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**Confrontation or Accommodation?
European Policies towards 'Rogue States'**

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1 Introduction¹

How should the European Union deal with regimes that constantly violate key norms of the international community by secretly developing Weapons of Mass Destruction, by threatening other states, by supporting terrorism or by engaging in gross human rights violations domestically? Although the EU has been quite successful in adopting common policies towards the renegade regimes in Iran and North Korea, differences among member states have been simmering on. As the controversy over the Iraq war demonstrates, such differences can paralyse the EU's Common Foreign and Security Policy (CFSP) when they are reinforced by a determined US policy. Few policy issues have more divisive potential than the appropriate response to the violation of key norms of the international community which makes policies towards renegade regimes the Achilles Heel of CFSP. This paper contributes to our understanding of CFSP, and of policies towards renegade states in particular, by examining member states' policies towards Iran and North Korea. We start by presenting the results of an expert survey that we designed in order to map member states' policies towards Iran and North Korea (section 2). The expert survey suggests that EU member states do not concur on a common policy but follow a wide range of different policies instead. Moreover, there is no convergence of policies towards Iran or North Korea over time. Finally, individual member states maintain characteristic policy profiles. Having mapped EU member states' policies towards Iran and North Korea, we examine possible causes of the remarkably stable diversity of individual states' policies (section 3). We use regression analysis to examine to what extent policies result from member states' political culture ("culture of control"), on the one hand, and from their commercial interests, on the other hand (section 4). We find evidence for both theories, i.e. EU states' policies towards renegade regimes result from both institutionalized domestic practices of how to deal with violations of community norms and from material commercial interests.

2 Measuring foreign policy differences with the help of an expert survey

2.1 Design of the survey

To close observers of EU security politics, policy differences among EU member states may seem obvious. To them, some states clearly prefer confronting, threatening and stigmatizing renegade regimes whereas others argue for dialogue and positive inducements. However, and unfortunately from a scholarly perspective, such policy differences rarely find expression in measurable indicators.

¹ We gratefully acknowledge financial support from the Nederlandse Organisatie voor Wetenschappelijk Onderzoek (NWO).

Voting in the Council rarely happens over issues of foreign policy. Instead, interactions in the Council are characterized by a search for consensus.

In order to map EU member states' policies and compare them with other democracies' policies towards renegade regimes we carried out an expert survey with more than 460 experts. Expert surveys have been used in European studies (Hooghe et al., 2010; Huber & Inglehart, 1995; Ray, 1999; Whitefield et al., 2007) as well as in foreign policy analysis (O'Malley, 2007) (Schafer & Crichlow, 2002).

Our survey aimed at mapping the policies of EU member states towards Iran and North Korea. We focused on those moments in time when the international community was confronted with a challenge to the nonproliferation regime either because norm violations had been detected or because obligations under the regime had been questioned. Policies towards North Korea were measured for 1993, 2003, 2006 and 2009. In 1993, North Korea for the first time announced that it intends to withdraw from the Non-proliferation Treaty. In 2003, it finally withdrew from the Treaty, in 2006 conducted the first and in 2009 the second nuclear test, both accompanied with test firing of long-range missiles. Policies towards Iran were measured for 2002, when the nuclear program was revealed, 2006 when the IAEA published its report on NPT implementation by Iran in which it concluded that Iran stepped up its enrichment efforts and 2009, when secret nuclear facilities near Qom were uncovered.

Each expert was given the above-mentioned time points and was asked to evaluate policies of 7 countries towards a given nuclear aspirant at each of the time points from "very accommodationist" to "very confrontational" (on a 7 point scale). These seven countries consisted of the respondent's own country, three democratic countries in the immediate vicinity or region. Mitigating the effects of the positive bias to select positive values, all options had been numbered with positive values (i.e. the scale ranged from 1 to 7) (Tourangeau, Rips, & Rasinski, 2000).

