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Stephen E. Gent and Megan Shannon
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Bias and the Effectiveness of Third-Party Conflict Management Mechanisms

STEPHEN E. GENT
University of North Carolina at Chapel Hill

MEGAN SHANNON
University of Mississippi

To uncover the relationship between bias and effective conflict resolution, we explore the bias of third parties and the techniques they employ in the diplomatic management of river, maritime, and territorial claims. We find that bias increases the likelihood that a third party will engage in unobtrusive techniques like good offices and decreases its propensity to pursue involved mechanisms like arbitration. Additionally, bias is inversely related to the range of issues addressed at a settlement attempt. As such, unbiased third parties are more effective because they are used for the management techniques that have the most potential to resolve conflicts.

KEYWORDS: bias; conflict management; third parties

Since the mid-19th century, Guatemala has laid claim to the territory that is now Belize (formerly British Honduras). After Belize gained independence from Britain in 1981, Guatemala maintained its claim to the territory. When the first high-level negotiations between Guatemala and Belize to resolve the claim were held in Miami in 1987, the disputants allowed Britain to participate in an observer capacity (Pettiford, 2004: 93). Most subsequent negotiations, which have failed to successfully resolve the claim, have occurred at the bilateral level. However, in 2008, Guatemala and Belize crafted a special agreement to submit the claim to arbitration by the International Court of Justice (ICJ), pending approval in popular referenda in both states.

1 A previous version of the paper was presented at the 2009 Annual Convention of the International Studies Association. The authors thank Navin Bapat, Mark Crescenzi, Paul Hensel, Ashley Leeds, Sara Mitchell, and Nil Satana for helpful comments. The authors contributed equally to the development of the article. Their names are listed in alphabetical order.

2 Keesing’s Record of World Events, 48931.
The history of the Guatemala–Belize dispute indicates that the characteristics of a third party may influence the type of conflict management it is asked to pursue. In the 1980s, Britain was only allowed to play the relatively innocuous role of observer, even though more active involvement by a third party may have prevented the claim from festering for additional decades. Guatemala was likely not willing to let Britain—a state biased in favor of Belize, its former colony—play a more intrusive role in settling the claim. When the two countries finally did agree to pursue arbitration, an intrusive form of dispute resolution, they turned to a more unbiased third party, the ICJ.

Historically, the consideration of the bias of an arbitrator is not limited to Guatemala’s boundary dispute with Belize. In 1931, Guatemala and Honduras opted to pursue arbitration to resolve Honduras’s long-standing claim to territory along the Motagua River (Ireland, 1941). Both parties took special effort to ensure that the arbitral tribunal was unbiased. Each disputant was allowed to select one member of the panel. Guatemala selected a representative from Costa Rica, while Honduras selected one from Chile. Both states then agreed upon the third member of the tribunal, the Chief Justice of the United States. The binding ruling made by this unbiased panel resolved the territorial claim and established the permanent boundary between the countries. In both the 1931 and 2008 cases, Guatemala and its neighbors took measures to ensure that an unbiased third party would be used for an intrusive form of conflict management.

Although scholars have paid much attention to how the bias of third parties influences their success, these Central American territorial claims indicate that the third party’s identity does not directly influence conflict resolution. Instead, the bias of the third party influences the management strategies it is allowed to pursue, which in turn affects the outcome of conflict management. To pinpoint the relationship between bias and effective conflict resolution, we explore how the preferences of third-party states influence the conflict management techniques they employ and the range of issues they address. Because disputants want to avoid unfavorable settlements, they are reluctant to invite biased third parties to engage in intrusive management strategies and intermediate settlement attempts that address a broad scope of issues. The relative effectiveness of biased and unbiased third parties depends upon the types of settlement attempts they are asked to facilitate. Because more intrusive third-party techniques are better able to resolve conflicts, and because less biased third parties are more likely to pursue such strategies, unbiased third parties should be more likely to end disputes. On the other hand, cross-cutting incentives indicate that there should not be a strong correlation between bias and the likelihood of agreements between disputants.

To test this logic, we examine settlement attempts in river, maritime, and territorial claims that involve a third-party state. We find strong support for our theory. Bias increases the likelihood that a third party will engage in unobtrusive techniques like good offices and decreases the likelihood that it will pursue more involved mechanisms such as arbitration. Additionally, bias increases the chance that a state will facilitate functional settlement attempts, which do not aim to end claims. Finally, we find that biased third parties are less likely to end disputes than unbiased third parties and that this empirical relationship is due to
the management strategies pursued by these actors. Biased intermediaries are ultimately less effective than unbiased ones because they are not used for the management techniques that have the most potential to resolve conflicts.

**Bias and Conflict Management**

Scholars of conflict management have long debated the effectiveness of biased third parties. A number of studies conclude that intermediaries must be impartial to be successful (Fisher, 1995; Young, 1967). Impartiality makes a third party more acceptable to negotiating states (Klieboer, 1996: 369). Disputants must trust a third party to allow it to facilitate a settlement, and impartial third parties better achieve the trust of disputants (Young, 1967: 81). More recently, scholars emphasize the role of unbiased and impartial third parties in bargaining over their acceptability, finding that these intermediaries better address bargaining obstacles than biased ones.³ Impartial intermediaries, for instance, mitigate commitment problems by communicating disputants’ trustworthiness and enforcing agreements (Kydd, 2006; Schmidt, 2005). They also reveal private information that reduces information asymmetries (Rauchhaus, 2006).

