

# COMMITMENT PROBLEMS

PSC/IR 265: CIVIL WAR AND INTERNATIONAL SYSTEMS

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[WJSPANIEL.WORDPRESS.COM/PSCIR-265](http://WJSPANIEL.WORDPRESS.COM/PSCIR-265)

# Overview

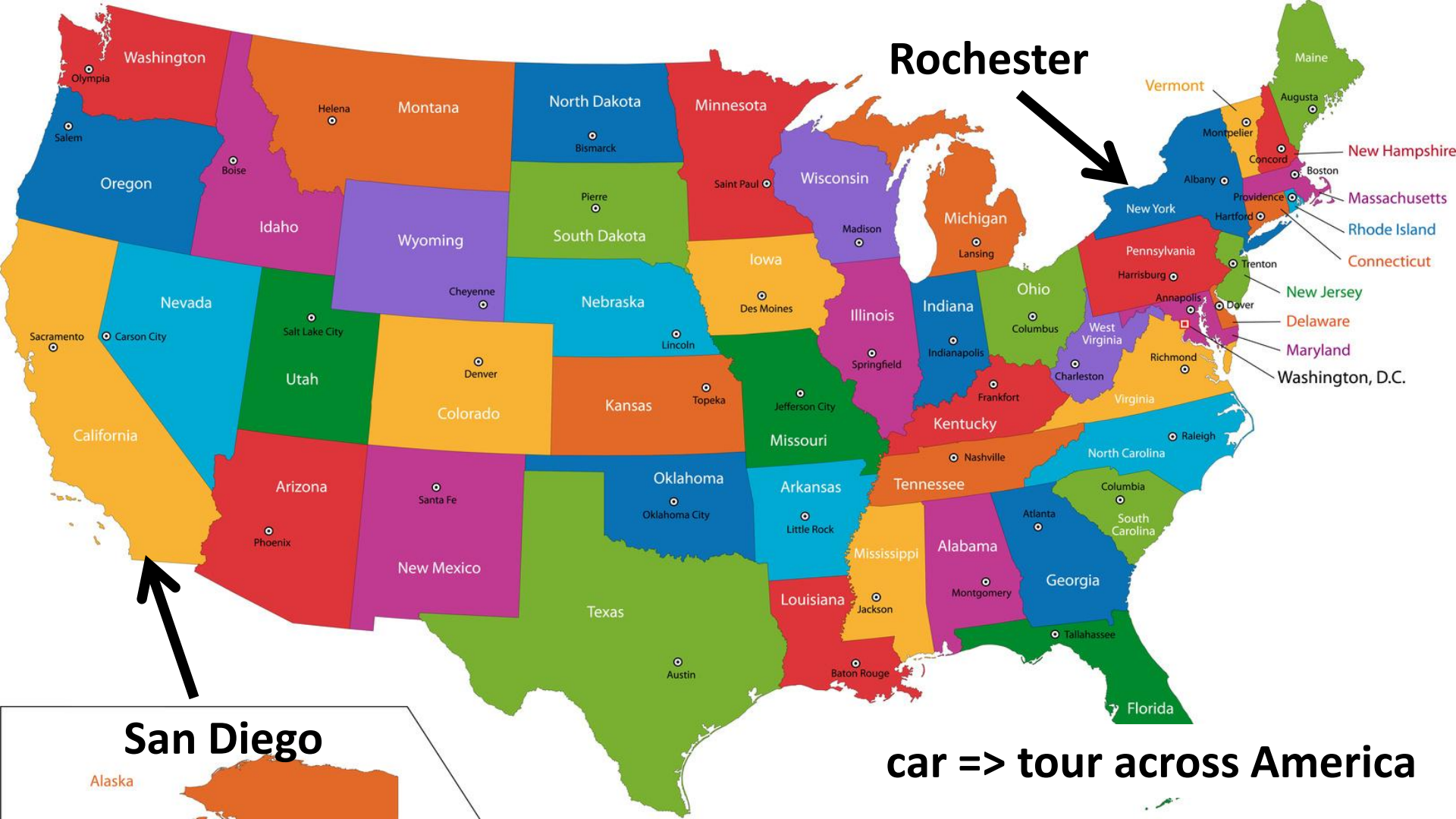
1. Commitment problems
2. *Breaking Bad*
3. Yugoslavia's Meltdown
4. When do commitment problems occur?





Rochester

San Diego

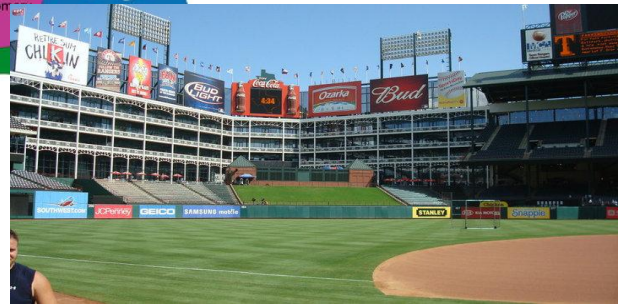






Rochester

San Diego



# San Diego

## Arlington





Rochester

Vermont

Maine

Augusta

Montpelier

Concord

New Hampshire

Boston

Massachusetts

Rhode Island

Connecticut

Trenton

New Jersey

Delaware

Maryland

Washington, D.C.

Dover

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Richmond

Virginia

Raleigh

North Carolina

Columbia

South Carolina

Atlanta

Georgia

Montgomery

Alabama

Tennessee

Nashville

Kentucky

Frankfort

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Lansing

Michigan

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Wisconsin

Springfield

Illinois

Des Moines

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**My  
Concern.**

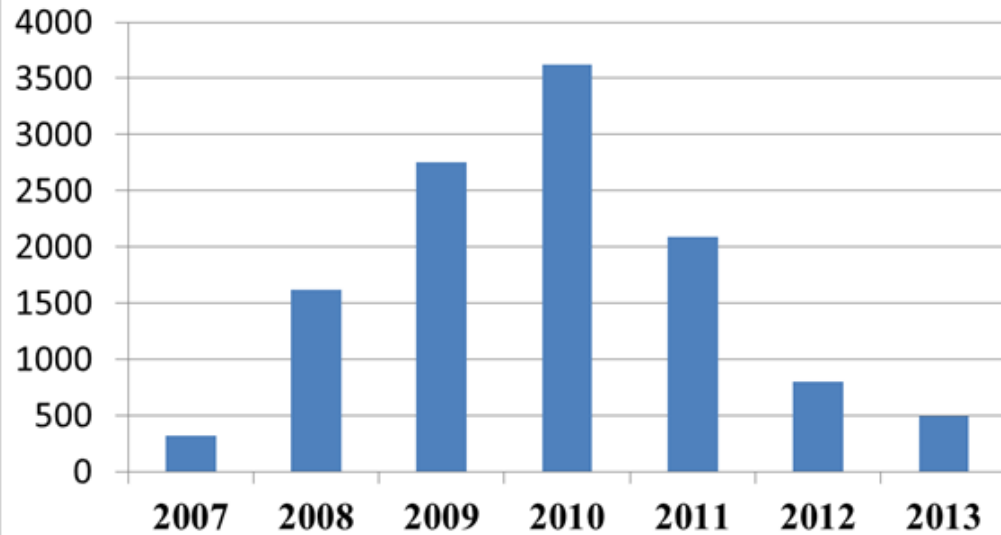








## Homicide Rates - Cd. Juarez



**Your car is full of stuff covered with a blanket. You must be a drug dealer. I'm going to search your vehicle now.**



Your car is full of stuff covered with a blanket. You must be a drug dealer. I'm going to search your vehicle now.

**Heck no! Have you ever heard of illegal search and seizure?**





Your car is full of stuff covered with a blanket. You must be a drug dealer. I'm going to search your vehicle now. Heck no! Have you ever heard of illegal search and seizure? You can either let me do a quick search, or we can wait a half hour for the K-9 unit to arrive. It's hot. Waiting would be worse for both of us. I **promise** to conduct a quick search.

