Key Factors in Crisis Escalation: Summary[1]

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Over the past decade, the nature of international conflict has increasingly turned away from state-versus-state warfare becoming, instead, typified as relatively low-level crises. Different authors and institutions have characterized this as gray zone warfare, hybrid warfare, or competition-short-of-war. The tools (i.e., courses of action) used in this deliberately ambiguous space between war and peace have ranged from trade restrictions to information operations to the use of proxies in attempts to overthrow a government or aggressive maneuvers of military assets at or around contested geographic areas.[3] In such crises, it has been quite common for both conflict parties to view themselves as victims responding to an affront, referring to different events they each perceived as crossing the threshold of unacceptable competition. The early events and/or early stages of a crisis have frequently been the most volatile,[4] with escalation most likely to occur. The adversaries are only just starting to learn about each other, based on a variety of signals, and the red lines are yet to be established (and verified). What tends to drive a crisis towards greater or lesser violence (i.e., escalation) during these early stages? What determines the choice to use gray vs. conventional tools in adversarial relations? This paper reviews the impact of four key factors commonly considered in classic deterrence and escalation management literature: (1) power disparity between the adversaries, (2) regime type (i.e., level of democratization according to the Polity scale), (3) domestic state capacity of parties (e.g., the level of regime consolidation, institutional capabilities to collect taxes and hold elections, etc.), and (4) proxy involvement. These insights are based on quantitative data analysis of 360 foreign policy crises recorded in the International Crisis Behavior (ICB) dataset, covering the period from 1963 to 2015.[5]

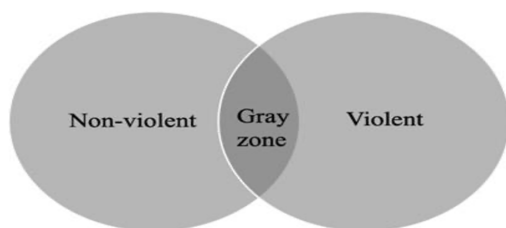

Figure 1. Types of Adversarial Action

It is helpful to consider a schematic representation of action options as adversarial competition inches gradually towards escalation, turning into crises of various intensities. Any given act could be violent or not, within or outside of the gray zone (see Figure 1, left). For instance, using a proxy would commonly constitute a violent gray zone act due to the intentional ambiguity it creates in attribution, whereas using economic sanctions would be an example of a classic non-violent, non-gray state tool, with no attempt to obscure the sanctioning party.

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[1] This brief is based on research conducted over 2019-2022 under the Minerva Research Initiative funded by the U.S. Department of Defense and published in Wilkenfeld and Murauskaite (2023) *Escalation Management in International Crises: The United States and its Adversaries*. Edward Elgar Publishing. This edited volume offers a detailed data description and explanation of the methods used for deriving the insights presented in this brief.

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[3] For a detailed list of gray tools and their relative impact on escalation, see the Appendix 5A of Murauskaite, E. E. Quinn, D., Wilkenfeld, J., Astorino-Courtois, A., and DeFrancisci, C. (2023). *Regime, power, state capacity, and the use of violence in gray zone international crises*. In Wilkenfeld, J. and Murauskaite, E. E. (eds.) (2023), *Escalation management in international crises: The United States and its adversaries*. Edward Elgar Publishing. http://www.icb.umd.edu/escalation.

[4] Wright, T. J. (2017). *All measures short of war: The contest for the 21st century and the future of American power*. Yale University Press.

[5] Brecher, M., Wilkenfeld, J., Beardsley, K., James, P., and Quinn, D. (2021). *International crisis behavior data codebook*, Version 14. http://sites.duke.edu/icbdata/data-collections/

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1. Power Disparity: Gray Zone for the Near Peers

When global superpowers like the United States and China confront each other, are they more likely to use violence or stay below the threshold of war? What about an offended regional power (like Iran) or a non-state actor (like ISIS) confronting a superpower like the United States in a variety of domains? These questions are at the crux of the impact of power disparity upon crisis escalation. Literature ranging from Cold War Kremlinology to recent studies on terrorism offers conflicting expectations regarding this dynamic.