Others argue that biased third parties are effective. According to some studies, biased interveners might actually be more acceptable to disputants than unbiased ones, so long as the third party coerces the disputant that has more control over the conflict’s outcome (Pruitt, 1981). Biased third parties can be more effective than unbiased ones in the bargaining process because they reveal private information about disputants’ resolve (Kydd, 2003). Recent work also finds that biased intermediaries facilitate bargaining by mitigating commitment problems. For instance, biased third parties encourage both governments and rebels to honor peace settlements of civil wars (Schmidt, 2005; Svensson, 2007). Biased mediation is more likely to lead to the inclusion of beneficial institutional arrangements such as power sharing, third-party security guarantees, and justice provisions in civil war peace agreements (Svensson, 2009). Additionally, biased third parties have more leverage than unbiased third parties to compel allies to sign and uphold peace agreements (Princen, 1992; Zartman, 1995), and biased major power interveners help disputants reach a negotiated settlement because they credibly signal their willingness to use coercion to enforce an agreement (Favretto, 2009).

Clearly, no consensus exists as to whether biased or unbiased third parties are more effective conflict managers. Recent studies, however, have begun to address the puzzle of bias by exploring more than just the third party’s preferences. A number of scholars conclude that to understand the effectiveness of conflict management, we must account for the mechanism the third party uses as well as its preferences (Gent and Shannon, 2010; Kydd, 2003; Rauchhaus, 2006; Schmidt,

³ The recent literature on conflict management makes a distinction between impartiality/neutrality and unbiasedness (Kydd, 2006; Rauchhaus, 2006). An impartial (or neutral) third party has an ideal point between those of the disputants, while an unbiased third party has an equal level of affinity for both disputants and is indifferent over all potential outcomes. It is not clear that earlier scholars made such a distinction when they used these terms. Our theoretical argument applies similarly to both unbiased and impartial third parties.
We suspect that it is important to consider the type of conflict management disputants seek in order to understand the influence of a third party’s bias. In the discussion and analyses to follow, we explore how the choice of dispute resolution technique influences the selection of a biased intermediary and its effectiveness in conflict management.

We conceive of bias in terms of a third party’s interests, where a biased third party is one whose preferences are more closely aligned with one disputant than another (Kydd, 2003). Drawing on this conception of bias, we relate the preferences of a third party with the role that it plays in the process of conflict management. We particularly explore what types of conflict management are more frequently pursued by biased and unbiased intermediaries. This approach provides a more complete picture of the conflict management process and contributes to a growing body of research that considers how both intermediary preferences and management techniques help end international disputes (Beardsley et al., 2006; Rauchaus, 2006; Savun, 2008; Schmidt, 2005).

Choosing Conflict Management Techniques

Our analysis focuses on three common third-party management strategies: good offices, mediation, and arbitration. These strategies differ in the level of intrusiveness pursued by the third party. Of the three, good offices is the least intrusive because a third party only attempts to facilitate discussion between disputants. Mediation is more intrusive, as mediators make suggestions toward the terms of the settlement. Both good offices and mediation are non-binding forms of conflict management. Arbitration is a binding form of legal dispute resolution in which disputants make their case to a third-party arbiter, which hands down a ruling based upon international legalistic principles. It is the most intrusive of the strategies because disputants give up decision control to the third party, who crafts the terms of a binding settlement.

Disputants have the ultimate discretion over what type of conflict management strategy they use, as well as the type of third party that brokers a settlement. We argue that disputants prefer unbiased intermediaries for more intrusive forms of conflict resolution. The costs of reneging on agreements brokered through intrusive mechanisms of conflict management are higher than the costs associated with lower-level agreements. These costs stem from a variety of sources: pressure from the intermediary, the international community, and the disputants’ domestic audiences. Once disputants seek stronger forms of conflict management, international and domestic audiences become more attuned to the process. They are more likely to hold the disputants accountable and punish them if the dispute resolution process fails or disputants renege on a settlement.

Consider a pair of states who engage in good offices. In these initial stages of communication, the international community and domestic audiences do not put much stock in the chances for successful conflict resolution. Such interactions are

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4 While our study focuses on third-party states, individuals and international governmental organizations can also serve as international arbiters. Adjudication is an alternative form of legal dispute resolution in which a ruling is handed down by an international court.
perceived as preliminary steps toward an effective settlement, so the costs of failing are relatively low. Now consider a pair of states who undergo arbitration. In this scenario, international and domestic audiences are much more likely to hold the disputants accountable and press for a successful settlement. The audience costs of failed arbitration are therefore greater than those of failed good offices. Scholars have in fact shown that stronger forms of conflict management like arbitration are more likely to succeed than weaker mechanisms because the costs of reneging are high (Gent and Shannon, 2010; Simmons, 2002).

