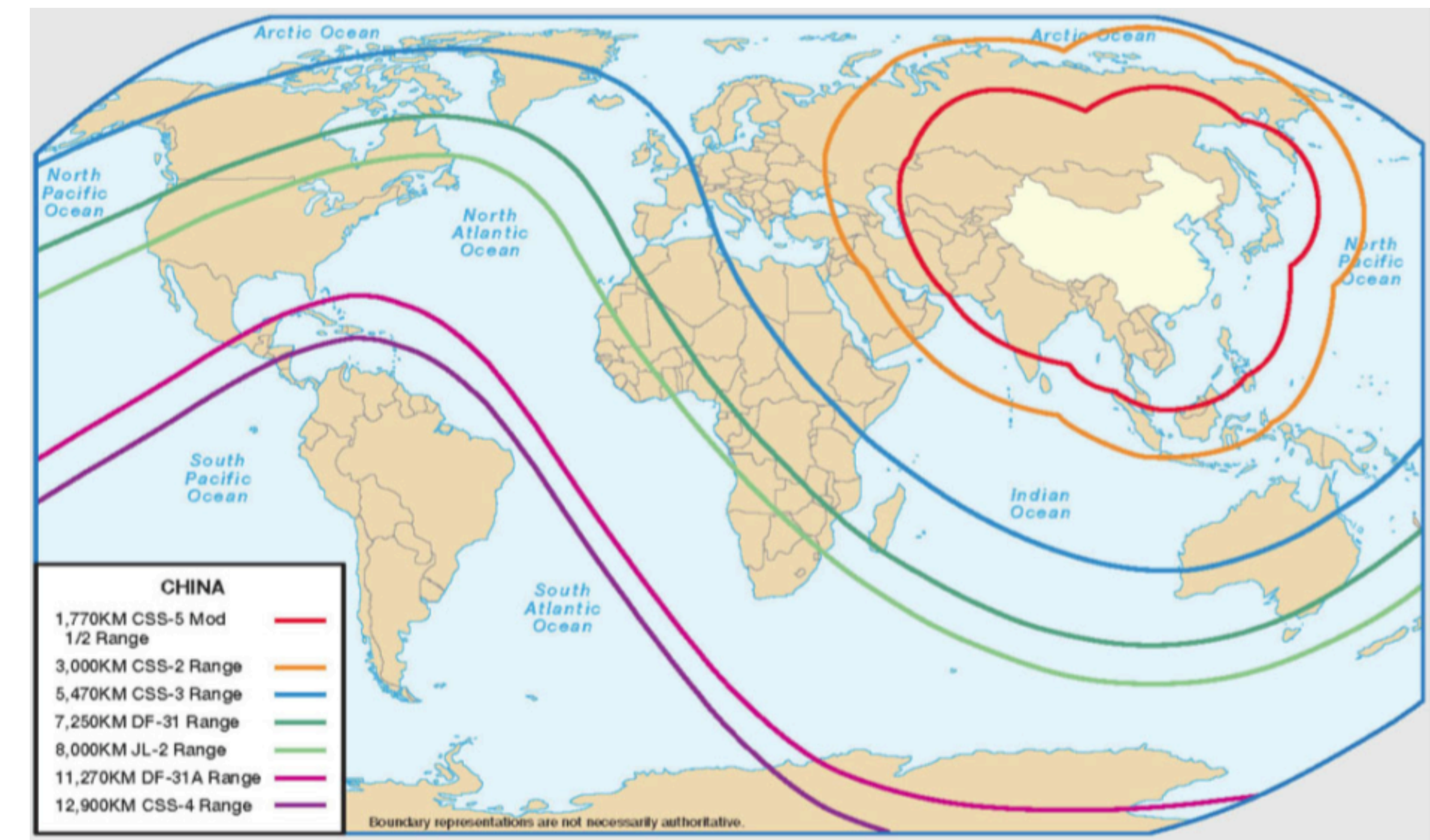# Projecting Power: A Cost Benefit Analysis of Where States Fight

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Why do states project power?

Argument: States are more likely to project power when they have large economies and when technological innovation lowers the cost of projecting power.

