Title

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Publication Date

2025-02-19

Data Availability

The data associated with this publication are within the manuscript.

Peer reviewed

Paradigm Shift: War as a Failure of Bargaining

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Suggested Citation

Lake, David A. and Yulia Wan. 2025. *Paradigm Shift: War as a Failure of Bargaining*. IGCC Essay. escholarship.org/uc/item/2d01p1sf

There has been a paradigm shift in our theory of war. From an intuitive model in which states seek "victory," war is now understood as a failure of bargaining, an event in which everyone loses relative to agreements that might have been reached without fighting. This new paradigm began to crystalize in the mid-1990s but has become clear only in retrospect. In the midst of such shifts, it is often difficult to see a new paradigm emerging. Some scholars adhere to the older theory, while others jump to the new model even before its fully worked out.[1] It is now fair to say that a paradigm shift has indeed occurred, confirmed as expected by the new model displacing the old one in widely used textbooks in the field.[2]

The shift in international relations has an analogy in science. In his classic *The Structure of Scientific Revolutions*, which first developed the notion of a paradigm shift, Thomas Kuhn (1970) illustrated the concept by the Copernican Revolution, which displaced Ptolemy's geocentric theory of planetary motion with a heliocentric theory, later refined by Galileo's frictionless vacuum allowing for constant motion. This was later extended by Isaac Newton's theory of gravity, and further developed in Albert Einstein's general theory of relativity. The paradigm shift in international relations, though certainly not of equal importance to the Copernican Revolution, is nonetheless similar in form. In the old paradigm, war was a means toward some end that justified the cost. Victory yielded the winner a goal valued more than the cost of war, and the pursuit of that goal explained the decision to go to war. Looking only at the gain to the victor, war paid for itself. In the new paradigm, war is reconceived as a bargaining failure. Given the high costs of war to both sides in the conflict, some bargain must exist that both would prefer to actually fighting. This shift in perspective is roughly equivalent to Galileo's ideal vacuum of constant motion.

Given this new way of thinking about war, how can war be avoided? In this essay, we show how the new paradigm of war posits an ideal bargaining domain in which negotiations are efficient and war does not occur.[3] We then ask what are the impediments to negotiation that sometimes lead people and states to resort to organized violence.

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[1]   Lake admits to being an early "jumper." See Lake and Rothchild (1996).

[2]   Frieden, Lake, and Schultz (2009 and subsequent editions).

[3]   Though not usually acknowledged, the new paradigm is indebted to Coase's (1960) conditions for efficient bargaining: a legal liability framework, perfect information, and zero transactions costs. This also links the new paradigm of war to the literature on international organizations and cooperation. See Keohane (1984).

Traditional Paradigm

In the traditional paradigm of war, there is a winner who gains something of value from the conflict—territory, market access, a favorable international order—and a loser who gives up the object in dispute. There are many variants within this approach, drawing on different levels of analysis, but in all of them, war is explained by the desire for gain. Germany challenged Britain and France in World War I for status and empire, while Hitler and the Nazis challenged them again in World War II for *Lebensraum*. Saddam Hussein was a "war lover" who fought his neighbors for territory, prestige, or personal ego (Stoessinger 2010). The task of the analyst is to identify the motivation for war (see Holsti 1991), including the possibility of preventive war in which one country initiates a conflict to forestall the rise of a second power. Once the motivation is revealed, it constitutes a sufficient explanation for the war.

Progress among scholars to understand the drivers of war was spotty within this paradigm. Motives were many and hard to assess objectively. "Greedy" states only became clear in retrospect, often defined through the eyes of the victors who, as the old canard goes, got to write the histories (Glaser 1997). In turn, most studies focused on the wars that did occur. Only once analysts included all dyads that could fight was it clear that war is actually quite rare (for a review, see Lemke and Reed 2001). Most pairs of states—even some with real conflicts of interest—did not fight wars with one another. The so-called "democratic peace" created an important set of anomalies for this traditional approach (Doyle 1986; Russett and Oneal 2001). Democratic states did not lack motives for war, but they did not fight one another. As in the late stages of Ptolemy's theory, which coped with anomalies by adding ad hoc weights to the basic model, lots of adjustments were made within established theories of war, including introducing normative constraints on behavior (Maoz and Russett 1993). No general theory emerged, however. Anomalies by themselves, of course, do not shatter a paradigm, but they do open the door to new thinking.

