

# PSC/IR 106: Leader(s) Matter(s)

William Spaniel

[williamspaniel.com/pscir-106](http://williamspaniel.com/pscir-106)

# Midterm

- A week from today
- Consists of:
  - 6 IDs (pick 4, 10 points each)
  - 3 quotes (pick 2, 10 points each)
  - 3 short answers (pick 2, 20 points each)
- I'll schedule a review session for Tuesday night

# Outline

- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# Outline

- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# Uncertainty and Conflict

- What is the relationship between uncertainty and conflict?

# Uncertainty and Conflict

- What is the relationship between uncertainty and conflict?
- How do new leaders impact this?

# Uncertainty and Conflict

- What is the relationship between uncertainty and conflict?
- How do new leaders impact this?
  - “Private information is introduced each time a new leader enters office”
  - Intelligence information on previous leader’s resolve is thrown out
  - Process begins anew

Yesterday was the 52<sup>nd</sup>  
anniversary of what?





# Historical Overview of CMC

- USSR places intermediate range nuclear missiles in Cuba
- US blockades Cuba
- US pledges Cuban sovereignty and removes Jupiter missiles in Turkey; USSR removes missiles
- Professor X paralyzed

# Rough Statistical Overview

- Newer leaders are correlated with
  - Arms races
  - Sanctions
  - Militarized interstate disputes?
  - Mexican drug cartel violence?
  - Diplomatic discussion?

# Outline

- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# Previously on IR106

- Wars are bad. Why do they happen anyway?
  1. Bargaining problems prohibit negotiated agreements.
  2. Regime types (democracy, capitalism) affect prevalence of war.

# Previously on IR106

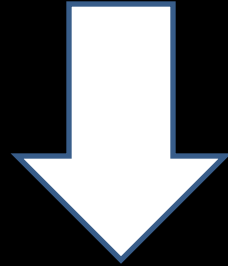
- Wars are bad. Why do they happen anyway?
  1. Bargaining problems prohibit negotiated agreements.
  2. Regime types (democracy, capitalism) affect prevalence of war.
  3. Poor leadership oversight.

# Principal-Agent Problem

- We can't always do everything we want to do.
  - Solution: Hire someone to do things for you.
  - Problem: That person might not want to do things just like you want them to.

# Professor

**“spend 20 minutes  
grading each essay”**

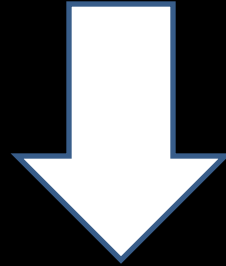


# TA



# Professor

**“spend 20 minutes  
grading each essay”**



## TA

**spend 20 minutes**

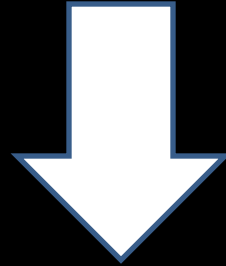


**spend 10 minutes**



# Professor

“spend 20 minutes  
grading each essay”



## TA

spend 20 minutes



spend 10 minutes

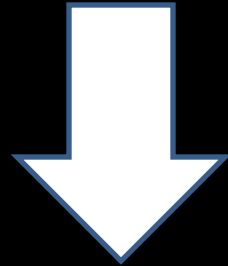


# Principal-Agent Vulnerability

1. Preferences are not aligned.
2. Monitoring problems.
3. Future rewards unavailable.

# Populace

**“we only want to go to war  
when it is necessary”**



## Leader

**Don't go to war**



**Go to war**



# Outline

- Information
- Principal-agent problems
- **Diversionary war**
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# Leaders

- Governments are better informed about international affairs than their citizens.
  - Do you know what the CIA knows?
- It is advantageous to keep secret information...secret.
  - But this can lead to exploitation.

# A Diversion?

- Imagine your economy is really screwed or you are terrible at crafting domestic policy.
- Might as well create an international crisis to distract everyone from this!
  - If things go well, great!
  - If things go poorly...you were screwed anyway.

# Falklands War





# Iraq War



Diversionary war: a war fought to divert attention from a politically unpopular area to the international arena.

# How Can This Work?

- Why can't people see right through the diversion?
- Information asymmetry!
  - People in a country might want to support the war if the conditions are favorable.
  - But only the leader knows this.
  - Thus, the leader can exploit the asymmetry.

# How Can This Work?

- Even if the war turns out to be a disaster, this might not be so bad for the leader.
  - Bush was reelected in 2004.
  - ...but Argentina's military government fell after losing the Falklands War.

# Monitoring Problem

- Recall that the principal's inability to monitor the agent leads to P-A problems.
- Diversionary war highlights the tradeoff between needing government secrecy and requiring government accountability.

# Outline

- Information
- Principal-agent problems
- Diversionary war
- **Gambling for resurrection**
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# From Last Time...

- Governments are better informed about international affairs than their citizens.
  - Potential P-A problem results.
- Citizens can remove leaders as a method of punishing bad leaders.

# War!

- Imagine a leader starts a war because he honestly believed it was the right thing to do.
- The war goes poorly.
  - The leader knows he should negotiate peace.
- But there is an information gap!
  - Citizens don't know whether the leader was doing the right thing or was incompetent or self-interested.



# The Leader's Options

## 1. Continue fighting the war.

- If you lose, big deal. You were probably going to be kicked out of office anyway.
- If you win, you confirm your original brilliance.

## 2. Negotiate peace.

- It is in the best interest of the country.
- But you are screwed!

EXTRA

THE STARS AND STRIPES

EXTRA

Vol. 1—No. 229

1 C.

1 C.

Wednesday, May 2, 1945

# HITLER DEAD

**Fuehrer Fell at CP, German Radio Says;  
Doenitz at Helm, Vows War Will Continue**

German radio announced last night that Adolf Hitler had died. When Karl Doenitz, former commander-in-chief of the German Navy, has succeeded him as ruler of the Reich, the radio announced news said.

Doenitz made a radio speech immediately after the announcement, Hitler said, and declared that Germany would continue to wage war. His statement ended years of events which had been prevalent for more than a week in all world capitals.

The announcement did not give any details of how the Reich Fuehrer died. The news was broadcast after solemn Wagnerian music, including "Fidèle of the Gods," was played.

"Fuehrer, adieu," a voice said. "In a few minutes you will hear a solemn and important message to the German people. We are now going to play a movement of Beethoven's Seventh Symphony." Finally, the report of Hitler's death was given.

Hitler's death came three days after his last known sighting. He was killed by British bombers near the village of Dornum on Lake Tann.