We evaluate our data based on criteria put forward by Ray (1999) and Hooghe et al. (2010). Leonard Ray in his study of party orientations towards European integration measured the internal robustness of his study by calculating "the absolute difference between each expert's judgment [for a unit] and the overall mean of expert judgments [for that unit]" (1999, p. 288). Ray excluded those judgments for which the difference was bigger than one.

The second measure of the extent of agreement among experts on each estimate can be done through standard deviations (Hooghe et al., 2010; but also Steenbergen & Marks, 2007). Hooghe et al evaluate standard deviations of 0.2 on a 7-point scale as small, Ray includes data with mean standard deviations of 0.6-0.97 points.

Having collected responses from the experts, we excluded those judgments which deviated by more than one point from the mean expert judgments, in line with Ray. Once excluded, we also eliminated time-points with less than three observations, in order to make our data more representative. If more than a two time-points were eliminated from a particular dyad (democracy-nuclear aspirant), we eliminated the whole dyad. Then we embarked on analyzing standard deviations, which for our data oscillated between 0 and 1.15, with mean equal to 0.508, mode equal to 0.57 and median of 0.53. While certainly higher than in case of the data by Hooghe et al, our data is reliable according to Ray's criteria.

Higher values of standard deviations in our data result from the nature of the data under scrutiny. Party positions, analyzed in comparative politics most widely, are by definition bound to make a party stand out as much as possible. Parties wish to be seen as different on various issues, in order to attract voters. The situation is different when it comes to diplomacy. States, by and large, do not have such powerful incentives to stand out and therefore even their positions towards issues of international importance attempt to strike middle ground or leave space for maneuver. If seen through these lenses, the higher values of standard deviations are all the more understandable.

2.2 Results of the survey

The expert survey enables us to map the policies of most EU member states² towards Iran (Figure 1) and North Korea (Figure 2). The scatter plots make three points visible: First, EU member states do not concur on a common policy but follow a wide range of different policies instead. Second, even though the study covers policies over considerable periods of time, there is no convergence of policies towards Iran or North Korea. Third, individual member states maintain characteristic policy profiles.

[FIGURE 1 ABOUT HERE]

[FIGURE 2 ABOUT HERE]

A comparison of EU member states (as in table 1) with other democracies³ further underlines the remarkably stable range of policies across member states. To be sure, policy differences were smaller

² Because we encouraged experts to not answer questions if they think they lack the necessary expertise, we lack data on some member states, especially with regard to their policies on North Korea.

³ The expert survey aimed at covering all states whose democratic quality is beyond doubt. We therefore included all states that score 9 or 10 on the 21-point regime type scale of POLITY IV. We then excluded those states for which we did not obtain a sufficiently high number of replies from the experts. This leads to the following list of non-EU members included in our study: Australia Canada, Chile, Costa Rica, India, Israel, Japan, Macedonia, Mauritius, Mongolia, Norway, South Africa, Switzerland and the USA (see Onderco/Wagner 2011).

among EU members than among democracies in general, as indicated by the standard deviations listed in table 1. A more coherent European policy was particularly visible towards North Korea in 2003, i.e. when the EU made support for South Korea's "sunshine policy" its policy. Especially towards Iran, however, diversity among EU members was only slightly smaller than among democracies as such. If one excludes the USA and Israel as "outliers" towards Iran, the differences become even smaller.⁴

[TABLE 1 ABOUT HERE]

Table 1 furthermore underlines that there is no convergence of member state policies over time. Towards Iran, coherence peaked in 2006 and became less again in 2009. Towards North Korea, the remarkable coherence during the period of support for South Korea's sunshine policy did not survive the crises of 2006 and 2009 when differences among members increased again.

Finally, figures 1 and 2 demonstrate that member states have characteristic policy profiles, i.e. their preference for either an accommodationist or a confrontational course of action remains remarkably stable. On Iran, for example, the United Kingdom has always had the most confrontational policy of all EU member states. A group comprising Finland, Luxembourg, Austria Ireland and Portugal consistently follows a rather accommodationist stance.

