

Objective: (1) To examine the role of costly signaling in international crises and shaping international perceptions, and (2) to consider major perception problems in IR.

1 Key ideas

Question: According to rationalists, what function does costly signaling play in international crises?

Answer: A major challenge in crisis bargaining is that states have private information and incentives to bluff. As a consequence, there is uncertainty over whether actors are resolved or unresolved. Guessing wrong about another actor's resolve could lead to war if it results in a settlement proposal falling outside the bargaining range. To overcome this information problem, states rely on costly signals to distinguish their type. Costly signals like sunk costs and hand-tying are actions that unresolved types wouldn't ordinarily take. With the information problem reduced, it's easier to locate a resolution to the crisis.

Question: What are some major challenges to the costly signaling framework?

Answer: Costly signaling requires sometimes strict assumptions to work. For example, hand-tying requires the other side to believe their opponent's domestic audience will follow through. The framework also makes implicit claims about the intersubjectivity of signals, but it is entirely possible that observers disagree about what "counts" as a costly signal. Moreover, crisis bargaining models typically have two players, instead of the vast set of actors in the real world, which poses the risk of collateral messaging. Finally, signals that rationalists deem as less costly still seem to be effective at times—namely, cheap talk and off-stage signaling.

Question: How does uncertainty relate to perception and misperception in IR?

Answer: Uncertainty, interacting with humanity's psychological software, drives perception problems about: the state of the world (e.g., is technology offense or defense dominant?), capabilities (e.g., is there a missile gap?), and intentions (e.g., is the state security-seeking or greedy?).

2 Crisis bargaining example

State B has challenged State A over a pie. Each state prefers 100% of the pie, but war is costly, so the states try to negotiate first before turning to arms. Negotiating is complicated, however, because states don't know whether the other side is "greedy" or "security-seeking."

Within your pod, divide into 2 groups (States A and B). Each group should draw their type from "nature": if you roll odd, then your group is "greedy." Do not inform the other side of your type! There are special rules for each type: security-seeking states want at least 5% of the pie, but greedy states want at least 80% of the pie.

Round 1

1. State A: propose a division of pie (e.g., 50% for State A, 50% for State B)
2. State B: escalate (incur 10% cost of pie and force A to make another offer), OR back down (accept A's proposal and end crisis)

Round 2

1. State A: propose a new division of pie
2. State B: escalate (incurring another 10%) and propose a counter-offer, OR back down (accept A's proposal and end crisis)

Round 3

This crisis will not extend out to the horizon infinitely, so State A must make a decision: war (all-or-nothing highest die roll; split 50/50 if tie) or back down (accept State B's proposal).