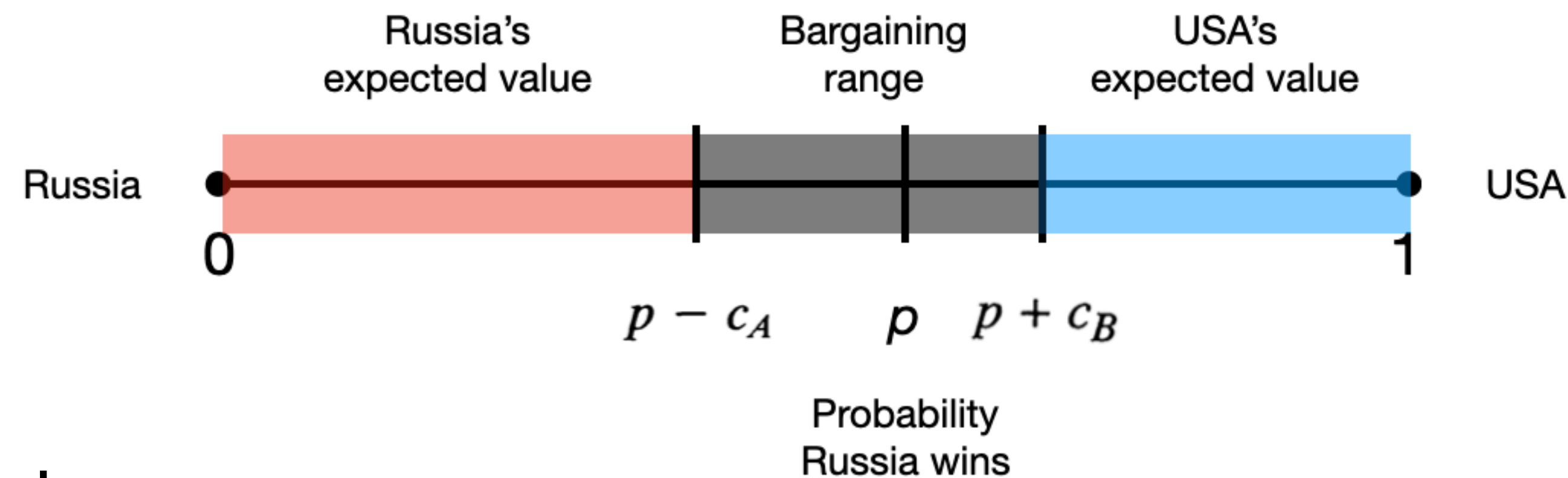


# Bargaining model of war

## Visualize



## Verbalize

- War is inefficient
- Bargaining range: the set of mutually preferred deals
- Size of bargaining range depends on costs of war

## Mathematize

Bargaining range is subset of  $X$  s.t.  
for each outcome  $x$ ,

$$u_A(x) \geq p - c_A$$

$$u_B(1 - x) \geq 1 - p - c_B.$$