Namely, the Stability-Instability Paradox[6] suggests that direct use of maximum violence (i.e., nuclear weapons), which near-peer global powers are capable of, would lead to mutually assured destruction. Instead, this conviction has prompted them to engage in frequent probing behavior using a range of less powerful tools—regularly erupting in crises of varying severity but avoiding a total war. Furthermore, the threat implied in the latent capabilities of strong states would suggest using tools short of war as sufficient to achieve their goals against a rational actor.[7] So, how can we explain how strong and/or near-peer adversaries still end up engaged in conventional warfare? Power Transition Theory[8] suggests that violent conflicts are most likely when each party views victory as feasible as may be the case when a status quo state confronts a newly approaching near-peer due to gradual changes in the international system.[9]

If the theoretical picture seems muddled when referring to near-peer competition, it does not become clearer when the power disparity is more substantial. Research on asymmetric warfare (particularly involving non-state actors) suggests that weak parties are likely to use tools short of war because they are unlikely to prevail in a conventional battle.[10] Weaker state and non-state parties also seem to be less normatively constrained (in their own, as well as external views), as the stakes involve their very survival (e.g., Ukraine using drones against civilian targets inside Russia's territory[11] without substantive condemnation). Further, Prospect Theory[12] contends that if a crisis threatens the party's very survival, it is likely to use its maximum capacity to resist—meaning the weakest actors would likely bring out their most violent tools.

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[6] Snyder, G. H. (1965). *The balance of power and the balance of terror*. In Seabury, P. (ed.) *The Balance of power* (pp. 184–201). San Francisco, CA: Chandler; Krepon, M., Jones, R. W., and Haider, Z. (eds.) (2004). *Escalation control and the nuclear option in South Asia.* Washington, D.C.: The Henry L. Stimson Center; Powell, R. (2015). *Nuclear brinkmanship, limited war, and military power*. International Organization Vol. 69, pp. 589-626.

[7] De Nevers, R. (2007). *Imposing international norms: great powers and norm enforcement.* International Studies Review Vol. 9, pp. 53-80.; Caprioli, M., and Trumbore, P. F. (2006). *First use of violent force in militarized interstate disputes, 1980–2001*. Journal of Peace Research Vol. 43 No. 6, pp. 741–749.

[8] Organski, A. F. K. (1958). *World politics*. New York, NY: Knopf.

[9] Tammen, R. L., and Kugler, J. (2006). *Power transition and China–US conflicts*. Chinese Journal of International Politics Vol. 1 No. 1, pp. 35–55.; Lemke, D. (2004). *Great powers in the post-Cold War world: A power transition perspective*. In Paul, T. V., Wirtz, J. J., and Fortmann, M. (eds.) *Balance of power: Theory and practice in the 21st century*. Stanford, CA: Stanford University Press.

[10] Paul, T. V. (1994). *Asymmetric conflicts: War initiation by weaker powers*. Cambridge: Cambridge University Press; Paul, T. V., Morgan, P. M., and Wirtz, J. J. (eds.) (2009). *Complex deterrence: Strategy in the global age*. University of Chicago Press.

[11] See, e.g., Faulconbridge, G., and Polityuk, P. (May 31, 2023). *Ukraine war comes to Moscow as drones strike both capitals*. Reuters. https://www.reuters.com/world/europe/ukraine-air-defences-battle-fresh-wave-russian-attacks-2023-05-30/

[12] Kahneman, D., and Tversky, A. (1979). *Prospect theory: An analysis of decision under risk*. Econometrica Vol. 47 No. 2, pp. 263-291.

