

Powell, “Uncertainty, Shifting Power, and Appeasement.”

Week 7, IR field seminar

In this essay, Powell characterizes the strategic situation facing Great Britain in the 1930s as that of a declining power facing a rising state. He argues that such a declining power will seek to appease a rising state with limited revisionist aims, while fighting (as early as possible) a rising power with unlimited aims. He offers a formal model that accounts simultaneously for shifts in the distribution of power and uncertainty about the ambitions of other states, and argues that a declining state faces a fundamental trade-off between fighting a rising power early, before the process of decline reduces its power too far, and waiting to fight in the hopes of avoiding an unnecessary war by satisfying the aims of the revisionist state.

Powell models appeasement as a simple timing game, in which a declining power must decide at each instant whether to grant another concession to a rising power or to stand firm and risk war, while the rising power must decide whether to make another demand or to accept the status quo. Two features of the model are critical: First, the status quo power is uncertain about the extent of the rising power’s ambitions, specifically about whether those aims are sufficiently limited that granting them would be preferable to war. Second, the status quo power is declining in strength and so its payoff from fighting is continually declining over time.

In the complete information model, Powell finds that in equilibrium, the declining state will appease up to a point, and then stand firm. The rising state will stop making demands and no fighting will occur. The outcome is thus efficient, in that the states avoid the losses associated with war. However, because of the arbitrary nature of any stopping point in the complete information case, there exists a multiplicity of equilibria, which depend on the status quo power’s expectations about the rising state’s future behavior.

In the incomplete information case, there is again a multiplicity of equilibria, corresponding to any plausible stopping point. However, these equilibria are not efficient, because the incomplete information condition results in a positive probability that appeasement will eventually lead to war. This risk of war can be interpreted as the price paid by the declining state for avoiding some unnecessary wars. Finally, if the assumption that the status quo state is continually declining in power is relaxed, a strategy of appeasement can have another component, in which the declining state buys time until its waning power begins to rebound. This eventual improvement provides an expectational anchor, which can generally narrow the possible outcomes to a unique equilibrium.

Powell concludes with a comparative statics result that supports the claim of power transition theory that the faster the power transition occurs, the more likely that war will accompany the transition. In essence, the faster the status quo state’s power declines, and the rising state’s power increases, the earlier the declining power will choose to stand firm, and the less likely that the rising power will be satisfied with its gains and opt not to fight when that time comes.