If the costs of breaking agreements achieved through intrusive management mechanisms are high, disputants will minimize the chances of reneging by achieving agreements as favorable to their interests as possible. A favorable agreement is much less probable if the intermediary is biased against a disputant’s interests. To maximize the potential for a favorable agreement, disputants seek unbiased third parties, particularly when undergoing strong forms of conflict management.

Certainly, each individual disputant prefers a third party biased toward its own interests to play a strong role in brokering an agreement. But because disputants must jointly agree to a conflict management technique, they are likely to choose an unbiased intermediary, particularly for stronger forms of dispute resolution. If they do accept offers for intervention by a biased intermediary, they minimize the involvement of the third party as much as possible by pursuing weaker and less intrusive forms of conflict management. This logic provides the following hypothesis:

**Hypothesis 1: As the bias of a third party increases, it facilitates less intrusive mechanisms of conflict management.**

In addition to the role that a third party plays, third-party settlement attempts are differentiated by the extent of the issues addressed at the bargaining table. While many settlement attempts aim to resolve the underlying dispute between states, others are less ambitious, aiming to settle smaller issues and lay the groundwork for more extensive settlements in the future. To investigate the relationship between bias and the scope of settlement attempts, we consider decisions to pursue functional, procedural, and substantive attempts. Functional attempts address how a resource in dispute between two states will be used during the process of negotiations. Procedural attempts set the stage for future settlement attempts by specifying the procedures by which disputants will manage the claim. Substantive attempts are the only negotiations to explicitly address the issue in dispute, and they aim to resolve all or most of the disputed claim between states.

Functional and procedural attempts require the least involvement from a third party because they do not directly address the issue in dispute. They only specify how a resource is to be used in the short term, or what procedures disputants are going to use in future negotiations, so a third party is not instrumental to the negotiating processes. Disputants are not as hesitant in these circumstances to use a biased third party, because bias has minimal implications for the short-term functional use of a resource or the procedures for additional settlement attempts.
In contrast, substantive attempts necessitate a higher level of intrusion by a third party because they directly tackle the distribution of the disputed issue. During substantive settlement attempts, the third party provides information and makes suggestions as to how a resource is to be permanently divided. A biased third party is less desirable for these attempts because it is more likely to deliver an unfavorable, long-term substantive arrangement, and disputants do not want to suffer the costs of failed negotiations. We expect that disputants rely more frequently on unbiased third parties for substantive conflict management to avoid being obligated to an agreement brokered by a biased intermediary. However, they are less reluctant to use biased third parties for lower-level procedural and functional attempts. This logic provides a second hypothesis:

**Hypothesis 2:** As the bias of a third party increases, the scope of the settlement attempts in which it intermediates decreases.

Overall, we expect the bias of the third party to influence both the strategies that disputants ask it to pursue and the scope of the issues that they ask it to address. We next consider how the types of settlement attempts pursued ultimately influence the relative effectiveness of biased and unbiased third parties.

### The Effectiveness of Third-Party Conflict Management

The strongest measure of the effectiveness of a settlement attempt is whether it ends a dispute. Since functional and procedural attempts do not aim to resolve a dispute, this criterion can only be used to examine the effectiveness of substantive settlement attempts. Among substantive attempts, we expect that the third-party strategy pursued affects the likelihood that the disputants reach a settlement that ends the dispute. As noted above, we consider three possible conflict management strategies: good offices, mediation, and arbitration.

For several reasons, we expect that more intrusive third-party strategies are more likely to end disputes. First, more intrusive strategies place greater costs on reneging on negotiated agreements. These include costs imposed directly by the third party and reputation costs imposed by the international community or domestic audience. Such costs increase the likelihood that any settlement reached will be honored. Additionally, the choice of an intrusive third-party strategy is a costly signal. Since more intrusive third-party management strategies entail greater costs, disputants who agree to such strategies signal their willingness to reach a settlement that ends the dispute. Finally, intrusive third-party strategies also help leaders resolve conflicts in cases where they would otherwise face domestic audience costs for doing so. Arbitration, a form of legal dispute resolution, provides domestic political cover for leaders (Allee and Huth, 2006; Simmons, 2002). Evidence indicates that mediation can also provide political cover, but to a lesser extent than in arbitration (Beardsley, 2010). Due to the increased costs of reneging, the ability to send costly signals, and a greater potential for domestic political cover, more intrusive third-party strategies increase the likelihood that a settlement attempt will end a dispute. Our expectations have grounding in research which finds that as third parties pursue more intrusive types
of mediation, their efforts are more likely to foster dispute settlement (Bercovitch et al., 1991).

Given Hypothesis 1, unbiased third parties will more frequently engage in more intrusive conflict management strategies than biased third parties. If settlement attempts that utilize intrusive strategies are effective, we should observe that unbiased third parties are more likely to end disputes than biased third parties. This does not imply that the bias of a third party makes it inherently more or less effective. Instead, bias has an indirect effect on the effectiveness of a settlement attempt because bias influences the conflict management strategy a third party is asked to pursue. In this sense, the actions a third party takes are more influential than the intermediary’s preferences for the outcome of conflict management. This logic leads to the following hypotheses:

Hypothesis 3a: As the intrusiveness of a third party's conflict management strategy increases, the likelihood that a settlement attempt will end a dispute increases.

