

Political development & policy



Lecture 3: Why we fight and the path to peace (Part II)

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Last class

- Conflict is costly in social, economic and political terms
- This cost creates a bargaining range where competing groups can find peaceful bargains
- War is the exception not the rule.
 - Rather than thinking of violence as natural, fighting is what happens when peaceful bargains break down
- There are 5 main kinds of reasons why bargains break down, which I call:
 1. Unchecked elites
 2. Violent preferences
 3. Systematic mistakes
 4. Uncertainty
 5. Impossible bargains (Commitment problems)
- Most conflicts can be understood in terms of these 5 reasons, and most solutions to conflict are solutions to at least one of these five problems

Today

- Walk through the 5 kinds of reason for wars

Next class

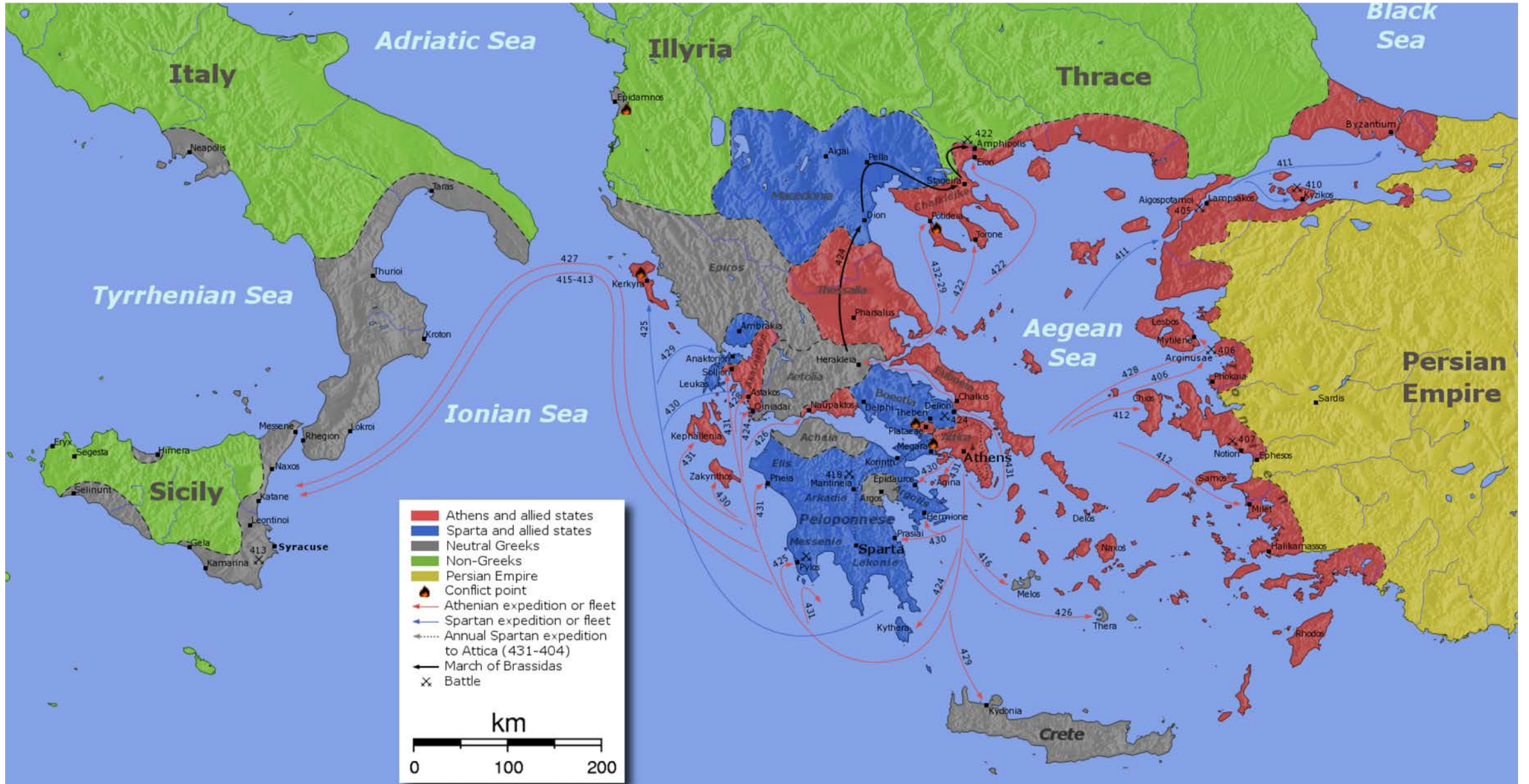
- Some applications, including Liberia
 - Read Amos Sawyer and, if you like, the Blattman, Hartman Blair paper introduction
- How remedies follow from reasons

Two great powers, representing two vastly different ideals and social organization

- Athens
 - Birthplace of democracy
 - Flourishing center for arts, philosophy, science
 - Builds a vast maritime empire in Aegean Sea, the Delian League, providing security for tribute
- Sparta
 - Ruled by military oligarchs
 - 4 in 5 subjects enslaved as agriculturalists
 - Every male citizen trained from earliest age to be a complete specialist in violence and war
 - Disdain for trades, little infrastructure, no walls because of ideals of fighting prowess
 - Along with its allies it dominates a vast land empire, The Peloponnesian League

In the late 20th century, the rivalry is often compared to the US and USSR

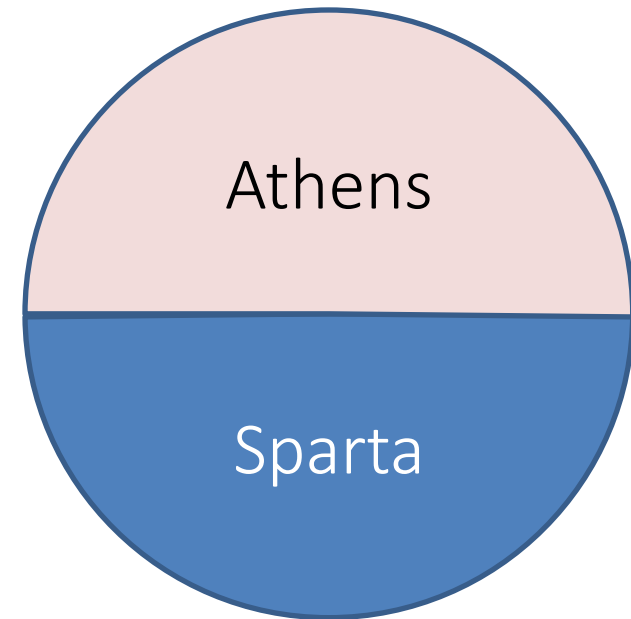
The Greek World, circa 431 B.C.E.



This brings us back to our simple example of incentives for peace

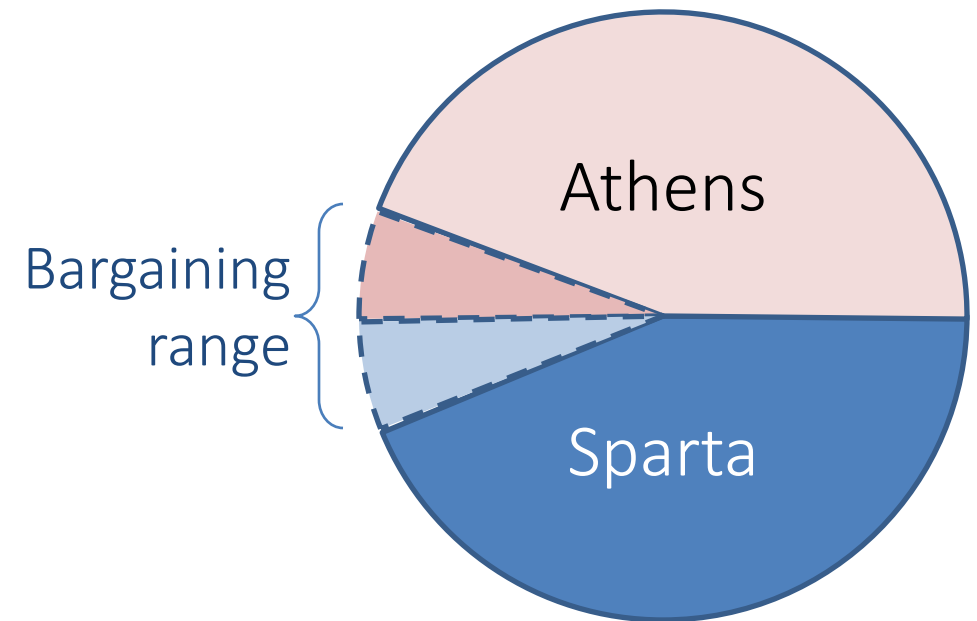
Suppose the Greek world is a pie worth \$100. If there is a war, the winner gets $X = \$100$, the loser \$0.

Here is a possible peaceful split of the pie for equally powerful groups (i.e. $p = 50\%$ chance of winning a war)

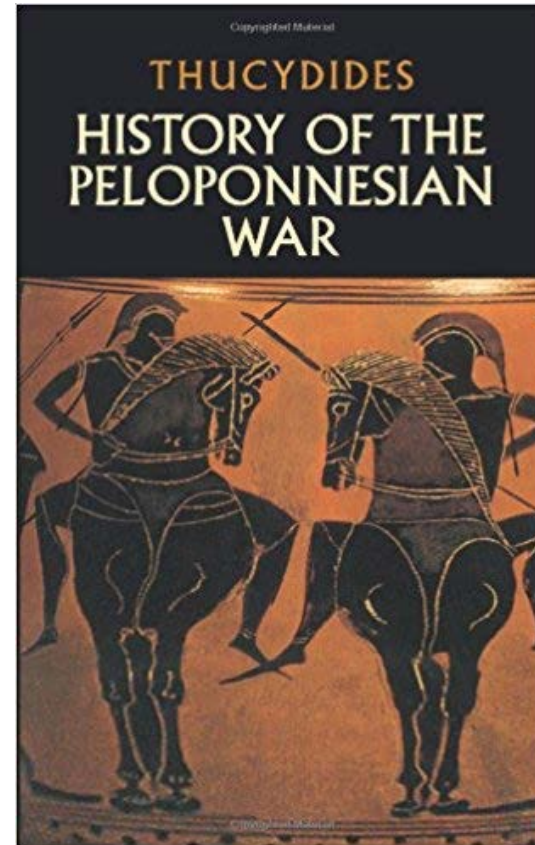
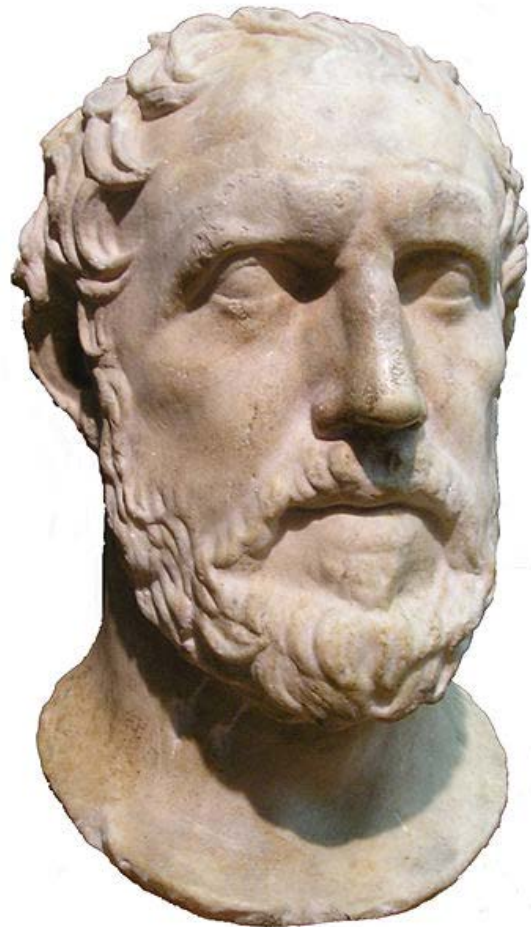


The incentives for peace and the bargaining range

- This implies that Athens would find any split greater than \$40 preferable to war
- The \$10 cost to each side creates a **bargaining range** that is $\$10 + \$10 = \$20$ wide
- Costly war provides incentives for a peaceful bargain
 - If Athens can make Sparta a take-it-or-leave-it offer, where the alternative is war, then Sparta will always accept any offer $x > \$40$ rather than war
 - If they negotiate over multiple rounds, both prefer any Spartan share x in the bargaining range $\$40 < x < \60 to war, and will find an x peacefully
 - The actual split x then depends on the rules and first mover

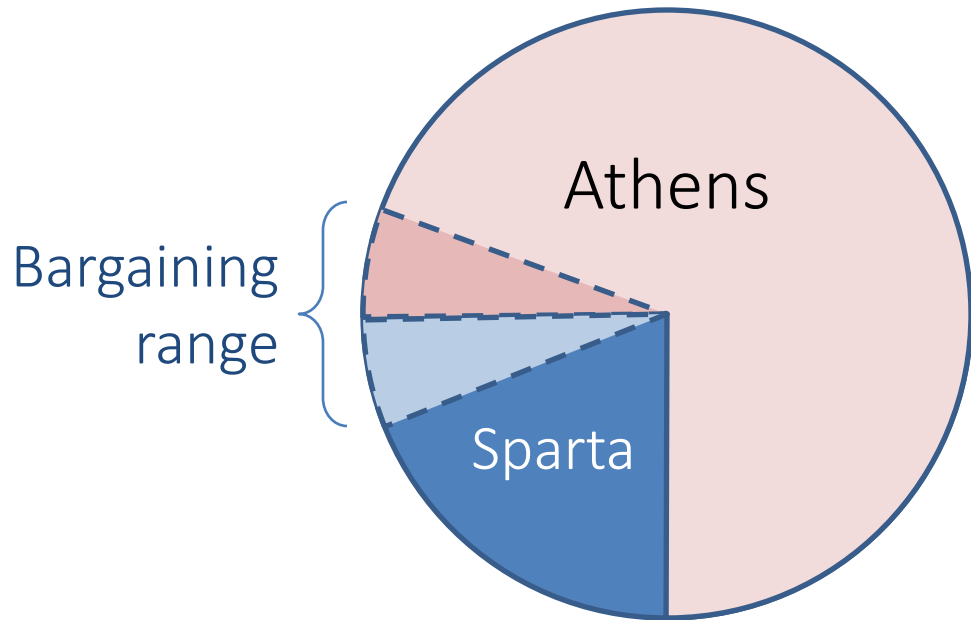


Famed account of the war comes from the historian Thucydides:
“It was the rise of Athens and the fear that this instilled in Sparta
that made war inevitable.”