Source: Military Power of the People's Republic of China 2007 [Annual Report to Congress], published by the U.S. Department of Defense

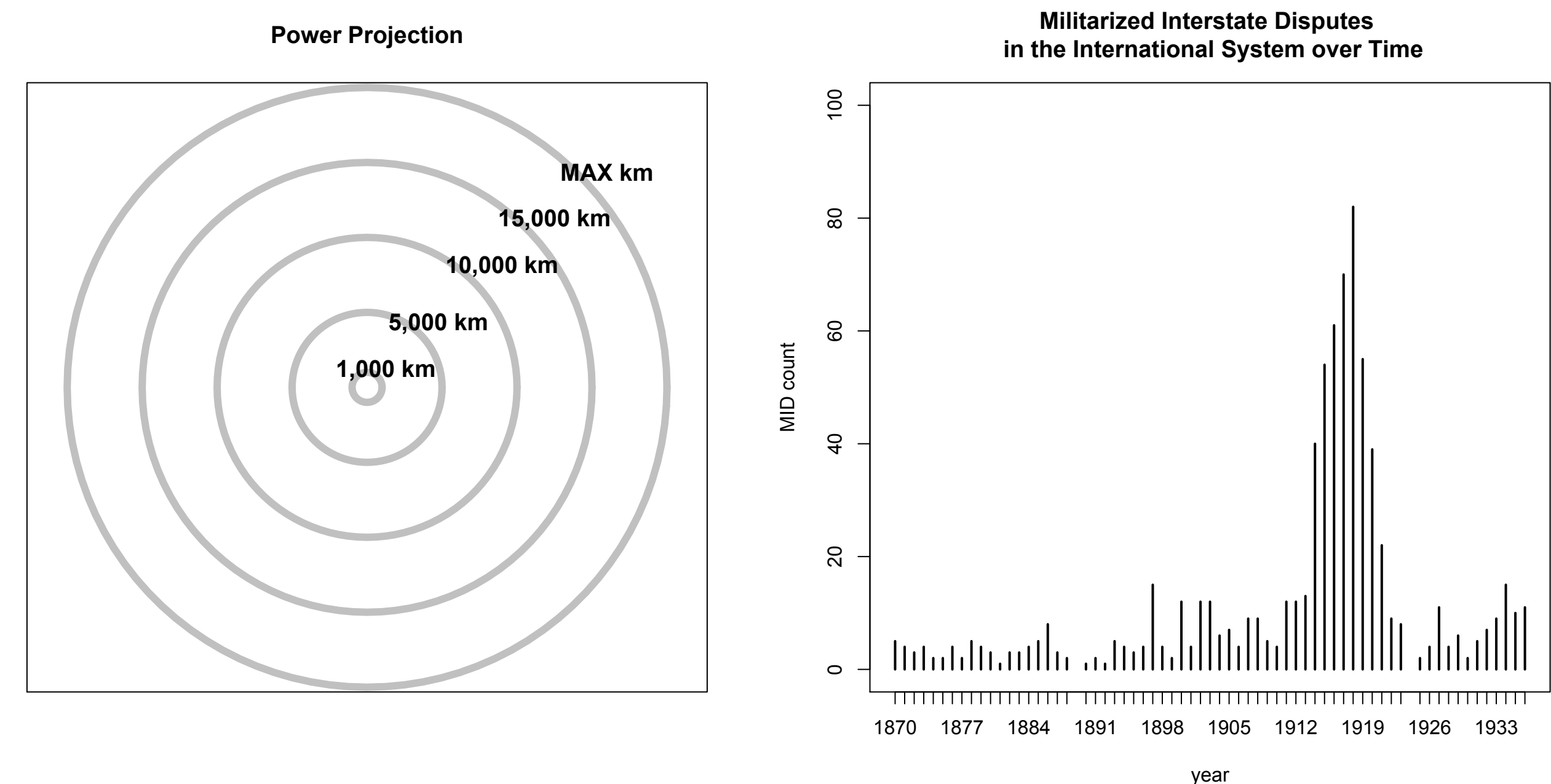## Observable Implications of Power Projection

Figure: The cost of projecting power should increase as states project power further from their capital. Therefore, we should observe states projecting more power locally and less power globally. However, as the cost of projecting power decreases we should see states projecting power at greater distances from their capital. A decrease in the cost of shipping increases the distance at which a state can profitably net returns for projecting coercion. An observable implication of this relationship should be an increase in the number of global militarized interstate disputes.

Frequency of MIDs in the International System

H1: As the cost of projecting power decreases the system will experience an increase in the number of militarized interstate state disputes.

