

Violence, Organization, and War

What is a war? That is a question that is harder to answer than many people assume. At a minimum it is a contest in which organized groups compete in killing and wounding each other or destroying things they value. But why would any group expect to benefit from harming members of another group?

Often such contests take the form of an attempt by one group to destroy the military forces of another, and many people tacitly, but incorrectly, assume that that is the point of all military contests. But what would be the benefit of doing that, even if one were successful? A common answer is that it would prevent the other group from using its military forces against one's own. But that only raises the question of why the other group would profit from doing it: if it is common knowledge that no group would benefit from disarming another group, then no one could expect to profit from destroying another group's means of disarming one's own.¹

The effect of one group's disarming another is just that the victorious group can then kill or wound the members of the other group, or destroy things of value to them, without forceful opposition. Moreover, contrary to what is commonly assumed, in many violent contests neither side has any prospect of destroying the military forces of the other side, and even if they did, neither seems to try seriously to do it. Thus our primary task must be to explain why one group would expect to benefit just from killing or wounding the members of another group or destroying their property.

We saw at the beginning of chapter 1 that John Mearsheimer (2001) claimed that international politics was "tragic." What he meant was that war is inefficient, though admittedly the word *inefficient* seems hardly adequate as a way of describing war. I use the word *inefficient* here in the way that it is used in economics, where it describes a consequence of the choices of two or more people that leaves them worse off than they would have

1. Note that that would appear to describe a world of Hobbesian commonwealths, in which it would be common knowledge that the function of sovereigns, to use Hobbes's words, was simply to provide security to their citizens from the "injuries of one another" and "from the invasion of foreigners."

been had they chosen differently.² To say that war is inefficient means that there is an alternative to war that would be better for the participants than the prewar expected value of fighting.³

But why would a war ever occur if all the parties to it would be better off avoiding it? One possible answer is that strong emotions or cognitive errors of some sort have prevented them from seeing their true interests, and this seems to be what is implicitly assumed by much of the literature on conflict management. However, game theory provides compelling examples of situations in which rational individuals choose outcomes they would all have been better off not choosing. One is the coordination game discussed in the previous chapter. Two others, the Prisoner's Dilemma and the Stag Hunt, have been especially popular as ways of understanding why much of what happens in international politics seems to be contrary to everyone's interests, as we saw in chapter 1. However, all these games are far more plausible as explanations of a failure to cooperate to achieve common interests than as explanations of war. And if people are unable to cooperate, there can be no armies and therefore no wars.

Kenneth Waltz wrote, "The threat of force internationally is comparable to the role of the strike in labor and management bargaining" (1979, 114). This suggests another explanation of inefficient choices that is a much more promising way of understanding wars than the Prisoner's Dilemma or the Stag Hunt but one that Waltz never developed.

In a strike an organization of employees seeks to increase employees' gains from a contract by preventing the owners from profiting from the firm or industry until they agree to terms that are more favorable for the employees. However, in doing this the employees also harm themselves. Thus whatever the terms of the agreement that ends a strike, the strike itself is costly for both sides, and both would have been better off accepting the agreement before the strike rather than after it. This is often true of wars as well.

Strikes are commonly regarded as examples of bargaining, and therefore one might hope that an understanding of bargaining would help one understand why strikes occur. If Waltz is right, then an understanding of bargaining might also contribute to an understanding of wars.

Strikes, of course, may be accompanied by violence. However, there are two attributes of strikes that distinguish them from most violent

2. More precisely, an outcome is inefficient if there is another feasible outcome that at least one person would prefer and that would leave no other persons worse off.

3. The classic discussion of the tragic nature of interstate conflict is Butterfield 1951. But Butterfield's main example is the struggle between East and West over the future of Germany in the aftermath of World War II, which did not lead to war. It is instructive to read Marc Trachtenberg's (1999) discussion of this issue in the context of Butterfield's analysis. See also Wagner 1980.

conflicts, and if we are to understand violent conflicts we must bear these differences in mind. One is that even if force is used by labor or management, a wage contract leaves them both better off than they would be without one. In the context of war, however, force is used in an attempt to make one's adversary worse off. Second, wage contracts are typically enforceable, whereas the parties to an agreement made in the context of the use of force must usually be concerned about whether the agreement will in fact be carried out.

These two differences are more closely related to each other than they may at first appear to be. Whether some contract makes one party better off or not depends on the baseline used for comparison. In adverse economic circumstances management may succeed in getting labor to agree to a wage agreement that leaves workers worse off than they were before, and the workers may therefore feel no different from someone who surrenders something valuable to someone else at gunpoint. Distinguishing between the two cases requires a distinction between what one possesses and what one owns. But this distinction rests on a definition of property rights, which may be contested and in any case has to be enforced.

We should not exaggerate the enforceability of contracts even when the definition and enforcement of property rights can be taken for granted. Wage bargains often include complex stipulations concerning working conditions and management prerogatives that can be evaded without provoking external sanctions. However, bargaining theory takes the enforcement of agreements for granted, and if we are to understand violent conflicts we must consider what the consequences might be if agreements can be violated. First, however, we must think about how to understand bargaining.

Bargaining

A strike is, at least in part, a dispute between labor and management about how to divide up the revenues of a firm. Thus it can be helpful in thinking about strikes to think first about a simpler situation in which two people are offered a sum of money if they can agree on how to divide it between them, but if they cannot agree they get nothing. We can ask two questions about such a situation: (1) What division will the two bargainers agree to? and (2) How long will it take them to agree?

These simple questions lead to two surprisingly difficult puzzles, which are the subject of a very large literature. The first is the result of the fact that rationality and self-interest alone are not enough to answer the question of what division the bargainers will accept. The second puzzle concerns the relation between the two questions just stated: if it is clear

what division the bargainers should accept, then they should accept it immediately. But if that were true then bargaining as it is commonly understood (including strikes) would never occur.

Why Haggle?

Since it seems plausible that rational bargainers will not throw the money away and therefore will certainly agree to something, the question of what they will agree to may seem unimportant. However, the question of how long it will take them to agree is very important, since even temporary disagreement can be extremely costly. A plausible answer is that agreement on a division of the money requires some information that the two bargainers may not initially possess, and if they do not have it the bargaining process provides a way of getting it. Thus the costs associated with delay in reaching agreement are the price that must be paid for the information required to reach it. However, an understanding of what that information might be requires a solution to the first puzzle, which is therefore more important than it first appears to be. Let us see how it arises.

