peace accords with Palestine, and the U.K. election in 1973 during the height of the Northern Ireland dispute.

I also conduct robustness checks, as there could be concerns of potential endogeneity issues such that leadership turnover may be systematically affected by political leaders' calculation to avoid engaging in risky foreign policy activities that can negatively affect their tenure. To address potential endogeneity concerns, I conduct additional statistical analyses such as propensity score matching and two-stage least squares regression.

In chapter 4, using the ICOW dataset, I examine how the relationship between making concessions and leadership turnover with a coalition change is dependent on the level of territorial salience. The ICOW settlement dataset covers the Western Hemisphere and Western Europe between 1816 and 2001 (Frederick et al., 2017). Using this dataset, we can explore other peaceful methods as well, including bilateral negotiations, binding and non-binding third-party settlement attempts. As robustness checks, I additionally conduct a Heckman selection analysis to help alleviate potential concerns for endogeneity issues.

In chapter 5, I conclude by summarizing the main findings and discussing the broader implications of the study.

2. Theory

The main argument of this dissertation is that political leaders who make territorial concessions through peaceful settlement mechanism face a higher probability of leadership turnover along with a change in the source of support. In this chapter, I first introduce some of the basic definitions, and how often states engage in peaceful settlement attempts. Also, I discuss why leaders would engage in territorial settlement activities and even make concessions if such actions can potentially negatively affect their tenure in office. Next, I explain the theory of how making territorial concessions is likely to increase the probability of leadership change with a coalition shift. After explaining the positive association between the two, I discuss how this relationship may be impacted by the level of territorial salience.

2.1 Peaceful Settlement of Territorial Disputes

First, we need to understand how a territorial dispute and an issue can be defined. The Huth and Allee global dataset defines territorial disputes as either “a disagreement between states over where their common homeland or colonial borders should be fixed, or, more fundamentally, the dispute entails one country contesting the right of another country even to exercise sovereignty over some or all of its homeland or colonial territory” (Huth 1996, 19). More specifically, the dataset includes disputes between two states that have competing claims over (1) their homeland territory, (2) the homeland territory of one state and the overseas territory of the other state, and (3) the overseas territory of both states (Huth and Allee 2002b).⁴ The ICOW dataset defines territorial claim based on the presence of three conditions: (1) there are explicit

⁴ For more specific definitions see Huth (1996) chapter 2 and Huth and Allee (2002b) appendix A.

competing claims to territorial sovereignty, (2) statements on competing claims must concern specific territory, and (3) the statements made must be made by official government representatives.⁵

Issues can be conceived as “the subjects of disagreements between nation states” (Hensel et al. 2008, 118).⁶ Issues involve competing views over the allocation of tangible stakes such as territorial gains, leader removal, or implementation/termination of certain trade or foreign policy. It also involves contending viewpoints over the disposition of intangible stakes, such as influence, prestige, or ideological/philosophical questions. Whatever the stakes that state leaders compete over, they care about issues because of “values” that the issues manifest,⁷ such as wealth, security, survival, status, or independence (Hensel et al., 2008).

How often do states engage in peaceful territorial settlement activities? Peaceful resolution methods include bilateral negotiations, non-binding third-party assistance, and binding third-party methods (i.e., arbitration or adjudication). The Huth and Allee (2002b) dataset is a global dataset, covering 348 territorial disputes around the world between 1919 and 1995. According to this dataset, in roughly 65 percent of the disputes there were more than 2 rounds of negotiations, while in only 21 percent of the disputes there were more than 2 incidences of military conflicts (Huth and Allee 2002b, 37-8).

⁵ For more specific definitions see Frederick, Hensel, and Macaulay (2017).

⁶ This definition is based on prior studies, which define issues as the “contention among actors over proposals for the disposition of stakes among them (Mansbach and Vasquez 1981, 59).” According to Randle (1987, 1), it is “a disputed point or question, the subject of a conflict or controversy.” Also, with respect to armed conflict, “(issues are) what states choose to fight over, not the conditions that led to the choice or military force as the means (Diehl 1992, 333).”

⁷ According to Mansbach and Vasquez (1981), “values are subjective constructs that express human aspirations for improving their existence, such as security, wealth, justice, freedom/autonomy, status, and equality” (58). Since values are abstract and intangible, they cannot be gained directly but must be attained by having access to or acquiring objects that are regarded to possess or represent values. These objects are considered as stakes that the actors contend to gain. Politics derives from the pursuit of value satisfaction.

According to Hensel (2001, 98-9), the ICOW territorial settlement data (which is limited to the Western Hemisphere between 1816 and 1992) records the occurrence of peaceful settlement attempts more than 3 times higher than militarized conflicts. Bilateral negotiations are the most frequently employed method, accounting for roughly 62 percent of all peaceful settlement attempts, while militarized conflict occurred in roughly 19 percent of the attempts. Third-party management accounted for around 20 percent – combining binding (4.2 percent) and non-binding settlements (15.4 percent) (Hensel 2001, 98-9).

Peaceful settlement attempts and making concessions

It is important to discuss why leaders may attempt to settle disputes and make territorial concessions. The decision to engage in territorial settlements and make concessions may seem contradictory as leaders may be risking their political position if they need to make concessions following settlement outcomes. States could be motivated to settle a bargain without using military actions because war is ex-post inefficient (Fearon 1995). There have been extensive studies on the costs of war, including findings that wars are negatively associated with trade and FDI (Anderton & Carter, 2001; Lee & Mitchell, 2012). Particularly, with respect to territorial disputes, Simmons (2006, 266) finds that territorial and border disputes in Latin America between 1964 and 2000 have high economic opportunity costs, as they reduce bilateral trade by approximately 36 percent each year.

Also, settled borders mean more stability and reduced uncertainty which is a crucial factor for economic development and investment. Leaders are likely to settle disputes as they desire stability rather than facing the constant risk of a territorial dispute turning into a

militarized conflict. The benefits of stability can be very high (especially in the long term) as countries can expand trade and financial investment with a former opponent. Countries can also spend more on issues such as health or education by shifting the expenditure from military/security issues, and therefore, more directly benefit the public (Allee & Huth, 2006).

For example, Israel's decision to unilaterally withdraw from the Gaza Strip in 2005 was based on the government's viewpoint that the costs of retaining Gaza outweighed its worth. The costs of controlling the area and providing security were thought to be prohibitive (Spruyt 2014). Ariel Sharon's administration concluded that the withdrawal would provide enhanced national security and peace, along with better international reputation.⁸ As such, leaders may think that the benefit of settling a dispute outweighs the costs of maintaining it.

Moreover, in the case when leaders decide to make settlement attempts, as aforementioned, there is evidence that leaders act strategically to minimize potential domestic backlash by pursuing legal mechanisms (Allee & Huth, 2006; Simmons, 1999, 2002). Also, leaders may be strategic about the timing of the dispute settlement and make concessions when their political position is relatively secure. For example, Huth and Allee (2002a, 778-9) find that democratic leaders in challenger states are 31 percent less likely to make concessions when national elections approach as opposed to when they were held 6 months ago.

Even after considering such findings that imply leaders are likely to act strategically when settling disputes, if there is evidence that making concessions is positively related to leadership change with a coalition shift, I argue that the true effect is likely to be stronger. In

⁸ At the time of the withdrawal, the majority of the public was in favor of the 2005 disengagement plan but still there were severe political obstacles that the government had to face (Keinon, 2015; "Parliament Vote Removes Another Obstacle to Gaza Pullout," 2005). In the end, after the withdrawal, Ariel Sharon broke relationship with his Likud party and formed a new party (Spruyt 2014, chapter 2).

other words, the actual relationship between making territorial concessions and leadership change with a coalition shift is likely to be stronger because the true effects include instances in which leaders did not make territorial concessions due to the fear of domestic punishment.⁹

I also note that pursuing such strategies of resorting to legal mechanisms or controlling the timing of making concessions do not indicate that leaders are completely free from domestic political accountability. For example, the Peruvian president Augusto B. Leguia entered the Tacna-Arica dispute settlement process (against Chile) with the expectation that the U.S. would arbitrate in Peru's favor. However, according to St John (1976), one of the significant factors that contributed to Peruvian president Leguia's removal from power in 1930 was the settlement concessions which granted Arica to Chile. Leguia's "ill-advised dependency" on the U.S. in part led to his failure in the foreign policy front (St John 1976, 344).

Lastly, I note that leaders who make concessions may have a different perspective from the public, especially in cases where mutual concessions are made. In many of the peaceful settlement outcomes, including methods of bilateral negotiations, mutual concessions are made by negotiating parties. According to the Huth and Allee (2002b) dataset, concessions were made by both negotiating parties (i.e., when one side of the party made a minor or major concession, the other side made at least a minor concession as well) in approximately two-thirds of the rounds of talks. In the ICOW settlement data, out of the 274 territorial agreements, both claimants made even concessions in roughly 41 percent of the cases (Frederick et al., 2017).

When disputes are finally resolved through mutual concessions, leaders may regard it as the best achieved outcome. However, contrary to their expectations, they may still be subject to

⁹ Possible alternative explanations are discussed in section 3.3.2.

domestic backlash. As both the challenger and target states make concessions, the leaders of each country may think that they have not “lost” from the deal since both parties made concessions to settle the dispute. However, from the standpoint of the citizens, although mutual concessions were made, there may be a rise of nationalism as the government has still relinquished a part of their territory, and thus, undermined territorial integrity.

2.2 Territorial Concessions and Leader Incompetence

When a leader decides to engage in territorial negotiation for various reasons, will making concessions in bilateral negotiations lead to the replacement of an incumbent leader? I argue that losing a limited or major part of a disputed territory is likely to be met with domestic political opposition and ultimately increase the probability of leadership turnover.¹⁰ Domestic opposition may refer to opposition at both the public and elite levels.

In any regime, there always exists an (potential) opposition group (s), who does not share power with the incumbent and whose primary goal is to remove the current leader from office, and thus, act strategically to replace the ruling government. There is political competition to attain power among different political faction(s) in any type of regime. In both democracies and non-democracies, political factions struggle for power as any leader must rely on a minimal level of internal support to retain office (Mattes et al., 2016). Thus, my argument that making conciliatory territory policies is likely to lead to a higher probability of leadership change with a coalition shift is expected to apply across all regime types.

¹⁰According to Huth and Allee (2002b), limited concession means that “challenger or target either proposed or actually made concessions regarding (a) non-territorial issues that are part of the talks, or (b) a small amount of the disputed territory” (49). Major concession indicates that a country “acceded to many if not all of the territorial demands of the other party.”

I argue that leadership change is likely largely for two reasons. First, the credibility of the leader significantly diminishes as making territorial concessions often conflicts with nationalist discourse that stresses sovereign rights and territorial integrity (Wiegand 2011a, 34-5). For example, in the case of Egypt, since 1952, after the Free Officers gained power through the revolution, soldiers who died protecting the Egyptian borders were portrayed as honorable nationalist icons (Cook, 2017). Gamal Abdel Nasser (former President of Egypt from 1952 to 1970) upheld those nationalist values and tried to make them a part of Egypt's political culture. Also, when President Abdel Fattah El-Sisi came into office, he started to legitimize his military rule by pledging to defend Egypt's territorial integrity. Once leaders have started to build their legitimacy and credibility on territorial claims, leaders tend to be locked into the hard-line position and it becomes difficult for them to reverse the course of their rhetoric and actions due to the fear of domestic punishment. Therefore, when the Egyptian president ceded the two Red Sea Islands to Saudi Arabia, this undermined the credibility of the president and led to the rise of nationalism (Aboulenein, 2017).

Second, making territorial concessions is likely to be related to perceptions of leaders' competence in foreign policy. Competence refers to the government's ability to control foreign policy outcomes, which affects the probability of success in foreign policy implementation (Smith, 1996). The public prefers competent leaders and tend to punish leaders based on the successfulness of international policy outcomes (Smith, 1996). Making territorial concessions is likely to be regarded as a foreign policy failure since it often directly goes against the public's preferences for securing sovereign territories. Overall, as territorial concession is associated with both leaders' incompetence and lack of credibility, the incumbent leader is more likely to be politically punished for making such concessions.

2.3 The Political Gain of Domestic Opposition Factions: Change in the Source of Leader Support

I argue that the process of political punishment tends to be facilitated by domestic opposition factions. According to Gibler (2012, 91), in the initial process of an international crisis, opposition groups are likely to support the current leadership as the possibility of victory and salience of the issue to the public are often not fully known. However, as more information on how much the public cares and its preferences are revealed, opposition factions are likely to change their political stance in the direction that would help them to garner additional public support (Gibler 2012, 90-1).

This logic can be applied to the territorial dispute settlement process. Opposition factions may not take a clear position on whether they support the incumbent in the initial stage of territorial negotiations. However, as it becomes clearer that territorial concessions need to be made, and when public opinion seems to be strongly opposed, opposition groups are likely to side with the public and criticize the incumbent government for mishandling the disputed territory.

Or even before the public preference is fully revealed and the outcome of negotiation is not yet known, opposition groups can construct narratives or attempt to mobilize domestic opinion against the incumbent government by claiming that the government has put the disputed territory under the risk of concession. Based on the numerous examples and scholarly findings that indicate territorial disputes in general tend to be a highly volatile issue that can have serious domestic repercussions, capitalizing on nationalistically salient issues is a crucial opportunity for opposition groups to increase their political support.

Furthermore, I argue that an incumbent leader is likely to be replaced by a member from opposition factions, as the incumbent exits amid declining popularity while leaders of opposition factions tend to gain more political support. Replacement by a leader from an opposition party (a group with different coalitional support) can also be referred to as “leadership change accompanied by change in the source of leader support.”

According to the CHISOLS (Change in Source of Leader Support) dataset, ‘change in the source of leader support can be observed when “the subset of societal groups whose support allows a leader to retain and exercise power is different from the subset of societal groups whose support allowed the leader’s predecessor to retain and exercise power” (Leeds & Mattes, 2015). For example, in the case of the U.S., it is coded as the change in the source of leader support when the incoming president is affiliated with a different political party from the previous president.’¹¹

Measuring leadership turnover with a coalition shift is distinct from mere leadership transitions (i.e., measure the change in the individual leader but not the coalitional support). First, leadership turnover with a coalition shift measures a more fundamental change in domestic preference than a simple leadership turnover. For example, when the incumbent party continues to be the ruling party, there is likely to be fewer fundamental changes in policies across various areas and sectors compared to when the ruling party changes.

Furthermore, focusing on the probability of a coalition shift helps to address problems that may arise when leadership transitions occur due to term limits. Many democracies with presidential systems have term limits, which determine whether leaders get reelected or not

¹¹ More specific coding rules for a change in the source of leader support based on different regime type are discussed below in the dependent variable section.

regardless of their political performance. In this case, measuring only leader turnover is not meaningful. Instead, if we measure a shift in coalitional support, we are evaluating whether a ruling party continues to govern or not, and this can give us more meaningful information about how leaders are evaluated by the public.

Overall, I argue that when territorial concessions are made through peaceful methods, there is likely to be increased political opposition and the rise of nationalism, and that these processes could be facilitated by the role of existing (or potential) domestic opposition groups. Ultimately, as the domestic support for the incumbent may decrease and opposition groups gain more support, this is likely to lead to an increased prospect for leadership change with a coalition shift.

Based on the theoretical framework, the hypothesis below is tested using the Huth and Allee (2002b) dataset. This dataset is based on bilateral negotiations, which is the most frequently used method in territorial settlement attempts. Then, using the ICOW settlement dataset, I will test concessions made through all types of peaceful methods (i.e., bilateral negotiations, binding and non-binding third party methods).

Hypothesis 1: When an incumbent government makes limited or major territorial concessions (as a result of bilateral negotiations) compared to when no concessions are made, the more likely leadership change with a coalition shift will occur

In the next section, I discuss how the relationship between making territorial concessions and leadership turnover with a coalition shift can be systematically influenced by the level of salience and specific traits attached to a disputed territory. I first discuss the definition of territorial salience and how it is measured, and then develop a series of hypotheses. It would be helpful to first understand how territorial salience is conceptualized, as the hypotheses are developed based on the different components of the salience index – overall, tangible, intangible saliences, and specific characteristics.

2.4 Definition and Measurement of Salience

Hensel et al. (2008) defines the salience of an issue based on the works by Diehl (1992) and Randle (1987). The salience of an issue can be defined as “the degree of importance attached to that issue by the actors involved” (Diehl 1992, 334), or “the extent to which (but principally, the intensity with which) peoples and their leaders value an issue and its subject matter” (Randle 1987, 2).

The term salience can also be understood in terms of “valuation intensity.” The greater the intensity of valuation, the greater the likelihood of conflict (Randle 1987, 2). Also, the larger the aggregation of people valuing a particular issue (or the more widely held the intense valuation), the greater will be its political significance. Issues with high valuation intensity are likely to be addressed by policies with high commitment levels as well. The most important indicator of showing significant interest to an issue will be policymakers’ decision to dedicate certain quantity of resources to attain a state’s goal related to a specific issue (Randle 1987, 2-17).

With regards to territorial issues, salience can refer to the degree of importance or intensity of valuation attached to the specific territory that is disputed. There have been attempts to directly measure the “degree of importance” of a specific territory. Having a quantifiable measurement of the degree of importance helps us to understand which attributes or characteristics of territory tend to be salient. The availability of such data has enabled scholars to test how territorial salience affects conflict escalation and resolution.

There are two major sources of data on territorial salience. One is Huth and Allee’s (2002) global dataset, which covers the period between 1919 and 1995. This dataset is at best an indirect measure of salience, which includes binary measures that have been widely used to test the effects of different types of territorial claims that have ethnic, strategic, or economic values. Another extensively used dataset is the ICOW salience index (Frederick, Hensel, and Macaulay 2017). Regarding the data on territorial claims settlement, it covers the Western Hemisphere and Western Europe, from 1816 to 2001.

As it is important in developing the hypotheses, I will provide a brief overview of the ICOW salience index. To construct the measure of territorial claim salience, 6 indicators are used. The salience index ranges from 0-12, and the higher the value, the greater the salience of the claimed territory to the two disputants. Among the 6 indicators, 3 are related to tangible values and 3 are related to intangible values.

To measure the tangible salience of territory, ICOW focuses on (1) territory with potentially valuable resources (2) territory with strategic or military values, and (3) territory that has a permanent population rather than being uninhabited. Since these are objective indicators and applied equally to each challenger and target state, 1 point is given to each state. The indicators for intangible values are (4) territory that is claimed by the state as homeland rather

than as a colonial or dependent possession, (5) territory with the presence of an explicit ethnic, religious, or other identity basis for the claim, and (6) territory over which the state has exercised sovereignty within the last 200 years. Since these values hold relative significance, 1 point is given for each challenger or target state that is applicable. More details on the indicators are explained below in the research design section.

2.5 The Effect of Overall Salience

I argue that the more salient the lost territory, the more likely leadership turnover accompanied with a source change. First, I build my argument based on previous studies which imply that the greater the salience of a disputed territory, the more it tends to be politically significant.¹²

First, the greater the overall salience of disputed territory, the more state leaders are pressured to take some action – whether violent or peaceful – regarding the contested territory. Using the ICOW dataset, Hensel et al. (2008) find that when disputed territories are more salient, states are more likely to pursue both militarized means and peaceful settlement attempts. This may be because the higher the salience, the more states are willing to risk military and economic costs to defend disputed territory. The authors also find evidence that peaceful settlement attempts are used more frequently than military options because non-military options tend to be a lower cost alternate (all else being equal) (134-5). That is, states may have the incentive to employ lower cost solutions more often than use military force, but the probability to engage in

¹² Based on Randle (1987, 2-17), political salience can be understood as there being a large number of people (both the public and policymakers) with high valuation intensity on a specific issue. Also, an issue begins to have political stakes involved when there are policies and resources committed to implement the policies that are formed to achieve goals related to the issue.

any type of activities to settle a dispute increases as the territory becomes more salient. Another explanation for the use of both militarized and peaceful means as the salience increases is that leaders are pressured or have greater incentives to take any action rather than do nothing, since taking no action can make leaders to be perceived as incapable of conducting foreign policy and thus, making them more vulnerable to their domestic political competitors (James et al., 2006, 809).

Second, studies show that the more salient a disputed territory, it may be more difficult to reach an agreement. Findings using the ICOW salience index indicate that as the overall salience of territory increases, disputes are less likely to reach an agreement (Hensel and Mitchell 2005, 280). Similarly, Mitchell, Kadera, and Crescenzi (2009) provide evidence that agreements are less likely to be reached when the level of salience increases.

These studies demonstrate that as the level of overall salience increases, political leaders are likely to feel more pressed to manage a disputed territory and face more difficulty on reaching an agreement. These findings also imply that mismanaging a more salient (or politically significant) territory can lead to a greater probability of domestic punishment – leadership change with a coalition shift.

Moreover, coalition shifts are more likely to occur because it tends to be more difficult to justify losing more salient territory. The greater the value of lost territory, the more likely that the populace will accuse the incumbent of lacking credibility for defending the nation's territorial integrity. According to Wiegand (2011a), a leader's credibility is likely to be severely damaged when concessions are made, since it "contradicts typical nationalist discourse, which tends to emphasize indivisibility, seeking retribution for injustice, or unwillingness to compromise to maintain a reputation for resolve" (34). Also, losing a significant territory is likely to be

associated with failure in foreign policy and leaders are likely to be viewed as lacking competence (Smith, 1996).

There are other factors that would make it difficult for leaders to defend their political position after significant concessions have been made. First, the more salient the territory, the easier it is to draw attention from the public. For example, if the lost territory is regarded to be significant and is an integral part of the nation, it is likely to receive more media coverage. This can be understood through Randle's definition of salience – the greater the number of people who value the issue in dispute, the more likely it is that people will show interest in that issue, and the more likely it is that media will cover that issue as they can draw many people's attention. Furthermore, this may be particularly true in the context of territorial disputes since the free press and the general public might promote and sustain hard-line positions than moderate hawkish/locked-in positions (Wright & Diehl, 2014).

If the public is aware of the dispute, the easier it will be for political opposition groups to mobilize and rally the public against the incumbent for making concessions. The more salient the lost territory, the greater the likelihood of outbidding behavior (i.e., groups try to outdo each other by promoting tougher policies) to gain greater political support from the public. According to Wright and Diehl (2014), leaders who make concessions are susceptible to outbidding from domestic hardliners and their political coalitions face the risk of fragmentation.

Based on the above, the second hypothesis derived is:

Hypothesis 2: The more salient the lost territory, the more likely leadership change with a coalition shift will occur

2.6 The Effect of Tangible vs. Intangible Salience

I argue that territorial concessions made over territories with primarily intangible values are more likely to lead to leadership change with a coalition shift than territories with tangible values. First, this is because, intangibility is known to intensify individuals' willingness to fight. Tir (2003) notes that intangible lands are regarded to be integral to national identity, and thus, are perceived as personal, indivisible, and un-substitutable. Because people regard that they have personal values attached to disputed territory, an acquisition of intangible land (e.g., religious site such as Jerusalem) is likely to lead to a greater sense of reward compared to a tangibly valued land (e.g., a coal mine), which is likely to be seen as more abstract.

Such positive correlation between intangible value of territory and conflict escalation have been empirically demonstrated. Hensel and Mitchell (2005) find that territories with intangible values are more likely to escalate to MIDs, fatal MIDs, and wars than territories with tangible values. Goertz and Diehl (1992) also find that contested territory with intangible values is associated with armed conflict. At the individual level (using World Values Survey), Kim (2019) provides evidence that individuals are more willing to fight for their country when the disputed territory is primarily valued for intangible than tangible reasons.

In terms of settling a dispute through compromise, in general, intangibly valued lands are regarded to be harder to reach a compromise, while tangibly valued territory is somewhat easier to reach an agreement (Wiegand, 2011a).¹³ It is often the symbolic, psychological, and

¹³ It is important to note that tangibility and intangibility themselves may be limited in fully explaining the probability of reaching a territorial compromise or a solution. Although the tangibility of a disputed territory is an important characteristic, we need to consider how divisibility can play a role. The effect of tangibility can be spurious because, regardless of tangibility, whether the disputed territory can be "made divisible" (e.g., through various deals, side payments, issue linkages, etc.) can affect the probability of dispute settlement. I acknowledge the

emotional values infused to territories that make them more salient and politically sensitive (Newman, 1999). Because it is more difficult to divide lands that are valued primarily for intangible reasons, there is narrower bargaining space on intangibly valued lands, and thus they are generally more difficult to settle. This implies that political leaders are likely to anticipate that the domestic repercussions of losing a primarily intangible territory could be more detrimental than losing a territory valued largely for tangible reasons.

Similarly, Hensel and Mitchell (2005) argue that the rigid bargaining space that intangible values of territory produce is likely to result in greater reputation and image losses for leaders who make significant territorial concessions. Therefore, states' leaders are more likely to fear the consequences of losing a territory with more intangible than tangible values, since losing intangibly valued lands tends to pose heightened risk of suffering from audience costs and electoral defeat.

Furthermore, territories with high intangible attributes are often seen as an “all-or-nothing” issue since the value of the territory is significantly diminished when it is divided (Goddard, 2006). For example, when ethnic groups' control of territory is deeply tied with the protection of their identity, and thus the group views it as an indivisible issue, ethnic wars are more likely (Toft, 2003). Hassner (2009) argues that sacred places are inherently indivisible, as they are integrated monolithic spaces that cannot be partitioned, have clearly defined boundaries, and their uniqueness makes it impossible to find a physical or spiritual substitute.

potential spuriousness, but I highlight that the main purpose of this section and hypothesis 3 is to compare the *relative* effects of tangible versus intangible traits. As an effort to address concerns of potential spuriousness, additional statistical analyses are conducted in section 4.3.2.

The difficulty of reaching a compromise due to intangible traits may also be explained by the psychological hostility that develops between the disputants if there is disagreement (and subsequently the use of force) over the issue for a long time (Vasquez 2009, 355-6). Countries contending over territory are likely to form a rivalry, and territories become increasingly imbued with symbolic traits. Symbolic values are more abstract than concrete values, which represent objects that are more tangible, and less directly linked to immediate value satisfaction or deprivation. More abstract and nonspecific than symbolic values are transcendent values, (i.e., fundamental values like freedom, identity, and honor), which make territories infused with such values are thought to become harder to settle as well (Mansbach and Vasquez 1981, 62).

Due to such traits of intangibility, scholars view that “The loss of more intangibly valued lands will impose greater costs on leaders; the loss of a homeland or sacred space would be felt more acutely by the state’s citizens than the loss of tangible resource, such as an oil field” (Hensel & Mitchell, 2005). Indeed, when we think of making concessions or offering compromises on territory, there is likely to be more severe damage on leader credibility when homeland territory is lost compared to territories with only economic value. And it is likely to be relatively more difficult to overcome domestic opposition, since it would be easier for political opposition groups to rally against the incumbent for making concessions on lands with high symbolic and emotional values.

In contrast, when concessions on territory with primarily economic value are made, compromise can be easier to reach between disputants since there could be economic gains through joint development or excavation of new resources. Dividing territories with strategic values may be more complicated since the gain of territory for one party may mean a direct loss in terms of security advantage for the other party. However, strategically valued territory can still

be resolvable using other mechanisms such as exchanging trade-offs, enhancing security guarantees by deploying foreign peacekeepers, etc. (Hensel & Mitchell, 2005). This also indicates that when dealing with tangible issues, there are more ways to circumvent fierce domestic opposition and it tends to take less efforts to overcome potential domestic barriers.

Based on the above, the third hypothesis derived is:

Hypothesis 3: When territorial concessions are made, territories that are largely valued for their intangible attributes are more likely to lead to leadership change with a coalition shift than territories that are primarily valued for tangible features

2.7 The Effect of Specific Components

Relatively few studies have systematically studied how some territories with specific characteristics are more prone to conflict escalation or peaceful settlement. In the next sections, I go deeper into the definition of each specific component in the ICOW salience index, examining what existing studies imply about their role in dispute escalation and resolution. And in the last section, I discuss how they affect the relationship between making concessions and leadership change with a coalition shift.

Homeland territory

Often, homeland territory is regarded as a special category of different types of territory. According to Newman (1999), homeland territories are imbued with greater significance, and it

becomes an exclusive right to defend them against other claimants. Frequently, territory is a central element in the socialization process, which is the means to form and maintain national bond. For example, Judaism (as a religion) has a territorial focus, which centers on the “Land of Israel.” Toft (2003) also views homeland as a special category of territory, which is an indivisible trait of group identity and an entity that cannot be exchanged with others.

Shelef (2016) focuses on the distinctive role that homeland territories can play in international conflict. His study focuses on how the role of perceptions that a particular territory is part of the homeland plays a unique role in international conflict.¹⁴ He defines homeland as “A specific form of territoriality engendered by the rise of nationalism that asserts that a particular group of people (the “nation”) ought to control a particular territory because that land is part of who the people are” (36). He views that “homeland territoriality raises the value of a specific territory and provides an imperative to establish sovereignty over it, plays a distinctive role in driving international conflict” (33). Based on replicable operationalization of the homeland status of territory,¹⁵ he finds that the loss of a homeland territory is likely to increase the probability of international conflict than the loss of non-homeland territory.¹⁶

The study also implies that theories based on homeland territory can serve as a distinct mechanism from other characteristics of territory such as ethnicity to understand the drivers of international conflict. That is, regardless of the presence or absence of the border that divides

¹⁴ This suggests that the value of homeland could be analytically independent of its material characteristics - their economic, strategic, or demographic value (page 37).

¹⁵ The study views homelands as a “particularly nationalist form of territoriality.” To distinguish homeland and non-homeland territory, the measurement relies on nationalist discourse to consistently measure how nationalists tend to speak differently than when they speak about non-homeland territory.

¹⁶ When the border characteristic changes from one that does not partition a homeland to one that does, there is an approximately 20 percent increase in the likelihood of a dyadic or violent MID and an 11 percent increase in the propensity of a war (Shelef 2016, 53).

ethnic co-nationals, infringing on a nation's territorial aspirations is adequate to provoke the "state-to-nation" incongruence.

Homelands are frequently regarded to have a special role in conflict escalation but there is a lack of systematic empirical analysis. Using the ICOW index of intangible value, which includes a measure of territory that is part of the homeland, it would be meaningful to examine how losing a homeland territory is likely to influence leadership position.

Identity connection

States may make territorial claims based on their belief that they share a common race, religion, ethnic, cultural, or language with the population residing on the disputed territory (Goertz and Diehl 1992, 19). As explained above, territories with ethnic ties are often embedded with symbolic and transcendent values (Vasquez 2009). There have been numerous findings that demonstrate the significance of ethnic values attached to territories, suggesting that it plays one of the most important roles in understanding territorial conflict.

One of the most exhaustive studies on the characteristics of territory is by Huth (1996), which is based on a global dataset that spans from 1950 to 1990. The study systematically examines how the substantive issue at stake affects the probability that challenger states will engage in territorial disputes. He finds that whether the general populations of challenger and target states share a common language or ethnicity increases the likelihood of militarized dispute by around 16 percent (78). However, if bordering minorities residing in target states share a

common language or ethnic ties with the inhabitants in challenger states,¹⁷ a militarized dispute is less likely to be escalated.¹⁸ This unexpected finding can be partly explained by analyzing actual cases, which imply that leaders may be inclined not to encourage self-determination claims by ethnic minorities as a salient political issue to maintain political stability. In addition, especially in the case of Western Europe and some Eastern European countries, minority rights tended to be protected through accommodative state policies in the post-World War II period.

In the context of civil wars and in post-independent Africa, Goemans and Schultz (2017) find that ethnic political factors are the most significant driver of territorial claims. They argue that one of the most powerful predictors of states making territorial claims on some border areas and not others is the political desirability of unifying partitioned ethnic group. They find that borders are the most likely to be contested by ethnically homogenous states, who represent segregated groups that are large and politically significant. Also, Toft (2003) focuses on how ethnic groups view the disputed territory is vital to explain the likelihood of violent conflict. The more ethnic groups view that territory is integral to the formation and existence of their identity, the greater the likelihood of conflict with the state.

With respect to the settlement of territorial disputes through compromise or conciliation, sharing common language or ethnicity between the general populations of challenger and target states has a negative relationship with the probability of settling disputes. Huth and Allee (2002a) find that, for the period between 1919 and 1995, democratic challenger and target states

¹⁷ This can also be understood as irredentist disputes of having a majority of one ethnicity in one country and a minority in the other side of the border.

¹⁸ Another deviant finding is Tir (2003). Using a hazard model, he finds that for countries that lost the territory (target countries), only the economic value of the disputed land tended to increase the likelihood of a recurrent conflict to regain the land, while the ethnic value of the land did not have a significant effect.

are less likely to offer concessions when ethnic co-nationals are present. In the case of democratic challengers, the likelihood to offer concessions drops by 25 percent, and for democratic targets, it falls by almost 30 percent (776-9).

Huth (1996) also finds that ethnic values are likely to have a negative impact on the probability of settlement. However, he argues that the substantive effect was modest,¹⁹ leading the author to conclude that the issues at stake overall did not make a markedly important influence on a challenger state's propensity to make compromise and resolve disputes.

With regards to the settlement strategies that states are likely to pursue, Allee and Huth (2006) find that states opt for international arbitration or adjudication rather than bilateral negotiations when political self-determination for ethnic co-nationals is an issue at stake. As issues involving co-nationals tend to be more salient to the public and opposition groups, and ingroup and outgroup dynamics are likely to intensify, leaders seek different ways to enhance the legitimacy of any potential settlement outcome.

Although there are inconsistent implications regarding the ethnic significance of territory, we can overall conclude that the presence of ethnic ties to disputed territory is an important variable to consider in understanding the likelihood of territorial dispute escalation and settlement.

¹⁹ When the challenger and target state shared populations with common ties, the likelihood dropped by 3.6 percent. When the territory had bordering minorities in target and challenger states, the probability decreased by 4.4 percent. (Huth 1996, 145-6).

Historical ownership

A territory may have historical importance to a particular state. This could be the result of some common experience that was shared (e.g., a common colonial heritage). Also, what is often important to understand regarding which territory becomes disputed is “the ideological foundations on which a state’s sense of territory rests” rather than the mere presence or absence of material values (Murphy, 1990). For example, Ecuador does not claim sovereignty over all oil producing areas. One of its claims is in northern Peru between the Ecuadorian border and the city of Iquitos, which has escalated to a militarized conflict. However, no claims have been made over other significant oil-rich areas that border Ecuador (one in northeastern Peru near Talara and one in southwestern Columbia close to Pasto). The legitimacy of its claim to near Iquitos is rooted in historical documents, which provide evidence of territorial rearrangement under Spanish control and controversial circumstances regarding the 1942 protocol that granted the territory to Peru.

Also important is that historical ownership of territory is one of the most common ways that leaders seek to justify their territorial claims (Fang & Li, 2019; Murphy, 1990). Leaders frame the territory as it used to be “ours,” and since it has been wrongfully taken away from “us,” “we” have the right to reclaim (Murphy 1990, 532). Leaders more often emphasize what has been improperly taken away must be regained based on historical documents or maps than attempting to justify their claim on the basis of the amount of oil deposits that the country deserves access to.

Despite this, the effect of territory with historical value on conflict escalation and resolution has received limited attention in the literature. An exception is Fang and Li (2019), which uses survey experiments in China, and demonstrates that historical ownership triggers

powerful emotional reactions to a contested territory. Historical ownership may lead individuals to believe in territorial indivisibility and perceive the dispute as zero-sum. The loss of a historically owned territory tends to provoke emotions of injustice and humiliation. Also, those who view a disputed territory to be indivisible are more likely to support belligerent policies such as economic sanctions or military actions than bilateral negotiations or international legal mechanisms (arbitration or adjudication).

As there is almost no study that tests the effects of territory with historical importance, this topic deems further investigation. Given that territory with historical significance can render strong feelings and a sense of ownership, it would be important to empirically test if it systematically affects political leadership.