Negative Binomial Regression of all MIDs in the System

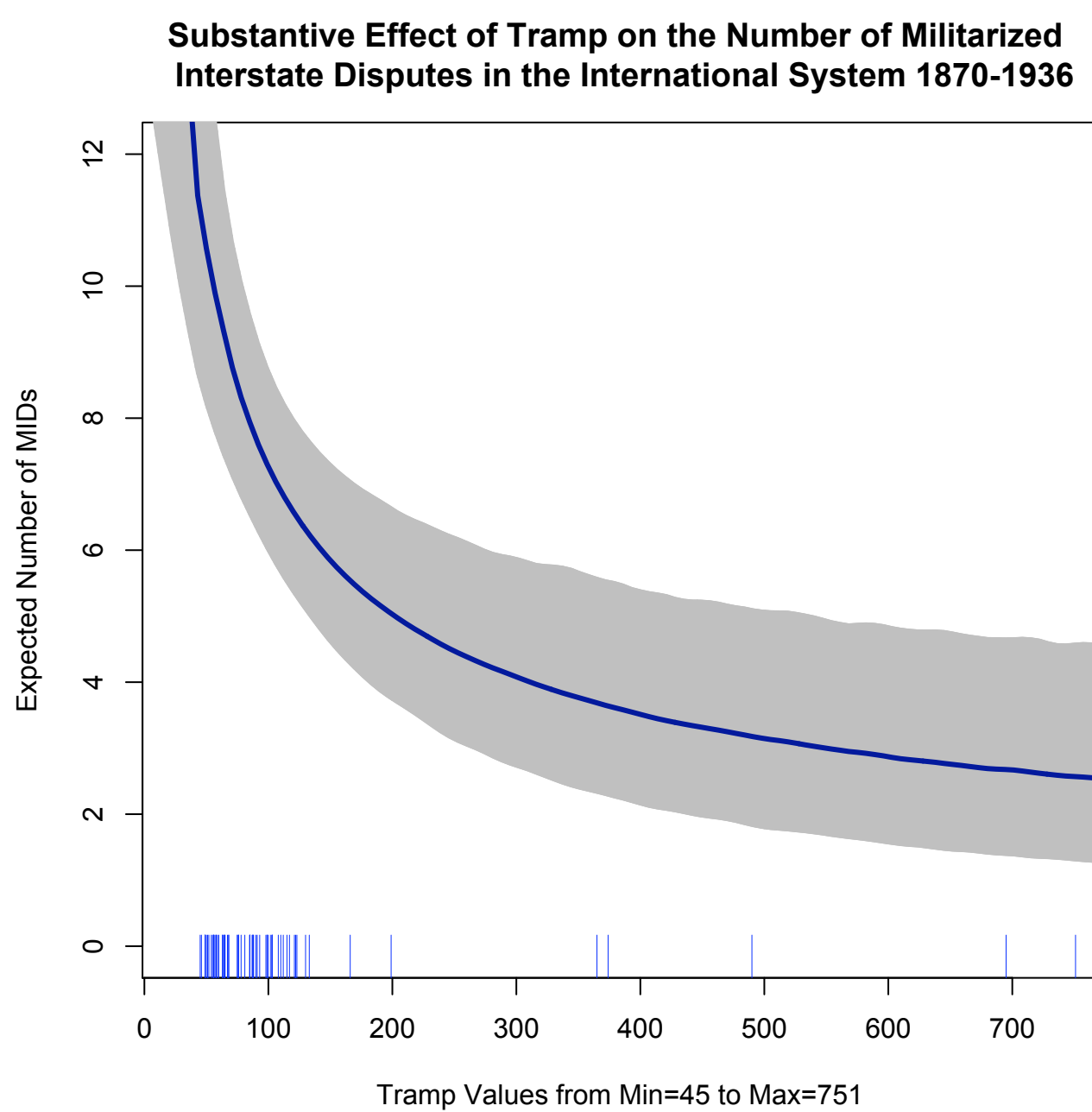|	Estimate	Std. Error	t value	p
Intercept	3.4235	1.5104	2.27	0.0268
MID_{t-1}	0.0581	0.0064	9.12	0.0000
$Shipping_{t-1}$	-0.5745	0.1762	-3.26	0.0018
$Industrialization_{t-1}$	0.1333	0.3836	0.35	0.7294

Figure: The effect of the cost of shipping on the expected number of MIDs in the international system (1870-1936). A change from one standard deviation below the mean value of the cost of shipping ($49.80) to one standard deviation above the mean ($163.60) changes the expected number of MIDs from 10.66[8.15, 13.90] to 5.582[4.342, 6.984].