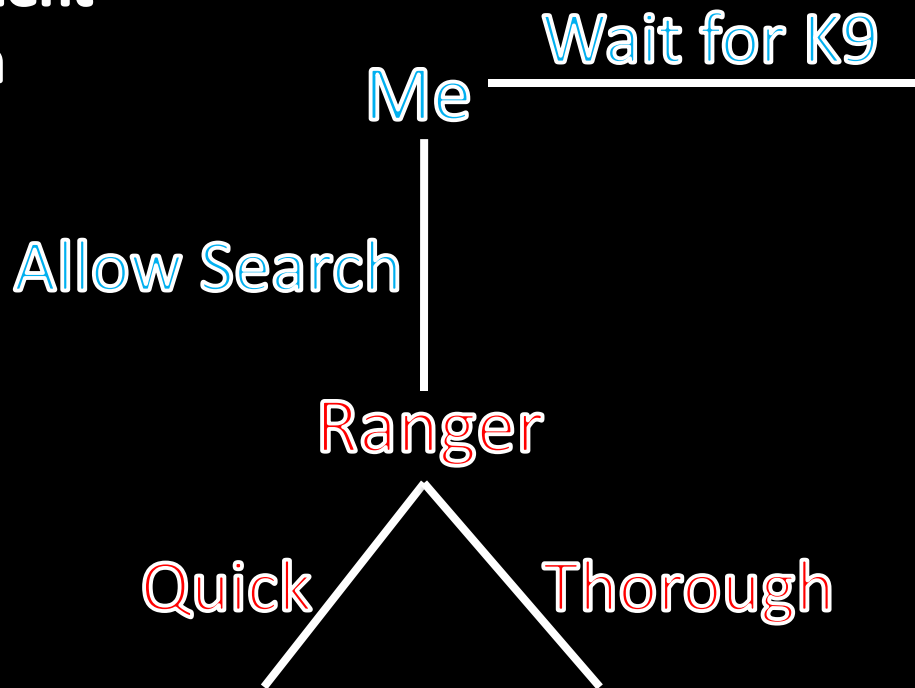


Your car is full of stuff covered with a blanket. You must be a drug dealer. I'm going to search your vehicle now. Heck no! Have you ever heard of illegal search and seizure? You can either let me do a quick search, or we can wait a half hour for the K-9 unit to arrive. It's hot. Waiting would be worse for both of us. I promise to conduct a quick search.

Thanks, I'll wait.