3 Commercial interests or cultures of control? Testing competing explanations of foreign policy differences

Why do EU member states – despite all efforts to establish a *common* foreign and security policy - retain remarkably stable policies towards renegade regimes? Theories of international bargaining can explain why states make confrontational or accommodating moves *in response to* renegade regimes' actions *over time*. However, theories that focus on characteristic patterns of interactions have difficulties to account for different degrees of confrontation or accommodation *across states at the same time*. Explaining such differences is the home ground of liberal theories of foreign policy that trace differences in policies back to differences in states' characteristics.⁵ As regards policies towards renegade regimes, two such characteristics stand out which, by and large, correspond to a materialist

⁴ When US and IL excluded, the SDs decrease by approx 0.1 from the total sample.

⁵ To the extent that neorealism can be considered a theory of foreign policy (cf. Elman 1996; Wiwel 2005), it emphasizes different positions in the international power structure as a cause of different policies. From this perspective, powerful states would tend towards confrontational policies because they have the necessary resources whereas weak states would tend to adopt accommodationist policies for the simple reason that they lack the capabilities for confronting a renegade state. While we do not test this claim explicitly, we control for the power status of states.

and a constructivist strand within liberalist theorizing:⁶ The former emphasizes states' economic interests in market access and free trade (section 3.1); the latter highlights a state's political culture and identity (section 3.2). We will introduce both perspectives in turn.

3.1 Commercial interests

Economic interdependence has been long perceived to have pacifying effect on the relations between countries. According to the definition by Keohane and Nye, interdependence means mutual dependence, in which dependence is defined as "a state of being determined or significantly affected by external forces" (Keohane & Nye, 1977, p. 8). The argument rests on three qualifying assumptions (Mueller, 2010):

- economic prosperity and development must be considered to be a dominant goal
- peace must be considered more beneficial for development than a war (also see Fearon, 2008)
- belief that trade (as opposed to conquest) is the best way to achieve the above-mentioned dominant goal.

Particularly democratic leaders are sensitive to conflicts which disrupt trade (Gelpi & Grieco, 2003, 2008; Papayoanou, 1996). Democratic leaders are accountable to their domestic publics (which is their "selectorate", to use the terminology of Bueno de Mesquita, Smith, Siverson, & Morrow, 2003) and therefore are expected to make moves more prudently. On the flipside of the same coin, elected leaders are expected to pursue policies which benefit their constituencies and thus be held more accountable. Since "selectorates" are broad in democratic countries, democracy makes leaders be more concerned about public goods. Therefore, leaders of democratic countries will think very carefully about committing themselves to a decision which is costly to their domestic constituency (in any sense of the term) (Moravcsik, 1997). The elected leaders of democratic countries will therefore seek as little conflict with a country with which they are economically interdependent as possible, in order not to bring costs to their domestic constituencies.

⁶ A third "republican" variant of liberal foreign policy analysis emphasizes the impact of domestic institutions on foreign policies (cf. Moravcsik 1997). From this perspective, policies are expected to differ for example between democracies and autocracies, between parliamentary and presidential systems or between coalition and single-party governments. In any case, institutions are considered influential because they aggregate group interests in different ways. With a view to policies towards renegade regimes, however, such effects seem marginal, especially since our sample only includes democratic countries.

3.2 Rehabilitation or Retribution? Cultures of Control and policies towards renegade regimes

Whereas commercial liberalism traces states' policies back to economic interests, constructivist liberalism emphasizes the impact of political culture and identity. Governments are regarded as acting in line with the norms and values that are widely shared and institutionalized within society.⁷ In some cases, such norms and values are explicitly geared towards foreign policies issues. For example, EU members' policies towards a deepening of European integration can be explained with their political identities that incorporate a European dimension to different degrees.⁸

In most cases, however, foreign policy issues have not been salient enough to have become part of a state's political culture or identity. Instead, foreign policy issues are linked to political culture via a domestic analogy: norms and values which are institutionalized in an analogous area of domestic politics also guide foreign policy. This is because decision-makers (as well as society at large) strive for a consistent set of norms and values.