So imagine a state of the world where Sparta becomes much weaker, and has only a 25% chance of winning a war. It holds 50% of the territory, however. What do we predict a unitary, rational Sparta to do?

The new bargaining range (if $c = \$10$ still for both)



- For example, the Spartans might be the most advanced at war, but if they send too many troops away, their slave empire revolts
- Or perhaps this is a world where Athens's vast trading empire and tributary system, the Delian League, gives it the wealth to run a long war or the navy to outmatch Sparta
- Either way, Sparta will accept any $\$15 < x < \35 over war in this world
- Sparta will transfer territory or tribute to avoid a war

In some ways, this is not a terrible description of the Greek world before the Peloponnesian War

- There are many hostile rivalries among city states, but only some of them are violent
- Alliances like The Delian League (Athens) or The Peloponnesian League (Sparta) are peaceful deals (however unequal)
 - Weaker states transfer tribute to the stronger ones, rather than fight
 - Imperialism and tribute are common alternatives to conflict throughout history
- When they are violent (and there are many wars between Greek city states) these conflicts tend to be of short duration, often decided in single skirmishes or battles
 - There are no long and sustained conflicts

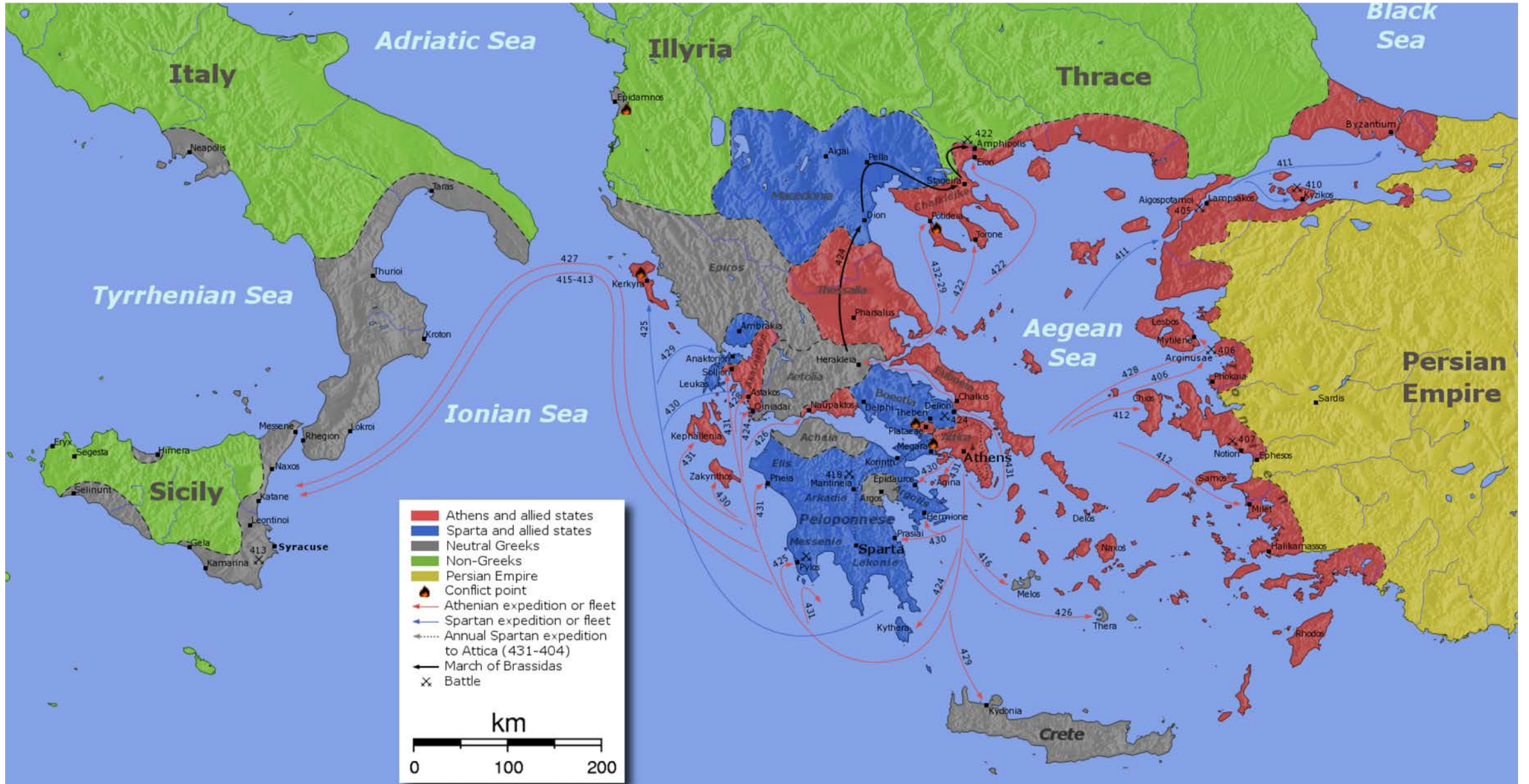
Thus: How to explain the Peloponnesian War?

Also: Can we also explain the need for violent battles so normal among Greek city states? (As it is perhaps unfair to treat these as “skirmishes” and basically peaceful)

In the lead-up to the Peloponnesian War, you saw many of attempts to bargain find peace

- Signed a peace treaty
 - Forbids city-states changing alliances
 - Compels both sides to use binding arbitration
- Sparta considers going to war repeatedly over decades, but always finds a reason to bargain or settle after “saber rattling”
 - Tribute paid, or territorial concessions made
 - Invasion forces are bribed to go home
- Even in the run-up to the long Peloponnesian War there are many attempts to negotiate and signal strength
 - Ongoing attempts to send peace envoys
 - Spartan army marches around countryside avoiding major attacks for two years to inflict damage, signaling seriousness, sending peace envoys

But conflict does break out: The Peloponnesian War 431–404 BC



Let's begin with the rationalist, game theoretic explanations

1. Unchecked elites
2. Violent preferences
3. Systematic mistakes
4. Uncertainty
5. Impossible bargains (Commitment problems)

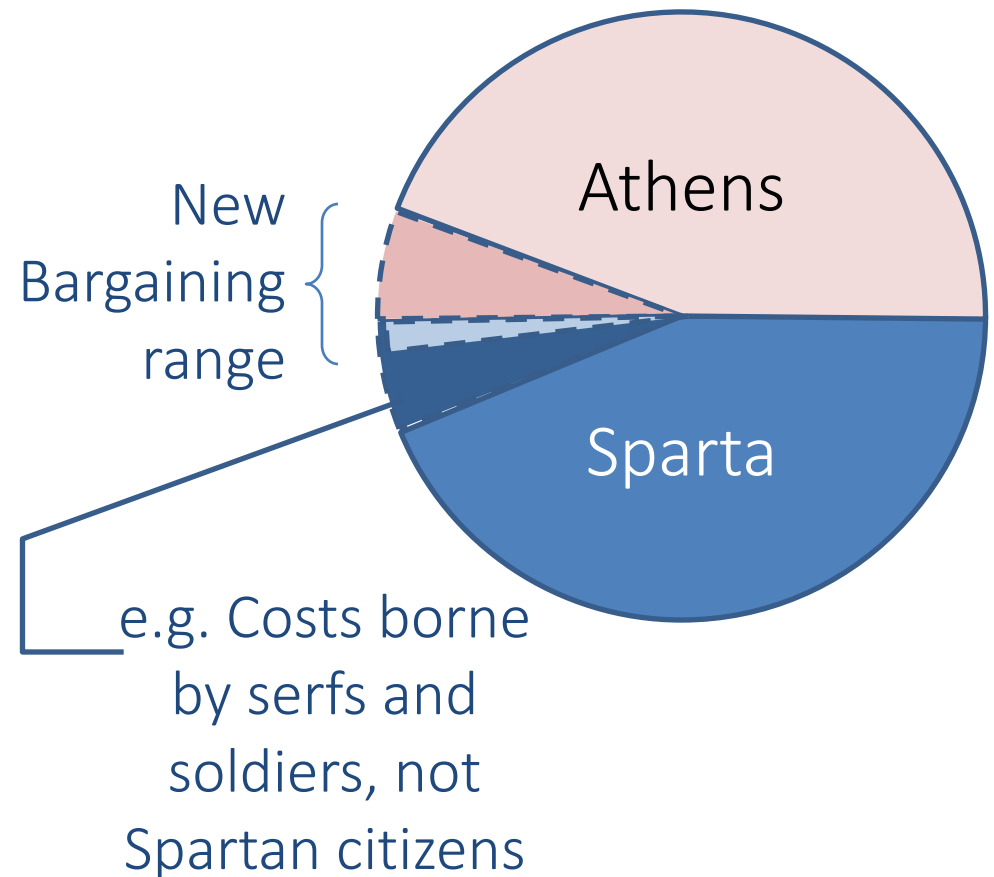
A typology of five explanations

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What if we relax unitary actor assumption?

If leaders ignore the costs of war, then bargaining range shrinks

- To the extent that leaders ignore costs, this shrinks the bargaining range
 - Sometimes called an “agency problem”
- But if a bargaining range still exists, war still remains a “puzzle”
 - But narrower ranges can accentuate asymmetric information and commitment problems and other causes of war



Under what circumstances could
unchecked leaders alone eliminate
peaceful bargains?

Now, I have not told you much about culture, power, or politics in these Greek city-states, but this is what you get from a Google Image search of...

“Athens”



“Sparta”



What kinds of factors occur to you as possibly making these elites more or less likely to internalize the costs of war?

Why would leaders would act anything but selfishly?

When do rulers internalize the costs of war and solve the agency problem?

Psychological/behavioral

- Internally-imposed regard for others
 - Your nature, ethics, preferences
- Arises from socialization, culture, genetics
- Humans display “social preferences” such as altruism and reciprocity
- We seem to be biased to our “in group”
 - “Parochial altruism”
 - The definition and width of the in-group matters

Political/institutional

- Externally-imposed regard for others
 - The rules, power, and constraints imposed by others
- A product of how power is distributed in a society, and how it has been institutionalized
- More decentralized, inclusive, professionalized formal systems, and stronger informal systems of norms, tend to restrain leaders

Recall Ambrogio Lorenzetti's *Allegory of Good and Bad Government* (Sienna, Italy, 1338-39): Good rulers are constrained



Why call this reason “unchecked elites” rather than “selfish leaders”? Because self-regard is universal but checks are not. Groups vary mainly in the checks upon, not virtue of, their leaders