The Bargaining Theory of War

The modern paradigm regards war as a failure of bargaining. That is, modern theories flip the question on its head, asking not why wars occur but why states cannot resolve their disagreements peacefully by negotiation. Given the high cost of actually fighting, why would countries burn resources rather than agree on the likely outcome that war will inevitably produce? The new paradigm incorporates some of the old, as is common. Like the traditional paradigm, it assumes a conflict of interest between states. But unlike the old approach, the new paradigm sees such disputes as necessary but insufficient conditions for war. To explain the choice of war, analysts must explain why the conflict of interest can only be resolved through violence. If one side will clearly win, why does

the other not simply capitulate from the outset, saving itself (and the victor) the material, emotional, and tragic costs of war? If the two will likely fight to a standoff on the battlefield, why do the two states not negotiate a settlement before the slaughter begins? The likely winner of the war, if fought, has greater bargaining power and should get a better deal, but this does not vitiate the point that both sides are better off with a negotiated resolution than by going to war with one another. In this approach, power affects who gains relatively more in a settlement, but not the probability of war.

The Emergence of the Bargaining Theory of War

There were important antecedents of the modern paradigm long before the shift occurred. Early insights include Robert Jervis' (1978) classic article on the security dilemma, which anticipated that war occurs because of uncertainty about the other side's intentions. While an opponent might be arming for purely defensive purposes, it might be preparing for an offensive war; because arming itself reveals little about the intentions of the opponent, their adversary might arm in response, but this move is equally opaque to the opponent, creating a spiral that can end in violence. Likewise, Kenneth Waltz (1979) theorized that different structures were more or less prone to information problems, and, again, that uncertainty could lead to war. Bipolarity was more stable than multipolarity, he argued, because the acts of only two superpowers are easier to track and interpret, while the complexities of alliance politics with many great powers tended to create uncertainty over the balance of power and, thus, wars. Other early works include Wittman (1979), Blainey (1988), and Bueno de Mesquita (1981; Bueno de Mesquita and Lalman 1992).

The new paradigm crystalized in a series of articles by James Fearon (1994; 1995; 1998b; 1998a) and Robert Powell (1999; 2002; 2004; 2006). Taking the title of Fearon's 1995 *cri de coeur*, the new paradigm is sometimes referred to as the rationalist theory of war—or, better, the bargaining theory of war. The main idea is that there always a Pareto-improving alternative to war in the form of a negotiated settlement, where each side splits the potential costs they would otherwise incur by fighting, leaving both sides better off than actually fighting. It follows that war results from private information where there are incentives to misrepresent, problems of credible commitment, and issues that are indivisible.

States may have private information about their own capabilities—which is likely always true, especially for subjective conditions like resolve—but they sometimes have incentives to misrepresent that information. One example is battle plans, which, if revealed, might cause the likely loser to concede but which would simultaneously vitiate any advantage the plans might otherwise provide. Knowing that its opponent has no incentive to reveal such plans, even if they were revealed, the now-informed state would discount or fully ignore the information provided. More generally, since each side

to a conflict can often get a better bargain by inflating its abilities or willingness to fight—in short, by bluffing—the other will sometimes ignore its claims to call its bluff. An important corollary of private information is that war will be unpredictable *ex ante*. If the countries at risk of fighting cannot know the other's private information, neither can outside observers, whether they be policymakers trying to anticipate conflicts or scholars seeking to explain them (Gartzke 1999).

Likewise, problems of credible commitment arise when shifts in power are expected to occur or states are negotiating over issues that affect the balance of power. In this case, any agreement reached today based on the distribution of power will be overturned in the future when one party becomes stronger and the other weaker. Although rationalists are often skeptical that issues are truly indivisible, as states can always make side payments that facilitate agreement, they may arise when attachments to territory are based in religious or nationalist beliefs (Hassner 2003). The important point here is that bargains are always preferred but sometimes cannot be reached because of barriers to efficient negotiation. That is, war is always a failure.