Hypothesis 3b: Since biased third parties facilitate less intrusive forms of conflict management than unbiased third parties, biased third parties are less successful than unbiased third parties at ending disputes.

Since functional and procedural settlement attempts do not aim to end a disputed claim between states, one cannot evaluate their effectiveness by examining whether they end a dispute. However, a goal of any type of settlement attempt is the acceptance of an agreement by both disputants. In general, it is easier for disputants to reach an agreement on a narrower range of issues than a wider range. When there is a narrower set of issues, the disputants’ ideal outcomes are less divergent, so they are more amenable to compromise. Thus, functional and procedural settlement attempts should be more likely to lead to agreements than substantive settlement attempts. In contrast, given the discussion above, we expect that third parties who utilize intrusive conflict management strategies are better at bringing disputants to an agreement.

This indicates that the effect of bias on the likelihood that a settlement attempt results in an agreement is not straightforward. On the one hand, given Hypothesis 2, bias should increase the likelihood that a third party facilitates narrower settlement attempts, which in turn are more likely to result in agreements. On the other hand, given Hypothesis 1, bias should increase the likelihood that a third party engages in less intrusive management strategies, which in turn are less likely to result in agreements. Because of these cross-cutting effects, we can make no prediction as to the relationship between bias and the acceptance of agreements in third-party settlement attempts.

In sum, we expect that the effectiveness of third parties largely depends upon the conflict management strategy they pursue and the scope of the issues that they address. Since unbiased third parties are more likely than biased third parties to

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5 Touval and Zartman (1985) also identify varying levels of intrusiveness in mediation. Maoz and Terris (2006) identify a relationship between mediator characteristics, intrusiveness, and effectiveness, finding that more credible mediators use less intrusive strategies and are more likely to succeed.
engage in intrusive management strategies, they should also be more effective at ending disputes. However, the same cannot be said for the relationship between bias and a third party’s ability to bring disputants to an agreement. On the one hand, unbiased third parties are more likely to pursue intrusive strategies than biased third parties. On the other hand, they are also more likely to intermediate in settlement attempts that address a more expansive set of issues. These cross-cutting effects imply that there may be no clear empirical relationship between third-party bias and the likelihood of an agreement.

**Empirical Analyses**

To test the theory developed above, we examine third-party peaceful settlement attempts in international territorial, maritime, and river claims. Following Hensel (2001), we conceptualize a claim as a contention between two or more states over a specific issue. A territorial, maritime, or river claim requires an official state representative to “make clear that his or her government lays claim to specific territory or maritime areas that are presently occupied, administered, or claimed by one or more other specific states” (Hensel, 2008). To determine our sample of cases, we use the Issue Correlates of War (ICOW) dataset, which currently includes territorial, maritime, and river claims in the Americas, Europe, and the Middle East from 1816 to 2001 (Hensel, 2001; Hensel et al., 2008). We identify all peaceful settlement attempts in the ICOW dataset that included a third-party state. In total, there were 227 settlement attempts (164 in territorial claims, 40 in maritime claims, and 23 in river claims).

To examine whether bias affects the intrusiveness of third-party diplomatic intervention in issue claims, we focus on two characteristics of a third-party settlement attempt. First, we consider the strategy used by the third party. For each settlement attempt, the ICOW dataset codes the third-party strategy pursued: good offices (94 cases), mediation (105 cases), or arbitration (28 cases). As explained above, good offices is the least intrusive of these third-party strategies, followed by mediation. Arbitration is the most intrusive third-party conflict management strategy.

Second, we examine the scope of the settlement attempt. Some settlement attempts only seek to settle issues surrounding a claim, while other settlement

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6 Currently the ICOW dataset includes territorial claims in the Americas and Western Europe, maritime claims in the Americas and Europe, and river claims in the Americas, Europe, and the Middle East.

7 We exclude third-party settlement attempts with IGO, NGO, or individual third parties because our theory is about the bias of third-party states. We also exclude multilateral negotiations (97 cases), because these third parties are not primarily concerned with resolving the dyadic claim, and peace conferences (18 cases), because both claimants do not have a say as to what issues are raised in this type of forum. We thank Paul Hensel for clarifying the procedures used in the various types of settlement attempts.

8 Three cases coded as “other” were excluded from the analysis.
Conflicts aspire to resolve the claim itself. The ICOW dataset places settlement attempts in three categories. Functional attempts cover the usage of the territory by one or both participants, while procedural attempts cover procedures to be used in settling any problems between the claimants. Finally, substantive attempts are aimed at settling all or most of the claim. The third-party settlement attempts identified above include 17 functional, 64 procedural, and 146 substantive attempts.