A typology of five explanations

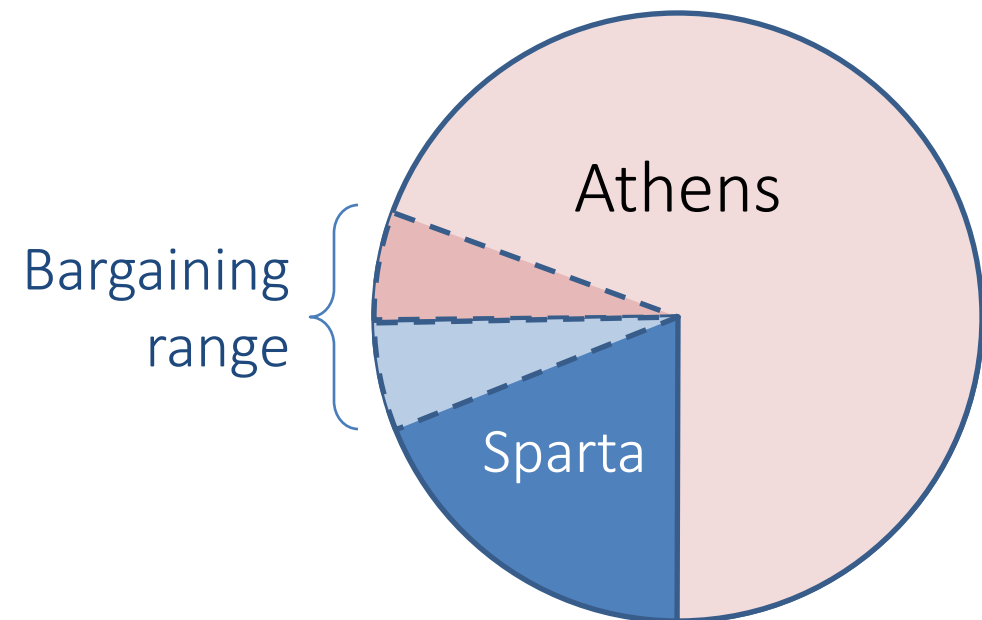
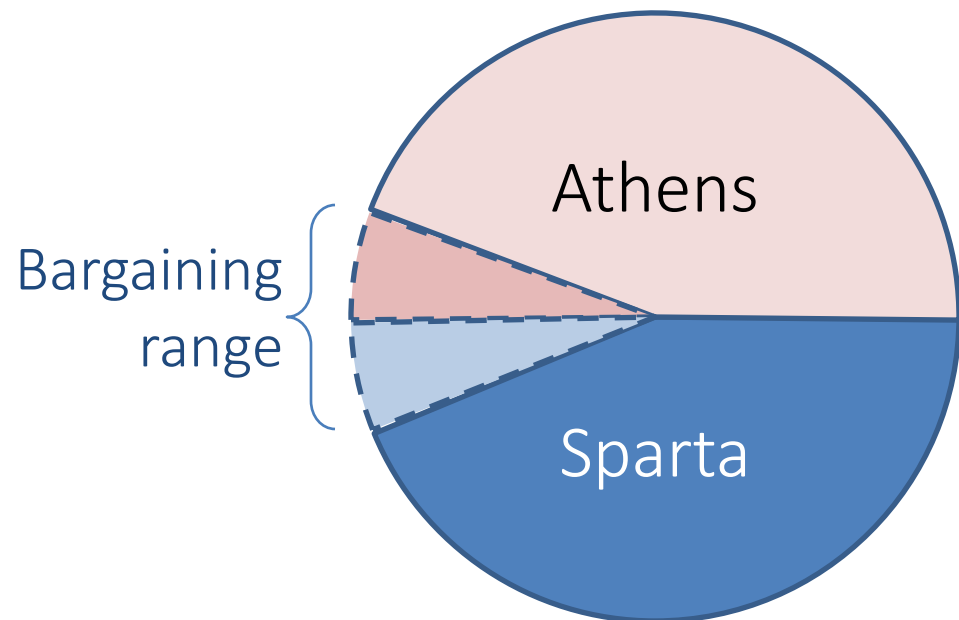
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Why would a poker player make a bet with a weak hand?

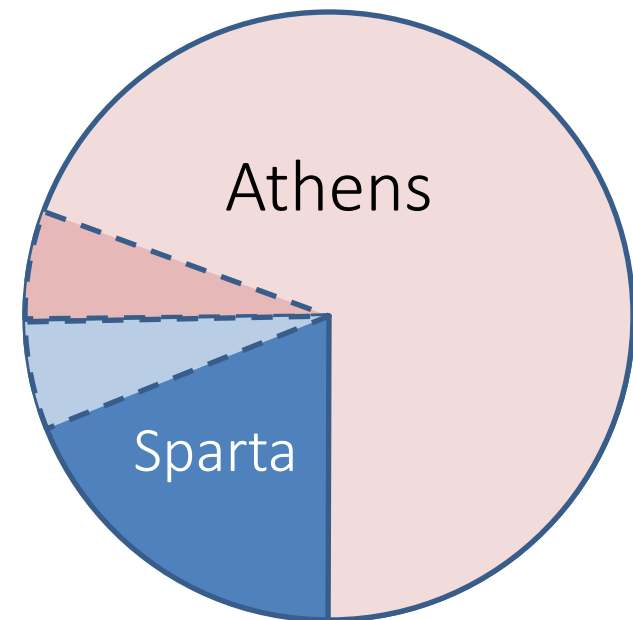
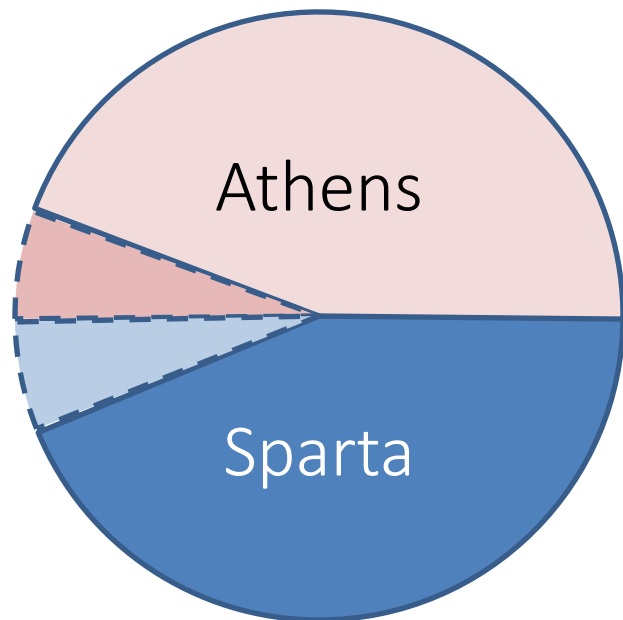


What if Athens didn't know which state of the world was correct, but Sparta did (that is, it has private information)?

- Sparta knows it is weak ($p=0.25$) because if it fields its full army it risks a slave revolt
- But Athens isn't sure how strong Sparta is. It figures that there is a 50% chance they are evenly matched with Sparta (left) and 50% chance that Sparta is weak (right)
- In one world the bargaining range is (\$40,\$60) and in the other world (\$15,\$35)



- Athens option 1: Offer Sparta \$40, keep \$60. No war.
- Athens option 2: Offer Sparta \$15. 50% chance Sparta is weak and accepts, and Athens keeps \$85. 50% chance Sparta is strong and fights, leaving Athens \$40. Equals \$62.5 in expectation.
- A weak Sparta gets \$15 from war. So no clear incentive to signal its weakness and avoid war, assuming it can even send credible signals.

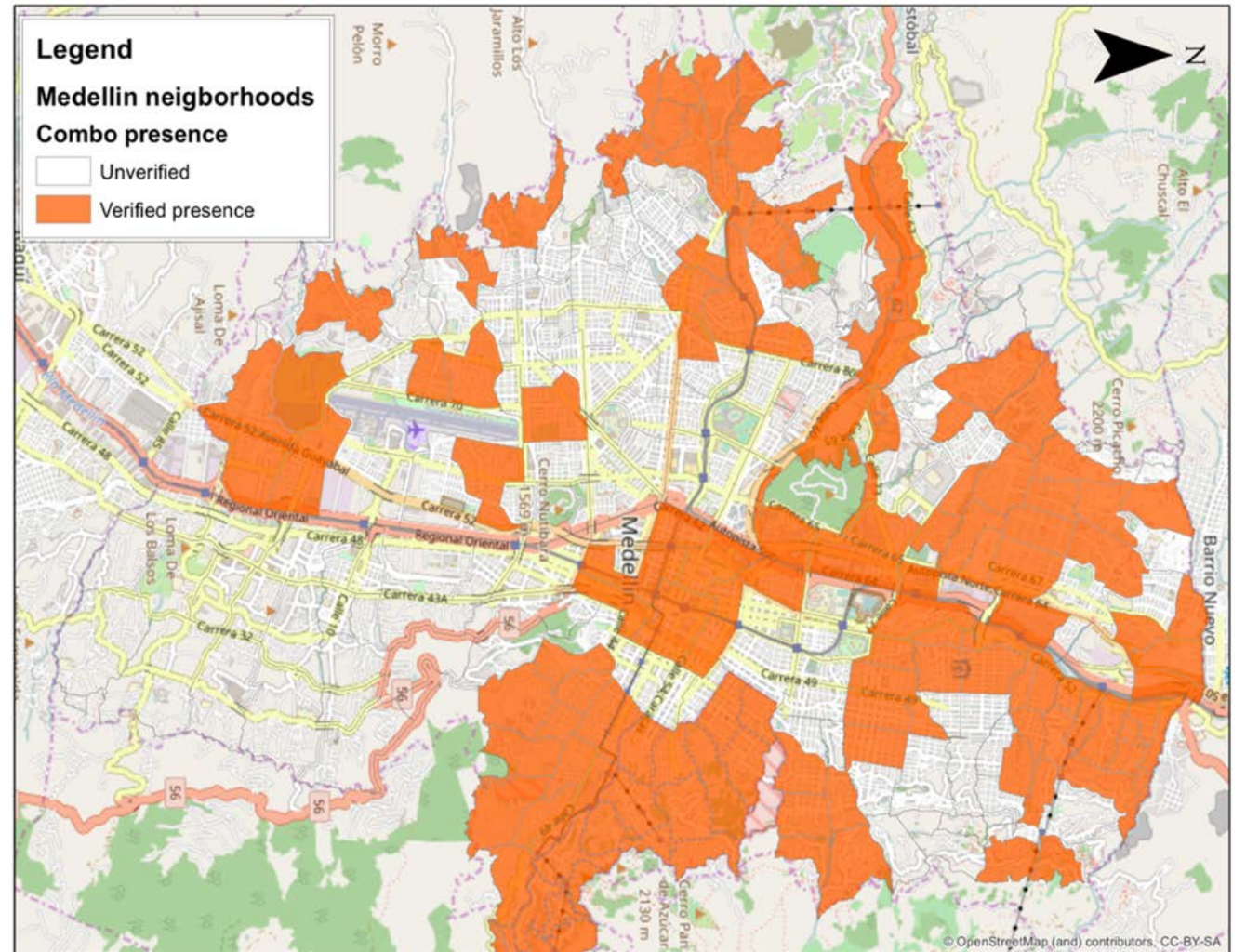


Can asymmetric information explain long wars?

- incomplete information is like a kind of transaction cost that can prevent parties from negotiating the efficient (peaceful) outcome
- Skirmishes should close the information gap
 - Indeed many “wars” end before they really begin
 - In Greek city-states and colonies, many small conflicts in the colonies did not escalate into warfare
 - Many episodes of saber-rattling leading to negotiation
- But that seems like a bad explanation for a long, drawn out 3-decade war like the Peloponnesian War

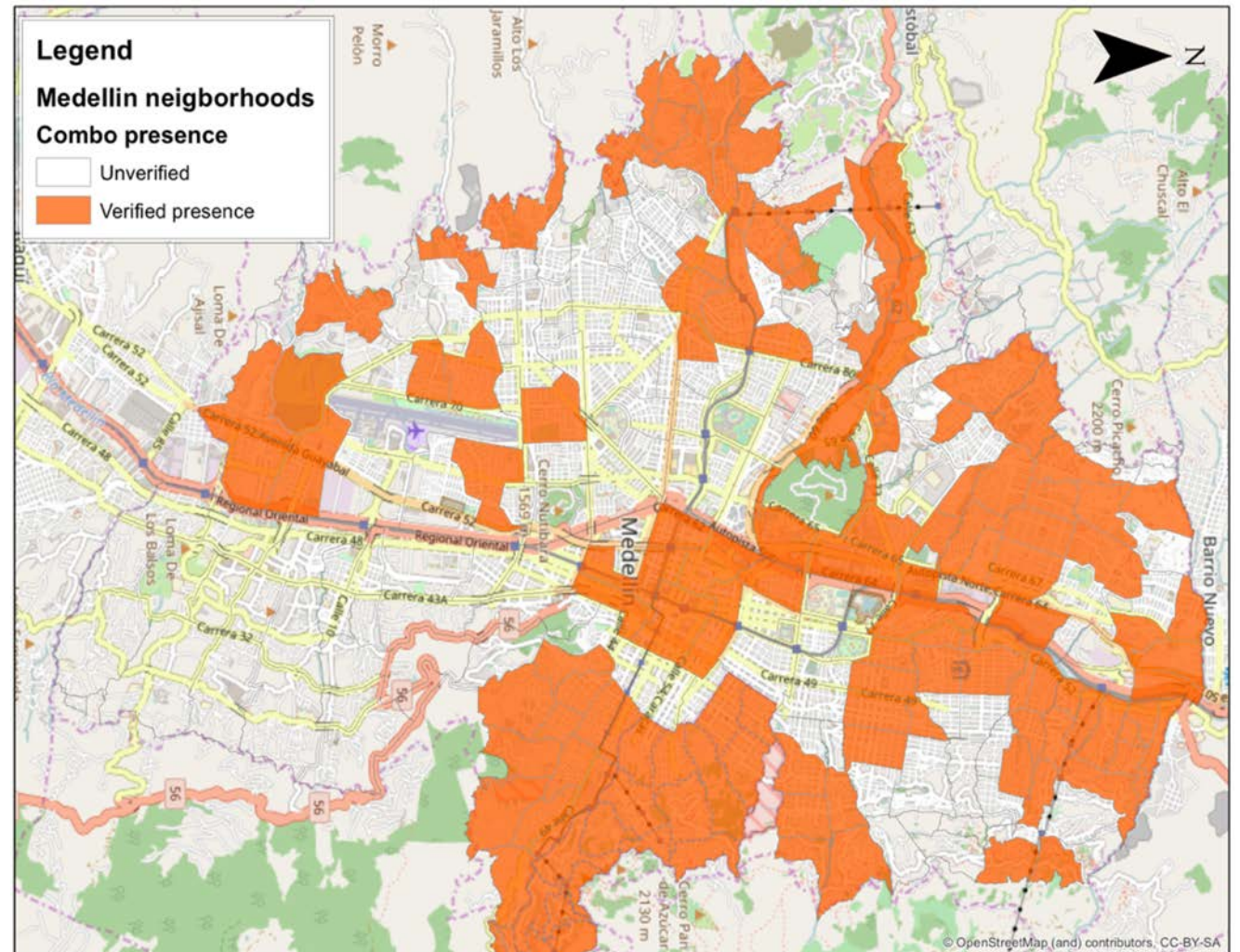
Does this mean asymmetric information is an explanation for skirmishes but not for wars?

