

## I Introduction

This book seeks to answer one of the central puzzles surrounding civil war. Of all the different types of disputes that can occur within states, self-determination disputes are the most likely to escalate to war and the most likely to resist compromise settlement.<sup>1</sup> More than half of all civil wars in 2008 were fought between ethnic minorities and their central governments over greater autonomy or independence. Moreover, wars in Sri Lanka, Sudan, Georgia, the Philippines, Kashmir, and Chechnya have lasted for years and have shown little sign of settlement. Muslims in southern Philippines have been seeking independence for over thirty-five years. And India has been fighting to retain Kashmir since 1989. The pervasiveness of these types of wars has made them the chief source of violence in the world today.<sup>2</sup>

Self-determination disputes are also the most intractable type of civil war.<sup>3</sup> Between 1955 and 2002, only 25 percent of all separatist groups were given independence or autonomy and most of these concessions were granted only after lengthy fights.<sup>4</sup> Moscow has been fighting a bloody war against the Chechens rather than grant them any degree of autonomy or independence. Georgia has

<sup>1</sup> Since 1980, almost half of all armed conflicts have been fought between governments and ethnic minority groups seeking self-determination. See Marshall and Gurr (2003).

<sup>2</sup> See the Minorities at Risk project for data comparing political, economic, cultural, and autonomy civil wars.

<sup>3</sup> In fact, between 1940 and 1996, governments were 70 percent less likely to negotiate with groups seeking self-determination than with groups seeking any other goals. See Walter (2002).

<sup>4</sup> Source: Center for International Development and Conflict Management's (CIDCM) 2003 report on self-determination movements. See Chapter 4 of this book for greater details.

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refused to grant South Ossetians and Abkhazians greater self-rule even if it means a war with Russia. India has come to the brink of a nuclear confrontation with Pakistan in order to retain Kashmir. And Sri Lanka has vowed “never, ever” to cooperate with the Tamils despite a seemingly endless war.<sup>5</sup>

The fact that self-determination disputes tend not to end in negotiated settlements is puzzling for at least three reasons. First, if war occurs, these types of conflict tend to be long and costly to the government involved. The average civil war between 1940 and 1992 (excluding separatist wars) lasted a little over five years. The average independence war during this same time lasted almost eight years, killing significantly more people.<sup>6</sup> Given the costs, why are governments not settling? Second, governments have multiple ways to peacefully end these disputes without giving up territory, including granting greater political, fiscal, and/or cultural autonomy. Disputes over territory, in fact, should be easier to resolve than disputes over government control where many of the key positions – like the presidency – cannot be easily shared. Third, maintaining a large territory is becoming less important in an age of increasing globalization, yet leaders continue to fight hard to maintain their existing territorial boundaries. What, then, explains the decision not to settle?

#### CONVENTIONAL EXPLANATIONS

The standard explanation for why wars so frequently occur over territory has to do with the value of land.<sup>7</sup> According to conventional

<sup>5</sup> Interview with US State Department official stationed in Sri Lanka.

<sup>6</sup> Civil War Resolution Dataset. See Walter (2002).

<sup>7</sup> I am not the first scholar to notice that territorial disputes are particularly difficult to resolve short of war. A similar pattern has already been discovered in disputes between states. Luard (1986), Holsti (1991), Goertz and Diehl (1992), and Vasquez (1993) each found that territorial issues are one of the most frequent sources of interstate wars, and the least likely to be resolved peacefully. While Hensel (1996) found that territorial disputes between states are more likely to escalate, to produce a greater number of fatalities, and be more conflictual than

accounts, states are less likely to negotiate because land often contains important natural resources, serves a vital security function, or plays a critical role in the identity of a country.<sup>8</sup> Anecdotal evidence about separatist regions seems to support this. Many contested regions contain precious minerals, fertile agricultural zones, or critical tax bases that are vital to the well being of the central government. Most of Nigeria's agricultural revenue, for example, and almost all of its petroleum came from the secessionist region of Biafra. Congo's Katanga corridor, site of numerous secession attempts, holds important mineral deposits. East Timor lies just north of potentially significant deep-sea oil reserves. And Moscow relies heavily on Chechen oil.

Many separatist regions also appear crucial for maintaining the security of a state.<sup>9</sup> The Golan Heights, for instance, sheltered Israel from Syrian rocket attacks and gave it a valuable listening post to Syrian army movements. Serbia's only access to the Mediterranean Sea was through Bosnia and Montenegro. And Kashmir contains the Himalayan mountains – an important buffer between India and Pakistan. It is not hard to believe, therefore, that the value of these strategic assets makes compromise unlikely.