Our main independent variable of interest is the bias of the third party. To operationalize bias, we use a measure based upon the S-score of the alliance portfolios of states (Signorino and Ritter, 1999). S-scores are commonly used to measure the preference similarity of states in the security arena. Because many of the claims included in our analyses have implications for national security, it is reasonable to expect that states with similar alliance portfolios have similar preferences as to how disputed resources should be settled. S-scores have been used in several studies to measure the bias of third parties (Favretto, 2007; Gent and Shannon, 2010), as well as the similarity of potential interveners’ preferences vis-à-vis a target state (Gent, 2007). Additionally, S-scores provide a consistent measure of preferences across time and space.

We assume that if the level of similarity between the alliance portfolios of the third party and each disputant is equal, the third party is unbiased. On the other hand, if the third party has a similar alliance portfolio to the target in the claim and a dissimilar portfolio to the challenger, then the third party is biased in favor of the target, and vice versa. Given this, we measure bias as the absolute value of the difference between the S-score of the intervener and the target and the S-score of the intervener and the challenger:

$$\text{Bias} = |S_{\text{Intervener-Target}} - S_{\text{Intervener-Challenger}}|.$$  

Some settlement attempts include more than one third party. For these cases, we measured the overall bias of the panel. Because we expect that more powerful third parties will likely have more influence than less powerful third parties, we weight

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9 What we term “substantive” attempts are those in which the extent of the settlement attempt is coded as “some or all of the issue” by ICOW.

10 We chose to use S-scores of alliance portfolios rather than alternative measures such as UN General Assembly voting because data are available for the entire period from 1816 to 2001.

11 Our argument is applicable to both unbiased third parties (Kydd, 2003) and impartial third parties (Rauchhaus, 2006). Rauchhaus’s conception of impartiality implies that states seek third parties with preferences somewhere in between the disputants’ preferences if they pursue more intrusive forms of conflict management. However, it is more difficult to empirically measure impartiality because we cannot identify third parties’ specific preferences over territorial, river, and maritime claims (and if those preferences lie in between the disputants’). Therefore, we focus our analysis on the choice between biased and unbiased third parties.

12 Favretto (2007) also uses this measure to operationalize bias in a study of major power involvement in international crises.
the measure using the national capability of the state as indicated by the Correlates of War Composite Index of National Capabilities (CINC; Singer et al., 1972). Let $i=1,2,...,n$ be the set of third parties in a panel and let $c_i$ be the capability of $i$, then the bias of the panel is measured as:

$$\text{Bias} = \left| \sum \frac{c_i (S_i - \text{Target} - S_i - \text{Challenger})}{\sum c_i} \right|. $$

The measure can be thought of as the “average” bias of the set of interveners. This formulation allows for a third party biased in favor of one side to be “balanced” by a third party equally biased in favor of the other side.

While we use multivariate analysis to formally test our hypotheses, an examination of descriptive statistics indicates initial support for our theoretical argument. Table 1 lists the mean level of third-party bias for various categories of settlement attempts. Considering the type of strategy pursued, third parties that pursue good offices have a level of bias five times higher than arbitrators. The bias of mediators lies between the two. Turning to the extent of settlement attempts, third parties in functional attempts are more biased than those in procedural and substantive attempts. The descriptive statistics indicate that, on average, those third parties who play more intrusive roles in settlement attempts are less biased than those who play less intrusive roles.

Table 1 also indicates that the mean bias of third parties in substantive settlement attempts that do not lead to an agreement that ends the claim is twice as high as the mean bias of third parties in settlement attempts that do end the claim. In the multivariate analysis below, we examine whether this relationship is due to the types of settlement attempts that biased third parties are permitted to pursue or whether it is a direct result of the bias of the third parties themselves. From the

<table>
<thead>
<tr>
<th>Type of Settlement Attempt</th>
<th>Mean Bias</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good offices</td>
<td>0.153</td>
<td>94</td>
</tr>
<tr>
<td>Mediation</td>
<td>0.093</td>
<td>105</td>
</tr>
<tr>
<td>Arbitration</td>
<td>0.027</td>
<td>28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope of Settlement Attempt</th>
<th>Mean Bias</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional</td>
<td>0.230</td>
<td>17</td>
</tr>
<tr>
<td>Procedural</td>
<td>0.079</td>
<td>64</td>
</tr>
<tr>
<td>Substantive</td>
<td>0.109</td>
<td>146</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Does settlement attempt lead to an agreement that ends claim?*</th>
<th>Mean Bias</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>0.105</td>
<td>109</td>
</tr>
<tr>
<td>Yes</td>
<td>0.051</td>
<td>23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Does settlement attempt lead to any agreement?**</th>
<th>Mean Bias</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>0.103</td>
<td>112</td>
</tr>
<tr>
<td>Yes</td>
<td>0.116</td>
<td>114</td>
</tr>
<tr>
<td>All Settlement Attempts</td>
<td>0.110</td>
<td>227</td>
</tr>
</tbody>
</table>

* Only includes substantive claims that address entire extent of the claim.

** Frequencies do not sum to 227 because there is one case that is coded as missing for this variable in the ICOW dataset.
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descriptive statistics, there does not appear to be any difference in the average level of third-party bias in settlement attempts that result in an agreement and those that do not.