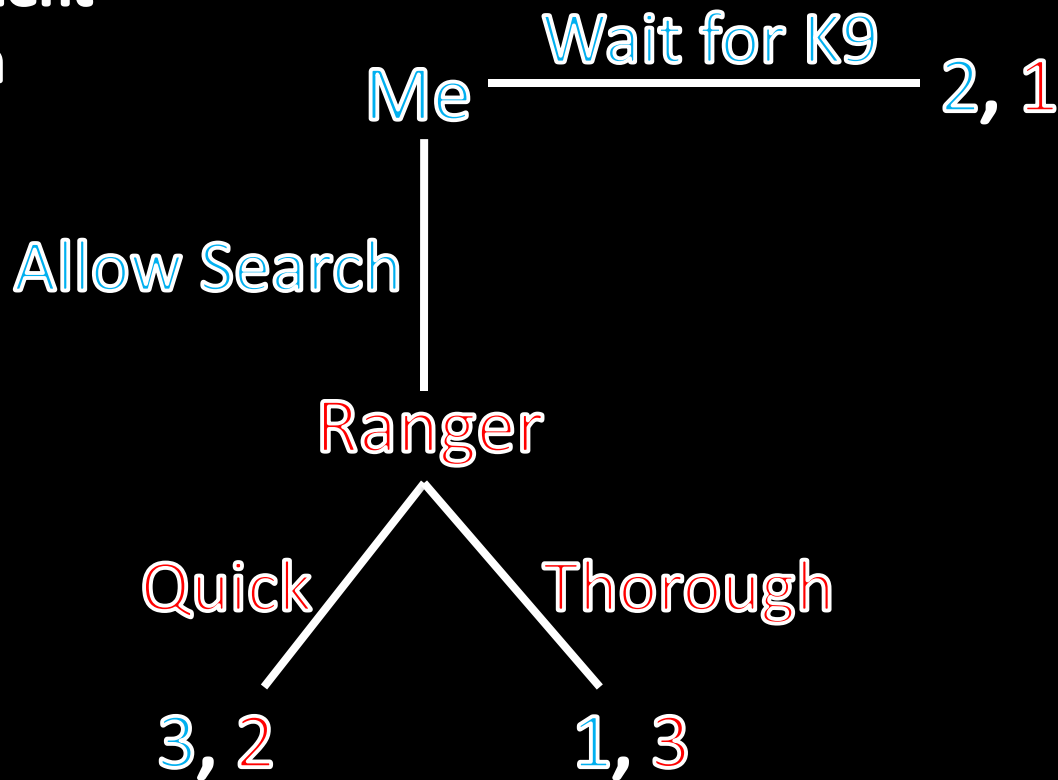


# A Commitment Problem

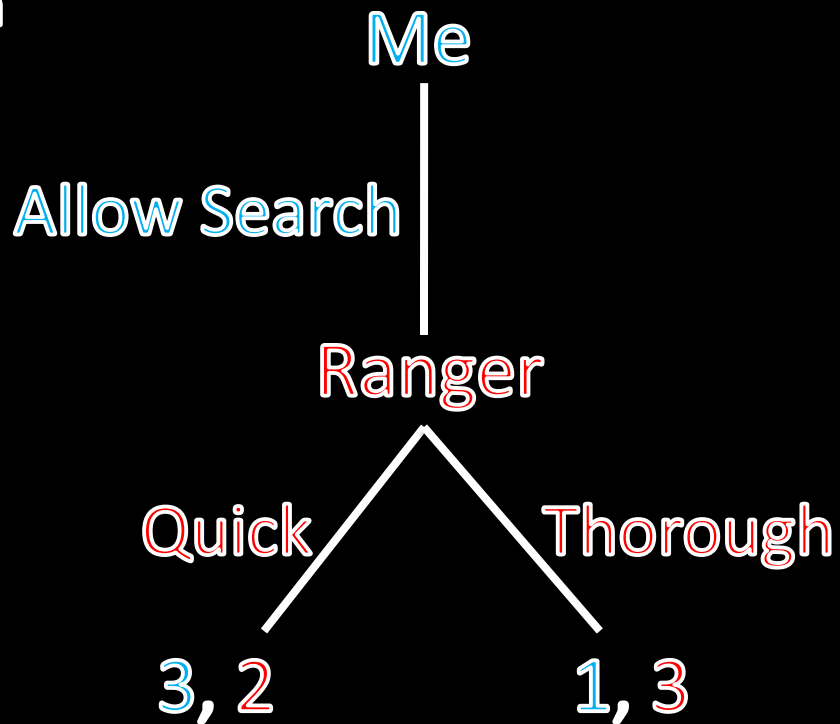




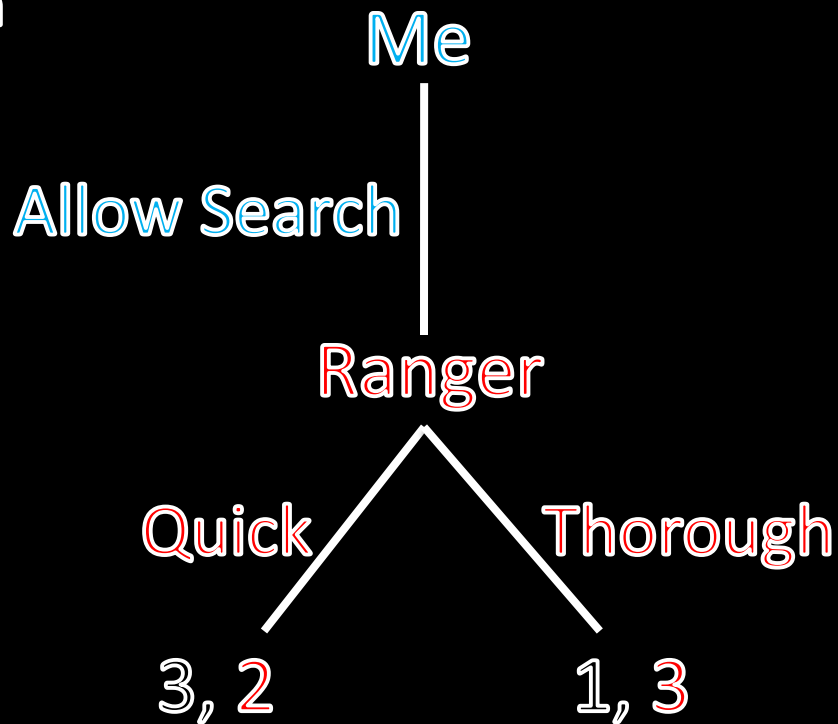
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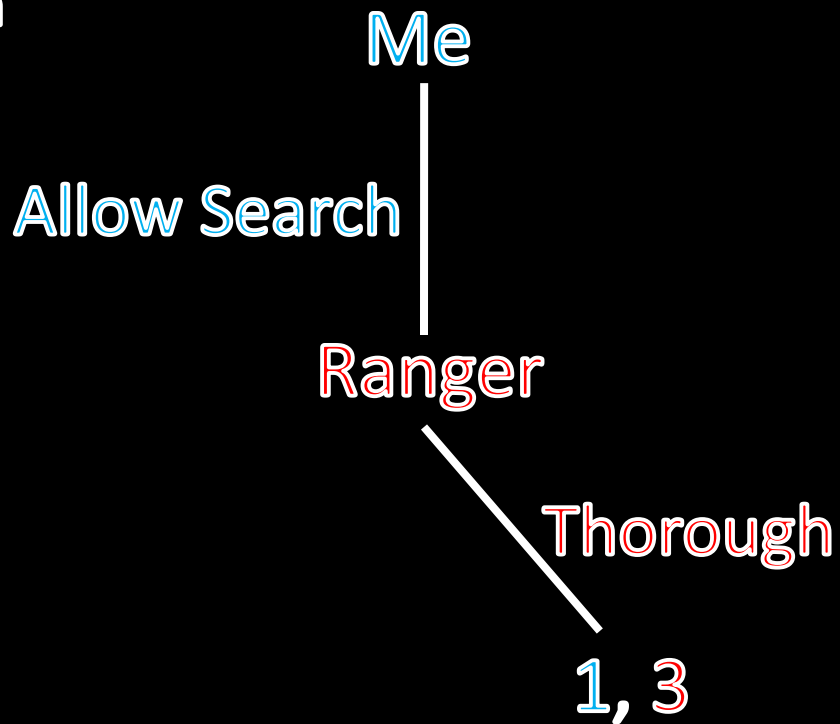
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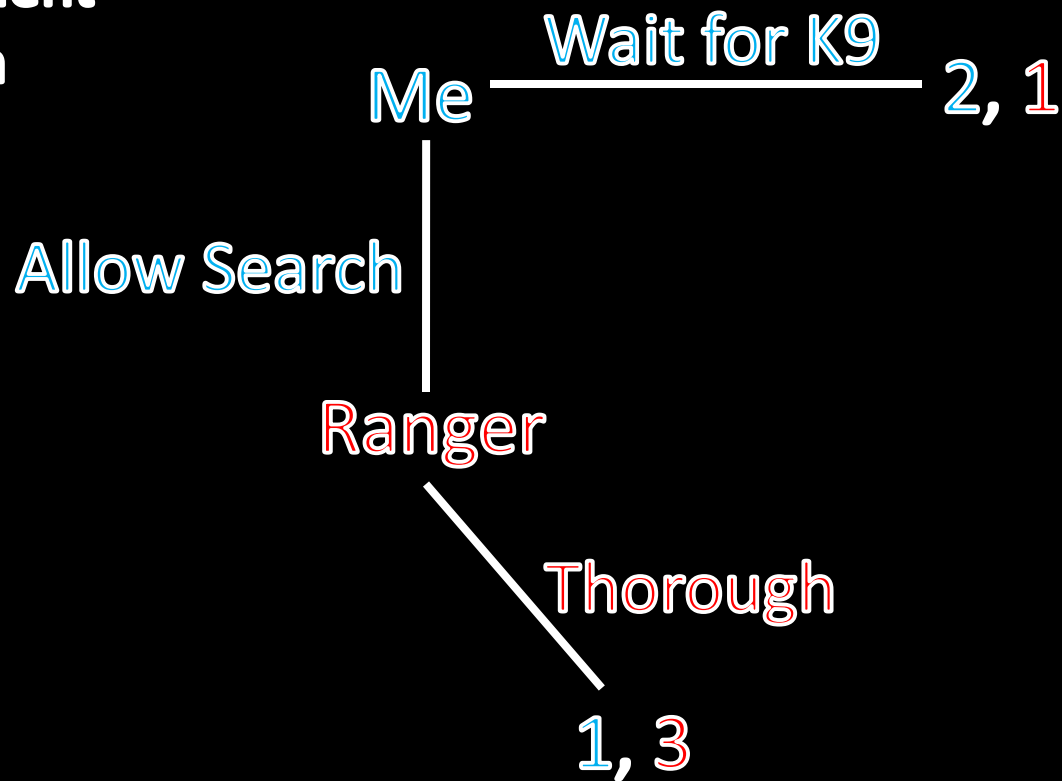


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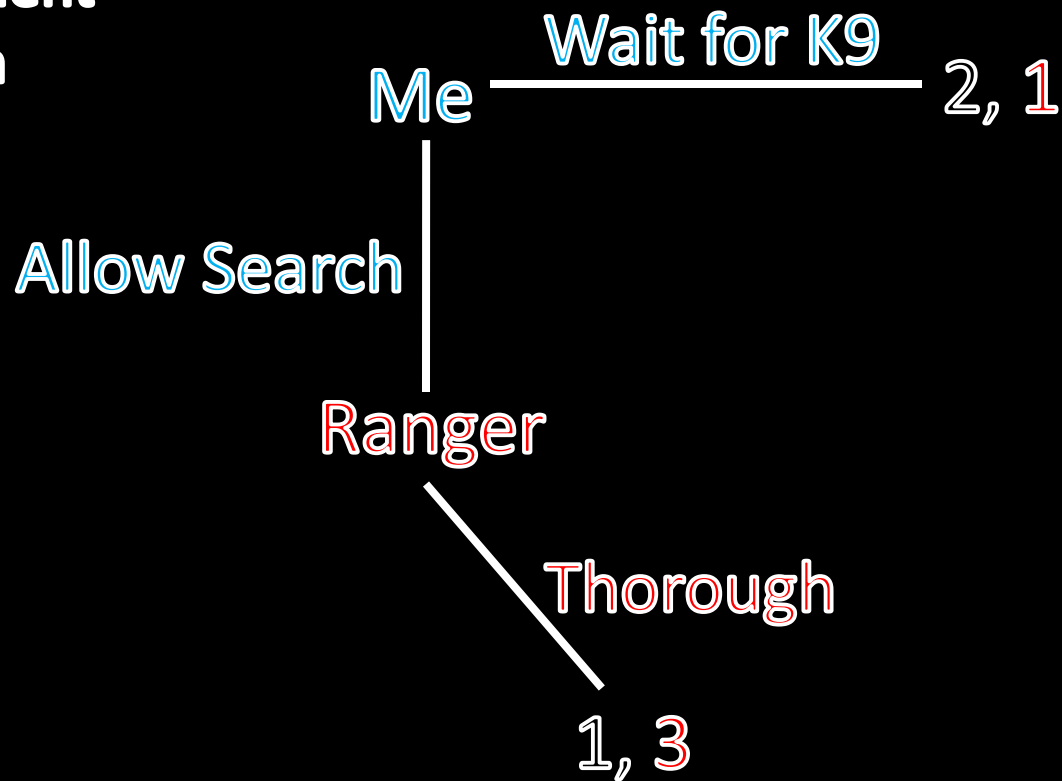