Arguments linking domestic culture to foreign policy have been presented on other areas of foreign policy: Bruce Russett and others argued that democracies do not wage war against each other because their domestic culture of non-violent conflict resolution leads them to abhor the use of force internationally as well (1993). In international political economy, Peter Katzenstein (1978) argued that consociational democracies are more accommodating in international politics, too, because a culture of compromising is part of the political culture and identity in consociational systems. Lumsdaine (1993) suggested that Scandinavian welfare states spend more on foreign aid than Anglo-Saxon liberal states because their domestic culture emphasizes the responsibility of the state (rather than that of the individual) in alleviating poverty. Finally, Wagner (2002) demonstrated that states with regional parliaments also support a strengthening of the European Parliament whereas unitary states are opposed to any form of parliamentarianism above or below the national level.

4 Data and methods

We analyze the relationship between domestic culture of control as well as economic interdependence and the policies towards the countries which violate international normative order. We include all EU member states in our analysis, excluding Bulgaria and Romania (due to the lack of expert responses)

⁷ As a consequence, constructivist-liberalist explanations are indeterminate whenever norms and values are contested within society (on the problem of norms' commonality see Boekle, Rittberger, & Wagner, 2001).

⁸ See Risse et al (1999) for this argument with a view to Economic and Monetary Union. Jachtenfuchs et al (1998) have made a similar argument about different institutional "Leitbilder".

Dependent variable

We measure the degree of confrontation and accommodation using the expert survey outlined above. The value score for each particular state-year is obtained as a mean of reliable expert judgments for the given state-year.

Independent variables

- *Economic interests* We adopt a two fold measurement of economic interests. First we use the log of the total amount of trade between a democracy and a renegade regime. Second, we disaggregate the trade and analyze the impact of so-called “strategic goods” in seven categories. We adopt the definition of strategic goods based on Blanchard and Ripsman’s study of pre-World War I economic ties between the United Kingdom and Germany where “strategic goods” are defined as essential for the survival of state (and its economy) (Blanchard & Ripsman, 1996). Some limited application of the qualitative research tradition into the quantitative research has been applied by Han Dorussen (2006) and Cullen Goenner (2010). For the purposes of this paper, we adopt the categorization and the list of strategic goods created by Cullen Goenner (2010, p. 550). We therefore focus on the following categories of goods: energy, non-ferrous metals, chemicals, electronics, nuclear goods, armaments. The data on the trade volumes were obtained from the UN Comtrade (UN Comtrade, 2011).
- *Culture of control* We measure the culture of control by the number of prisoners per 1,000 inhabitants. Prison population data is a potential proxy for cultures of control, because it reflects a number of prisoners relative to the population. The higher prison population, the more retributive culture of control, ceteris paribus. Data on prison population was retrieved from the International Centre for Prison Studies (2010).
- *NATO membership* We control for the membership in NATO as the most powerful formal alliance and the one led by the most confrontationist of all countries towards Iran, the US.
- *Similarity of geopolitical preferences* We measure the similarity of geopolitical preferences, controlling for the similarity of foreign policy interests (Long & Leeds, 2006) using the S-score (Bennett & Rupert, 2003), measuring similarity of voting patterns in the UN general assembly. The S-score measures the similarity of voting in the UN General Assembly as a rough proxy for similarity of geopolitical preferences. Value of 1 represents completely identical voting in the UN GA, whereas the value of -1 represents completely opposite voting. The data comes from Gartzke (Gartzke, 2010).
- We introduce also two other controls to control for the military power ratio, since this variable may be confounding in analyzing the degrees of confrontation and accommodation (Maoz &

Russett, 1993). *Millex* to control for the ratio of military expenditure and *milper* to control for the ratio of military personnel between the renegade and the democracy. Both scores were computed by dividing the respective values for the democracy under study by values for a given renegade. Scores higher than 1 mean that values for a democracy are higher than values for an renegade (in the respective dyad) while scores below 1 mean that values for an aspirant were higher. The data on military personnel and expenditure were obtained from the National Material Capabilities (ver 4.0) (Singer, 1988)

Addressing the issue of endogeneity and allowing for dynamic panel model, we used one-year lag for all dependent variables, an approach commonly used in the literature (Gartzke & Li, 2003; Wawro, 2002).

