

James Morrow, "The Strategic Setting of Choices: Signaling, Commitment, and Negotiation in International Politics," in Lake and Powell, eds. *Strategic Choice and International Relations*, pp. 77-114.

Morrow is concerned with investigating three strategic problems: signaling, commitment and bargaining. These problems exist in an environment characterized by the security dilemma, where all states may be solely interested in their own security but cannot be sure all other states are the same.

Signaling problem: whether states should indicate their true motivations and how they can be believed if they chose to do so.

Commitment problem: can states make commitments when their true motivations are unknown.

Bargaining problem: how can states negotiate when they don't know what positions are acceptable.

The choices states make depend on both preferences and the strategic environment.

Signaling

Signaling is credible when it separates states from other 'types'. That is, when it acts in a way that another 'type' of state would not. One way to do this is 'cost signaling' i.e. to incur costs that another type of state would not tolerate. Signaling can also be costless, for example UN resolutions. Partial separation is more likely because states will accept the costs of making a signal even if that signal is contrary to the states true motivation. For example, a state may make a costly signal to indicate a willingness to carry out a threat, even though the state is ultimately unwilling to carry it out.

Commitment.

This problem arises when states wish to make a commitment which others may doubt even when all would benefit if the state was believed. Self-enforcing commitments, which involve built in rewards and punishments based on compliance, can help solve this problem. A transfer of power to the receiver of a promise can also help, as can the presence of domestic institutions where ratification of a state's commitment is difficult.

Bargaining.

Bargaining problems arise when the final positions ('reservation levels') of states are not commonly known. These problems can be overcome by the use of leverage associated with 'outside options' i.e. a state's alternative to a deal, or by linking issues, which can increase the size of the 'zone of agreement' i.e. the set of possible deals acceptable to both sides. Multilateral bargaining is more difficult since a zone of agreement is less likely to exist. However, a state's uncertainty over its own reservation level opens up opportunities for persuasion by other states.

Morrow then examines how these three problems can be applied to two phenomena common in the international system: alliances and crisis bargaining.

Alliances.

These are signaling and commitment devices. By forming an alliance and bearing the costs of its maintenance, a state signals its readiness to intervene in aid of its allies. The commitment is demonstrated by the fact that leaders would suffer domestic political costs if they failed to intervene if an ally required it.

Crisis bargaining

Morrow's outline of strategic problems result in a pessimistic view of crisis bargaining. States cannot know each other's resolve in a crisis. However, the cost of backing down rises as a crisis continues. As a state continues to accept these costs, it continues to signal its resolve to the enemy, separating it from the type of state that backs down. If neither backs down, the costs of backing down will eventually exceed the costs of war, and war ensues. Consequently, a state better able to demonstrate high audience costs will be better able to demonstrate its resolve and hence get an opponent to back down, even if the opponent is itself more resolved.

Morrow concludes by noting how the strategic-choice approach highlights the importance of domestic institutions. Strategic-choice is helpful here because it can be applied to both domestic and international phenomena, since the problems it addresses occur in both arenas.