PPHA 44550 - WEAK STATES AND INTERNATIONAL RELATIONS  
Harris School of Public Policy  
Autumn Quarter 2020, Monday/Wednesday 1:50-3:10pm (Central Time)  
Syllabus: http://home.uchicago.edu/~rmyerson/teaching/ppha44550.pdf  
Instructors: Roger Myerson and Michael Miklaucic  
Teaching Assistant: Laura Montenegro Helfer

Requirements:

- Class participation (video on, please).
- The mid-term essay will be a concise examination of a historical case where a nation's political development was significantly affected (for better or worse) by international forces or foreign influence. The case will be, chosen by the student in consultation with at least one of the professors, and the essay should apply ideas from the course to this case. It is due on November 4 and should be approximately 2000 words (4 - 5 pages, 1.5 space, 12p font).
- The final essay will constitute a broader and deeper discussion of how the international community could better support positive political development, and it may build on the student's analysis in the midterm paper. It is due on December 4 and should be approximately 4000 words (8 -10 pages, 1.5 space, 12p font).

Each student will be assigned for a consultation with one of the two professors in preparation for the first essay assignment. For the final essay each student will be assigned for a consultation with the other professor.
Perspectives on theory of state-building, section 1.
Assumptions of the "Westphalian" system: partition of the world into independent sovereign states that enforce law and control violence within their borders.
Sanctity of recognized borders: People can be motivated to react strongly against even a small violation of their nation's border by fear that a weak response could create expectations of their willingness to surrender much more territory. (Thomas Schelling 1960 on limited war.)

If a nation allowed its territory to be used for violent attacks on other nations, they should retaliate, and the guilty nation should accept this punishment. But this decentralized mechanism for controlling violence in the world fails when a state lacks capacity to control violence; then its need assistance, not punishment.

Comparative politics question: What could foreign forces do that would actually promote positive political development in a country?

Weak states today depend on norms of international respect for their sovereignty. An international intervention to promote political development would violate the Westphalian norm against international interference in national politics. Rival interventions can be a primary cause of state weakness and failure. Any general solution to the problem of weak states must include some principles for strictly regulating international interventions for political development. International relations question: What revised international norms could provide a mechanism for responding effectively to the problems of weak states?
T. Schelling "Bargaining, communication and limited war" = ch3 StrategyOfConflict
Finding foundations of social order in limited war.

First consider shared interests, no communication...

Tacit coordination: • couple separated in big store;
• 2 parachutists want to meet in terrain of Fig 1.

Tacit bargaining (2 players with divergent interests):
• one "X" gets $3 & other $2 (status quo), else $0;
• each can demand $0 to $100, get if sum $\leq$ $100;
• commanders of armies at x & y want their troops
to occupy maximal terrain without conflict.

Coordinating power of salient focal points.

Explicit bargaining (with communication):
• A retreating army may be expected to make a determined stand at the river, which
  is the one line to which they can retreat without being expected to retreat further;
an advancing army's push beyond it could raise expectations of insatiable demands.

The power of focal points, which may be the main principle in tacit bargaining,
remains significant in bargaining with communication (precedent, mediation).

Limited war: limits of Korean conflict 1950-53, gas & nuclear taboos (tactical nucs?),
the sanctity of internationally recognized borders (Munich 1938).

Coordination problems are fundamental to limiting conflict & creating social order.

"Essay on bargaining" (ch2): to commit credibly to promise/threat, stake a relationship.
The **Stag Hunt** game: payoffs for players 1 & 2 depend on their actions as follows:

<table>
<thead>
<tr>
<th></th>
<th>2 hunts stag</th>
<th>2 hunts hares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 hunts stag</td>
<td>5, 5</td>
<td>0, 4</td>
</tr>
<tr>
<td>1 hunts hares</td>
<td>4, 0</td>
<td><strong>2, 2</strong></td>
</tr>
</tbody>
</table>

A **Nash equilibrium** is a complete prediction, specifying a strategy for each player, such that each player would find it optimal to act as predicted if the others were expected to act as predicted.

A complete prediction can be generally believed and rationally fulfilled only if it is a Nash equilibrium.

Here (1 hunts stag, 2 hunts stag) is a Nash equilibrium, yielding payoffs (5,5).

But (1 hunts hares, 2 hunts hares) is also a Nash equilibrium, yielding payoffs (2,2). People playing such a bad equilibrium have a **social problem**, a bad relationship, which they can only escape with coordination, leadership.

<table>
<thead>
<tr>
<th></th>
<th>2 hunts stag</th>
<th>2 hunts hares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 hunts stag</td>
<td>5, 5</td>
<td><strong>0, 6</strong></td>
</tr>
<tr>
<td>1 hunts hares</td>
<td><strong>6, 0</strong></td>
<td><strong>2, 2</strong></td>
</tr>
</tbody>
</table>

Only a bad eqm here.