Since by assumption each bargainer prefers more money to less but neither will get any unless the other agrees, each bargainer's decision about what division to accept depends on her expectation of what the other will agree to. This is the sort of problem that game theory was invented to solve, and the answer to it was supplied by John Nash and is therefore called the Nash equilibrium. But all that the Nash equilibrium requires of rational bargainers is that their expectations be consistent, in the sense that, given some expectation as to what each will do, neither should have an incentive to deviate from it. And if each bargainer is free to demand any amount as a condition for his or her agreement then every possible division of the money satisfies this requirement. Thus game theory seemed at first merely to justify the common belief that any division of the money would be consistent with rational behavior, and therefore nothing could be said about what rational bargainers would agree to.⁴

Two types of solution to this puzzle have been offered.⁵ One is that, since every division would be a Nash equilibrium, the problem is, as in the coordination game discussed in the previous chapter, to coordinate the

4. For an example of a Nash equilibrium, see the discussion of the coordination game in chapter 2. It is important to distinguish the Nash equilibrium, which is a necessary condition for rational behavior when decisions are interdependent, from the Nash bargaining solution, which was Nash's own attempt to answer the question of what bargainers should agree to. Unfortunately the Nash bargaining solution requires special axioms whose relation to individual rationality is by no means clear. Thus not even Nash thought that the Nash bargaining solution was a definitive answer to the bargaining problem.

5. For a more extended discussion and references to the literature, see Kreps 1990, 551–71.

bargainers' expectations on one division rather than another. This implies that the bargaining problem is at its core just another example of a coordination problem, though one that is complicated by the fact that the bargainers have conflicting preferences as to which division they coordinate on. And therefore salient divisions, conventions, or prevailing conceptions of fairness may lead the bargainers to focus their expectations on one particular outcome, and the costs associated with a failure to coordinate may deter them from deviating from what is expected. If two people are bargaining over the division of a sum of money, all these factors may lead them to coordinate their expectations around an agreement that divides the money equally.⁶

This answer to the puzzle implies that there are two possible explanations for a failure to reach immediate agreement. One is that the bargainers have failed to coordinate on a particular division of the money. Unfortunately it is not clear what they should do in this case. The other possible explanation is that they agree on how the gains should be divided but they disagree on how to measure them. This explanation is consistent with the suggestion that delay in reaching agreement is the result of a lack of relevant information.

The other solution to the puzzle posed by the existence of multiple Nash equilibria has two parts. One is to note that the definition of rational behavior given by the Nash equilibrium is incomplete, since in many situations it is consistent with behavior that is patently not rational. For example, suppose one of our bargainers thought he might gain if he threatened to detonate a bomb killing both bargainers if the other did not agree to his terms. If the other bargainer rejected his demand then the one who had made the threat would not want to carry it out, since the only consequence of carrying it out would be that he was killed along with the other bargainer. In other words, once the other bargainer refused his demand, carrying out the threat would no longer be part of a Nash equilibrium. A tighter definition of rational behavior would rule out equilibria that contained such incredible threats, and such a definition provides one part of a possible solution to the puzzle of too many Nash equilibria in bargaining situations.

The other part of the solution is to require that the process by which offers and counteroffers are made be modeled explicitly and any agreement then be the result of a (suitably refined) equilibrium combination of strategies in such a negotiation game. In modeling the bargaining process it is plausible that negotiators will prefer agreements that come sooner to

6. Note, however, that since the bargainers have conflicting preferences as to what division they should coordinate on, any convention that determined that might be the source of significant conflict. (Compare the example of the choice of language mentioned in the preceding chapter.)

agreements that come later, and even if a demand by one bargainer is accepted by the other an exchange of offers will require a finite amount of time. Ariel Rubinstein (1982) was the first to show that with these assumptions there is a unique combination of strategies that satisfy the requirement of sequential rationality just mentioned.⁷

Because both bargainers prefer present agreements to future ones, Rubinstein's model implies that they should reach agreement immediately. Thus explanations of delay focus on the possibility that some of the information required by the bargaining solution is missing. In Rubinstein's model an obvious candidate for this role is the discount rates of the two bargainers. Since each bargainer presumably knows her own discount rate, the problem must be that this information is not common knowledge. And since each bargainer has an incentive to misrepresent it, this problem cannot be overcome simply by having each bargainer reveal it to the other. Thus the only way each can acquire information about the other's discount rate is through observing what offers each makes and rejects in the course of the bargaining process, which provides a formal justification for the idea that the bargaining process allows for the revelation of information.⁸

If we are to use this reasoning as a way of explaining strikes, we would have to distinguish between prestrike exchanges of offers and exchanges of offers once the strike has begun. Any exchange of offers prior to a strike takes place while the firm is operating and therefore while labor and management are benefiting from some existing division of its revenues. If one is satisfied with that division but the other is not, then the fact that the satisfied party discounts future benefits provides it with no motivation to agree to any change in the status quo. It is rather the expected outcome of bargaining in the context of a strike that might motivate the satisfied party to agree to make some concession.

In bargaining theory the set of possible agreements is commonly called the bargaining frontier, and the outcome that would occur in the absence of agreement is called the disagreement outcome. Thus in prestrike negotiations labor or management threatens to revert temporarily to the disagreement outcome in order to renegotiate the terms of the wage bargain. However, if they share enough information about the consequences of doing so then this will not be necessary.

In prewar crisis bargaining, the disagreement outcome is war. In the

7. See the discussion of Rubinstein's argument in the next chapter.

8. Rubinstein's answer to the bargaining problem depends not just on a refinement of Nash's definition of rational behavior but also on Rubinstein's specific assumptions about how bargainers are expected to negotiate with each other. While these assumptions are not implausible, they are not the only plausible assumptions one might make. For a survey of the literature on this subject, see Kennan and Wilson 1993.

next chapter we will see that this analysis of bargaining in the context of strikes has important implications for understanding the occurrence of war. But for war to occur there must be organizations that expect to benefit from the use of force. Thus we must first consider what bargaining theory tells us about the benefits from organizing and from using force.