Doenitz, in his speech, said that Hitler "had fallen at his command post," while fighting a battle and that he died in the Reich Chancellery in Berlin yesterday afternoon. He said that the Fuehrer was killed by British bombers.

Doenitz, in his speech, said that Hitler "had fallen at his command post," while fighting a battle and that he died in the Reich Chancellery in Berlin yesterday afternoon. He said that the Fuehrer was killed by British bombers.

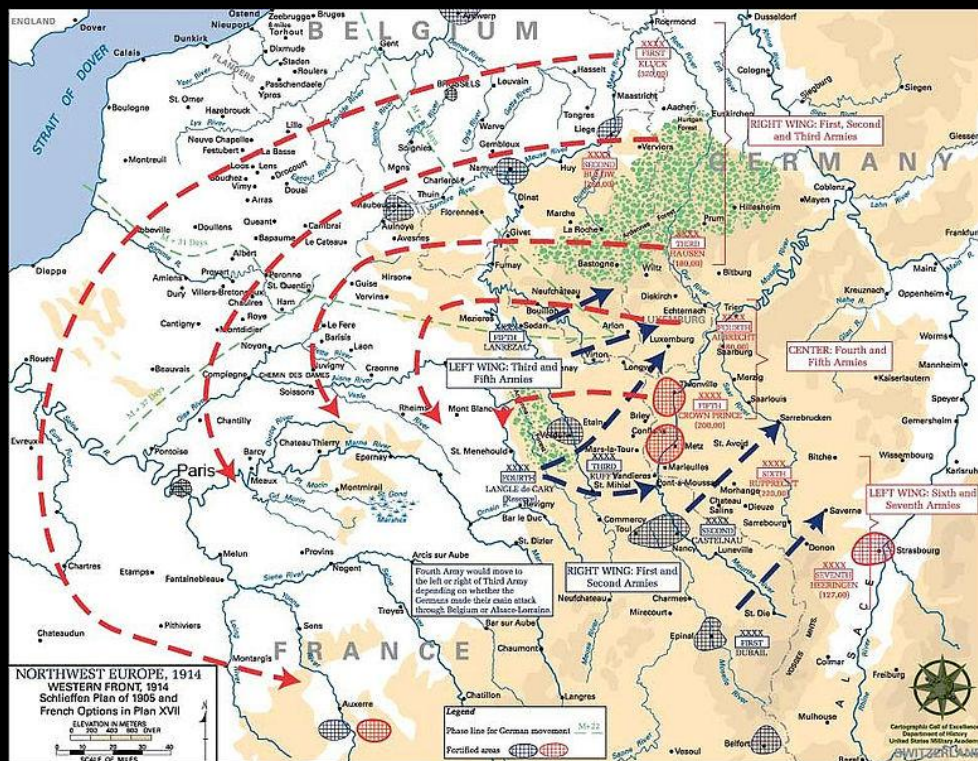
(Continued on Page A)

## Churchill Hints Peace Is at Hand

Churchill, in his speech, said that Hitler "had fallen at his command post," while fighting a battle and that he died in the Reich Chancellery in Berlin yesterday afternoon. He said that the Fuehrer was killed by British bombers.



Churchill, in his speech, said that Hitler "had fallen at his command post," while fighting a battle and that he died in the Reich Chancellery in Berlin yesterday afternoon. He said that the Fuehrer was killed by British bombers.





# Outline

- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# Review: Electoral Incentives

- War is costly, but some benefit.
- Easy to buy off a small number of people.
  - Saddam Hussein → steal Kuwaiti oil → buy off his cronies.
- Hard to buy off a large number of people.
  - Since democracies share the burden of war relatively equally, democratic leaders have less incentive to fight.

Takeaway point: Autocrats appear to find war more attractive since they do not pay the costs.

# Resolving a P-A Problem

1. Find an agent with aligned preferences.
2. Monitor rogue agents.
3. Create incentive structure to keep rogue agents in line.



# Resolving a P-A Problem

1. Find an agent with aligned preferences.
  - Can't remove autocrat from power!
2. Monitor rogue agents.
3. Create incentive structure to keep rogue agents in line.

# Resolving a P-A Problem

1. Find an agent with aligned preferences.
2. Monitor rogue agents.
  - Oversight only goes so far if agent doesn't care.
3. Create incentive structure to keep rogue agents in line.

# Resolving a P-A Problem

1. Find an agent with aligned preferences.
2. Monitor rogue agents.
3. Create incentive structure to keep rogue agents in line.
  - Big difference between democratic and autocratic incentive structures.

# Fighting a Bad War

## **Democratic Leader**

- Will face reelection at some point.

## **Autocratic Leader**

- Will be unlikely to face (real) reelection at any point.

# Fighting a Bad War

## Democratic Leader

- Will face reelection at some point.
- Will be less likely to win reelection if he fights a bad war.
- Has party officials pressuring him to do the right thing.

## Autocratic Leader

- Will be unlikely to face (real) reelection at any point.
- Doesn't have to care about vote counts, so what the hell.
- Has cronies encouraging him to do the selfish thing so they share the benefits.

Takeaway point: Autocrats in firm control have little reason to appease their citizens.

Takeaway point: Democratic leaders face electoral accountability and have reason to appease their citizens.

# Outline

- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- **Leader retirement**
- Peace through instability
- Bargaining and leaders
- Pandering



# Case Study: Iraq War





George W. Bush  
democratically elected leader



George W. Bush  
loser of the Iraq War





...spent the next four years chilling on  
an 18 acre estate



...will spend the next few decades  
chilling on a 1,583 acre estate



...and charges \$100,000+ for  
appearance fees.