Some pieces of territory, such as Kosovo and the West Bank, also hold great symbolic value because they represent the historical homeland of a people or play a critical role in the identity of a country. As Isaiah Bowman wrote in the aftermath of World War II: "there is a profound psychological difference between a transfer of territory and a change in a trade treaty or pact of international cooperation. Territory is near and plain and evokes personal feelings and group sentiments ..."<sup>10</sup> If two groups hold the same strong attachment to the same piece of land, the stakes could

non-territorial confrontations. For whatever reason, territorial disputes, whether within or between states, tend to end in war.

<sup>8</sup> See especially Gilpin (1981), Doyle (1986a, 1986b), and Van Evera (1998).

<sup>9</sup> For a summary of this view see Jack Snyder (1991: 24–5).

<sup>10</sup> Bowman (1946: 177). See also Toft (2003).

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easily be defined in all-or-nothing terms, making compromise unlikely.

These arguments, however, cannot explain two puzzles associated with what are often lengthy and painful separatist wars. First, they cannot explain why governments would not offer ethnic groups a deal short of independence that would satisfy both sides. Governments could offer ethnic groups significant political autonomy, where the government retains sovereignty over the land, while the ethnic group makes decisions about governance. Governments could transfer fiscal power, allowing the group to tax individuals and businesses in their region and then determine how the money will be spent. Or governments could offer to create a federation where power is decentralized down to the regional level. All of these solutions would enable the center to retain control over a piece of territory while avoiding war.<sup>11</sup>

Second, existing theories cannot explain the many cases where governments have chosen to fight for territory that has little economic, strategic, or symbolic value or give up territory that does. East Timor's alleged oil reserves are far less than the hundreds of millions of dollars Indonesia has spent trying to hold on to this region.<sup>12</sup> The former Soviet Union, for example, was willing to grant independence to the Kazakhs, Kirghizs, Moldavians, Tadzhiks, Ukrainians, and Uzbeks even though each of their territories contained valuable strategic features.<sup>13</sup> And, the Israeli government

<sup>11</sup> Some governments, although not many, have opted to make these concessions without first fighting a war. Canada awarded the Quebecois a series of political provisions designed to address their drive for independence. Nicaragua, Ecuador, Panama, Peru, and Bolivia have granted various degrees of autonomy to indigenous groups unhappy with years of discrimination and neglect. And the Czech Republic peacefully granted independence to the Slovaks.

<sup>12</sup> This point was acknowledged by a member of Indonesia's House of Representatives (2004–7) in an interview with the author, May 2008. See also Di Giovanni (2000).

<sup>13</sup> This coincides with findings on interstate territorial conflicts. According to a widely cited study by Paul Huth, governments are only 6 percent less likely to compromise with another state if the territory under dispute is strategically important. See Huth (1996b).

negotiated away the Sinai, parts of the West Bank, and will, I believe, eventually agree to a division of Jerusalem. A land's value may explain government behavior toward some separatists some of the time, but it does not explain the many cases where governments fight over land that holds little obvious value, or do not fight over land that does.<sup>14</sup>

#### THE ARGUMENT OF THE BOOK

What, then, explains why so many leaders in so many countries fight? I argue that leaders fight not because territory is so valuable, as many people have assumed, but because fighting helps them to deter other groups from seeking secession in the future. Think for a moment about two cases where governments have been willing to grant independence without first going to war: Canada and the former Czechoslovakia. On the surface these two countries appear to have little in common, yet they share a trait that helps answer the question posed above. Unlike most countries in the world, Canada and Czechoslovakia are ethnically relatively homogeneous. Canada contains concentrated ethnic minorities in Quebec and in northern Canada where native Americans and Inuit live, but few additional groups with any serious desire to secede. Czechoslovakia contained only two concentrated minority groups – the Slovaks and Hungarians – both of whom occupied territory in the secessionist region of Slovakia.<sup>15</sup> The fact that so few potential separatists existed in both countries allowed leaders to negotiate with one group without triggering multiple additional challenges. Canada and Czechoslovakia had the luxury to negotiate with their ethnic minorities because so few additional ones existed.

<sup>14</sup> The many disputes over small and insignificant islands in Northeast Asia, as well as the war between Britain and Argentina over the Malvinas or Falkland Islands, are two examples of this phenomenon between states.

<sup>15</sup> In 1991, ethnic Czechs represented 62.8 percent of the population, Slovaks 31 percent, and Hungarians 3.8 percent. Hungarians lived predominantly in the soon-to-be-created Slovakia. Source: Library of Congress Country Studies.

