

International Relations 101: Institutions and Clashes

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(There Is Class on April 10.)



How do institutions promote cooperation? (Or do they?)

Institutions: Great or GREATEST EVAH?

1. Coordination
2. Repeating Interactions
3. Tweaking Incentives
4. Providing Information

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Problem 1: Pick a square.

	1	2	3	4	5	6
A	Green	Blue	Green	Blue	Blue	Red
B	Purple	Purple	Blue	Green	Purple	Blue
C	Blue	Green	Purple	Blue	Blue	Green
D	Blue	Blue	Blue	Purple	Purple	Green
E	Blue	Green	Purple	Blue	Purple	Blue
F	Purple	Blue	Blue	Blue	Green	Green

If we both select the same square, we win \$20.

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Prisoner's Dilemma

Player 2

Cooperate

Defect

Player 1

Cooperate

Defect

Cooperate	1, 1	-1, 2
Defect	2, -1	0, 0

The Prisoner's Dilemma

- In a one-shot interaction, the players cannot cooperate because they individually have incentive to defect.

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- In a one-shot interaction, the players cannot cooperate because they individually have incentive to defect.
- In a finite interaction, players cannot cooperate because future certain defection sabotages earlier cooperation.
- In an infinite interaction, contingent cooperation works as long as the actors care about the future.

Why Did We Cover This?



Fearon 1995
1852 Citations

Why Did We Cover This?



Fearon 1995
1852 Citations



Robert Axelrod

Why Did We Cover This?



Fearon 1995
1852 Citations



Robert Axelrod
The Evolution of Cooperation

Why Did We Cover This?



Fearon 1995
1852 Citations



Axelrod 1981
22434 Citations

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Important Result

- As long as we are likely to keep interacting in the future, cooperation is possible!
 - Threat of future punishment keeps states in line even without a world police.
- But this also means that if $\delta < \frac{1}{2}$, cooperation fails.

Important Result

- As long as we are likely to keep interacting in the future, cooperation is possible!
 - Threat of future punishment keeps states in line even without a world police.
- But this also means that if $\delta < \frac{1}{2}$, cooperation fails.
 - Fortunately, institutions are the GREATEST EVAH.

Prisoner's Dilemma

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Institutionalized
Prisoner's Dilemma

Player 2

Cooperate

Defect

Player 1

Cooperate

Defect

Cooperate	1, 1	-1, 1.5
Defect	1.5, -1	0, 0

Payoffs for Cooperating Forever

- $1 + (\delta)(1) + (\delta^2)(1) + (\delta^3)(1) + (\delta^4)(1) + (\delta^5)(1) + (\delta^6)(1) + (\delta^7)(1) + (\delta^8)(1) + (\delta^9)(1) + (\delta^{10})(1) + (\delta^{11})(1) + (\delta^{12})(1) + (\delta^{13})(1) + (\delta^{14})(1) + (\delta^{15})(1) + (\delta^{16})(1) + (\delta^{17})(1) + (\delta^{18})(1) + (\delta^{19})(1) + \dots$
 - This goes on forever.
 - Same as before.
 - Equal to $1/(1 - \delta)$.

Payoffs for Betrayal

- If I defect against a grim trigger player, I do slightly better during the first period.
 - I get 1.5 instead of 1.
- However, I do worse for the rest of time.
 - Instead of earning 1 every period, I earn 0 instead.
- Therefore, the most I can earn from betrayal is 1.5.

Comparing My Choices

- Payoff for sticking to grim trigger: $1/(1 - \delta)$
- Payoff for betrayal of my opponent: 2
- Therefore, playing cooperatively is in my best interest if:
 - $1/(1 - \delta) \geq 2$
 - $1 \geq 1.5(1 - \delta)$
 - $1 \geq 1.5 - (1.5)\delta$
 - $\delta \geq 1/3$

GREATEST EVAH, RLY

- Now states can cooperate if $\delta \geq 1/3$.
- Note: We barely changed the payoffs!
 - If institutions matter a little, they can matter a lot.

GREATEST EVAH, RLY

- Now states can cooperate if $\delta \geq 1/3$.
- Note: We barely changed the payoffs!
 - If institutions matter a little, they can matter a lot.
 - Moreover, as long as states are cooperating, the institution never actually does anything.

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Triggering Grim Trigger

- Grim trigger strategies require players to observe violations to be effective.
 - If I can't see whether the other guy defected in the last period, how can I appropriately punish him?
 - This leads to everyone defecting. Cooperation is not possible.

Solution: Bureaucracy!

- Creating monitoring institutions resolves the informational problem.
 - Yes, bureaucracy sucks and is costly to maintain.
 - But it can flag violations of the agreement and allow states to correctly sanction violators.
 - The alternative is no cooperation at all.

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What does the ICC do?