Strategic value

Strategic value of territory is an important attribute of territory. From the realist perspective, strategically important territory is critical to maintain and strive to increase national power. Strategically located territory can play a vital role in many aspects such as securing important military bases, protecting the country from other external military threats, or providing important trade routes that are valuable to a state's survival. Some areas such as a mountain pass can be strategically critical for a nation to defend itself or enhance power projection capabilities (Goemans & Schultz, 2017). One of the prominent examples of territory that is valued for its strategic locations is the Golan Heights, which was occupied by Israel from Syria during the Six-day War of 1967.

Based on such advantages that territories with strategic value provide, Huth (1996) argues that when territories are in a strategic location, states are more likely to engage in both dispute initiation and escalation (Huth 1996, Huth and Allee 2002). The predicted probability of challenger and target escalation increases by roughly 150 percent and 70 percent, respectively (Huth and Allee 2002, 781).²⁰

With regards to settlement, the likelihood that challenger states would make territorial concessions to the opponent over strategically valued territory decreased by a modest 6 percent (Huth 1996, 145-6).²¹ In another analysis, the authors show that the strategic value of territory did not significantly affect the likelihood that both challenger and target states will make concessions (Huth & Allee, 2002a).

In civil wars, using data on separatist movements from 1856 to 2002, Walter (2006) finds that the greater the number of potential challengers and expected future gain of a strategically important territory, the less likely states were to accommodate challenger groups. The most significant value states considered with respect to characteristics of territory was the gain of lands with strategic value, rather than economic or psychological value.

Based on previous research, we can see that states tend to put great significance on territories with strategic value. Although they could be more divisible and easier to compromise than lands with intangible values, territories with strategic value tend to significantly increase the likelihood of conflict. Also, in the context of civil war, strategic value was a powerful indicator

²⁰ When the territory has strategic value, for challenger states, there is a 10.2 percentage point increase from the baseline probability of 6.7. For target states, there is 8.3 percentage point increase from the baseline probability of 11.8 (Huth and Allee 2002, 781).

²¹ The likelihood of settlement is the “willingness of a challenger to accept the location of a border on terms favored by the target.” The three-point scale used can be found in Huth (1996, 143).

for whether a government adopts an accommodative policy. Thus, losing a strategically significant area is likely to be an important predictor of a leader's fate in office.

Economic value

Economic values attached to territory is also a critical factor. Acquisition of resource rich areas has been a critical way to strengthen relative power in the international system. Having access to natural resources can help to enhance a state's survival and security. Some areas can be economically valuable for the resources they contain, such as oil deposits, minerals, gas, fishing grounds, iron, copper, water etc. Resources from the land can generate export revenues or lead to the development of new industries.

How the presence or absence of economic resources in disputed areas influence conflict dynamics has been a widely investigated topic. According to Huth (1996), territory with natural resources is more likely to lead to dispute initiation since the development of resources could have a positive impact on specific industries/sectors of the economy, leading to more political support for the leadership. Also, export sales of natural resources could create direct income, lead to an increase in tax revenues, which then could be used to support domestic welfare programs. Thus, having control over resource-rich territory can be an attractive option to leaders as gains on both domestic political and military security fronts can be realized.

In terms of empirical findings, Huth (1996) finds that territory with economic resources is likely to be *negatively* related with dispute escalation. This is because challenger states can gain benefits without necessarily losing the resource-rich area. Without having control over the

disputed territory, it can profit if the challenger and target states agree on joint projects that can expand the pie, leading to mutual gains.

States should also be aware that prolonged stalemate and risk of military escalation can deter investment from global firms, international institutions, or other states, imposing costs to unresolved borders. In fact, there are huge opportunity costs in maintaining unresolved borders (Simmons, 2005). Furthermore, when there is tension and disagreement over territory, the divisible nature of material resources can help to alleviate the risks of high-level military confrontation and promote dispute resolution.

Similarly, other scholarly works demonstrate that states are less likely to engage in MIDS when the disputed territory has economic value. Based on data on all states between 1945 and 1996, Shelef (2016) finds that economically valuable territory is inversely correlated with conflict. Furthermore, in post-independence Africa, it is found that resources (minerals and oil deposits) play a minor role in explaining the occurrence of territorial dispute (Goemans & Schultz, 2017). Overall, it is widely understood in the conflict literature that territories with economic values are viewed to be more amenable to settlement and cooperation (Hensel & Mitchell, 2005; Wiegand, 2011a).²²

In terms of the settlement of disputes, for challenger states, disputed territory with economic value is likely to be viewed more divisible and the pursuit of conciliatory policies becomes *more likely* than territory with ethnic or strategic values (Huth 1996). According to the analysis, settlement is likely to occur 3.6 times more over territories with only economic value and have no strategic or ethnic values (the finding is limited to only challenger states from 1950

²² For details, see pages 276-7 in Hensel and Mitchell (2005) and page 26 in Wiegand (2011a).

to 1990) (Huth 1996, 145-6). Thus, I expect that of all the different kinds of territory, losing territories with economic value tends to have the least detrimental impact on leadership.

How would the specific components affect leadership change with a coalition shift?

Overall, I expect that making concessions on territories with homeland status, identity connections, historical ownership, and strategic values will make leadership change with a coalition shift more likely. That is, when a certain attribute is present (as opposed to it is absent) in a disputed territory, making concessions is positively related to coalition change. For instance, when the lost territory has homeland status, it is more likely to lead to a coalition change (compared to losing territory absent of homeland status). In the case of economic values, making concessions is negatively related to a coalition shift (as opposed to losing territories without economic value). The predictions made on these types of territory are consistent with the existing findings that we have regarding the probability of war (which were explained above).

In line with the logic mentioned above regarding the effects of overall salience and intangible versus tangible saliences, losing a territory with intangible values (homeland, identity, and historical values) and strategic value would be detrimental to the leadership and increase the opportunity for domestic political oppositions to gain power. As aforementioned, there are largely three interrelated explanations for this: (1) it is more difficult to justify and defend the decision of making territorial concession, (2) such decisions can more significantly harm perceptions of leader credibility and competence, and (3) it is easier for domestic political groups to mobilize the public and accuse the incumbent of poor performance.

Losing territories valued for economic reasons is expected to have a negative association with leadership turnover with a coalition shift. Territories with intangible characteristics are more likely to be politically salient and harder to reach a compromise, while those with primarily economic values can hold less political significance, and thus, be more easily linked to other economic benefits such as tax revenues, joint development of resources, and increase in export revenues. This indicates that there is likely to be less political backlash for making concessions on territories with economic values.

Also, states may not necessarily have to control the disputed territory to use natural resources. Thus, it would be less likely for states to engage in diplomatic or military confrontations to gain or defend territory with economic values than those with identity connections or strategic values. Pursuing accommodative and conciliatory policies can be a more attractive option when disputing over territory with economic value compared to those territories with intangible or strategic values.

Based on the above, I predict the following:

Hypothesis 4: Leadership change with a coalition shift is more likely to occur when concessions on territories with *homeland status* are made (compared to when concessions are made on territories absent of homeland status)

Hypothesis 5: Leadership change with a coalition shift is more likely to occur when concessions on territories with *identity connections* are made (compared to when concessions are made on territories absent of identity connections)

Hypothesis 6: Leadership change with a coalition shift is more likely to occur when concessions on territories with *historical ownership* are made (compared to when concessions are made on territories absent of historical ownership)

Hypothesis 7: Leadership change with a coalition shift is more likely to occur when concessions on territories with *strategic value* are made (compared to when concessions are made on territories absent of strategic value)

Hypothesis 8: Leadership change with a coalition shift is *less likely* to occur when concessions on territories with *economic value* are made (compared to when concessions are made on territories absent of economic value)

3. Territorial Concessions and Leadership Change with a Coalition Shift

In the previous chapter, I discussed why political leaders may have the incentive to make territorial concessions, developed the theory, and derived the hypotheses to be tested. The central hypothesis is that: Incumbent leaders who make limited or major territorial concessions are likely to be replaced by elites from political opposition factions. When political leaders lose territory as an outcome of peaceful settlement methods, their credibility can be undermined, and they can be perceived as an incompetent leader. Political opposition groups, whose primary goal is to remove the incumbent and gain power, will be strategic. To gain more public support, opposition elites can take an ambiguous stance in the initial stage of settlement attempts and side with the public when it becomes clearer that the territorial policy is controversial or has led to unfavorable outcomes. As opposition elites are likely to capitalize on the opportunity to criticize the incumbent and gain more political support from the public, the probability that political opposition groups gain power increases, which can lead to a greater possibility of leadership change with a coalition shift.

In this chapter, based on the dataset that combines the Huth and Allee (2002b) global dataset and the CHISOLS dataset (Mattes et al., 2016), I test the first hypothesis: When an incumbent government makes limited or major territorial concessions (as a result of bilateral negotiations) compared to when no concessions are made, the more likely leadership change with a coalition shift will occur.

This chapter is divided into 3 sections. I first present the research design, which explains the sources and structure of the datasets, and then introduce the dependent, independent, and

control variables. I utilize logistic regression to conduct the main analysis and discuss the statistical results. To illustrate the general findings of the logit analysis, I also discuss 3 cases. Next, I provide supporting evidence that the main results are robust to how the datasets are merged and concerns for reverse causality. Finally, I address potential endogeneity problems by employing propensity score matching and two-stage least squares regression and demonstrate that the main results are robust.

3.1 Research Design

Is making limited or major territorial concessions through bilateral negotiation more likely to lead to leadership change accompanied by a change in the source of leader support? I expect that there is a positive relationship between making territorial concessions and leadership change with a coalition shift. For empirical analysis, I combine two datasets and compare the outcomes of 1,528 rounds of territorial negotiations. The unit of analysis is a round of territorial negotiation, which involves a challenger and target state, and has one of the following outcomes: no concession, limited concessions, or major concessions. There are 298 different territorial disputes involved in these rounds.

One of the datasets used is by Huth and Allee (2002b) which includes data on the outcome of bilateral negotiations. In the dataset, each case is a round of bilateral negotiation in which there is a challenger and target. For each round of negotiation, the start year/month and the end year/month of a negotiation are recorded. According to Huth and Allee (2002b), a dispute emerges when a challenger state seeks to alter the status quo (have a particular claim over some

issue(s)) and the target state rejects the claim.²³ In response to the target's refusal to accept the challenger's claim over a disputed issue, there are three possible actions that a challenger state can make: taking no action, engaging in a bilateral negotiation, and using direct threat or force.

When a challenger state proposes to negotiate and the target accepts the proposal, the two countries enter the 'negotiation stage.' In the negotiation stage, both the challenger and target need to decide whether to make concessions. As a result of a bilateral negotiation, they can each decide to make no concessions, limited concessions, or major concessions. If one or both sides make major concessions, a settlement is likely to be reached. However, when a settlement is not obtained at the end of a bilateral negotiation and the dispute persists, the challenger state considers again the following options of taking no action, engaging in a bilateral negotiation, or using direct threat or force.

The second dataset that I use is CHISOLS (Change in Source of Leader Support) dataset from Mattes, Leeds, and Matsumura (2016) which has information on leadership change associated with a change in the source of leader support. This data is in state-year format which marks whether there was a change in the source of leader support for every year between 1919 and 2008. Many studies on political leaders assume that leaders rely on a particular set of societal groups (can also be referred to as the leader's 'winning coalitions') to attain their goal of

²³ According to Huth and Allee (2002b), there are disputes where it is uncertain who the challenger is. In such disputes, states are marked as both a challenger and target (also marked as 1 in the variable named "dual" in the dataset). In other words, involved states can be either challenger or target in these disputes. Also, in the case in which a country gains *de facto* control over a disputed territory, its label changes from challenger to target state (Huth and Allee 2002b, 302). Thus, a target state is the country that *de facto* controls a disputed territory while the country that attempts to alter the status quo by initiating a certain action (whether it be negotiation or militarized dispute) is the challenger state. Therefore, the challenger and target of a territorial dispute can change depending on who controls the disputed territory (Huth and Allee 2002b, 302).

retaining his/her power (Mattes et al., 2016). CHISOLS records whether the primary societal base that a leader depends on to sustain power changed when a leadership change occurs.

The leadership change with a coalition shift variable from the CHISOLS dataset is merged by the year that is one year after territorial concessions were made. Although this may not be a perfect solution, this helps to address the potential endogeneity issue of reverse causality by ensuring that all leadership changes occurred after making territorial concessions.²⁴ Also, a one-year window since territorial concessions were made is a relatively short period of time which helps us to capture leadership changes with a coalition shift that occurred primarily due to making concessions. However, to make sure that the empirical results are not sensitive to how the datasets were merged, I provide additional analysis when the datasets were merged differently.²⁵

3.1.1 Dependent Variable

The dependent variable is a binary variable which is coded 1 if there was at least 1 occurrence of leadership change with a change in the source of leader support, and 0 otherwise. This variable, which is from Mattes et al., (2016), measures the concept of ‘change in the source of leader support’ across all regime types but uses different coding rules based on specific types of political institutions. For example, in a democracy (a Polity IV score of 6 or higher), a change

²⁴ There could be a concern for reverse causality as leadership change may lead to making territorial concessions. It is plausible that it would be relatively easier for the new leader in power to change previously implemented policy. That is, it is more likely for there to be a major change in policy particularly if the new leader came to power by opposing the policy implemented by the preceding government than for an existing leader to implement a new/different policy.

²⁵ For more explanations on how the datasets were merged, see 3.2 empirical results and discussion section. For empirical results, see appendix tables A.1 and A.2.

in the source of leader support occurs when a leader with a different party affiliation comes into power (Leeds & Mattes, 2015). In non-democracies, the coding for a change in the source of leader support differs based on more specific factors such as whether the country is a single-party regime, a single military regime, a personalist regime, etc.²⁶

Table 3.1 The distribution of leadership change with a coalitions shift

Whether there was at least one leadership change with a coalition shift in a year	<i>Challenger</i>		<i>Target</i>	
	Frequency	Percent	Frequency	Percent
0	1332	89.58	1303	87.33
1	155	10.42	189	12.67
Total	1,487	100.00	1,492	100.00

I use logistic regression analysis with robust standard errors clustered at the dispute dyad level. Controlling for variables that affect both the independent and dependent variables (discussed in the next section), I expect to see a positive relationship: the more concessions that a country makes as an outcome of bilateral negotiation, the more likely that it will experience leadership change with a coalition shift.

3.1.2 Independent Variable

The independent variable describes the level of territorial concessions made as an outcome of bilateral negotiation between states. A round of bilateral negotiation between a challenger and target state ends in one of the three ways: no concessions, limited concessions, or major concessions (each level of concession is coded as 1, 2, and 3). Of the 1,528 rounds of

²⁶ For more coding rules, see Leeds and Mattes (2015, 10-3).

negotiations in the merged dataset, challenger countries made limited concessions in 459 cases (30.04 percent) and major concessions in 109 cases (7.13 percent). Of the 1,528 cases, target countries made limited concessions in 445 cases (29.12 percent) and major concessions in 100 cases (6.54 percent) (Huth and Allee 2002b, 51).

3.1.3 Control Variables

The strength of domestic political opposition

To address potential confounding effects, I control for factors that are likely to affect both the predictor and outcome variables (Achen 2005; Ray 2003). First, I control for the strength of domestic political opposition of all countries by using the variable from the Huth and Allee (2002b) dataset. This variable measures the political stability of an incumbent regime or how much an incumbent is constrained domestically. If the incumbent is politically insecure, the leader is unlikely to engage in adventurous policies such as to make territorial concessions. For example, for democratic challenger states, when the political strength of the ruling coalition in the legislature increases (from holding 40 percent of seats to 80 percent of seats), incumbent leaders are 68 percentage more likely to make concessions in negotiations than leaders whose coalition hold only 40 percent of seats (Huth and Allee 2002a, 778-9).

This binary measure, which is from the Huth and Allee (2002a) dataset, is coded differently for democracies and non-democracies. For non-democracies, the variable equals 1 if the regime is facing a domestic political threat (current civil war or revolution; insurgency, coup, or attempted coup within the past calendar year). If the current regime experienced a domestic

political threat in the past calendar year, we could reasonably assume that the incumbent regime is relatively politically insecure. For democracies, the variable equals 1 if the governing coalition does not have a majority of seats in the legislature, which is likely to indicate that the incumbent is in a relatively weak political position.

I expect this variable to be positively associated with a change in the source of leader support. The more the incumbent regime is constrained domestically, the more likely it is to be politically punished and be replaced by a leader from the opposition faction.

Strategic, economic, and ethnic values

Second, the values (strategic, economic, ethnic) of a disputed territory are likely to affect leaders' decision to make concessions in bilateral negotiations. According to Huth (1996), leaders are more likely to be involved in militarized disputes if the disputed territory has strategic or economic value. In a similar vein, leaders may be less inclined to make concessions depending on which type of stake is involved in a disputed territory. Also, the higher the significance of a disputed territory, the public and opposition factions are more likely to oppose territorial concession, which may lead to an increased likelihood of a change in the source of leader support. Variables that measure the values are also from the Huth and Allee (2002b) dataset. Strategic, economic, and ethnic values are measured separately. There is a binary variable for each value – for example, the variable equals 1 if a disputed territory has strategic value, and 0 otherwise.

Regime type

Lastly, I control for the level of democracy which is measured as 1 if countries have a score greater than or equal to 6 in the Polity scale. Based on whether a country is a democracy or not, there may be a systematic difference in whether or how leaders determine to make concessions through bilateral negotiations. For example, democratic states have a higher propensity to be more accommodative and settle international disputes peacefully, whether it be due to institutional constraints imposed on democratic leaders or the democratic norms of compromise (Chiozza & Choi, 2003). Also, the probability of leadership change with a coalition shift is likely to be affected by the type of political institution (more explanation on this is in section 3.2.4).

3.2 Empirical Results and Discussion

3.2.1 Main Findings

In models 1 through 4 in table 3.2, we can see that making territorial concessions has a significant impact on leadership change accompanied by a change in the source of leader support. We find that making *major* (not limited) territorial concessions significantly increases the probability of leadership change with a coalition shift. Also, the effect of making major concessions is statistically significant in *target* states. The effect may be statistically significant only in target states because challenger state leaders (initiators) tend to be the driving force behind bilateral negotiations, and thus have more control over the timing of both entering negotiation and making concessions. Another possible explanation for the difference between challenger and target states is that losing a territory can be more consequential for target states.

This is because target countries *de facto* control the territory in dispute, while the challenger countries are trying to gain control. The domestic populace can be more critical and have more negative reactions when a territory that was under direct control was lost (challenger vs. target distinction is discussed more below in section 3.2.3).

The statistically significant relationship between making major concessions and the outcome variable still holds when we include the control variables. In models 3 and 4, the coefficients for both the domestic political stability and democracy variables are in the expected direction and are statistically significant. The more politically constrained the incumbent, the more likely leadership change accompanied by a change in the source of leader support. Also, democracy is positively associated with leadership change with a coalition shift. The values of disputed territory do not have a statistically significant effect, but most of the coefficients are positive and in the expected direction.

Table 3.2 The effect of making territorial concessions on leadership change with a coalition shift, 1919-1995 (results based on one year after making concessions)

	(1) <i>Challenger</i>	(2) <i>Target</i>	(3) <i>Challenger</i>	(4) <i>Target</i>
Limited concession	0.0505 (0.207)	0.169 (0.190)	0.0534 (0.224)	0.0777 (0.196)
Major concession	0.238 (0.320)	0.757*** (0.293)	0.350 (0.331)	0.632** (0.307)
Political stability			0.977*** (0.208)	0.506*** (0.181)
Democracy			1.178*** (0.204)	1.681*** (0.218)
Economic value			0.198 (0.219)	-0.0388 (0.236)
Strategic value			0.135 (0.219)	0.311 (0.240)
Ethnic value			0.00295 (0.210)	0.118 (0.221)
Constant	-2.184*** (0.125)	-2.044*** (0.129)	-3.237*** (0.270)	-3.360*** (0.297)
Observations	1,487	1,492	1,487	1,492

Robust standard errors in parentheses, clustered on dispute dyad level. *** p<0.01, ** p<0.05, * p<0.1

Table 3.3 presents the predicted probabilities for each value of the independent variable. In the case of target states, the baseline probability of no concessions is 11.9 percent. When the level of territorial concession changes from no concession to major concessions the probability of a change in the source of leader support increases from 11.9 percent to 19.5 percent, which is a 7.6 percentage point (63.9 percent) increase from the baseline probability. These results clearly show that when major territorial concessions are made, the more likely that a coalition shift

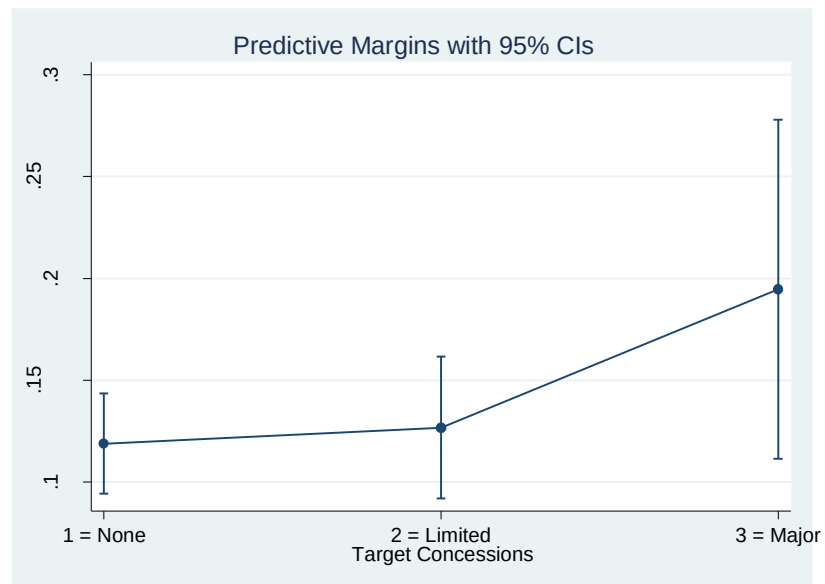
occurs. The confidence intervals do overlap, but this is not an indication that the relationship is statistically insignificant (Austin and Hux 2002; Wolfe and Hanley 2002).

Table 3.3 Predictive margins, based on model 4 in table 3.2
(Dependent variable: Leadership change with a coalition shift)

	<i>Target (model 4)</i>	<i>Confidence interval</i>
No concessions	0.119*** (0.0126)	0.0942 - 0.1436
Limited concessions	0.127*** (0.0178)	0.0919 - 0.1615
Major concessions	0.195*** (0.0425)	0.1114 - 0.2778
Observations	1,492	

Notes: Predicted probabilities with robust standard errors in parentheses.
95 percent confidence intervals. *** p<0.01, ** p<0.05, * p<0.1

Figure 3.1 Predictive margins of the effect of making concessions on leadership change with a coalition shift, based on table 3.3



To ensure that the empirical results are not sensitive to how the datasets were merged, I provide additional analysis by merging the datasets differently. First, I merged the dataset based on the “six-month rule.” When concessions were made in the first six months of a year, I merged the datasets by the year that concessions were made, and when concessions were made in the last six months of a year, I merged by next year.²⁷ After merging, in order to address the issue of reverse causality, I deleted the cases in which the outcome variable occurred before making concessions (there were 9 cases among challenger states and 13 cases among target states). The results after deleting those cases are presented in appendix table A.1 and they demonstrate that the original findings are largely unaffected.

Additionally, I merged the dataset by the year in which it is two years after territorial concessions were made. The results in appendix table A.2 also show that making major territorial concessions leads to a higher probability of leadership change. One difference to note is that when the outcome variable was merged after two years has passed, it turns out that the effect of making major concessions is significant in both challenger and target states. By extending the window length to see the effect of making concessions, we may be able to obtain a stronger effect of territorial concession. However, the longer the period after the final negotiation, the more difficult it becomes to determine if the leadership change is a direct result of making territorial concessions.

²⁷ For example, if territorial concessions were made in the first 6 months of a year (between January and June), I merged the change in source of leader support (CHISOLS) data by the same year. For instance, if a territorial concession was made in March 1995, CHISOLS dataset is merged by the year 1995. Second, if territorial concessions were made in the last 6 months of a year (between July and December), I merged CHISOLS data by the following year. For example, if a territorial concession was made in October 1995, CHISOLS data is merged by the year 1996.

Overall, the empirical analysis supports the main hypothesis that when an incumbent government makes territorial concessions as an outcome of bilateral negotiations, there is a higher probability of leadership change with a coalition shift. However, this is the case when *major* concessions are made by *target* states. The results show that the public and opposition groups are likely to strongly oppose any major territorial concessions that an incumbent government pursues, which can lead to a higher probability of incumbent leader punishment and the political gain of domestic opposition factions.

In the next section, I discuss cases that would illustrate how making concessions as an outcome of bilateral negotiations can lead to leadership turnover with a coalition shift. The 3 cases are based on the Panama Canal Zone disputed between the U.S. and Panama, Israel and the United Kingdom (U.K.) coalitional governments regarding the Israel-Palestine dispute and the Northern Ireland dispute, respectively.

3.2.2 Cases

The following cases are chosen on a “most likely” basis to support the hypothesis – cases that the hypothesized causal mechanisms are “most likely” to be identified. The cases below can help to trace the causal processes of the hypotheses and provide more validity to the linkages between the key variables. Below cases are based on democratic countries (presidential and parliamentary). Examples of non-democracies are not introduced in detail, but some cases that were mentioned above include removal of the Peruvian president Augusto B. Leguia in 1930 (see St John, 1976). Based on the CHISOLS dataset, Leguia’s government is coded as a personalist regime. Also, the removal of Guatemalan leader Serrano Elias’s government (indirect

military rule) in 1993 is a case of minor leadership change with a coalition shift (see Wiegand 2005, pp. 369-372).²⁸

The Panama Canal Zone Transfer

The Canal Zone disputed between Panama (challenger) and the U.S. (target) is a case that illustrates how making territorial concessions can lead to leadership change with a coalition shift. In 1964, there was a riot between U.S. residents and Panamanians over the right to fly the Panamanian flag in the Canal Zone. This event has triggered the concerns for the need to negotiate a new agreement on the Canal between the U.S. and Panama. Since then, negotiations took place to replace the 1903 Hay-Bunau Varilla treaty, which established U.S. rights to a Panama Canal Zone (*U.S. Agrees to Transfer Panama Canal to Panama*, 2020). After a series of draft agreements between Panama and the U.S., the final terms of the treaty were signed in 1977. The negotiations and ratification processes of the treaty affected both the U.S. and Panamanian domestic politics.

Treaty negotiations with the U.S. surrounding the canal zone was an issue that dominated Panama's domestic politics, and it was a campaign issue in the 1964 Panamanian elections. Panamanian public opinion that there needs to be change in the treaty terms with the U.S. was so fierce that all political parties and the government had to take a strong nationalistic stance on the treaty issue. In the May 1964 election, both presidential candidates, Marco Robles and Arnulfo Arias, took the political stance that a successful treaty negotiation would be based on treaty terms

²⁸ A minor leadership change with a coalition shift in non-democracies is when "the new leader's source of political support contains some of the same elements as that of his or her predecessor's but not others" (Leeds & Mattes, 2015, 16). Also, the authors note that they "usually choose to include minor source of leader support changes in non-democracies as source of leadership changes" (Leeds & Mattes, 2015, 17).

that are favorable to Panama and economic concessions made by America. In the 1964 election, Robles narrowly won and was elected as president (The Panama Canal and the Torrijos-Carter Treaties n.d.).

Arias and his Panamenista Party continued to be severely critical of the Robles government. Among other issues such as rising unemployment and alleged corruption, the Robles administration was sharply criticized over their handling of the treaty negotiations. In 1967, when the drafted treaties with the U.S. were revealed to the Panamanian public, there was widespread disagreement by the public and political party led by Arias. The negotiated terms of the treaty failed to remove U.S. military bases in the Zone and the U.S. continued to have the right to deploy troops and armaments in Panama. The conditions of the treaty were not acceptable by the public and the Panamanian National Assembly failed to ratify the drafted treaties (Pérez, 2011). Soon after the failure of ratification, during the 1968 presidential elections, the Canal issue was again at the center of Panamanian election campaigns (*The Panama Canal and the Torrijos-Carter Treaties*, n.d.).

In the May 1968 presidential election campaign, Robles was not a candidate, but he supported David Samudio (Lentz, 2013). Samudio was a former finance minister in the Cabinet under the Robles government, so was the government candidate (Congressional Record: Proceedings and Debates of the United States Congress, Volume 114, Part 12 1968). Some ultranationalist political groups used the unpopular negotiated terms of the Canal under the Robles' government and the slow-moving negotiation process against Samudio. They claimed that there would be no major difference between Robles and Samudio ("The Panama Canal: Riots, Treaties, Elections, and a Little Military Madness, 1959--1973," 2017) .

The political stability of the Robles government was affected by the massive public protests in opposition to the drafted treaties on the Canal Zone. This issue, along with issues related to economic reforms, facilitated the ruptures within the government coalition (Pérez, 2011). On May 12, 1968, Arias, the main opposition candidate from the Panamenista Party won the election. Upon assuming office, Arias demanded the immediate return of the Canal Zone to Panamanian jurisdiction. Through the case, we can see that the treaty negotiations of the Canal zone played an important role in Panamanian electoral politics (*The Panama Canal and the Torrijos-Carter Treaties*, n.d.).

The Panama Canal negotiations, which finally ended in a treaty and was signed on September 7, 1977, not only affected Panamanian internal politics but the U.S. domestic politics as well. Through the U.S. case, I am not arguing that it led to leadership change with a coalition shift. However, the case does illustrate how politically costly the ratification process was. The two treaties signed on September 7, 1977, would turn the territorial sovereignty of the Canal Zone to Panama by December 31, 1999, and make the Canal a neutral zone. As a neutral zone, the U.S. would have the rights to use its military to defend the Canal if its neutrality was threatened, thereby giving America the rights to use the Canal perpetually (Strong, 1991).

As a presidential candidate in 1976, Jimmy Carter tried not to make the canal a major issue, but after he had been elected as president, he changed his stance and prioritized the Panama Canal (Strong 1991). There are several factors that could have affected the Carter administration's decision to prioritize the treaty negotiations – such as to maintain better U.S.-Latin American relations and, more broadly, U.S.-Third World relations (Skidmore, 1993). Also, there were prospects that the ratification of the treaty would strengthen the administration's domestic position with regards to other foreign policy issues such as negotiations over SALT II

Treaty. However, the ratification of the treaty was one of the most contentious issues in the Senate, and the treaties were approved by a one-vote margin in September 1978 – 68 senators in favor and 32 against (Skidmore, 1993).

The Carter administration's effort to garner support by the Senate led to much use of political capital, energy, and time amid intense political opposition both by the public and politicians. For example, thousands of Americans were invited to visit the White House to hear briefing on the treaties, a committee of citizens was formed to advocate treaty ratification, more than 1,500 treaty supporters made public appearances nationwide, and roughly half the Senate visited Panama before the end of the ratification process (Strong, 1991). The ratification was a hard-won victory, which led to substantial political costs – of the 27 pro-treaty senators who ran for the 1978 senatorial re-election, only 7 won to serve another term (Strong 1991, 281). Also, it is known that 20 of the 68 Senators who voted for ratification of the treaties were defeated in the 1978 and 1980 senatorial re-elections, but only 1 Senator who voted against was defeated during the same re-elections (Skidmore 1993, 490).

Israel and the U.K. coalitional governments

Through the case of Israel and the U.K., I show that that leadership change with a coalition shift can occur due to the defection of small hard-line parties. In both cases, coalitional government fell apart as the minority hard-line coalition partners who opposed conciliatory territorial policies withdrew their support from the government.

In the case of Israel, Israeli Prime Ministers Benjamin Netanyahu (in 1999) and Ehud Barak (in 2001) received criticism for their handling of the Israeli territorial peace accords,

which had primarily led them to hand power over to a leader from an opposition party.

According to Spruyt (2014), even if the majority of the Israeli public was in favor of some sort of territorial change from the status quo and supported the incumbent's view that making concessions are in the interests of the state, conciliatory territorial policies could be blocked by small hard-liner parties. And the defection of small hard-liner parties can ultimately lead to the collapse of the coalitional government.

Both Netanyahu and Barak's coalitions consisted of multiple parties. Netanyahu's 1996 Likud coalition had 6 parties which contained several parties (NRP, United Torah, the Third Way) that opposed the Oslo I and II accords. Following the Oslo Accords, Netanyahu had to implement certain provisions. While those provisions passed the cabinet, his government was not able to survive due to the defection of coalition partners that opposed territorial concessions (Spruyt 2014, 49).

The Labor coalition of Ehud Barak faced similar dynamics (Spruyt 2014, 49). Barak's 1999 coalition had 7 parties, including 3 religious party (Shas, United Torah, and NRP). His coalition started to unravel, as the United Torah left the coalition after 4 months and only 3 parties supported Barak's position by the time his administration started the Camp David negotiations in June 2000 (Ottolenghi 2001, 119; Spruyt 2014, 49). A few months after the negotiations, the government fell apart.

In the case of the U.K., Prime minister Ted Heath ruled in one of the violent times of *the Troubles*, the conflict regarding the independence of Northern Ireland. In the February 1974 election, the Conservative Prime Minister Ted Heath lost the elections and handed power over to the Labor party. In the election, Heath's conservative party failed to form a coalition government with the Unionists, who had split from his party due to the 1973 Sunningdale agreement with the

Irish Republic (Catterall, 2017). The Sunningdale agreement was a power-sharing agreement between the unionists and the nationalists, which would have given the government of the Republic of Ireland a direct say in the running of the region. This led the Unionists to withdraw their support from the conservative government.

A series of workers' strikes, which were organized by the loyalist Ulster Workers' Council, continued for two weeks, and succeeded in bringing down the power-sharing Northern Ireland Executive. The responsibility of governing Northern Ireland then returned to 'Direct Rule' under the British Parliament. Along with the increasing economic issues such as rising inflation and unemployment, the breakdown between the anti-agreement unionists and the conservative party largely accounted for the electoral defeat of the Heath's government ("Heath Was Ahead of His Time in Approach to North," 2005; Owen, 2010).

3.2.3 Discussion on Challenger vs. Target

The empirical results of the statistical results also imply that target state leaders tend to be more severely impacted by unfavorable territorial settlement outcomes than challenger state leaders. As presented in the appendix tables A.1 (model 5) and A.2 (models 1, 3, and 5), challenger states are also affected by making concessions. However, considering statistical results in above table 3.2, below table 3.4, and appendix tables A.1 and A.2, the effect of making concessions on leadership turnover with a coalition shift in challenger states is overall less consistent compared to target states.

There are several theoretical explanations for such a conclusion. Challenger states are less likely to be negatively impacted by making concessions primarily because they do not *de facto* control the disputed territory while target states are losing a territory that they were directly

administering. Losing a territory that a state used to directly control is likely to be more detrimental than relinquishing the sovereignty of a territory that a state is trying to gain control over. For the citizen of target states, the loss is likely to be felt more acutely and lead to negative assessment of the leadership.

In fact, studies find that territorial threats tend to have a stronger effect on individual attitudes when they are targeted (Hutchison & Gibler, 2007; Miller, 2017). For example, using World Values Survey data collected from 33 countries, Hutchison and Gibler (2007) argue that threat perceptions are likely to be higher for citizens of targeted states than initiator states. Especially for the citizens of states that are targeted, territorial threats are likely to decrease the level of political tolerance while non-territorial threats have no significant effect on tolerance.

Furthermore, such a view that target countries are more threatened by territorial issues can be understood in terms of prospect theory. According to prospect theory, how individuals view gains and losses depending on a *reference point* is important. This notion of reference dependence is based on the perspective that individuals “are more sensitive to changes in assets than to net asset levels, to gains and losses from a reference point rather than to levels of wealth and welfare” (Levy 2003, 216). A related concept is ‘loss aversion,’ which means that “people tend to overvalue losses relative to comparable gains” (216). Loss aversion implies that losses are more detrimental than foregone gains. Also important is that people tend to be risk averse in choices respect to gains, but risk-seeking in choices related to losses. That is, individuals are likely to engage in more risky behavior to avoid losses relative to make comparable gains (Levy 2003). If we apply these insights to territorial disputes, citizens are likely to be more conscious of territorial losses than acquiring comparable territories. They would also do more (engage in risk-seeking behavior) to avoid losses compared to when trying to gain territory.