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In what follows, I argue that the low rate of negotiation is the result of reputation building, where governments are refusing to negotiate with early challengers in order to discourage others from making even more demands in the future.<sup>16</sup> Jakarta's wars against East Timor and Aceh were not designed solely to maintain sovereignty over these two tiny regions, but to signal to Indonesia's many other minorities that secession would be costly. As one Indonesian general argued in 2000, giving independence to Aceh "could set off a violent Balkans style breakup of Indonesia."<sup>17</sup> Fighting a war against one challenger is the price governments are willing to pay in order to deter additional challengers later on.<sup>18</sup>

In Chapter 2 I develop this theory by describing how uncertainty and repeated play create strong incentives for governments to invest in reputation building.<sup>19</sup> I argue that a contributing factor in the outbreak, duration, and resolution of these conflicts is a government's private information about its willingness to negotiate with separatists, and the incentives a government has to misrepresent this information when numerous potential challengers exist. Governments, especially those presiding over multi-ethnic populations, would very much like ethnic groups living within their borders to believe that obtaining self-determination will be costly and counter-productive. Would-be separatists, on the other

<sup>16</sup> Although this book focuses only on self-determination movements, the reputation theory should apply equally well to territorial disputes between states. As long as governments expect a neighboring country or countries to launch a series of demands for territory, incentives should exist for the defending state to be tough, at least against early challengers.

<sup>17</sup> *New York Times*, April 21, 2000, p. A13.

<sup>18</sup> The idea that states might fight hard for useless territory in order to signal to future secessionists has been discussed in the literature, but not developed or tested. See Van Evera (1998), Saideman (1997), and Toft (2003) for some examples.

<sup>19</sup> Note that there are other types of reputation, such as a reputation for reliability, or a reputation for honesty, that I do not analyze in this book. I focus on a reputation for resolve because it is the concept most often cited by both policymakers and scholars seeking to explain certain behaviors related to international security.

hand, would very much like to determine if the government will make deals in the face of a violent challenge. The result is a complex strategic interaction where governments are actively seeking to deter separatists, and separatists are carefully trying to uncover if and when the government will grant concessions. As one Russian political scientist aptly observed: “The fighting in Chechnya was not just against the Chechen rebels, it was against movements all around.”<sup>20</sup>

#### REPUTATION BUILDING IN INTERNATIONAL RELATIONS

I am not the first person to suggest that reputation building may affect how governments respond to threats and challenges. In fact, reputation has been one of the most talked about yet puzzling concepts in international relations for the last forty years. Foreign policy leaders and scholars such as Henry Kissinger and Thomas Schelling have long argued that governments must cultivate a reputation for using force in order to deter future aggressors, even over issues seemingly not worth the costs of war. “We lost thirty thousand dead in Korea,” Thomas Schelling famously wrote, “to save face for the United States and the United Nations, not to save South Korea for the South Koreans, and it was undoubtedly worth it.”<sup>21</sup>

The idea that reputations matter, however, has lost favor in international relations because little empirical evidence has been found to support its usefulness, at least until recently.<sup>22</sup> Studies on interstate disputes by Huth and Russett, Hopf, Mercer, and Press uncovered scant evidence that a reputation for toughness had

<sup>20</sup> Ellen Barry, “Russia’s Recognition of Georgia Areas Raises Hopes of Its Own Separatists,” *New York Times*, October 9, 2008, 6.

<sup>21</sup> Schelling (1966: 124).

<sup>22</sup> Although the literature arguing against reputation is fairly large, few empirical studies exist that attempt to test the theory. These include Huth and Russett (1984, 1988), Huth (1988b), Shimshoni (1988), Huth *et al.* (1992, 1993), Orme (1992), Fearon (1994), Hopf (1994), Lieberman (1994, 1995), Mercer (1996), and Press (2001).

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any positive effect. Huth and Russett, for example, found that the past behavior of the defending country had no significant impact on whether an aggressor backed down once it had threatened to attack.<sup>23</sup> Hopf found that Moscow did not infer anything about America's likely behavior in Europe or Northeast Asia based on how it had behaved in more peripheral states.<sup>24</sup> And Press found that the Kennedy administration did not change its assessment of how the Soviets were likely to behave in Cuba based on how the Soviets had behaved in Berlin.<sup>25</sup> These findings have led many international relations scholars to reject reputation building as a useful tool for explaining behavior. As John Mearsheimer recently concluded, "[r]eputation is an overblown concept."<sup>26</sup>

This statement seems premature for three reasons. For one, it is hard to believe that so many leaders in so many contexts could be wrong. If reputation building consistently fails to deliver the desired outcome, why would leaders continue to invest in it?<sup>27</sup> Even critics of reputation building arguments – such as Mercer – acknowledge that most of the leaders they examined seem to truly believe that reputation building works. "My three case studies," admits Mercer, "provide ample evidence that Russian, British, French, German, and Austrian decision-makers were concerned with their reputations for resolve."<sup>28</sup> It is puzzling, therefore, that so many leaders would continue to invest in reputation building if it did not work.