Let's think of a gang in Medellin. Why would a weak gang have an incentive to pretend it is stronger than it is?



Reputation and sustained incentives to bluff

- When does the weaker side have incentives to bluff, even after the fighting begins?
- A fight with an audience
 - With there are many actors and many potential rivals, any fight between two of them is an opportunity for both to signal strength and resolve to a wide audience (Dafoe et al., 2014).
- Any story involving reputation is inherently a story about uncertainty as a cause of conflict



Back to the Greek World

- A situation of anarchy – no overarching authority
- Many observers
 - Persian Empire
 - Neutral city states with large navies (Corcyra)
 - Junior allies (tribute-paying Delian & Peloponnesian Leagues)
 - Subjugated peoples (enslaved helots)



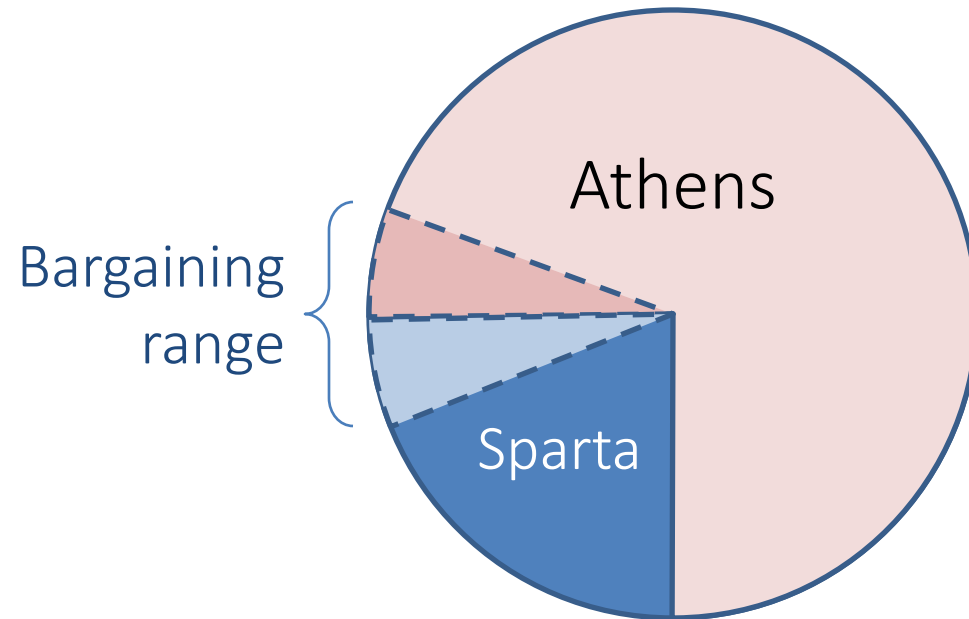
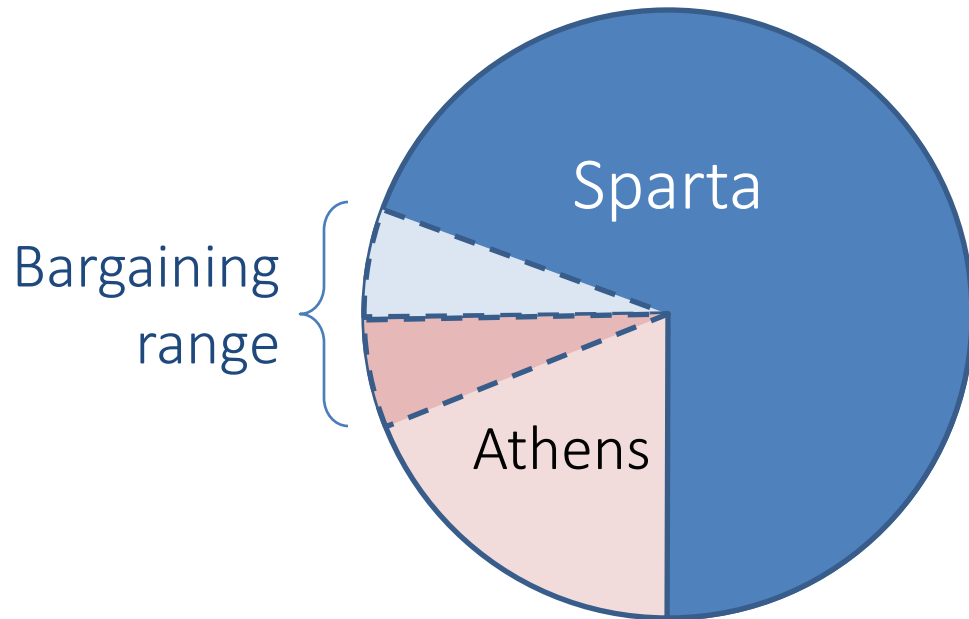
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There are several kinds of commitment problems
Let's consider one example: The preventative war

The balance of power this year ($t=0$)

The expected balance of power next year and forever ($t=1,2,3,\dots,T$)



Under what circumstances does this shift in power lead to war?

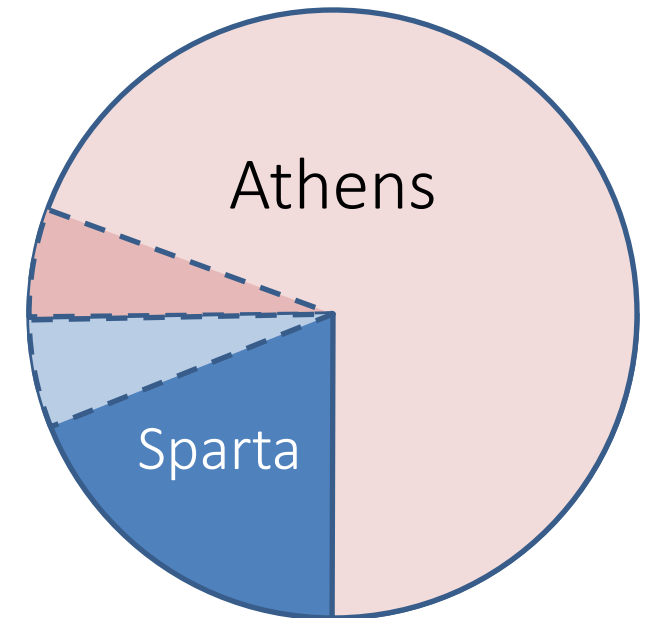
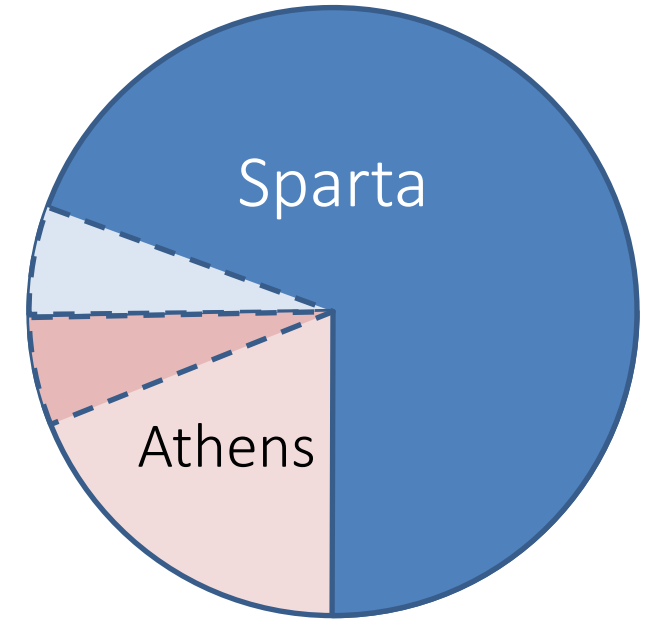
The rise of Athens

- Joint Athenian-Spartan victory over Persia in 449 BC allowed Athenian empire and economy to flourish and grow
- Other city-states began to copy democratic constitution
- Construction of the “long walls” gave a huge defensive advantage
- Development of a massive navy gave a huge offensive advantage
- Paid for my massive amounts of tribute from maritime empire
- Athenian leaders envisioned hegemony over all the Greek world

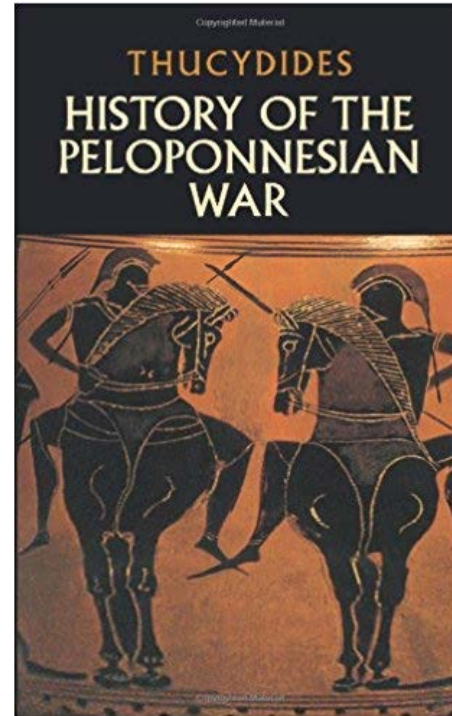
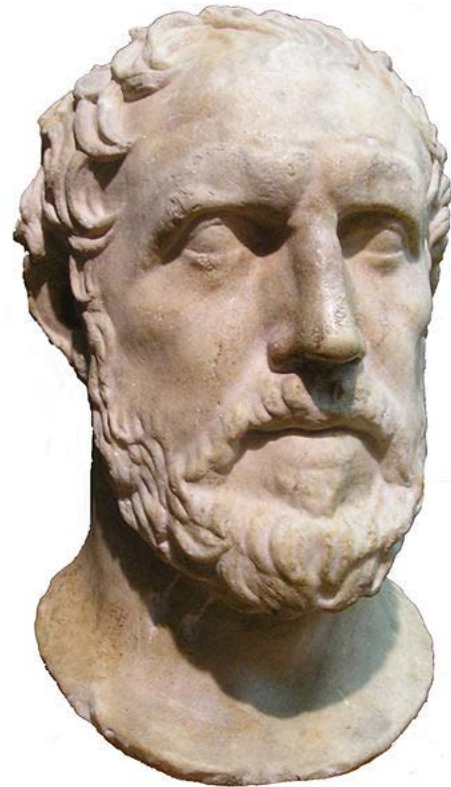


The fundamental problem is a shift in power where there is **no credible commitment** plus **limits on the ability to transfer funds or power**

- If Sparta attacks this year, it has a 75% chance of winning the pie and getting \$100 forever (minus the war cost)
- If it peacefully negotiates, Sparta expects to get \$25 forever
- Athens needs to compensate Sparta a LOT to not attack
 - Difference between \$75 forever (minus cost of war) and \$75 now and \$25 forever
- That amount surely exceeds Athens' ability to pay today, since it only has \$25 at most, and no one to borrow from
- Athens can't credibly commit to pay next year
- They would have to try to concede some "power" today
 - Do something to prevent themselves from having $p=0.75$ in future
 - Assumes this is possible and power is divisible



Most commitment problems are a story of rapid transfers of power and limited ability to transfer funds or power



"It was the rise of Athens and the fear that this instilled in Sparta that made war inevitable."

What are other examples of such “impossible bargains” where one side has an irresistible incentive to attack?

- First-strike advantages
 - An element of stealth or surprise provides a significant advantage to the attacker
 - Gives both sides an incentive to attack first
- Indivisible resources
 - e.g. Sacred territory
 - Strategic
- Transfers of resources alter ability to win future conflicts
 - Opponent can gain an advantage over you slice by slice
 - Better just to attack now?

How are each of these a case of large swings in power and limited transfers?