Although there is evidence demonstrating the systematic difference between challenger and target states, Kim (2019) argues that there is no meaningful distinction between the citizens of target and challenger countries' willingness to fight over territorial disputes. He argues that regardless of who objectively controls the territory, people may perceive what a territorial loss is based on how strongly they believe that the contested territory properly belongs to them.

Interestingly, there are inconsistent findings on whether an initiator or target of a territorial dispute matters. The empirical results of this dissertation provide support to the view that target state leaders are more severely impacted by making territorial concessions.

3.2.4 Discussion on the Effect of Regime Type

How would the effect of making territorial concessions on leadership change with a coalition shift be conditioned by regime type? From the perspective in the international relations literature that democracies are generally more constrained by their domestic audience (Fearon, 1994; Schultz, 1999), we may expect that democratic leaders are more adversely affected by making territorial concessions. Interestingly, there has been a substantial body of work on how international war outcomes affect leader tenure and how this relationship is conditioned by regime type, and they have produced mixed findings. Some scholars have argued that democracies are more sensitive to war outcomes, while others find the opposite (i.e., autocracies are more sensitive to war outcomes).

First, Bueno De Mesquita and Siverson (1995) argue that democratic leaders are more sensitive to war outcomes. This is because they need to please larger constituencies than non-democratic leaders, who tend to rely on a smaller number of supporters. Since democratic leaders

face larger winning coalition, they tend to be more accountable for foreign policy outcomes than non-democratic leaders. Also, the institutional constraints embedded in democratic states impose restrictions on leaders to make unilateral decisions, which can also raise the costs of violence (Bueno de Mesquita et al., 1999). Thus, to avoid domestic punishment, democratic leaders tend to be more deliberate (or selective) in the wars they choose to fight. Meaning that democracies tend to engage in wars that they are likely to win.

Furthermore, when encountered with war, democratic leaders are more likely to shift extra resources into the war effort than their non-democratic counterparts (Bueno de Mesquita et al., 1999). This is because, the larger the winning coalition, a leader's political fortune increasingly depends on their policy performance. In order to maintain their political positions, democratic leaders are likely to fight harder to win the war.

However, despite such theoretical development that democratic leaders are more sensitive to war outcome, studies that make such argument are criticized for failing to provide direct empirical evidence (Croco & Weeks, 2016; Debs & Goemans, 2010). For example, Bueno De Mesquita and Siverson (1995) is criticized for demonstrating the unconditional probability of losing office rather than proving the likelihood of losing office conditional on the outcome of war. In other words, while their model estimates how a leader's postwar-onset survival is affected by interacting prior tenure in office and regime type, they do not interact war outcomes (victory or not) with regime type variable (Debs & Goemans, 2010).²⁹

Croco and Weeks (2016) provide the first direct empirical evidence that democratic leaders tend to be more sensitive to war outcomes. They introduce two variables to determine

²⁹ For more explanations on why there is a lack of empirical evidence, see Debs and Goemans (2010) page 432.

which type of regime is more politically vulnerable: culpability (i.e., how responsible a leader is perceived to be for the state's war involvement) and vulnerability (i.e., how vulnerable a leader is to political opponents' efforts to remove leaders).³⁰ The authors argue that the absolute costs to replace leaders are substantially lower in regimes with larger winning coalitions. It is significantly easier to participate in political processes such as voting or joining opposition groups/movements in democracies than autocracies as the public mostly does not have to worry about potential political costs (such as imprisonment or torture) after failing to oust the leader. The authors find that culpable democratic leaders are the most sensitive to war outcomes, followed by culpable authoritarian leaders (non-personalist regime that face audience costs to a similar degree as democratic regimes). Also, autocratic leaders with low vulnerability are largely unaffected by war outcomes.

In contrast, there are studies that argue non-democracies are more sensitive to war outcomes than democracies. Chiozza and Goemans (2004) find that for democracies, both crisis and war outcomes (whether victory, draw, or defeat) do not significantly affect leader tenure. For autocracies, defeat in crisis and wars significantly reduces leader tenure. Also, Debs and Goemans (2010) argue that autocratic leaders are more sensitive to war outcomes by focusing on the political costs of removing a leader. They argue that the political costs of replacing non-democratic leaders are greater since they mostly happen through violent means (such as exile, execution, coups, etc.). While in democracies, there are lower cost institutionalized mechanisms such as regular elections or term limits to replace leaders. As the tenure of democratic leaders is often determined by exogenous factors such as elections or term limits, their tenure may be affected by many diverse factors than a single foreign policy event. In the case of non-

³⁰ For more specific definitions of culpability and vulnerability, see Croco and Weeks (2016).

democratic leaders, they are more likely to be removed through violent means such as coups, protests, and rebellion, which tend to be costlier means to replace a leader as compared with replacement through regular elections. The relatively higher cost that the public and opposition groups encounter to oust a non-democratic leader implies that the outcome of a major foreign policy is more likely to directly affect their fate in office. In addition, leaders' ability to punish/repress political oppositions can be seriously diminished after defeat in a war and provide more opportunities for domestic opposition groups to coordinate political activities/movements.

Based on the previous findings, we can see that regime type is an important variable to consider, but which regime type is more vulnerable to conciliatory territorial policies is not self-evident. Thus, in this analysis, I see if regime type variables can significantly modify the relationship between making concessions on territory and leadership turnover. Models 1 and 2 (each for challenger and target) in table 3.4 presents an interaction term between territorial concession and binary regime type variables. In table 3.4, the interaction terms for both challenger and target states are statistically insignificant.³¹

³¹ The results for when the "6-months rule" is applied and two years have passed since the concession can be found in the appendix (tables A.1 and A.2) as well. The interaction term is significant at the 0.1 when the 6-months rule is applied (major concession*democracy) and two years have passed (limited concession*democracy).

Table 3.4 The effect of making territorial concessions on leadership change with a coalition shift (interaction effect with regime type)

	(1) <i>Challenger</i>	(2) <i>Target</i>
Limited concession	-0.130 (0.310)	0.246 (0.429)
Major concession	0.513 (0.393)	1.299** (0.524)
Political stability	0.962*** (0.209)	0.494*** (0.182)
Democracy	1.106*** (0.247)	1.855*** (0.283)
Limited concession * Democracy	0.356 (0.422)	-0.215 (0.466)
Major concession * Democracy	-0.501 (0.682)	-0.949 (0.628)
Economic value	0.177 (0.216)	-0.0402 (0.238)
Strategic value	0.138 (0.218)	0.316 (0.244)
Ethnic value	0.00689 (0.206)	0.103 (0.223)
Constant	-3.184*** (0.278)	-3.488*** (0.359)
Observations	1,487	1,492

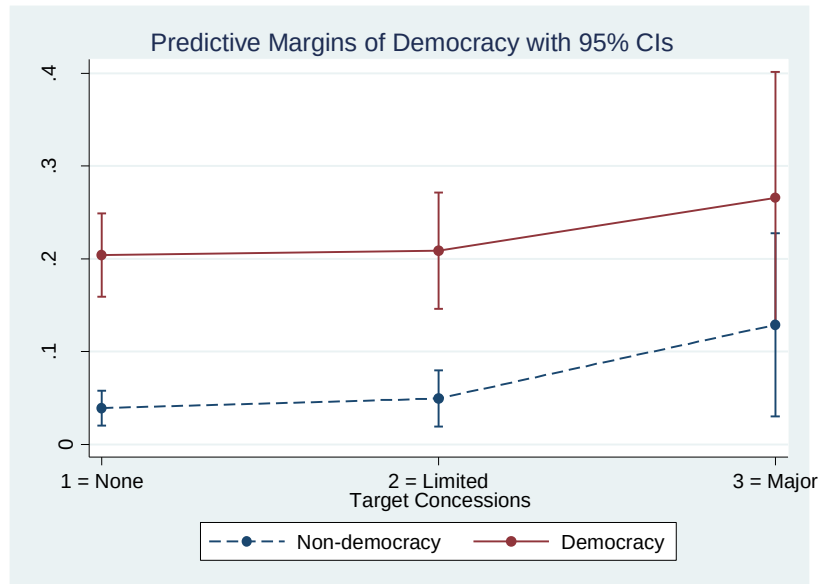
Robust standard errors in parentheses, clustered on dispute dyad level. *** p<0.01, ** p<0.05, * p<0.1

Table 3.5 Predictive Margins (by regime type), based on model 2 in table 3.4
(Dependent variable: Leadership change with a coalition shift)

	<i>Democracy</i>	<i>Confidence interval</i>	<i>Non-democracy</i>	<i>Confidence interval</i>
No concession	0.204 (0.0228)	0.1591 - 0.2486	0.039 (0.00960)	0.0202 - 0.0578
Limited concession	0.209 (0.0320)	0.1462 - 0.2715	0.049 (0.0154)	0.0192 - 0.0794
Major concession	0.265 (0.0693)	0.1297 - 0.4012	0.129 (0.0503)	0.0300 - 0.2274

Notes: Predicted probabilities with robust standard errors in parentheses.
95 percent confidence intervals. *** p<0.01, ** p<0.05, * p<0.1.

Figure 3.2 Predictive margins of making concessions (by regime type), based on table 3.5



I investigate further by calculating the substantive effects, which are displayed above in table 3.5 and graphically in figure 3.2. We can see that for non-democracies, the predicted probability for making major concessions is 0.129 and this is a roughly 9 percentage point increase from the baseline probability of 0.039. In the case of democracies, there is a 6-percentage point increase from the baseline when major concessions are made.

Overall, we can see that countries of both regime types are affected, as there is a clear

increase in the likelihood to experience leadership change with a coalition shift from when there is no concession to major concession, but political institutions do not seem to play a significant role in the relationship between making concessions and leadership change with a coalition shift.

3.3 Robustness Checks

While there is consistent and clear evidence that making territorial concession increases the likelihood of leadership change with a coalition shift, there are potential endogeneity issues that need to be addressed. There may be concerns of potential selection bias since leaders may decide to make territorial concessions only in instances in which the likelihood of being removed from office is low. In other words, state leaders that make concessions may be systematically different from most states that do not make concessions, and these differences (not the concessions themselves) may be mainly driving the relationship between territorial concessions and leadership change with a coalition shift.

Studies that examine leader tenure as the dependent variable often encounter similar selection issues. For example, in the studies that investigate how war outcomes affect leader tenure (Bueno de Mesquita, Siverson, and Woller 1992; Croco and Weeks 2016), selection effects are a concern because leaders are likely to systematically avoid entering wars that seem to hurt their tenure prospects. However, these studies argue that if we find evidence that war outcomes affect leaders' tenure in office, the true effects of war outcomes may be stronger than the observed empirical evidence. In other words, if the strategic selection effect is present, it is likely to dampen the effect of war outcomes on leader tenure since the true effects include cases of wars that did not happen due to the anticipation of domestic political punishment. The same logic can be applied to this study as well. As long as there is empirical evidence that making

territorial concessions significantly affects leadership turnover with a coalition shift, the true effects would be stronger. This is because the true effects include instances in which leaders did not make territorial concessions due to the fear of domestic punishment.

Furthermore, theoretically, a selection problem may not significantly hinder our inference because in some instances, leaders may sometimes enter negotiations in order to make concessions as they think that they can benefit more from the long-term economic gains by settling a territorial dispute. Also, previous empirical findings suggest that when leaders believe that they are likely to face severe domestic opposition, they can choose other methods such as international arbitration or adjudication (Allee and Huth 2006; Simmons 1999, 2002). This implies that when leaders decide to enter bilateral negotiations, they are likely to be quite confident in their ability to deal with political opposition groups or they think there is not an opposition group that is powerful enough to remove the incumbent. In other words, observing leadership turnover with a coalition shift as a result of making territorial concessions through bilateral negotiation is probably the least likely compared to when concessions are made through other mechanisms such as international arbitration or adjudication. Thus, making concessions through bilateral negotiation may be the difficult case to observe domestic backlash when territorial concessions are made, which indicates that the probability of leadership change with a coalition shift may be greater when concessions are made through other methods besides bilateral negotiations.

Still, as an attempt to empirically address the potential selection issue, I conduct propensity score matching and two-stage least square regression.³² I also note that I focus the

³² It may be argued that matching does not perfectly solve the potential endogeneity issue as the independent variable is a “two-step” process: one, entering bilateral negotiations and second, making territorial concessions. However, the focus of the independent variable is making concessions and the primary threat to endogeneity issue

analysis to address endogeneity issues on target states since the effect of making concessions on the outcome variable is more consistent for targets compared to challenger states, and thus, the outcome of target countries is our primary interest.

3.3.1 Propensity Score Matching

Endogeneity issues arise from the concern that making concession might be a non-random process. And the primary threat of such concern comes from the possibility that leaders may anticipate domestic punishment and thus avoid making any concessions. Matching technique can help to address such concerns by constructing matched groups of treated and control units, conditioning on a set of variables that are most likely to affect leaders' anticipation of potential domestic political punishment.

derives from leader anticipation of domestic political punishment (and thus, avoiding making concessions). So, in the matching analysis, I attempt to match the treated and control groups on the covariates that predict the likelihood of making concessions.

We also need to consider that the structure of the dataset makes it difficult to separate the “two steps.” The dataset is centered on challenger states' decision to change the territorial status quo. This means that challenger states make the first move among the 3 possible options regarding the disputed territory: (1) maintain the status quo, (2) initiate bilateral negotiations, or (3) initiate military threat or force. Then, solely based on the challenger state's move, target states “automatically” enter bilateral negotiation stage, military escalation stage, or does nothing. Therefore, there is essentially no variable in the dataset that measures a target state's initial move. So, I chose to conduct matching and the two-stage least square analysis instead of the Heckman selection model which requires a variable that strictly separates the two steps and only measures target states' initial decision to run the model.

Given such limitations, as a way to alleviate concerns of selecting into the first step of bilateral negotiations (or particular resolution method), I expand the pool of control cases for the matching analysis to be drawn from cases that targets maintained the status quo or engaged in military escalation stage. So, control cases include targets that are in status quo, entered negotiation stage, or are in military escalation stage. This is also why the number of total observations increases to 5,893 in the matching analysis. Of the 5,893 cases, 520 cases are matched with the treated group. In the original Huth and Allee dataset, targets made limited or major territorial concessions through bilateral negotiations in 545 cases, and after merging this dataset with other datasets (that include the dependent and control variables), the number of cases that targets made limited or major concessions decreased to 520 cases.

Based on previous studies, variables that are likely to impact a leader's anticipation of domestic punishment are: the strength of domestic political opposition factions, democracy level, the economic, strategic, and the ethnic values of contested territory. These are also potential confounding covariates that are likely to affect both the probability of making concessions (independent variable) and the probability of leadership change with a coalition shift (dependent variable).³³ I construct a matched groups of treated and control cases that have similar propensity scores (i.e., have the same levels of the 5 covariates) (Rosenbaum and Rubin 1983).

The covariates that I matched on are:

- The strength of domestic opposition (1=strong, 0=weak)
- Ethnic value of disputed territory: whether the country has ethnic co-nationals located in the disputed territory (1=yes, 0=no)
- Strategic value of disputed territory (1=yes, 0=no)
- Economic value of disputed territory (1=yes, 0=no)
- Democracy level (democracy=1, non-democracy=0)

The idea of propensity score matching is similar to a selection model (Nielsen et al., 2011), as we first estimate the probability of making territorial concessions by using the control variables mentioned above as matching covariates. By estimating a logistic regression model, we can generate the propensity score (i.e., the predicted values), which is the estimated likelihood that a given observation will make territorial concessions. Matching was performed by using the R software “Matching” package (Sekhon, 2011). I have matched one-to-one, without replacement, and nearest neighbor matching with a caliper distance of 0.25.³⁴

³³ According to Henderson and Chatfield (2011), a typical way to estimate a propensity score is to include all potential confounding covariates. However, even though the covariates are theoretically relevant, including too many covariates can also lead to overt bias.

³⁴ After conducting matching with and without replacement, many-to-one (1 to 2 and 1 to 3), and with and without caliper, I have chosen the procedure that produces the best balance. Nearest neighbor matching with a caliper distance matches the untreated unit to the treated unit that has the closest propensity score. The caliper sets the maximum absolute distance in the propensity score between the treated and the untreated units (Austin, 2011). I have chosen the caliper distance that is used in previous studies (Kam & Palmer, 2008; Simmons & Hopkins, 2005).

Below in table 3.6, we can see that the balance has dramatically improved between the control and the treatment groups after matching. For all the 5 covariates, the t-test and p-values are statistically insignificant, and the variance ratio is close to 1, which indicates that the difference in the means between the treated and control groups are negligible. Since the data used is based on observational studies (treatment is not randomly assigned), I estimate the average treatment effect on the treated (ATT) – the effect of territorial concessions in those states that experience them.

Table 3.6 Covariate balance between treated and control groups after matching (results based on one year after making concessions, *target* states)

	Before Matching					After Matching				
	Mean Treatment	Mean Control	Std Mean Difference	T-test p-value	Variance Ratio	Mean Treatment	Mean Control	Std Mean Difference	T-test p-value	Variance Ratio
Strength of opposition	0.310	0.275	7.396	0.107	1.073	0.310	0.310	0	1	1
Ethnic ties	0.371	0.328	8.83	0.054	1.06	0.371	0.371	0	1	1
Strategic value	0.308	0.243	14.003	0.002	1.16	0.308	0.308	0	1	1
Economic value	0.619	0.581	7.797	0.090	0.970	0.619	0.619	0	1	1
Democracy	0.519	0.442	15.352	0.0009	1.014	0.519	0.519	0	1	1

Below table 3.7 presents the estimate of average treatment effect on the treated. It shows that the estimate is 0.044 and the p-value is statistically significant at the 0.05 level. The small coefficient (compared to the main models) may be partly explained by the fact that the treated group consists of cases that states made *limited or major concessions*.³⁵ Overall, the empirical result helps to alleviate our concerns of potential selection bias. Also, there are additional

³⁵ Including both limited and major concessions (than having only major concessions) has an advantage of having more treated cases.

matching analysis for when the datasets are merged based on the “6-month rule” and two years after making concessions (for target states), which can be found in the appendix tables A.3-A.6.

Table 3.7 Estimate of ATT (results based on one year after making concessions, *target* states)

Estimate	0.044
SE	0.0196
T-stat	2.256
p.val	0.024
Original number of observations	5985
Original number of treated obs	520
Matched number of observations	520
Matched number of observations (unweighted)	520
Caliper (SDs)	0.25
Number of obs dropped by 'exact' or 'caliper'	0

3.3.2 Two-Stage Least Squares Regression

Another possibility of endogeneity is that the decision to make concessions may be systematically affected by other *unobserved* factors. To address this problem empirically, I estimate the effect of making concessions using an instrumental variable approach. This helps to address the shortcoming of matching, which relies on conditioning on observed variables and therefore cannot completely eliminate bias arising from unobserved confounding variables (Nielsen et al., 2011). Also, the analysis can help us to alleviate our concerns for alternative explanations that might focus on possible spurious effects.

For example, there may be alternative explanations such that domestic political insecurity of leaders could lead to the occurrences of both making territorial settlement attempts and leadership change with a coalition shift. This is because insecure leaders may have the incentive to engage in settlement attempts to divert public attention to more salient issues. For the leaders of challenger states, while it is possible that politically insecure leaders could demand peaceful resolution due to diversionary motives, they are more likely to engage in settlement attempts to acquire territory (not to make any sort of concessions). Under the assumption that political leaders are strategic and challenger state leaders are the initiators, they are likely to begin settlement attempts when they are confident that they can gain political support from the public (and thus, the outcome of an agreement is not likely to have a detrimental effect on their tenure). Another possible alternative explanation is that domestically insecure leaders may be targeted by a militarily stronger state to make concessions. In this case, the weakness of a target state can cause both concessions and leadership turnover with a coalition shift. Empirically, such concern is partly addressed by controlling for the relative power capabilities between challengers and targets in the main models (logistic regressions). To account for such possible spurious effects, it is important to conduct analysis such as the two-stage least squares regression.

I present the results of only the target states as the effect of making territorial concession is more consistent in target countries than challenger states. To identify an appropriate instrument, we should consider whether the instrument is (1) partially correlated with the independent variable and (2) affects the outcome variable only through the effects of the endogenous variable (Sovey & Green, 2011). Based on previous studies that study territorial concessions as the outcome of interest, I identify three instruments, which are military balance

between the challenger and target, past conflictual, and past peaceful interactions over the territorial claim.

The first instrument is military balance. Military balance between the claimants is an indicator that is also measured in the Huth and Allee (2002b) dataset. It measures the military balance between target and challenger, ranging from 0 to 1. Expressed as a percentage of the overall dyadic military capabilities held by the target, it captures the average of the two sides' ratio of military expenditures, troops, and spending per troop (Huth & Allee, 2002b). The closer to 1, the target is relatively stronger than the challenger. I argue that military balance is partially correlated with the endogenous variable. The variable should be negatively correlated with the main independent variable when one side has a disproportionate military advantage – the weaker side is more likely to make concessions while the stronger side is less likely to make concessions.³⁶ Regarding the exclusion restriction, theoretically, the military balance between disputant countries is not likely to have a significant effect on the probability of leadership turnover with a change in the source of leader support. If it does have an effect, it is more plausible that the effect is through territorial concession than having a direct effect on the dependent variable.

The next instrument is past interactions between the parties over the disputed territory. Regarding conflictual past interactions, the binary variable from the Huth and Allee dataset equals 1 when the challenger and target have been involved in at least 10 militarized conflicts (MIDs, territorial dispute MIDs, ICB crises, any type of war) in the past 20 years. For peaceful past interactions, the binary variable equals 1 when the target state suffered a stalemate in the

³⁶ Chiozza and Choi (2003) and Huth (1996) also show that the balance of military power is likely to negatively influence the probability of compromise or peaceful resolution of territorial disputes – the stronger the challenger states, the less likely they are to seek peaceful resolution.

previous round of talks with the challenger, which occurred within the past 60 months. This measure, which is also from the Huth and Allee dataset, codes that there is a “stalemate” from a target state’s view when the target made no or limited territorial concessions, while the challenger made no concessions.

Past interactions between the disputants for an extended period, whether they be peaceful or conflictual, can affect disputants to make territorial concessions. For example, past conflictual interactions can be an indicator of the level of hostility or trust that the disputants may have for each other (Mattes 2018). And, if they have a high level of hostility, they are less likely to make concessions. Likewise, when there was continued stalemate in previous rounds of negotiations between the disputants during the past 5 years, it may be more difficult to reach an agreement that results in making concessions to the opponent.

It is more plausible that both variables have an impact on the outcome variable through making concessions, than having a direct impact on the likelihood of leadership change with a coalition shift. This is because the duration of previous interactions is for an extended period, focusing on capturing the level of hostility or mutual trust between the disputants. It would be difficult to make direct connections between long-term/historical interactions and leadership turnover with a coalition change in a particular year. Regarding peaceful interactions, from the target’s perspective, stalemate is defined as the target making either no or limited concession when the challenger makes no concession. Stalemate variable is based on previous rounds of talks, not current rounds of talks, which means that it is based on events that occurred before the year of observation.

To ensure that the instruments and the endogenous variable are correlated, I report that the first-stage diagnostics F-statistics is 10.84. This is greater than 10, which is the suggested

criterion to be considered as a strong instrument (Staiger & Stock, 1997). Performing tests of endogeneity, the test statistics is 6.288 ($p = 0.013$), which indicates that we can reject the null hypothesis that the independent variable is exogenous.

The result of the two stage least squares analysis is reported in table 3.8, which shows that using the 3 variables as the instrument, the main independent variable (making either limited or major concessions) is positively and statistically significantly related to leadership change with a coalition shift.³⁷ Therefore, the result supports the main hypothesis of this study that making territorial concessions is likely to lead to the political gain of domestic opposition factions.

³⁷ Two-stage least squares results for datasets that were merged using alternative methods can be found in the appendix tables A.7 and A.8.

Table 3.8 2SLS (results based on one year after making concessions, *target* states)

	<i>Leadership change with a coalition shift (Dependent variable)</i>
Concessions (binary)	0.290** (0.130)
Political Stability	0.0427* (0.0219)
Democracy	0.148*** (0.0249)
Economic value	-0.00625 (0.0271)
Strategic value	0.0396 (0.0275)
Ethnic value	0.00539 (0.0253)
Constant	-0.0730 (0.0504)
Observations	1,492

Robust standard errors in parentheses, clustered on dispute dyad level. *** p<0.01, ** p<0.05, * p<0.1

Overall, propensity score matching and the two-stage least squares model demonstrate that the original results are not severely affected by selection issues. The matching results, which select control cases from the entire dataset shows that making concessions does have a significant impact on leadership turnover with a coalition shift. Also, the two-stage least squares analysis shows that making concessions does have a systematic impact on leadership change.

3.4 Conclusion

We can see that making major territorial concessions through bilateral negotiations can lead domestic opposition groups to gain more power. Territorial concessions are regarded as a critical foreign policy failure that could replace the incumbent government with a new leader that represents different interests. The findings imply that domestic politics can be a significant factor that can impede resolving territorial disputes. Also, an important finding is that leaders of challenger countries are likely to be less affected by making concessions than target state leaders. As challenger states do not *de facto* administer the disputed territory, such result makes logical sense. However, this is a topic to be further examined as it raises new questions such as why target leaders would agree to enter negotiation and make concessions, or whether the public would care if the leader was the challenger or the target. Furthermore, we can examine whether the effect of making territorial concessions on the change in the source of leader support differs based on which method (bilateral negotiation, international ruling such as arbitration or adjudication, violent measures) concessions were made. Would there be a significant difference in terms of the probability of leader punishment when they lose territory through violent means than non-violent means?

Lastly, the findings of this study also suggest that further investigation can be done to better understand the relationships between territorial disputes and domestic politics. This study only investigates how one specific issue, a territorial issue, affects domestic political dynamics, but it would be worthwhile to examine how territorial concessions tend to be relatively more detrimental in securing leadership positions than making concessions in other non-territorial issues.

4. The Role of Territorial Saliency

In the previous chapter, I demonstrate that making major territorial concessions and leadership turnover with a coalition change are positively associated. In this chapter, I empirically test the rest of the hypotheses developed in chapter 2 (hypotheses 2 through 8). Below, I provide a summary of the hypotheses to be tested in this chapter using the ICOW settlement dataset, CHISOLS dataset, and audience cost capacity (ACC) dataset.

Table 4.1 Summary of hypotheses to be tested using the ICOW settlement dataset (1816-2001, Western Hemisphere and Western Europe, all peaceful methods), dependent variable is leadership change with a coalition shift

<i>Hypotheses</i>	<i>Variables used to measure saliency</i>
H2: The more salient the lost territory, the more likely leadership change with a coalition shift will occur	Overall saliency (ranges from 0 to 6)
H3: When territorial concessions are made, territories that are largely valued for their <i>intangible</i> attributes are more likely to lead to leadership change with a coalition shift than territories that are primarily valued for <i>tangible</i> features	Tangible and intangible saliency (each range from 0 to 3)
H4: Leadership change with a coalition shift is more likely to occur when concessions on territories with <i>homeland status</i> are made (compared to when concessions are made on territories absent of homeland status)	Homeland status (binary)
H5: Leadership change with a coalition shift is more likely to occur when concessions on territories with <i>identity connections</i> are made (compared to when concessions are made on territories absent of identity connections)	Identity connections (binary)
H6: Leadership change with a coalition shift is more likely to occur when concessions on territories with <i>historical ownership</i> are made (compared to when concessions are made on territories absent of historical ownership)	Historical ownership (binary)

Table 4.1(cont.)

<i>Hypotheses</i>	<i>Variables used to measure salience</i>
H7: Leadership change with a coalition shift is more likely to occur when concessions on territories with <i>strategic value</i> are made (compared to when concessions are made on territories absent of strategic value)	Strategic value (binary)
H8: Leadership change with a coalition shift is less likely to occur when concessions on territories with <i>economic value</i> are made (compared to when concessions are made on territories absent of economic value)	Economic value (binary)

This chapter is composed of 4 sections. First, I introduce the sources and structure of the dataset. Then, I explain the dependent, independent, and control variables. For the analysis, I conduct initial research using cross-tabulations. This initial research will help us to better understand the ICOW dataset, such as the features of disputed territory based on its overall, tangible, intangible, and specific attributes. More specifically, I display the distribution of territorial claims based on their salience levels, cross-tabulations of territorial salience and leadership change with a coalition shift, and cross-tabulations of territorial concessions and leadership change with a coalition shift, controlling for territorial salience.

These results not only give us a better idea of the ICOW dataset, but also can supplement the main regression analysis, which is based on a small sample of cases. After the initial research, I discuss the results based on logistic regression and conduct additional robustness checks. I run additional statistical analyses to test whether the empirical results may be sensitive to how the datasets were merged and what type of peaceful mechanism was used to make concessions. I also employ a Heckman selection model to address potential endogeneity concerns.

4.1 Research Design

4.1.1 Dependent variable

The dependent variable is leadership change with a coalition shift. This variable is identical to the one used in chapter 3 (see section 3.1). The variable is coded as a binary variable, which indicates whether there was leadership change with a coalition shift. It equals 1 if there was at least one leadership change with a coalition shift in a year, and 0 otherwise. The data is from the Change in the Source of Leadership (CHISOLS) dataset, which covers all regions of the world between 1919 and 2008.

Table 4.2 The distribution of leadership change with a coalitions shift

Whether there was at least one leadership change with a coalition shift in a year	<i>Challenger</i>		<i>Target</i>	
	Frequency	Percent	Frequency	Percent
0	231	86.19	219	84.56
1	37	13.81	40	15.44
Total	268	100.00	259	100.00

4.1.2 Independent variables

The ICOW settlement dataset provides detailed information on territorial concession. It covers the Western hemisphere and Western Europe, from 1816 to 2001. Data used for the analysis includes settlement attempts, where each case represents an attempt to resolve territorial claims. The data that I use for empirical analysis are attempts related to resolving sovereignty issues (over part or all the claimed area) and exclude functional and procedural attempts (Hensel

2001).³⁸ In the Western Hemisphere and Western Europe, there are a total of 567 peaceful attempts to resolve 74 territorial claims. Among the 567 cases, 277 cases led to an agreement (49 percent) (Hensel & Mitchell, 2005). The unit of analysis in the settlement data is a single settlement attempt, which records variables such as the challenger, target, settlement method, settlement outcome, and the beginning and ending year and month of an attempt.

Using the ICOW settlement dataset, we can identify the level of concession made by each challenger and target state. As shown in table 4.3, there are 5 types of concession. The independent variable is coded in two ways. First, the binary variable equals 1 if the agreement involves greater concessions by one state (either minor or major concessions) and equals 0 if even concessions or major/minor concessions are made by the opponent. For instance, for challengers, values 1 and 2 in the below table are both coded as 1, and the rest (values 3, 4, and 5) are coded as 0. For targets, values 4 and 5 are both coded as 1, and the rest (values 1, 2, and 3) are marked as 0.

Second, the independent variable equals 1 if the agreement involves only major concessions by one state (does not include minor concessions) without comparable concessions by the opponent state. For example, for challengers, only value 1 is coded as 1 and the rest (values 2, 3, 4, and 5) are coded as 0. For targets, only value 5 is coded as 1 and the rest (1, 2, 3, and 4) are coded as 0.

³⁸ Functional and procedural attempts do not directly deal with sovereignty issues. For example, this classification includes negotiations about how to solve the dispute, such as submitting the case to a third authority.

Table 4.3 Frequency of the type of concessions in the ICOW dataset

<i>Concession Variable (values)</i>	<i>Freq.</i>	<i>Percent</i>
Major challenger concessions (=1)	23	8.39
Minor challenger concessions (=2)	37	13.50
Roughly even concessions (=3)	113	41.24
Minor target concessions (=4)	62	22.63
Major target concessions (=5)	39	14.23
Total	274	100.00

The unique information that the ICOW dataset provides is the salience index. We can identify the overall salience, tangible/intangible salience of disputed territory, and whether a territorial claim has specific characteristics. As aforementioned, 6 indicators are used to construct the measure of territorial claim salience. The overall salience index ranges from 0 to 12, and the greater the value, the greater the overall salience of the claimed territory. Each indicator is measured separately for each challenger and target state, and ranges from 0 (all 6 values are absent for each state) to 12 (all 6 values are present for each state).

For challengers, there was 1 dispute that had 0 overall salience. The disputed territory is ‘Los Roques’ (Netherlands vs. Venezuela).³⁹ For targets, there were 5 disputes with a score of 0 on overall salience – Pirara (Brazil vs. U.K.), Trindade Island (Brazil vs. U.K.), 49th Parallel (U.S. vs. U.K.), Sverdrup Islands (Canada vs. Norway), and Tumuc-Humac (Brazil vs. Netherlands). The territories with the highest overall salience (score of 6 for both challenger and targets) were Alsace-Lorraine (Germany vs. France) and Aaland Islands (Sweden vs. Finland).

³⁹ The country mentioned first in the parentheses is the challenger and second is the target.

To measure the tangible salience of territory, the 3 indicators used are: (1) territory with potentially valuable resources, (2) territory with strategic or military values (e.g., may serve as critical military bases, communication, or trade routes), and (3) territory that sustains a permanent population (measured by the existence of permanent towns/villages than when it is uninhabitable). Since these are objective indicators and applied equally to each challenger and target states, 1 point is given for each value.

The indicators for intangible values are: (4) territory that is claimed by the state as homeland rather than as a colonial or dependent possession, (5) territory with the presence of an explicit ethnic, linguistic, religious, or other identity linkages to the land and its inhabitants, and (6) territory that the state has previously exercised sovereignty over the territory within the past two centuries (i.e., historical value). Since these values hold relative significance, 1 point is given for each challenger or target state that is applicable. The tangible and intangible index range from 0 to 6, and the greater the value, the greater the salience.

Table 4.4 Descriptive statistics of overall, tangible, and intangible salience (the values are in half since they are for each challenger and target states)

	<i>Salience</i>	<i>Obs.</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min</i>	<i>Max</i>
Overall	(Challenger)	563	3.474245	1.197845	0	6
	(Target)	563	3.623446	1.313881	0	6
Tangible	(Challenger and target)	563	1.909414	0.9031185	0	3
Intangible	(Challenger)	563	1.564831	0.7163366	0	3
	(Target)	563	1.714032	0.717051	0	3

4.1.3 Control Variables

Consistent with the control variables in chapter 3 empirical analysis, I identify confounding variables that are likely to affect both the main explanatory variable (territorial concession) and the dependent variable (leadership change with a coalition shift). In chapter 3, the 3 control variables are the strength of domestic political opposition factions, economic, strategic, and ethnic values of territory, and regime type (see section 3.1). In this chapter, I use the audience cost capacity (ACC) variable to measure the strength of domestic political opposition factions (Uzonyi et al., 2012). Also, this variable is used instead of the regime type variable as the ACC variable and regime type variables are highly correlated (explained in the next section). Value of territory is measured by the indicators in the ICOW dataset.

The strength of domestic political opposition factions

If domestic political opposition groups are relatively strong, the incumbent leader is unlikely to engage in risky policies such as making territorial concessions. Also, the strength of opposition groups is likely to affect the probability of leadership turnover. I expect this variable to be positively associated with a change in the source of leader support. The more domestic political opposition groups are relatively stronger, the more likely that incumbent leaders are to be politically punished and be replaced by a leader from the opposition faction.

There are potentially two sources that I can use to measure the strength of domestic opposition factions. First, I can try to utilize the measurement I used in the first empirical chapter. This measure is from the Huth and Allee dataset, which covers the period between 1919 and 1995. This variable measures the political stability of an incumbent government based on

how much it is constrained domestically. This is a binary measure which is coded differently for democracies and non-democracies. For non-democracies, the variable is coded as 1 if the government is facing a domestic political threat (i.e., current civil war or revolution; insurgency, coup, or attempted coup within the past calendar year). If the current regime experienced a domestic political threat in the past calendar year, it indicates that the incumbent regime is in a relatively fragile position. With regards to democracies, the variable is coded as 1 if the ruling coalition does not have a majority of seats in the legislature, which is likely to imply that the incumbent is politically weak position.

