GV103: Introduction to International Relations

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Commitment Problems

Introduction

- Two goals for this lecture
  - Demonstrate that expectation of shift in power can lead to war
  - Discuss how this explains why there isn't less conflict

A Model of Bargaining While Power is Shifting

- Assume D is growing stronger relative to C
  - C either sets $x_1 \in [0, 1]$ or attacks
  - If C offers terms, D can accept or reject
  - Either way, at some point in the future, second crisis emerges
  - C either sets $x_2 \in [0, 1]$ or attacks
  - If C offers terms, D can accept or reject
  - Either way, game then ends

Outcomes	u_C	u_D
peace$_1$, peace$_2$	$x_1 + x_2$	$1 - x_1 + 1 - x_2$
peace$_1$, war$_2$	$x_1 + \underline{w}_2 - c_C$	$1 - x_1 + 1 - \underline{w}_2 - c_D$
war$_1$, peace$_2$	$w_1 - c_C + x_2$	$1 - w_1 - c_D + 1 - x_2$
war$_1$, war$_2$	$w_1 - c_C + \overline{w}_2 - c_C$	$1 - w_1 - c_D + 1 - \overline{w}_2 - c_D$

Second Stage Analysis

- D's acceptance rule nearly identical to before
  - D accepts iff $u_D(\text{peace}_2) \geq u_D(\text{war}_2)$
  - If war$_1$, equivalent to $x_2 \leq \overline{x}_2$
  - If peace$_1$, equivalent to $x_2 \leq \underline{x}_2$
  - Where $\overline{x}_2 \equiv \overline{w}_2 + c_D$ and $\underline{x}_2 \equiv \underline{w}_2 + c_D$
- At second stage, C must prefer $x_2 = w_2 + c_D$
  - In second stage, war is strictly inefficient
  - Thus, peace is certain in second stage
  - Once a shift in power occurs, it has no impact

First Stage Analysis

- D accepts iff $x_1 \leq \hat{x}_1$
  - Where $\hat{x}_1 \equiv w_1 + \overline{w}_2 - \underline{w}_2 + c_D$
  - $\hat{x}_1 > 1$ possible, but D cannot give up more than everything

- If $\hat{x}_1 < 1$
  - C offers terms iff $u_C(\text{peace}_1 | x_1 = \hat{x}_1) \geq u_C(\text{war}_1)$
  - $\Rightarrow \hat{x}_1 + \underline{x}_2 \geq w_1 - c_C + \overline{x}_2$
  - $\Rightarrow c_C + c_D \geq 0$

- If $\hat{x}_1 \geq 1$
  - C offers terms iff $u_C(\text{peace}_1 | x_1 = 1) \geq u_C(\text{war}_1)$
  - $\Rightarrow 1 + \underline{x}_2 \geq w_1 - c_C + \overline{x}_2$
  - $\Rightarrow 1 + c_C \geq w_1 + \overline{w}_2 - \underline{w}_2$

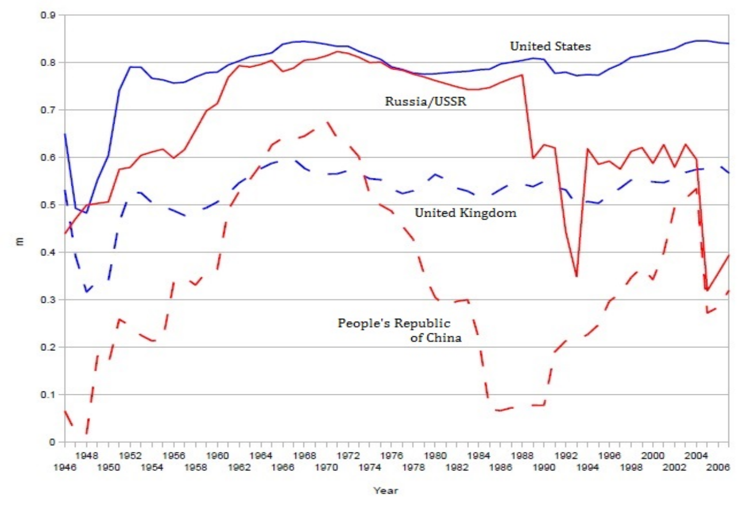
Historical Example

- Slavery as issue of contention for ACW, but not cause
  - Three-fifths compromise
  - Territorial expansion and balance of power
  - Crittenden proposal and Corwin Amendment
- Lincoln's change of strategy
  - After attack on Fort Sumter, Lincoln's cabinet met
  - Decided against invasion, choosing blockade instead
  - Two months later, Lincoln decided to invade
  - Fear of British recognition

Data

- Observations: all dyad-years from 1821 to 1913, 1946 to 2007
- y: outbreak of war w/ 2 states on opp sides
  - Taken from Correlates of War interstate war data
  - Excludes those who suffered $<10\%$ of fatalities on their side, unless that state fought alone for an extended period
- xs: Milcap Share, Likely_H, Likely_L
  - Milcap Share $= \frac{m_H}{m_L + m_H}$ where m_H is larger m score
  - Likely shares are based on current Milcap share, trend, war

A Look at the *m* Scores



Results

	War
Milcap Share	$+$
Likely_H	$+^*$
Likely_L	$-^*$