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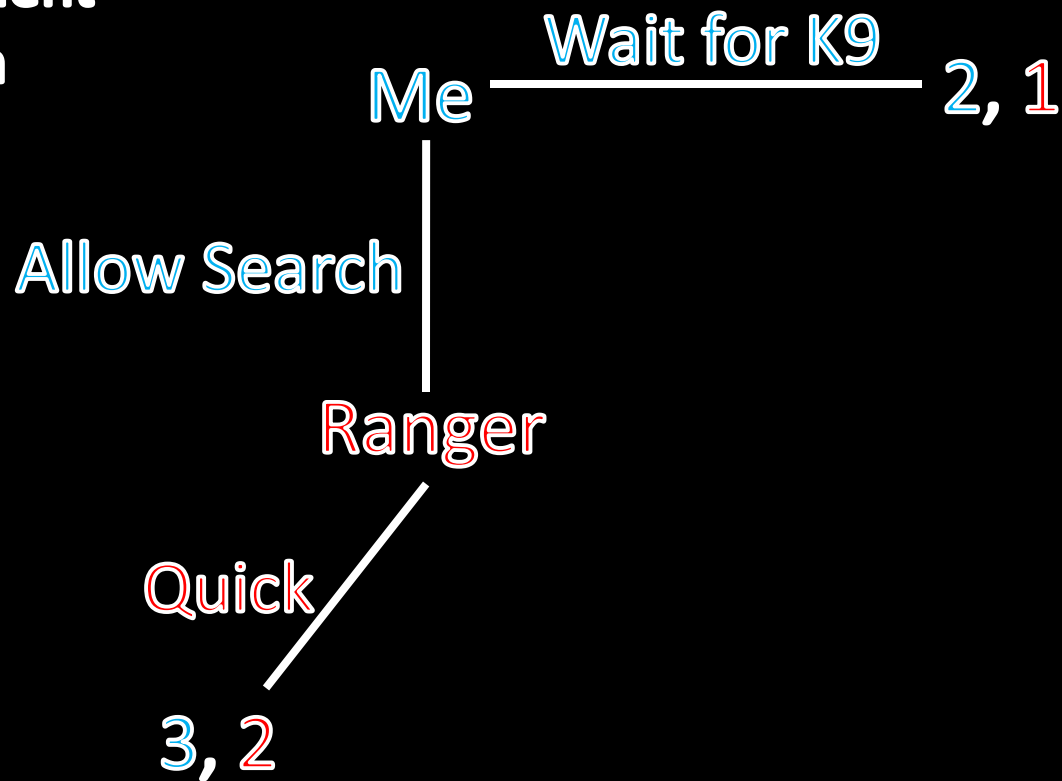
## A Commitment Problem



## A Commitment Problem

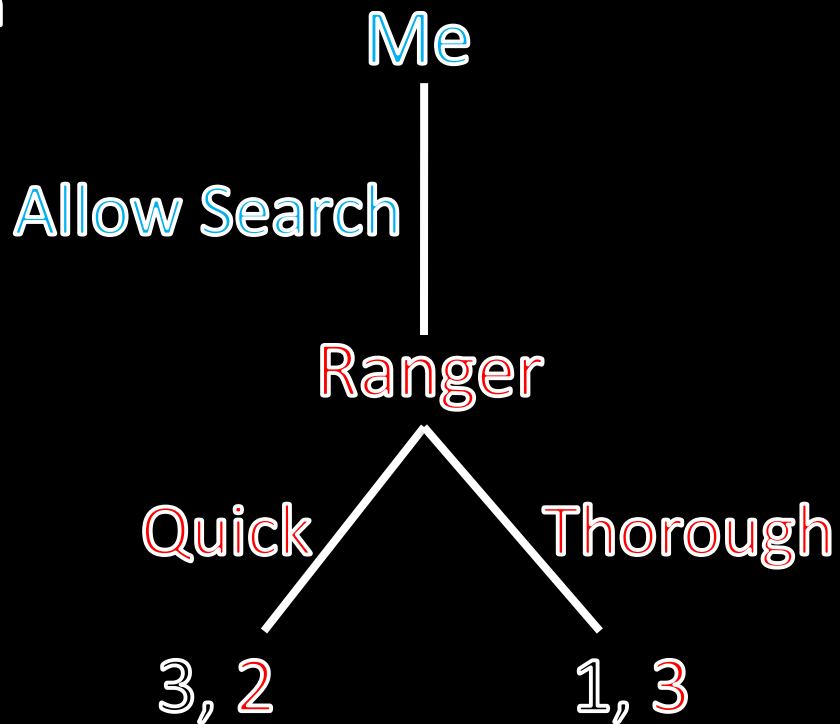
Me Wait for K9 2, 1

## A Commitment Problem





## A Commitment Problem



# What is a time-inconsistency commitment problem?

1. An outcome exists that is better for all than the outcome that actually occurs.
2. If one player could credibly commit to a certain action in the future, the players would reach the mutually preferable outcome.

# Credibility

- A threat or promise is **credible** if and only if an individual has incentive to follow through on the threat or promise when the action must be made.

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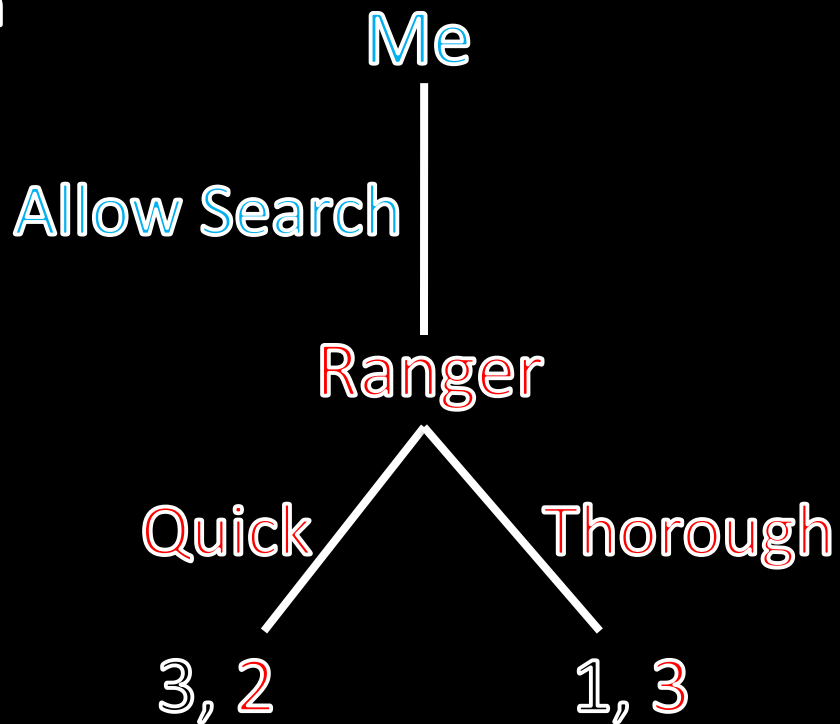


Your car is full of stuff covered with a blanket. You must be a drug dealer. I'm going to search your vehicle now. Heck no! Have you ever heard of illegal search and seizure? You can either let me do a quick search, or we can wait a half hour for the K-9 unit to arrive. It's hot. Waiting would be worse for both of us. I promise to conduct a quick search.

Thanks, I'll wait. (Translated: Bro, you're not even remotely credible. Bro.)



## A Commitment Problem



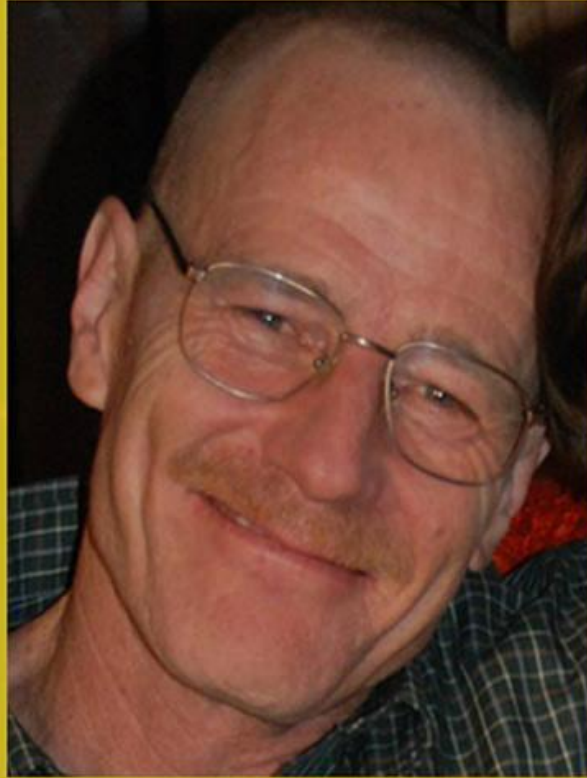
**TL;DR: Don't trust  
the police if you  
didn't call for them.**