In what sense are these “commitment problems”

Next we turn to the psychological and behavioral explanations

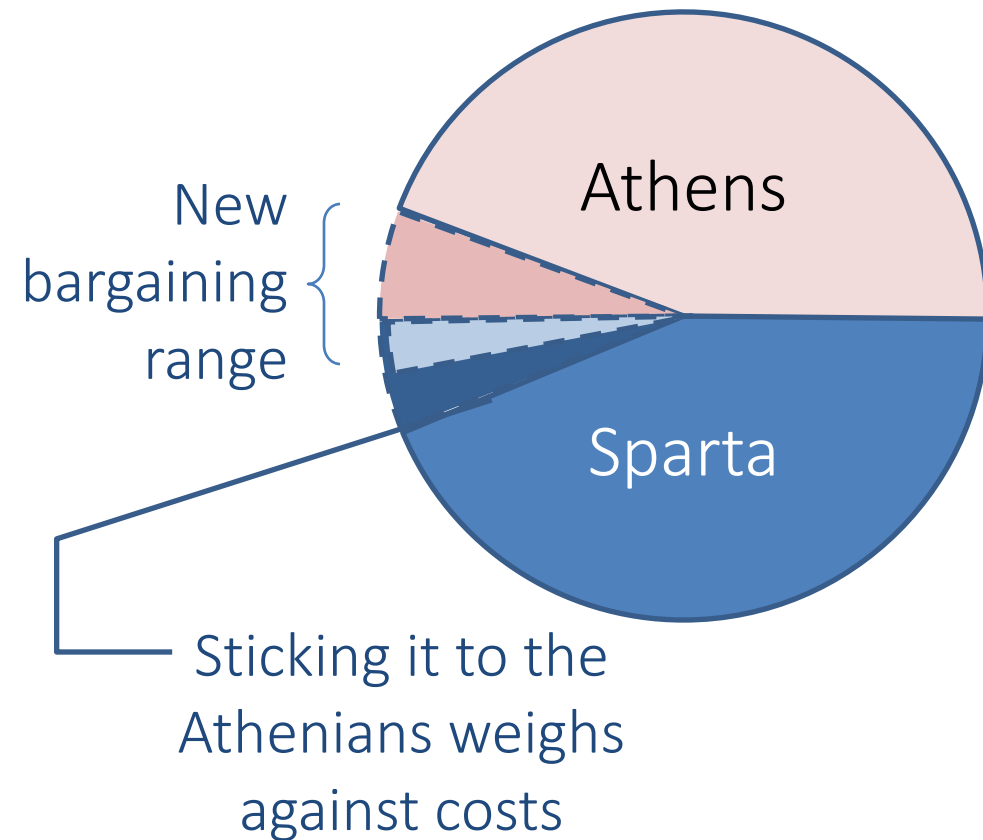
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A typology of five explanations

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There are some circumstances where violence becomes its own reward

- There are many examples of violence as intrinsically valuable – an emotional reward that comes from fighting
 - Moral beliefs or religious values
 - Exterminating false gods or ideologies
 - Vengeance
 - Revenge is intrinsically valued
- Again, narrower bargaining ranges can accentuate the other causes of war
- In the extreme, one side can actually get net benefits from war, so that war is no puzzle



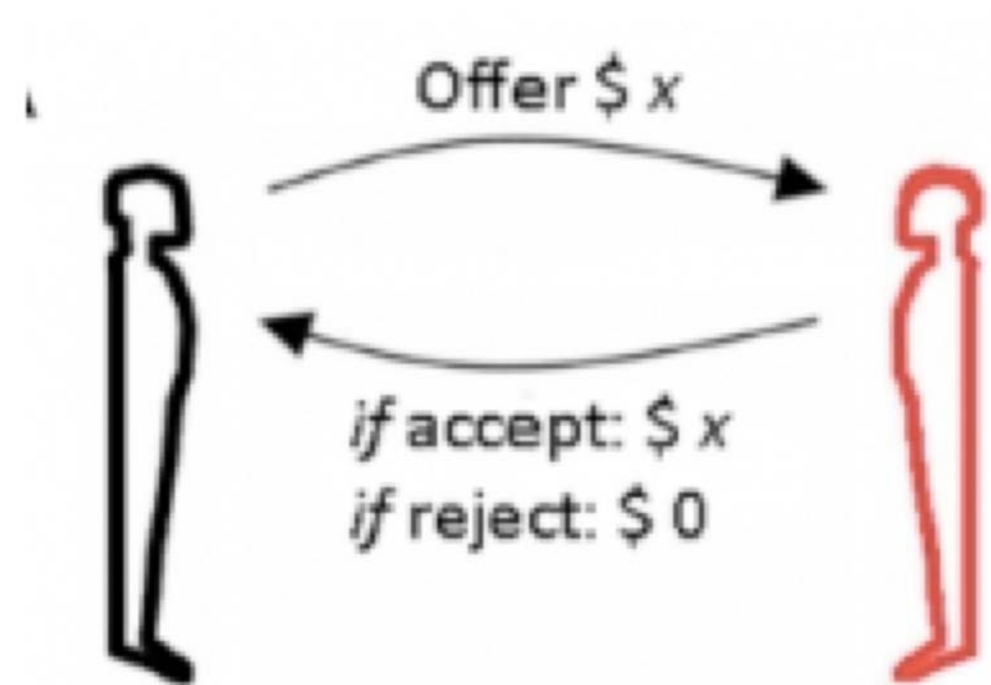
Let's consider vengeance, with a modern digression



Do we have ingrained fairness norms & a willingness to pay to punish injustice?

Evidence from experimental games e.g. Fehr and Gächter 2000

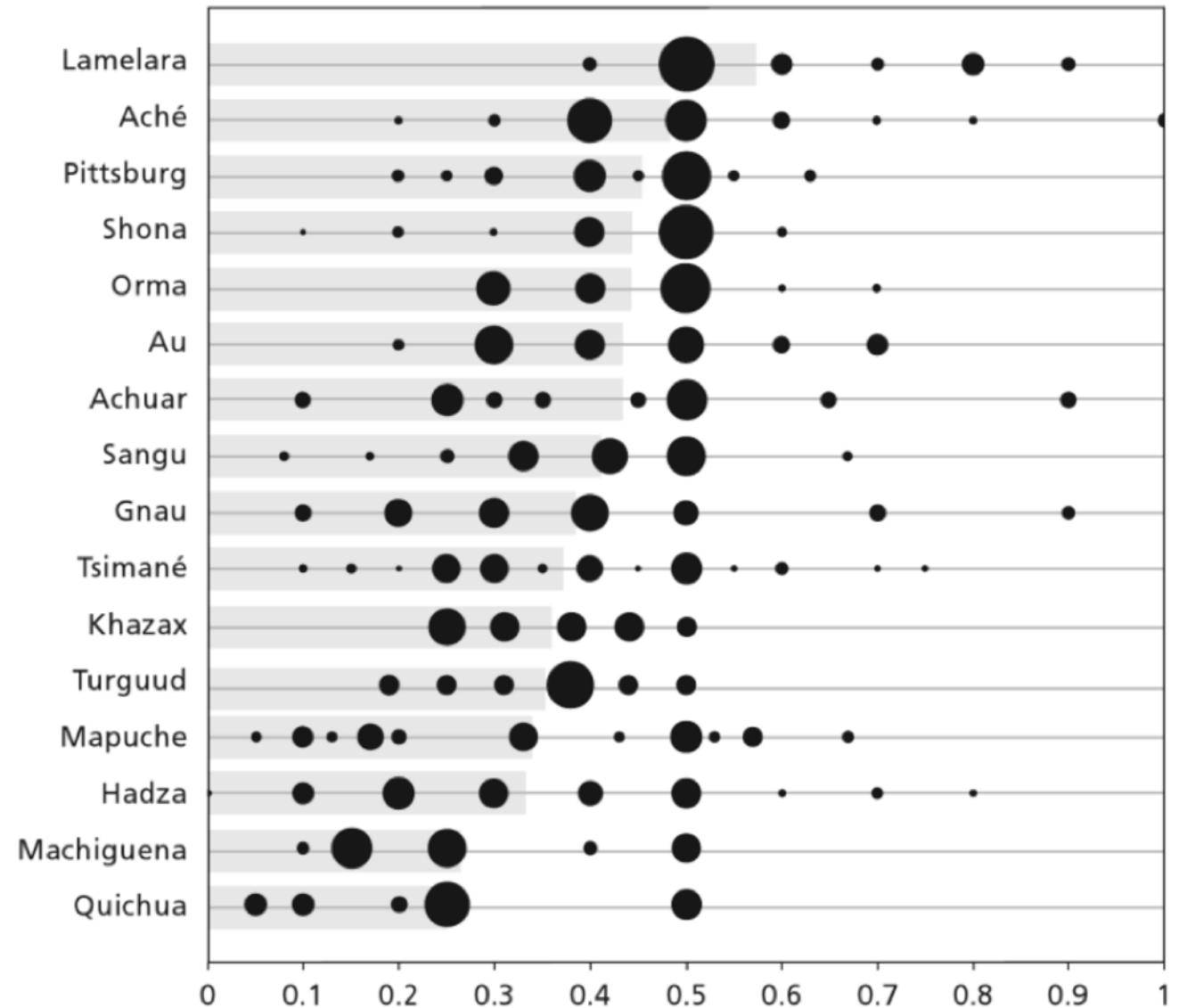
- “Dictator game”
 - Person A get \$X
 - A chooses $X \geq x \geq 0$ to give person B
 - Measures “altruism”
- Ultimatum game
 - Person A get \$X
 - A chooses $X \geq x \geq 0$ to give person B
 - B can choose whether to accept x or reject and both get 0
 - Measures “fairness”



Homo economicus?

Offer from an ultimatum game in 15 small scale-societies

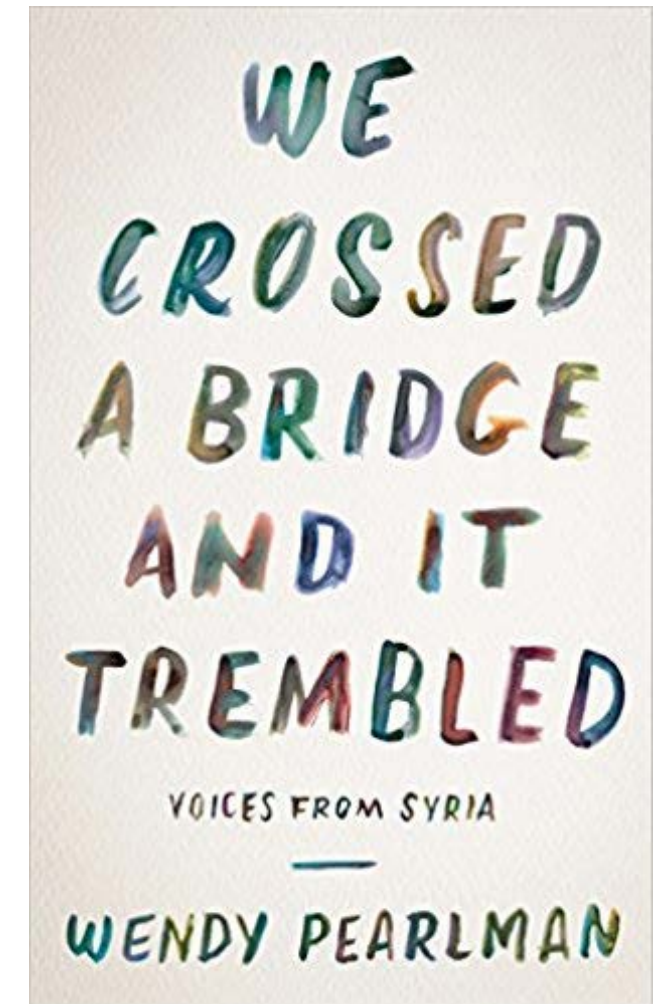
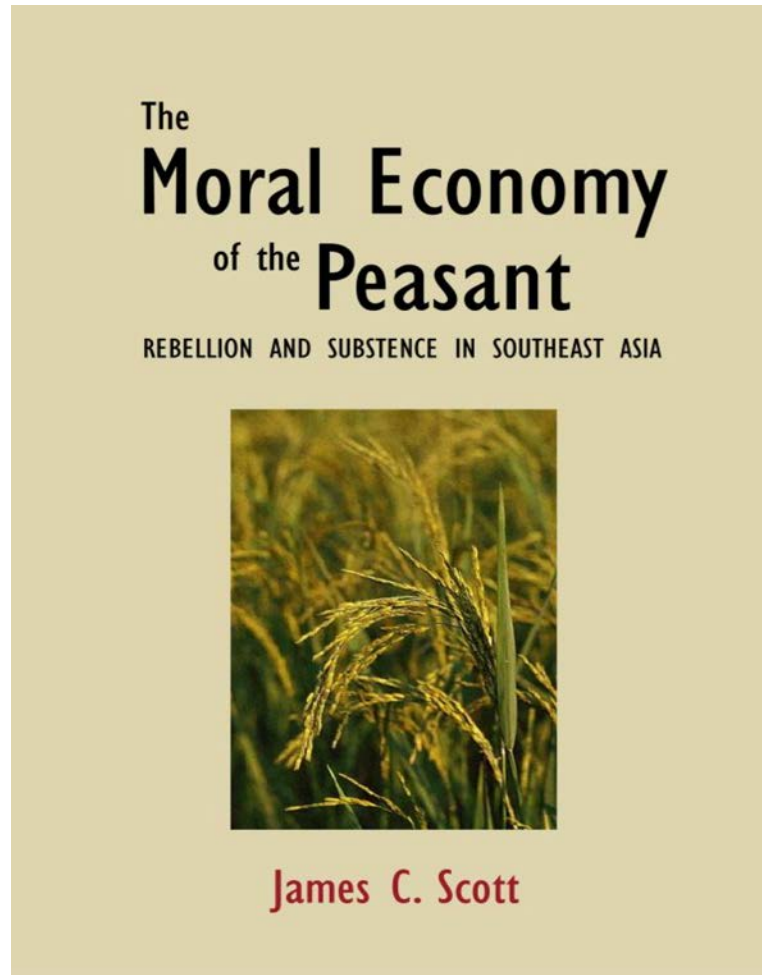
- Great deal of similarity across time and populations, with offers of 40-50% common
- Offers less than 20% are frequently rejected
- Modal offer in a “Dictator Game” often zero, though average offer is typically 20-30%
- Both results suggest people act out of a sense of fairness and prosociality



Source: Henrich et al. 2004.