In addition to bias, we incorporate three other variables that potentially affect the conflict management strategy pursued. First, the more intrusive the role of a third party, the less control that a disputant has over the final outcome of any settlement. States will likely be unwilling to give up such control and agree to more intrusive forms of conflict management in salient disputes (Gent and Shannon, forthcoming). We therefore include a measure of the salience of the claim from ICOW (Hensel et al., 2008). This variable ranges from 0 to 12 and incorporates the salience of tangible and intangible issues. Second, an intrusive third party can potentially dilute the powerful state’s bargaining advantage, so a more powerful state may be less willing to allow a third party to play a dominant role in a dispute with a less powerful state. Thus, we include the power asymmetry between the two disputants, operationalized as the stronger state’s share of the dyad’s total capability using the Correlates of War CINC score. Finally, we control for the level of hostility between the disputants by including a count of the number of militarized interstate disputes (MIDs) over the claim between the two states in the five years prior to the settlement attempt.

**Type of Third-Party Management Strategy**

To test Hypothesis 1, we consider the relationship between bias and the type of conflict management strategy used. As noted above, our cases include three different third-party conflict management strategies in territorial, maritime, and river claims: good offices, mediation, and arbitration. Since this dependent variable is nominal with three possible values, we estimate a multinomial logit model.\(^\text{13}\) The results of the estimation can be found in Table 2. All coefficients should be interpreted relative to the baseline category, mediation. The results indicate that an increase in the bias of a third party significantly increases the likelihood of good offices relative to mediation. On the other hand, bias decreases the likelihood of arbitration relative to mediation.

Since it is difficult to gauge the effect of an independent variable on the overall probability of a given outcome in a multinomial logit from a table of coefficients, we simulated expected probabilities given particular values of the independent variables.\(^\text{14}\) In particular, we calculate the effect of a change in the level of bias, holding all other independent variables at their mean values. Figure 1 presents the expected probability of each settlement attempt type, setting bias at its minimum and mean values. Simulations indicate that such a change in the level of bias

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\(^{13}\) Hausman and Small-Hsiao tests indicate that there is no violation of the independence of irrelevant alternatives (IIA) assumption of the multinomial logit model in this model and the one examining the extent of settlement attempts. We cannot use an ordered logit model in either case because Brant tests indicate that the parallel regression assumption is violated.

\(^{14}\) All probabilities were simulated using the Clarify package in Stata 9 (King et al., 2000).
significantly increases the likelihood of good offices and decreases the likelihood of arbitration (at the .05 level of significance). In particular, the probability of good offices increases from 0.323 to 0.423, while the probability of arbitration decreases from 0.221 to 0.079. A change in bias has no statistically significant effect on the probability of mediation. Thus, all else equal, biased third parties are more likely to participate in the less intrusive strategy of good offices than unbiased third parties, and unbiased third parties are more likely to pursue the more intrusive strategy of arbitration than biased third parties.

As for the other independent variables, the results indicate that issue salience increases the likelihood of good offices relative to mediation and arbitration. This coheres with previous findings that binding conflict management, such as arbitration, is less likely in salient claims (Gent and Shannon, forthcoming; Hensel, 2001). Additionally, power asymmetry in a dyad significantly increases the likelihood of arbitration and good offices relative to mediation. The number of recent militarized disputes, however, has no significant effect on the relative likelihood of any third-party settlement attempt type at the .05 level of significance.

**Extent of Settlement Attempt**

Given that we find support for Hypothesis 1, we now turn to Hypothesis 2. To do so, we examine the effect of bias on the extent of the claim covered by third-party settlement attempts. This dependent variable can take on three potential values: functional, procedural, and substantive. As above, we estimate a multinomial logit model, the results of which can be found in Table 3. All coefficients should be interpreted relative to the baseline category of functional attempts. The coefficients for bias are negative and significant for both procedural and substantive attempts. Bias decreases the likelihood that a third party will be involved in a substantive or procedural settlement attempt relative to a functional attempt. However, contrary

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**Table 2. Type of Settlement Attempt (Multinomial Logit)**

<table>
<thead>
<tr>
<th></th>
<th>Good Offices</th>
<th>Arbitration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bias</td>
<td>1.668***</td>
<td>−10.466***</td>
</tr>
<tr>
<td></td>
<td>(0.846)</td>
<td>(4.513)</td>
</tr>
<tr>
<td>Salience</td>
<td>0.213***</td>
<td>−0.062</td>
</tr>
<tr>
<td></td>
<td>(0.075)</td>
<td>(0.105)</td>
</tr>
<tr>
<td>Power Asymmetry</td>
<td>3.181***</td>
<td>4.077***</td>
</tr>
<tr>
<td></td>
<td>(1.453)</td>
<td>(1.944)</td>
</tr>
<tr>
<td>MIDs in Past 5 years</td>
<td>0.002</td>
<td>0.037</td>
</tr>
<tr>
<td></td>
<td>(0.125)</td>
<td>(0.195)</td>
</tr>
<tr>
<td>Constant</td>
<td>−4.278</td>
<td>−3.349</td>
</tr>
<tr>
<td></td>
<td>(1.214)</td>
<td>(1.499)</td>
</tr>
</tbody>
</table>

N = 227

*p < .10, **p < .05, ***p < .01. Robust standard errors clustered on claim in parentheses.