Since I am likely to lose many cases due to the limited time frame that the Huth and Allee (2002) dataset covers, I can use an alternative one, which measures the state audience cost capacity (ACC). This dataset covers all regions of the world, between 1816 and 2000. The strength of domestic opposition groups can be measured by ACC (Uzonyi et al., 2012), which is based on the perspective that two sets of institutions affect the formation of audience costs.

The two factors on which the authors focus to capture the necessary institutional traits that affect audience costs are: (1) the availability of domestic political challengers (i.e., the barriers to exit or the costs that challengers face when they failed to challenge the incumbent) and (2) the ability of them to mobilize supporters (i.e., the costs of mobilizing against incumbent) (Uzonyi et al., 2012).⁴⁰ The barriers to exit tend to be lower in democracies, and the lower the barriers, the easier for potential challengers to enter into political competition against the incumbent. Also, the lower the costs of mobilization (e.g., when the freedom of assembly

⁴⁰ See Uzonyi, Souva, and Golder (2012) for more specific operationalization of audience cost capacity (ACC).

increases), the easier it is for the opposition to express disapproval or rally against the incumbent.

One of the major contributions of the development of ACC is that it allows for variation in audience costs within democracies and non-democracies. The authors argue that they provide a more precise measurement to capture domestic audience costs (Uzonyi et al., 2012). What is different from existing measures is that the authors view audience costs as a function of political contestability against the incumbent rather than the incumbent leaders' ability to "monitor and punish" potential political challengers.

The measurement of ACC applies across democratic and non-democratic regimes. It ranges from 0 (no ACC) to 3 (high ACC). The higher the ACC score, incumbents are more likely to be politically challenged by alternative rulers. To operationalize ACC, the authors use a composite measure of the Polity IV data. To proxy the emergence of political challengers they use 'openness of executive recruitment (xropen)' in the Polity IV data. To gauge the costs of mobilization, they use the Polity indicator on 'restrictions on political participation (parcomp).' I would expect that the stronger the ACC, the more likely that leadership change with a coalition shift occurs.

To demonstrate the utility of ACC, the authors apply the ACC measure on Schultz's (1999) study. In Schultz's study, to proxy audience-cost generating institutions, he uses a binary variable that measures whether a state is a democracy. By using the ACC measure instead of the

binary regime variable, the authors conclude that ACC can be a more robust indicator of audience costs than the “regime type approach.”⁴¹

Therefore, for empirical analysis of this dissertation, I use the ACC measure instead of the binary regime type variable (equals 1 if the score is higher or equal to 6, and 0 otherwise). As a robustness test, I provide statistical results that include both the ACC and binary regime type variable (see appendix tables B.1-B.4).⁴² To measure regime type, I can utilize the regime variable in the ACC dataset, which is also based on the Polity IV data. An alternative would be to use the score included in the CHISOLS dataset (the dataset we use to measure the dependent variable), which is also based on the Polity IV data but covers only after 1919.

4.2 Empirical Analysis and Discussion

I use logistic regression to estimate the models. The tests also use robust standard errors clustered on the ‘claim dyad’ to account for nonindependence across cases within a dyad. To ensure that making concessions occurred prior to leadership turnover with a coalition change, the dependent variable is merged by the year that is 1 year after concessions have been made. As robustness checks, additional analysis has been conducted when the datasets are merged based

⁴¹ In addition, Uzonyi, Souva, and Golder (2012) find that most democracies have some ACC and there is variation within them, and around 70 percent of autocracies have no ACC. This shows that is substantial correlation between the binary regime type variable and the ACC measure. In the dataset that I use for this dissertation, I find that the correlation between ACC score and the regime type variable are 0.76 (p-value: 0.00) for challenger states, and 0.83 for target states (p-value: 0.00).

⁴² The main results show similar patterns from the models that only have the ACC variable (tables 4.6-4.9). The main results (that include only ACC measure without the binary regime type variable) are not significantly different from the results in the appendix. However, in the appendix, we can see that the direction of the ACC variable coefficient is negative, which is unexpected. This may be mainly due to collinearity issues or high correlation between the two variables. To address the multicollinearity issue, we can consider dropping the redundant variable or increase the sample size. As the option of increasing the sample size is not feasible, I decided to drop the binary regime type variable (Multicollinearity n.d.).

on the “6-months” rule and 2 years after concessions have been made (see appendix tables B.5-B.8, and tables B.9-B.12).

Besides the difference in spatial and temporal coverage compared to the Huth and Allee global dataset, the ICOW settlement dataset not only includes bilateral negotiation but also other methods (see below table 4.5). In table 4.5, we can see that bilateral negotiation accounts for 61.7 percent of all settlement attempts.

Table 4.5 Type of Settlement

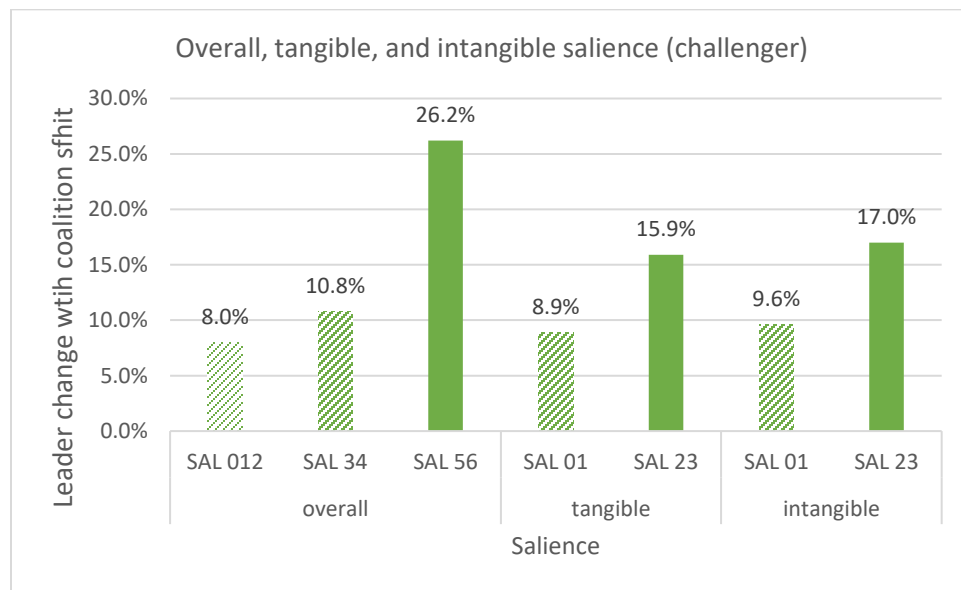
<i>Type of Settlement</i>	<i>Freq.</i>	<i>Percent</i>
Bilateral Negotiations	169	61.68
Good Offices	14	5.11
Inquiry or Conciliation	1	0.36
Mediation	18	6.57
Arbitration	29	10.58
Adjudication	8	2.92
Other Third-Party Settlement Attempt	0	0.00
Multilateral Negotiations	11	4.01
Peace Conference	24	8.76
Total	274	100.00

In the merged dataset that includes all the independent, dependent, and control variables, there are a total of 567 observations of settlement attempts, consisting of 74 territorial claims. Among them, around 48 percent have reached an agreement, which leaves us about 274 observations to examine. Ultimately, we have 123 cases for challengers and 124 cases for targets, which is primarily because the CHISOLS dataset (has variable on leadership change with a coalition shift) covers only between 1919 and 2018. There is no leadership change data for the countries that made territorial concessions between 1816 and 1918.

4.2.1 Initial Analysis: Cross-Tabulations

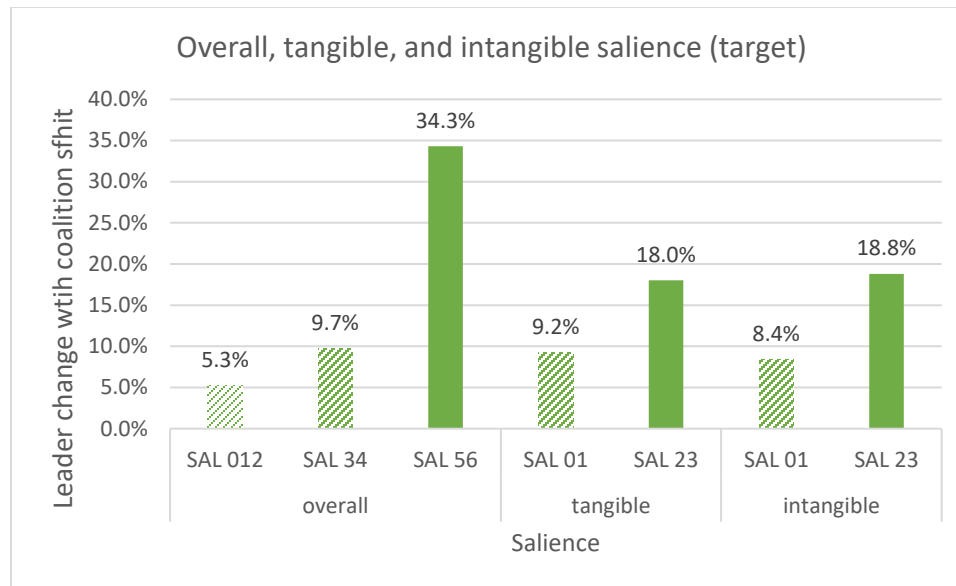
Before we discuss the empirical results based on logistic regression, I conduct cross-tabulation analysis to better understand the ICOW dataset, and the relationships between the key variables. First, below in figure 4.1, we can see a cross-tabulation between leadership change with a coalition shift and the salience level (overall, tangible, and intangible) of a disputed territory. As an effort to account for the small number of cases, the overall salience variable, which ranges from 0 to 6, is recoded to 0 (combined values of 0, 1, and 2), 1 (merged values of 3 and 4), and 2 (added values of 5 and 6). Also, the tangible and intangible variables (each range from 0 to 3) are recoded to values 0 (combined values 0 and 1) and 1 (merged valued 2 and 3), respectively.

Figure 4.1 Leadership change with a coalition shift, by the salience level of disputed territory (cross-tabulation), *challenger*



Notes: Cross-tabulation of salience level of disputed territory (x-axis) and leadership change with a coalition shift (y-axis). Salience is divided into 3 categories: overall, tangible, and intangible salience. Overall salience (ranges 0-6, 6 being the highest value) is recoded into 3 levels. Tangible and intangible salience are recoded into 2 levels (each range from 0-3, 3 being the highest value).

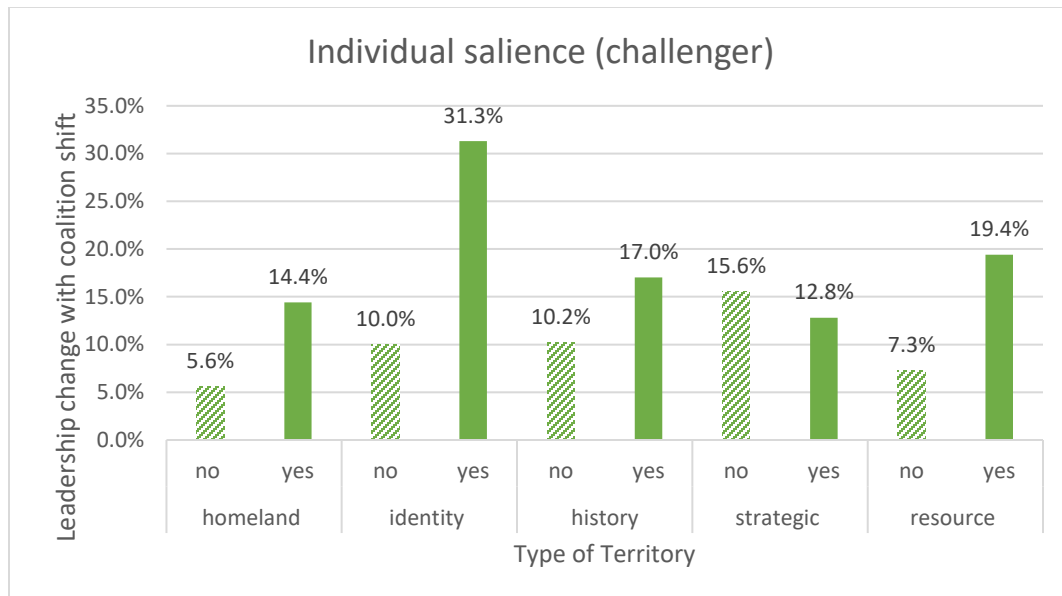
Figure 4.2 Leadership change with a coalition shift, by the salience level of disputed territory (cross-tabulation), *target*



Notes: Cross-tabulation of salience level of disputed territory (x-axis) and leadership change with a coalition shift (y-axis). Salience is divided into 3 categories: overall, tangible, and intangible salience. Overall salience (ranges 0-6, 6 being the highest value) is recoded into 3 levels. Tangible and intangible salience are recoded into 2 levels (each range from 0-3, 3 being the highest value).

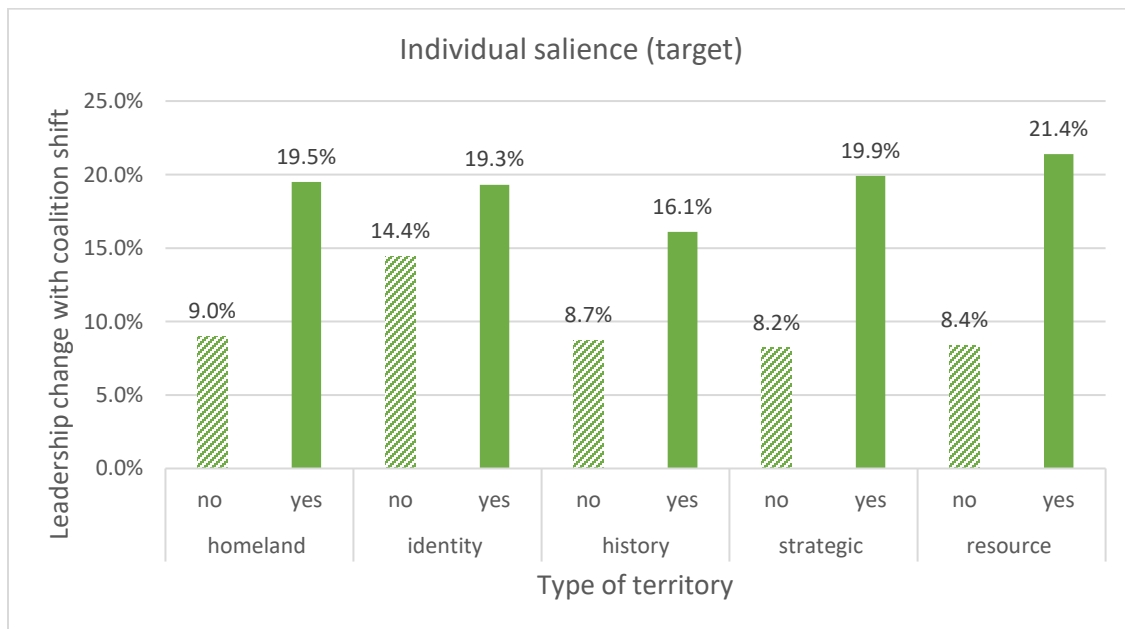
In figure 4.1 (challenger) and figure 4.2 (target), we can see that there is a positive relationship between the salience level (overall, tangible, and intangible) and leadership change with a coalition shift. For example, overall salience is the most positively associated – 34.3 percent when the value is 5 or 6 in figure 4.2. In the same figure, both tangible and intangible saliences also have positive correlations – the probability of a coalition shift is roughly 18 percent when their values are or 2 or 3.

Figure 4.3 Leadership change with a coalition shift, by type of disputed territory (cross-tabulation), *challenger*



Notes: Cross-tabulation of type of disputed territory (x-axis) and leadership change with a coalition shift (y-axis). The x-axis shows whether a disputed territory has a certain value or not.

Figure 4.4 Leadership change with a coalition shift, by the type of disputed territory (cross-tabulation), *target*

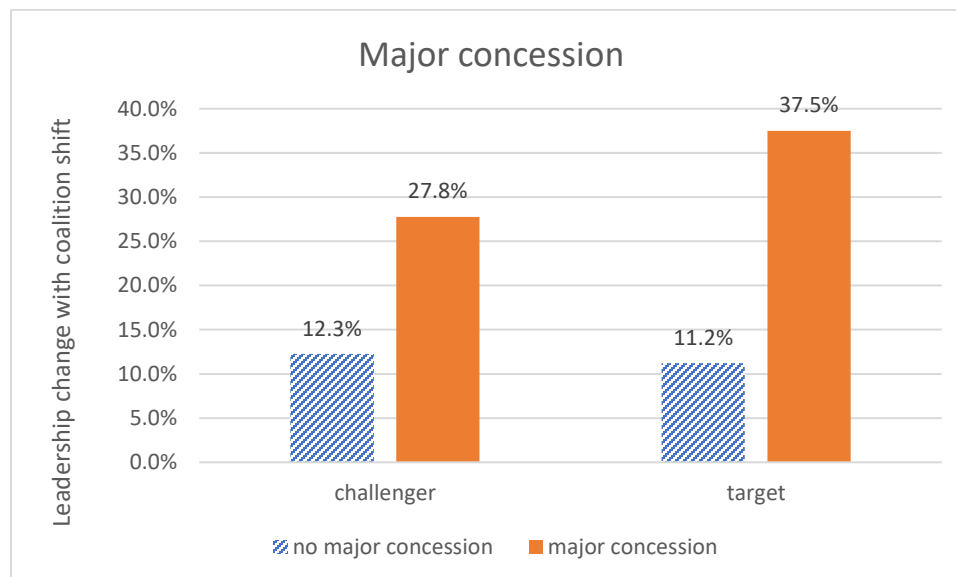


Notes: Cross-tabulation of type of disputed territory (x-axis) and leadership change with a coalition shift (y-axis). The x-axis shows whether a disputed territory has a certain value or not.

In above figure 4.3 (challenger) and figure 4.4 (target), we can see that there is mostly a positive correlation between individual characteristic of disputed territory and leader turnover with a coalition change. For challengers, disputed territories with homeland status, identity connections, historical ownership, and resources are positively related with coalition change. In the case of strategic value, there is a slight decrease. For targets, all 5 attributes are positively associated.

Next, the graph in figure 4.5 is a cross tabulation of major territorial concession and leadership change with a coalition shift. There is a positive relationship between the two, and the effect tends to be greater in target states (37.5 percent - 11.2 percent = 26.3 percentage points) than challenger states (27.8 percent - 12.3 percent = 15.5 percentage points).

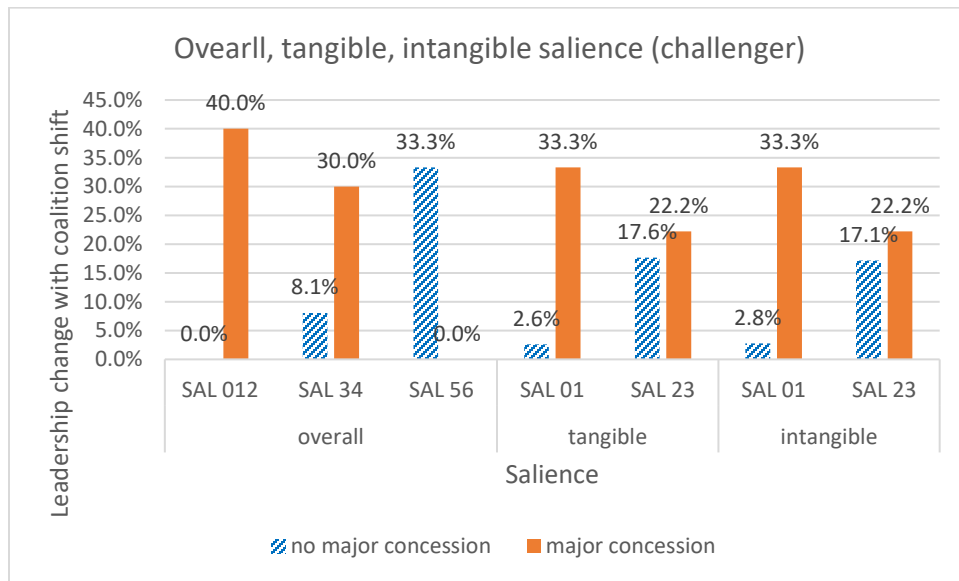
Figure 4.5 Leadership change with a coalition shift, by major territorial concession (cross-tabulation), *challenger (left) and target (right)*



Notes: Cross-tabulation of making major territorial concessions (x-axis) and leadership change with a coalition shift (y-axis). The x-axis shows whether challenger (left) made major concessions or not, and whether target (right) made major concessions or not.

Next, I conduct cross-tabulations to see how major territorial concessions affect leadership change with a coalition shift, controlling for the level of salience.

Figure 4.6 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the salience of disputed territory, *challenger*

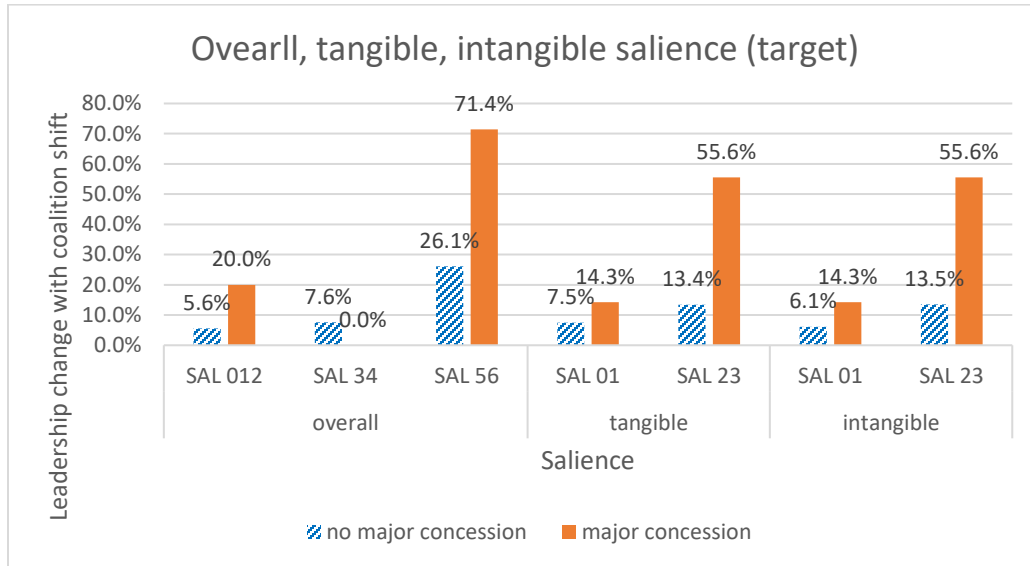


Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift, controlling for the salience level of disputed territory. Salience is divided into 3 categories: overall, tangible, and intangible salience. Overall salience (ranges 0-6, 6 being the highest value) is recoded into 3 levels. Tangible and intangible salience are recoded into 2 levels (each range from 0-3, 3 being the highest value).

In the case of challenger states in figure 4.6, the effect of making a major concession tends to be negatively related to leadership change with a coalition shift. As the level of salience increases for all 3 types (overall, tangible, and intangible) of values, the effect of making concession gets smaller. For example, for both tangible and intangible territories, the probability of a coalition change declines from 33.3 percent to 22.2 percent. Similarly, the probability decreases from 40 percent to 30 percent when overall salience increases. However, due to limited samples (0 percent for low overall salience with no concession, and 0 percent for high overall salience with major concession), it is difficult to fully assess how overall salience affects the

relationship between making major concessions and a coalition change.

Figure 4.7 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the salience of disputed territory, *target*



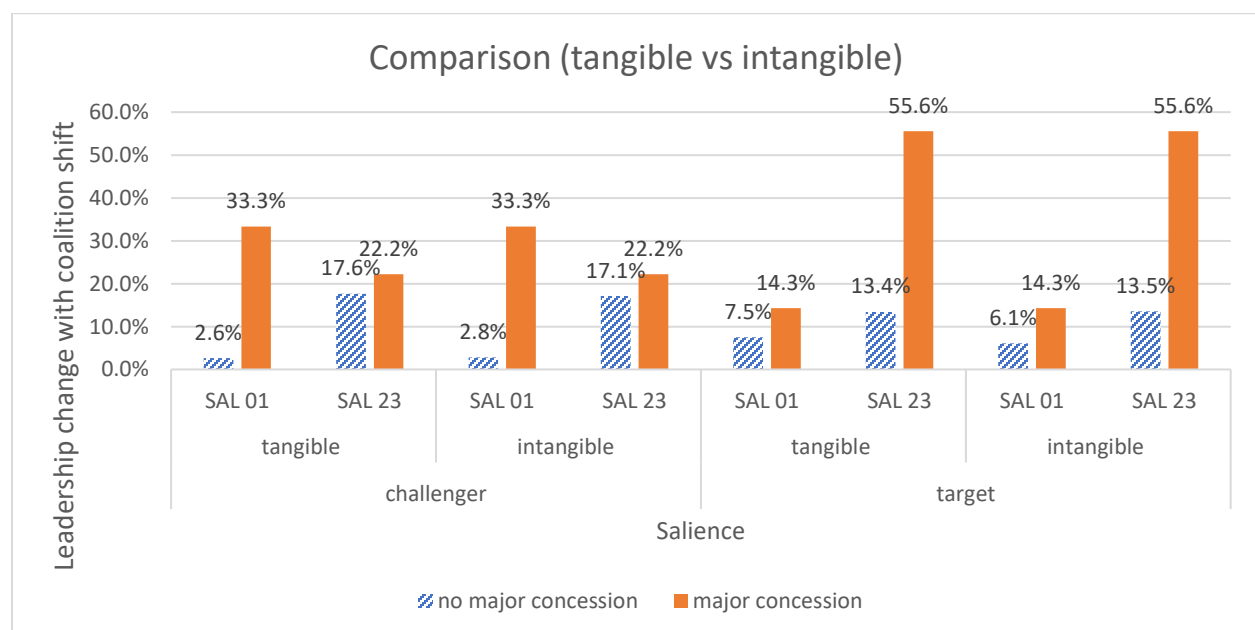
Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift, controlling for the salience level of disputed territory. Salience is divided into 3 categories: overall, tangible, and intangible salience. Overall salience (ranges 0-6, 6 being the highest value) is recoded into 3 levels. Tangible and intangible salience are recoded into 2 levels (each range from 0-3, 3 being the highest value).

Figure 4.7 shows that for target states, making major concession tends to be positively associated with leadership turnover with a coalition shift. As the degree of overall, tangible, and intangible salience increases, the effect of making concession gets larger. We see that for overall salience, as it increases from low (0, 1, or 2) to high values (5 or 6), the probability of leadership change jumps from 20 percent to 71.4 percent. Similarly, for territories with tangible and intangible values, there is an increase from around 14.3 percent to 55.6 percent.

Comparison (tangible vs intangible salience)

Hypothesis 3 states that territories with primarily intangible values are more likely to lead to leadership change with a coalition shift than territories with mostly tangible values. Based on the empirical results, it is difficult to find clear statistical evidence that supports this hypothesis. Figure 4.8 provides a clearer comparison of the tangible versus intangible values. When we see challenger states, whether the disputed territory has primarily tangible or intangible values did not make much difference. For both tangible and intangible values, the probability of leadership change decreases from 33.3 percent to 22.2 percent. Likewise, for targets, we can see that there is no major difference in the likelihood of a coalition shift depending on whether the territory has largely tangible or intangible values – for both, the likelihood increases from 14.3 percent to 55.6 percent.

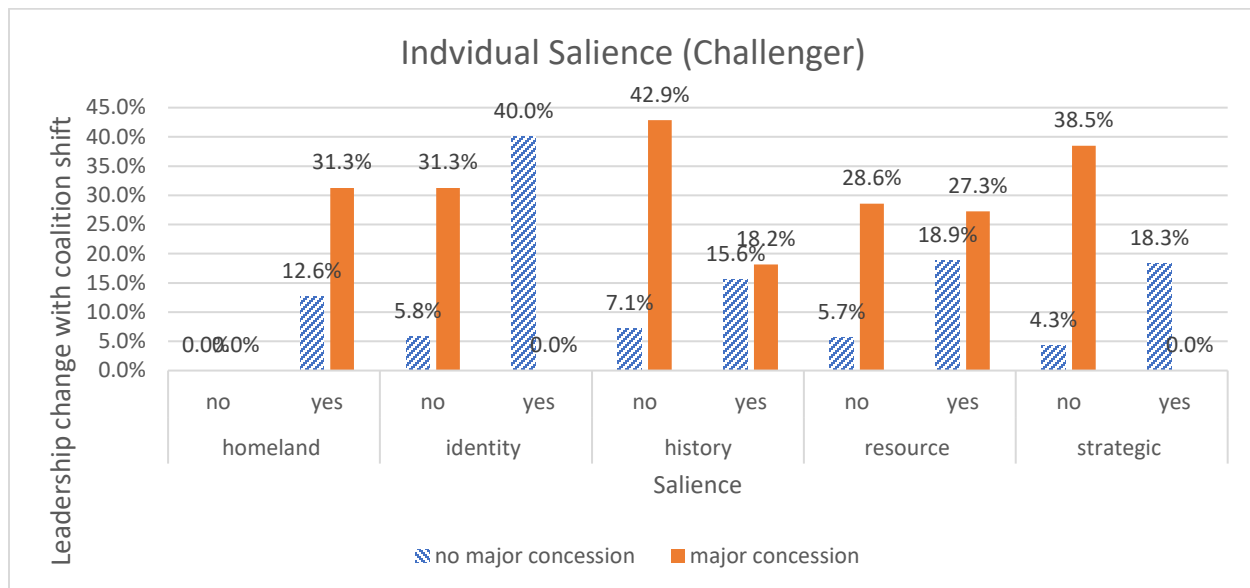
Figure 4.8 Tangible versus intangible values (based on figures 4.6 and 4.7)



An interesting finding is that, for both tangible and intangible values, as we move from low values of salience (0 or 1) to high values (2 or 3), making concessions is negatively related with leadership change in challenger states (from 33 percent to 22 percent), but there is a positive relationship for target states (14 percent to 55 percent). Discussion on why hypothesis 3 is not empirically supported is discussed more below (see section 4.2.2).

Next, we investigate the effect of individual characteristic of territory. Figure 4.9 presents a cross-tabulation for how individual traits matter in the case of challenger states. Here, it is difficult to make a clear conclusion due to limited data. For homeland, identity, and strategic values, there are cases of 0 percent in the cross-tabulation, so it is hard to draw implications from the data. However, a result that we consistently identify is the different patterns between challenger and target states. For challengers, when economic resource and historical value are present, the effect of making concessions is negatively related to leadership turnover with a coalition change. When it has historic value, the likelihood of a coalition change falls from 42.9 percent to 18.2 percent. When it has economic resource, the probability of a coalition shift decreases from 28.6 percent to 27.3 percent.

Figure 4.9 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the type of territory, *challenger*



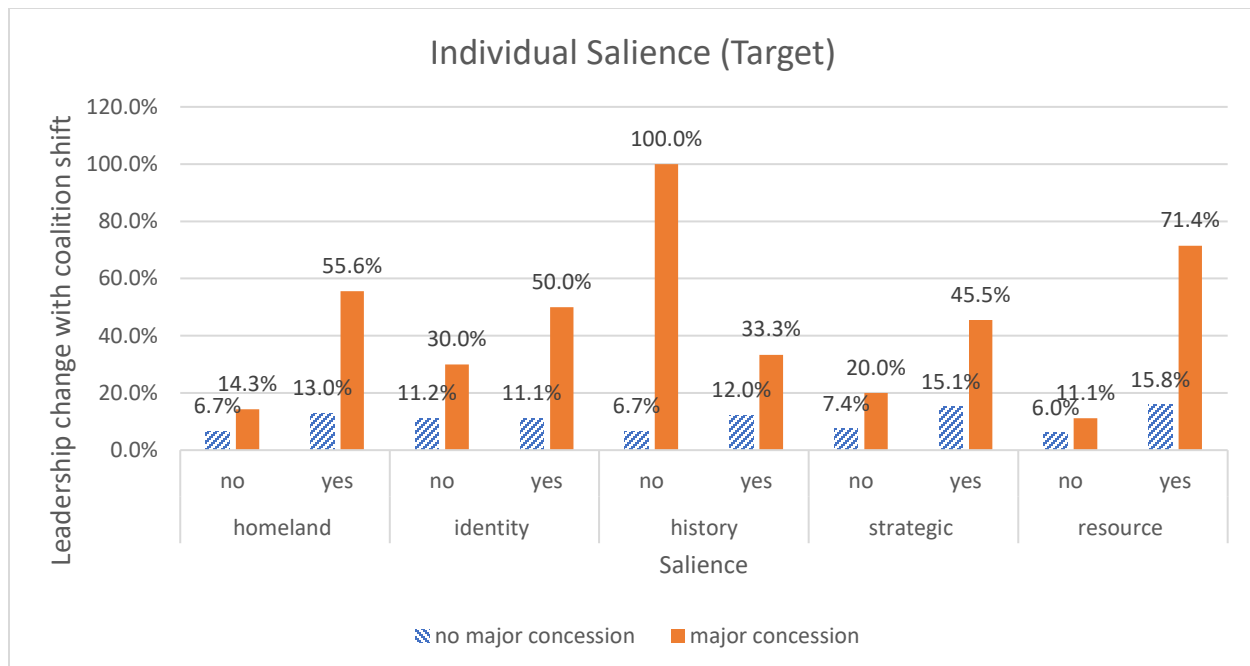
Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift, controlling for type of disputed territory. The x-axis shows whether a disputed territory has a certain value or not.

For target states, making a major concession is mostly positively associated with leadership change with a coalition shift for territory with specific traits. In figure 4.10, when target state leaders make a major concession on homeland territory, the likelihood of being removed from power is 55.6 percent. The effect of being a homeland territory is clear as the probability of a coalition change increases from 14.3 percent to 55.6 percent when it changes from non-homeland territory to homeland territory. Also, territories with identity, strategic, and economic values display a clear increase in the probability of a coalition shift when major concessions are made.

Interestingly, historical value of territory is likely to reduce the probability of a coalition change (decreases from 100 percent to 33.3 percent). However, we would have to be cautious and not yet conclude that historical value has a negative effect since there is limited number of

cases. When major concessions are made on territories with no historical values, the probability of leadership change is 100 percent, and this may reflect the fact that the sample size is very limited.

Figure 4.10 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the type of territory, *target*



Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift, controlling for type of disputed territory. The x-axis shows whether a disputed territory has a certain value or not.

Also, analyses in figures 4.9 and 4.10 show that evidence to support hypothesis 8 (which expects that territories with economic values are less likely to lead leadership turnover with a coalition change) is only observed in the case of challenger but not target states. For challengers, when major concessions are made on territories with economic value, the probability of a coalition change slightly decreases from 28.6 percent to 27.3 percent. Whereas, with regards to

target states, the probability drastically increases from 11.1 percent to 71.4 percent. Hypothesis 8 is discussed more below (see section 4.2.2).

Although the findings on hypotheses 6 (historical value) and 8 (economic value) are not as predicted, overall, evidence suggest that individual characteristics of territory do play a meaningful role in increasing the possbiltiy of leadership change when major concessions are made.

Implications of cross-tabulations

Through the cross-tabulation analysis, we were able to identify some major patterns and limitations of the data. One major pattern is that territorial salience variables are mostly positively related to the dependent variable (leadership change with a coaliton shift). Second, the main independent variable, making major concessions, is positively associated with the outcome variable. Third, when we explore the effect major concessions produce on the outcome variable, controlling for the level of salience, we identify an interesting pattern – there are systematic differences between target and challenger states. For challenger states, as the salience of overall, tangible, and intangible values increases, or when economic and historical values are present, the effect of making major concesions on the probabiliy of a coalition shift tends to get smaller. In contrast, for target states, as the salience of overall, tangible, and intangible increases or when economic, strategic, identity, and homeland values are present, the effect of major concessions on the outcome variable tends to get larger.