Bargaining and Organization

With complete information the outcome of Rubinstein's bargaining game is not an equal division of the money. Rather, the bargainer who gets to make the first offer can take advantage of the fact that her adversary discounts future benefits and demand a larger share. Thus Rubinstein's analysis seems appropriate for situations in which there is no commonly accepted norm concerning how the money is to be divided, but each is simply out to get as much as she can from the other. Because of Rubinstein's assumptions about how the bargaining process proceeds, each bargainer is able, in effect, to deliver a little ultimatum to the other: accept my demand now or pay the price of waiting until I consider yours later. The longer the other bargainer has to wait, the bigger the premium the one making the first offer can extract.⁹

In the limit one bargainer might be able to confront the other with a choice between accepting her demand or getting nothing at all. A bargainer able to deliver such an ultimatum (or take-it-or-leave-it offer) could successfully demand all (or nearly all) the money.¹⁰

Take-it-or-leave-it demands are usually not credible because they imply that the person making the demand would prefer no agreement at all to an agreement on any other terms, which is normally not true. However, such demands may be credible if one individual has many alternative bargaining partners. Then if one potential partner rejects a demand there are others to replace him. That is how an organization increases the bargaining power of workers: it prevents management from making many take-it-or-leave-it offers to individual workers.

But if a bargain struck between management and a labor union benefits all workers, then individual workers may have no incentive to contribute to the support of the union, since if others contribute a person who does not will benefit anyway and if others do not contribute one person's contribution would be ineffective. Thus workers may face what is

9. The Rubinstein bargaining model is discussed further in the next chapter.

10. If what is at stake is not the division of a commonly known sum of money but, for example, the price for which something will be sold, a seller able to make a take-it-or-leave-it offer may demand more than the other is willing to pay and there will be no bargaining process through which he can learn that he was mistaken. In that case it is possible that no mutually beneficial agreement will be reached.

known as a collective action problem in capturing the potential gains from bargaining with management. If so, their bargaining power will be less than it would otherwise be.¹¹

Bargaining and the Use of Force

If the delay between offers in the bargaining process modeled by Rubinstein is small enough, then the Rubinstein solution will deviate only slightly from the equal division that a norm of fairness might prescribe. However, a requirement that the bargainers receive equal benefits from agreement can have surprising implications. Suppose, for example, that the sum to be divided is one hundred dollars and that some benefactor has offered to pay a bonus of fifty dollars to one of the bargainers if agreement is reached. Then if the money is divided equally one bargainer will receive fifty dollars and the other one hundred dollars, and the gains from agreement will therefore be unequal. If the bargainers are to benefit equally, therefore, the bargainer whose gains will be supplemented must get only twenty-five dollars of the money to be divided and the other must get seventy-five dollars.

Moreover, if, instead of supplementing one bargainer's gains, someone is expected to take some action that will cost him fifty dollars if no agreement is reached, the effect is exactly the same: that person will gain from the agreement both the share of the money he receives and the fifty dollars he would have lost if no agreement had occurred. Thus if the two bargainers' gains are to be equal, he must receive only twenty-five dollars of the money to be divided. This example illustrates the fact that there are two normative issues raised by bargaining: how the gains from agreement should be divided and what disagreement outcome should be taken as the baseline from which the gains are measured. When we consider that the person who is expected to deprive one of the bargainers of fifty dollars in the event of no agreement may be the other bargainer, it also helps us understand one of the uses of force.

While there may be people who derive utility directly from harming others, most harm is done because it is a way of achieving some other benefit. For example, if someone occupies a piece of land that I want, I may kill him in order to take it. Instead of killing him, however, I could allow him to continue to work the land and threaten to kill or harm him if he refused to give me any food he produces above what is required to keep him alive.

11. Note that the incentives that give rise to the collective action problem resemble those in the Prisoner's Dilemma game. The seminal work on the collective action problem is Olson 1965. See also Hardin 1982.

If all incentives to use force were like the first, then violent conflicts would all be like conflicts between animal predators and their prey, and its point would always be simply to separate people from things of value that they control. Often, however, the point of violence for human predators is, as in the second example, to influence the behavior of the victim, which would be true even if all I wanted was to persuade him to give up what he had. But then it is unclear why harm would actually be done to him or his property. The literature on bargaining provides a possible answer to that question.

Seen in that context, force is a way by which individuals can manipulate the disagreement outcome in a bargaining situation in order to gain something at the expense of others. However, as in any bargaining situation, both would have an interest in avoiding its actual use. I might, for example, threaten to beat the man unless he agreed to share his harvests with me. But beating him prevents him from working. We will both gain, therefore, if I stop beating him and he begins working. Thus a situation in which the man is continually beaten and does no work is the disagreement outcome in a bargaining situation in which he and I negotiate the terms on which he will work for me, and beating him may be a way of revealing information about the relative gains from agreement.¹²

Given some expectation as to how the gains from agreement are to be divided, I have an interest in maximizing the other person's gains by minimizing the expected value to him of disagreement. However, some threatened consequences of disagreement may not be credible. For example, I might threaten to kill the person I want to work for me if he refuses to comply, but if he refused and I killed him I could never benefit from his work. Thus threatening to beat him is more credible than threatening to kill him.

However, if there are many alternative workers, anyone that I kill might be replaced by another. This is another example of how the existence of many alternative bargaining partners can make take-it-or-leave-it demands more credible and therefore strengthen a person's bargaining power.

Like a firm dealing with many individual consumers, an organized group can make take-it-or-leave-it demands of many individuals, and thus the potential gains from the forcible redistribution of possessions or the forcible exploitation of the labor of others provides a motivation for the organized use of force. Indeed, such organizations are sometimes spoken of as though they were firms selling a product for profit and sharing the proceeds among their members. The "product" of such an organization is protection, and what it "sells" is protection against itself.

12. For a discussion of bargaining between master and slave, see Berlin 1998. See also Morgan 1999.

Like business firms, such organizations create the potential for three types of conflict: conflicts with their “customers,” conflicts with competing “firms,” and conflicts within the organization over the division of its revenues. Bargaining with the use of force can occur in all these contexts.