State Percentage of Global GDP Over Time
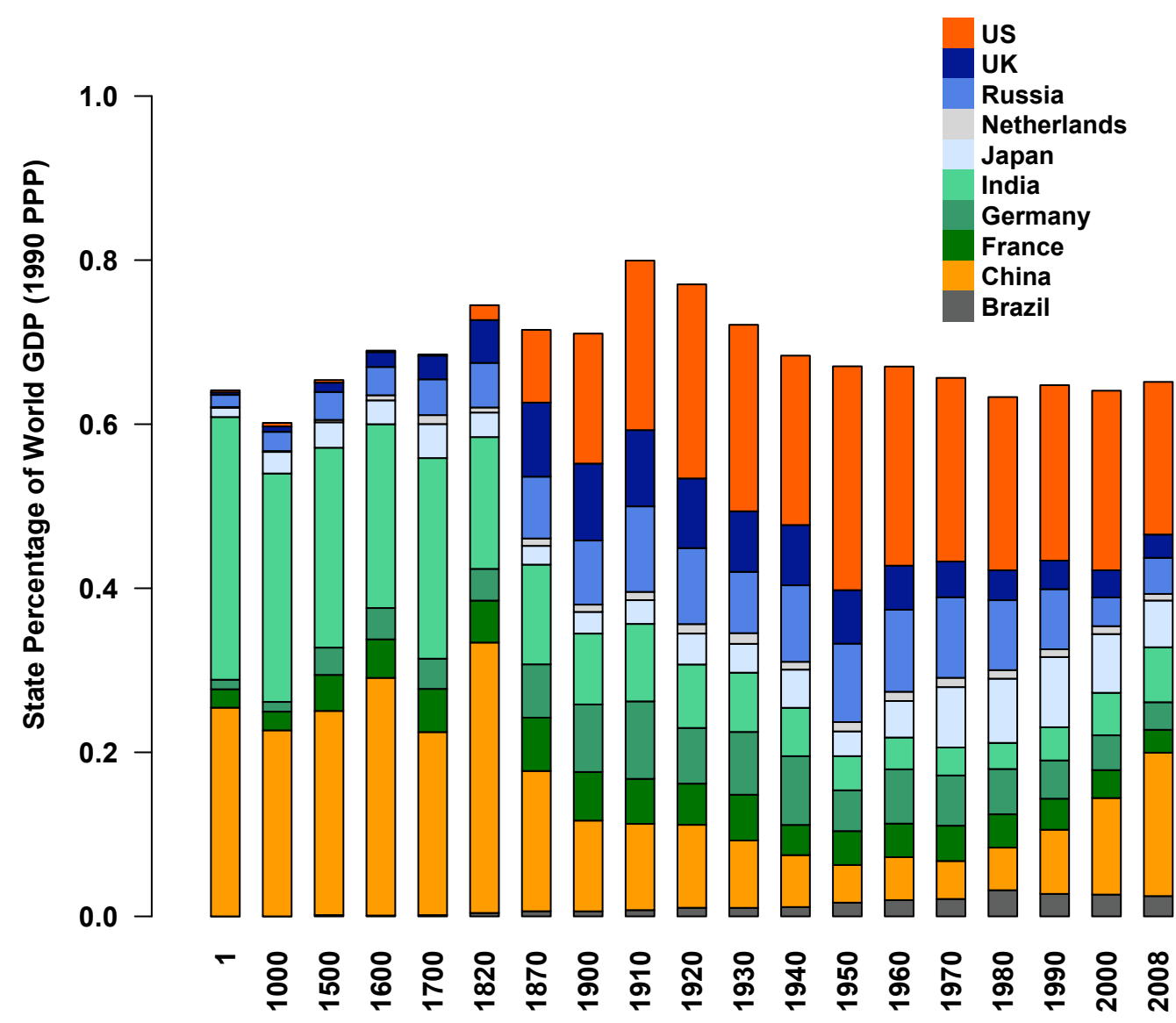
Distance of MIDs from the Power Projecting State