We decided to address the issue of missing data not by listwise deletion, for it has been argued that imputation is superior to listwise deletion when meaningful imputation can be done (King, Honaker, Joseph, & Scheve, 2001). The missing data on trade in specific trade groups were first imputed by back retrieval (exports from A to B in particular goods X were retrieved as imports to B from A in the given goods). Where these were incomplete, the missing values were imputed with zeroes as it seems safe to assume that there simply is no trade between democracies and renegade regimes in our sample in given goods. Similar technique (imputation with zero) is not unknown to political scientists (for overview of the debate, cf. Oneal & Russett, 1999). Moreover, the data on military expenditures for 2008 (one-year lag for 2009 time point) were not available in the National Material Capabilities dataset and we imputed them with 2007 data. The data on North Korea's military expenditures were available only for the year 2002, which was used for imputation in other years too.

We use panel data analysis using Stata 9.2. We estimate our models using feasible generalized least squares with autocorrelation and panel heteroskedasticity, to control for the unbalanced nature of the panels and the autocorrelation between values within panels. Following Beck and Katz (1995), the main direction in political science has been to abandon the generalized least squares in favor of the panel corrected standard errors models. We do not fall into the direction for two reasons. Firstly, our data is unbalanced and the use of panel corrected standard errors model would require transformation of our time variables (losing thus grip on the temporal spacing). Secondly, we believe the model contains sufficient variation to model.

Following Beck and Katz (1995), we pool both all panels into one dataset and estimate them in one model (Model 1), but subsequently in Model 2 and 3, we re-estimate the same models for each of the renegade regimes separately, using a single indicator for trade. Thereafter, we disaggregate trade and conduct the same analysis using the disaggregated indicators of trade as specified above (Models 4-6).

5 Results

Table 1 reports results of the Models 1-3. Whereas in Model 1 we estimate the effect of independent variables on the degree of confrontation or accommodation towards both renegades at once, in Models 2 and 3 we estimate the same models separately for Iran and North Korea respectively.

Starting with the first full model, we observe that the effect of the domestic culture of control on the policy towards renegade regimes is statistically significant and positive, meaning that countries with more punitive domestic culture of control are also more confrontational towards renegades. Measured in prisoners per 1000 inhabitants, each prisoner is associated with the increase towards more confrontation by 0.288 points. The effect of trade is also strong and statistically significant, but negative. As can be expected, states which trade with renegade regimes more are also more accommodationist in their policies. In particular, increase by one percent in trade is associated with a move towards more accommodation by approx. 0.1 point. NATO members among the EU members are 0.65 point more confrontational towards renegade regimes compared to non-NATO members, association which is statistically significant. We also find that countries whose UN GA voting record is more like the one of Iran are usually more accommodationist towards the country. The theoretical difference between the country that voted always the same as Iran and the one which voted always opposite to Iran's vote is 6.8 points. It is important to point out, however, that such examples are largely theoretical and no such situation arises in practice. Moreover, we find that countries which have larger military expenditure compared to renegades are also more confrontational towards them, although only marginally (by 0.06 points for each multiple). However, we find an opposite effect of the military personnel share, but the association is not statistically robust.

Coming to the particularities of the relations with Iran, we find the effects from the main model similar, but amplified. The effects of the domestic cultures of control as well as of trade ties are identical in direction but almost double in magnitude. Each additional prisoner per 1000 inhabitants is associated with an increase by almost 0.5 point. Surprisingly enough, increased trade with Iran is also associated with more confrontation. In substantive terms, increase in trade with Iran by 1 percent leads to 0.2 point more confrontation. The effect of the similarity of the voting in the UN GA is similar to the general case, but weaker, and one point increase leads to 2.6 point move towards accommodation. The effect of the military expenditure is also stronger compared to the Model 1. On the other hand, we also observe a statistically robust effect of military personnel size. Each multiple of Iranian army's manpower leads to 2 point move towards accommodation. We thus find that countries with bigger armies (compared to the Iranian one) are in fact more accommodationist towards the country, a finding not easy to square with traditional realist thinking.