Members of an organization of economic predators have conflicting interests in dividing the gains from predation, and since the gains from any redistribution can be shared among the members of any group that objects to the current distribution, the leader of every organization of economic predators has to be concerned about the emergence of a competing coordinator among his followers. A combination of punishment of individual dissidents with attempts to inhibit free communication among them can make opposition seem risky and preserve the lion’s share of the gains for the leader.

“Customers” could increase their bargaining power if they were organized, since then the exploiters could not make take-it-or-leave-it demands of individuals. However, if any agreements they reach would benefit exploited individuals whether they resisted or not, then, unlike competitors to the leader from within the organization but like workers without a union, they might have to overcome a collective action problem if they are to organize.

Thus the incentives faced by the “customers” of such an organization may resemble the Prisoner’s Dilemma, while the incentives faced by potential members of a protection organization resemble the Stag Hunt—they have an incentive to coordinate their expectations on a cooperative outcome. Indeed, both the name *Stag Hunt* and the supporting story from Rousseau are singularly appropriate, since the skills humans developed for hunting and herding large animals may well have facilitated the hunting and capture of other humans. Thus the differential incentives faced by economic predators and their victims would seem to favor predation.

However, there are three important limits to the gains from economic predation. One is that economic predators do not produce anything and are therefore dependent on their prey to produce the goods that will support them both. Of course, the potential prey may not produce enough to make predation more attractive than doing something productive. With increasing productivity, however, predation becomes profitable, but the predator becomes dependent on the prey for his own well-being.

The second potential limit on predation is that if one group of predators can organize then so can another, and therefore the gains from predation invite competition from other predators. This provides another, secondary, way that force becomes a means to an end, since one organized group of predators can use force to eliminate another and gain exclusive access to its “customers.” It can do that by destroying the competing organization’s instruments of coercion, disrupting it so that it can no longer

function as an organized group, or threatening to punish its members if they do not agree to go out of business. But as we saw in the previous chapter, one of the insights of the *raison d'état* literature is that recurring conflicts among predators can increase the bargaining power of their prey and thus over time reduce the gains from predation.

This, then, is one possible answer to the question we started with, of why one group would gain from forcibly disarming another.¹³ However, forceful contests between competing predators are risky and costly, and thus the leaders of two competing organizations may both prefer to reach an agreement rather than fight a contest in which each tries to eliminate the other. Thus bargaining is also relevant to understanding violent contests between predators.¹⁴

There are two types of agreement they might reach to avoid competing with each other: they can merge and share the revenues from extortion, or they can divide the "market" between them. In principle there are many ways they might agree to divide the "market," but dividing their "customers" geographically is obviously the most efficient way of organizing coercion, and the most efficient division of territory is into contiguous blocks.

Thus an understanding of bargaining over these two types of agreement seems directly relevant to understanding the development of the European state system. A set of agreements among economic predators to divide the world among them might be called a world of independent states, and one of the central questions raised by the literature on the European state system is why such a set of agreements could not be permanent or, if not permanent, at least renegotiated without the actual use of force.

The third important limit to economic predation is that it is possible for its actual or potential victims to overcome the collective action problem that they face and engage in forceful bargaining with the predators. The Prisoner's Dilemma and Stag Hunt games are helpful metaphors in thinking about how this might be possible. However, we must avoid being seduced into thinking that they might be models of any actual situation, which would involve many people with many choices and in which uncertainty about what people's preferences actually are would likely play an important role.

The reason for thinking that the victims of economic predation might

13. Note the irony of this discussion in the context of structural Realism: Jervis (1978) argued that substituting the Stag Hunt for the Prisoner's Dilemma provided a possible solution to the security dilemma and therefore might prevent war. But because the incentives of economic predators resemble those of the Stag Hunt rather than the Prisoner's Dilemma, predation is profitable and violent conflicts among predators can be worth their costs.

14. The implications of this point will be explored in the next chapter.

face a situation analogous to the Prisoner's Dilemma is that resistance is likely to be both dangerous and costly, anything that weakens the predator would benefit all his victims whether they cooperate in opposing him or not, and individuals acting alone could not expect to accomplish anything. People who cooperate in replacing the predator, however, could expect to benefit from doing so in a way they otherwise would not. That is perhaps why economic predators often have more to fear from within their own ranks than from the population they exploit.

Of course, competing predators can come from within the exploited population as well as from within the established predator's own ranks, and therefore one way of organizing resistance to an established ruler is to organize competing exploiters from among the exploited. If such a group is successful, however, the result may be either long-lasting violent competition among predators or the creation of an even more effective predator organization to replace the original one. In the first case, the gains from predation will be limited while the violence lasts, but the exploited will suffer nonetheless, and therefore life will be "solitary, poor, nasty, brutish, and short." In the second case the gains from predation will be increased rather than diminished. But neither case is fundamentally different from the examples already discussed.

To see why people who merely wanted to resist predation might not actually face a collective action problem, let us look again at the sources of the "dilemma" in the Prisoner's Dilemma. They are twofold: the preferences of the actors and the constraints under which they must choose.

Consider first why the preferences of the actors might be different. One possibility is that if enough other people cooperate, then the actions of individuals might not be entirely without effect. If so, then individuals might prefer to cooperate in resistance, if they were sufficiently confident that others would cooperate as well. Then their preferences would resemble the preferences in the Stag Hunt game rather than the Prisoner's Dilemma.

Now consider the constraints on the choices of the prisoners in the Prisoner's Dilemma: they must independently choose between only two alternatives and do so only once. If their choices are repeated, or if they have more choices and do not choose independently, then even if their preferences remain the same they may no longer have a single dominant choice, and coordination on a mutually beneficial outcome may be possible.