A major limitation is that due to the small number of observations, it may be difficult to make a clear conclusion in some cases. This issue of lack of data (or information) was more

present in challenger countries. As we discuss further based on the logistic regression results, we should keep in mind of the major patterns and limitation identified through cross-tabulations.

4.2.2. Main Findings: Regression Analysis

In this section, I will evaluate hypotheses 2 through 8 based on logistic regression. First, models 1 and 2 in tables 4.6, 4.7, 4.8, and 4.9 present the bivariate relationship between making territorial concessions and leadership change with a coalition shift. Tables 4.6 and 4.7 display the results for when *minor and major concessions* are made by challenger and target, respectively. Tables 4.8 and 4.9 are results for when only *major concessions* are made by each and challenger and target.

Overall, we obtain results that are consistent with when we use the concession variables in the Huth and Allee dataset. The bivariate relationship without control variables is statistically significant when *major* concessions are made by *target* states (model 1 in table 4.9). When control variables are included, as presented in model 2 in tables 4.8 and 4.9, the relationship is significant for both challenger and target states (significant at the 0.1 level for challengers). The ACC variable is mostly positive, which is in the expected direction, but not statistically significant.

Table 4.6 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *challenger*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
Concession (minor, major)	0.342 (0.468)	0.197 (0.543)	5.066*** (1.880)	3.724*** (1.443)	3.306* (1.709)	0.412 (0.475)	0.939 (0.643)	0.908 (0.898)	2.116** (0.844)	0.698 (0.958)
Salience		0.550** (0.252)	1.119*** (0.250)	1.369*** (0.465)	1.705*** (0.565)	Omitted	2.463*** (0.662)	0.691 (0.754)	1.730** (0.749)	1.236* (0.708)
Concession* Salience			-1.194** (0.474)	-1.676*** (0.622)	-1.489* (0.771)	Omitted	-2.071* (1.075)	-0.878 (1.064)	-3.165*** (1.086)	-0.664 (1.105)
ACC		0.113 (0.217)	0.153 (0.232)	0.141 (0.220)	0.0894 (0.224)	0.126 (0.216)	-0.0528 (0.201)	0.159 (0.222)	0.135 (0.229)	0.111 (0.219)
Constant	-1.893*** (0.325)	-4.092*** (1.051)	-6.548*** (1.214)	-4.895*** (1.130)	-5.361*** (1.314)	-2.032*** (0.426)	-2.520*** (0.456)	-2.559*** (0.750)	-3.193*** (0.656)	-2.765*** (0.657)
Observations	124	124	124	124	124	119	124	124	124	124

Notes: Concession variable equals 1 if agreement involves greater concessions by the challenger state (including minor and major), equals 0 if even concessions or major/minor concessions made by target. Homeland salience and interaction omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table 4.7 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *target*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
Concession (minor, major)	0.764 (0.524)	0.612 (0.555)	1.475 (2.305)	2.011 (2.013)	-0.338 (1.875)	0.329 (1.247)	-0.0264 (0.643)	1.818 (1.589)	1.066 (0.964)	0.648 (1.076)
Salience		0.615** (0.286)	0.721** (0.320)	1.271** (0.540)	0.340 (0.366)	1.204 (0.757)	-0.855 (0.687)	0.524 (1.186)	1.163* (0.654)	1.324* (0.800)
Concession* Salience			-0.204 (0.510)	-0.538 (0.799)	0.492 (0.836)	0.519 (1.385)	2.591** (1.087)	-1.202 (1.685)	-0.582 (1.161)	0.808 (1.278)
ACC		0.180 (0.189)	0.172 (0.190)	0.0804 (0.188)	0.156 (0.180)	0.323 (0.219)	0.160 (0.189)	0.0645 (0.200)	0.0730 (0.187)	0.151 (0.204)
Constant	-1.997*** (0.334)	-4.669*** (1.238)	-5.089*** (1.369)	-4.821*** (1.362)	-2.886*** (0.820)	-3.495*** (0.854)	-2.183*** (0.514)	-2.577** (1.064)	-2.824*** (0.544)	-3.197*** (0.860)
Observations	123	123	123	123	123	123	123	123	123	123

Notes: Concession variable equals 1 if agreement involves greater concessions (including minor and major) by the target state, equals 0 if even concessions or major/minor concessions made by challenger. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table 4.8 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *challenger*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
Concession (major)	1.012 (0.622)	1.318* (0.731)	7.695*** (1.851)	5.232*** (1.560)	5.756*** (1.832)	1.143* (0.637)	2.004*** (0.679)	2.346** (0.992)	2.603*** (0.865)	1.862* (1.032)
Salience		0.617*** (0.236)	1.148*** (0.250)	1.307*** (0.486)	1.790*** (0.554)	Omitted	2.395*** (0.630)	0.938 (0.750)	1.611** (0.753)	1.344* (0.716)
Concession* Salience			-1.786*** (0.538)	-2.259*** (0.828)	-2.509*** (0.950)	Omitted	0 (0)	-2.240* (1.326)	0 (0)	-1.374 (1.316)
ACC		0.112 (0.232)	0.0563 (0.260)	0.0313 (0.240)	0.0918 (0.244)	0.119 (0.219)	-0.0345 (0.217)	0.178 (0.236)	0.0793 (0.241)	0.0670 (0.232)
Constant	-1.968*** (0.337)	-4.531*** (1.055)	-6.828*** (1.261)	-4.833*** (1.116)	-5.736*** (1.320)	-2.091*** (0.449)	-2.745*** (0.483)	-2.838*** (0.743)	-3.201*** (0.647)	-2.894*** (0.629)
Observations	124	124	124	124	124	119	122	124	119	124

Notes: Concession variable equals 1 if the agreement involves major concessions by the challenger state, without comparable concessions by the target state. Equals 0 if challenger made minor, even concessions or target made major/minor concessions. Homeland salience and interaction omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table 4.9 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *target*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
Concession (major)	1.558*** (0.572)	1.392** (0.641)	2.133 (2.280)	1.595 (2.251)	1.394 (1.679)	0.847 (1.201)	1.187* (0.707)	1.327** (0.598)	1.135 (1.255)	0.584 (1.210)
Salience		0.567** (0.260)	0.643** (0.274)	0.978** (0.468)	0.523 (0.415)	1.192 (0.765)	-0.0301 (0.713)	0.682 (1.224)	0.800 (0.628)	1.081 (0.702)
Concession* Salience			-0.177 (0.503)	-0.0164 (0.896)	0.0296 (0.787)	1.185 (1.429)	0.911 (1.284)	Omitted	0.406 (1.420)	2.005 (1.513)
ACC		0.130 (0.185)	0.121 (0.191)	0.0429 (0.184)	0.0972 (0.186)	0.291 (0.229)	0.0325 (0.192)	-0.0577 (0.206)	0.00854 (0.188)	0.104 (0.195)
Constant	-2.069*** (0.322)	-4.458*** (1.132)	-4.751*** (1.156)	-4.128*** (1.154)	-3.196*** (0.884)	-3.512*** (0.890)	-2.122*** (0.482)	-2.572** (1.043)	-2.541*** (0.540)	-2.945*** (0.778)
Observations	123	123	123	123	123	123	123	122	123	123

Notes: equals 1 if the agreement involves major concessions by the target state without comparable concessions by the challenger state. Equals 0 if target made minor, even concessions or challenger made major/minor concessions. Historical salience interaction omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1

Predictive margins in tables 4.10 and 4.11 also show that there is an increase in the probability of a coalition change for both challenger and target states when major concessions are made. When challengers make major concessions, the marginal impact is 30.96 percent. This

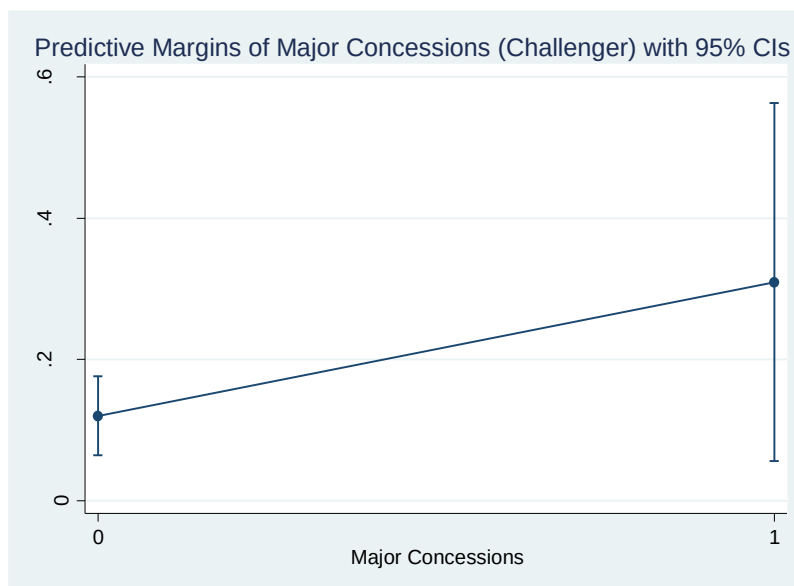
is a 157.36 percent increase compared to when there are even concessions or the target makes minor or major concessions (12.03 percent).

Table 4.10 Predictive margins (based on model 2 in table 4.8)
(Dependent variable: Leadership change with a coalition shift)

	<i>Challenger</i>	<i>Confidence interval</i>
Even concessions or target makes minor/major concessions	0.1203*** (0.0284)	0.0646 - 0.1761
Major concessions by challenger	0.3096** (0.1293)	0.0561 – 0.5631
Observations	124	

Notes: Predictive probabilities with robust standard errors in parentheses.
95 percent confidence intervals. *** p<0.01, ** p<0.05, * p<0.1

Figure 4.11 Predictive margins of *challenger* states making major concession on leadership change with a coalition shift (based on table 4.10)



When targets make major concessions, the marginal impact is 32.39 percent. This is a 175.19 percent increase from when there are even concessions or the challenger makes minor or

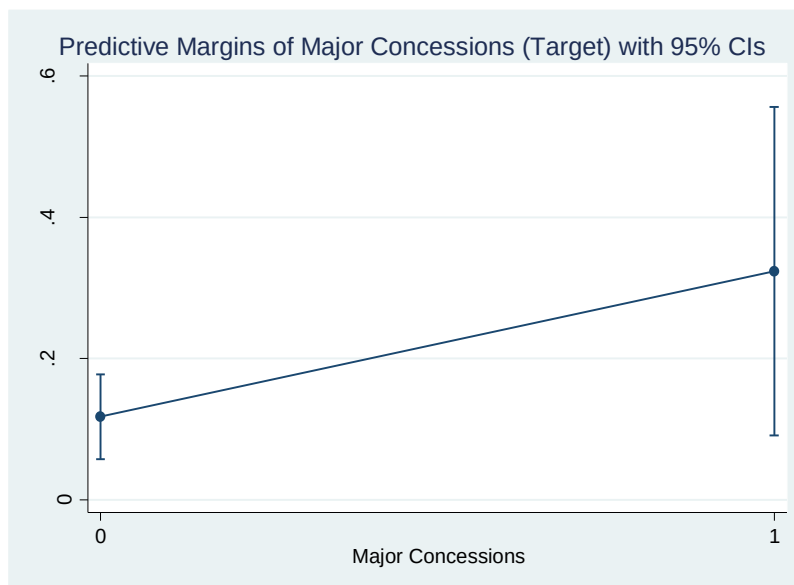
major concessions (11.77 percent). The confidence intervals do overlap, but this is not an indication that the relationship is statistically insignificant (Austin & Hux, 2002; Wolfe & Hanley, 2002).

Table 4.11 Predictive margins (based on model 2 in table 4.9)
(Dependent variable: leadership change with a coalition shift)

	<i>Target</i>	<i>Confidence interval</i>
Even concessions or challenger makes minor/major concessions	0.1177*** (0.0306)	0.0578 - 0.1777
Major concessions by target	0.3239** (0.1186)	0.0914 - 0.5564
Observations	123	

Notes: Predictive probabilities with robust standard errors in parentheses.
95 percent confidence intervals. *** p<0.01, ** p<0.05, * p<0.1

Figure 4.12 Predictive margins of *target* states making major concession on leadership change with a coalition shift (based on table 4.11)



Overall salience

Regarding hypothesis 2, which states that as the overall salience increases, leaders are more likely to be replaced by domestic opposition factions when they lose a territory, we find empirical support only in the case of target states. Table 4.12 presents the marginal impact of making major concessions on leadership turnover with a coalition shift, depending on the overall salience level. In challenger states, the predicted probability of leadership change with a coalition shift decreases from 71.9 percent (value is 0) to 5.28 percent (value is 6). This is a 92.65 percent decrease. While in the case of targets, the predicted probability of a coalition shift increases from 8.42 percent to 59.9 percent, which is a 611 percent increase.

Table 4.12 Marginal impact of major concession on leadership change with a coalition shift

	Values	Leadership change with coalition shift (<i>Challenger, based on model 3 in table 4.8</i>)	Leadership change with coalition shift (<i>Target, based on model 3 in table 4.9</i>)
Overall Salience Index	0	0.719	0.0842
	1	0.574	0.128
	2	0.416	0.189
	3	0.274	0.271
	4	0.166	0.371
	5	0.0954	0.484
	6	0.0528	0.599
Observations		124	123

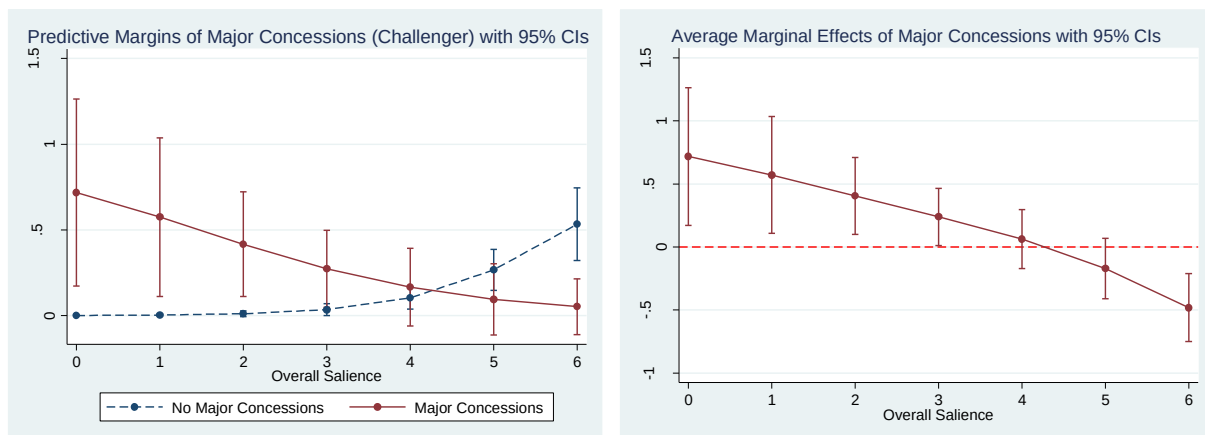
Note: numbers displayed are predicted probabilities

This interesting pattern that there tends to be a systematically different effect depending on whether the state is a challenger or target is also displayed in the figures below. With regards to challenger states, figures 4.13 and 4.14 (predicted probability based on model 3 in table 4.8) indicate that as the overall salience increases (x-axis), the effect of losing a territory on leadership change with a coalition shift gets smaller. For example, in figure 4.14, as the level of

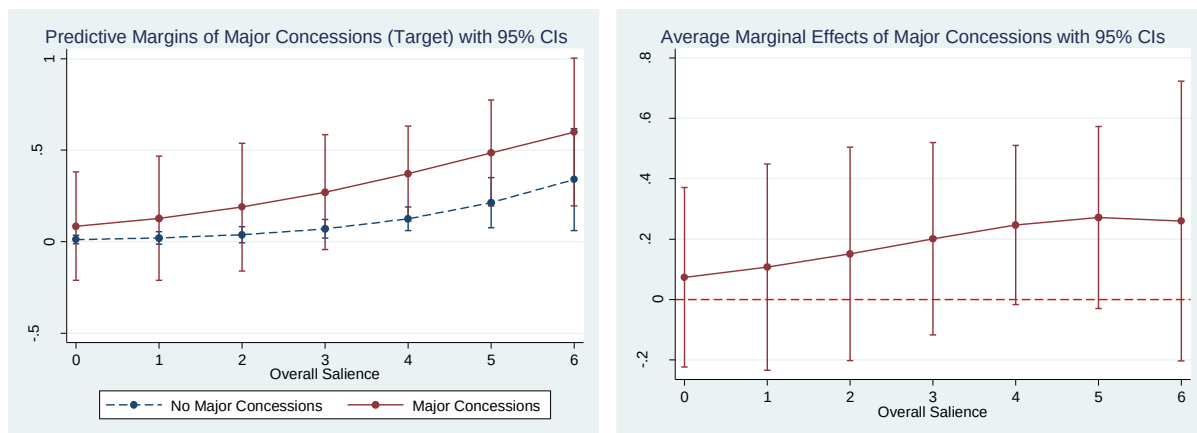
salience increases, the marginal impact of making concession decreases. Such effect is statistically significant when the overall salience ranges from 0 to 3 and reaches 6. This also has a similar pattern with the cross-tabulation results above in figure 4.6.

In figures 4.15 and 4.16 (the predicted probability based on model 3 in table 4.9), as the overall salience increases, the marginal impact of losing a major territory on the likelihood of a coalition shift tends to get larger. This exhibits similar patterns with the cross-tabulation analysis in figure 4.7, which shows that the probability of leadership change jumps from 20 percent (low salience) to 71.4 percent (high salience) when major concessions are made. Overall, we can see that the relationship between making major concessions and leadership turnover with a coalition change is clearly different for target and challenger countries.

Figures 4.13 and 4.14 Predicted margins (left) and marginal effect (right) of *challenger* states making *major* concessions on leadership change with a coalition shift, as overall salience increases



Figures 4.15 and 4.16 Predicted margins (left) and marginal effect (right) of *target* states making *major* concessions on leadership change with a coalition shift, as overall salience increases



Specific explanations for the difference between challenger and target states was discussed in section 3.2.3 (Discussion on Challenger vs. Target). To summarize, target states may be more severely impacted by making concessions because they *de facto* administer the disputed territory while challengers are attempting to gain the territory. This view aligns with the application of prospect theory. Also, leaders in challenger states are the initiators of peaceful settlement attempt, thus are more likely to aim the timing of entering settlements depending on factors such as the strength of domestic political opposition and upcoming elections. Since challenger states are more “in control” of the settlement process, they may be systematically less impacted by making concessions.

Tangible salience vs. Intangible salience

Hypothesis 3 posits that: When territorial concessions are made, territories that are largely valued for their intangible values are more likely to lead to leadership change with a coalition shift than territories that are primarily valued for tangible values. To closely compare

the effect of tangible versus intangible values of territory, I present the marginal impact of making major concession on leadership change with a coalition shift, depending on the tangible and intangible levels of salience.

Table 4.13 Marginal impact of major concession on leadership change with a coalition shift

	Values	Leadership change with coalition shift (<i>Challenger</i> , based on models 4 and 5 in table 4.8)	Leadership change with coalition shift (<i>Target</i> , based on models 4 and 5 in table 4.9)
Tangible Salience Index	0	0.608	0.0792
	1	0.375 (-0.233)	0.184 (+0.1048)
	2	0.188 (-0.187)	0.370 (+0.186)
	3	0.0819 (-0.1061)	0.606 (+0.236)
Intangible Salience Index	0	0.534	0.165
	1	0.359 (-0.175)	0.256 (+0.091)
	2	0.215 (-0.144)	0.374 (+0.118)
	3	0.118 (-0.097)	0.508 (+0.134)
Observations		124	123

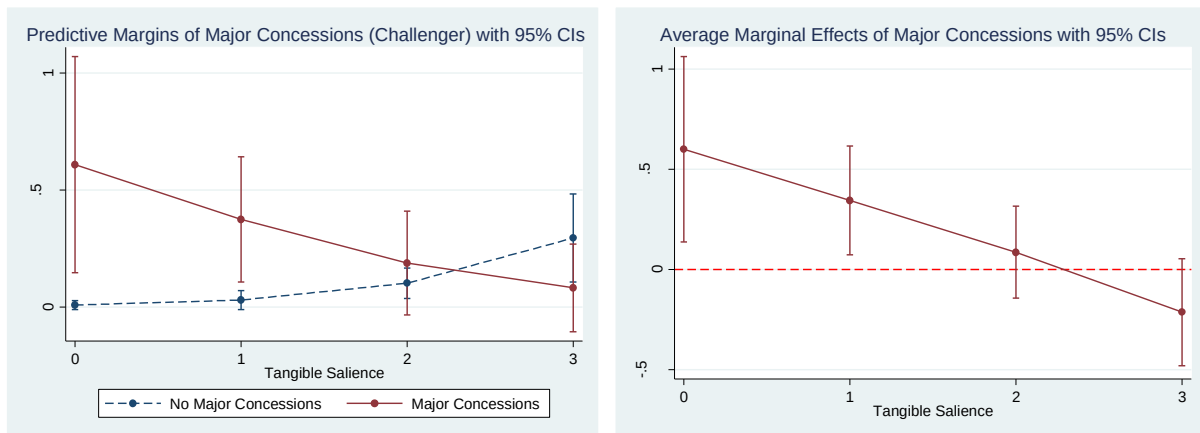
Note: numbers displayed are predicted probabilities with first differences in parentheses.

Again, in table 4.13, we see different tendencies for challenger and target states. For challengers, we can clearly see that the marginal impact decreases as the value of both tangible and intangible saliences increases from 0 to 3. In contrast, for targets, the marginal impact increases as the value of both tangible and intangible saliences increases from the lowest to the highest. Based on the results, we cannot make the conclusion that intangible salience has a greater impact on leadership turnover with a coalition shift compared to tangible salience. These have similar patterns from the cross-tabulation analysis (see figure 4.8).

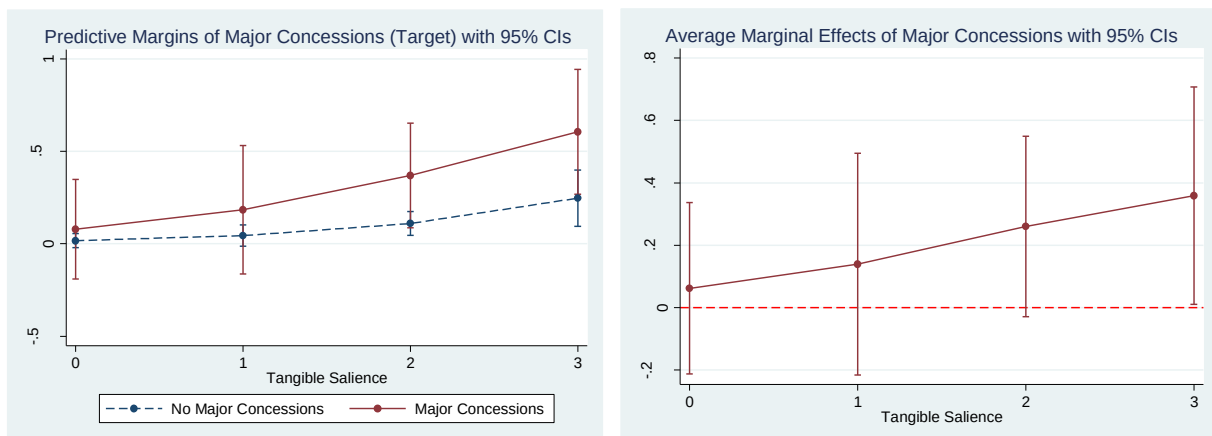
We can also see similar patterns in below figures. Regarding tangible salience, figures 4.17 and 4.18 display the predicted margins and marginal impact of *challenger* states. As the *tangible* salience of *challenger* increases (x-axis), the marginal impact decreases in figure 4.18.

Figures 4.19 and 4.20 display the predicted margins and marginal impact of *target* states. As the *tangible* salience of *target* increases, the marginal impact increases in figure 4.20.

Figures 4.17 and 4.18 Predicted margins (left) and marginal effect (right) of *challenger* states making *major* concessions on leadership change with a coalition shift, as *tangible* salience increases

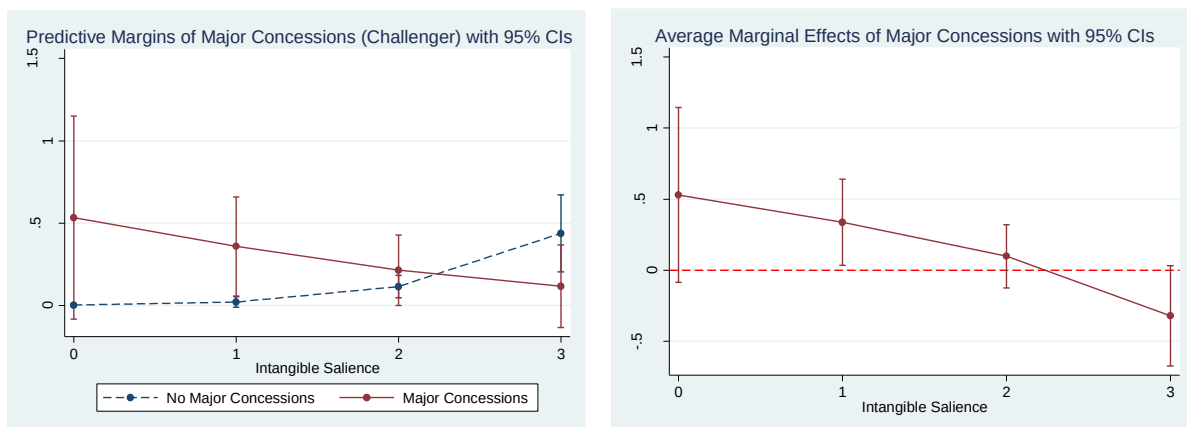


Figures 4.19 and 4.20 Predicted margins (left) and marginal effect (right) of *target* states making *major* concessions on leadership change with a coalition shift, as *tangible* salience increases

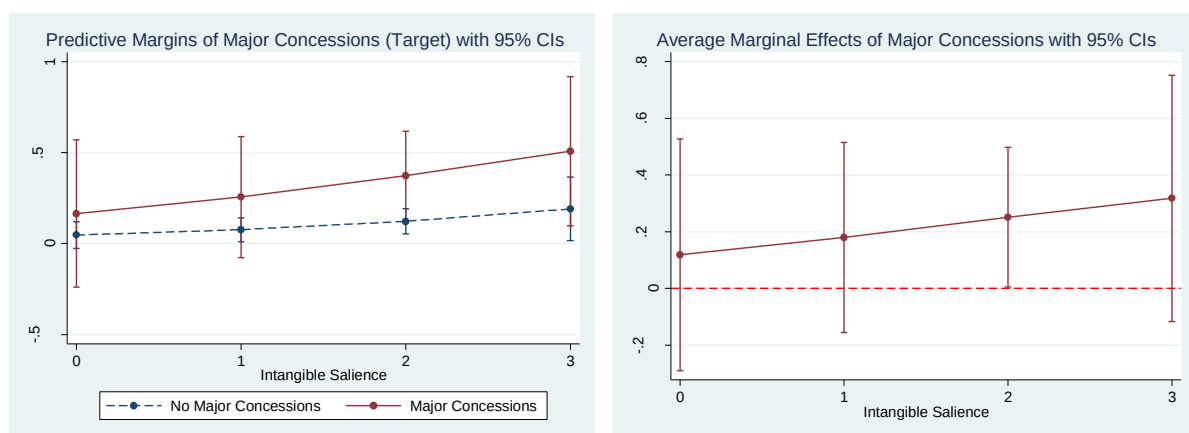


For *intangible* salience, figures 4.21 and 4.22 exhibit the predicted probabilities and marginal effects for *challengers*. As the *intangible* salience increases (x-axis), the marginal impact decreases in figure 4.22. Figures 4.23 and 4.24 are the predicted probabilities and marginal effects for *targets*. As the *intangible* salience increases (x-axis), the marginal impact increases in figure 4.24.

Figures 4.21 and 4.22 Predicted margins (left) and marginal effect (right) of *challenger* states making *major* concessions on leadership change with a coalition shift, as *intangible* salience increases



Figures 4.23 and 4.24 Predicted margins (left) and marginal effect (right) of *target* states making *major* concessions on leadership change with a coalition shift, as *intangible* salience increases



Why hypothesis 3 was not supported as expected is puzzling. The empirical findings imply that more research can be done in comparing the effects of tangible and intangible values of territory. A limited number of scholarly works suggest territories with primarily intangible values may not necessarily be more conflict-prone than territories with mainly tangible values. For example, as mentioned in footnote 18, Tir (2003) finds that for countries that lost the territory (target countries), only the economic value of the disputed land tended to increase the likelihood of a recurrent conflict to regain the land, while the ethnic value of the land did not have a significant effect.

Also, an experimental study by Zellman (2018) tests the relative impact of tangible (security and economic prosperity) and intangible (national heritage and ethnic kin) framings of contemporary territories on Serbian homeland claims (Kosovo, Bosnia, and Montenegro). The findings indicate that the public is not necessarily more likely to respond favorably to intangible than tangible framings regarding the lost homelands. Nor did the public have greater support for interventionist policies when the territories were framed as intangibly valued compared to when framed as tangibly valued.

While such findings are interesting, neither study has provided a systematic and comprehensive explanation on why lands with largely intangible values are not more contentious than tangibly valued ones. Zellman (2018) suggests that more investigation would need to be done using large-N data or experiments in different settings to better understand how truly territories characterized with high intangible salience are more conflict prone than those known for high tangible salience.

Therefore, it would be meaningful to conduct a quantitative analysis of hypothesis 3 using the ICOW settlement that includes the whole region and covers a longer period. Moreover,

experimental studies that directly test whether individuals perceive territories with intangible values more significantly than those with tangible values will help to provide more insights.

Individual characteristics of territory

Regarding individual characteristics of territory, based on the cross-tabulation analysis (in figures 4.9 and 4.10) discussed above, we find empirical evidence to support values related to homeland status (hypothesis 4), identity connections (hypothesis 5), and strategic values (hypothesis 7). However, this is limited to only target states. For targets, losing territories with homeland, identity, and strategic values is positively associated to leadership turnover with a coalition change. Regarding these values (homeland, identity, and strategic values), for challengers, it was difficult to make clear conclusions due the small size of data.

Hypothesis 8, which predicts that making concessions on territories with economic values is negatively associated with leadership turnover with a coalition shift is only supported in the case of challenger states. (For targets, it turns out that territories with resources are positively associated with a coalition shift.) This may partly be explained by mainly two reasons. First, as discussed previously, challenger states are in general less likely to be negatively impacted by making concessions compared to target states. There were several explanations for this: (1) challenger tends to have more control over the settlement process and thus, are likely to be more capable of controlling for the timing of settlement attempts and making concessions, (2) challenger countries do not *de facto* administer the disputed territory, and (3) prospect theory provides some insights. Second, as mentioned above as well, economic values are relatively most likely to be divisible or can be exchanged for other material gains. One way that leaders may seek to alleviate domestic backlash is justifying territorial compromise by promising potential

economic gains and development. Still, more investigation can be done to better understand why a different pattern is observed in challenger and target states regarding territories with economic values.

I do not report the marginal impact in this section. This is because, it is difficult to make concrete conclusions regarding individual characteristics in the case of challenger states due to limited data. And for the targets, as seen in table 4.9, the interaction terms with territories with individual characteristics are mostly not statistically significant. Some are omitted due to collinearity issues but this may be in part due to the limited number of cases. When we exclude the interaction terms, as shown in below table 4.14, we see that target countries who made major concessions are more likely to be removed from power (positive and statistically significant) in all models. Also, the salience variables all have positive coefficients. It is that when we interact the salience variables and major concessions variable, the major concessions variable turn statistically insignificant.

Overall, to evaluate the effects of individual characteristics of territory, I rely heavily on the graphs with cross-tabulations. The analysis shows that target countries are significantly more likely to be removed from power and be replaced by opposition groups when a disputed territory has homeland status, identity connections, strategic, and economic values.

Table 4.14 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), no interaction terms, *target*

	(1) <i>Tangible Salience</i>	(2) <i>Intangible Salience</i>	(3) <i>Homeland</i>	(4) <i>Identity</i>	(5) <i>Historical</i>	(6) <i>Strategic</i>	(7) <i>Economic</i>
Concession (major)	1.559** (0.609)	1.452** (0.590)	1.718*** (0.630)	1.504*** (0.558)	1.561*** (0.585)	1.434** (0.578)	1.849*** (0.627)
Salience	0.972** (0.404)	0.536 (0.387)	1.602** (0.772)	0.294 (0.564)	0.0434 (0.872)	0.887 (0.561)	1.617** (0.707)
ACC	0.0435 (0.183)	0.0966 (0.183)	0.298 (0.220)	-0.00829 (0.185)	-0.0106 (0.198)	0.00837 (0.189)	0.0563 (0.195)
Constant	-4.116*** (1.015)	-3.220*** (0.897)	-3.871*** (0.929)	-2.108*** (0.476)	-2.088*** (0.734)	-2.598*** (0.513)	-3.268*** (0.858)
Observations	123	123	123	123	122	123	123

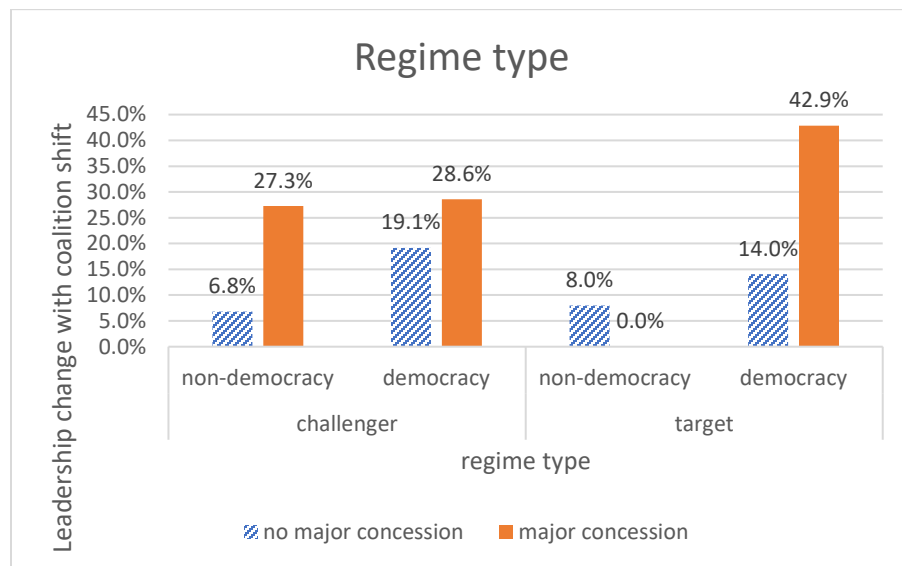
Notes: Concession variable equals 1 if the agreement involves major concessions by the target state without comparable concessions by the challenger state. Equals 0 if target made minor, even concessions or challenger made major/minor concessions. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Next, I explore how regime type may affect the relationship between making territorial concessions and leadership change with a coalition shift. The rationale for investigating the effect of political institutions is discussed in the previous chapter (section 3.2.4).

To examine how regime type may have a systematic impact on the relationship between making territorial concessions and leadership change, I conduct a preliminary analysis through cross-tabulation. According to figure 4.25, in the case of challenger states, there is an increased likelihood of a coalition change when major concessions are made for both democracies and non-democracies. The impact tends to be greater for non-democracies (an increase from 6.8 percent to 27.3 percent). In the case of democratic target states, the probability of leadership turnover is the highest (jumps from 14 percent to 42.9 percent). However, it is difficult to make a

clear conclusion for target non-democracies since we lack data on what happens when they make major concessions.⁴³

Figure 4.25 Relationship between leadership change with a coalition shift and major territorial concession, controlling for regime type



I conduct only cross tabulations but not regression analysis. This is because the cross-tabulations indicate that it is difficult to make a clear conclusion whether regime type matters. Also, the analysis based on the Huth and Allee dataset in chapter 3 shows that the interaction terms of making major concessions and regime type is statistically insignificant (see tables 3.4 and 3.5).