Figure 2. Impact of Power Disparity Between Adversaries

Quantitative analysis based on the ICB dataset shows that states that challenge near-peer adversaries tend to use gray tools rather than non-violent, non-gray tactics (see Figure 2, left). While a preference is demonstrated for gray non-violent tools, no similar effect is observed for non-gray violent conflict tools.[13]

2. Regime Type: Careful Autocrats and Violent Transitions

The impact of regime type is the next crucial aspect to consider: are democracies more or less likely to use tools short of war? The Polity Scale paints democratization as a scaled process, with the score ranging from -10 for the most authoritarian states (such as North Korea or Saudi Arabia) to +10 for the most democratic (such as Canada or Germany). States like Turkey or Egypt in the middle of the range (-4 and +4), are considered anocratic: they "exhibit some political behaviors consistent with a budding civil society"[14] and some capacity for representative governance–these tend to be authoritarian regimes transitioning towards democratization, or backsliding democracies.

Classic Democratic Peace Theory suggests that proper democracies (presumably, states scoring higher than +4 in this case) refrain from waging war against other democracies—constrained by either the fear of disrupting lucrative trade patterns[15] or shared norms against the use of force[16] (including institutional constraints[17] and significant public disapproval[18]). The exceptions when wars do arise are attributed to one of the adversarial parties not being sufficiently democratic.[19] While Democratic peace theory does not make explicit predictions about behavior short of war, the normative argument suggests that more mature democracies ought to prefer non-violent tools. Yet, historically, Western states, usually perceiving themselves as being normatively superior, have regularly waged wars to defend their preferred form of governance, using both violent and non-violent means.[20] The normative argument seems to pull in opposite

[13] For detailed analysis, see Murauskaite, E. E. Quinn, D., Wilkenfeld, J., Astorino-Courtois, A., and DeFrancisci, C. (2023). *Regime, power, state capacity, and the use of violence in gray zone international crises*. In Wilkenfeld, J. and Murauskaite, E. E. (eds.) (2023), *Escalation management in international crises: The United States and its adversaries*. Edward Elgar Publishing, pp. 128-138.

[14] Regan, P. M., and Bell, S. R. (2009). *Changing lanes or stuck in the middle: why are anocracies more prone to civil wars*? Political Research Quarterly, Vol. 63 No. 4, pp. 747-759.

[15] Mansfield, E. D. (1994). *Power, trade, and war*. Princeton University Press; Oneal, J. R., and Russett, B. (1997). *The classical liberals were right: democracy, interdependence, and conflict, 1950-1985*. International Studies Quarterly, Vol. 41, pp. 267-294.

[16] Halman, L. (2009). *Value change in Western European societies: results from the European values study*; Inglehart, R. F., Puranen, B., and Welzel, C. (2015). *Declining willingness to fight for one's country: The individual-level basis of the long peace*. Journal of Peace Research, Vol. 52 No. 4, pp. 418-434.

[17] Bueno de Mesquita, B., and Lalman, D. (1992). *War and reason: Domestic and international imperatives*. Yale University Press.

[18] Levendusky, M., and Horowitz, M. C. (2012). *When backing down is the right decision: Partisanship, new information, and audience costs*. Journal of Politics, Vol. 74 No. 2, pp. 323-338; Tomz, M. (2007). *Domestic audience costs in international relations: an experimental approach*. International Organization, Vol. 61 No. 4, pp. 821-840.

[19] Russett, B., and Oneal. J. R. (2001). *Triangulating peace: Democracy, interdependence, and international organizations*. New York, NY: W. W. Norton.

[20] For a more detailed discussions on liberal interventionism, see Freedman, L. (2005). *The age of liberal wars*. In Armstrong, D., Farrell, T., and Maiguashca, B. (eds.). *Force and legitimacy in world politics*. Cambridge: Cambridge University Press; Chandler, D. (2010). *Liberal war and Foucaultian metaphysics*. Journal of International Cooperation Studies, Vol. 18 No. 1, pp. 85–94; Vasquez, J. A. (2005). *Ethics, foreign policy, and liberal wars: the role of restraint in moral decision making*. International Studies Perspective, Vol. 6 No. 3, pp. 307–15.

directions in another curious manner. Namely, the concept of the Diversionary Use of Force suggests that the slow and transparent electoral cycles and institutional constraints that describe mature democracies seem to leave few domestic levers for cementing the leaders' hold on power, swaying public opinion, or rewarding supporters—thus encouraging the pursuit of military victories to improve the chances of staying in office.[21] In addition, the "rallying around the flag" effect—public approval converging around a leader in times of crisis[22]—challenges the notion that the form of governance espoused by that leader would constrain the use of force (out of fear of public disapproval).