Saddam Hussein  
everyone's favorite jovial dictator



Saddam Hussein  
father to many





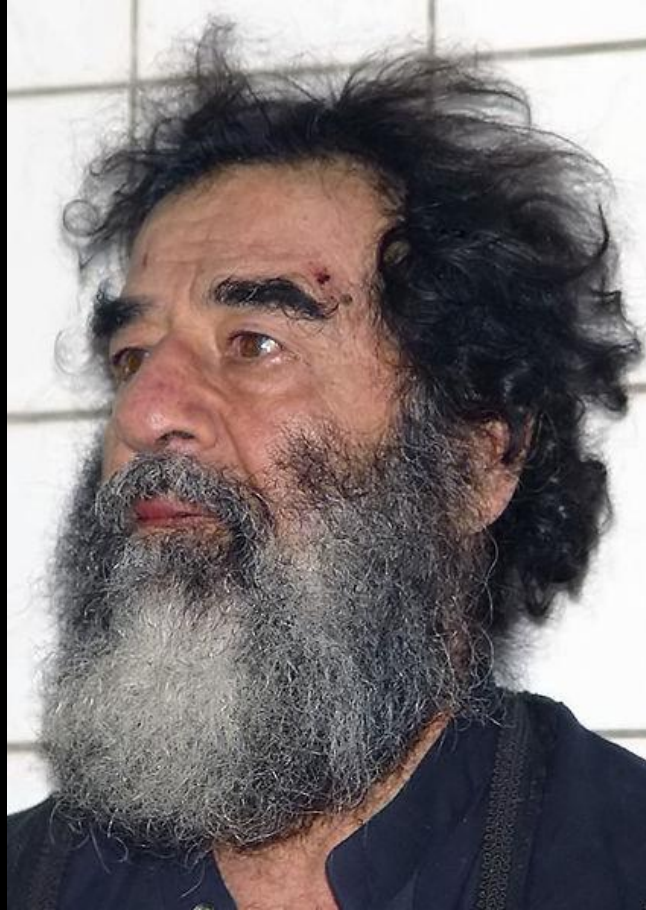
Saddam Hussein  
and all-around (not-so) good guy



Saddam Hussein  
the **real** loser of the Iraq War



Saddam Hussein  
spent half a year living in a spider hole



Saddam Hussein  
went on trial, hanged





Question 1: What percentage of democratic leaders are not exiled, jailed, or killed at the end of their term?

Question 1: What percentage of democratic leaders are not exiled, jailed, or killed at the end of their term?

Question 2: What percentage of non-democratic leaders are not exiled, jailed, or killed at the end of their term?

# Leader Fates

## **Democratic Leader**

- Okay: 93%

## **Non-Democratic Leader**

- Okay: 59%



# Leader Fates

## **Democratic Leader**

- Okay: 93%
- Exiled: 3%

## **Non-Democratic Leader**

- Okay: 59%
- Exiled: 23%

# Leader Fates

## **Democratic Leader**

- Okay: 93%
- Exiled: 3%
- Jailed: 3%

## **Non-Democratic Leader**

- Okay: 59%
- Exiled: 23%
- Jailed: 12%

# Leader Fates

## Democratic Leader

- Okay: 93%
- Exiled: 3%
- Jailed: 3%
- Killed: 1%

## Non-Democratic Leader

- Okay: 59%
- Exiled: 23%
- Jailed: 12%
- Killed: 7%

# Leader Fates

## Democratic Leader

- Okay: 93%
- Exiled: 3%
- Jailed: 3%
- Killed: 1%
- Bad outcomes: 7%

## Non-Democratic Leader

- Okay: 59%
- Exiled: 23%
- Jailed: 12%
- Killed: 7%
- Bad outcomes: 41%

# Leader Fates

## Democratic Leader

- Okay: 93%
- Exiled: 3%
- Jailed: 3%
- Killed: 1%
- Bad outcomes: 7%

## Non-Democratic Leader

- Okay: 59%
- Exiled: 23%
- Jailed: 12%
- Killed: 7%
- Bad outcomes: 41%

Moral: If you are a non-democratic leader, you *really* don't want to get kicked out of office.

# Outcome Matters

- Previously, we have only talked about “good” or “bad” outcomes and the incentive of war.
- Clearly, the *extent* of bad outcomes matters.
- Non-democratic leaders have incentive to avoid randomly fighting wars.

# Outline

- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# Leader Fates

## Democratic Leader

- Okay: 93%
- Exiled: 3%
- Jailed: 3%
- Killed: 1%

## Non-Democratic Leader

- Okay: 59%
- Exiled: 23%
- Jailed: 12%
- Killed: 7%



# Leader Fates

## **Non-Democratic Leader**

- Okay: 59%
- Exiled: 23%
- Jailed: 12%
- Killed: 7%

Imagine you are a dictator facing  
a legitimate security threat.

# Peace through Instability

## War?

- Victory: You've done a good thing for your country.

## Peace?

# Peace through Instability

## War?

- Victory: You've done a good thing for your country.
- Defeat: You tried to do a good thing for your country, but things went poorly.
  - Opens up coup opportunities.
  - Good chance you wind up exiled, jailed, or dead.

## Peace?

# Peace through Instability

## War?

- Victory: You've done a good thing for your country.
- Defeat: You tried to do a good thing for your country, but things went poorly.
  - Opens up coup opportunities.
  - Good chance you wind up exiled, jailed, or dead.

## Peace?

- You did a bad thing for your country.
- But you are alive and still the dictator. Congrats!

Principal-agent problems can  
cause peace!



# Truncated Punishment

- When someone internalizes equally sized losses at a progressively lower rate
  - A 3-1 loss is only marginally worse than a 2-1 loss
  - So goalies get pulled—even though the *expected* goal differential is negative



Imagine you are a dictator and  
you suspect some of your military  
brass is plotting a coup.

# Fighting for Survival

**War?**

**Peace?**

- You're screwed!

# Fighting for Survival

## War?

- Victory: You did a bad thing for your country, but it worked out well.
  - Coup unlikely to muster support.

## Peace?

- You're screwed!

# Fighting for Survival

## War?

- Victory: You did a bad thing for your country, but it worked out well.
  - Coup unlikely to muster support.
- Defeat: You did a terrible thing for your country.
  - But coup plotters are dead or had to attempt the coup before they were ready.
  - Or you were dead anyway.

## Peace?

- You're screwed!