For example, just as people who expect to do business repeatedly with each other have an incentive in any particular transaction not to cheat, so people who live in the same village may have an incentive to support a villager who is being treated in a way they consider unfair, if they want support from others when they are treated unfairly. Moreover, everyone

engaged in long-term relations with others has at his disposal ways of rewarding costly cooperation or punishing failures to cooperate that are significant for the persons being rewarded or punished but that cost the person administering them little or nothing. These include honor and esteem for the cooperator and dishonor and social isolation for the non-cooperator.¹⁵

The effect of all these possibilities is to convert a collective action problem into a coordination problem. However, there are still important differences between the coordination problem faced by predators and the coordination problem faced by those who merely want to resist predation. It will not always, or perhaps often, be true that the actions of individuals who cooperate in resistance will have a significant impact on the outcome, but individuals who cooperate in predation can always be given a share of the gains. Moreover, if resistance requires the cooperation of people who are part of an existing stable group of some sort, then any such groups that exist may be too small to resist a powerful organization of predators effectively or lack the means of mobilizing whatever conventions or social norms they have developed to enable resistance. Predators, however, can make use of soldiers of fortune, who can be readily attracted by the expected gains from predation.¹⁶

Moreover, the mechanisms that can enable resistance to predation can also be used to facilitate it. Every effective military organization knows how to make use of the mechanisms just described to make soldiers willing to risk their lives in combat, many successful predators have avoided conflicts within their ranks by using their own families as the core of their organizations, and many predatory organizations try to attract support and avoid resistance by claiming to serve collective interests or to be enforcers of valued group norms. All these devices not only make predatory organizations more effective but also make predation more profitable for their leaders, since the less leaders have to use the gains from predation to compensate their followers, the more of the gains they can keep for themselves. This helps explain why it is possible to debate whether the Crusades during the Middle Ages were motivated by religion or predation,

15. Since cooperation is important for human survival, there is reason to believe that humans have evolved psychological mechanisms that facilitate it. One of these may be an inborn inclination to punish noncooperation or violations of social norms (Bowles and Gintis 2004). For some experimental evidence in support of this possibility, see Fehr and Gächter 2002. For a discussion of the collective action problem from an evolutionary perspective, see Wilson 2002.

16. For a discussion of how rebels can overcome the collective action problem, see Lichbach 1995. See also McAdam, Tarrow, and Tilly 2001. For a discussion of coordination mechanisms, see Chwe 2001.

there is often disagreement about whether armed groups are bandits or revolutionaries, and there can now be disagreement about whether “greed or grievance” motivates civil wars in various parts of the world (Berdal and Malone 2000).

The Protection Business

In hunter-gatherer societies, the gains from economic predation are small, while the survival of the group requires cooperation among its members. Thus acts of predation by members of the society against other members are mainly carried out by individuals, and since the group is small they can be punished in informal ways. Moreover, the gains from collective predation by one such society against another are also likely to be small, and therefore conflicts among them are likely to be the result of acts of individual predation by members of one group against members of another. This may lead to collective retaliation and counter-retaliation, but such feuds eventually die out and are not a threat to the independence of the groups (Boehm 1987).

With the development first of settled agricultural communities and then of trade among them, however, the gains from organized predation increase. It can take three forms: raiding (or banditry), in which organized groups attack settled communities or traders and carry off their harvests or other goods; the capture of valuable agricultural land or trading routes by one group from another; and long-term exploitation, in which an organized group of warriors acquires control over settled communities and subsists off their produce.¹⁷

As already noted, groups engaged in economic predation are sometimes said to be in the protection business. This is not always just a bad joke. And in the case of settled predators, this expression conveys an important insight.¹⁸

The relation between settled economic predators and the people they exploit is similar to the relation between a parasite and its host or between a farmer or rancher and the domesticated animals that support him, in

17. This is the main theme of McNeill 1982. McNeill calls economic predators “macroparasites,” that is, “men who, by specializing in violence, are able to secure a living without themselves producing the food and other commodities they consume” (1982, vii).

18. Because groups of economic predators may have an interest in protecting the people they prey upon, they are now sometimes called “mafias.” The idea is developed in Tilly 1985. For an analysis of the Sicilian mafia that argues that it really is in the protection business, see Gambetta 1993. For a recent study of the so-called Russian mafia by one of Gambetta’s students, see Varese 2001. These ideas are developed further in Volkov 2000 and 2002. The seminal work on states as organizations in the protection business is Lane 1958. Lane’s idea is the main theme of Glete 2002. See also Levi 1988.

that settled economic predators have an interest in the productivity of the people who support them and in protecting them from other predators. This is why the “protection” that is “sold” by such predators can be the genuine article:

the king is . . . the owner of the country. Like the owner of a house, when the wiring is wrong, he fixes it.¹⁹

Thus even an economic predator, if he is engaged in the long-term exploitation of a settled community, would have an interest in providing some of the core services we associate with governments. But the terms of trade between protector and protected can vary enormously. At one extreme a protector may be a pure predator, the wealthiest person in the territory that he controls, and provide few benefits for anyone else. At the other extreme he may be hired by the people he protects, many of whom enjoy greater wealth and job security than he does (Grossman 2000). The extent of the services offered by a protector, and the terms on which they are provided, will be influenced by the relative bargaining power between the protector and his customers. And this will be influenced in turn by the amount of competition the protector faces and the ability of the people he protects to organize themselves in bargaining with him.

Consider, for example, the famous Japanese film by Akira Kurosawa called, in English, *The Seven Samurai*. In this film, peasants in a Japanese village are plagued by roving bandits who regularly steal their harvest, and they pool their resources to hire samurai warriors to protect them. They find seven rootless samurai warriors who agree to help and who succeed in defeating the bandits. In this story the exploiters are roving bandits, the villagers are able to organize because they are a small community, and the samurai warriors are rootless and unorganized. The story would end differently if the bandits were strong enough to establish control over multiple villages, which would be unable to coordinate resistance against them, or if the surviving samurai warriors remained in the village after the battle that ends the film and extorted much greater payments from the villagers. The last possibility exemplifies the fact that even groups that manage to organize themselves in defense of exploitation by others are exposed to the danger of being exploited by the people they have empowered to defend them.

Since the people a predator exploits provide the means of protection against competing predators, the possibility of competition from other predators may increase an established predator’s interest in their produc-

19. A statement by an Italian monarchist, quoted in Banfield 1958, 27. For an analytical treatment of this point, see Olson 1993, who calls settled economic predators “stationary bandits.”

tivity. And the fact that the people he exploits are not dumb animals but are capable of resisting efforts to mobilize them against competing predators may increase his interest in their well-being. Moreover, these two possibilities can reinforce each other, since (1) an effective means of resisting an established predator is to support a competitor, (2) competitors may have an interest in facilitating resistance to an established predator, and (3) measures that a predator takes to increase the productivity of his prey may also increase the ability of his prey to organize themselves to resist him. All these things may be true of both competing predators from within the territory controlled by an established predator and those outside it.