Important works incorporated many of the insights of the older paradigm, demonstrating that many of the commonsense or intuitive arguments from the past are consistent with the new paradigm. Key were Andrew Kydd's formalization of the spiral model (1997) and work on trust and mistrust (2005). Fearon (1994), Sartori (2002), and Press (2005) extend Fearon's core insight that states have incentives to misrepresent their resolve. This line of research explores the bargaining model in repeated settings, unpacking the logic behind the development of reputation and credibility.

What the Bargaining Theory Resolves—and What It Doesn't

The bargaining theory has proven remarkably progressive. It has resolved some anomalies, principally by interpreting the democratic peace as a function of more information produced by the transparency of democratic political systems (Schultz 2001). It has unified the study of interstate war, civil wars, insurgencies, and terrorism, all of which are now understood in similar terms as failures of bargaining (see Frieden, Lake, and Schultz 2009, Chapters 3-6; Lake 2003; Cunningham and Lemke 2013). It has also generated important studies of how wars can be prevented—or, at least, prevented from recurring (Fortna 2008)—and how civil wars can end (Walter 2002; Fortna 2008; Matanock 2017).

Bargaining theory not only helps in understanding the onset of war and crisis bargaining; it can also be applied to the entire war process—encompassing war continuation (Leventoğlu and Slantchev 2007; Wagner 2000; 2007) and termination (Pillar 1983; Reiter 2009; Weisiger 2013). If the initiation of war is understood as a bargaining failure caused by factors such as information asymmetry or commitment problems, then wars

can end when these issues are resolved, leading to a mutually acceptable agreement. Scholars assess how specific events contribute to war termination by examining whether they alleviate or exacerbate the underlying problems that caused the conflict. This framework provides a consistent lens to examine how various elements of conflict contribute to the war process, including the roles of fighting (Langlois and Langlois 2012; Weisiger 2016), wartime alliances (Leeds 2003; Wolford 2022), mediators (Kydd 2003; Smith and Stam 2003), international institutions (Morrow 2014), public or private diplomatic exchanges (Baum 2004; Mastro and Siegel 2023), and leadership changes (Wolford 2007) in the onset, continuation, and resolution of war. Additionally, the framework offers theoretical foundations and practical guidelines for making peace more sustainable. For example, it informs the design of ceasefire agreements (Fortna 2004), military alliances (Kydd 2001), and strategies for enhancing the effectiveness of mediation efforts (Beardsley 2017).

Directions for Future Research

The bargaining theory of war is well established but its major challenge arises from questioning the rationality of decisionmakers, as highlighted by Jervis et al. (1985). A behavioral research approach (Hafner-Burton et al. 2017), exemplified by Yarhi-Milo (2014), focuses on the psychological dimensions of leadership. Bargaining theory has also made efforts to address the possibility of limited rationality. Inspired by advancements in economic literature on "bounded rationality" (Rubinstein 1998), there has been some progress in developing models that incorporate flawed decision-making processes (Fey and Ramsay, n.d.; Smith and Stam 2003).

Rather than questioning the rationality assumption outright, many scholars seek to explain seemingly irrational decisions to go to war or continue war through different levels of analysis using the bargaining theory framework. While the costs of war may not justify the goals at the state level, key decisionmakers often operate under distinct incentive structures. Recent research addresses the puzzle of seemingly irrational behavior by decisionmakers, seeking to explain such behavior within a rational framework by examining the incentive structures surrounding those decisions (Lake 2010; n.d. forthcoming). This has inspired research on leaders (Chiozza and Goemans 2011), public opinion and audience cost (Kurizaki 2007), and elites who provide information and advice to the leader (Saunders 2022; Schub 2022).

There is still room for further progress. Many questions remain. The test of the new paradigm will continue to be in answering these and other questions.

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