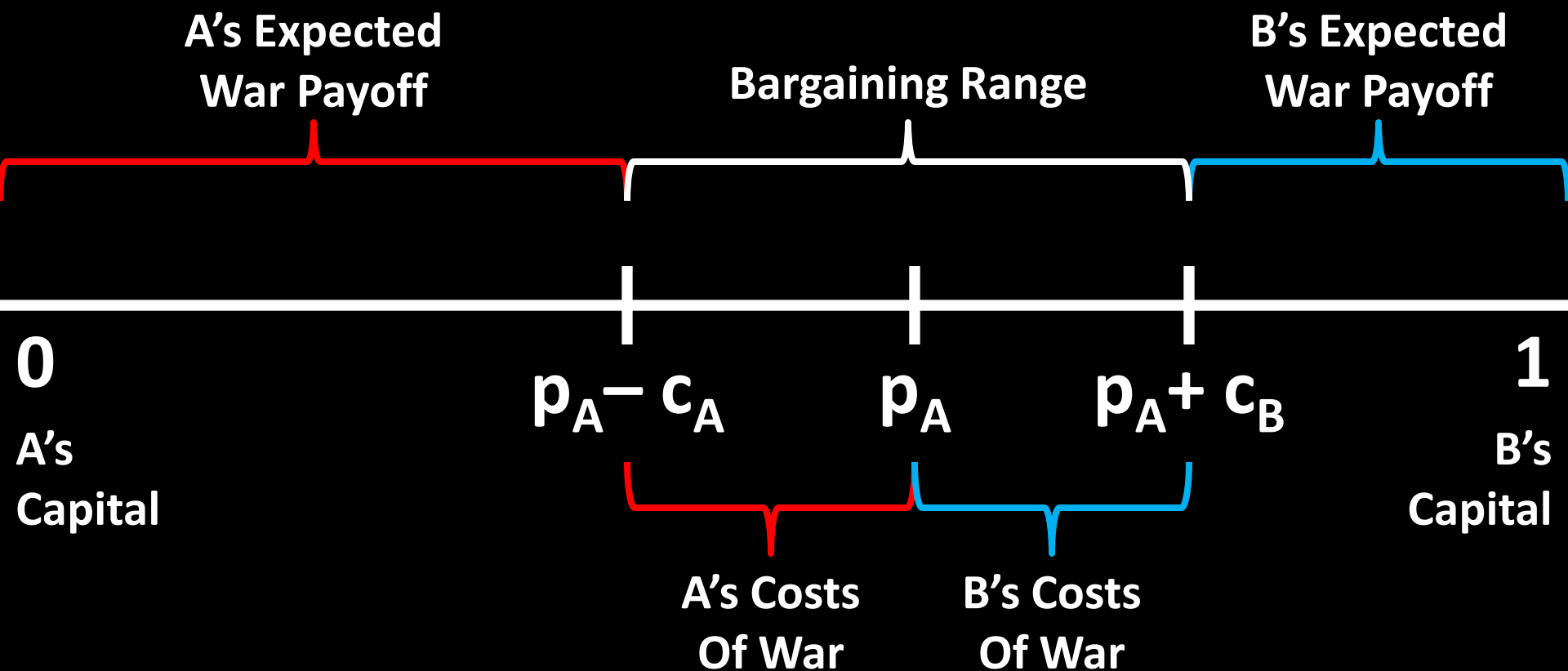
Principal-agent problems can cause dictators to fight, but only when they believe they are in trouble otherwise.

# Outline

- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering

# The Old Model

- Two states: A and B.
- Bargain over an object worth 1.
- $p_A$  is the probability A wins a war.
- $1 - p_A$  is the probability B wins a war.
- States pay costs  $c_A, c_B > 0$  if they fight.