⁴³ To identify further patterns, cross-tabulations for when the “6-months rule” is applied and when 2 years have passed since the concession can be found in the appendix figures B.7. and B.8. Based on the current data, it is difficult to make a clear conclusion on how the relationship may be conditioned by regime type.

Implications of empirical analysis

The empirical results have several implications. The next step of this study would be to test the hypotheses with the ICOW dataset that includes the whole region (the ICOW settlement dataset I use for this dissertation is only based on the Western Hemisphere and Western Europe).⁴⁴ Especially, to further explore the impact of individual characteristics, it would be meaningful to include more samples that cover the regions beyond the Western Hemisphere and Western Europe.

A general tendency that we observe through the results is that the distinction between challenger and target state is important in understanding how territorial concessions can impact leadership turnover. The tendency that making concession is positively related to a coalition shift was demonstrated in both chapters 3 and 4. Based on the ICOW dataset, we find results that are consistent with the Huth and Allee dataset that making territorial concessions is likely to increase the probability of leadership change with a coalition shift, and this effect tends to be more consistent (1) when only major concessions are made and (2) for target states than challenger states.

In the case of target states, as the level of overall, tangible, and intangible salience increases, the marginal impact of making concessions on leadership turnover with a coalition change tends to get larger. In contrast, for challenger states, as the salience level increases, the marginal effect of making concession on the likelihood of a coalition shift tends to get smaller. Such results imply that there may be a systematic difference between challenger and target

⁴⁴ Efforts to complete ICOW territorial settlement dataset that includes the whole region is currently underway. Updates on the progress can be found here: <http://www.paulhensel.org/icowterr.html>

states, and that challenger states are generally less likely to be negatively affected by making concessions than target states.

With regards to the effect of individual traits of territory, we can obtain clearer results for target states. There is a higher likelihood of leadership turnover when the territory is part of a homeland territory, has identity, strategic, or economic values. It is more difficult to gain clear conclusion for challenger states, but if we can analyze more cases, we are likely to obtain more accurate results.

4.3 Robustness Checks

4.3.1 Different Time Gap

To account for the possibility that empirical results might be sensitive to how the datasets were merged, I conduct additional analyses. In the main analysis, I merged the territorial concessions dataset (ICOW settlement dataset) and leadership change with a coalition shift dataset (CHISOLS dataset) by the year that is 1 year past the settlement end year. So, if a dispute settlement ended in 1950, the two datasets were merged by the year 1951.

In addition, consistent with the robustness checks in chapter 3, I display the results for when the datasets were merged by applying the “6-months rule”⁴⁵ and 2 years have passed since the year settlement ended. Overall, the results based on the 6-months rule and the main results are similar. If we see tables B.5-B.8 in the appendix, the results based on the 6-months rule does

⁴⁵ The “6-months rule” means that when concessions were made in the first 6 months of a year, I merged the datasets by the year that concessions were made, and when concessions were made in the last 6 months of a year, I merged by next year. For example, if territorial concessions were made in the first 6 months of a year (between January and June), I merged the change in source of leader support (CHISOLS) data by the same year. So, if territorial concessions were made in March 1995, CHISOLS dataset is merged by the year 1995. Second, if territorial concessions were made in the last six months of a year (between July and December), I merged CHISOLS data by the following year. For example, if a territorial concession was made in October 1995, CHISOLS data is merged by the year 1996.

not have as many statistically significant coefficients as the estimated models in the main analysis, but the major patterns are very similar to each other. When major concessions are made, the result tends to be more consistent and as expected in the case of target states.

However, estimated models with 2 years gap have some unexpected results compared to the 6-months or 1 year gap models. For instance, we see that states are less likely to experience leadership turnover with a coalition shift when major concessions are made (the coefficient for major concessions are mostly negative in tables B.9-B.12). Possible explanations for this are that: (1) after more years of making concessions, the effect of making concessions on the likelihood of a coalition shift naturally weakens and (2) the small number of cases may have an effect.⁴⁶

4.3.2 The Heckman Selection Model

There can be concerns for endogeneity problems, since making territorial concessions can be non-random and this can potentially bias our estimate of the effect of making concessions on leadership turnover with a coalition shift. The primary factor that can account for the difference between the countries that make and do not make concessions may be systematically correlated with unobservables if, for instance, forward looking leaders who perceive that their tenure may be adversely affected systematically avoid making concessions.

⁴⁶ The results for when there is a 2-year gap may be even more unexpected if we consider the results based on the Huth and Allee global dataset. The analysis using the Huth and Allee data presents a very robust positive relationship between making concessions and leadership change when there is a 2-year gap. However, I would like to note that we should account for the structural difference between the Huth and Allee global dataset and the ICOW dataset. The Huth and Allee dataset records all actions taken on a territorial claim (even if countries took no action and the status quo maintains) on a 12-month interval, while the ICOW dataset records settlement attempts for those that took place. Thus, the Huth and Allee dataset tends to have more observations for the same territorial claim than the ICOW dataset.

To empirically address concerns for potential selection effect, I use a Heckman selection model. The concern that countries making territorial concessions may be non-random also means that the sample of countries that do experience leadership change with a coalition shift may be biased, because the peaceful settlement attempts that produce a final agreement may be systematically different from those that do not. Thus, to alleviate our concerns for such selection bias, we can test if the effect of making concessions on the outcome variable is statistically significant, independent of the outcome that states reach a final agreement. Of the 567 settlement attempts, agreements were produced in 274 cases. Of the 274 cases, challenger states made major concessions in 23 cases and targets made major concessions in 39 cases. So, through the selection model, I would see if the decision to strike an agreement is correlated with the decision to make major concessions.

To estimate the Heckman selection model, the dependent variable for the outcome equation is 'leadership change with a coalition shift' and the dependent variable for the selection equation as 'reaching an agreement.' 'Reaching an agreement' is a binary variable that equals 1 when there was an agreement between the disputants and 0 otherwise. Also, to conduct the selection model, it is important to have at least 1 instrument that satisfies the exclusion restriction, meaning that the instrument should only affect the outcome variable (leadership turnover with a coalition shift) only through the selection outcome variable (reaching an agreement). Based on previous works that study territorial agreements, I include the following 6 variables as the instrument: whether the agreement is binding, relative power between the disputants, joint democracy between the disputants, past military conflicts, past failed peaceful

settlement attempts, and shared membership in institutions. Explanation for each variable is provided below.⁴⁷

First, whether the *agreement is binding or not* refers to settlement mechanisms of arbitration and adjudication. In the dataset, there are 39 cases, which accounts for 6.88 percent of all settlement methods. In the case of legal settlement mechanisms, disputant countries in advance agree to abide by legal principles and pledge to comply with any outcomes issued by the deliberative body (Allee & Huth, 2006), and thus, can make final agreements more likely to be reached. Studies based on the ICOW settlement dataset find that territorial agreements are significantly more likely to be reached through binding third party techniques than other methods (i.e., non-binding third party activities and bilateral negotiations) (Hensel & Mitchell, 2005; Mitchell & Hensel, 2007). This binary measure is recorded in the ICOW settlement dataset, which equals 1 when the settlement agreement is binding and 0 otherwise.

Relative power capability between the challenger and target can affect whether an agreement is likely to be produced (Hensel & Mitchell, 2005; Huth, 1996; Mitchell & Hensel, 2007). This variable is from the Correlates of War project's Composite Index of National Capabilities (CINC) score (Singer et al., 1972). CINC (version 6.0) score of a state reflects each state's world share of demographic, industrial, and military capabilities. I measure the relative power parity by calculating the proportion of the dyad's CINC score held by each challenger and

⁴⁷ It is also possible to estimate the Heckman selection model with the dependent variable in the selection equation as 'entering peaceful settlement attempts.' It could be that states who engage in settlement attempts in the first place may be willing to make more concessions. However, there are limitations to conduct this analysis as the current structure of the two different datasets that has the variable 'entering peaceful settlement' and the variable 'territorial concession' cannot be merged into a single dataset. More specifically, I would have to merge the two ICOW datasets that is in different format. One dataset is in a dyad format but each dyad can span across multiple years. The other dataset is in a dyad-year format. To access both types of ICOW dataset see: <http://www.paulhensel.org/icowterr.html>

target. The value ranges from 0 to 1, and 0.5 means equal parity. If the value is closer to 0, the opponent side is stronger and when it is closer to 1, the opponent is weaker.⁴⁸

Joint democracy measures whether both sides are considered as democracies.

Interestingly, previous studies find that joint democracies are *less likely* to reach agreements (Hensel & Mitchell, 2005; Mitchell & Hensel, 2007). This may be explained by the possibility that democratic leaders are less likely to make commitments by reaching an agreement, fearing potential domestic political punishment for unfavorable settlement outcomes (Mitchell & Hensel, 2007). This measure is based on the ACC dataset, which records a country to be democratic when Polity IV score is 6 or higher.

Regarding the probability to reach an agreement, an important variable that is included in other studies (Mattes, 2018; Mitchell et al., 2009) is *past interactions* between the two disputants. For example, past interactions may represent the level of hostility or mistrust between the two disputants, and thereby affect the likelihood of reaching a settlement (Mattes 2018). I use two variables from the ICOW settlement dataset, which measure conflictual and peaceful historical interactions, respectively. More specifically, they count the number of prior militarized disputes and the number of recent *failed* peaceful attempts over the territorial claim,⁴⁹ both of

⁴⁸ An alternative measurement of relative power capability has also been used, as there could be a difference depending on whether the measurement focuses on power disparity (than parity) between challengers and targets. This is a binary measurement. For challengers, it equals 0 if there is absolute parity or the target is stronger than the challenger and equals 1 if the challenger has at least 3:1 advantage in relative capabilities. For targets, it equals 0 if there is absolute parity or the challenger is stronger than the target and equals 1 if the target has at least 3:1 advantage in relative capabilities. The results indicate that there is a no major differences when using different measurements of relative capabilities.

⁴⁹ According to the ICOW settlement data codebook (<http://www.paulhensel.org/Data/icowman.pdf>), “Unsuccessful” attempts are those that did not lead to an agreement at their end. I note that concessions cannot be made without reaching an agreement. Also, “unsuccessful” attempts include those that did produce an agreement but at least one of the disputants failed to ratify or implement the agreement.

Recency means weighting assigned to “an event in the year before the current observation a value of 1.0, with the weight of earlier events decreasing by 10% per year (thus an event ten years before the current observation has a value of 0.1 and earlier events do not contribute to this score)” (25).

which are weighted by recency. The greater the number of MIDs or failed peaceful attempts over the claim, the greater the level of hostility or mistrust between the two claimants, which makes the possibility of reaching an agreement less likely.

The events of prior militarized disputes and failed peaceful attempts are likely to have an impact on the outcome variable through the variable ‘reaching an agreement.’ This is because they are past events, meaning that they occurred before the year of observation. So, for example, for a case/observation in the year of 2000 in the ICOW dataset, past conflictual and peaceful interactions variables are based on events took place before the year of 2000. Also, 10 years is an extended period, focusing on measuring the level of hostility or mutual trust so, it is difficult to make direct connections between long-term/historical interactions and leadership turnover with a coalition change in a particular year.

Lastly, a variable that can affect the probability of reaching an agreement is ‘*shared membership in international institutions*.’ If claimants have joint membership in regional or global institutions, there is likely to be greater chances that they would cooperate and produce an agreement in a peaceful manner (Mitchell & Hensel, 2007). According to the ICOW settlement data codebook, it counts “the total number of pacific settlement commitments (from either global or regional treaties) shared by the claimants in a given observation year, based on the Multilateral Treaties of Pacific Settlement dataset” (27).

In addition, leaders’ decision to make concessions can be endogenous to the level of territorial salience or characteristic of the disputed territory. So, I include those variables in the model and would expect the relationship to hold controlling for the variable that measures the salience level or the type of disputed territory. The estimation of the Heckman model would tell us whether the effect of making territorial concessions on leadership change with a coalition shift

is statistically significant, independent of the selection stage. If the *rho* parameter is statistically insignificant, there is no meaningful correlation between the first and second equations.

Below are the selection models. Here, in consistent with chapter 3 robustness checks (propensity score matching and two-stage least squares regression), I focus on target state leaders.⁵⁰ Tables 4.15 and 4.16 demonstrate the Heckman models that when target states make major territorial concessions, leadership change with a coalition shift are more likely to occur even after including the selection equation (probability to reach an agreement). Table 4.15 is when there is interacted effects between making major concessions and territorial salience. The results are mostly consistent with the main regression results (table 4.9 in section 4.2.2). The *rho* parameters for all types of saliences do not reach statistical significance (the *rho* for tangible salience is significant at the 0.1 level), which indicates that there is no systematic correlation between producing an agreement and making major territorial concessions.⁵¹

Lastly, I present table 4.16 which is related to table 4.14 in section 4.2.2. This is the selection model for targets, excluding the interaction terms. In this table, we can also see that the statistical results are mostly similar to table 4.14. Major concessions are positively associated with leadership turnover with a coalition shift, and the *rho* parameters for all type of saliences are not statistically significant.

⁵⁰ Results for challenger states are reported in the appendix (table B.13). I note that the results for challengers should be interpreted with caution (relative to targets) because data limitation issue was more present in challengers than target countries in the cross-tabulations and logit regression analyses. There has been a lack of data especially for strategic, identity, and homeland values, and clear conclusions have not been drawn based on those analyses.

⁵¹ As historical value had limited data issue in the cross-tabulations and logistic regression analyses, results related to historical salience should be read as inconclusive.

Table 4.15 Selection model, major concession, *target*, with interaction terms

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<i>Main model (with controls, overall salience</i>	<i>Overall Salience</i>	<i>Tangible Salience</i>	<i>Intangible Salience</i>	<i>Homeland</i>	<i>Identity</i>	<i>History</i>	<i>Strategic Location</i>	<i>Resource</i>
Outcome: Leadership Change with a Coalition Shift									
Concession	0.818**	1.243	0.747	0.761	0.412	0.657	6.935***	0.515	0.225
(Major)	(0.366)	(1.072)	(0.965)	(0.933)	(0.660)	(0.425)	(0.659)	(0.712)	(0.610)
						-			
Salience	0.337***	0.389***	0.546***	0.289	0.614	0.00235	0.373	0.511	0.521
	(0.128)	(0.140)	(0.198)	(0.235)	(0.471)	(0.374)	(0.561)	(0.342)	(0.328)
							-		
Concession*		-0.109	0.0680	0.0362	0.808	0.563	6.183***	0.412	1.385*
Salience		(0.238)	(0.390)	(0.440)	(0.815)	(0.751)	(0.723)	(0.811)	(0.793)
ACC	0.0649	0.0601	0.00558	0.0572	0.168	0.0220	-0.0263	0.00436	0.0366
	(0.103)	(0.105)	(0.102)	(0.110)	(0.156)	(0.112)	(0.117)	(0.110)	(0.107)
									-
Constant	-2.188***	-2.372***	-1.809***	-1.675**	-1.935**	-1.172**	-1.383**	-1.229**	1.305***
	(0.603)	(0.674)	(0.550)	(0.679)	(0.855)	(0.455)	(0.632)	(0.477)	(0.451)
Selection: Reaching Agreement									
ACC	0.206***	0.206***	0.204***	0.250***	0.269***	0.198***	0.200***	0.204***	0.200***
	(0.0736)	(0.0736)	(0.0758)	(0.0740)	(0.0796)	(0.0682)	(0.0764)	(0.0732)	(0.0748)
Salience	0.0318	0.0321	-0.112	0.278***	0.416*	0.584***	-0.172	-0.415**	0.154
	(0.0626)	(0.0623)	(0.0914)	(0.104)	(0.226)	(0.208)	(0.208)	(0.173)	(0.183)
Binding	1.791***	1.794***	1.774***	1.757***	1.688***	1.847***	1.777***	1.745***	1.798***
	(0.384)	(0.382)	(0.372)	(0.385)	(0.391)	(0.373)	(0.380)	(0.367)	(0.390)
Relative power	-0.0864	-0.0842	-0.164	0.0157	0.129	-0.145	-0.120	-0.194	-0.0631
	(0.259)	(0.258)	(0.246)	(0.262)	(0.294)	(0.259)	(0.245)	(0.241)	(0.255)
Joint democracy	0.0814	0.0809	0.138	-0.0223	0.0384	-0.0605	0.0859	0.126	0.0718
	(0.225)	(0.225)	(0.232)	(0.231)	(0.231)	(0.237)	(0.229)	(0.244)	(0.230)
Past MID's	0.300***	0.300***	0.313***	0.311***	0.275***	0.306***	0.280***	0.314***	0.279***
	(0.0965)	(0.0961)	(0.0942)	(0.0970)	(0.0979)	(0.101)	(0.101)	(0.0963)	(0.105)
						-	-		-
Past failed peaceful attempts	-0.263***	-0.263***	-0.246***	-0.267***	-0.236***	0.278***	0.242***	-0.236***	0.258***
	(0.0810)	(0.0809)	(0.0804)	(0.0801)	(0.0837)	(0.0733)	(0.0815)	(0.0734)	(0.0775)
Shared Institutions	0.122***	0.122***	0.110***	0.127***	0.112***	0.152***	0.124***	0.117***	0.122***
	(0.0411)	(0.0412)	(0.0401)	(0.0420)	(0.0413)	(0.0417)	(0.0403)	(0.0387)	(0.0404)
			-			-	-		-
Constant	-1.124***	-1.126***	0.751***	-1.601***	-1.482***	1.101***	0.846***	-0.712***	1.085***
	(0.322)	(0.321)	(0.246)	(0.306)	(0.321)	(0.193)	(0.242)	(0.191)	(0.223)
Rho	-0.436	-0.450	-0.504*	-0.187	-0.0598	-0.0916	-0.124	-0.298	-0.313
	(0.279)	(0.279)	(0.305)	(0.319)	(0.390)	(0.344)	(0.334)	(0.374)	(0.289)
Observations	398	398	398	398	398	398	398	398	398

Notes: Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1

Table 4.16 Selection model, major concession, *target* countries *without* interaction terms

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>Tangible Salience</i>	<i>Intangible Salience</i>	<i>Homeland</i>	<i>Identity</i>	<i>History</i>	<i>Strategic Location</i>	<i>Resource</i>
Outcome: Leadership Change with a Coalition Shift							
Concession (Major)	0.885*** (0.339)	0.830** (0.351)	0.955*** (0.356)	0.853** (0.344)	0.892*** (0.345)	0.810** (0.337)	1.012*** (0.352)
Salience	0.570*** (0.178)	0.305 (0.213)	0.879** (0.436)	0.164 (0.322)	0.0894 (0.461)	0.574* (0.336)	0.806** (0.336)
ACC	0.00242 (0.102)	0.0569 (0.110)	0.192 (0.152)	-0.000667 (0.109)	-0.00472 (0.114)	0.00510 (0.111)	0.00515 (0.110)
Constant	-1.854*** (0.504)	-1.704*** (0.652)	-2.285*** (0.810)	-1.154** (0.463)	-1.187** (0.561)	-1.293*** (0.457)	-1.535*** (0.469)
Selection: Reaching Agreement							
ACC	0.204*** (0.0759)	0.250*** (0.0740)	0.269*** (0.0798)	0.198*** (0.0682)	0.200*** (0.0765)	0.204*** (0.0733)	0.201*** (0.0747)
Salience	-0.111 (0.0915)	0.278*** (0.104)	0.416* (0.227)	0.584*** (0.208)	-0.174 (0.208)	-0.415** (0.173)	0.158 (0.182)
Binding	1.776*** (0.372)	1.757*** (0.385)	1.682*** (0.389)	1.847*** (0.373)	1.776*** (0.380)	1.744*** (0.366)	1.796*** (0.389)
Relative power	-0.163 (0.247)	0.0157 (0.263)	0.124 (0.293)	-0.146 (0.258)	-0.122 (0.244)	-0.193 (0.242)	-0.0654 (0.254)
Joint democracy	0.138 (0.232)	-0.0225 (0.231)	0.0248 (0.231)	-0.0591 (0.239)	0.0850 (0.231)	0.122 (0.243)	0.0604 (0.230)
Past MIDs	0.312*** (0.0940)	0.311*** (0.0971)	0.268*** (0.0997)	0.307*** (0.103)	0.279*** (0.101)	0.313*** (0.0963)	0.274*** (0.104)
Past failed peaceful attempts	-0.245*** (0.0803)	-0.267*** (0.0801)	-0.234*** (0.0848)	-0.279*** (0.0734)	-0.242*** (0.0818)	-0.235*** (0.0735)	-0.256*** (0.0775)
Shared Institutions	0.110*** (0.0401)	0.127*** (0.0420)	0.114*** (0.0414)	0.152*** (0.0420)	0.124*** (0.0404)	0.118*** (0.0388)	0.123*** (0.0410)
Constant	-0.751*** (0.246)	-1.601*** (0.307)	-1.481*** (0.321)	-1.100*** (0.193)	-0.844*** (0.242)	-0.714*** (0.191)	-1.086*** (0.223)
Rho	-0.503 (0.308)	-0.186 (0.319)	0.0531 (0.422)	-0.0984 (0.354)	-0.106 (0.342)	-0.273 (0.376)	-0.219 (0.322)
Observations	398	398	398	398	398	398	398

Note: Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1

4.3.3 Bilateral Negotiation as Settlement Mechanism

A topic that has been investigated by several studies is the type of peaceful settlement methods that are likely to be selected by states when they are attempting to resolve territorial disputes (Allee and Huth 2006; Gent and Shannon 2011; Hensel 2001; Hensel et al. 2008; Simmons 1999, 2002). As mentioned above, bilateral negotiations account for around 62 percent of all the peaceful settlement attempts that were initiated. It is the most frequently used method to resolve territorial disputes, and the analysis of chapter 3 was based on settlements reached through bilateral negotiations. I expect the same results to hold for ICOW settlement outcomes reached through bilateral negotiations. The results displayed in tables 4.17-4.20 are only based on concessions that are made as a result of bilateral negotiations. Due to limited sample size, it is difficult to obtain clear statistical results, but, in mostly all cases, making territorial concessions is positively related with the probability of leadership change with a coalition shift.

Table 4.17 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *challenger*, bilateral negotiations only

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (minor, major)	2.391** (0.985)	2.607** (1.076)	7.258*** (2.051)	6.532*** (1.504)	18.26*** (2.428)	2.597** (1.111)	2.589** (1.052)	2.777** (1.211)	3.160*** (1.193)	3.564** (1.470)
<i>Salience</i>		-0.369 (0.368)	0.337 (0.262)	0.979*** (0.326)	-0.202 (0.849)	Omitted	Omitted	-0.00360 (1.351)	Omitted	0.489 (1.406)
<i>Concession* Salience</i>			-1.720** (0.725)	-2.451*** (0.817)	-15.60*** (1.684)	Omitted	Omitted	0 (0)	Omitted	-2.026 (2.033)
<i>ACC</i>		0.248 (0.283)	0.159 (0.280)	0.241 (0.309)	0.114 (0.280)	0.337 (0.323)	0.298 (0.316)	0.119 (0.230)	0.627 (0.426)	0.226 (0.286)
<i>Constant</i>	-3.239*** (0.696)	-2.578*** (0.764)	-4.559*** (0.960)	-5.287*** (1.000)	-3.091** (1.242)	-3.718*** (0.992)	-3.548*** (0.885)	-3.407*** (0.865)	-3.252*** (0.968)	-3.790*** (1.281)
<i>Observations</i>	63	63	63	63	63	61	56	61	29	56

Notes: Concession variable equals 1 if agreement involves greater concessions by the challenger state (including minor and major), equals 0 if even concessions or major/minor concessions made by target. Homeland, identity, strategic location saliences: omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table 4.18 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *target*, bilateral negotiations only

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (minor, major)	1.286 (1.002)	1.031 (0.981)	8.678* (4.825)	4.157 (3.491)		-0.112 (1.330)	0.978 (0.986)	0.252 (1.073)	0.313 (1.144)	-0.121 (1.384)
<i>Salience</i>		0.604 (0.692)	2.197** (0.941)	2.066* (1.111)		1.256 (1.442)	Omitted	-2.584 (1.679)	0.365 (1.416)	-0.0710 (1.509)
<i>Concession* Salience</i>			-1.945 (1.246)	-1.335 (1.594)		0 (0)	0 (0)	0 (0)	0 (0)	3.045 (1.977)
<i>ACC</i>		0.411 (0.481)	0.437 (0.572)	0.276 (0.476)		1.166* (0.686)	0.489 (0.461)	0.729 (0.667)	0.256 (0.436)	0.548 (0.503)
<i>Constant</i>	-3.020*** (0.739)	-5.855** (2.667)	-12.36** (5.229)	-7.834** (3.701)		-5.584** (2.237)	-3.896*** (1.380)	-1.810 (1.595)	-2.951 (2.138)	-4.121* (2.130)
<i>Observations</i>	63	63	63	63		48	58	54	37	63

Notes: Concession variable equals 1 if agreement involves greater concessions (including minor and major) by the target state, equals 0 if even concessions or major/minor concessions made by challenger. No results for intangible salience (model 5). Identity salience omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table 4.19 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *challenger*, bilateral negotiations only

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (major)</i>	3.008*** (1.040)	3.299*** (1.131)	7.933*** (2.530)	6.983*** (1.853)	20.52*** (2.663)	3.364*** (1.233)	3.431*** (1.157)	3.817*** (1.323)	3.313*** (1.199)	4.342*** (1.677)
<i>Salience</i>		-0.296 (0.324)	0.335 (0.266)	0.823*** (0.265)	-0.128 (0.856)	Omitted	Omitted	0.110 (1.353)	Omitted	0.419 (1.420)
<i>Concession* Salience</i>			-1.714** (0.867)	-2.348** (1.005)	-16.82*** (1.736)	0 (0)	0 (0)	0 (0)	0 (0)	-2.057 (2.168)
<i>ACC</i>		0.347 (0.290)	0.201 (0.293)	0.312 (0.337)	0.139 (0.297)	0.459 (0.374)	0.391 (0.353)	0.147 (0.247)	0.679 (0.441)	0.321 (0.330)
<i>Constant</i>	-3.296*** (0.696)	-2.981*** (0.741)	-4.675*** (0.981)	-5.201*** (1.060)	-3.297*** (1.215)	-3.983*** (1.145)	-3.757*** (0.991)	-3.558*** (0.838)	-3.446*** (0.998)	-3.969*** (1.395)
<i>Observations</i>	63	63	63	63	63	61	56	61	32	63

Notes: equals 1 if the agreement involves major concessions by the challenger state, without comparable concessions by the target state. Equals 0 if challenger made minor, even concessions or target made major/minor concessions. Homeland, Identity, strategic location saliences: omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table 4.20 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *target*, bilateral negotiations only

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (major)</i>	2.238** (1.000)	2.050* (1.241)	10.38*** (3.882)	6.171** (2.871)		1.656 (1.487)	2.236* (1.151)	1.584 (1.244)	1.418 (1.236)	1.230 (1.313)
<i>Salience</i>		0.503 (0.594)	2.314*** (0.889)	2.337** (1.075)		1.792 (1.492)	Omitted	Omitted	0.182 (1.457)	0.263 (1.569)
<i>Concession* Salience</i>			-2.139** (1.070)	-1.748 (1.401)		0 (0)	0 (0)	0 (0)	0 (0)	2.376 (2.270)
<i>ACC</i>		0.154 (0.584)	0.141 (0.800)	-0.110 (0.583)		0.771 (0.669)	0.200 (0.561)	-3.65e-16 (0.616)	-0.0330 (0.532)	0.152 (0.606)
<i>Constant</i>	-3.219*** (0.737)	-5.139** (2.436)	-12.32** (5.111)	-7.782** (3.562)		-5.761*** (2.118)	-3.530*** (1.332)	-2.970** (1.434)	-2.418 (1.997)	-3.632* (2.097)
<i>Observations</i>	63	63	63	63		45	58	51	33	63

Notes: Concession variable equals 1 if the agreement involves major concessions by the target state without comparable concessions by the challenger state. Equals 0 if target made minor, even concessions or challenger made major/minor concessions. No results for intangible salience (model 5). Identity and historical saliences: omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

4.4 Conclusion

In this chapter, we explored how making territorial concessions can increase the probability of leadership change with a coalition shift, depending on the level of territorial salience. Hypotheses 2-8 are tested using cross-tabulations and logistic regression. A summary of the key findings is presented below in table 4.21.

Table 4.21 Summary of Hypotheses and Empirical Results (Dependent Variable: Leadership Change with a Coalition Shift)

	Hypothesized	Results
Huth and Allee dataset (1919-1995, global, bilateral negotiations)		
H1: Territorial Concessions	Positive	Yes (Effect tends to be more consistent in targets)
ICOW settlement dataset (1816-2001, Western Hemisphere and Western Europe, all peaceful methods)		
H2: Territorial Concession (Overall salience)	Positive	Yes (Limited to targets)
H3: Territorial Concession	Intangible values have greater effects than tangible values	No (The effects of tangible and intangible values are similar for both challengers and targets)
H4: Homeland status	Positive	Yes (limited to targets)
H5: Identity connections	Positive	Yes (limited to targets)
H6: Historical ownership	Positive	No (negative for challengers)
H7: Strategic value	Positive	Yes (limited to targets)
H8: Economic value	Negative	Yes (Limited to challengers, there is positive relationship for targets)

Notes: Results that are difficult to make a clear conclusion based on initial research or regression analysis are excluded.

Most of the hypotheses are supported but are limited to target states. In target states, as the overall, tangible, and intangible level of saliences increased, the marginal impact of making major concessions on leadership change with a coalition shift increased. In contrast, challenger states showed different patterns. As the overall, tangible, and intangible values increased, the marginal impact of major concessions on the probability of a coalition change tended to decrease.

Regarding individual types of territory, target states mostly had positive associations. When homeland, identity, and strategic values are present in a disputed territory, the greater the likelihood of a change in leader support. Economic value had an opposite effect than predicted, as target leaders are more likely to experience a coalition change when major concessions are made. It was difficult to make a clear conclusion on territories with historical value due to limited samples.

It was more difficult to make a concrete conclusion on challenger states due to a small number of cases. An interesting pattern with regards to challenger states is that when a disputed territory has historical values or economic resources, leaders are less likely to be replaced by opposition faction leaders. There tends to be different patterns for challenger and target when economic resources are present.

Overall, we can see that many of the hypotheses were as predicted, but were limited to either challenger or target states, as they tended to show clearly different patterns. There are, however, interesting patterns that require further investigation. First, why tangible and intangible values of territory may have similar impact (as opposed to territories with intangible values having a greater effect) is a puzzling and an intriguing question to be explored both theoretically and empirically. There has been very limited scholarly research that implies territories with

tangible values may be harder to resolve (or tend to be more conflict prone) than territories with intangible values. While there are findings that challenge the conventional notion that intangible territories might be more difficult to resolve, in the best of my knowledge, there is no clear explanations in the literature for why that may be the case. Second, the effect of individual characteristics of territory – especially how historical and economic values matter can be further explored.

Additional analysis to check the robustness of the main findings provides support that making major territorial concessions and coalition shift have a positive relationship. In particular, the Heckman model helps to demonstrate that there is no serious selection bias. However, as mentioned, the results should be interpreted with caution (especially challengers) due the limited number of samples. Overall, based on the cross-tabulations, logistic regression analyses, and robustness checks, we can say that how a disputed territory is perceived by the leaders and the public in terms of its salience, or whether it possesses certain traits are important factors that could impact the likelihood of dispute resolution.

Further research using the ICOW settlement dataset that covers all the regions in the world will help us to better understand and explore the effects of territorial salience. Using a dataset that is based on broader regions and more observations can lead to more accurate and concrete results.

5. Conclusion

This dissertation explores how making territorial concessions as an outcome of peaceful methods affects the probability of leadership change with a coalition shift. I find consistent evidence that making territorial concessions – especially major concessions by target countries – is more likely to lead to leadership turnover with a coalition change.

Similar results were found using both the Huth and Allee global dataset (for the period between 1919 and 1995) and the ICOW settlement dataset (for the Western Hemisphere and Western Europe between 1816 and 2001). The Huth and Allee dataset is based on territorial concessions as an outcome of bilateral negotiation, covering 298 distinct territorial disputes. The ICOW settlement dataset includes all peaceful methods including bilateral negotiations, third-party binding and non-binding methods, and covers 74 territorial claims.

This dissertation also demonstrates that the salience of a disputed territory plays a systematic role in the relationship between territorial concession and leadership change with a coalition shift. I find that as the overall, tangible, and intangible salience level of disputed territory increased, leaders of target states are increasingly more likely to experience leadership change with a coalition shift as the result of making territorial concessions. In contrast, for challenger state leaders, as the level of salience increased, the marginal impact of making concessions on leadership turnover with a coalition change tended to decrease.

This dissertation also breaks down the ICOW settlement dataset based on the individual indicators that measure homeland status, identity connections, historical, strategic, and economic values of a territorial claim. Similar to overall, tangible, and intangible values of territory, there was a systematically different impact of individual indicators based on whether the disputant is a challenger or a target. For targets, the presence of homeland, identity, strategic, and economic

values were positively associated with a coalition shift. However, for challengers, the presence of historical or economic value was negatively related to the outcome.

There were also puzzling findings such as those pertaining to hypothesis 3 (intangible vs. tangible territory) and hypothesis 8 (the presence of economic value). The unexpected finding of hypothesis 3 leads us to further examine the crucial question of whether tangible or intangible values are relatively more conflict prone. Interestingly, the hypothesis related to economic value seemed to have distinct effects on each challenger and target but was not in the expected direction for target states. Such findings that somewhat challenge the conventional belief suggest that more research is needed in terms of comparing the effects of tangible versus intangible values, and the economic values of territory. Some of the inconclusive results, especially for challenger states regarding the individual characteristics would have to be further explored based on the ICOW settlement dataset that will cover a wider range of regions and longer time periods.

Overall, this dissertation finds robust and consistent evidence that political leaders are likely to experience leadership turnover with a coalition change when they make major territorial concessions through peaceful settlement methods. It further explores the conditions under which leadership turnover is likely to occur. Various robustness checks are implemented, using different statistical methods such as matching, two-stage least squares regression, and selection model, which provide support for the main arguments.

5.1 Implications

This study has important implications in mainly five ways. First, this dissertation tests the relationship between making territorial concessions and leadership turnover, and provides empirical evidence on the linkage between interstate territorial disputes and domestic politics.

Political leaders may have the incentive to avoid making major territorial concessions, as they do not want to be domestically punished. Such domestic political incentives held by leaders make it harder for them to offer concessions, and this can make settlements more difficult to achieve.

While it has been widely assumed in the conflict literature that domestic political factors can be a significant barrier to the resolution of enduring territorial conflicts, there has been a lack of direct empirical evidence.

Second, this dissertation not only illustrates that there is a higher probability of leadership change with a coalition shift when major territorial concessions are made, but also how the level of territorial salience can have a systematic impact on the relationship between the two. Especially, the impact of the individual characteristics of territory has not been widely tested in the literature, and it would be meaningful to have a more conclusive finding based on the updated version of the ICOW settlement data.

Third, we can gain a better understanding on under what conditions making territorial concessions are likely to have a negative impact on leadership change with a coalition shift. The impact of concessions tends to be greater when (1) the concession is made by a target state leader (compared to when the leader is from a challenger state), (2) involves major territorial concessions (as opposed to making minor concessions), and (3) the more salient the disputed territory (mostly confined to target states). Also, the type of regime did not seem to make a systematic impact.

Fourth, such findings also have important policy implications for understanding many enduring territorial disputes. When seeking resolution, the salience level, and the characteristics of territorial disputes, and whether the disputant is a challenger or a target are important factors to consider. Also, this study implies that more investigation needs to be done on how certain

characteristics of territory may matter – the impact of tangible versus intangible values, and the role of historical and economic values.