Note: The size of the bubble at each location along each row represents the proportion of the sample that made a particular offer. The right edge of the lightly shaded horizontal gray bar gives the mean offer for that group.

Indeed, “injustice” is a common explanation in histories and ethnographies of who participates in revolts and rebellions



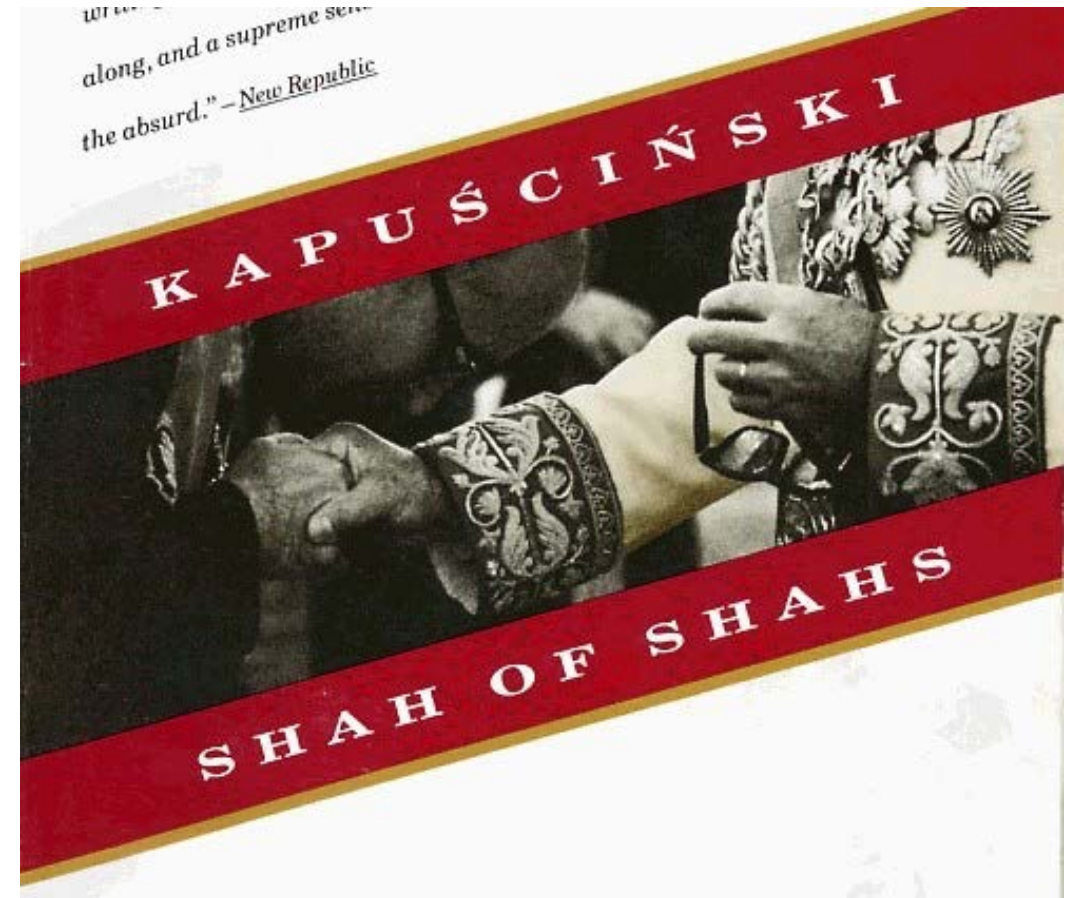
It is difficult to ignore emotion as a factor in conflict, and intrinsic preferences for punishment or justice are one way to bring emotion into our framework

All books about all revolutions begin with a chapter that describes the decay of tottering authority or the misery and sufferings of the people.

They should begin with a psychological chapter, one that shows how a harassed, terrified man suddenly breaks his terror, stops being afraid.

This unusual process, sometimes accomplished in an instant like a shock or a lustration, demands illuminating. Man gets rid of fear and feels free. Without that there would be no revolution.

— Ryszard Kapuscinski, *Shah of Shahs*, 1985



e.g. Wendy Pearlman on the Arab uprisings



Note that there's nothing inherently “irrational” about this kind of emotional explanation

- All preferences and motivations (including normal material ones) are laden with emotion
- An inherent desire for voicing dissent, addressing injustice, or demanding dignity are not necessarily irrational simply because they are tied up with emotions of anger
 - All of these preferences can be well-defined, stable, time consistent, etc.
- Of course, many aspects of decisions made under arousal may not be fully rational
 - They may result in regret, create errors in belief formation
 - These we will classify under “Systematic mistakes”, as conceptually distinct, even if they are often tied up with rational but emotion-laden preferences

Many forms of political participation are hard to explain without an appeal to preferences: intrinsic motivations or emotional rewards



Back to Athens versus Sparta

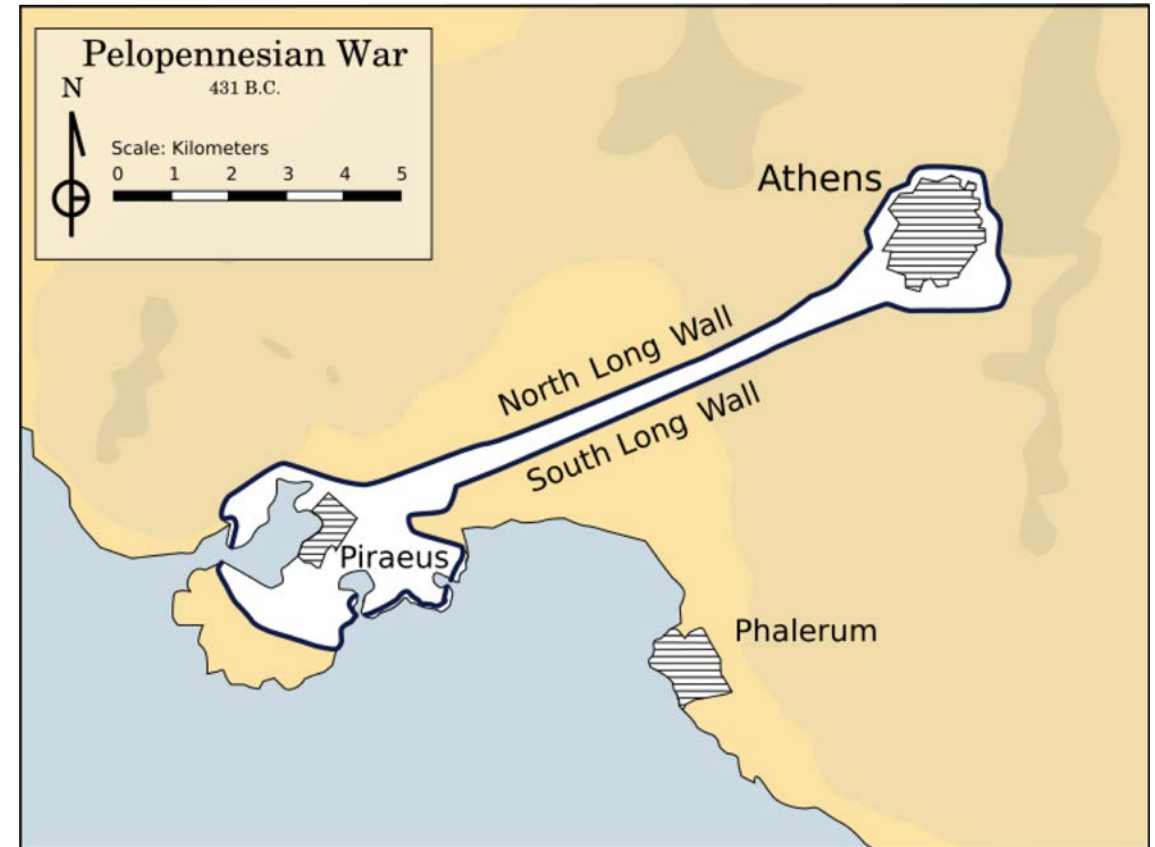
- Ex-ante this does not look like a war of vengeance or ideals
 - Despite the differences, little indication this was an intrinsically value-based war
 - No real motive for vengeance at the outset
- But historians of the war tell us that violence, once begun, elicited powerful emotions and responses.
- Could this help explain persistent wars even if started by other forces?
- If so, why do both parties take the risk?
 - A risky gamble? Miscalculation?

Anger, frustration and a desire for vengeance increased as the fighting dragged on, resulting in a progression of atrocities...

— Kagan (2003, p. xxiv)

There are also instances of the Spartans strategically using emotions and preferences for justice

- Sparta has world's greatest land army
 - They know that they cannot beat the navel power Athens at sea
- Leader of Athens knows that they will be defeated if they meet Sparta on field
- Hence Athens builds the Long Walls
 - Spartans cannot breach them
- Spartans roam Athenian countryside burning villages and properties attempting to enrage and embarrass nobles and citizens
 - Goading Athenians into the battle field



The long walls of Athens

We have discussed vengeance, but many explanations for conflict are stories about a preference for fighting

1. Joy or pleasure in violence

- Mobs who demand sacrifices (Girard 1977)
- British soccer hooligans (Buford 2001)
- Camaraderie and vitality (Broyles Jr 1984)

2. Parochial altruism

- We have preferences for well being of our in-group, and take pleasure in seeing the other group do poorly or be punished (Chen and Li, 2009; Cikara et al., 2011; Glowacki et al., 2017)
- Others see an innate pleasure in social dominance of one's own group (Sidanius and Pratto, 2001)

3. Value rational violence

- Actions “determined by a conscious belief in the value for its own sake of some ethical, aesthetic, religious, or other form of behavior, independently of its prospects of success” (Weber 1978)
- e.g. The elimination or subjugation of an ethnic rival, the extermination of a heretic ideology
- Or where the idea of compromise on some ideological principle is abhorrent—liberty and self-determination in the case of the colonial U.S., the Irish Republic, or other separatist movements

A typology of five explanations

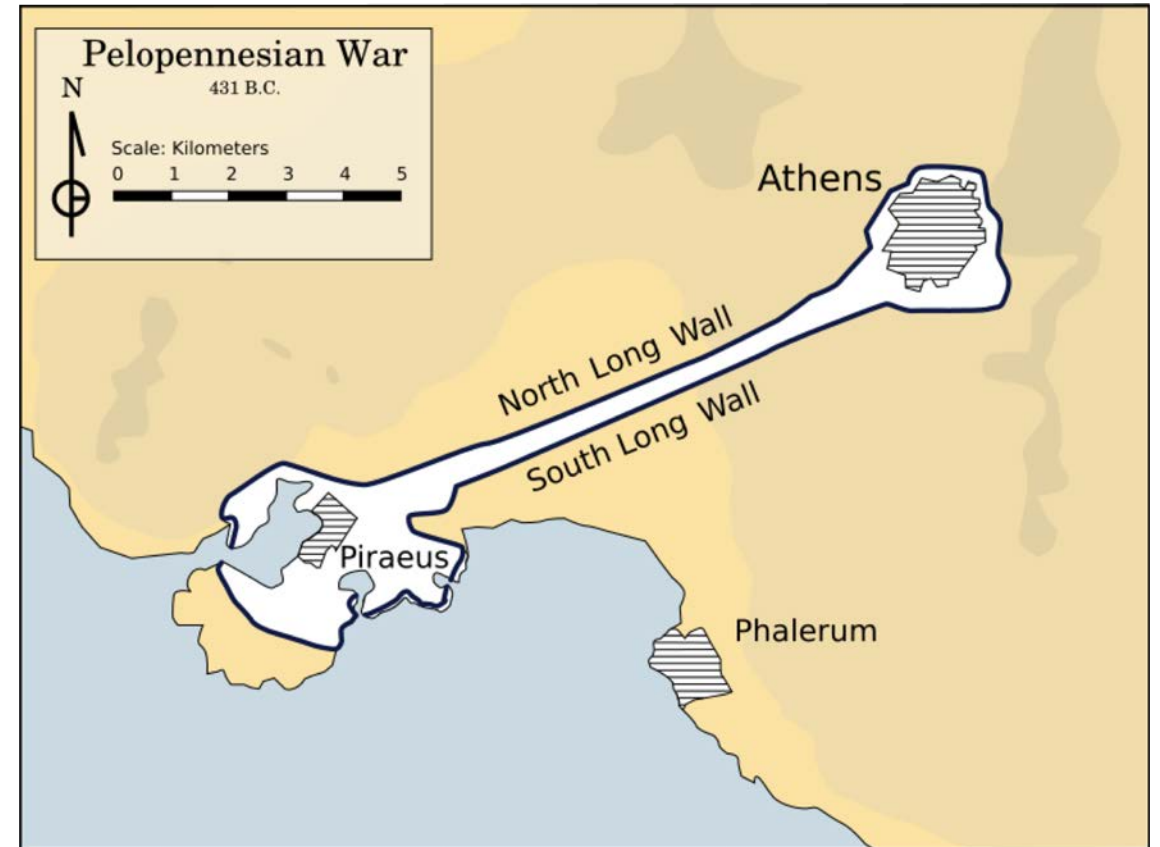
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So far nothing about our explanations for war have been necessarily “irrational”