# Overview

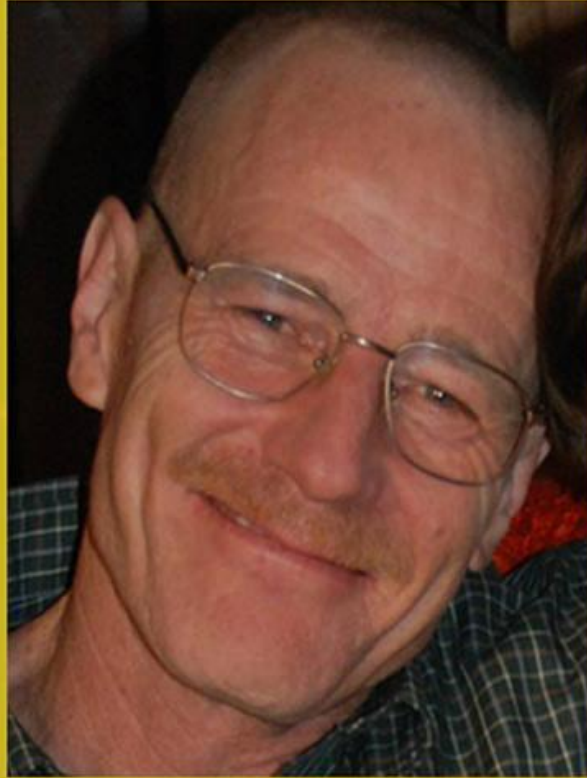
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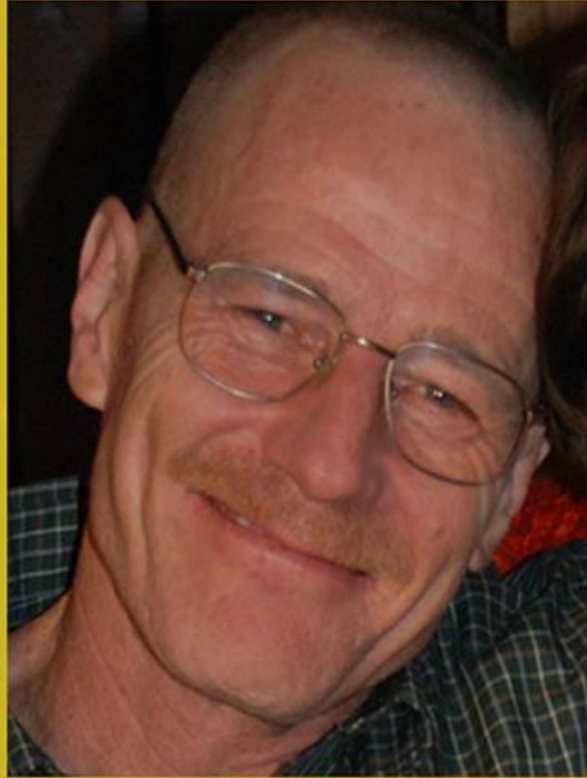
**This is a  
common  
problem.**