In case of North Korea, we observe effects similar to those in the general model as well as in the case of Iran. Countries with more punitive domestic cultures of control are more confrontational towards the country, but the effect of trade is almost negligible. We also observe much smaller effect of NATO membership, NATO members are 0.3 point more confrontational compared to non-members (whereas in case of Iran, the difference was 0.67 points). We find a very strong influence of the similarity of the UN voting and find that one point increase in the UN affinity score is associated with 3.7 point decrease in confrontation. We find a comparably smaller effect of the larger military expenditure (comparable to the general case) but a large (but statistically not significant) effect of military forces size.

In Models 4-6, we estimated the same models, but we disaggregated trade into specific categories of commodities (in line with Goenner, 2010). The coefficients of factors are comparably similar to those in Models 1, 2 and 3 respectively. Surprisingly, we find that overall, only trade in electronics, nuclear goods and weapons have statistically significant effect on the policy towards renegade regimes. In particular, each of these goods are associated with a slight move towards more accommodation and increase in trade by one percent leads to a shift by 0.02 (weapons), 0.05 (nuclear goods) or 0.08 points (for electronics).

When it comes to Iran, the effects of other variables are comparable to the Model 2, save for the fact that the similarity of the UN GA voting does not play such a strong role any more and its effect is no longer statistically significant, with a much smaller coefficient (1.47 in Model 5 vs 2.68 in Model 2, both negative). We find only one commodity statistically significant in explaining the degree of confrontation and accommodation towards Iran – nuclear materials. But even the effect of trade in nuclear materials is of negligible effect, each additional percent associated with a move towards more accommodation by 0.076 point. Effects are similar in case of North Korea, where no trade commodity has a significant effect on the policy towards the country, while other predictors behave similarly to Model 5.

In our analysis, we found statistically significant and positive influence of retributionist culture of control (as expressed by increased prison population) on the formulation of confrontational policies towards renegade regimes, as hypothesized previously. The results are in line with the findings of political psychologists who discovered links between the individual support of retributionist policies towards norm breaking and the support for death penalty are related to the support for hardline policies towards norm breakers abroad (Lieberman, 2006, 2007; Rathbun, 2007). Our results confirm that such connection transcends the individual level and reaches also the level of state policy. These findings subsequently fit well with a growing body of scholarship on the importance of domestic norms in foreign policy (Jachtenfuchs et al., 1998; Noel & Therien, 1995; Risse et al., 1999; Thérien & Noel,

2000). Remarkably, the effect of domestic norms is much more manifest in formulation of the policy towards Iran, compared to the policy to North Korea.

Our findings confirm the presence of the effect of the trade towards renegades in general as hypothesized. Countries with trading more with renegades in absolute terms adopt more accommodationist policies, and this effect is also statistically robust. The effect is consistent with commercial liberalism, which expects confrontation and conflict to decrease with the degree of economic ties (Gelpi & Grieco, 2003, 2008; Keshk, Pollins, & Reuveny, 2004; Pollins, 1989). However, once we distinguish between individual renegades, the overall effect disappears. We find no statistically significant effect of trade in the formulation of the policy towards North Korea, which may be a reflection of the fact that North Korea remains an economically isolated country. Our results point to a positive and statistically robust association between the degree of confrontation towards Iran and the amount of trade with Iran, meaning that states trading more with Iran are also more confrontational towards the country. The finding merits attention in further research, because it contradicts the existing body of research. One of the potential conclusions is that countries which trade extensively with Iran use the trade as an additional leverage towards the country. Taking into account that Iran, under the current sanctions regimes (existing sanctions placed by the UN, the US and the EU, with the US sanctions applied extraterritorially too), cannot freely sell and purchase goods, states which do trade with Iran may use the additional leverage they enjoy.