**In repeated games, dynamic equilibria can be generally supported by expectations that any unjustified misbehavior will be justly punished. Under this norm, any attempt to retaliate against just punishment would be unjustified misbehavior.** (Folk Theorem)
Consider an island where every day different matched pairs play the following **rival-claimants** game in various places on the island:

<table>
<thead>
<tr>
<th></th>
<th>2 claims</th>
<th>2 defers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 claims</td>
<td>-1, -1</td>
<td>9, 0</td>
</tr>
<tr>
<td>1 defers</td>
<td>0, 9</td>
<td>0, 0</td>
</tr>
</tbody>
</table>

Nash equilibria:
- (1 claims, 2 defers) $\rightarrow (u_1,u_2) = (9,0)$,
- (1 defers, 2 claims) $\rightarrow (u_1,u_2) = (0,9)$,
- each claims with independent probability $9/10 \rightarrow \text{each } E_{u_i} = 0 = 0.9 \times -1 + 0.1 \times 9.$

They play the top equilibrium $(9,0)$ when player 1 is recognized as owner here.

**Schelling's focal point effect**: When a game has multiple equilibria, anything in the shared culture or history or environment that focuses people's attention on one Nash equilibrium can generate expectations that people will behave as this equilibrium predicts, so that it becomes rational for everyone to fulfill this prediction.

**Social equilibria**: anarchy; traditional ownership, legislation of ownership principles; focal arbitration by a recognized leader (duly elected, with limited authority); divination.

*[Connection with the model of contests for power: Rents from focal arbitration provide resources to reward those who supported the ruler in the contest for power.]*
Herodotus's story about the initial establishment of a state:

Deioces had always been a man of note, and now he set himself to practice justice ever more and more keenly. The Medes in his own village, seeing the manner of the man's life, chose him to be a judge among them. And he, since it was power he was courting, was always straight and just. Indeed, people in other villages learned that Deioces was the one man for judging according to the rule of right, and at last they would entrust their suits to none but him.

Deioces came to realize that now everything hung on himself. Whereupon he refused to sit as judge anymore and said he would serve no longer. So robbery and lawlessness grew even more in the villages than before.

The Medes all came to a meeting place, and they persuaded one another to be ruled by a king. Then at once the question was proposed as to whom to make king. Deioces was so much in everyone's mouth that all ended by agreeing that he should be their king.

He bade them to build him houses worthy of royalty and to strengthen him with a bodyguard. He compelled the Medes to make one great fortress. When he had ordered these matters and had strengthened himself in royal power, he was very exact in his observance of justice.

[Herodotus, *The Histories*, c. 440 BCE.]
Perspectives on theory of state-building, section 2a.
States are established by political leaders who can motivate a network of active supporters, who are needed both to win power and to wield it. Motivation requires credible promises of costly future rewards for current support. A political leader has a central commitment problem if the leader could enjoy fruits of power without his past supporters after rivals have been defeated. Agents in a firm might look to state courts for contract enforcement, but not agents in a political faction that acts to take state power itself.

A leader becomes politically accountable to a group of supporters when he could not hold power without their confidence in his promises of rewards for good service. This accountability is effective when key supporters monitor the leader's distribution of rewards, sharing evidence of his denying appropriate rewards to any of them. Courtiers must jointly judge their leader even as they serve him, and the leader must maintain his reputation for reliably rewarding his supporters for good service.

My APSR '08: In negotiation-proof equilibria of sequential contests for power, a contender cannot recruit supporters without a court where they can depose him.

The standards of behavior that a leader must maintain to keep his supporters' trust form an informal personal constitution for the leader. These must include reliably rewarding good service, but may include other norms. A leader may fear to violate a formal constitution when his political relationships were developed in its context, so that violating it would shock his supporters.
Xenophon's portrayed Cyrus as establishing the Persian Empire on one essential quality of leadership: a reputation for reliably rewarding good service.

When at dinner with his daughter and [her son] Cyrus, Astyages [the King of Media] wished the boy to dine as pleasantly as possible. He thus put before him fancy side dishes and all sorts of sauces and meats.

Astyages said, "Does it not seem to you that this dinner is much finer than among the Persians?" To this Cyrus answered, "No, grandfather, for the road to satisfaction is much more simple and direct among us [Persians] than among you [Medes]."

Astyages said, "Feast at least upon these meats, so that you may go home a vigorous youth." Cyrus said, "Are you giving me all this meat, grandfather, to use however I want?" "Yes, my child, by Zeus I am," he said.

Then Cyrus, taking the meat, distributed it to his grandfather's servants and said to each, "This is for you, because you teach me to ride with enthusiasm; for you, because you gave me a javelin; for you, because you serve my grandfather nobly; for you, because you honor my mother." He proceeded like this until he had distributed all the meat that he received.

[Xenophon, Education of Cyrus, c. 370 BCE.]
Perspectives on theory of state-building, section 2b.
A trusted leader can mobilize a group's members to work for their mutual benefit. But the members of such a group can enjoy the benefits of effective leadership only when they all agree about who is their leader.
Thus, the question of whom to recognize as leader will have the form of a coordination game which has multiple equilibria.
In effect, the problem of reaching consensus about who leads a group is a coordination problem to solve all other coordination problems for the group.

By Schelling's focal-point effect, anything in a group's culture or history that focuses attention on one candidate for leadership can become a self-fulfilling prophecy, as nobody would want to deny a leader who is recognized by everyone else.
The importance of history and culture in determining who is identified by a group as its leader should warn us that an effort to change the leadership of a group is likely to be frustrated unless it is appropriately rooted in the group's traditions.
For example, a group may have a tradition of selecting its leaders from a distinguished family, as long as a candidate can be found there with the essential quality of reliably rewarding good service and support.