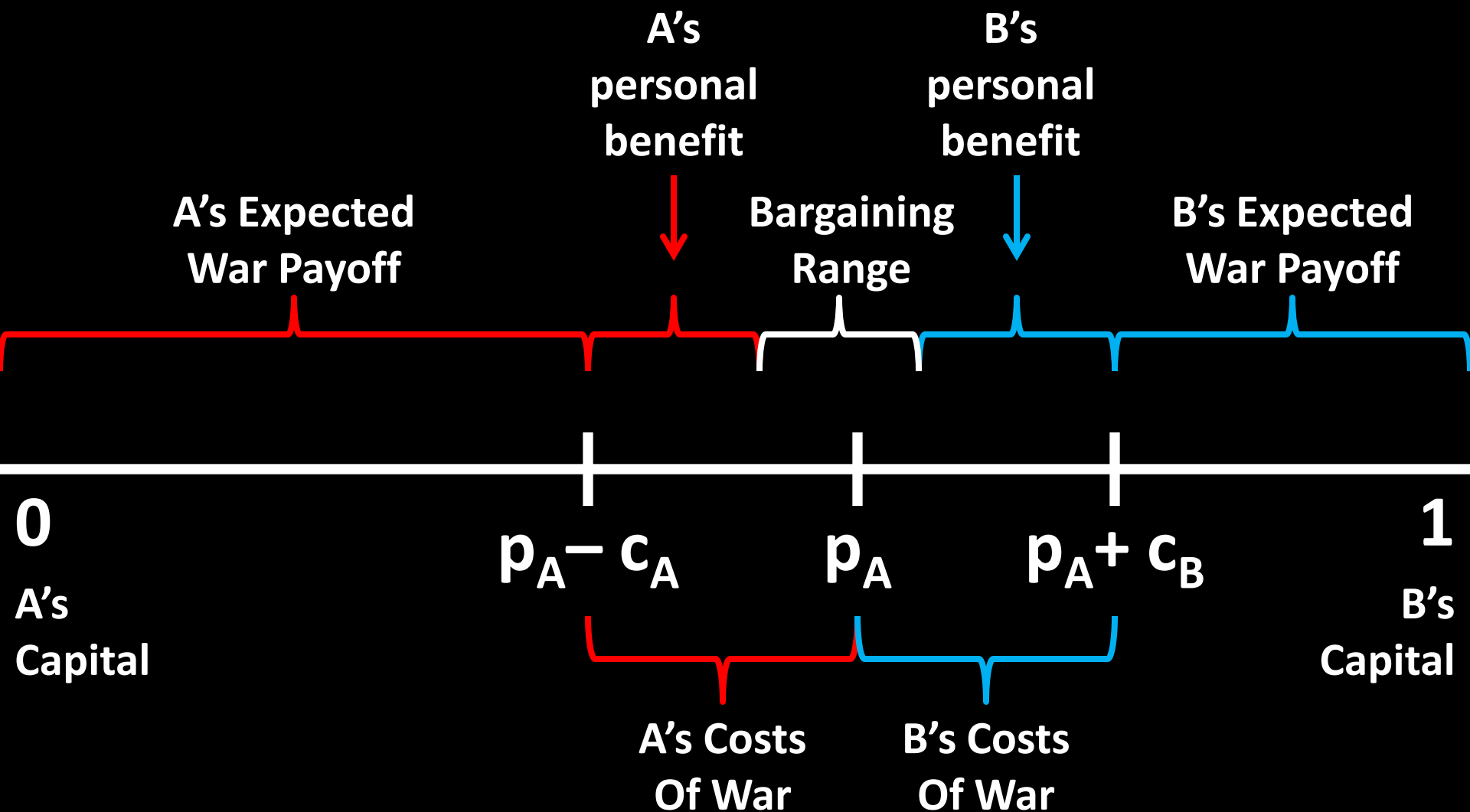




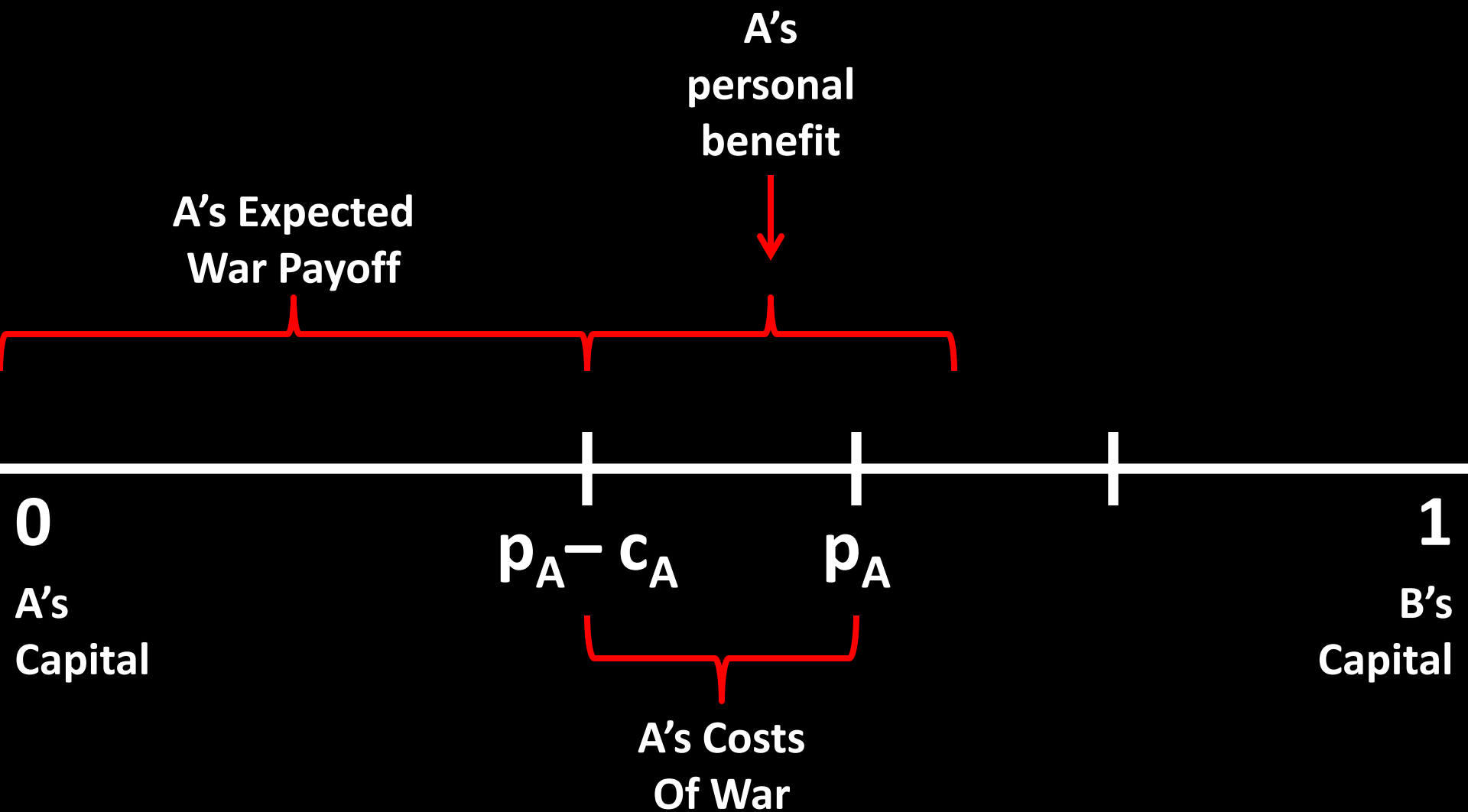
# Adding Leaders

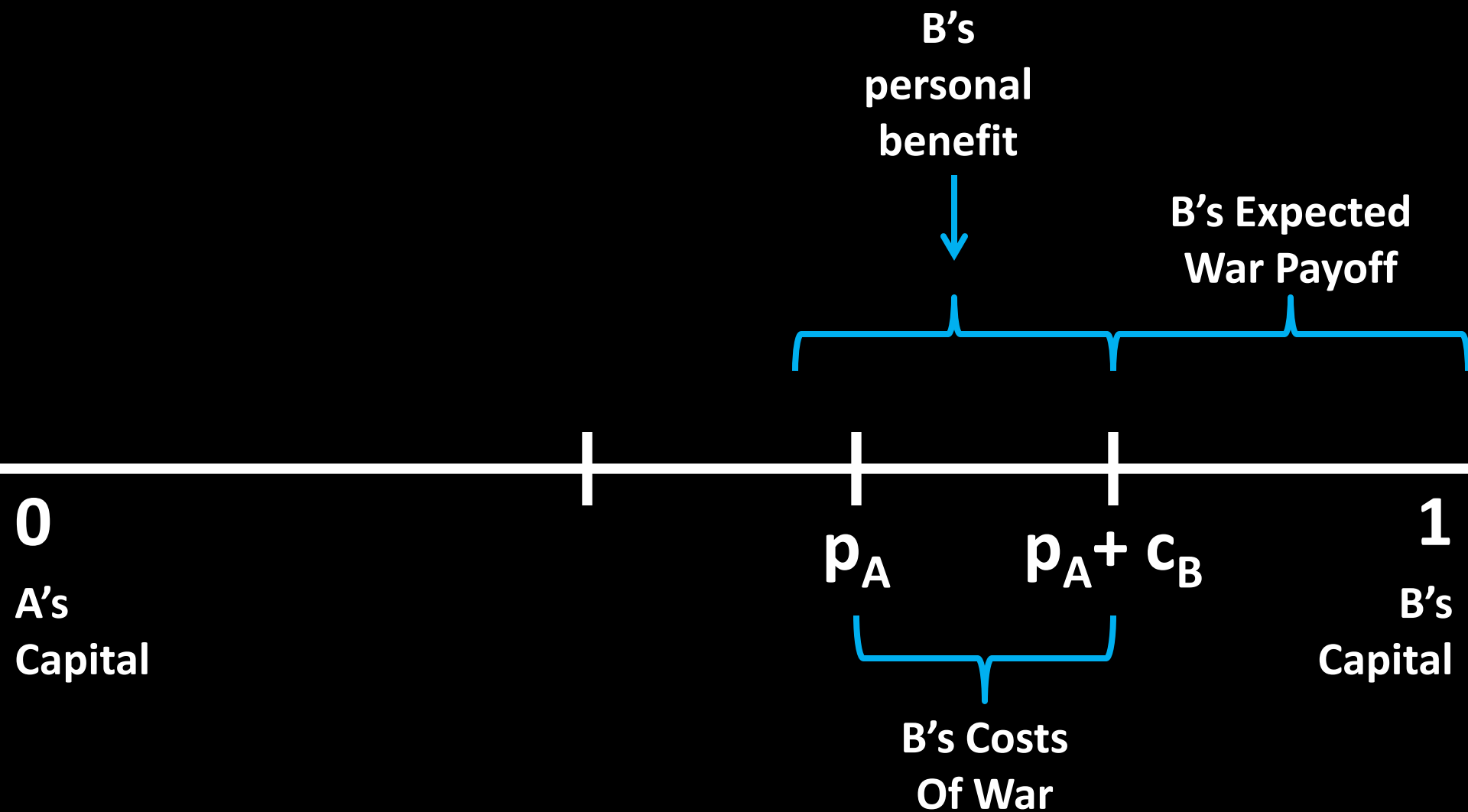
- Two states: A and B.
- Bargain over an object worth 1.
- $p_A$  is the probability A wins a war.
- $1 - p_A$  is the probability B wins a war.
- States pay costs  $c_A, c_B > 0$  if they fight.
- Leaders receive personal utility  $u_A, u_B$ .
  - Could be positive or negative.