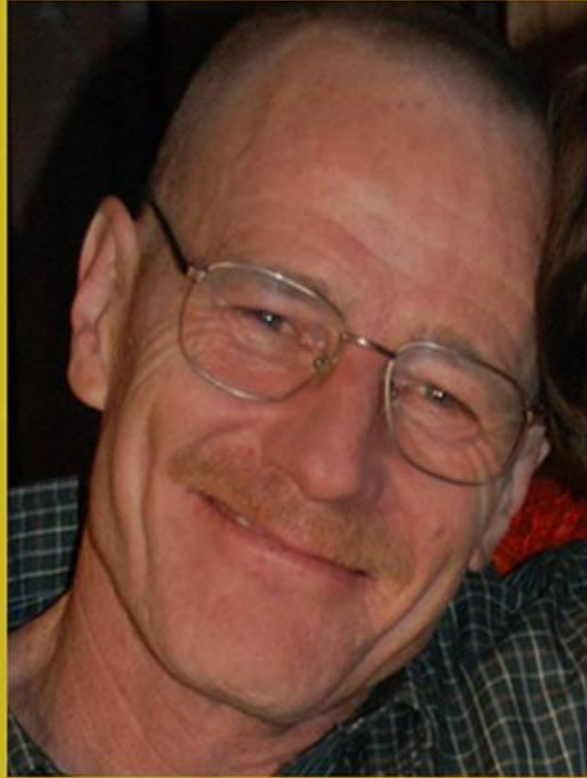
**Meet  
Walter  
White.**



**He's a meth  
cooker without  
a distributor.**

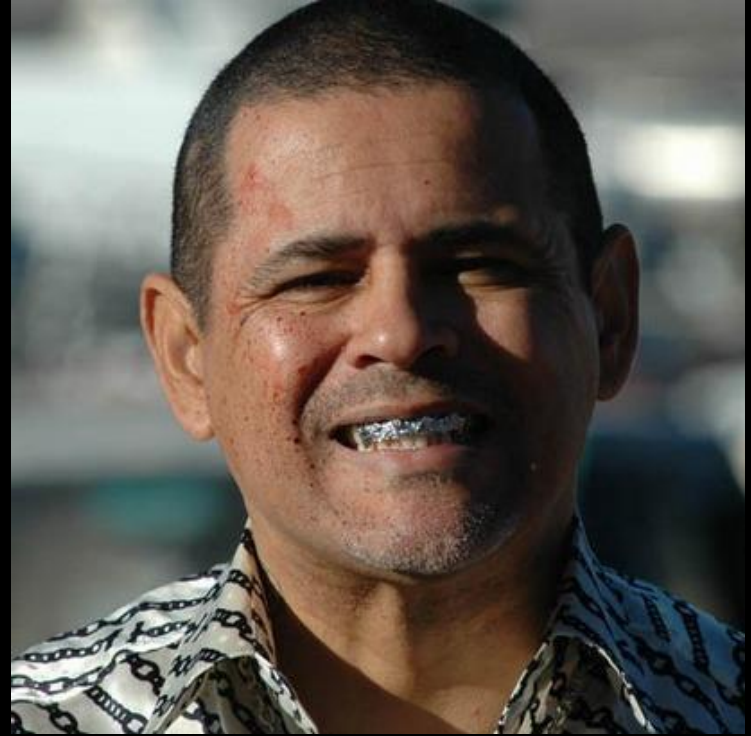


**He's also a mild-mannered high school chemistry teacher.**



**He's also a mild-mannered high school chemistry teacher. In other words, he is completely clueless.**

**Meet Tuco  
Salamanca.**



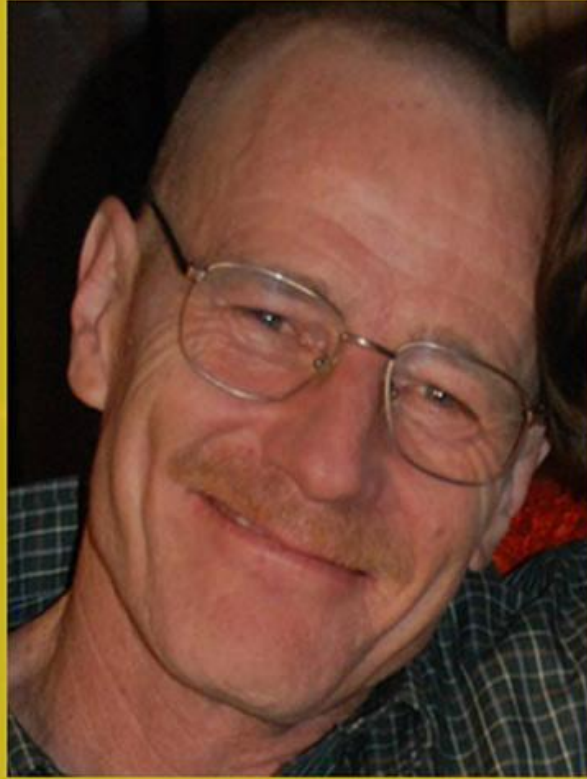
**Tuco  
knows  
what's up.**





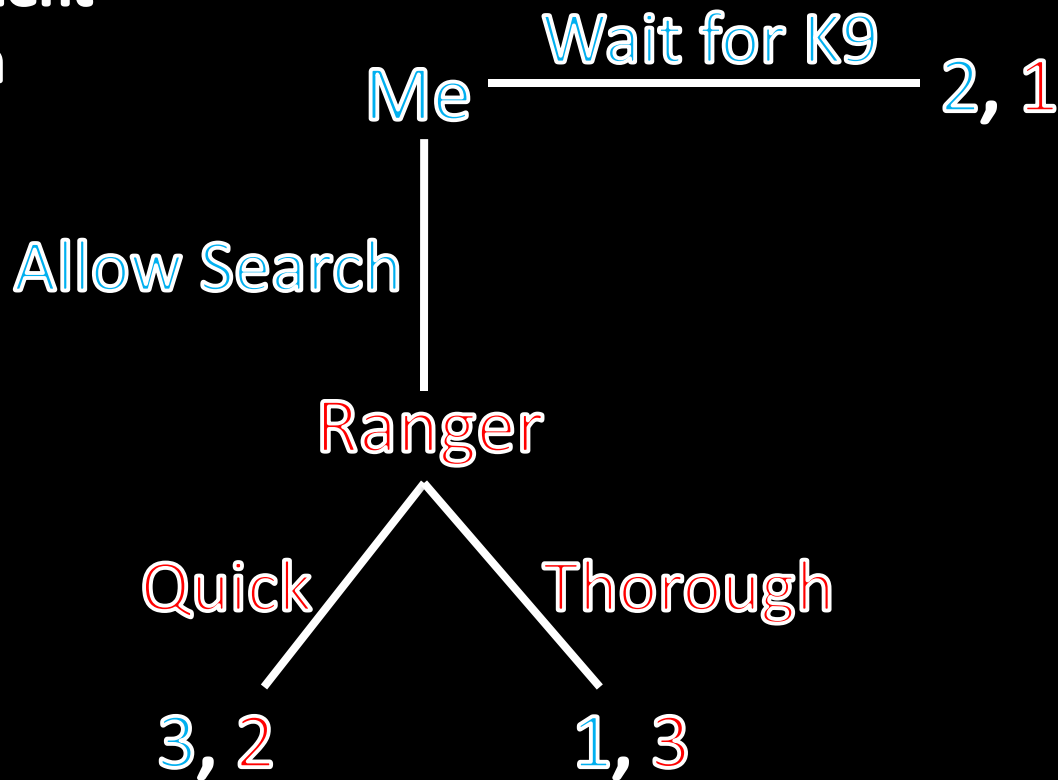
**Hey Walter, why don't  
you give me some of  
your meth. I promise I  
will split the revenue  
with you.**



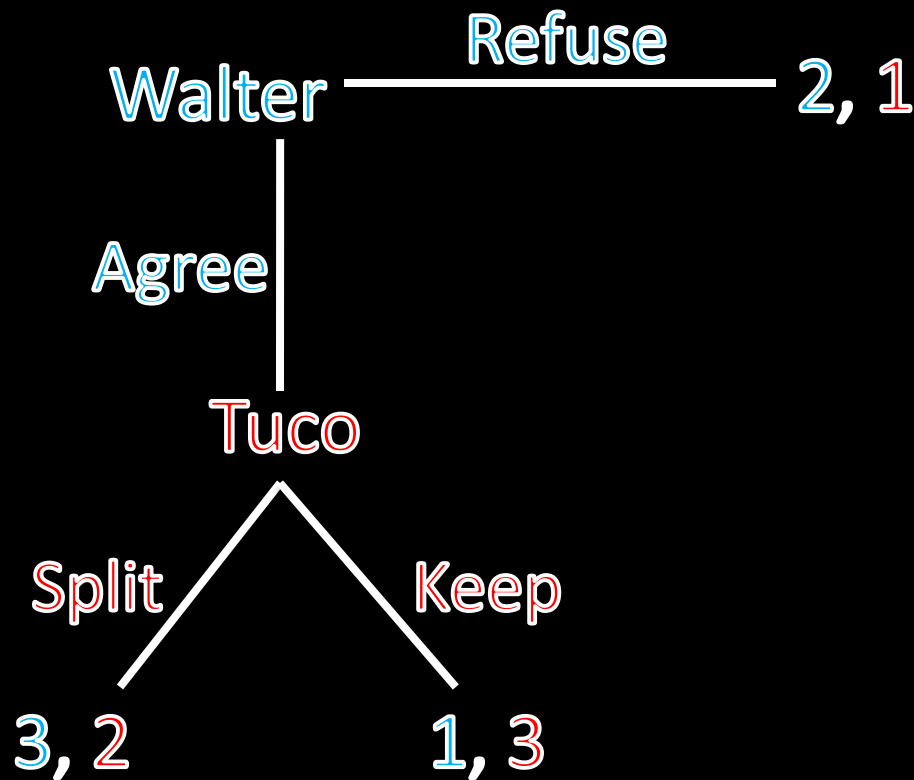


**Sounds great!  
Nothing could  
possibly go wrong.**

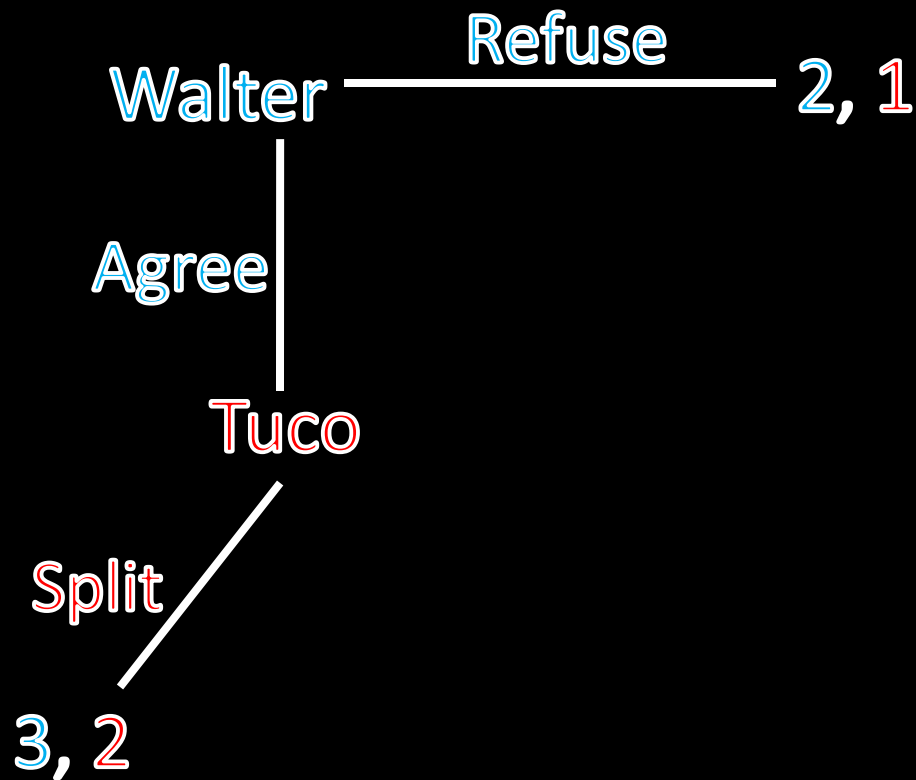
## A Commitment Problem



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# World War II



- Nazis occupy Yugoslavia
- Divide and conquer strategy



# The Ustase



- Yugoslavia's largest ethnic group is Serb
- Nazis prop up a Croat government—the Ustase
- Ustase commits atrocities against Serbs



# Cold War Yugoslavia



- Communist government led by Josip Tito
- Relative ethnic peace
- Motto: Yugoslavia has seven neighbors, six republics, five nations, four languages, three religions, two scripts, and one goal: to live in brotherhood and unity

# Spoiler Alert

- Cold War is going to end and Yugoslavia is going to break up
- There will be blood
- Why?