- The actors are still maximizing, calculating, with stable preferences, intelligent and accurate information processors
- With violent values, we’ve simply opened up standard economic preferences (selfish, material) to social preferences and non-material payoffs
 - Even emotional reactions to injustice are rational if they are well-defined and stable, and rational actors know to expect at least some people to behave this way
- We can get awfully far with just these rational standard and rational non-standard explanations
- But a whole range of explanations for war violate the idea that we are calculating, optimizing, information processors with consistent preferences

At the same time, it is hard to see certain actions as purely rational

- The Spartans roamed Athenian countryside burning villages and properties attempting to enrage and embarrass nobles and citizens
- By goading Athenians into the battle field, they were inviting Athenians to make a mistake
- The leader of Athens, Pericles, reportedly tried to keep the Athenian assembly from meeting democratically to discuss the response, for fear of an angry decision getting made, to engage Spartans in a land battle



The long walls of Athens

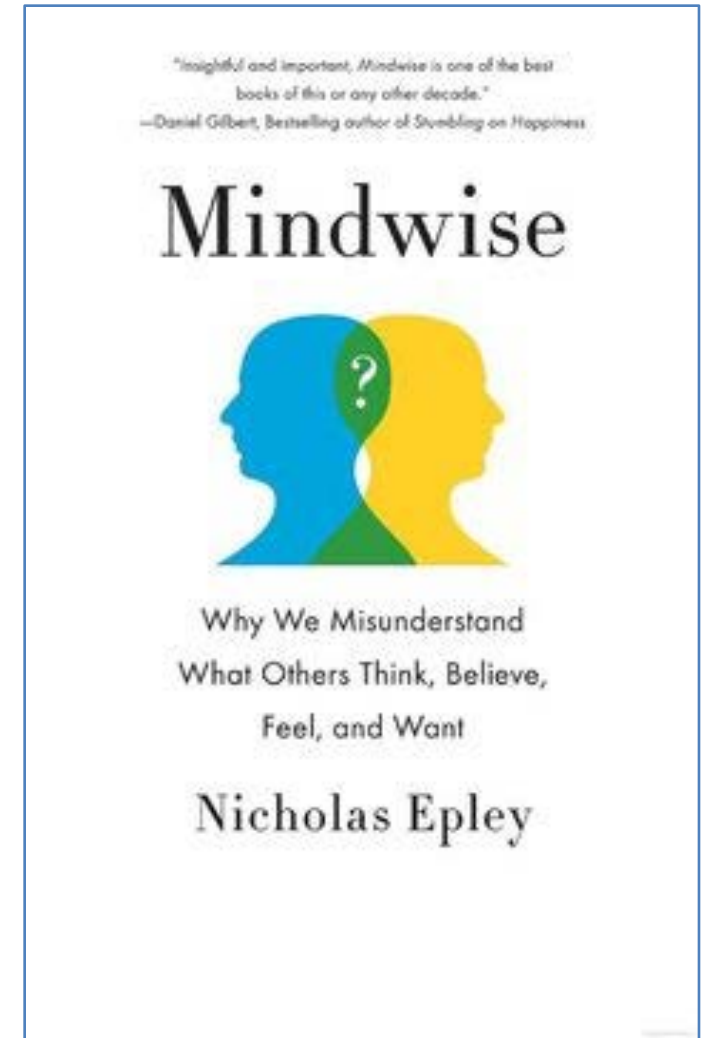
I'll emphasize three examples

- A. Overconfidence
- B. Projection bias
- C. Decision-making under arousal

Arguably both are a problem of persistently inaccurate belief formation

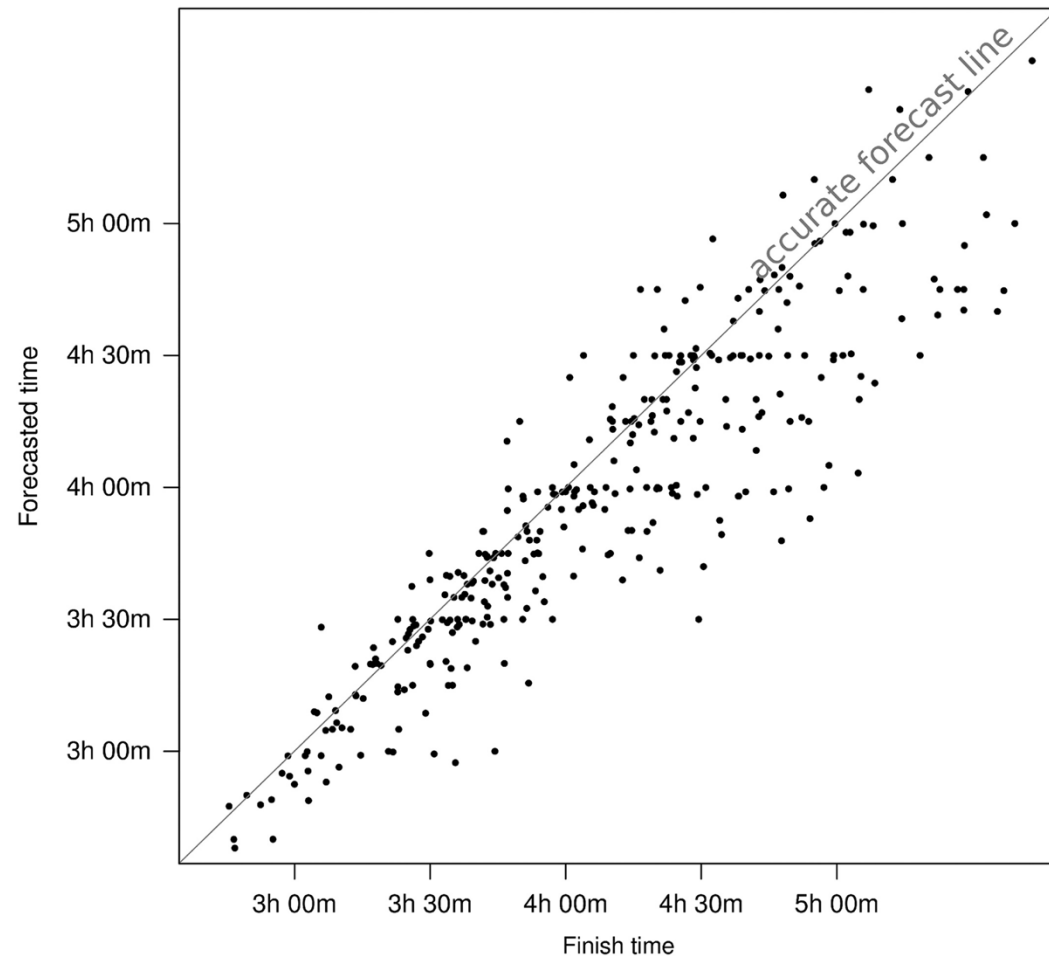
A. Overconfidence

An example from everyday life: The (not so) Newlywed game



Are humans predictably overconfident?

Forecasted and actual finish times in the Warsaw Marathon



- Most entrepreneurs think that their startup is more likely to succeed than their peers' startups (Cooper et al 1988)
- Overconfident CEOs believe their company is undervalued and are less willing to raise capital by issuing new shares and more likely to attempt mergers (Malmendier & Tate 2005, 2008)
- Marathoners underestimate their time to completion (Krawczyk & Wilamowski 1984)
- Most drivers think they are above average (Svenson 1981)
- Economic forecasters are often far too confident in their precision (Alpert & Raiffa 1982)
- Almost all US high school students rated themselves as at least average at "getting along with others" and a quarter put themselves in the top 1% (Camerer 2003)

I am more interested in systematic and predictable mistakes that humans make, and whether they can help us understand the causes of war
e.g. Overconfidence and overprecision

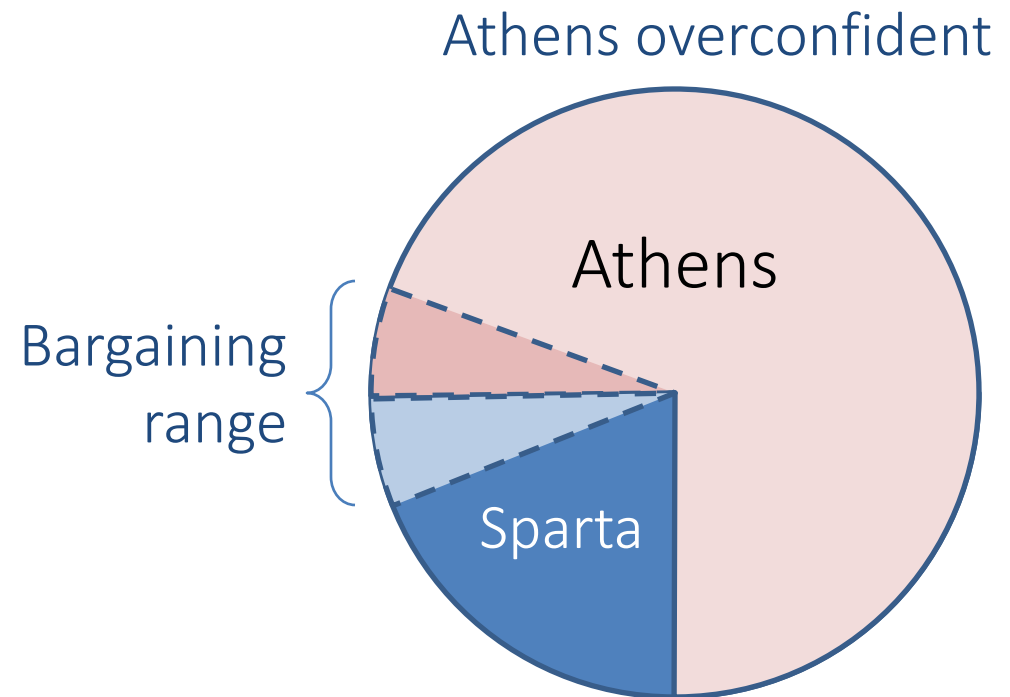
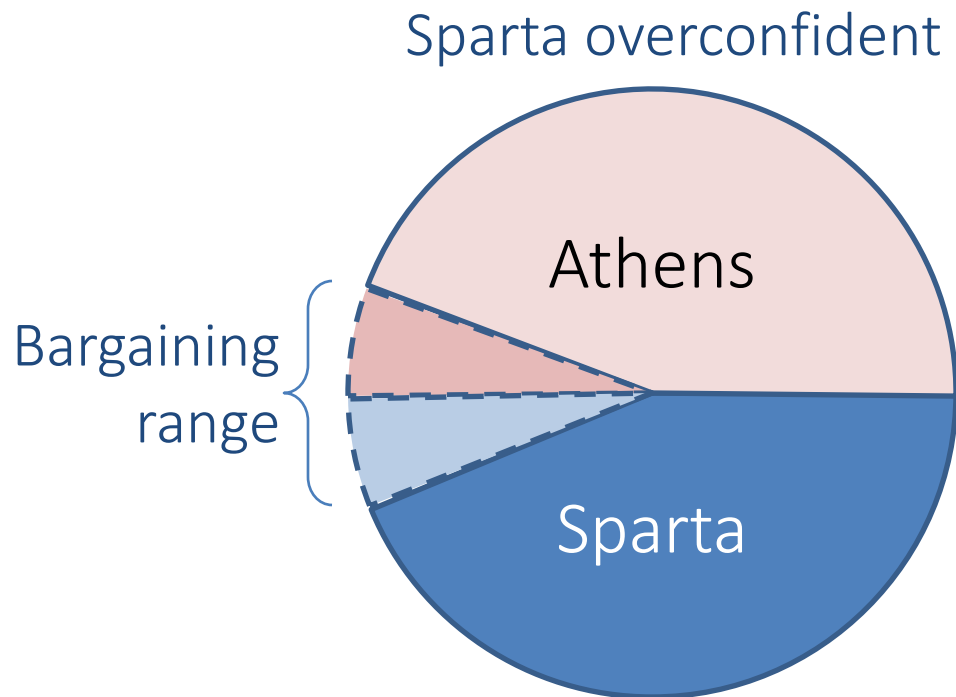
The usual pattern of warfare between Greek states was for one phalanx to march into enemy territory, where it would be met by its foe's phalanx. The two armies would clash and, within the span of a single day, the issue that precipitated the conflict would be decided.