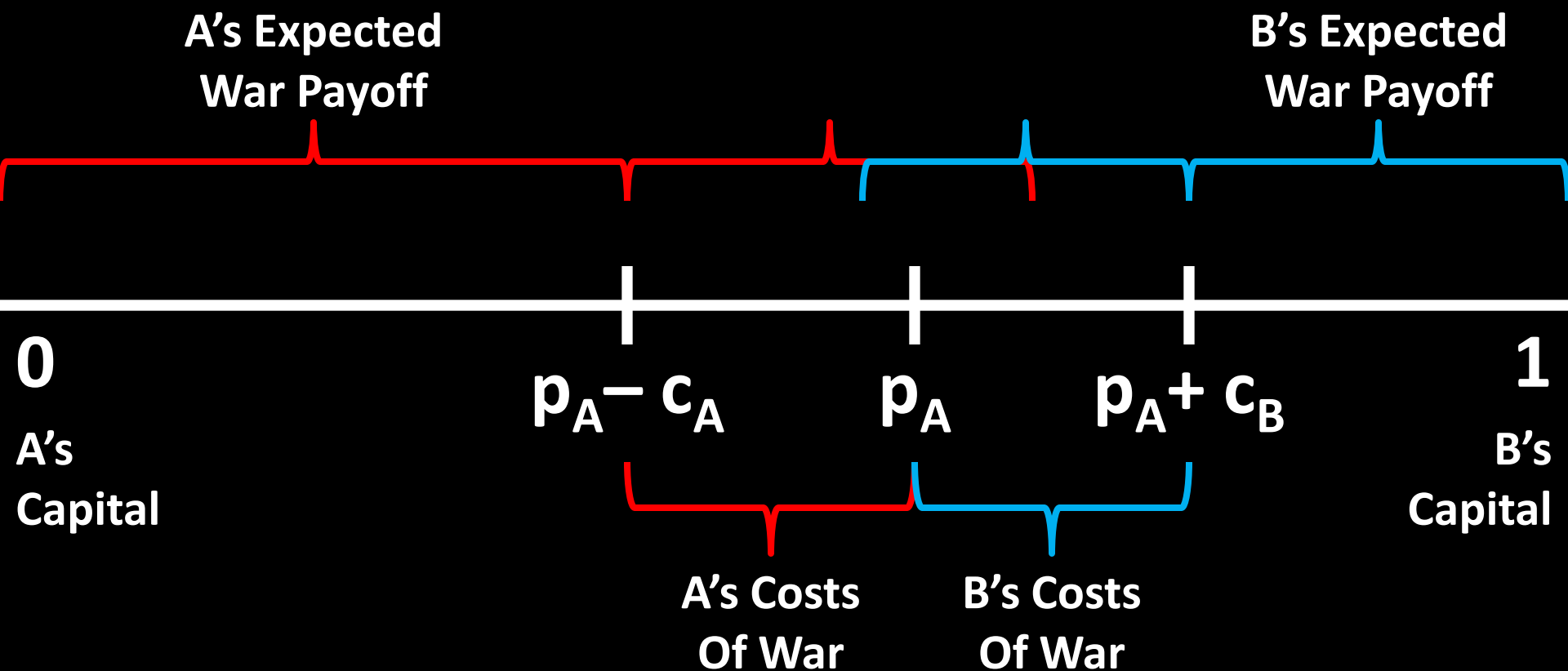
If  $c_A + c_B > u_A + u_B$ , a bargaining range still exists.



If  $c_A + c_B < u_A + u_B$ , no bargained settlement exists.