1. Coordination
2. Repeating Interactions
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What do peace keepers do?

1. Coordination
2. Repeating Interactions
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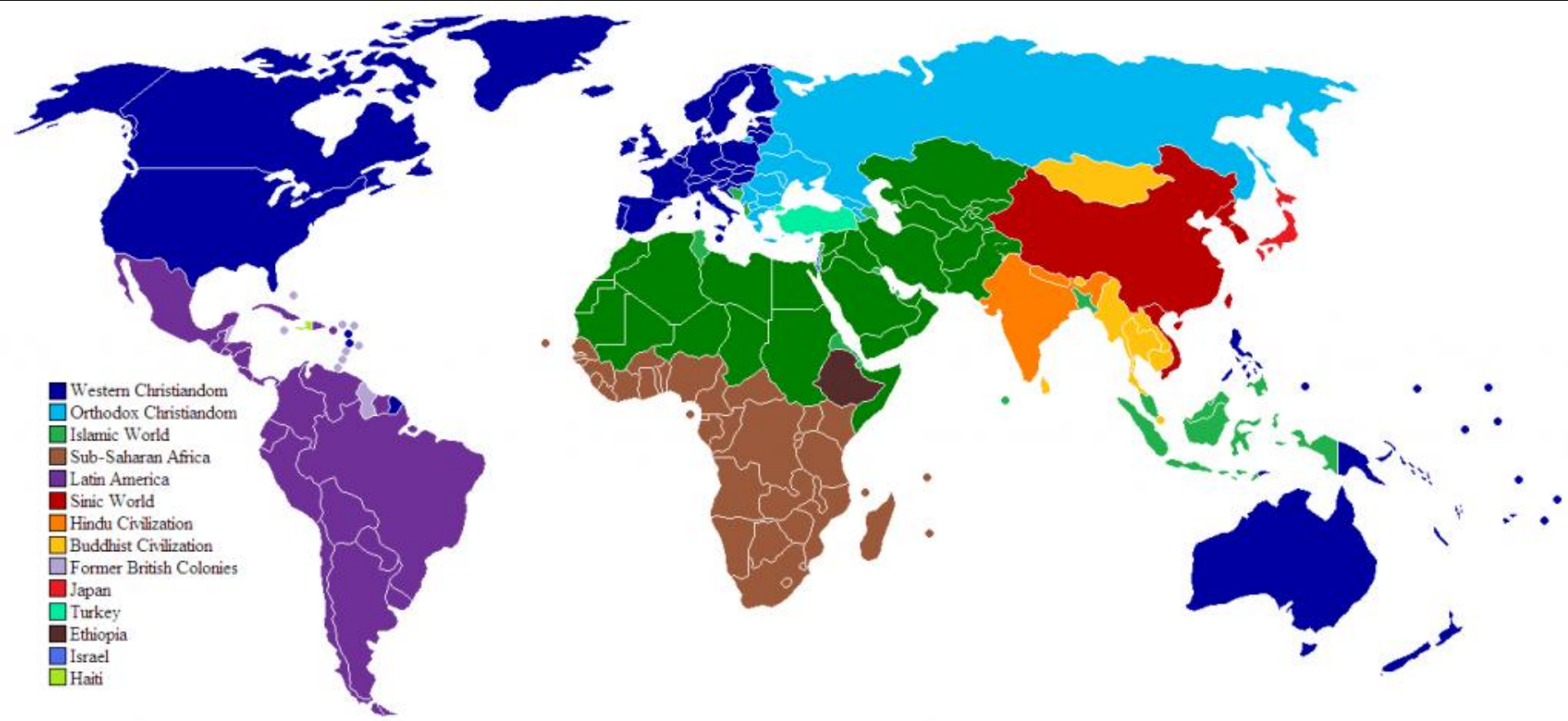
What does OPEC do?

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What do weapons inspections do?

1. Coordination
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Clash of Civilizations



The Clash Is Real!

- Gulf War
- War for Kosovo
- Kargil War
- War in Afghanistan
- Iraq War

Selecting on the dependent
variable?

The Clash Is ~~Real~~ LOL!

- Gulf War
 - Kuwait, Egypt, Syria, Qatar, UAE supported the U.S.
- War for Kosovo
- Kargil War
- War in Afghanistan
- Iraq War

The Clash Is ~~Real~~ LOL!

- Gulf War
- War for Kosovo
- Kargil War
 - This was straight-up Pakistan versus India.
- War in Afghanistan
- Iraq War

The Clash Is ~~Real~~ LOL!

- Gulf War
- War for Kosovo
- Kargil War
- War in Afghanistan
 - Iran, Pakistan, Northern Alliance fought with U.S.
- Iraq War

The Clash Is ~~Real~~ LOL!

- Gulf War
- War for Kosovo
- Kargil War
- War in Afghanistan
- Iraq War
 - Kurdistan fights with U.S.

Other Wars

- Azeri-Aremnian War
- Eritrean-Ethiopian War
- Cenepa War

Second Korean War?