The Social Contract

A state is usually defined as an organization that has several properties, among which are (1) an organized ruling group (the government) that (2) can successfully use the threat of force to compel individuals (3) within a well-defined territory (4) to surrender economic resources (taxes), which are used to support not only the ruling group but also its (5) regulation of the population it controls and (6) defense of its control from other organized groups, both within the territory it controls and outside it. How are we to explain the development of organizations with these properties?²⁰

Max Weber wrote:

“Every state is founded on force,” said Trotsky at Brest-Litovsk. That is indeed right. If no social institutions existed which knew the use of violence, then the concept of “state” would be eliminated, and a condition would emerge that could be designated as “anarchy,” in the specific sense of this word. (1946, 78)²¹

It is clear that in this passage Weber has in mind not just any use of force or violence but the organized use of violence. To understand the development of states, then, we must explain the development of organizations capable of engaging in killing and destruction and then show why they would be interested in creating something that would have the properties ascribed to states. A plausible explanation can be found in the incentives

20. See, for example, the definitions of a state by Weber (1946) and Finer (1997, 1–94). Unfortunately, much of the literature on the rise of the state familiar to students of international politics focuses on the development of the European state in the context of feudalism. But human organizations with the defining properties of a state have long existed and have developed in many places. In addition to Finer, see Johnson and Earle 1987 for a survey of the anthropological literature.

21. Note that in this passage Weber equates anarchy with the *absence* of violence.

for economic predation, and defense against it, created by the development of settled agricultural communities and trade among them (North 1981).

But neither economic predators nor people who organize to defend themselves against them have an interest in violence for its own sake, any more than a man who holds up a liquor store wants to shoot the person behind the counter. What they want is to be able to profit from an agreement whose terms are determined by the threat of violence. It is the provisions of these agreements that determine the peculiar features that distinguish any particular organization that has the properties listed previously from all the others.

Any particular state, therefore, can, like a business firm, be understood as a network of contracts (Aoki, Gustafsson, and Williamson 1990). One set of contracts regulates the internal functioning of the ruling group (the government), another regulates the relation between the government and the population whose behavior it tries to control, and a third regulates the relation between a government of one territorial area and the governments of other territorial areas (Glete 2002, 1–41). Unlike the contracts that organize a business firm, however, the disagreement outcome in negotiating the contracts that define a state is determined by contests in violence. Moreover, these contracts are never entirely independent of each other, and the enforcement of all of them is problematic.

Weber famously defined a state as

a human community that (successfully) claims the *monopoly of the legitimate use of physical force* within a given territory. (1946, 78; emphasis in original)

It is the contractual basis for the functioning of a state that explains the role of legitimacy in its organization.

The idea of a fair bargain can be a way of thinking about the properties of an ideal or just state, and an actual state that did not satisfy those properties might be considered illegitimate because it was unjust. But even the relation between master and slave is subject to bargaining, and so also are unjust states governed by tacit or explicit agreements. Even though the bargaining power of slaves may be insufficient to compel the abandonment of slavery, it can be enough to punish a master who has deviated from rules governing his behavior that were the product of earlier bargaining between them, and such rules, however vague or implicit, might be said to define what is and what is not legitimate behavior for a master or for a ruler.

Just as the terms of any contract reflect the relative bargaining power of the people who sign it, so standards of legitimacy understood in this

way reflect the relative bargaining power of the component parts of a state. A change in relative bargaining power will therefore make it possible to renegotiate the contract. But, as in the relation between labor and management, one of the determinants of relative bargaining power is the relative ability of the participants to organize, which is affected in turn by their ability to coordinate their actions. Thus the mere availability of the idea of a radically different type of contract, if it becomes common knowledge, can change the relative bargaining power of ruler and ruled, since such an idea can facilitate the organization of resistance to the government defined by the current contract. The relation between “realistic” standards of legitimacy and “utopian” ones is therefore complex, and the way people talk about government can undermine it (Mannheim 1936).

Anarchy and Hierarchy Reconsidered

Kenneth Waltz wrote:

The parts of domestic political systems stand in relations of super- and subordination. Some are entitled to command; others are required to obey. Domestic systems are centralized and hierarchic. The parts of international-political systems stand in relations of coordination. Formally, each is the equal of all the others. None is entitled to command; none is required to obey. International systems are decentralized and anarchic. The ordering principles of the two structures are distinctly different, indeed, contrary to each other. (1979, 88)

The distinction described in this passage is the foundation of what came to be known as “structural Realism.” But it should now be clear that it rests on a confusion, a confusion that is fostered by the words that Waltz uses to describe the distinction he wants to make. The opposite of a centralized system is not anarchy but a decentralized one. *Anarchy* is *an-* plus *-archy*. It refers to the absence of a leader or ruler, which structural Realists equate with the absence of any institutional structure.²²

Thus this passage conflates two different distinctions. One is between a centralized and a decentralized institutional structure, and the other is

22. Strictly speaking, the opposite of anarchy is not hierarchy but “archy,” a word that does not exist by itself in English but must be qualified by some prefix that describes what sort of “archy” it is (e.g., monarchy or oligarchy).

between relations among people that are governed by an institutional structure and those that are not.²³ Structural Realism therefore begs the question of whether peace requires some sort of *-archy* or could be achieved instead by a decentralized institutional structure.²⁴

This confusion has been compounded by the confusion between the absence of government and Hobbes's state of nature. If a world without governments is a world without states as commonly defined, then people who live in a world of hunter-gatherer societies might be said to be in the state of nature, but it would not be the state of nature described by Hobbes.²⁵ Hobbes's state of nature was a world of competing economic predators, any of whom could become the nucleus around which what Hobbes called a commonwealth could be constructed and some of whom did. And there is nothing in what Hobbes wrote that implies that a world of commonwealths must have the properties that Hobbes attributed to what he called the state of nature.