We find a large effect of the similarity of geopolitical positions on the formation of the policy towards renegade regimes. Thus, countries more similar to renegade regimes in their voting in the UN General Assembly are also more accommodationist towards renegade regimes. The influence is all the more interesting since the EU member states vary widely in their affinity of voting with both Iran and North Korea⁹. EU member states therefore differ widely in their geopolitical preferences and some of them vote with renegades more often than others (which would be in itself an interesting topic for research – what determines issues on which they vote alike?).

The effect of trade disaggregated into commodity groups is surprisingly small. We find a negative and statistically significant association between the trade in chemicals, weapons and nuclear related goods and the policy towards renegade regimes. That means that countries trading more in these goods with renegade regimes adopt more accommodationist policies towards them, *ceteris paribus*. Since all of the commodities – chemicals, weapons and nuclear-related goods are crucial for the functioning of the core functions of the state, the trade in them fulfills in the truest sense the notion of “costly signal” (Morrow, 1999, 2003). The effect, however, disappears once we distinguish between the renegades

⁹ S-Score varies from 0.09 to 0.42 for Iran and from 0.08 to 0.48 for North Korea.

and in fact, only trade in nuclear-related goods is relevant in explaining the policy towards Iran. No staple is statistically significant in explaining the policies of EU members towards North Korea.

6 Conclusions

In the present paper, we scrutinized the determinants of the EU member states' policies towards two renegade regimes, Iran and North Korea. Using a original dataset to measure degrees of confrontation and accommodation, we demonstrate that both economic interests and political culture are reflected in the policies of democratic states towards renegade regimes. We find statistical support for the claim that domestic cultures of addressing norm violations are reflected in the policies towards norm violators abroad, although the effect does not extend to all of them. Similarly, we find that trade is associated with less confrontation towards renegade regimes. However, once we look at the individual renegades in detail, we find no statistically significant effect of trade on the policy towards North Korea, whereas we find positive association between high amount of trade and confrontation towards Iran.

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TABLE 1

	Standard Deviation all democracies	Standard Deviation EU members
Iran 2002	0.84	0.6
Iran 2006	0.88	0.74
Iran 2009	0.78	0.69
North Korea 1993	0.89	0.74
North Korea 2003	1.02	0.57
North Korea 2006	1.06	0.7
North Korea 2009	0.99	0.78

TABLE 2 Policy towards renegade regimes (with aggregate trade)

	Model (1)	Model (2) (Iran)	Model (3) (North Korea)
Prison population	0.288*** (0.035)	0.490*** (0.032)	0.362*** (0.065)
Total trade (log)	-0.114*** (0.017)	0.244*** (0.050)	-0.028 (0.017)
NATO membership	0.647*** (0.040)	0.669*** (0.078)	0.319*** (0.089)
UN Affinity	-3.416*** (0.440)	-2.684*** (0.801)	-3.746*** (0.803)
Military expenditure share	0.067** (0.021)	0.127** (0.043)	0.072* (0.035)
Military personnel share	-0.433 (0.433)	-2.088** (0.641)	-2.713+ (1.387)
Intercept	5.221*** (0.222)	1.875** (0.661)	5.112*** (0.322)

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

TABLE 3 Policy towards renegade regimes (with disaggregated trade)