Fifth, the study provides supporting evidence to the scholarly works that argue not only does the standard “realist model” based on factors such as relative power capabilities matter, but also domestic political factors are significant in understanding conflict dynamics involving territorial disputes. While realist considerations provide important theoretical lens, how the public or leaders perceive the territory in disputes is also significant. Furthermore, how those perceptions held by domestic actors can be altered may be the key to how enduring territorial disputes can be peacefully resolved by reaching a compromise.

5.2 Directions for Future Research

Future research can investigate how making territorial concessions through violent methods affects domestic politics or leadership turnover. Would there be a significant difference in terms of the probability of domestic punishment when leaders lose territory through violent means compared to non-violent means? Also, depending on data availability, it would be meaningful to expand the analysis by comparing the domestic impact of making concessions in different issue areas (e.g., economic issue) and evaluate whether making concessions on territorial issues are likely to have the most severe domestic impact. It would be worthwhile to examine how territorial concessions tend to be relatively more detrimental in securing leadership positions than making concessions in other non-territorial issues.

Furthermore, under the premise that the ICOW settlement data that covers the whole regions of the world is released, it would be possible to test the hypotheses in the Americas, Europe, Africa, Middle East, and Asia. While it is important to test how variation in territorial

salience affects the relationship between making concessions and leadership turnover with a coalition shift, it would also be significant to see if there are also regional variations. In Frederick (2012)'s study, which investigates the sources of territorial stability (between 1816 and 2008), one of the main findings is that the interstate territorial system has become substantially more stable since the mid-1970s. However, this pattern is largely limited to the Americas and Europe. Africa and the Middle East show more complex patterns, and Asia has continuously been the most contested region. In other words, Asia is where territorial disputes remain to be unresolved at a greater degree compared to any other region of the world.

If the Western Hemisphere and the Western European regions have been relatively more stable compared to other regions, we may also expect to see regional heterogeneity regarding the topics investigated in this dissertation. If Asia has more violent or protracted levels of conflicts compared to the Western Hemisphere and Western European regions, would this have different implications on how likely political leaders would engage in peaceful settlement attempts, and their propensity to make territorial concessions? Investigating regional heterogeneity in terms of the likelihood of engaging in peaceful and violent territorial attempts, and how their outcomes could affect leader tenure (and more broadly domestic politics) is a significant topic to be further explored.

References

- Aboulenein, A. (2017, June 24). Egypt's Sisi ratifies deal ceding Red Sea islands to Saudi Arabia. *Reuters*.
- Allee, T. L., & Huth, P. K. (2006). Legitimizing Dispute Settlement: International Legal Rulings as Domestic Political Cover. *American Political Science Review*, 100(2), 219–234. <https://doi.org/10.1017/S0003055406062125>
- Anderton, C. H., & Carter, J. R. (2001). The Impact of War on Trade: An Interrupted Times-Series Study. *Journal of Peace Research*, 38(4), 445–457.
- Austin, P. C. (2011). An Introduction to Propensity Score Methods for Reducing the Effects of Confounding in Observational Studies. *Multivariate Behavioral Research*, 46, 399–424.
- Austin, P. C., & Hux, J. E. (2002). A brief note on overlapping confidence intervals. *Journal of Vascular Surgery*, 36(1), 194–195.
- Bueno de Mesquita, B., Morrow, J. D., Siverson, R. M., & Smith, A. (1999). An Institutional Explanation of the Democratic Peace. *The American Political Science Review*, 93(4), 791–807. <https://doi.org/10.2307/2586113>
- Bueno De Mesquita, B., & Siverson, R. M. (1995). War and the Survival of Political Leaders: A Comparative Study of Regime Types and Political Accountability. *American Political Science Review*, 89(4), 841–855. <https://doi.org/10.2307/2082512>
- Bueno de Mesquita, Bruce Siverson, R. M., & Woller, G. (1992). War and the Fate of Regimes: A Comparative Analysis. *American Political Science Association*, 86(3), 638–646.
- Catterall, P. (2017, June 9). Northern Ireland has a long history of propping up the weak at Westminster. *Conversation*.
- Chiozza, G., & Choi, A. (2003). Guess Who Did What: Political Leaders and the Management of Territorial Disputes, 1950-1990. *The Journal of Conflict Resolution*, 47(3), 251–278. <https://doi.org/10.1177/00220027032523>
- Chiozza, G., & Goemans, H. E. (2004). International Conflict and the Tenure of Leaders: Is War Still Ex-Post Inefficient? *American Journal of Political Science*, 48(3), 604–619. <https://doi.org/10.2307/1519919>
- Congressional Record: Proceedings and Debates of the United States Congress, Volume 114, Part 12*. (1968).
- Cook, S. A. (2017, July 5). Egypt's Leader Faces a Crisis of His Own Making—One That Reveals His Nation's Dangerous Weakness. *Council on Foreign Relations*.
- Croco, S. E., & Weeks, J. L. P. (2016). War Outcomes and Leader Tenure. *World Politics*, 68(4), 577–607. <https://doi.org/10.1017/S0043887116000071>

- Debs, A., & Goemans, H. E. (2010). Regime Type, the Fate of Leaders, and War. *American Political Science Review*, 104(3), 430–445. <https://doi.org/10.2307/40863762>
- Diehl, P. F. (1992). What Are They Fighting For? The Importance of Issues in International Conflict Research. *Journal of Peace Research*, 29(3), 333–344. <https://doi.org/10.1177/0022343392029003008>
- Fang, S., & Li, X. (2019). Historical ownership and territorial disputes. *Journal of Politics*, 82(1), 345–360. <https://doi.org/10.1086/706047>
- Fearon, J. D. (1994). Domestic Political Audiences and the Escalation of International Disputes. *American Political Science Review*, 88(3), 577–592.
- Fearon, J. D. (1995). Rationalist Explanations for War. *International Organization*, 49(3), 379–414.
- Frederick, B. (2012). *The Sources of Territorial Stability* [Doctor of Philosophy]. Johns Hopkins University.
- Frederick, B. A., Hensel, P. R., & Macaulay, C. (2017). The Issue Correlates of War Territorial Claims Data, 1816–2001. *Journal of Peace Research*, 54(1), 99–108.
- Gent, S. E., & Shannon, M. (2011). Decision Control and the Pursuit of Binding Conflict Management: Choosing the Ties that Bind. *Journal of Conflict Resolution*, 55, 710–734. <https://doi.org/10.1177/0022002711408012>
- Gibler, D. M. (2012). *The Territorial Peace: Borders, State Development, and International Conflict*. Cambridge University Press.
- Goddard, S. E. (2006). Uncommon Ground: Indivisible Territory and the Politics of Legitimacy. *International Organization*, 60(1), 35–68. <https://doi.org/10.1017/CBO9780511635533>
- Goemans, H. E., & Schultz, K. A. (2017). The Politics of Territorial Claims: A Geospatial Approach Applied to Africa. *International Organization*, 71, 31–64. <https://doi.org/10.1017/S0020818316000254>
- Goertz, G., & Diehl, P. F. (1992). *Territorial Changes and International Conflict*. Routledge.
- Hassner, R. E. (2006). The Path to Intractability: Time and the Entrenchment of Territorial Disputes. *International Security*, 31(3), 107–138.
- Hassner, R. E. (2009). The Indivisibility Problem. In *War on Sacred Grounds* (pp. 37–50). Cornell University Press.
- Heath was ahead of his time in approach to North. (2005, July 19). *Irish Times*. <https://www.irishtimes.com/opinion/heath-was-ahead-of-his-time-in-approach-to-north-1.470062>
- Henderson, J., & Chatfield, S. (2011). Who Matches? Propensity Scores and Bias in the Causal Effects of Education on Participation. *The Journal of Politics*, 73(3), 646–658.

- Hensel, P. R. (1996). Charting a Course to Conflict: Territorial Issues and Interstate Conflict, 1816-1992. *Conflict Management and Peace Science*, 15(1), 43–73.
- Hensel, P. R. (2001). Contentious Issues and World Politics: The Management of Territorial Claims in the Americas, 1816-1992. *International Studies Quarterly*, 45(1), 81–109. <https://doi.org/10.1111/0020-8833.00183>
- Hensel, P. R., & Mitchell, S. M. L. (2005). Issue indivisibility and territorial claims. *GeoJournal*, 64, 275–285. <https://doi.org/10.1007/s10708-005-5803-3>
- Hensel, P. R., Mitchell, S. M., Sowers II, T. E., & Thyne, C. L. (2008). Bones of Contention: Comparing Territorial, Maritime, and River Issues. *Journal of Conflict Resolution*, 52(1), 117–143. <https://doi.org/10.1038/361509b0>
- Hutchison, M. L., & Gibler, D. M. (2007). Political tolerance and territorial threat: A cross-national study. *Journal of Politics*, 69(1), 128–142. <https://doi.org/10.1111/j.1468-2508.2007.00499.x>
- Huth, P. K. (1996). Standing Your Ground: Territorial Disputes and International Conflict. In *University of Michigan Press*. <https://doi.org/10.3998/mpub.14335>
- Huth, P. K., & Allee, T. L. (2002a). Domestic Political Accountability and the Escalation and Settlement of International Disputes. *Journal of Conflict Resolution*, 46(6), 754–790. <https://doi.org/10.1177/002200202237928>
- Huth, P. K., & Allee, T. L. (2002b). *The Democratic Peace and Territorial Conflict in the Twentieth Century*. Cambridge University Press.
- James, P., Park, J., & Choi, S. W. (2006). Democracy and conflict management: Territorial claims in the western hemisphere revisited. *International Studies Quarterly*, 50, 803–818. <https://doi.org/10.1111/j.1468-2478.2006.00426.x>
- Johnson, D. D. P., & Toft, M. D. (2014). Grounds for War: The Evolution of Territorial Conflict. *International Security*, 38(3), 7–38. <https://doi.org/10.1162/ISEC>
- Kam, C. D., & Palmer, C. L. (2008). Reconsidering the Effects of Education on Political Participation. *The Journal of Politics*, 70(3), 612–631.
- Keinon, H. (2015, July 21). Majority of Israelis say they opposed Gaza withdrawal, contrary to polling at the time. *Jerusalem Post*. <https://www.jpost.com/israel-news/majority-of-israelis-say-they-opposed-gaza-withdrawal-contrary-to-polling-at-the-time-409590>
- Kim, N. K. (2019). Territorial disputes and individual willingness to fight. *Journal of Peace Research*. <https://doi.org/10.1177/0022343319880952>
- Lee, H., & Mitchell, S. M. (2012). Foreign Direct Investment and Territorial Disputes. *Journal of Conflict Resolution*, 56(4), 675–703. <https://doi.org/10.1177/0022002712438348>

- Leeds, B. A., & Mattes, M. (2015). *Change in Source of Leader Support (CHISOLS) Dataset User's Manual*.
<http://www.chisols.org/uploads/1/1/2/6/11264284/chisolsusermanualv4.0.pdf>
- Lentz, H. M. (Ed.). (2013). *Heads of States and Governments Since 1945*. Routledge.
- Levy, J. S. (2003). Applications of Prospect Theory to Political Science. *Synthese*, 135(2), 215–241.
- Levy, J. S., & Mabe Jr, W. F. (2004). Politically Motivated Opposition to War. *International Studies Review*, 6, 65–83.
- Mansbach, R. W., & Vasquez, J. A. (1981). *In Search of Theory: A New Paradigm for Global Politics*. Columbia University Press.
- Mattes, M. (2018). “Chipping Away at the Issues”: Piecemeal Dispute Resolution and Territorial Conflict. *Journal of Conflict Resolution*, 62(1), 94–118.
<https://doi.org/10.1177/0022002716640899>
- Mattes, M., Leeds, B. A., & Carroll, R. (2015). Leadership Turnover and Foreign Policy Change: Societal Interests, Domestic Institutions, and Voting in the United Nations. *International Studies Quarterly*, 59(2), 280–290. <https://doi.org/10.1111/isqu.12175>
- Mattes, M., Leeds, B. A., & Matsumura, N. (2016). Measuring change in source of leader support: The CHISOLS dataset. *Journal of Peace Research*, 53(2), 259–267.
<https://doi.org/10.1177/0022343315625760>
- McGillivray, F., & Smith, A. (2004). The Impact of Leadership Turnover on Trading Relations Between States. *International Organization*, 58, 567–600.
<https://doi.org/10.1017/S0020818304583054>
- Miller, S. v. (2017). Individual-level expectations of executive authority under territorial threat. *Conflict Management and Peace Science*, 34(5), 526–545.
<https://doi.org/10.1177/0738894215600384>
- Mitchell, S., & Hensel, P. R. (2007). International Institutions, Cooperation, and Compliance with Agreements. *American Journal of Political Science*, 51(4), 721–737.
- Mitchell, S., Kadera, K., & Crescenzi, M. (2009). Practicing Democratic Community Norms: Third Party Conflict Management and Successful Settlements. In J. Bercovitch & S. Gartner (Eds.), *International Conflict Mediation: New Approaches and Findings*. Routledge.
- Murphy, Alexander. B. (1990). Historical Justifications for Territorial Claims. *Annals of the Association of American Geographers*, 80(4), 531–548.
- Newman, D. (1999). Real spaces, symbolic spaces: Interrelated notions of territory in the Arab-Israeli conflict. *A Road Map to War: Territorial Dimensions of International Conflict*, June, 3–34.

- Nielsen, R. A., Findley, M. G., Davis, Z. S., Candland, T., & Nielson, D. L. (2011). Foreign Aid Shocks as a Cause of Violent Armed Conflict. *American Journal of Political Science*, 55(2), 219–232. <https://doi.org/10.1111/j.1540-5907.2010.00492.x>
- Ottolenghi, E. (2001). Why Direct Election Failed in Israel. *Journal of Democracy*, 12(4).
- Owen, A. (2010). *So Many False Dawns in British Politics*. AJBooks.
- Parliament Vote Removes Another Obstacle to Gaza Pullout. (2005, March 28). *New York Times*. <https://www.nytimes.com/2005/03/28/international/middleeast/parliament-vote-removes-another-obstacle-to-gaza.html>
- Pérez, O. J. (2011). *Political Culture in Panama*. Palgrave Macmillan.
- Powers, M. (2018). *The Impact of Yesterday's Territorial Shortages on Today's Adapted Mind* [Doctor of Philosophy]. University of Illinois at Urbana-Champaign.
- Randle, R. F. (1987). *Issues in the History of International Relations*. Praeger.
- Schultz, K. A. (1999). Do democratic institutions constrain or inform? Contrasting two institutional perspectives on democracy and war. *International Organization*, 53(2), 233–266. <https://doi.org/10.1162/002081899550878>
- Sekhon, J. S. (2011). Multivariate and Propensity Score Matching Software with Automated Balance Optimization: The Matching Package for R. *Journal of Statistical Software*, 42(7), 1–52.
- Senese, P. D. (1996). Geographical Proximity and Issue Salience: Their Effects on the Escalation of Militarized Interstate Conflict. *Conflict Management and Peace Science*, 15(2), 133–161. <https://doi.org/10.1177/073889429601500202>
- Shelef, N. G. (2016). Unequal Ground: Homelands and Conflict. *International Organization*, 70, 33–63. <https://doi.org/10.1017/S0020818315000193>
- Simmons, B. A. (1999). See You in “Court”? The Appeal to Quasi-Judicial Legal Processes in the Settlement of Territorial Disputes. In P. F. Diehl (Ed.), *A Road Map to War: Territorial Dimensions of International Conflict* (pp. 205–237). Vanderbilt University Press.
- Simmons, B. A. (2002). Capacity, Commitment, and Compliance. *Journal of Conflict Resolution*, 46(6), 829–856. <https://doi.org/10.1177/002200202237931>
- Simmons, B. A. (2005). Rules over Real Estate: Trade, Territorial Conflict, and International Borders as Institution. *Journal of Conflict Resolution*, 49(6), 823–848.
- Simmons, B. A. (2006). Trade and Territorial Conflict in Latin America: International Borders as Institutions. In M. Kahler & B. F. Walter (Eds.), *Territoriality and Conflict in an Era of Globalization* (pp. 251–287). Cambridge University Press. <https://doi.org/10.1017/CBO9780511491450.010>

- Simmons, B. A., & Hopkins, D. J. (2005). The Constraining Power of International Treaties: Theory and Methods. *American Political Science Review* 2, 99(4), 623–631.
- Singer, D. J., Bremer, S., & Stuckey, J. (1972). Capability Distribution, Uncertainty, and Major Power War, 1820-1965. In B. Russett (Ed.), *Peace, War, and Numbers* (pp. 19–48). Sage.
- Skidmore, D. (1993). Foreign Policy Interest Groups and Presidential Power: Jimmy Carter and the Battle over Ratification of the Panama Canal Treaties. *Presidential Studies Quarterly*, 23(3), 477–497.
- Smith, A. (1996). Diversionary Foreign Policy in Democratic Systems. *International Studies Quarterly*, 40(1), 133–153. <https://doi.org/10.2307/2600934>
- Sovey, A. J., & Green, D. P. (2011). Instrumental Variables Estimation in Political Science: A readers' guide. *American Journal of Political Science*, 55(1), 188–200. <https://doi.org/10.1111/j.1540-5907.2010.00477.x>
- Spruyt, H. (2014). Territorial Concessions, Domestic Politics, and the Israeli-Palestinian: The Dilemmas of Israel's Peacemaking. In M. F. Elman, H. Oded, & H. Spruyt (Eds.), *Democracy and Conflict Resolution* (pp. 29–66). Syracuse University Press.
- St John, R. B. (1976). The End of Innocence: Peruvian Foreign Policy and the United States, 1919-1942. *Journal of Latin American Studies*, 8(2), 325–344.
- Staiger, D., & Stock, J. H. (1997). Instrumental variables regression with weak instruments. *Econometrica*, 65(3), 557–586.
- Strong, R. A. (1991). Jimmy Carter and the Panama Canal Treaties. *Presidential Studies Quarterly*, 21(2), 269–286.
- The Panama Canal and the Torrijos-Carter Treaties*. (n.d.). Office of the Historian, Foreign Service Institute United States Department of State.
- The Panama Canal: Riots, Treaties, Elections, and a little Military Madness, 1959-1973. (2017). In *National Archives*. <https://www.archives.gov/research/foreign-policy/panama-canal>
- Tir, J. (2003). Averting Armed International Conflicts Through State-to-State Territorial Transfers. *Journal of Politics*, 65(4), 1235–1257.
- Toft, M. D. (2002). Indivisible territory, geographic concentration, and ethnic war. *Security Studies*, 12(2), 82–119. <https://doi.org/10.1080/0963-640291906807>
- Toft, M. D. (2003). Indivisible Territory and Ethnic War Book. In *The Geography of Ethnic Violence* (pp. 17–33). Princeton University Press. <https://doi.org/10.1080/0963-640291906807>
- Toft, M. D. (2006). Issue Indivisibility and Time Horizons as Rationalist Explanations for War. *Security Studies*, 15(1), 34–69. <https://doi.org/10.1080/09636410600666246>

- U.S. agrees to transfer Panama Canal to Panama. (2020). History.
<https://www.history.com/this-day-in-history/panama-to-control-canal>
- Uzonyi, G., Souva, M., & Golder, S. N. (2012). Domestic Institutions and Credible Signals. *International Studies Quarterly*, 56, 765–776. <https://doi.org/10.1111/j.1468-2478.2012.00746.x>
- Vasquez, J. A. (1993). *The War Puzzle*. Cambridge University Press.
- Vasquez, J. A. (2009). *The War Puzzle Revisited*. Cambridge University Press.
- Vasquez, J. A., & Henehan, M. T. (2001). Territorial Disputes and the Probability of War, 1816–1992. *Journal of Peace Research*, 38(2), 123–138.
- Walter, B. F. (2006). Building Reputation: Why Governments Fight Some Separatists but Not Others. *American Journal of Political Science*, 50(2), 313–330.
- Wiegand, K. E. (2005). Nationalist Discourse and Domestic Incentives to Prevent Settlement of the Territorial Dispute Between Guatemala and Belize. *Nationalism and Ethnic Politics*, 11(3), 349–383. <https://doi.org/10.1080/13537110500255486>
- Wiegand, K. E. (2011a). *Enduring Territorial Disputes: Strategies of Bargaining, Coercive Diplomacy, and Settlement*. University of Georgia Press.
- Wiegand, K. E. (2011b). Militarized territorial disputes: States’ attempts to transfer reputation for resolve. *Journal of Peace Research*, 48(1), 101–113.
<https://doi.org/10.1177/0022343310389414>
- Wolfe, R., & Hanley, J. (2002). If we’re so different, why do we keep overlapping? When 1 plus 1 doesn’t make 2. *CMAJ: Canadian Medical Association Journal*, 166(1), 65–66.
- Wright, T. M., & Diehl, P. F. (2014). Unpacking Territorial Disputes: Domestic Political Influences and War. *Journal of Conflict Resolution*, 1–25.
<https://doi.org/10.1177/0022002714553105>
- Zellman, A. (2018). Uneven ground: Nationalist frames and the variable salience of homeland. *Security Studies*, 27(3), 485–510. <https://doi.org/10.1080/09636412.2017.1416830>

Appendix A: Supplementary Materials for Chapter 3

Table A.1 The impact of making territorial concessions on leadership change with a coalition shift (results based on the “*six-month rule*”)

	(1) <i>Challenger</i>	(2) <i>Target</i>	(3) <i>Challenger</i>	(4) <i>Target</i>	(5) <i>Challenger</i>	(6) <i>Target</i>
Limited concession	-0.214 (0.223)	0.208 (0.190)	-0.228 (0.240)	0.109 (0.192)	-0.324 (0.358)	0.383 (0.435)
Major concession	0.335 (0.314)	1.019*** (0.318)	0.496 (0.331)	0.908*** (0.321)	0.750** (0.376)	1.724*** (0.543)
Political stability			1.258*** (0.217)	0.877*** (0.178)	1.234*** (0.217)	0.870*** (0.178)
Democracy			1.386*** (0.204)	1.802*** (0.240)	1.402*** (0.251)	2.053*** (0.313)
Limited concession * Democracy					0.169 (0.458)	-0.344 (0.463)
Major concession * Democracy					-0.752 (0.701)	-1.135* (0.657)
Economic value			0.244 (0.239)	0.254 (0.259)	0.234 (0.239)	0.255 (0.260)
Strategic value			0.0214 (0.231)	0.0996 (0.265)	0.0219 (0.231)	0.101 (0.267)
Ethnic value			0.00791 (0.227)	-0.295 (0.238)	-0.000624 (0.224)	-0.318 (0.238)
Constant	-2.184*** (0.132)	2.162*** (0.140)	-3.486*** (0.278)	3.675*** (0.305)	-3.471*** (0.292)	3.866*** (0.373)
Observations	1,486	1,485	1,486	1,485	1,486	1,485

Robust Standard errors in parentheses, clustered on dispute dyad level. *** p<0.01, ** p<0.05, * p<0.1

Table A.2 The impact of making territorial concessions on leadership change with a coalition shift (results based on *two years* after making concessions)

	(1) <i>Challenger</i>	(2) <i>Target</i>	(3) <i>Challenger</i>	(4) <i>Target</i>	(5) <i>Challenger</i>	(6) <i>Target</i>
Limited concession	-0.0913 (0.211)	0.0937 (0.185)	-0.109 (0.226)	0.0217 (0.195)	-0.375 (0.309)	0.598* (0.352)
Major concession	0.784*** (0.277)	0.933*** (0.262)	0.914*** (0.280)	0.836*** (0.266)	0.896*** (0.344)	1.261** (0.527)
Political stability			0.748*** (0.190)	0.464** (0.192)	0.744*** (0.191)	0.474** (0.195)
Democracy			1.145*** (0.208)	1.513*** (0.200)	1.008*** (0.250)	1.817*** (0.264)
Limited concession * Democracy					0.504 (0.412)	-0.768* (0.405)
Major concession * Democracy					0.00506 (0.582)	-0.592 (0.620)
Economic value			0.304 (0.218)	-0.119 (0.244)	0.281 (0.216)	-0.115 (0.246)
Strategic value			0.349* (0.209)	0.103 (0.257)	0.351* (0.207)	0.131 (0.263)
Ethnic value			-0.157 (0.213)	-0.00263 (0.221)	-0.143 (0.210)	-0.0146 (0.222)
Constant	-2.219*** (0.128)	- 1.991*** (0.138)	-3.212*** (0.272)	- 3.012*** (0.266)	-3.136*** (0.277)	- 3.255*** (0.329)
Observations	1,485	1,491	1,485	1,491	1,485	1,491

Robust Standard errors in parentheses, clustered on dispute dyad level. *** p<0.01, ** p<0.05, * p<0.1

Table A.3 Covariate balance between treated and control groups after matching (results based on the “*six-month rule*”, *target* states)

	Before Matching					After Matching				
	Mean Treatment	Mean Control	Std Mean Difference	T-test p-value	Variance Ratio	Mean Treatment	Mean Control	Std Mean Difference	T-test p-value	Variance Ratio
Strength of opposition	0.309	0.277	7.007	0.126	1.069	0.309	0.309	0	1	1
Ethnic ties	0.372	0.329	8.883	0.053	1.060	0.372	0.372	0	1	1
Strategic value	0.309	0.244	14.152	0.002	1.161	0.309	0.309	0	1	1
Economic value	0.620	0.582	7.799	0.089	0.970	0.620	0.620	0	1	1
Democracy	0.518	0.442	15.273	0.0009	1.014	0.518	0.518	0	1	1

Table A.4 Estimate of ATT (results based on the “*six-month rule*”, *target* states)

Estimate	0.039
SE	0.021
T-stat	1.863
p.val	0.062
Original number of observations	5998
Original number of treated obs	521
Matched number of observations	521
Matched number of observations (unweighted)	521
Caliper (SDs)	0.25
Number of obs dropped by 'exact' or 'caliper'	0

Table A.5 Covariate balance between treated and control groups after matching (results based on *two years* after making concessions, *target* states)

	Before Matching					After Matching				
	Mean Treatment	Mean Control	Std Mean Difference	T-test p-value	Variance Ratio	Mean Treatment	Mean Control	Std Mean Difference	T-test p-value	Variance Ratio
Strength of opposition	0.310	0.276	7.264	0.113	1.072	0.310	0.309	0	1	1
Ethnic ties	0.371	0.328	8.961	0.051	1.061	0.371	0.371	0	1	1
Strategic value	0.306	0.242	13.826	0.0025	1.159	0.306	0.306	0	1	1
Economic value	0.619	0.589	7.896	0.086	0.970	0.619	0.619	0	1	1
Democracy	0.517	0.443	14.776	0.0013	1.014	0.517	0.517	0	1	1

Table A.6 Estimate of ATT (results based on *two years* after making concessions, *target* states)

Estimate	0.037
SE	0.021
T-stat	1.747
p.val	0.081
Original number of observations	5962
Original number of treated obs	520
Matched number of observations	520
Matched number of observations (unweighted)	520
Caliper (SDs)	0.25
Number of obs dropped by 'exact' or 'caliper'	0

Table A.7 2SLS results (results based on the “*six-month rule*,” *target* states)

	Leadership change with a coalition shift (Dependent variable)
Concessions (binary)	0.292** (0.121)
Political Stability	0.0803*** (0.0212)
Democracy	0.145*** (0.0252)
Economic value	0.0191 (0.0267)
Strategic value	0.0191 (0.0281)
Ethnic value	-0.0289 (0.0230)
Constant	-0.0871* (0.0451)
Observations	1,485

Robust Standard errors in parentheses, clustered on dispute dyad level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

The first-stage diagnostics F-statistics is 10.55. Performing tests of endogeneity, test statistics was 6.18021 ($p = 0.0135$) which indicates that we can reject the null hypothesis that the independent variable is exogenous.

Table A.8 2SLS results (results based on *two years* after making concession, *target* states)

	Leadership change with a coalition shift (Dependent variable)
Concessions (binary)	0.356*** (0.128)
Political Stability	0.0373 (0.0244)
Democracy	0.138*** (0.0256)
Economic value	-0.0157 (0.0296)
Strategic value	0.0191 (0.0305)
Ethnic value	-0.00611 (0.0262)
Constant	-0.0684 (0.0543)
Observations	1,491

Robust Standard errors in parentheses, clustered on dispute dyad level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

The first-stage diagnostics F-statistics is 11.12. Performing tests of endogeneity, test statistics was 9.46576 ($p = 0.0023$) which indicates that we can reject the null hypothesis that the independent variable is exogenous.

Appendix B: Supplementary Materials for Chapter 4

Includes Democracy Variable

Table B.1 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *challenger*, includes democracy variable

	(1) Main model	(2) Main model (with controls)	(3) Overall Salience	(4) Tangible	(5) Intangible	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (minor, major)	0.342 (0.468)	0.306 (0.552)	5.344*** (1.871)	4.219*** (1.597)	3.417** (1.612)	0.553 (0.486)	1.081* (0.654)	1.250 (0.969)	2.409*** (0.906)	1.031 (1.030)
<i>Salience</i>		0.475** (0.235)	1.046*** (0.277)	1.322*** (0.483)	1.535*** (0.545)	Omitted	2.248*** (0.728)	0.766 (0.775)	1.587** (0.753)	1.205* (0.728)
<i>Concession</i> * <i>Salience</i>			1.238*** (0.474)	1.837*** (0.667)	-1.502** (0.731)	0 (0)	-2.136** (1.064)	-1.176 (1.081)	3.376*** (1.069)	-0.955 (1.166)
<i>ACC</i>		-0.263 (0.358)	-0.307 (0.386)	-0.401 (0.393)	-0.361 (0.352)	-0.395 (0.410)	-0.419 (0.329)	-0.412 (0.409)	-0.469 (0.410)	-0.389 (0.392)
<i>Democracy</i>		1.100 (0.859)	1.304 (0.879)	1.542* (0.937)	1.310 (0.844)	1.501 (0.962)	1.138 (0.930)	1.649* (0.935)	1.690* (0.944)	1.477 (0.919)
<i>Constant</i>	-1.893*** (0.325)	-3.899*** (1.019)	6.344*** (1.235)	4.957*** (1.240)	-5.119*** (1.228)	-2.153*** (0.421)	2.594*** (0.503)	2.743*** (0.775)	3.237*** (0.700)	2.884*** (0.740)
<i>Observations</i>	124	124	124	124	124	119	124	124	124	124

Notes: Concession variable equals 1 if agreement involve greater concessions by the challenger state (including minor and major), equals 0 if even concessions or major/minor concessions made by target. Homeland salience: omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table B.2 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *target*, includes democracy variable

	(1) Main model	(2) Main model (with controls)	(3) Overall Salience	(4) Tangible	(5) Intangible	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (minor, major)	0.764 (0.524)	0.266 (0.512)	1.676 (2.167)	1.903 (1.925)	0.171 (1.744)	0.329 (1.247)	-0.157 (0.654)	1.713 (1.531)	0.662 (0.887)	0.393 (0.982)
<i>Salience</i>		0.527* (0.292)	0.695** (0.319)	1.248** (0.546)	0.358 (0.351)	1.427** (0.701)	-0.974 (0.664)	0.407 (1.210)	1.075* (0.619)	1.268* (0.768)
<i>Concession</i> * <i>Salience</i>			-0.346 (0.483)	-0.681 (0.783)	0.0319 (0.773)	-0.0900 (1.332)	1.941* (1.131)	-1.639 (1.584)	-0.639 (1.075)	0.550 (1.220)
<i>ACC</i>		-0.404 (0.430)	-0.472 (0.426)	-0.608 (0.460)	-0.553 (0.412)	-0.394 (0.384)	-0.497 (0.390)	-0.748* (0.409)	-0.690 (0.433)	-0.527 (0.473)
<i>Democracy</i>		1.828 (1.273)	1.995 (1.249)	2.153* (1.292)	2.216* (1.345)	2.376** (1.113)	2.073 (1.295)	2.681* (1.418)	2.468* (1.356)	2.087 (1.389)
<i>Constant</i>	-1.997*** (0.334)	-4.301*** (1.187)	4.963*** (1.309)	4.761*** (1.307)	-2.899*** (0.860)	-3.719*** (0.889)	2.151*** (0.614)	-2.558** (1.071)	2.820*** (0.566)	3.123*** (0.878)
<i>Observations</i>	123	123	123	123	123	123	123	123	123	123

Notes: Concession variable equals 1 if agreement involve greater concessions by the target state (including minor and major), equals 0 if even concessions or major/minor concessions made by challenger. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table B.3 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *challenger*, includes democracy variable

	(1) Main model	(2) Main model (with controls)	(3) Overall Salience	(4) Tangible	(5) Intangible	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (major)	1.012 (0.622)	1.418** (0.700)	8.107*** (1.821)	5.930*** (1.852)	6.063*** (1.777)	1.376** (0.621)	2.123*** (0.693)	3.138*** (1.197)	2.752*** (0.911)	2.161* (1.173)
<i>Salience</i>		0.532** (0.216)	1.038*** (0.235)	1.315*** (0.508)	1.553*** (0.482)	Omitted	2.162*** (0.624)	1.030 (0.779)	1.455** (0.725)	1.241* (0.707)
<i>Concession</i> <i>*Salience</i>			1.894*** (0.529)	2.513*** (0.910)	-2.636*** (0.925)	0 (0)	0 (0)	-2.989** (1.434)	0 (0)	-1.465 (1.402)
<i>ACC</i>		-0.313 (0.361)	-0.466 (0.404)	-0.588 (0.406)	-0.438 (0.370)	-0.463 (0.415)	-0.414 (0.332)	-0.554 (0.418)	-0.461 (0.403)	-0.494 (0.407)
<i>Democracy</i>		1.236 (0.869)	1.477* (0.896)	1.732* (0.907)	1.544* (0.861)	1.674* (0.984)	1.182 (0.909)	2.131** (0.950)	1.512* (0.891)	1.607* (0.902)
<i>Constant</i>	-1.968*** (0.337)	-4.289*** (1.019)	- (1.153)	- (1.306)	-5.364*** (1.176)	-2.222*** (0.423)	- (0.525)	- (0.830)	- (0.672)	- (0.698)
<i>Observations</i>	124	124	124	124	124	119	122	124	119	124

Notes: Concession variable equals 1 if the agreement involves major concessions by the challenger state, without comparable concessions by the target state. Equals 0 if challenger made minor, even concessions or target made major/minor concessions. Homeland salience omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table B.4 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on one year after making concession), *target*, includes democracy variable

	(1) Main model	(2) Main model (with controls)	(3) Overall Salience	(4) Tangible	(5) Intangible	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (major)	1.558*** (0.572)	1.207** (0.605)	2.067 (2.154)	1.622 (2.127)	1.290 (1.501)	0.847 (1.201)	1.066 (0.695)	1.002** (0.500)	1.062 (1.211)	0.553 (1.184)
<i>Salience</i>	-2.069*** (0.322)	0.484* (0.269)	0.573* (0.294)	0.935** (0.473)	0.338 (0.366)	1.289* (0.727)	-0.528 (0.637)	0.491 (1.266)	0.732 (0.607)	1.069 (0.670)
<i>Concession</i> <i>*Salience</i>			-0.210 (0.482)	-0.140 (0.853)	-0.0339 (0.687)	0.768 (1.364)	0.746 (1.163)	0 (0)	0.136 (1.336)	1.656 (1.445)
<i>ACC</i>		-0.423 (0.430)	-0.440 (0.448)	-0.578 (0.481)	-0.572 (0.391)	-0.354 (0.361)	-0.748* (0.388)	-0.773** (0.387)	-0.678 (0.421)	-0.543 (0.434)
<i>Democracy</i>		1.734 (1.358)	1.756 (1.368)	1.942 (1.438)	2.083 (1.329)	2.104* (1.154)	2.486* (1.347)	2.370* (1.362)	2.239 (1.391)	1.987 (1.404)
<i>Constant</i>		-4.171*** (1.087)	4.514*** (1.103)	4.078*** (1.036)	-2.901*** (0.786)	-3.682*** (0.903)	2.132*** (0.616)	-2.540** (1.029)	2.615*** (0.538)	2.955*** (0.776)
<i>Observations</i>	123	123	123	123	123	123	123	122	123	123