Historical analysis using the ICB data shows that highly authoritarian states are the most prone to use gray tools to initiate crises, and anocratic states are the most prone to escalate crises when attacked (see Figure 3 below). Interestingly, the ICB data lends some support to the notion of democracies avoiding violence when confronting other democracies. Namely, of the 85 cases where autocratic states launched an offensive against a democracy, the democratic state escalated 46% of the time (39 of 85 cases). In contrast, of the 16 cases where a democratic state launched an attack, democracies responded by escalating in only three cases (i.e., 19% of the time).

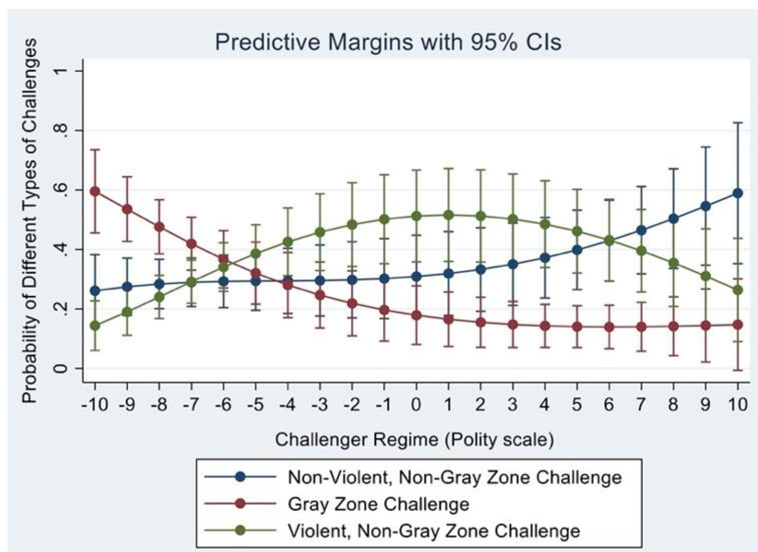

Figure 3. Impact of Regime Type of the Attacking State

While predictions—and historical patterns—concerning the use of force by democracies seem contradictory, the anocratic states in the middle of the Polity Scale seem more naturally inclined towards the use of violent tools. These are relatively low-trust societies, with institutional culture and structures still in the making or already unraveling. They are thus plagued by considerable instability[23]—making leaders of such states more prone to use force both at home and abroad.[24]

The empirical ICB data lends support to these theoretical notions. The more consolidated a state is internally—be it a democracy or an autocracy—the less prone it is to escalate in a crisis, with the probability of escalation increasing as a state moves closer to anocracy (although the effect is not highly pronounced (p = 0.052)).

[21] Oneal, J. R., and Tir, J. (2006). *Does the diversionary use of force threaten the Democratic peace? Assessing the effect of economic growth on interstate conflict, 1921-2001*. International Studies Quarterly, Vol. 50 No. 4, pp. 755-80; Gelpi, C. (1997). *Democratic diversions: governmental structure and the externalization of domestic conflict*. Journal of Conflict Resolution, Vol. 41 No. 2, pp. 255-82; Kisangani, E. F., and Pickering, J. (2009). *The dividends of diversion: mature democracies' proclivity to use diversionary force and the rewards they reap from it*. British Journal of Political Science, Vol. 39 No. 3, pp. 483-515.

[22] Reiter, D., and Stam, A. C. (2002). *Democracies at war*. Princeton, NJ: Princeton University Press; Geis, A., and Muller, H. (2013). *Investigating 'democratic wars' as the flipside of 'democratic peace'*. In Geis, A., Muller, H., and Shornig, N. (eds.) *Militant face of democracy: Liberal Forces for Good*. Cambridge: Cambridge University Press.

