

## REVIEW OF *THE STRATEGY OF CONFLICT*

In real-world negotiations and conflicts, the effect of your decisions often depends on what decisions other people make. And the effect of their decisions depends on your decisions. So to know what to do, you need to know what they're going to do, which depends on what they think you're going to do, which depends on what they think you think they're going to do, etc. This book draws out the often-counterintuitive implications of such "interdependent decision" situations. Two main points stood out to me most.

**Limitations can be advantages.** Examples:

- A person who cannot break their promises (e.g. because a third party would punish them severely) can coordinate with others in mutually advantageous ways which might otherwise be impossible due to a lack of trust.
- A democratically elected leader may be less vulnerable than a dictator to coercion if that leader can credibly claim they would be removed from power if they tried to comply.<sup>1</sup>
- Lacking even the capacity to perform a surprise attack on your enemy can in some scenarios help prevent a mutually disadvantageous war.<sup>2</sup>
- A person who cannot be contacted cannot be coerced via threats.

In bargaining, the commitment is a device to leave the last clear chance to decide the outcome with the other party, in a manner that he fully appreciates; it is to relinquish further initiative, having rigged the incentives so that the other party must choose in one's favor.<sup>3</sup>

**Non-arbitrariness often overrules fairness.** For example, if two people are each tasked with drawing a line on a map to divide territory between themselves—without communicating—and with the goal of both drawing the same line, they will likely draw the line along some unique feature (such as a lone river) even if this gives much more territory to one player than the other.<sup>4</sup> A line through the middle of the map would be fairer, but there

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<sup>1</sup>See Thomas C. Schelling, *The strategy of conflict: with a new preface* (Cambridge, Mass.: Harvard Univ. Press, 1980), 28.

<sup>2</sup>Ibid., 215.

<sup>3</sup>Ibid., 37.

<sup>4</sup>Ibid., 62.

are many lines through the middle and no way for the players to agree on one. Schelling argues that even in real-world negotiations where the participants *do* communicate, such saliency considerations often have substantial influence, and not necessarily due to any irrationality. Empirical knowledge of human psychology—of what features people find salient, what solutions people perceive to be natural—would be necessary for selecting optimal behavior even if everyone involved were known to be perfectly rational.