

# Ideology Matters: Policy Bargaining and International Conflict

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# Policy Matters

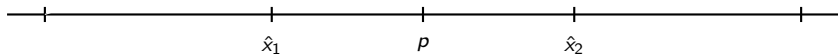
- Many conflicts about policy
  - American/Russian influence in Ukraine
  - Regional autonomy following civil war
- $\approx 44\%$  of MIDs
- Fearon 1995 appropriate model?

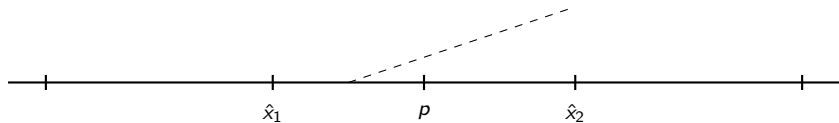
# Contribution

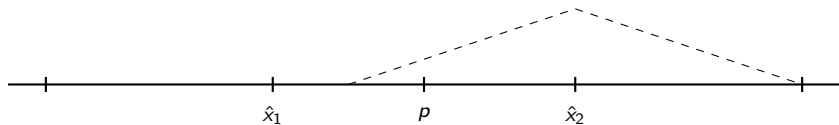
- Explicitly model policy preferences in crisis bargaining
- Critical differences with incomplete information
  - War impossible to avoid
  - Inefficient peace
  - Cheap talk works
  - More uncertainty sometimes more peaceful (paper)

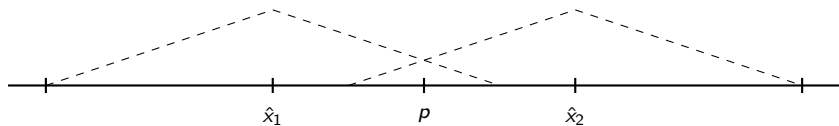
# Standard Ultimatum

- Two states have ideal points  $\hat{x}_1$  and  $\hat{x}_2$
- 1 offers policy to 2
- 2 accepts or rejects
  - Accept  $\Rightarrow$  game ends
  - Reject  $\Rightarrow$  war
    - 1 wins with probability  $p$
    - Winner chooses policy
    - States pay costs  $c_1, c_2 > 0$
- Payoffs: negative Euclidean distance from ideal point







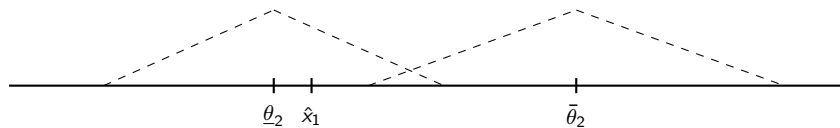




# Adding Uncertainty

- $\hat{x}_2 = \{\underline{\theta}_2, \bar{\theta}_2\}$
- Privately known to 2
- 1 has prior belief
- Two cases: no communication and cheap talk

# Risk-Return Tradeoff & Inefficient Peace

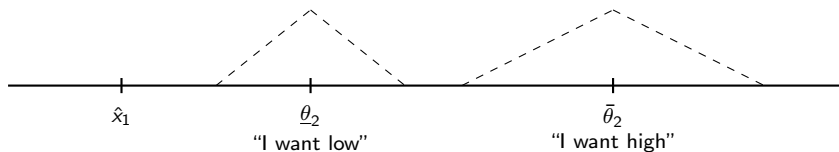


# No Win

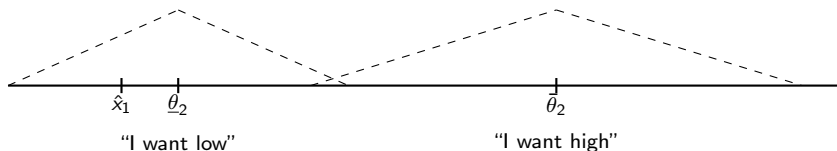


# Modeling Communication

- Before offer, 2 sends message to 1
- Message does not directly affect payoffs

No Win  $\Rightarrow$  Win!

# Risk-Return Tradeoff $\Rightarrow$ No Risk, Only Return



# Takeaways

- Introduced a model of ideological conflict
- Cheap talk works—helps make sense of diplomacy
- Meshes well with data (Strezhnev and Voeten 2013)
- Easy to extend