# Unsatisfying Explanation

- Serbs and Croats have always hated each other!!
- Then why weren't they killing each other during communist rule?

# Unsatisfying Explanation

- Serbs and Croats have always hated each other!!
  - Then why weren't they killing each other during communist rule?
  - Hate crimes as a strategy



# Unsatisfying Explanation

- It's because communism magically suppressed ethnic tensions!!!!!!!!!!!!!!!!!!!!!!

# Unsatisfying Explanation

- It's because communism magically suppressed ethnic tensions!!!!!!!!!!!!!!!!!!!!!!
  - But Croats and Serbs weren't killing each other most of the time before communism
  - Intermarriage rates were at their highest



# Croatia in Transition

- Gains independence in 1991
- Holds democratic elections
- Franjo Tudjman runs on nationalist platform, wins





# Lighting a Powder Keg

- Croatian government places these patches on police uniforms
- Serb police in Croatia are not very happy about this
- Serbs in Croatia declare their own independence



# Proximate vs. Underlying Cause

- Patch is not a useful explanation for the conflict

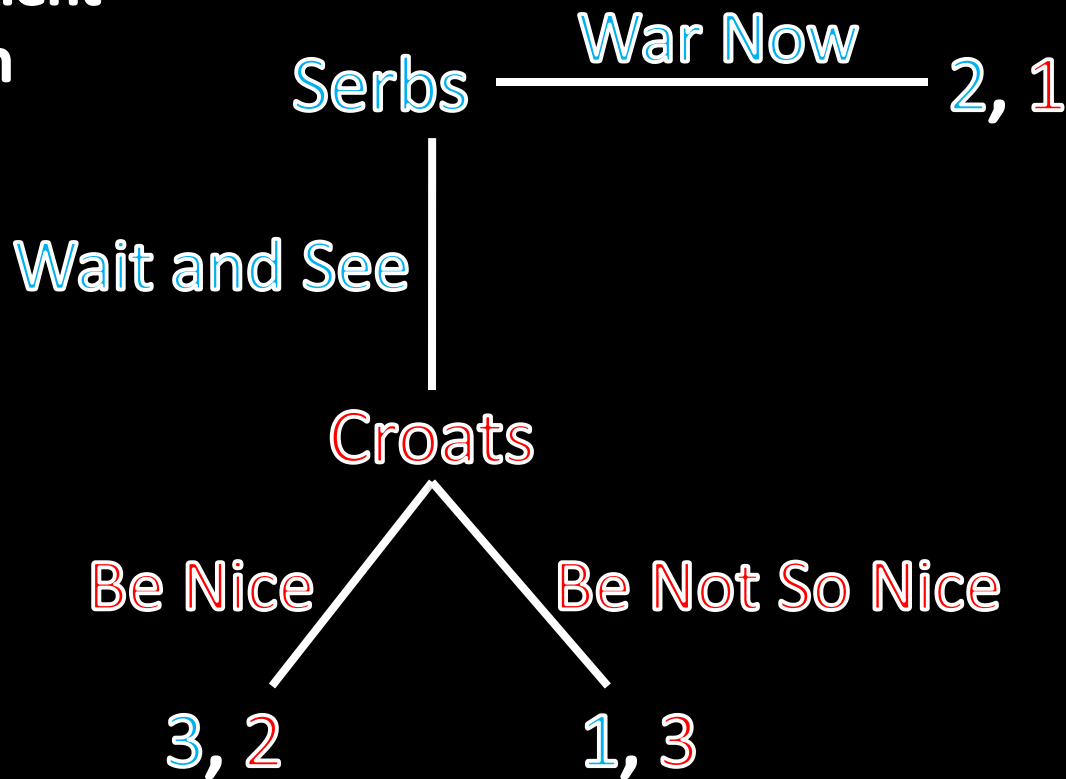
# Proximate vs. Underlying Cause

- Patch is not a useful explanation for the conflict
  - If it was, the policy recommendation would be “don’t put patches on police uniforms”

# Proximate vs. Underlying Cause

- Shifting power between the parties is
  - Croatian government had not yet solidified power
  - Serbs had a temporary strength

# A Commitment Problem



## A Commitment Problem

Serbs  $\frac{\text{War Now}}{\text{2, 1}}$

# Serbs Have Help

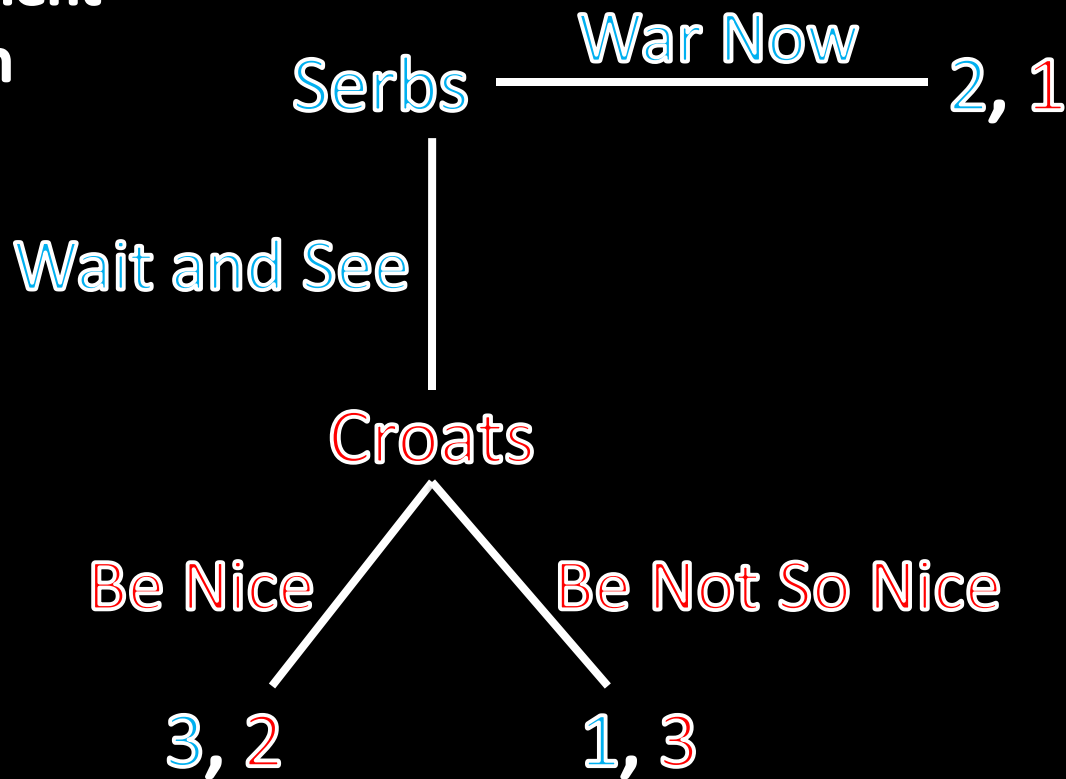


- Slobodan Milošević sends Serbian forces to assist Serbs in Croatia
- ...but Croatia eventually wins