[23] Fukuyama, F. (2014). P*olitical order and political decay: From the industrial revolution to the globalization of democracy*. New York, NY: Farrar, Straus & Giroux.; Kleinfeld, R. (2017). *'Privilege violence': Why polarized democracies yield violence*. Saferworld. https://carnegieendowment.org/2017/01/30/privilege-violence-why-polarized-democracies-yield-violence-pub-67871; Hegre, H. (2014). *Democracy and armed conflict*. Journal of Peace Research, Vol. 51 No. 2, pp. 159–172.

[24] Mansfield, E. D., and Snyder, J. (Winter 2005/6). *Prone to violence: The paradox of the democratic peace*. National Interest, Vol 82, pp. 39-45. Center for the National Interest; Tarzi, S. M. (2007). *Democratic peace, illiberal democracy, and conflict behavior*. International Journal on World Peace, Vol. 24 No. 4, pp. 35-60.

3. Domestic State Capacity

The impact of a given state's internal structural factors on its international behavior is analyzed through more than just the regime-type lens. The insights above highlight the importance of delving deeper into state consolidation. Indeed, a considerable body of research shows a close correlation between a state's level of democratization and economic development—as these processes enable and influence each other recursively.[25] It is difficult to isolate and attribute their specific effects. Perhaps a state's crisis behavior is influenced more by its economic calculus than by institutional arrangements. To circumvent the confusion and derive more precise explanations for crisis behavior, it is helpful to consider an index variable of State Capacity developed by Hanson and Sigman.[26] The index is based on 21 different indicators that describe three key aspects of state capacity (i.e., to extract taxes and resources, to apply coercion internally and externally, and to perform administrative functions).

The indexed measure of the capacity of the defending party is the critical factor determining the propensity of a crisis to both begin with a gray challenge and to escalate beyond gray tools (see Figure 4 below). Namely, states taking on adversaries with the lowest state capacity tend to exhibit the greatest preference for using gray tools. While state capacity does not directly indicate relative power between rivals but rather a state's internal potential to mobilize resources during a crisis, it is worth observing that weak capacity adversaries can be effectively disrupted using gray tools without needing full military force. This notion indirectly supports the assumption that gray tools are likely to be employed against weaker opponents. This further suggests gray tactics as preferable tools of strong states, with the use of violence (or escalation more broadly), while normatively outdated, still serving as the tool for the weak who lack a comparable breadth of action options.

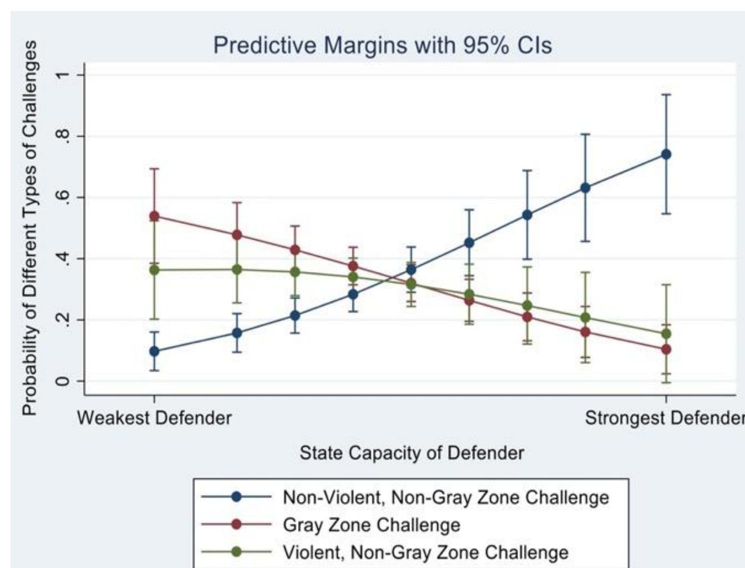

Figure 4. Impact of State Capacity of Defender State

Combined with the insights above, this suggests that the choice of gray vs. violent tools is driven by normative rather than resource constraints. Namely, state leaders choose to stay below the threshold of conventional warfare not because they lack capabilities for conducting it, but because they are concerned this would alienate their allies, turn domestic and international opinions against them, and carry other unacceptable political and financial costs, direct and indirect.

