Summary: Fearon creates a model to show the way that domestic audience costs implicate the way leaders make decisions in cases of international crisis. He finds that the higher the audience costs, the less likely it is that a state will back down once it has made an initial decision to escalate.

International crises: When one state resists a threat or demand made by another, with both taking actions suggesting that they may resolve the dispute with military force. 2 key facets of international crises:

1. at each moment of a state can attack, back down, or further escalate
2. if a state backs down, its leaders experience audience costs that increase as the crisis escalates (because of domestic audiences concerned with success of foreign policy)

3 reasons Fearon’s conceptualization of crises is “good (according to Fearon)”:
1. it’s a better way to ask why war occurs. A better model will explain learning and changing perceptions during a crisis, and how that impacts the decision to go to war
2. formal model finds that regardless of initial conditions, states that are more sensitive to audience costs are less likely to back down. This also clarifies the importance of information. States with high public audience costs are more likely to able to clearly communicate their intentions.
3. international crises are different from classic wars of attrition (in the business sense) for 2 reasons:
   a. states don’t have to back down or escalate, they can choose to attack
   b. only the side that backs down suffers audience costs (in the short-term)

Fearon argues that crises are public events carried out in front of domestic political audiences and that inter-state understandings of those costs during crises are key to learning about an opponent’s willingness to use force in a dispute.

Key facet of crises is that they have horizons, levels at which war is inevitable after the horizon has been breached, because (in some part) of domestic audience costs. Before the horizon has been breached, there is an incentive to settle due to the fear of facing an adversary that will resort to war

Failure of diplomacy can occur because while states have incentives to seek out the preferences of other states, to find out if there is room for agreement, they also have incentives to misrepresent their own preferences to try and create a more favorable settlement.

2 types of costs to backing down
1. domestic/international political costs
2. whatever additional costs were incurred by threats, etc. during the crisis
historical norms seem to say that a leader who deploys troops and backs down will lose more support than one that does not stand up in the first place. The reason is that one that stands firm in an international crisis is “engaging the national honor,” so the leader is perceived to have ‘dishonored’ the country if they back down.

Lack of complete information makes it tough to know when the point of no return for another leader is, creating incentives to escalate a crisis in hopes that one can force the other side to back down. However, standing firm increases domestic audience costs, making it harder to back down in the future.

Key implications of the model:
1. the higher the audience costs, the less likely a state is to back down. This means that even if the decision to escalate a crisis is difficult to come by in a democracy, once that decision occurs it is relatively solid, compared to a regime with lower audience costs.
2. the higher the audience costs, the less likely a leader is to initiate an international crisis in the first place.
3. if audience costs are large, fewer escalatory steps are required to credibly demonstrate intentions
4. explains why democracies are more likely to escalate against non-democracies than against democracies???

2 other implications of model
1. ‘weaker’ side in a dispute isn’t necessarily less likely to back down, because it’s less likely to get involved in the crisis in the first place (i.e. more likely to concede). Means that if it DOES get involved in a crisis, it probably has substantial interests in a favorable outcome.
2. observable measures of the balance of interests/capabilities should be unrelated to the probability that a state backs down once both have chosen to escalate

This could answer realist arguments about how democratic leaders are constrained in games of realpolitik; because they can more credibly signal intentions and commit to courses of action than other regimes, they may be better able to “cope with the security dilemma.”