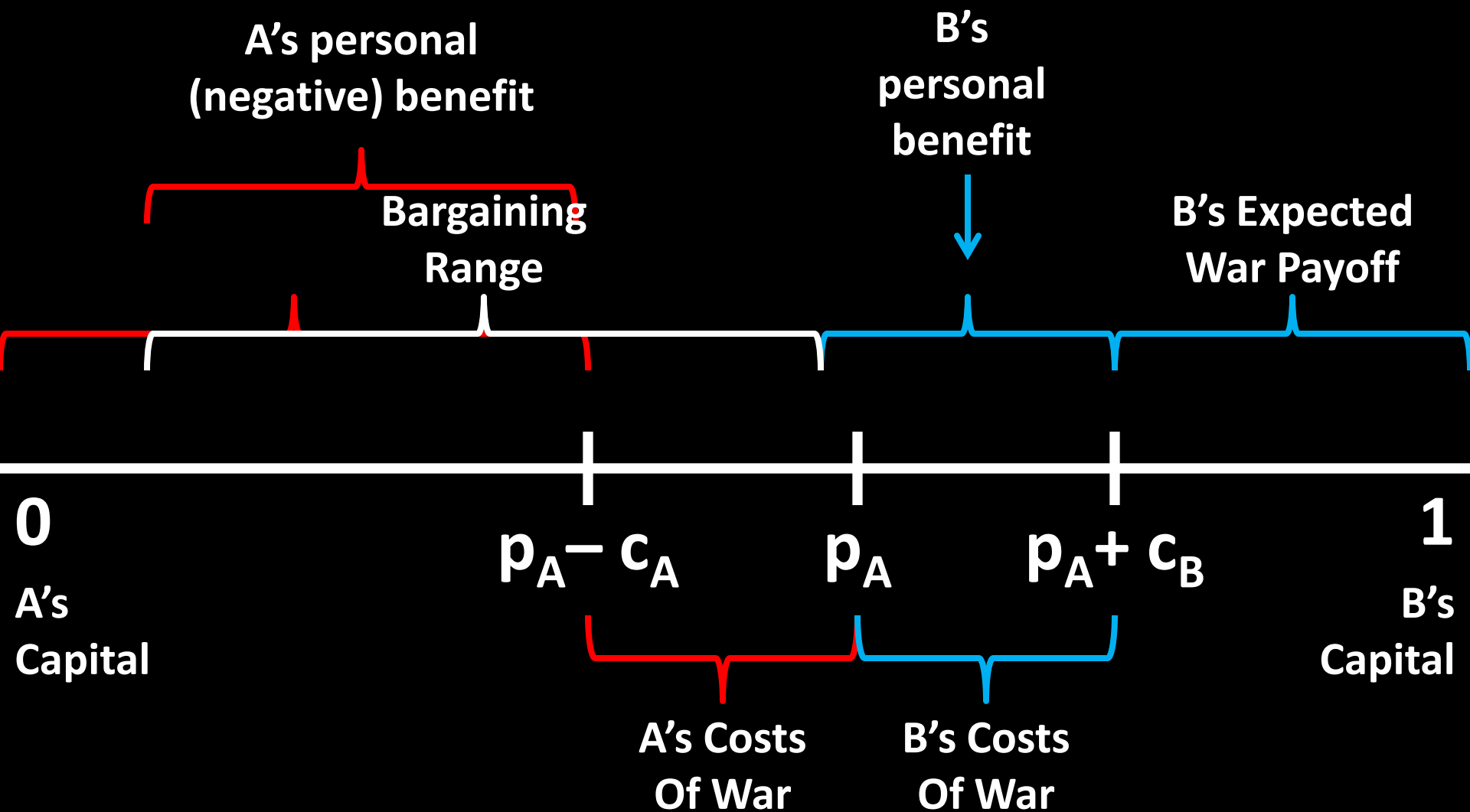






If  $u_A + u_B < 0$ , bargaining range becomes bigger (peace through instability).





# Takeaway Points

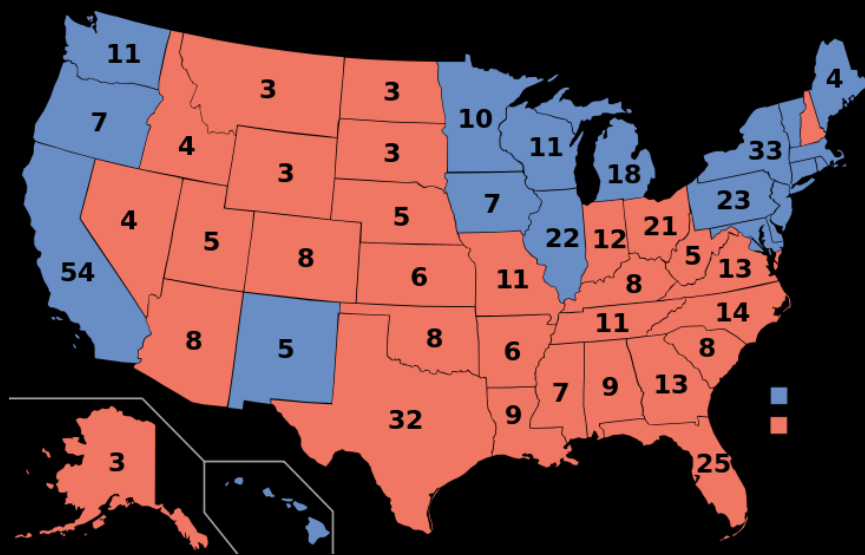
- Leaders are important to our study of conflict.
- Unitary actor assumption isn't a very big deal.
  - Every unitary actor explanation for war still exists with leaders in the model if  $c_A + c_B > u_A + u_B$ .

# Takeaway Points

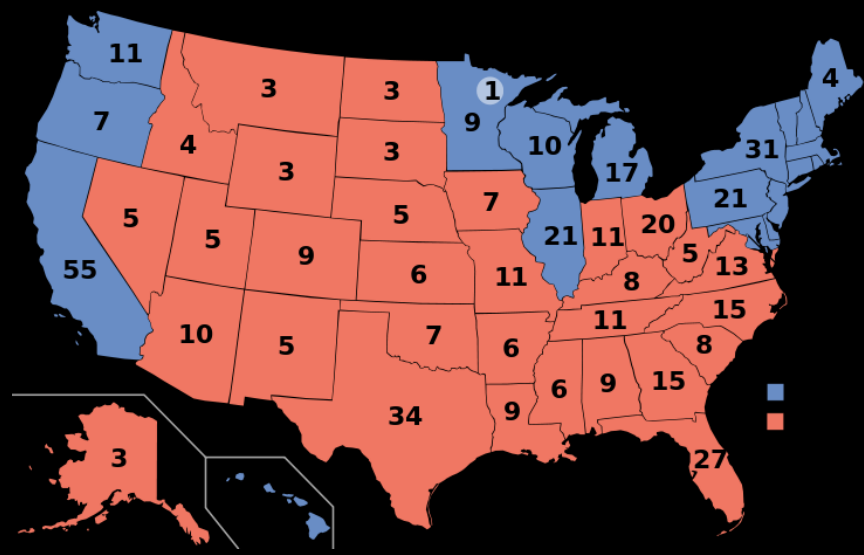
- Leaders are important to our study of conflict.
- Unitary actor assumption isn't a very big deal.
  - Every unitary actor explanation for war still exists with leaders in the model if  $c_A + c_B > u_A + u_B$ .
- Use the simplest model you can to illustrate your point.
  - Need leaders for your explanation? Include them.
  - Don't need leaders? Don't include them.

