

Lesson Plan Week 4
9/26/08 to 9/29/08

Plan

1. Commitment problems
2. Questions on the bargaining model?
3. Domestic politics and war
4. Collective action problems
5. Oil and the national interest (Macewan)

Pre-class

Interesting fact: Insect behavior

- swarms of gnats are male gnats flying together so they're visible to females
- ant fights on the sidewalk

Commitment Problems

Finishing up the bargaining model from last week....

Is China a threat to the United States?

- Rising economy
- Increasing military spending
- Increasing presence in international institutions (scuttling the WTO talks)
- Role in conflict in Sudan
- Potential military challenger?

Bargaining model

Any questions? We've spent a lot of time on this in lecture and section, so it'd certainly be fair game to ask you about on an exam.

Domestic Politics of War

How might this be a different perspective? Change the bargaining model? Create the things that break down the bargaining model?

What are some specific examples of foreign policy situations you're familiar with where domestic forces influenced international outcomes?

- Economic actors
 - Steel tariffs, auto quotas, sugar subsidies, and other trade distortions
 - United Fruit
 - Oil interests (Macewan)
- Ethnic groups
 - Cuban-Americans in Florida
 - Israel lobby in the US policy toward the Middle East
- Ideological/issue groups
 - Environmental organizations push for bans on whaling, emissions treaties
 - Pro-choice/pro-life debate
 - AARP
- Military industrial complex
- Political actors rallying support
 - Runup to Iraq War, no one wants to be accused of being unpatriotic
 - Clinton missile strikes in late 1990s accused of trying to distract attention

What's the national interest in this case, and what's the special interest? Are they different? How did the special interest get its way in that case?

How domestic forces get involved in international affairs? (**tease out in above discussion**)

- Interest groups:
 - Mobilize voters – good lists of people who might care a lot about a particular issue and be driven to show up at the polls and vote according to that issue.
 - Provide resources – these people may also donate money to campaigns or political action committees that can provide resources for elections (or bribes...)
 - Provide information – legislators have limited time and need to form opinions on tons of different issues about which they may have no expertise. Interest groups that want a particular policy can assemble information that supports their side
- Political rally effects:
 - Popular support for leaders increases during foreign policy crises
- Military budgets
 - Organizations/bureaucracies tend to want to expand the scope of their activity and responsibilities, and militaries can be similar in that regard. This might create pressures within the government decision-making establishment pushing for the application of military force (or, at least, the development of military capabilities)

How does this make conflict more or less likely? How does this affect the bargaining model?

- Creates issues of disagreement where there might not have been any before. Increase the scope and aggressiveness of foreign policy ambitions
- Changes the costs of war (maybe turning them into benefits) for whoever makes the decision

Collective Action Problems

Why is it that particularized interests, who represent only a small group of people, can sometimes push government policy?

- Lots of money
- Collective action problems
 - Lots of people care, but not that much. You don't feel your contribution makes a big difference, so you'd rather not spend regardless of what you think the outcome will be

How many of you own a car/your family owns a car? How many work for a steel company?

- Steel tariffs add about \$20 to the price of an automobile, but you don't much care or even know
- But if your steelworker job is on the line, you know and care and vote on that issue

Concentrated interest

- Suppose I were to impose a \$1 tax on all of you, and everyone else in lecture
- Profits are all given as a subsidy to ****pick student****, who owns a sugar company - about \$500 (from the whole class) which helps compete against foreign producers
- Now I tell you there's a public hearing down at the capitol building, probably last about 2 hours, where people are welcome to come and voice their opinions, after which our elected officials will make a decision
- Who wants to go to the hearing?

Big points

- Major free-rider public goods problem
- Smaller groups with concentrated interests more likely to be able to solve collective action problems
- Actors are more likely to get involved, and collective actions problems more likely to be overcome, if...
 - They really care – sugar producers might go out of business. sugar consumers pay a tiny bit more for candy
 - They think their contribution matters – about 17 sugar producers, all in Florida, make up some huge percentage of our nation's sugar industry – if anyone drops out of the lobby group, they lose a lot. 300 million sugar consumers.
 - There's social pressure to contribute – the heads of the sugar companies know each other know, if anyone isn't paying their share to the lobbyist. You don't know the other 300 million candy-eaters
 - There are side-incentives to participation – receive the 'sugar producers monthly' magazine that has useful industry tips, makes it excludable

Oil and the National Interest (Macewan)

Macewan notes:

- US has 3% of world's reserves, 10% of world production, over 25% of consumption
- Needs oil to keep economy running
- Hostile governments in oil-rich countries could lead to actions to disrupt the US's oil supply (and raise prices) (though not a huge threat)
- But not that big a problem –
 - can still buy oil even during times of tension
 - not a huge share of our consumption (dec: but prices are affected still...)
 - suppliers don't want price volatility any more than consumers (not necessarily true economically)
- US companies in the oil business, though, do have more clear incentives
 - want to ensure access to cheap oil
 - oil in Iraq particularly cheap & easy to extract (97 cents/barrel, now selling for around \$100/barrel)
- Big companies have (and have always had) a cozy relationship with the government
- US had other reasons for invading Iraq, but it is fundamentally also concerned with overall strength and power, and economic forces (relying on oil) are vital for that

Q1: In what ways is the need to ensure stable and cheap access to oil a national interest of the United States?

- US has 3% of world's reserves, 10% of world production, over 25% of consumption
- Economic activity – need oil to produce & transport goods, and for personal transportation
- Military strength – oil fuels the ships and planes and tanks that give the US the ability to project power abroad
- Hostile governments in oil-rich countries could lead to actions to disrupt the US's oil supply (and raise prices)

Q2: In what ways is this need for oil particularly important for specialized actors within the United States? Which actors?

- US companies in the oil business, though, do have more clear incentives
 - want to ensure access to cheap oil
 - oil in Iraq particularly cheap & easy to extract (97 cents/barrel, now selling for around \$100/barrel)
- These big companies have (and have always had) a cozy relationship with the government
- Auto industry also wants to ensure oil supply, and others that rely on transportation

Q3: Which drives US overall policy on oil more – special interests or the broad national interest?

Q4: Is oil the primary motivating force behind US policy in the Middle East generally, and the invasion of Iraq specifically? What other factors contributed?

Q5: In what ways has the US invasion of Iraq advanced the national interest? In what ways has it harmed the national interest? How has it advanced or harmed special interests?

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