Like Hobbes, many students of international politics do not distinguish between individual acts of predation and predation by organized groups. This failure helps support the view that the difference between government and anarchy is that under government there is someone to enforce contracts and property rights and in anarchy there is not, a view that makes plausible the use of the Prisoner's Dilemma game as a way of describing anarchy or the state of nature. A settled economic predator with sufficient interest in the productivity of his subjects may be interested in resolving conflicts among them and defining and enforcing their property rights, but there is no enforcer of the contract (implicit or explicit) that governs the relations between the predator and his subjects, any more than there is an enforcer of any contracts he might have made with economic predators in other territories that delineate which territories they each control. In both cases, as in bargaining between master and slave, any partic-

23. To appreciate the difference, think about the distinction between having a commonly known "rule of the road" and not having one. A failure to appreciate this distinction is what distinguishes structural Realism from what is commonly called the "English school" of writers about international politics. For a representative example of the English school, see Bull 1977. For a recent discussion of the English school, see Keene 2002.

24. Hans Morgenthau, it should be noted, distinguished clearly between a system without any institutional order and a system with a decentralized institutional structure and argued that the fundamental property of modern international politics was not the absence of effective international norms or law but its decentralized institutional structure (1948, part 6). See also the discussion of this issue by Martin Wight, a founding member of the English school, in Wight 2002, chaps. 9 and 10.

25. See the analysis of the anthropological and archaeological data in Kelly 2000. It was perhaps in part the European experience of hunter-gatherer societies in the New World that motivated Rousseau's criticisms of Hobbes (Meek 1976).

ular agreement is enforced only by threats to repeat the forceful bargaining that produced it.

Because a ruler commands an organization, and violators of his edicts do not, a ruler will be able to confront violators with take-it-or-leave-it demands. Even if there are many violators, all of whom meet with a violent response, this violence will not count as warfare, because it will not consist of a military contest between organized groups. It is the ruler's monopoly of the *organized* use of force that explains his ability to enforce property rights without war, but his monopoly of the organized use of force exists only because the members of his organization cooperate in applying it, and any resistance to it is not organized. Thus the superior force of the state is not the cause of the reliability of agreements that are accepted in lieu of violence but its result, and when the agreements that support it unravel then so does the state. A potential cause of such unraveling is an attempt by the state to enforce too much.

Waltz's distinction between hierarchy and anarchy derives additional plausibility from the fact that the history of international politics is usually told as the history of warfare between or among independent states. This fosters the view that states exist independently of other states and some way needs to be found to prevent them from fighting each other. But every war ends in a peace settlement of some sort, and the states that participate in any given war were all products of some prior peace settlement. As Robert Randle said:

It is . . . wars and their settlements that have structured the state system of the modern era: they have provided the matrix for interstate relations, including the context of subsequent wars and their settlements. . . . Peace settlements . . . created the modern state system; they have characterized the relations of states and the international law of those relations; and it is through them, in part, that the modern state became what it is. (1973, 506)

Thus sovereignty does not reflect an absence of agreements but is itself the result of agreement. Indeed, Finer lists, as one of the defining properties of a state, the fact that it is

recognized by other similarly constituted states as independent in its action on its territorially defined . . . population, that is, on its subjects. This recognition constitutes what we would today call its international "sovereignty." (1997, 2–3)

There is no external enforcer of the agreements constituting a state's sovereignty, but neither is there an external enforcer of any of the other agreements that constitute a state.

A history of modern international politics told as the history of peace settlements would be a history that revealed the institutional development of the European state system, which was eventually extended to encompass the globe.²⁶ It would show that both the interstate system and the states that make it up are constantly being renegotiated and that the modern state is as much the product of agreements among states as it is of agreements between governments and the populations they govern. When states use force to renegotiate a previous peace settlement they appear to be the source of the problem, but when a new agreement is negotiated they reemerge as part of the solution. And no valid argument has been given that shows that they could not be part of a long-lasting peace settlement.

Constructivists, in criticizing structural Realism, emphasize the fact that the state is a social construction whose origins lie as much in the international system as in the societies they govern. However, the alternative they offer to simply taking states as given, as structural Realism does, is an analogy with the process by which individuals acquire their identities through socialization. But individuals do not negotiate their identities by the use of force. States are the product of a process by which groups of individuals with well-defined identities use violence to bargain over the institutional structures that will regulate conflicts among them. And one of the issues to be bargained over may be the nature of the culture that they will subsequently be part of.

The Global Constitution

As we have seen, Waltz characterized the interstate system as “decentralized.” If this does not mean simply the absence of an institutional structure, as the word *anarchy* implies, what does it mean?

In thinking about the answer to this question, we must distinguish between a world of states with an uncontested institutional structure and a world in which the structure is contested. This is something we are accustomed to doing in talking about the internal structures of states. The institutional structure of the U.S. government once was the subject of a violent contest, but there seems little prospect of that happening again in the immediate future. Thus the institutional structure of the U.S. now conveys a great deal of useful information about how life in the United States is conducted. This could not be said of contemporary Colombia, however, or Afghanistan or the Balkans. We can imagine possible institutional structures for the people who live within those areas and think about what sort of institutions, if any, might prove to be acceptable to everyone within them who might be in a position to use violence to contest them. If we are

26. See, for example, Holsti 1991; Osiander 1994; and Ikenberry 2001.

to think usefully about the possibility of a peaceful global order we must do the same for the state system itself.

A global order that consists of a state system, rather than a world government, would have an institutional structure that did not include an organization at the global level with the defining properties of a state listed previously. Thus there would be no global organization that could use threats of force to tax individuals in the constituent states. And, therefore, since the states themselves would constitute the institutional structure of the global order, the state system would be defined by the three sets of agreements, listed earlier, that defined the constituent states.²⁷

But if a world of sovereign states is simply a world without a global government, then agreements defining the external sovereignty of states might include provisions that regulate the other two sets of contracts that define the constituent states. And, indeed, this has always been true. Wars were fought in the eighteenth century to determine the ruling family of one or another member of the European state system; the nature of the government of France was one of the issues determined by the settlement that ended the wars of Napoleon; and the nature of the states that will govern the Balkans, as well as their territorial boundaries, is still being negotiated between the members of NATO and the people who live in that area.²⁸

