GV103: Introduction to International Relations

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Avoidable Costs of Conflict

Introduction

- Two goals for this lecture
    - Introduce some terms and concepts
    - Demonstrate that war is inefficient

Terminology

Bargaining

Attempts to reach undisputed allocations through negotiations, *fait accompli*, or violence.

War

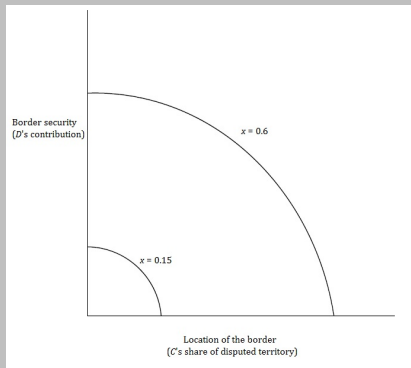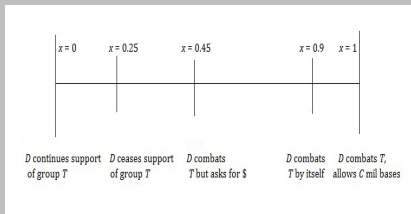Coordinated violence in the attempt to seize control of territory or coerce a change in behavior.

Inefficient

Property of outcomes that are reached through a process that entails greater costs than would have been incurred through some alternative path to an equivalent outcome.

Model of Crisis Bargaining

- C sets $x \in [0, 1]$

- D can either accept or reject
    - If D accepts, game ends peacefully
    - $u_C(\text{peace}) = x$ and $u_D(\text{peace}) = 1 - x$
    - If D rejects, game ends in war
    - $u_C(\text{war}) = w - c_C$ and $u_D(\text{war}) = 1 - w - c_D$

Divisibility

Analysis

- D accepts iff $u_D(\text{peace}) \geq u_D(\text{war})$
  - Equivalent to $x \leq \hat{x}$
  - Where $\hat{x} \equiv w + c_D$

- Does C make largest acceptable demand?
  - Iff $u_C(\text{peace}|x = \hat{x}) \geq u_C(\text{war})$
  - $\Rightarrow \hat{x} \geq w - c_C$
  - $\Rightarrow w + c_D \geq w - c_C$
  - $\Rightarrow c_C + c_D \geq 0$
  - This must be true