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[25] For a summary of the argument, see Heo, U., and Tan, A. C. (2001). *Democracy and economic growth: A causal analysis*. Comparative Politics, Vol. 33 No. 4, pp. 63-473. On economic factor dominance, see, e.g., Lipset, S. M. (1959). *Some social requisites of democracy*. American Political Science Review, Vol. 53 No. 1, pp. 69-105; Needler, M. (1967). *Political development and socioeconomic development: The case of Latin America*. American Political Science Review, Vol. 62 No. 3, pp. 889-97. For regime type impact dominance, see, e.g., Olson, M. (1982). *Rise and decline of nations*. New Haven: Yale University Press; Przeworski, A., and Limongi, F. (1993). *Political regimes and economic growth*. Journal of Economic Perspectives, Vol. 7 No. 3, pp. 51-69; Leblang, D. (1996). *Property rights, democracy, and economic growth*. Political Research Quarterly, Vol. 49, pp. 5-26.

[26] Hanson, J. and Sigman, R. (2020). *Leviathan's latent dimensions: Measuring state capacity for comparative political research*. Harvard Dataverse. 10.7910/DVN/IFZXQX. https://doi.org/10.7910/DVN/IFZXQX. In addition, compared to the traditional tax-to-GDP ratio measure, the latent indicator covers a larger geographic area and covers a longer period (1960-2015).

4. Proxy Use

When it comes to the use of gray tools and tactics in adversarial relations, state and non-state actors have regularly been used as proxies to reduce the human, financial, and audience costs and risks associated with conflict. However, a growing body of research suggests the plausible deniability they are supposed to provide is overestimated and that proxy use tends to increase rather than reduce the risk of a crisis turning violent.[27] First, proxies tend to have a much narrower range of action options compared to the adversary they are pitted against and thus tend to swiftly move to disproportionate violence (e.g., attacking soft civilian targets, as a way to balance out this disadvantage).[28] Second, their conflict stakes tend to be significantly higher, including the very survival of the proxy organization and/or leadership, as well as considerable audience costs in case of a loss (especially territorial),[29] again incentivizing swift escalation. In addition, proxies are arguably less affected by the institutional or normative constraints (discussed in the two sections above). Furthermore, their entry into a crisis between two direct adversaries complicates the assessment of the risk and cost of escalation or de-escalation—the increased uncertainty contributes to a greater systemic risk to overall international stability.

The ICB data show that the vast majority of proxies involved in crises from 1963 to 2015 are non-state actors and that they are much more likely to use violence when triggering a crisis compared to their sponsor state challengers. Namely, of the 81 proxy-initiated crises, violence was used in the opening moves in 71 cases, or 87%. Perhaps the most significant finding revealed by this data is that states challenged by a proxy are more likely to respond with violence *regardless* of whether that initial crisis triggering act was violent or not (see Figure 5). Thus, the decision to use a proxy virtually guarantees that the crisis will include violence from the outset, with defender states tending to engage in matching behavior.

