

ECONOMIC MODELS OF POLITICAL CONFLICT AND CONFLICT RESOLUTION

Course Outline

Theme of the Course:

There are two main ways of acquiring resources: (1) by cooperation: engaging in mutually advantageous exchanges with other parties, or (2) by conflict: seizing what you want from others. Whereas traditional economic analysis has concentrated upon the first of these ways of "making a living", political science has paid considerable attention to conflictual activities -- for example, war and revolution. In this course we will be using economic models together with insights from political science to analyze conflict and conflict resolution.

This course is a seminar. There are no exams, but continuing active participation is expected of each student. To enroll you must have taken Econ 11 (formerly Econ 101A) or equivalent, and (especially) the calculus prerequisite for Econ 11 or 101A. A previous course in political science is desirable but not essential; junior/senior status is strongly preferred.

Text:

The Econ M136/P.S. M106 READINGS for Winter 2001 (Academic Publishing Service, ASUCLA). This will be available in the ASUCLA Bookstore. It is ESSENTIAL to purchase this item.

NOTE: As a guide to writing style when you prepare your class reports and term paper, I strongly recommend acquiring any or all of the following: (1) Lanham, REVISING PROSE, (2) Trimble, CONVERSATIONS ON THE ART OF WRITING, and (3) Strunk & White, THE ELEMENTS OF STYLE.

Student Responsibilities:

- (1) To prepare for and participate constructively in all class sessions. (Apart from the class meetings it's possible to follow up on the covered ideas by posting questions or responses on the class "Discussion Board", which can be accessed through the course web page.)
- (2) (a) To present an oral report to the seminar upon some selected article(s) or book chapter(s) from the list of readings to be provided. (See separate memo on Oral Presentations.)
(b) Within a week after your oral presentation, to prepare a short follow-up report (3-5 pages). This might take up points you were unable to cover orally, additional ideas that occurred to you later on, and/or reactions to the class discussion.
- (3) To serve as "designated commentator" on at least one oral presentation. The 'd.c.' is expected to lead the class discussion, and (like the presenter) should be prepared to answer questions about the selected reading. The d.c. is also to submit a follow-up report (2-3 pages).
- (4) At the end of the quarter, to submit an original written term paper. Part of your task is to choose a suitable topic, in consultation with me. The topic MUST of course be relevant to the course material. (See separate memo on Term Papers.)

Grading:

Your grade will depend on performance of all of these tasks, the proportions being approximately:

1/3 for general participation

1/3 for the term paper

1/3 for the oral presentation (including follow-up report) plus your contribution as "designated commentator" (and the d.c. follow-up report).

NOTE: These percentages are rough indications only.

Procedures:

In the first two or three weeks I will lecture on the analysis of conflict. These lectures will mainly review: (i) economic general equilibrium analysis, with some extensions to indicate how optimal choices on the part of individuals interact to determine greater or lesser amounts of social conflict, and (ii) game theory, and in particular the analysis of strategic options and solution concepts.

During these first sessions students will choose or be assigned topics for oral presentations. These are described in detail in a separate memo, but basically each person will be the "presenter" for one assigned reading and a "designated commentator" on another.

Probably starting in the third session, most of the class time thenceforth will be devoted to hearing the student presentations and discussing the author's ideas. Please note that everyone -- not only the presenter and the designated commentator -- is expected to have studied the assigned readings for the week, and to participate in the related discussions.

By the session following the presentation, both presenter and designated commentator will submit a short written report as described in the Memo on Oral Presentations.

About two-thirds of the way through the course, I expect to be receiving from each student a one-page "preliminary note" on his or her proposed term paper topic. [See separate memo on Term Papers.] You can submit two or more one-page notes, if you want to try out several possibilities. The one-page note or notes will not be graded; the purpose is to check out the topic so that I can give you a go-ahead signal or else suggest something else instead. Finally, term papers will be due the first day of exam week, but I accept them without penalty through the last day of exam week.

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COURSE READER -- TABLE OF CONTENTS

Part 1: SOURCES OF CONFLICT AND SETTLEMENT

Gunderson, Gerald, "The origin of the American Civil War," J. of Econ. Hist. (Dec. 1974), 34:915-950.