# Overview

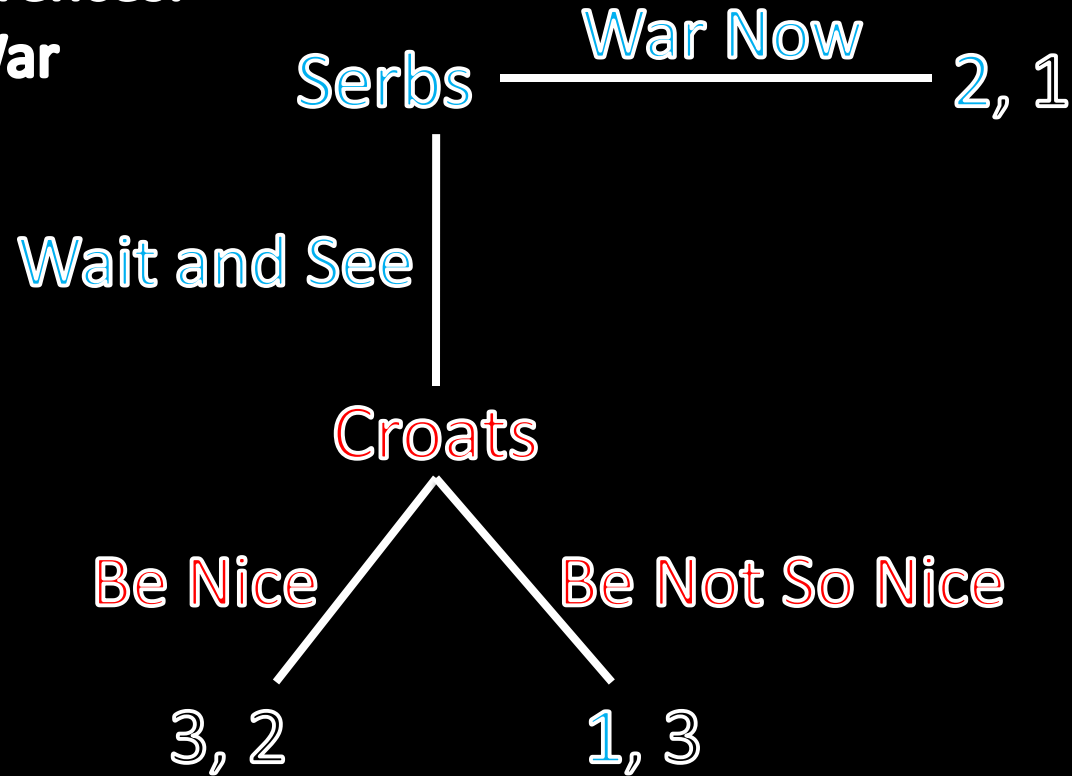
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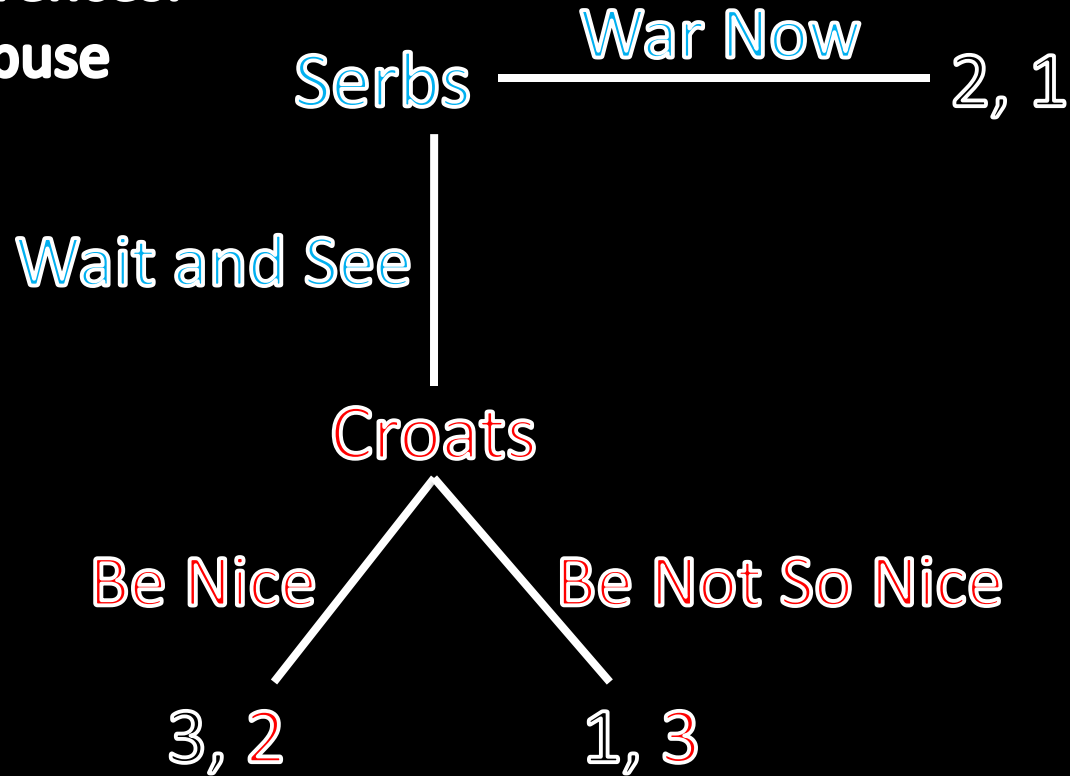




**Two Key Preferences:  
Cost of War**



**Two Key Preferences:  
Extent of Abuse**



# Question

- What determines:
  1. the cost of war?
  2. the extent of abuse?

# A Couple Answers

- What determines:
  1. the cost of war?
    - economic interdependence
  2. the extent of abuse?
    - extent of power shift

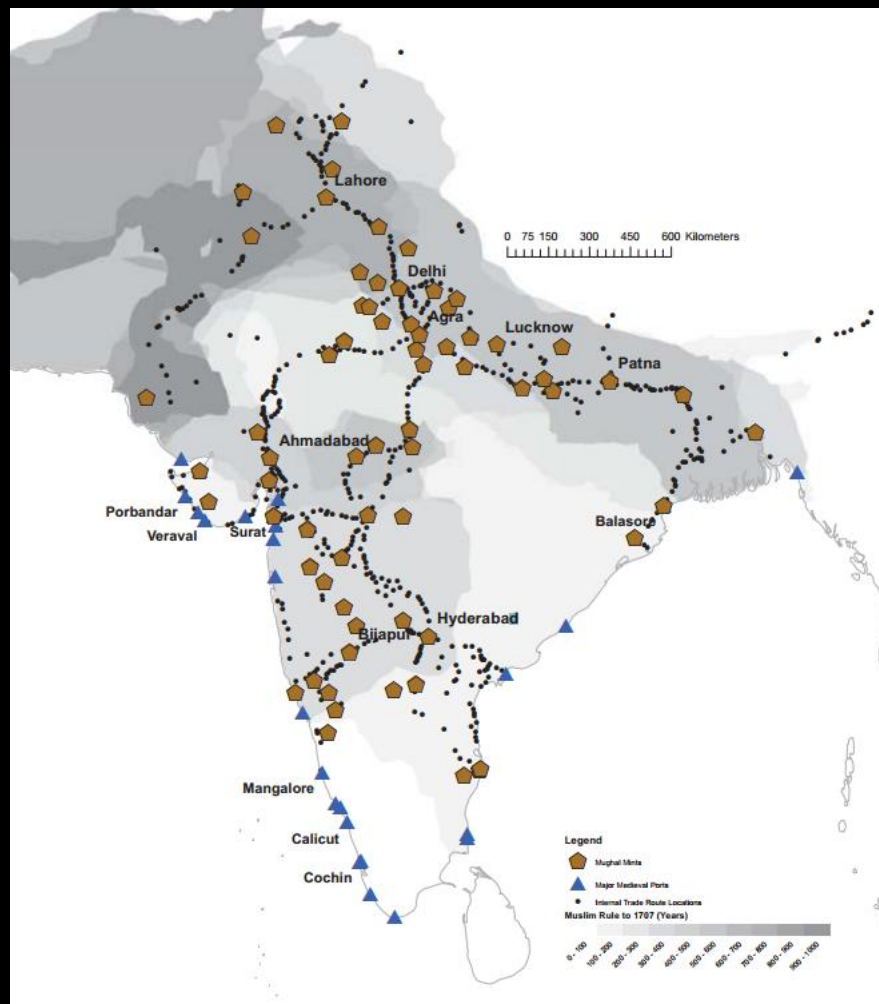
# A Couple Answers

- What determines:
  1. the cost of war?
    - economic interdependence (now)
  2. the extent of abuse?
    - extent of power shift (after the midterm)



# Hajj, Old School

- Major 20<sup>th</sup> Century innovation: flying to Mecca
- Before: Sailing





# Ethnic Exposure

- Port cities had significantly more ethnic mixing
- Muslims provided an important *complementary* economic service: trade to the west

# Incentives to Cooperate

- Muslims brought money to Hindus in these port cities
- Hindus could not easily expropriate this wealth
  - Not easy to magically create a trading business

# Lasting Effects

- Port cities substantially more ethnically mixed
- Yet, from 1850-1950, port cities had 80% fewer race riots than non-port cities