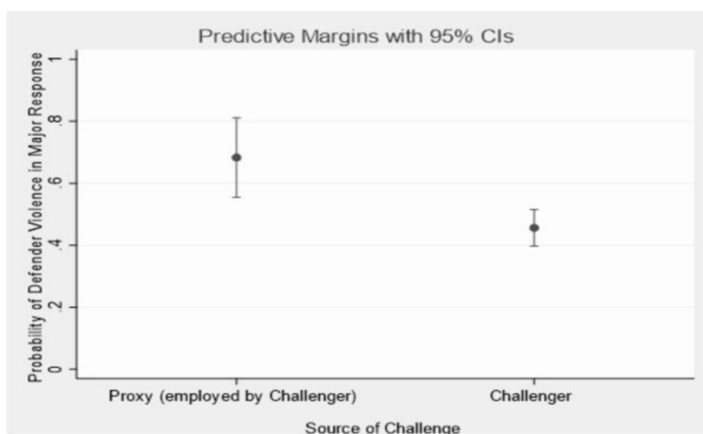

Figure 5. Proxy vs. State Adversary: Impact on Defender's Violent Response

It is also interesting to note how the findings discussed in this paper reveal subtle differences inherent to crises involving state vs. non-state adversaries. Namely, while gray tools are largely employed against adversarial states exhibiting weak capacity when it comes to proxies (i.e., usually non-state actors smaller and in many ways weaker than even small states), their adversaries tend to resort to violence swiftly. This implies a considerable impact of structural factors related to internal state structure and dynamics upon conflicts and crises—beyond the factors outlined in the classic literature and reviewed here.

Finally, while the ICB data series, on which these insights are based, concludes in 2015,[30] it is worth reflecting on their relevance to the war in Ukraine that escalated from the relatively limited conflict in Donbas in 2014 to the Russian invasion and conventional war in 2022. In its very early stages in 2014,

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[27] Mumford, A. (April 2013). *Proxy warfare and the future of conflict*. The RUSI Journal, Vol. 158 No. 2., pp. 40-46; Schultz, K. A. (2010). *The enforcement problem in coercive bargaining: Interstate conflict over rebel support in civil Wars*. International Organization, Vol. 64, No. 2, pp. 281-312; Pfaff, C. A. and Granfield, P. (March 27, 2018). *How (not) to fight proxy wars*. National Interest. https://nationalinterest.org/feature/how-not-fight-proxy-wars-25102; Benowitz, B. and Ceccanese, A. (May 2020). *Why no one ever really wins a proxy war*. Just Security. https://www.justsecurity.org/70093/why-no-one-ever-really-wins-a-proxy-war/

[28] Byman, D. L, Waxman, M. C., and Larson, E. (1999). *Air power as a coercive instrument*. Rand Corporation; Gross, M. L. (2009). *Asymmetric war, symmetrical intentions: killing civilians in modern armed conflict*. Global Crime, Vol. 10 No. 4, pp. 320-336.

[29] Pfaff, C. A. and Granfield, P. (March 27, 2018). *How (not) to fight proxy wars*. National Interest. https://nationalinterest.org/feature/how-not-fight-proxy-wars-25102

[30] Since the completion of this data analysis, the ICB database has been updated to include crises up to 2019.

Russia's interventions in Ukraine fit the classic gray zone tactic, staying well below the threshold of conventional war, and leveraging various information, political, and economic tools instead, with the gradual escalation involving the use of Russian proxy forces to occupy parts of Ukrainian territory. As this research focused on the early stages of a crisis and the significance of early signaling, perhaps 2014 was a missed opportunity for the West to signal stronger resolve vis-à-vis Russia and the extent to which the West intended to support Ukraine. The rather anemic Western response to the smoldering conflict in eastern Ukraine seems to have emboldened Russia to escalate. Indeed, given the enormous Western support (political, economic, military, and intelligence) marshaled to support Ukraine in 2022,[31] some have considered Ukraine to be acting as a Western proxy against Russia. In this context, the finding outlined above that violence against a proxy tends to be greater than against the patron is somewhat reminiscent of the Cold War period stability-instability paradox. While NATO countries seem keen to avoid direct war against Russia, especially the prospect of a nuclear escalation, Ukraine has come to bear the brunt of Russia's violence.

[31] For a detailed analysis of U.S. military assistance to Ukraine, see Murauskaite, E. E. (March 2023). *U.S. military training assistance to Ukraine: Impact assessment*. START UMD. https://www.start.umd.edu/publication/us-military-training-assistance-ukraine; Murauskaite, E. E. (Feb 2023). *U.S. assistance to Ukraine in the information space: Intelligence, cyber, and signaling*. START UMD. https://www.start.umd.edu/publication/us-assistance-ukraine-information-space-intelligence-cyber-and-signaling; Murauskaite, E. E. (Jan 2023). *U.S. arms transfers to Ukraine: Impact assessment*. START UMD. https://www.start.umd.edu/publication/us-arms-transfers-ukraine-impact-assessment