

## OUTLINE OF LECTURE 4: BARGAINING AND DYNAMIC COMMITMENT

1. From pure conflict to pure cooperation
  - a) zero-sum games (conflict)
  - b) coordination problems (cooperation)
  - c) mixed-motive situations:
    - distributional conflict
    - coordination but conflict over terms
    - bargaining
2. Bargaining: influence expectations
  - a) power (not force): relative, non-fungible, strategic
  - b) communication: explicit, implicit
3. Bargaining power
  - a) threats and promises: selective conditional commitments
  - b) how to establish credible commitments
    - reduce freedom of action: burn bridges, delegate
    - relinquish initiative
    - manipulate payoffs: audience costs, military instrument
4. Communication (information transmission)
  - a) signaling: costly vs. cheap talk
  - b) signal-jamming (bluffing)
  - c) screening
5. Two misconceptions
  - a) what bargaining power is not
  - b) the hurt-more criterion