Second, formal models in economics reveal that reputation building *does* influence behavior at least under certain well-specified conditions. Both Milgrom and Roberts (1982) and Kreps and

<sup>23</sup> Note that this study comprised fifty-four cases of extended deterrence between 1900 and 1980. Huth and Russett (1984).

<sup>24</sup> Hopf (1994).

<sup>25</sup> Press (2001).

<sup>26</sup> From the back cover of Press (2005).

<sup>27</sup> Leaders could be mistaken, but leaders who wish to remain in power generally wish to avoid pursuing bad policies, especially those that are economically and politically costly.

<sup>28</sup> Mercer (1996: 21).



Wilson (1982) show that reputation building tends to emerge “in any situation where individuals are unsure about one another’s options or motivation and where they deal with each other repeatedly in related circumstances.”<sup>29</sup> And experimental evidence has supported various implications of these models. In an experiment on product markets, for example, Miller and Plott (1985) found that sellers developed reputations for selling high-quality products, and that these reputations allowed them to command premium prices.<sup>30</sup> Roth and Schoumaker (1983) found that past histories of players affected outcomes in bargaining experiments.<sup>31</sup> And Ebay has shown that buyers rely heavily on information on the past conduct of sellers when determining from whom to buy.

Finally, evidence for reputation building is also beginning to emerge in studies on international diplomacy and lending. In work on crisis bargaining, Anne Sartori has found that leaders benefited from developing reputations for honesty when engaged in relatively costless verbal negotiations.<sup>32</sup> Michael Tomz found that countries could gain reduced interest rates from international lenders by building reputations for reliably repaying their debts.<sup>33</sup> These studies suggest that reputation building can be a powerful theoretical tool for explaining certain types of behavior. The challenge is to determine where and when it applies.

#### CONDITIONS CONDUCIVE TO REPUTATION BUILDING

One of the reasons I believe international relations studies have found only limited evidence for reputation building is because the theory has frequently been applied to the wrong types of

<sup>29</sup> Milgrom and Roberts (1982: 304).

<sup>30</sup> DeJong *et al.* (1985) found similar results in an agency setting, and Daughety and Forsythe (1987a, 1987b) found reputation building in experimental duopolies.

<sup>31</sup> See Camerer and Weigelt (1988) for a more detailed discussion of these results.

<sup>32</sup> Sartori (2005).

<sup>33</sup> Tomz (2007).

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cases. This study, therefore, starts by outlining the conditions under which reputation building should emerge and explains why self-determination movements are such a good fit.<sup>34</sup> As mentioned earlier, formal models in economics by Milgrom and Roberts (1982) and Kreps and Wilson (1982) show that two features of the strategic environment create strong incentives to invest in reputation building: repeated play and incomplete information. Parties must believe that they will deal with each other in related circumstances over time, and they must be unsure about how each is likely to react in those circumstances.<sup>35</sup> “If the situation is *repeated*,” wrote Kreps and Wilson, “so that it is worthwhile to maintain or acquire a reputation, and if there is some *uncertainty* about the motivations of one or more of the players, then that uncertainty can substantially affect the play of the game.”<sup>36</sup>

Economic models, however, remain frustratingly vague about what is meant by repeated play.<sup>37</sup> Does it matter whether a government encounters the same challenger again and again, or if it encounters a series of different ones over time? If the situation includes a series of different players, how similar must each of the players be in order for inferences to be drawn? And does it matter how many interactions a defender anticipates? Will reputation building materialize only when many repetitions are expected, or can a few suffice?

A similar set of questions can be asked about the sources of uncertainty necessary for reputation building to emerge. If incomplete information is critical, as Kreps and Wilson and Milgrom and Roberts claim, what types of uncertainty are most likely to cause governments

<sup>34</sup> There has been a limited attempt in the economics literature to specify these conditions. See Kreps and Wilson (1982). The one attempt in the political science literature is Downs and Jones (2002).

<sup>35</sup> Milgrom and Roberts (1982: 304).

<sup>36</sup> Emphasis added. Kreps and Wilson (1982).

<sup>37</sup> This is because economists have applied the theory almost exclusively to a single well-defined context: situations where a monopoly firm seeks to deter a number of smaller firms from entering a lucrative market. The appropriate context in international relations, however, is less clear.