Notes: Concession variable equals 1 if the agreement involves major concessions by the target state without comparable concessions by the challenger state. Equals 0 if target made minor, even concessions or challenger made major/minor concessions. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

The “6-month rule” Applied

Table B.5 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on the “6-months rule”), *challenger*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (minor, major)</i>	0.425 (0.595)	0.242 (0.681)	2.270 (2.414)	3.929** (1.810)	-1.672 (1.832)	0.510 (0.602)	0.513 (0.915)	1.237* (0.652)	1.861 (1.179)	0.570 (1.270)
<i>Salience</i>		0.567** (0.280)	0.774*** (0.232)	1.376*** (0.442)	0.684 (0.478)	Omitted	1.852** (0.849)	-0.397 (0.781)	1.783* (1.002)	0.860 (0.839)
<i>Concession *Salience</i>			-0.470 (0.539)	-1.687** (0.856)	0.928 (0.704)	0 (0)	-0.502 (1.287)	0 (0)	-2.202 (1.408)	-0.350 (1.439)
<i>ACC</i>		0.210 (0.311)	0.231 (0.319)	0.255 (0.315)	0.228 (0.325)	0.240 (0.319)	0.0974 (0.319)	0.170 (0.295)	0.271 (0.295)	0.213 (0.317)
<i>Constant</i>	-2.565*** (0.386)	-5.006*** (1.201)	-5.917*** (1.181)	-5.825*** (1.267)	-4.153*** (1.025)	-2.874*** (0.647)	-3.240*** (0.620)	2.579*** (0.764)	-4.133*** (0.984)	-3.345*** (0.888)
<i>Observations</i>	122	122	122	122	122	117	122	106	122	122

Notes: Concession variable equals 1 if agreement involve greater concessions by the challenger state (including minor and major), equals 0 if even concessions or major/minor concessions made by target. Homeland salience omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table B.6 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on the “6-months rule”), *target*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (minor, major)</i>	0.0690 (0.557)	-0.0218 (0.578)	0.776 (2.084)	-0.635 (2.148)	1.485 (1.625)	0.329 (1.332)	0.233 (0.619)	1.761 (1.714)	-0.259 (1.177)	-1.227 (1.113)
<i>Salience</i>		0.363 (0.247)	0.446 (0.273)	0.491 (0.345)	0.639 (0.495)	1.274 (0.869)	-0.114 (1.009)	0.904 (1.218)	0.733 (0.598)	-0.0203 (0.590)
<i>Concession *Salience</i>			-0.197 (0.479)	0.325 (0.871)	-0.772 (0.804)	-0.325 (1.459)	-0.521 (1.567)	-1.907 (1.812)	0.345 (1.350)	2.388* (1.305)
<i>ACC</i>		-0.0404 (0.204)	-0.0482 (0.205)	-0.0864 (0.211)	-0.0446 (0.192)	0.141 (0.236)	-0.0955 (0.214)	-0.0882 (0.214)	-0.0794 (0.201)	-0.0243 (0.207)
<i>Constant</i>	1.718*** (0.304)	-2.979*** (0.990)	-3.288*** (1.100)	-2.497*** (0.800)	-2.799*** (0.974)	-2.950*** (1.010)	1.534*** (0.438)	-2.369*** (1.102)	1.985*** (0.544)	1.663*** (0.601)
<i>Observations</i>	123	123	123	123	123	123	123	123	123	123

Notes: Concession variable equals 1 if agreement involve greater concessions (including minor and major) by the target state, equals 0 if even concessions or major/minor concessions made by challenger. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1

Table B.7 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on the “6-months rule”), *challenger*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (major)</i>	-0.405 (1.105)	-0.281 (1.206)	2.808 (1.926)	2.686 (1.913)	0.427 (1.683)	-0.290 (1.093)	0.361 (1.135)	-0.0156 (1.099)	0.645 (1.205)	-0.218 (1.153)
<i>Salience</i>		0.580** (0.268)	0.700** (0.317)	0.775 (0.578)	1.138** (0.510)	Omitted	1.870*** (0.715)	0.391 (0.734)	1.094 (0.793)	0.704 (0.743)
<i>Concession *Salience</i>			-0.832** (0.397)	-1.925** (0.813)	-0.348 (0.739)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
<i>ACC</i>		0.208 (0.311)	0.203 (0.326)	0.194 (0.316)	0.212 (0.326)	0.229 (0.316)	0.0962 (0.315)	0.232 (0.299)	0.245 (0.300)	0.208 (0.310)
<i>Constant</i>	-2.367*** (0.359)	-4.935*** (1.225)	-5.454*** (1.547)	-4.226*** (1.450)	-4.898*** (1.138)	-2.650*** (0.647)	-3.126*** (0.599)	2.928*** (0.759)	-3.433*** (0.840)	-3.060*** (0.764)
<i>Observations</i>	122	122	122	122	122	117	120	115	117	116

Notes: Concession variable equals 1 if the agreement involves major concessions by the challenger state, without comparable concessions by the target state. Equals 0 if challenger made minor, even concessions or target made major/minor concessions. Homeland salience omitted due to collinearity. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

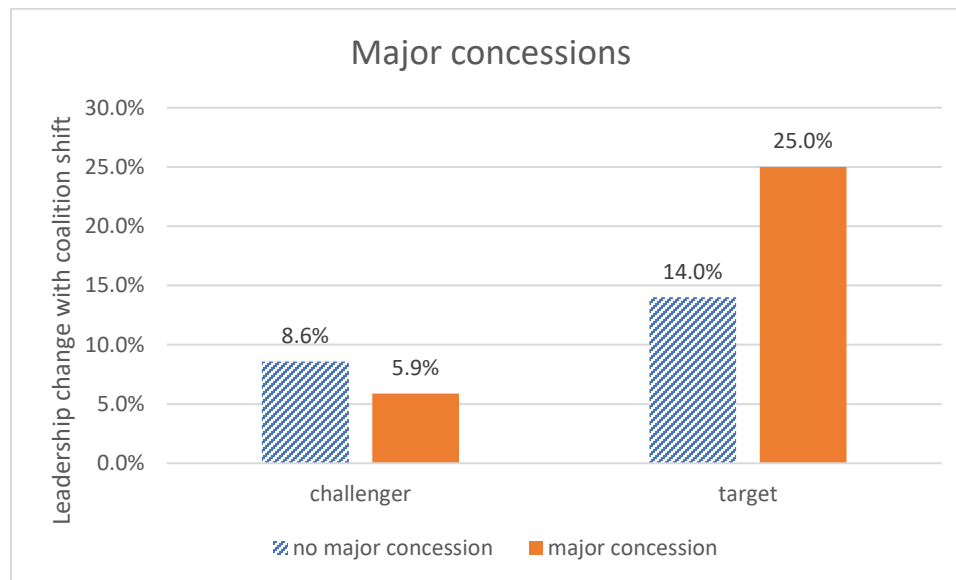
Table B.8 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on the “6-months rule”), *target*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (major)</i>	0.715 (0.604)	0.627 (0.684)	2.239 (1.878)	1.154 (1.827)	2.138 (1.510)	0.847 (1.279)	1.073 (0.735)	0.415 (0.659)	0.962 (1.270)	-0.00904 (1.135)
<i>Salience</i>		0.327 (0.234)	0.476* (0.256)	0.618* (0.345)	0.516 (0.426)	1.224 (0.865)	-0.239 (0.926)	1.062 (1.248)	0.812 (0.579)	0.319 (0.571)
<i>Concession *Salience</i>			-0.395 (0.430)	-0.206 (0.755)	-0.744 (0.742)	0.00415 (1.465)	-0.677 (1.609)	0 (0)	-0.418 (1.445)	1.406 (1.397)
<i>ACC</i>		-0.0680 (0.201)	-0.0920 (0.212)	-0.130 (0.213)	-0.0979 (0.198)	0.108 (0.235)	-0.145 (0.214)	-0.196 (0.218)	-0.113 (0.201)	-0.0857 (0.208)
<i>Constant</i>	-1.814*** (0.292)	-2.895*** (0.941)	3.433*** (1.024)	2.774*** (0.794)	-2.591*** (0.848)	-2.963*** (1.006)	1.532*** (0.424)	-2.432*** (1.084)	2.083*** (0.515)	1.845*** (0.588)
<i>Observations</i>	123	123	123	123	123	123	123	122	123	123

Notes: Concession variable equals 1 if the agreement involves major concessions by the target state without comparable concessions by the challenger state. Equals 0 if target made minor, even concessions or challenger made major/minor concessions. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

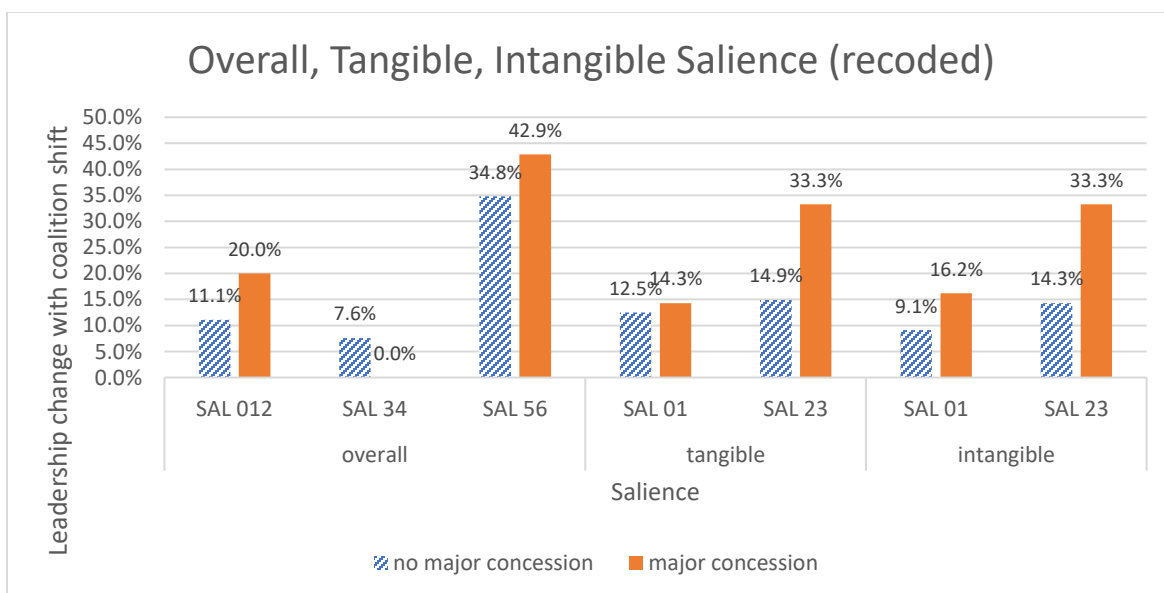
Cross-tabulations, the “6-month rule” Applied

Figure B.1 Leadership change with a coalition shift, by major territorial concession (cross-tabulation), *challenger* (left) and *target* (right)



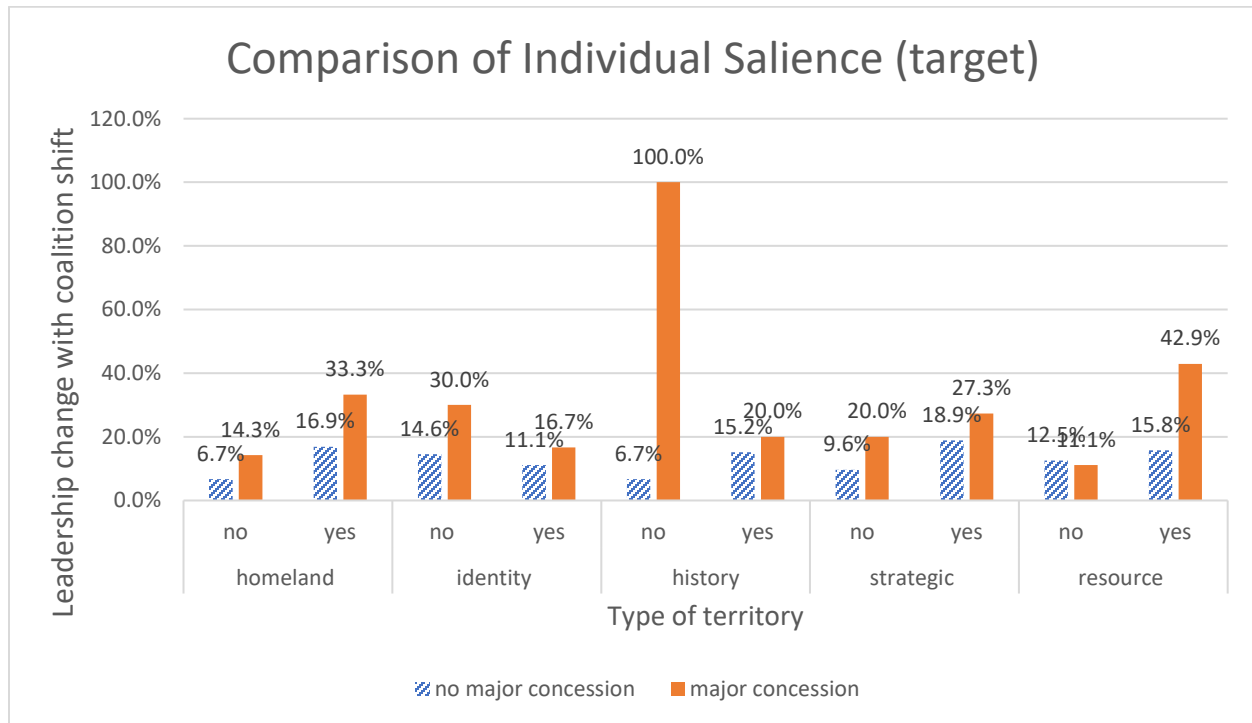
Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift. The x-axis shows whether challenger (left) made major concessions or not, and whether target (right) made major concessions or not.

Figure B.2 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the salience of disputed territory, *target*



Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift, controlling for salience level of disputed territory. Salience is divided into 3 categories: overall, tangible, and intangible salience. Overall salience (ranges 0-6, 6 being the highest value) is recoded into 3 levels. Tangible and intangible salience are recoded into 2 levels (each ranges from 0-3, 3 being the highest value).

Figure B.3 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the type of territory, *target*



Notes: Cross-tabulation making major territorial concessions and leadership change with a coalition shift, controlling for of type of disputed territory. The x-axis shows whether a disputed territory has a certain value or not.

Two Years after Making Concessions

Table B.9 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on *two years* after making concession), *challenger*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (minor, major)	-0.154 (0.670)	-0.248 (0.645)	-2.831 (2.269)	-4.376 (2.718)	-0.973 (1.590)	0.0133 (0.679)	0.137 (0.802)	-1.117 (1.145)	0.348 (0.729)	-0.805 (1.173)
<i>Salience</i>		0.315 (0.286)	0.124 (0.371)	0.209 (0.497)	0.0448 (0.514)	-1.835 (1.256)	1.139 (0.734)	-0.425 (0.692)	0.469 (0.705)	0.122 (0.681)
<i>Concession</i> <i>*Salience</i>			0.623 (0.545)	1.704 (1.072)	0.439 (0.770)	0 (0)	-1.309 (1.488)	1.470 (1.445)	0 (0)	0.895 (1.449)
<i>ACC</i>		0.245 (0.222)	0.232 (0.220)	0.225 (0.229)	0.243 (0.219)	0.245 (0.225)	0.176 (0.231)	0.206 (0.225)	0.311 (0.227)	0.230 (0.228)
<i>Constant</i>	-1.792*** (0.343)	-3.262** (1.277)	-2.544* (1.460)	-2.465** (1.079)	-2.205** (1.029)	-0.368 (1.251)	-2.283*** (0.483)	1.836*** (0.648)	-2.478*** (0.682)	-2.167*** (0.632)
<i>Observations</i>	124	124	124	124	124	121	124	124	107	124

Notes: Concession variable equals 1 if agreement involve greater concessions by the challenger state (including minor and major), equals 0 if even concessions or major/minor concessions made by target. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table B.10 The effect of making *minor or major* territorial concession on leadership change with a coalition shift (results based on *two years* after making concession), *target*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession</i> (minor, major)	-0.191 (0.430)	-0.236 (0.428)	-2.028** (1.030)	-1.312 (0.933)	-1.709** (0.830)	-1.667** (0.792)	-0.117 (0.481)	-0.0681 (0.432)	-0.570 (0.648)	-0.297 (0.573)
<i>Salience</i>		-0.0763 (0.153)	-0.271 (0.195)	-0.216 (0.250)	-0.546 (0.346)	-0.453 (0.529)	-0.574 (0.716)	-0.369 (0.729)	-1.112** (0.508)	0.263 (0.511)
<i>Concession</i> <i>*Salience</i>			0.505* (0.266)	0.599 (0.432)	0.847* (0.434)	2.000** (0.929)	-0.387 (1.366)	0 (0)	0.889 (0.869)	0.310 (0.942)
<i>ACC</i>		0.200 (0.187)	0.223 (0.196)	0.240 (0.194)	0.170 (0.205)	0.188 (0.207)	0.225 (0.193)	0.206 (0.193)	0.204 (0.173)	0.227 (0.203)
<i>Constant</i>	-1.041*** (0.244)	-1.149 (0.812)	-0.534 (0.842)	-1.115* (0.631)	-0.447 (0.872)	-1.094 (0.716)	-1.374*** (0.475)	-1.111 (0.787)	-0.953** (0.466)	-1.622*** (0.619)
<i>Observations</i>	123	123	123	123	123	123	123	120	123	123

Notes: Concession variable equals 1 if agreement involve greater concessions (including minor and major) by the target state, equals 0 if even concessions or major/minor concessions made by challenger. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

Table B.11 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on *two years* after making concession), *challenger*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (major)</i>	-0.277 (0.822)	-0.214 (0.885)	-0.998 (2.288)	-3.150 (2.521)	0.668 (1.926)	-0.114 (0.860)	0.0394 (0.904)	0.0938 (1.206)	1.374 (1.088)	0.146 (1.268)
<i>Salience</i>		0.300 (0.297)	0.269 (0.336)	0.378 (0.490)	0.261 (0.422)	-1.235 (1.253)	0.842 (0.625)	0.0698 (0.655)	0.566 (0.683)	0.435 (0.643)
<i>Concession *Salience</i>			0.210 (0.571)	1.406 (1.107)	-0.589 (1.087)	0 (0)	0 (0)	-0.714 (1.772)	0 (0)	-0.837 (1.709)
<i>ACC</i>		0.248 (0.226)	0.252 (0.226)	0.277 (0.228)	0.258 (0.232)	0.270 (0.229)	.207 (0.224)	0.268 (0.245)	0.354 (0.239)	0.239 (0.231)
<i>Constant</i>	-1.803*** (0.315)	-3.258** (1.280)	-3.142** (1.405)	-2.903*** (1.111)	-2.625*** (0.943)	-0.986 (1.213)	-2.288*** (0.487)	2.209*** (0.666)	-2.639*** (0.684)	-2.363*** (0.594)
<i>Observations</i>	124	124	124	124	124	122	122	124	111	124

Notes: Concession variable equals 1 if the agreement involves major concessions by the challenger state, without comparable concessions by the target state. Equals 0 if challenger made minor, even concessions or target made major/minor concessions. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

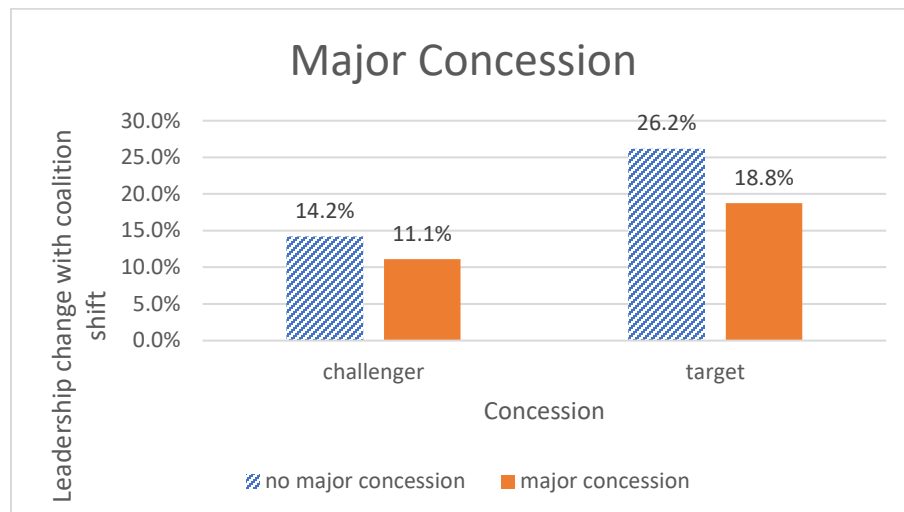
Table B.12 The effect of making *major* territorial concession on leadership change with a coalition shift (results based on *two years* after making concession), *target*

	(1) Main model	(2) Main model (with controls, overall salience)	(3) Overall Salience	(4) Tangible Salience	(5) Intangible Salience	(6) Homeland	(7) Identity	(8) Historical	(9) Strategic	(10) Economic
<i>Concession (major)</i>	-0.429 (0.679)	-0.543 (0.674)	-5.128*** (1.383)	-44.03*** (2.648)	-2.856** (1.169)	0.485 (0.695)	-0.712 (0.819)	-0.439 (0.662)	0.637 (0.731)	0.738 (0.735)
<i>Salience</i>		-0.0746 (0.157)	-0.290 (0.176)	-0.273 (0.233)	-0.487 (0.303)	-0.416 (0.482)	-0.827 (0.748)	-0.186 (0.700)	-1.188** (0.470)	0.0243 (0.467)
<i>Concession *Salience</i>			1.097*** (0.316)	15.04*** (1.034)	1.228** (0.525)	0 (0)	0.876 (1.534)	0 (0)	0 (0)	0 (0)
<i>ACC</i>		0.215 (0.180)	0.260 (0.188)	0.293 (0.184)	0.196 (0.195)	0.182 (0.202)	0.267 (0.185)	0.238 (0.184)	0.227 (0.171)	0.276 (0.189)
<i>Constant</i>	-1.037*** (0.229)	-1.177 (0.812)	-0.540 (0.795)	-1.121* (0.626)	-0.579 (0.780)	-1.094 (0.687)	-1.413*** (0.481)	-1.320* (0.709)	-0.957** (0.472)	-1.569*** (0.598)
<i>Observations</i>	123	123	123	123	123	116	123	122	118	114

Notes: Concession variable equals 1 if the agreement involves major concessions by the target state without comparable concessions by the challenger state. Equals 0 if target made minor, even concessions or challenger made major/minor concessions. Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1.

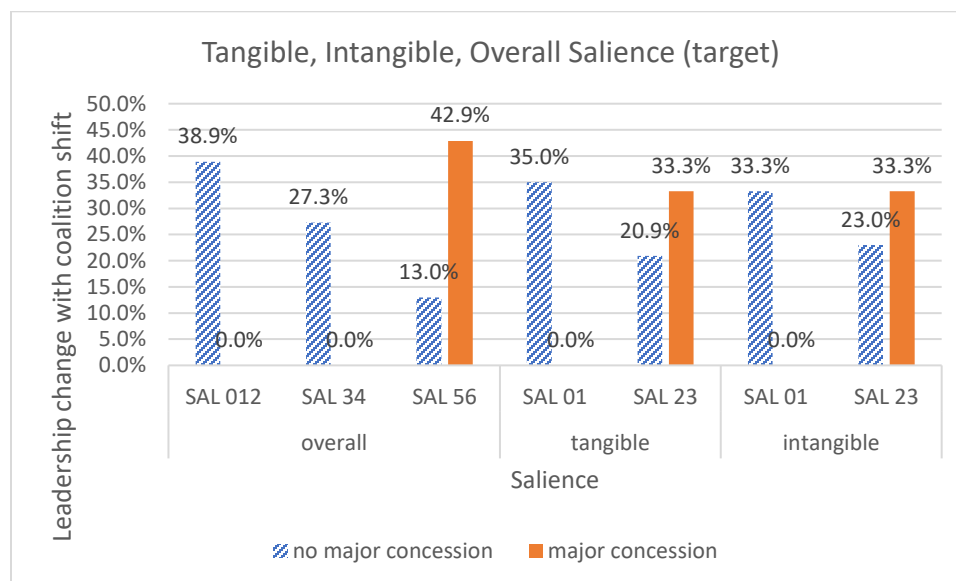
Cross-tabulations, Two Years after Making Concession

Figure B.4 Leadership change with a coalition shift, by major territorial concession (cross-tabulation), *challenger* (left) and *target* (right)



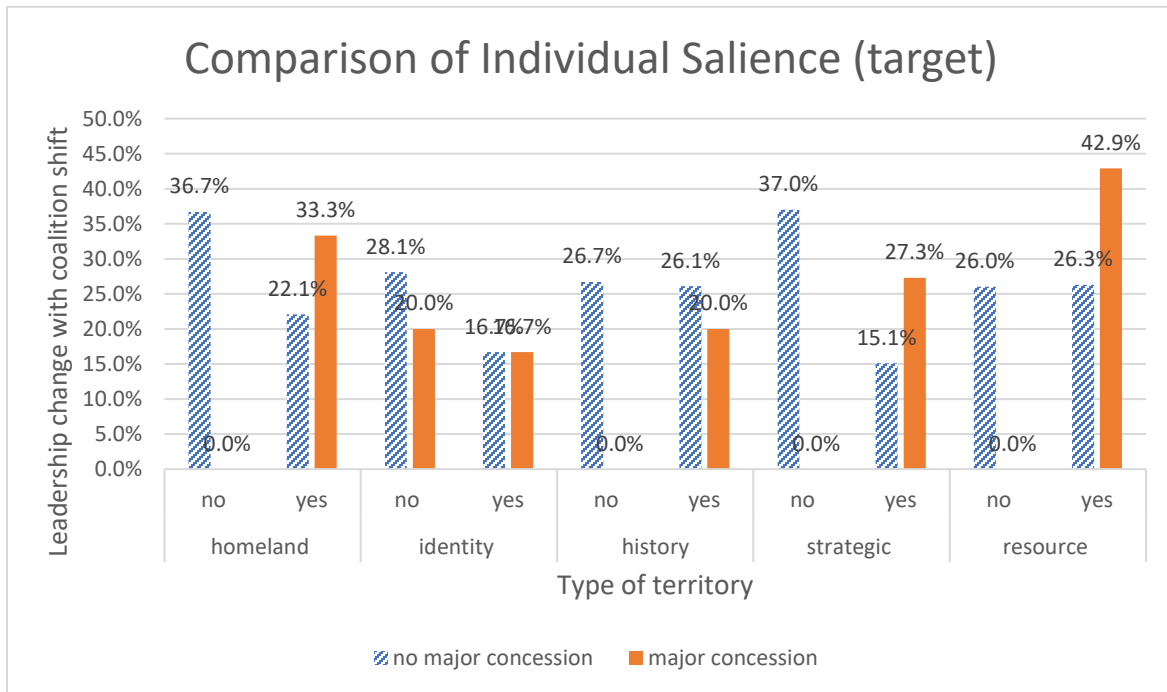
Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift. The x-axis shows whether challenger (left) made major concessions or not, and whether target (right) made major concessions or not.

Figure B.5 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the salience of disputed territory, *target*



Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift, controlling for salience level of disputed territory. Salience is divided into 3 categories: overall, tangible, and intangible salience. Overall salience (ranges 0-6, 6 being the highest value) is recoded into 3 levels. Tangible and intangible salience are recoded into 2 levels (each ranges from 0-3, 3 being the highest value).

Figure B.6 Relationship between leadership change with a coalition shift and major territorial concession, controlling for the type of territory, *target*



Notes: Cross-tabulation of making major territorial concessions and leadership change with a coalition shift, controlling for the type of disputed territory. The x-axis shows whether a disputed territory has a certain value or not.

Effects of Regime Type (Cross tabulation Results)

Figure B.7 Relationship between leadership change with a coalition shift and major territorial concession, controlling for regime type (“6-month rule”)

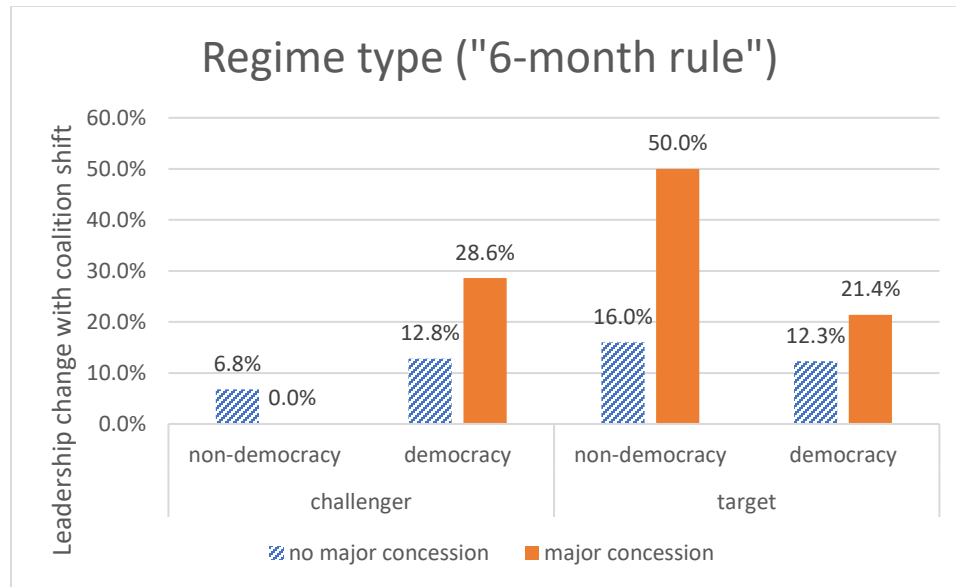


Figure B.8 Relationship between leadership change with a coalition shift and major territorial concession, controlling for regime type (*two years after making concession*)

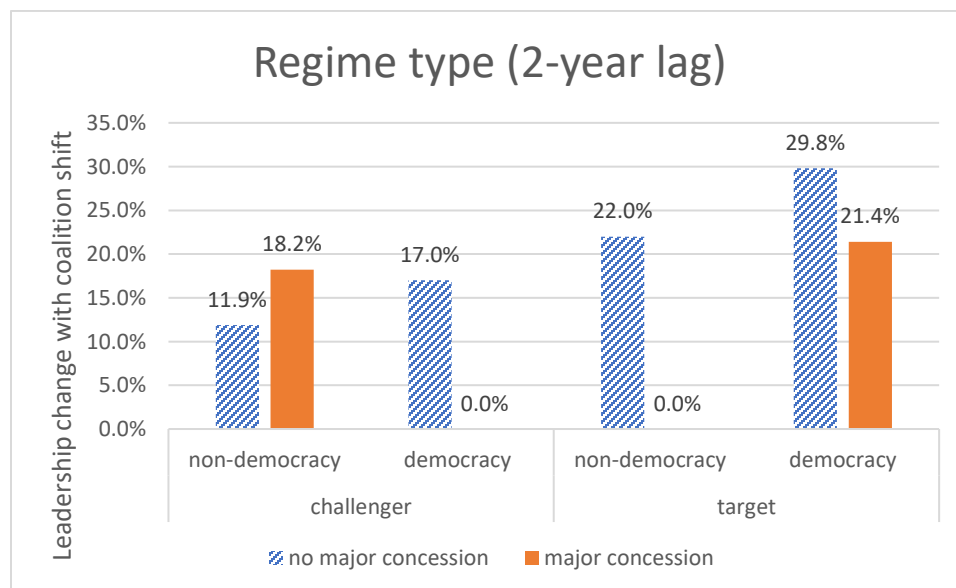


Table B.13 Selection model, major concessions, *challenger*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	<i>Main model (with controls, overall salience</i>	<i>Overall Salience</i>	<i>Tangible Salience</i>	<i>Intangible Salience</i>	<i>Homeland</i>	<i>Identity</i>	<i>History</i>	<i>Strategic Location</i>	<i>Resource</i>
Outcome: Leadership Change with a Coalition Shift)									
Concession (Major)	0.897** (0.393)	4.446*** (0.981)	3.052*** (0.835)	3.147*** (0.821)	0.317*** (0.0959)	1.144*** (0.352)	1.556*** (0.505)	1.473*** (0.396)	1.218** (0.571)
Salience	0.345** (0.141)	0.629*** (0.165)	0.632** (0.314)	0.962*** (0.287)	4.935*** (0.283)	1.158*** (0.381)	0.804** (0.372)	0.576 (0.420)	0.833** (0.387)
Concession* Salience		-1.008*** (0.271)	-1.285*** (0.437)	-1.336*** (0.440)	0.417 (0.366)	6.394*** (0.567)	-1.424** (0.685)	-6.583*** (0.619)	-0.859 (0.721)
ACC	0.114 (0.123)	0.120 (0.124)	0.0975 (0.122)	0.134 (0.113)	0.116 (0.118)	0.0405 (0.109)	0.178 (0.118)	0.106 (0.120)	0.0999 (0.123)
Constant	-2.921*** (0.543)	-4.327*** (0.767)	-3.062*** (0.565)	-3.748*** (0.737)	-6.595*** (0.248)	1.985*** (0.345)	2.402*** (0.390)	-2.204*** (0.293)	2.161*** (0.430)
Selection: Reaching Agreement									
ACC	0.0619 (0.0794)	0.0639 (0.0800)	0.0410 (0.0871)	0.0910 (0.0852)	0.0788 (0.0837)	0.0687 (0.0786)	0.0720 (0.0862)	0.0352 (0.0871)	0.0574 (0.0853)
Salience	0.0691 (0.0712)	0.0675 (0.0719)	-0.0895 (0.0944)	0.300*** (0.105)	0.737** (0.345)	0.397* (0.240)	0.184 (0.175)	0.390** (0.183)	0.162 (0.188)
Binding	1.718*** (0.400)	1.765*** (0.409)	1.749*** (0.392)	1.719*** (0.393)	1.772*** (0.411)	1.794*** (0.386)	1.693*** (0.399)	1.728*** (0.379)	1.745*** (0.395)
Relative power	-0.127 (0.238)	-0.118 (0.240)	-0.0642 (0.236)	-0.0807 (0.233)	-0.0837 (0.230)	-0.0917 (0.235)	-0.118 (0.237)	-0.0590 (0.234)	-0.146 (0.250)
Joint democracy	0.167 (0.248)	0.149 (0.254)	0.200 (0.277)	0.0735 (0.285)	0.135 (0.257)	0.0545 (0.254)	0.134 (0.268)	0.175 (0.270)	0.140 (0.267)
Past MID's	0.269*** (0.0854)	0.265*** (0.0878)	0.281*** (0.0856)	0.260*** (0.0989)	0.259*** (0.0861)	0.280*** (0.0898)	0.261*** (0.0868)	0.275*** (0.0855)	0.255*** (0.0953)
Past failed peaceful attempts	-0.233*** (0.0890)	-0.224** (0.0962)	-0.197** (0.0966)	-0.213** (0.104)	-0.222** (0.0883)	-0.216** (0.0947)	-0.206** (0.0887)	-0.184** (0.0841)	-0.217** (0.0859)
Shared Institutions	0.147*** (0.0377)	0.146*** (0.0387)	0.135*** (0.0386)	0.148*** (0.0392)	0.137*** (0.0388)	0.157*** (0.0400)	0.143*** (0.0393)	0.140*** (0.0362)	0.143*** (0.0392)
Constant	-1.103*** (0.287)	-1.107*** (0.293)	-0.712*** (0.263)	-1.395*** (0.246)	-1.552*** (0.387)	0.972*** (0.204)	0.980*** (0.183)	-0.652*** (0.233)	0.922*** (0.213)
Rho	0.214 (0.345)	0.438 (0.618)	0.443 (0.563)	0.706 (0.973)	0.409 (0.350)	0.506 (0.491)	0.550 (0.455)	0.657 (0.543)	0.346 (0.439)
Observations	397	397	397	397	397	397	397	397	397

Robust standard errors in parentheses, clustered on claim dyad. *** p<0.01, ** p<0.05, * p<0.1