	Model (4)	Model (5) (Iran)	Model (6) (North Korea)
Prison population	0.281 ^{***} (0.032)	0.544 ^{***} (0.122)	0.264 [*] (0.111)
NATO membership	0.568 ^{***} (0.041)	0.751 ^{***} (0.185)	0.321 [*] (0.135)
UN Affinity	-3.264 ^{***} (0.347)	-1.467 (1.472)	-2.868 ^{**} (0.943)
Military expenditure share	0.070 ^{**} (0.022)	0.148 [*] (0.062)	0.072 (0.049)
Military personnel share	-0.418 (0.445)	-1.495 (0.978)	-2.132 (1.863)
Trade in energy	-0.020 (0.017)	0.003 (0.036)	0.087 (0.078)
Trade in non-ferrous metals	0.009 (0.007)	0.057 (0.029)	0.005 (0.036)
Trade in chemicals	0.039 (0.026)	0.045 (0.053)	-0.013 (0.075)
Trade in electronics	-0.079 [*] (0.035)	0.107 (0.093)	-0.093 (0.067)
Trade in nuclear goods	-0.049 ^{***} (0.014)	-0.076 [*] (0.032)	
Trade in weapons	-0.017 [*] (0.008)	-0.023 (0.015)	-0.034 (0.027)
Intercept	4.868 ^{***} (0.200)	2.168 [*] (0.895)	5.144 ^{***} (0.581)

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

FIGURE 1

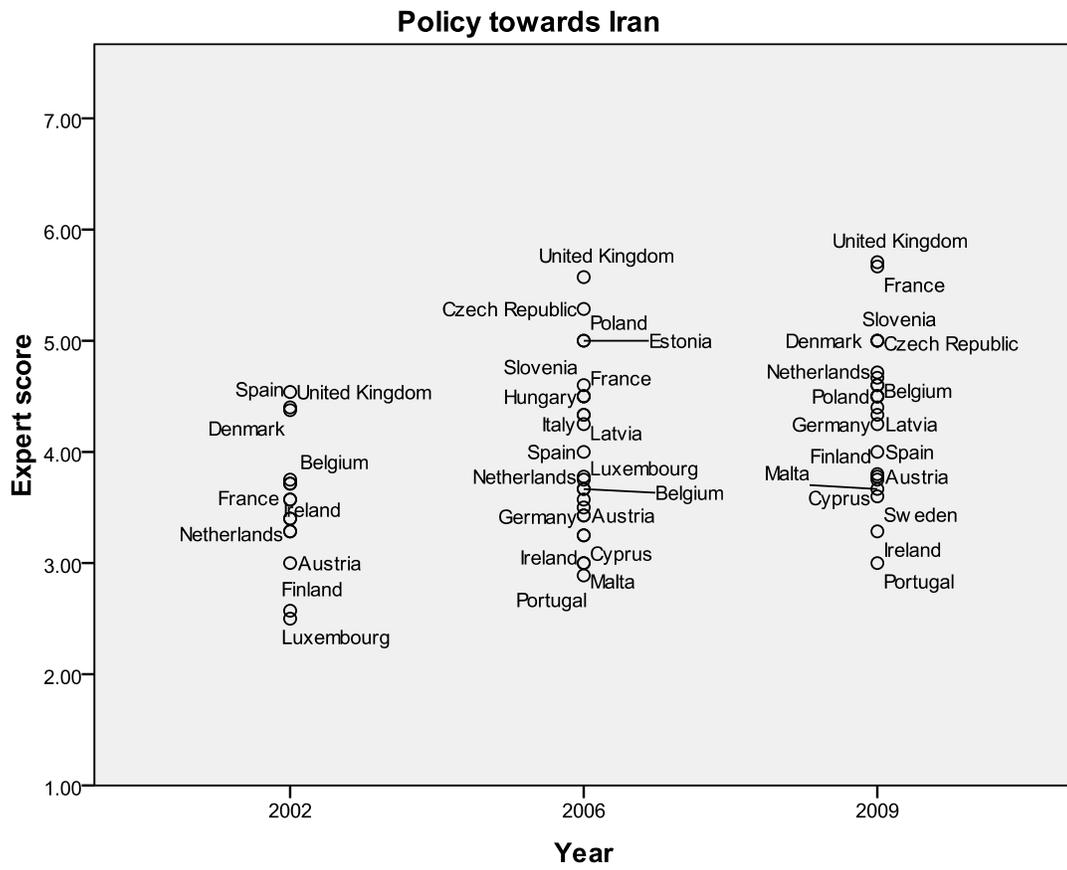


FIGURE 2