The baseline category is Mediation.
to our expectation, bias has no significant effect on the likelihood of substantive attempts relative to procedural attempts. Overall, unbiased third parties are more likely to participate in settlement attempts that address a greater extent of the claim than biased third parties. As in the previous analysis, we simulated estimated probabilities of the outcomes with bias at its minimum and mean value and setting all other variables at their means. The simulations indicate that such a change in bias has a positive and statistically significant effect at the .05 level on the probability of functional attempts (an increase from 0.041 to 0.063). However, bias has no significant effect on the overall expected probability of procedural or substantive attempts.

Interestingly, among the other independent variables, the only variable that has a statistically significant effect on the scope of a settlement attempt is the number of recent militarized interstate disputes. Military conflict increases the likelihood of procedural settlement attempts relative to substantive attempts. This perhaps indicates that when tensions are high due to the militarization of an issue claim, states focus more attention on settling peripheral issues before trying to resolve the underlying claim.

The above multinomial logit analyses indicate that bias affects the role played by third parties in settlement attempts. Bias increases the likelihood that a third party will engage in less intrusive conflict management strategies, such as good offices, relative to more intrusive conflict management strategies, such as arbitration. Similarly, there is a significant relationship between bias and the scope

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*Figure 1. Change in Level of Bias and Third-Party Management Strategy*
Simulated probabilities from multinomial logit in Table 1, holding other independent variables at their mean values.

*Statistically significant at the .05 level.

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15 This relationship cannot be directly interpreted from the coefficients and standard errors in Table 2 since the baseline category is functional attempts.
of a third-party settlement attempt. As the scope of the settlement attempt increases, claimants are relatively more likely to invite less biased third parties to resolve their differences. We now examine whether bias has a significant effect on the outcome of these settlement attempts.

### The Effectiveness of Settlement Attempts

The strongest measure of the effectiveness of a settlement attempt is whether it results in an agreement that ends the claim. Not all settlement attempts aim to resolve an entire claim. But among those that do, Hypothesis 3a predicts that those that incorporate more intrusive third-party conflict management strategies will be more likely to end claims. Hypothesis 3b states that since bias is inversely related to the intrusiveness of a third party’s strategy, we should observe that unbiased third parties are more successful at ending claims than biased third parties. In previous research, we find that binding conflict management techniques are more likely to end territorial claims than nonbinding third-party techniques (Gent and Shannon, 2010). To test the theory developed here, we consider a wider range of issue types and a more detailed breakdown of third-party conflict management strategies. Looking at all substantive third-party settlement attempts in territorial, maritime, and river claims that addressed the entire claim, we examine the likelihood that the disputants make an agreement that ends the claim.\(^{16}\)

Given that our dependent variable is dichotomous, we perform a logit analysis, presented in Table 4. In the first model, we only include the characteristics of the claim and the third party. In this model, the bias of a third party has a negative and significant effect on the likelihood that claimants will make an agreement that ends a claim. In the second model, we control for the type of conflict management strategy pursued. Once we do this, bias has no statistically significant effect on ending claims. Thus, less biased third parties are more effective at ending issue

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\(^{16}\) We only include these settlement attempts in this analysis because they are the only attempts that explicitly aim to end a claim.
claims, not because of their neutrality per se, but because of the types of settlement attempts they intermediate. Similarly, the negative and statistically significant effect of salience on the likelihood that a settlement attempt ends a claim does not hold once we control for settlement attempt type. On the other hand, both models indicate that third-party settlement attempts are more effective at ending claims when there is a high level of asymmetry between the claimants and when there have been militarized interstate disputes in recent years.

The results indicate that the conflict management strategy significantly influences the likelihood of ending a claim. Arbitration is significantly more likely to lead to an agreement ending the claim than good offices or mediation. On the other hand, good offices are significantly less likely to end a claim than any other type of attempt. Simulated probabilities of the likelihood that a settlement attempt ends the claim can be found in Figure 2. Holding other variables at their means, the predicted probability that arbitration ends a claim is 0.41, while the predicted probabilities that mediation and good offices end a claim are 0.12 and 0.03, respectively. Thus, a more intrusive type of diplomatic intervention, such as arbitration, is significantly more likely to end a claim than a less intrusive strategy, such as mediation or good offices. In sum, bias has an indirect effect on the likelihood that a substantive settlement attempt ends a claim. Less biased third parties are more likely than more biased third parties to participate in more intrusive forms of conflict management, which in turn are more likely to end claims.