Hirshleifer, Jack, "The bioeconomic causes of war", Managerial and Decision Economics (1998), 19: 457-466.

Fehr, Ernst and Simon Gächter, "Cooperation and punishment in public goods experiments", American Economic Review (Sept. 2000), 90: 980-994.

Cederman, Lars-Erik, "Emergent polarity: Analyzing state-formation and power politics", Intl. Studies Quarterly (1994), 38: 501-533.

Part 2: GAME THEORY AND CONFLICT

Guttman, Joel M., "The explanatory power of game theory in international politics: Syrian-Israeli crisis interactions, 1951-87", Economics and Politics (March 1997), 9: 71-85.

Brams, Steven J., "Theory of moves," American Scientist, 81: 562-570 (Nov.- Dec. 1993).

Hirshleifer, Jack, "Appeasement: can it work?" UCLA Working Paper (Nov. 2000)

Tsebelis, George, "The abuse of probability in political analysis: The Robinson Crusoe fallacy, Am. Pol. Sci. Rev., 83: 77-91 (March 1989).

Hirshleifer, J. & Eric Rasmusen, "Are equilibrium strategies unaffected by incentives?" J. of Theoretical Politics, 4(3): 353-367 (1992).

Klein, Daniel B. and Brendan O'Flaherty, "A game-theoretic rendering of promises and threats", J. OF EC. BEHAVIOR AND ORG. (1993), 21:295-314.

Hirshleifer, Jack and Juan Carlos Martinez Coll, "What strategies can support the evolutionary emergence of cooperation?", J. of Conflict Resolution (June 1988), 32:367-398.

Part 3: MODELS OF STRATEGY, COMBAT, AND DETERRENCE

Brackney, "The dynamics of military combat," Operations Research (Jan. 1959), 7: 30-44.

Findlay, Ronald, "Towards a model of territorial expansion and the limits of empire," in M. R. Garfinkel and S. Skaperdas, The Political Economy of Conflict and Appropriation (Cambridge Univ. Press, 1996).

Wolfson, Murray and Sergio Guterriez, John Traynor, and Robert Smith, "Competing optima in the Gulf War" in Isard & Anderton, eds, Economics of Arms Reduction and the Peace Process (New York: Elsevier, 1992).

Intriligator, Michael D. and Dagobert L. Brito, "Can arms races lead to the outbreak of war?", J. of Conflict Resolution (March 1984), 28:63-84.

McGuire, Martin C., "The new strategic environment and economic factors in the future of nuclear defense", in W. Isard and C. H. Anderton, eds., Economics of Arms Reduction and the Peace Process (Elsevier, 1992).

James, Patrick, "Rational retaliation: Superpower response to crisis, 1948-1979", Public Choice, 68:117-135 (1991).

Part 4: NON-MILITARY CONFLICTS

Bierman, H. Scott and Luis Fernandez, "Bayesian Equilibrium", Ch. 17 in Game Theory with Economic Applications (Addison-Wesley, 1993). [NOTE: This deals with litigation.]

Alexander, Barbara, "The rational racketeer: Pasta protection in depression era Chicago", J. of Law and Economics (April 1997), 40: 175-202.

Mechner, Emily, "Pirates, politics, and monopoly in the Spanish West Indies trade, 1492-1650" (mimeo, May 1999).

Part 5: CONFLICT AND SOCIETY: ANARCHY, TYRANNY, PROPERTY

Hirshleifer, J., "The paradox of power," Economics and Politics (Nov. 1991), 3: 177-200.

Hirshleifer, J., "Anarchy and its breakdown," J. of Polit. Econ. (Feb. 1995), 103:26-52.

Usher, D. and M. Engineer, "The distribution of income in a despotic society," Public Choice (1987), 54:261-276.

Kuran, Timur, "Sparks and prairie fires: A theory of unanticipated political revolution." Public Choice (1989), 61:41-74.

Usher, D., "The dynastic cycle and the stationary state," Am. Ec. Rev. (Dec. 1989), 79:1031-1044.

Dudley, Leonard, "The rationality of revolution", Economics of Governance (2000) 1: 77-103.