H3: States with greater relative economic resources will participate in MIDs a greater distances from their capital than states with less economic resources.
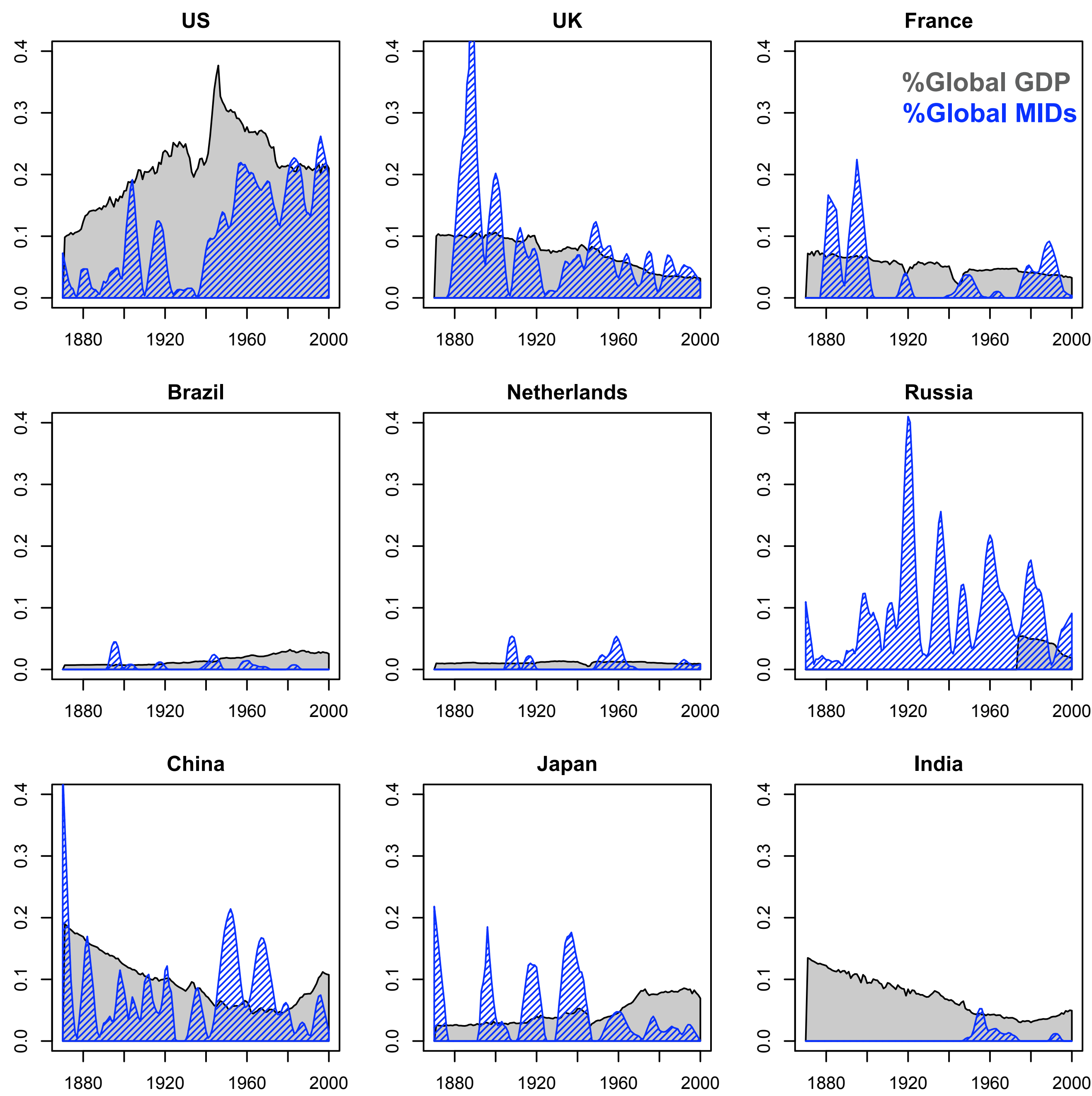

Figure: The relationship between percentage of global GDP and the percentage of global MIDs that occur 3200km away from the projecting state's capital.

Generalized Estimation Equation of ln Distance to MID_a

	Estimate	Naive S.E.	Naive z	Robust S.E.	Robust z
Intercept	2.49	0.14	17.61	0.24	10.52
ln distance to MID_b	0.45	0.01	33.37	0.02	20.16
ln GDP_{t-1b}	-0.07	0.01	-5.76	0.02	-3.63
ln GDP_{t-1a}	0.24	0.01	21.94	0.02	14.13
$cinc_{t-1b}$	6.21	0.53	11.64	1.04	5.97
$cinc_{t-1a}$	2.53	0.30	8.33	0.45	5.67

Table: Estimation of the distance from the capital of the power projecting state a to the location of the militarized interstates dispute for all MIDs (1870-2000). A change from the 25th percentile of the projecting state a's GDP to the 75th percentile of GDP increases the expected distance of a MID from the projecting state a's capital from 1328.911km [1211.490km, 1461.337km] to 2673.908km [2459.615km, 2907.150km].

Future Research

Our findings leave us with a new puzzle: why did the majority of economically powerful states deploy military force globally during the late 19th and early 20th century? Why have most of them stopped projecting power today, and why might they start projecting power in the future?