# Outline

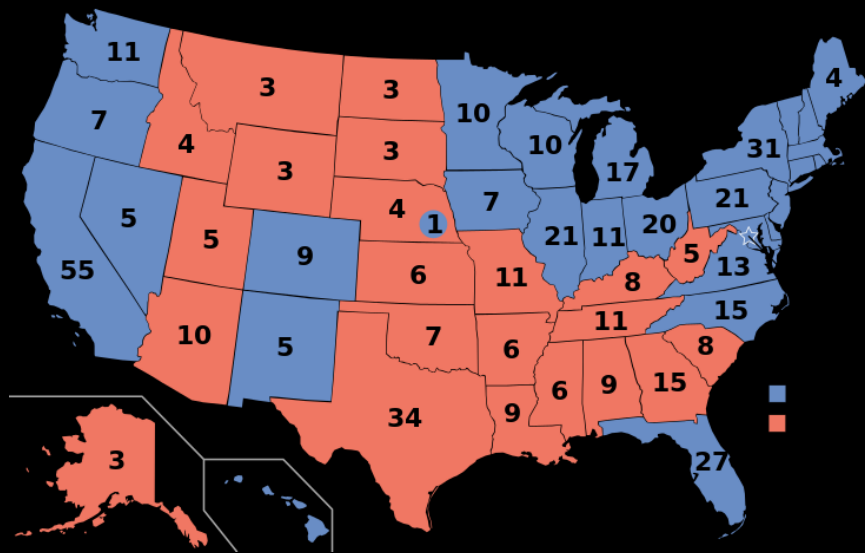
- Information
- Principal-agent problems
- Diversionary war
- Gambling for resurrection
- Democratic accountability
- Leader retirement
- Peace through instability
- Bargaining and leaders
- Pandering



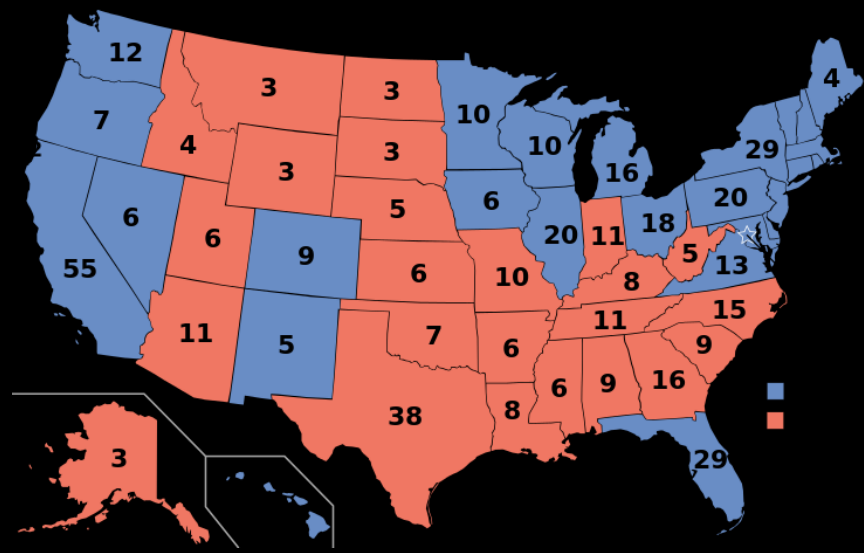
2000



2004



2008



2012

# From the Declaration...

- “All men are created equal.”

# From the Declaration...

- “All men are created equal.”
- Should say: “All men are created equal. But voters living in Ohio and Florida are more equal than others.”

# Thinking Strategically

- Voters in California are voting for the Democrat. Voters in Texas are voting for the Republican.



# Thinking Strategically

- Voters in Ohio and Florida are up in the air.
  - Candidates must therefore be more responsive to their desires.

Do you think the United States  
should reestablish diplomatic and  
trade relations with Cuba?

Do you think the United States  
should reestablish diplomatic and  
trade relations with Cuba?

Yes: 67%

No: 20%

Unsure: 13%

# Pandering

- Most people don't have particularly strong feelings about this.
- ...but older Cuban immigrants do.



# Trade Relations

- On the whole, states are better off eliminating tariffs than engaging in trade wars.

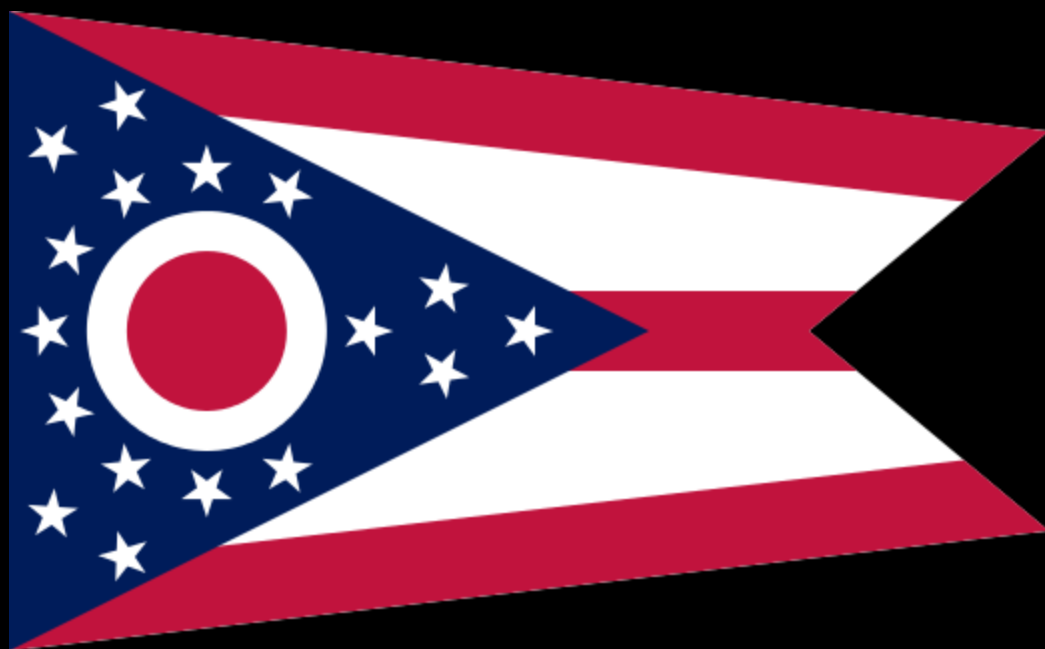
# Trade Relations

- On the whole, states are better off eliminating tariffs than engaging in trade wars.
- But there are winners and losers.

# Trade Relations

- A steel company in the United States wants tariffs on imported steel.
  - Makes steel more expensive for US consumers but increases US steel producers' profits.





Takeaway: Electoral rules can distort international outcomes.