An alternative operationalization of the effectiveness of a settlement attempt is whether it leads to any agreement. Regardless of the conflict management strategy used or the extent of the claim that is addressed, a goal of any settlement attempt is for the claimants to reach some sort of agreement. Such a measure of
effectiveness allows us to incorporate functional and procedural attempts into our analysis because agreements can be functional, procedural, or substantive. Functional agreements stipulate current use of the resource while negotiations over final status of the resource are ongoing. Procedural agreements determine procedures to be used in future negotiations. Substantive agreements address permanent distribution of the resource.

Our theory makes no clear prediction about the effect of bias on the likelihood of an agreement because we expect that while the intrusiveness of a third-party strategy increases the likelihood of an agreement, the scope of a settlement attempt has a negative effect on the likelihood of an agreement. To investigate this empirically, we examine the factors that influence the likelihood that a settlement attempt results in an agreement, as reported by ICOW. Given the dichotomous dependent variable, we perform a logit analysis. We estimate three model specifications, all of which include the independent variables described above. In addition, the second model examines the effect of third-party conflict management strategy on whether an agreement is reached, while the third model includes indicators for the extent of the claim addressed by the settlement attempt.

The results of our analyses can be found in Table 5. In all of the models, bias has no significant effect on the likelihood that a settlement attempt results in an agreement. Moreover, none of the characteristics of the claim have any significant influence on the probability of an agreement. However, both the type of third-party conflict management strategy used and the scope of the settlement attempt do affect the likelihood that the claimants sign some sort of agreement. Arbitrations are more likely to result in agreements than good offices or mediation. More intrusive conflict management strategies tend to be more likely to lead states to reach agreements. As for the scope of the settlement attempt, procedural and substantive attempts are less likely to result in agreements than functional attempts. As the extent of the claim addressed by the settlement attempt increases, states are less likely to reach an agreement.
These findings provide some insight as to why bias has no significant effect on the likelihood that a settlement attempt results in an agreement even though bias of a third party influences both conflict management strategies and the scope of settlement attempts. To illustrate, consider the simulated expected probabilities in Figures 3a and 3b, which show the expected probability that a given settlement attempt type will result in an agreement, holding all other independent variables at their mean values. In general, more intrusive third-party strategies are more likely to lead to an agreement (Figure 3a), while settlement attempts that address a greater extent of the claim are less likely to lead to an agreement (Figure 3b). As the analysis above showed, bias increases the likelihood that a state will engage in a less intrusive strategy, such as good offices, which is less likely to result in an agreement than a more intrusive strategy, such as arbitration. On the other hand, our analysis also indicates that bias is inversely related to the scope of the claim addressed by a third-party settlement attempt. These cross-cutting effects indicate that the bias of a third party will not necessarily correlate with the success of a settlement attempt in reaching an agreement.

The results support our argument that bias indirectly affects the effectiveness of settlement attempts through its influence on the conflict management strategies pursued and the scope of the settlement attempt intermediated by third parties. In one sense, less biased third parties are better conflict managers because disputants prefer them to intermediate intrusive settlement attempts that are more likely to lead to agreements that end claims. However, less biased third parties are no more or less likely to broker settlement attempts that lead to any type of agreement.
Thus, while unbiased third parties are not universally better than biased third parties, they play a central role in the third-party settlement attempts that best resolve issue claims between states.

**Conclusion**

While some scholars identify biased intermediaries as the most effective conflict managers, we find that unbiased third parties are better at brokering agreements that end disputes. Our finding is not attributed, however, to the characteristics of the third party. Rather, we find that disputants are more likely to invite unbiased
third parties to pursue the intrusive management strategies that are most likely to end disputes. Thus, the conflict management technique is more influential than third-party characteristics in determining successful conflict resolution. To fully understand the effectiveness of conflict management, it is important to account for the mechanism the third party uses as well as its preferences (Gent and Shannon, 2010; Kydd, 2003; Rauchaus, 2006; Schmidt, 2005).

Knowing that the effectiveness of third-party conflict management is a function of the strategy pursued offers an important policy implication. Outside actors can anticipate the success of attempts to settle territorial, maritime, and river claims based upon the mechanism being used. When disputants opt for more intrusive third-party techniques, there is a greater likelihood they will resolve their dispute. This information is beneficial to both foreign governments who interact with disputing states and firms who hope to invest in the disputed territory or maritime area. If such interested parties observe disputants pursuing arbitration, they will expect the dispute to be resolved in the near term. On the other hand, in the case of good offices, additional attempts will likely be needed to resolve the dispute. Mediation lies somewhere in between these two extremes. This rule of thumb is especially useful because the conflict management technique is much easier to observe than other factors like third-party bias. It provides a simple and relatively costless way for outside observers to update their beliefs about the potential for successful dispute resolution.

References


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STEPHEN E. GENT is Assistant Professor of Political Science at the University of North Carolina at Chapel Hill. His research interests include conflict management and military intervention. His work has previously appeared in the *Journal of Politics, International Studies Quarterly*, and *International Interactions*.

MEGAN SHANNON is Assistant Professor of Political Science at the University of Mississippi. Her research interests include conflict management and international organizations. Her work has previously appeared in the *American Journal of Political Science, Journal of Politics, International Studies Quarterly*, and *Conflict Management and Peace Science*.