If a state is unable to control individual or small-group acts of predation within its territory, it will be unable to prevent people who inhabit its territory from engaging in acts of predation on the territory of other states, and therefore a minimal condition for the external sovereignty of states is that they be able to exercise internal sovereignty. Thus over time the state system invented by the Europeans has come to resemble the scheme for regulating conflicts between or among ethnic groups described by Fearon and Laitin in their study of ethnic conflict: governments are responsible for preventing individuals inhabiting their territory from engaging in acts of predation against people who inhabit the territory of other governments, a division of responsibility that diminishes the number of occasions for violent conflicts between or among states (Fearon and Laitin 1996). The current so-called war on terrorism is based on this principle, but it is

27. See the recent discussion of the global constitutional order in Bobbitt 2002, especially book II.

28. Contrast this discussion with Krasner's (1999) discussion of sovereignty. Krasner claims that, "According to the Westphalian model relations between rulers and ruled ought not to be subject to any external actors" (73). The many exceptions to this supposed norm lead Krasner to characterize the "norm" of sovereignty as "organized hypocrisy." Note that it is important to distinguish among (1) any conditions that are attached to the interstate agreements defining states' sovereignty, (2) interventions to enforce those conditions (e.g., the enforcement of basic human rights), and (3) the use of force to renegotiate those conditions.

merely the latest installment of a long story.²⁹ Fearon and Laitin list a number of properties of ethnic groups that may give them a comparative advantage over other groups in controlling acts of predation by their members. A similar claim might be made for states in comparison with other possible enforcement agencies.

Peace and the State

The difference between the existence of a monopoly of the legitimate use of force within states and the absence of such a monopoly among them is what Waltz really had in mind when he distinguished between hierarchy and anarchy. And a side effect of the existence of multiple states, of course, is that they can use their ability to support organized military forces to engage in violent conflicts with each other, which they frequently do. Since war requires the organized use of force, one might think that a world of states would necessarily make war within states impossible, while war among them could not be ruled out. This is why structural Realism has seemed plausible to so many people.

But a monopoly of the legitimate use of force can be lost, and therefore wars within states are not impossible. And the mere possibility of war among states does not imply that it will occur with any significant probability. Thus the inference from the institutional structure of a state system to the incidence of war within it is not valid.

It is true that, for war to occur within states whose institutional structure is not already contested, an organizational problem has to be solved that need not necessarily be solved for war to occur between states. If war is to occur within the territory of an existing state that enjoys a monopoly of the legitimate use of force, then the state's military forces must be divided and/or a new military force must be created to oppose the one previously controlled by the government.³⁰ States with a monopoly of the legitimate use of force within their territories, however, may maintain armies ready and able to fight each other on short notice.³¹

These differences imply that there might be an institutional impediment to war within some states that does not exist between some states.³² However, there are other, less obvious implications of these differences

29. Much of the story is told in Thomson 1994.

30. For a description of this process in conjunction with the U.S. Civil War, see Bensel 1990.

31. There may, however, be a need to organize an alliance if a war is to be fought among states.

32. But not all states. Canada, for example, would have some organizational problems to solve before it would be prepared to fight a war against the United States.

whose effects are contrary to this obvious one. It is possible, for example, for groups of individuals within states who contemplate violence to coordinate their expectations sufficiently that they each expect to profit from using force, yet they lack an organization that could commit them all to an agreement that they might all prefer to the expected consequences of using force. In that case peace within the territory of an established state might be harder to achieve than peace between states.

Consider, for example, the Los Angeles riot in the aftermath of the acquittal of the Los Angeles policemen who had been videotaped beating a black man, Rodney King. Shared outrage at the verdict in that trial caused many blacks to congregate around the same traffic intersection, and their observation that the police chose to withdraw from the scene rather than try to control the crowd told them that individuals who decided to use force would not face either effective opposition or especially dire consequences. Thus each was free to vent his or her rage against white people, or appropriate property from the many stores in the area, until a large enough military force was organized to oppose them. But if the leaders of this military force contemplated negotiations with the rioters there would be no one to negotiate with, and therefore quelling the riot required sufficient use of force to demonstrate to all the individuals involved that the balance of power between them and the police had been reversed.

Spontaneous demonstrations such as this one can have immediate revolutionary consequences if they occur in the capital of a centralized state (e.g., Paris), and if the public authorities are unable to alter the expectations that support them they can lead to recurring violence over the long run.³³ However, if no single organization develops that can negotiate an agreement and then persuade the dissidents to accept it, then a negotiated settlement of such conflicts may be impossible. For example, in attempting to negotiate a settlement between rebels in Kosovo and the government of Serbia prior to the military conflict over Kosovo, the U.S. government had difficulty in finding someone who could reliably speak for the rebels. And one of the main incentives for the government of Israel to agree to the creation of a Palestinian state seems to be the possibility that an agreement negotiated with such a state might reduce decentralized violence by Palestinians against the citizens of Israel.³⁴

33. As a former adviser to a Chinese leader has been quoted as saying, "There are so many people with grievances. They'll wait for some public signal, and then they'll come together when they know others will do the same thing" (Ziegler 1997, 20).

34. For an argument that a lasting peace between Israel and the Palestinians requires one state and not two, see Said 1999.

What Next?

Thus not only can states with a monopoly of the legitimate use of force within their territories make war with other states; they can make peace with them as well, which they also do. This is something that organizations without a monopoly of the legitimate use of force are unable to do. The institutional structure of a state system does not tell us why the peace that states make among themselves could not be as lasting as the peace some states, but not all, have made within their territories.

Moreover, precisely because of the institutional impediment to the renewal of conflict that a government would entail, the members of warring groups may have less confidence in the terms of a peace settlement that creates a common government than one that provides for separate states with separate military forces. Thus even if there is a subsequent conflict between or among the resulting states, the extent of the violence may be less than if an agreement had not been reached, and the existence of separate states may not be its cause but rather may reflect prior expectations that conflict was likely.

To understand the recurrence of war in a system of states, we must therefore understand why states that could make peace with each other make war instead. Moreover, every war takes place in a world that was created by some prior peace settlement and will end with another one. So to understand the recurrence of war, we must explain why peace settlements do not last. To do that we must look more closely at the relation between bargaining and war.³⁵

35. For two seminal articles on this subject, see Fearon 1995b and Powell 1996. Much of what I have to say in the following chapters is based on ideas developed in those articles.