Strategic Choice Approach

• Realist, liberal, and constructivist theories are general theories in international politics.
• Strategic choice approach is not a theory with pre-specified actors, goals, etc.
• The strategic choice approach is a method of analyzing strategic decision-making.
Strategic Choice Approach

- What is strategy?
- The interaction between two or more actors, when each is trying to maximize its own gains.
- The strategies chosen, and outcomes obtained, depend on choices of others.
- Uses game theory to analyze interactions (more next week).
- **Zero-sum games**: one player’s gain is another player’s loss (e.g. warfare).
- **Positive-sum gains**: both players can benefit (e.g. trade talks).
Actors & Environments

• **Actors**: Depends on the problem.
  – May be states as a whole, leaders of countries, lobbyists, legislatures, etc.

• **Actors have preferences** over outcomes.
  – Prefer fighting to backing down (or vice-versa)
  – Prefer trade protection to market competition.

• **Actors have beliefs** about the preferences of others.
A new slide on Actors & Environments

- **Environments**: Provides the structure of the “game”.
- Specifies the **actions** that can be chosen.
  - E.g. attack or back down
  - Attack, sanction, back down.
- Specifies the **information** available about the actions of others.
  - What do other actors choose?
War Scenario

- State A wants a piece of territory controlled by state B.
- State A can attack or not attack.
- If state A attacks, state B can back down, giving up the territory.
- Otherwise, state B can defend the territory leading to war.
- War is costly, outcome is uncertain, but victor wins all of the other’s territory.
Scenario 1 preferences:

A: Gain territory > Status Quo > War
B: Status Quo > Lose territory > War
Scenario 1 preferences:

A: Gain territory > Status Quo > War
B: Status Quo > Lose territory > War
Change in Preferences

Scenario 2 preferences:
A: Gain territory > War > Status Quo
B: Status Quo > War > Lose territory
Change in Preferences

Scenario 2 preferences:
A: Gain territory > War > Status Quo
B: Status Quo > War > Lose territory
Change in Beliefs

Scenario 1 preferences:
A: Gain territory > Status Quo > War
A believes that B: Status Quo > Lose territory > War
Change in **Beliefs**

Scenario 1 preferences:
A: Gain territory > Status Quo > War
A believes that B: Status Quo > Lose territory > War
Change in Beliefs

BUT, beliefs can be wrong:

A: Gain territory > Status Quo > War

In actuality B: Status Quo > War > Lose territory
Aid Scenario

• Some government (A) is deciding to give foreign aid to the leader (B) of a developing country.
• B can use the aid for national development, or personal enrichment (corruption).
• A wants to fund successful a successful program, but aid costs $.
• A can also devote additional resources ($) towards program oversight.
• If corrupt leader is caught, faces reputation costs; will not get aid in the future.
A has two actions

Development

Give Aid

Corruption

No Aid

Status Quo

A: Success - $$
B: Nation Benefits

A: - $$
B: Ruler benefits
Change in the Environment:
A has three actions

Aid & Oversight

A: Success - $$$
B: Nation benefits

Corruption

A: - $$$
B: Ruler benefits – reputation cost

Development

A: Success - $$
B: Nation Benefits

Corruption

A: - $$
B: Ruler benefits

No Aid

A: - $$
B: Ruler benefits

Status Quo

A: - $$
B: Ruler benefits
What if oversight doesn’t always catch crooks?

Information
Information

Development

A: Success - $$$$  
B: Nation Benefits

Aid & Oversight

Corruption

A: - $$$$  
B: Ruler benefits

No Aid

Status Quo

Dotted line indicates uncertainty
A: Success - $$$$$
B: Nation Benefits

A: - $$$$$
B: Ruler benefits – (Prob. detect X reputation costs)

Detection
If detected: ruler benefits – reputation costs.
If not detected: ruler benefits.

Then, can assign probability of detection. E.g. 25% chance of detection.
Aggregation

- Strategic choice approach simplifies a complex environment.
- ‘Actors’ are often complex combinations of individuals, organizations, institutions.
- Sometimes we can ignore ‘internal’ politics; sometimes aggregation issues are important.
Aggregation

STATE A
(democracy)

STATE B
(autocracy)

International
Domestic

Legislative Branch

Executive Branch

Dictator

Military

Interest Group A

Interest Group B