*Since Sparta's forces would greatly outnumber those of the Athenians the Spartans had every reason for confidence if the Athenians engaged them in the typical manner, and most Spartans **had no doubt** that they would. If they chose a different course of action, the Spartans **were certain** that a year, or two, or three, of ravaging Athenian territory would bring either the decisive battle they sought or an Athenian surrender.*

*At the beginning of the war, the Spartans, as well as the rest of the Greeks, **were convinced that** this simple offensive strategy guaranteed swift and sure victory. Had they believed they would need to fight a long, difficult, costly war of uncertain outcome, as the Athenians and Achidamus tried to persuade them would be the case, they might have acted differently.*

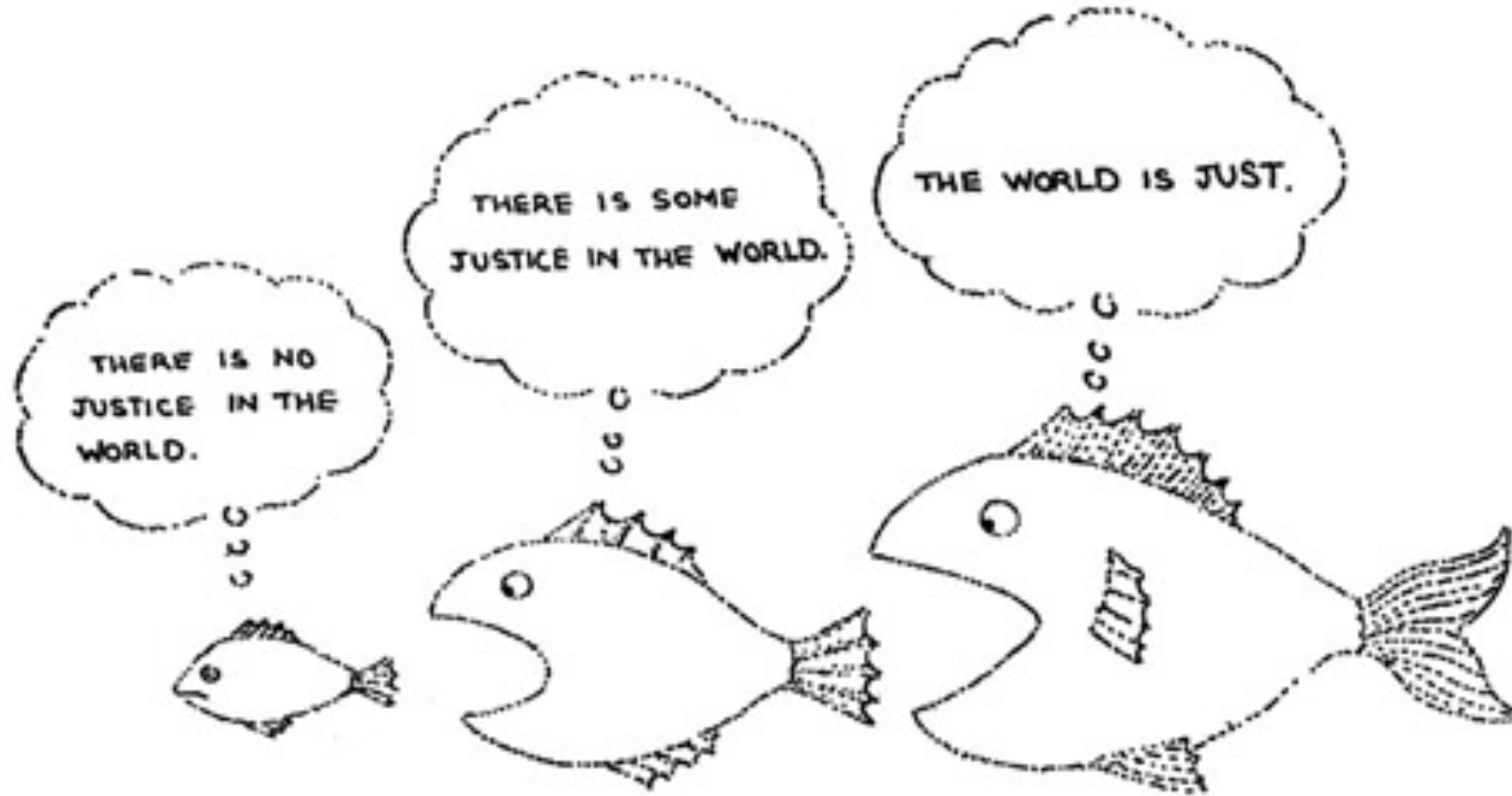
What if Athens and Sparta are mutually optimistic or over precise?

- Suppose Sparta has a $1/3$ chance of winning. Then the correct, rational bargaining range would be $(\$23, \$43)$
- But if Athens believes $p=.75$ and Sparta believes $p=.5$, then the overlap between the bargaining ranges erodes



B. Projection bias

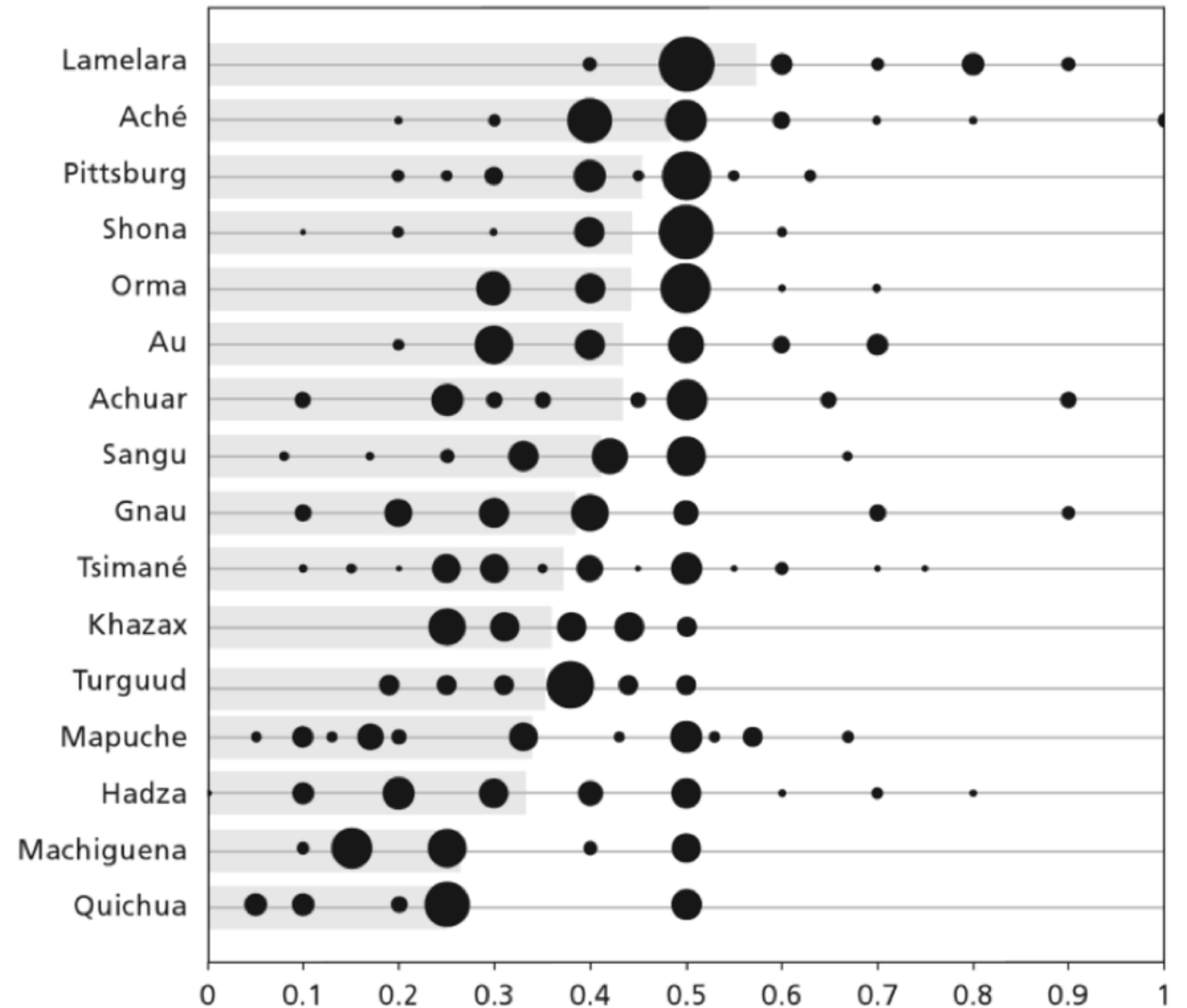
What if humans are bad at predicting others' notions of fairness and reactions to injustice? We tend to project our own views on others.



MANKOFF

e.g. Variation in fairness norms across societies

- Norms and rules themselves vary
 - Do pedestrians have right of way?
 - Norms of redistribution
- There also seems to be variation in norms of punishment
 - E.g. Ultimatum game play
 - Possibly culturally established
- A boundedly rational person could make the mistake of:
 - Failing to pay attention to norm differences
 - Failing to predict the furiousness of the response



Source: Henrich et al. 2004.

Note: The size of the bubble at each location along each row represents the proportion of the sample that made a particular offer. The right edge of the lightly shaded horizontal gray bar gives the mean offer for that group.

A woefully underexplored behavioral theory of conflict

- Sparta knows that there are fair and selfish people in the world, where fair types react to injustice with furious punishment
- But Sparta is uncertain about whether Athens' assembly is dominated by fair or selfish types (imperfect information, making long brutal wars a risky gamble)
- Further complicated if Sparta underestimates the furiousness of the fair types' response
- Could apply to repressive dictatorships as well?

“Anger is the primary producer of the power that every oppressed person lacks. Anger brings the oppressed together to discover that they are capable of repudiating injustice.

The problem with collective anger, however, is that it requires continued provocation. That is usually provided by the stupidity of oppressors, as they intensify abuse and cruelty, and overindulge in modes of repression.”

- Safdee, Mataa. 2012. “The New Arab Left: Remnants of the Old Regime or New Vanguard?” Al-Quds, April 4, Quoted in Pearlman 2013

Think of this in the context of ethnic conflicts



C. Decision-making under arousal

e.g. See Pearlman 2013 reading on Arab Uprisings

- Generally understudied: the role of affect or emotion on decision-making
- Some theory and evidence suggest that high levels of arousal can reduce the quality of decisions and provoke more rash and punitive responses
 - Specific biases may be tied to particular emotional states
 - Fearful emotional states increases risk aversion
 - Anger increases confidence, feelings of power, and reduces risk aversion (Lerner & Tiedens, 2006)
- Some evidence comes from the efficacy of interventions, such as cognitive behavioral therapy (CBT), at changing behavior
 - We will revisit this later when we discuss remedies
- Open question: do these emotional states also affect high-stakes and deliberated decisions by groups and leaders?

Some common objections to “irrationality” as an explanation for war (and to behavioral game theory in general)

1. Hard for game theory to handle
2. A worry that it over-fits cases
 - Rather than having a small number of tractable models and assumptions
3. Too little falsifiability
 - Worries that opening up the utility function and talking about preferences, or a grab bag of irrational explanations, allows us to explain anything
4. When stakes are high, people should become more like rational calculators
5. Individuals are prone to biases, but nations and governments should not
 - Especially in more decentralized, inclusive organizations?

We will grapple with 4 and 5 especially over the coming weeks, and note how they may be explained by the nature, breadth and inclusiveness of political institutions

Key takeaways

- The bargaining frame for understanding political competition, including conflict
 - Conflict is extremely costly, which is why competing groups usually find a peaceful bargain
 - Fighting is what happens when peaceful bargaining breaks down
- Game theory gives us two reasons why rational, self-interested groups could nonetheless go to war
 - Asymmetric information and incentives to misrepresent can make the decision to go to war the result of a risky gamble
 - Shifts in power, limits on transfers, and the indivisibility of power can lead to commitment problems
- Economics and game theory also highlight agency problems
 - Decision-makers who do not internalize the costs of war are more likely to take these risky gambles or succumb to commitment problems, and how institutional design affects these agency problems
- Behavioral science enlarges how we think about human preferences and decision-making, and thus expands the range of explanations for (and solutions to conflict)
 - Social preferences shape the extent to which people internalize the costs of war
 - Violence can also become its own reward, sometimes due to ideology or religion, but also because of genetic and culturally-generated social preferences for fairness and punishing injustice
 - Humans have limited attention problems, perhaps even in groups, which prevent them from processing all information effectively or correctly, leading to miscalculation and possibly war

Next week we will apply the framework to a very different context and war. Read the Amos Sawyer article.

