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Conclusion and discussion

In this paper, I have used variation in control of resources during periods of war and periods of peace to identify whether lack of commitment to Coasian bargains explained civil wars fighting for government. In order to do that, I built a simple model of commitment and wars nesting alternative hypothesis of commitment, which gave me a framework to test the hypothesis of no commitment. The results indicates that, for the average country in my sample, lack of commitment does not seem to be a robust explanation for the data. When controlling for the heterogeneity, the point estimate of commitment is close to the point estimate of the value under dispute between the players. Moreover, the estimate of commitment is often statistically significant.

Moreover, the model implies that around 90% of the country-years in my database do not seem to have binding commitment constraints. These countries face an average probability of war of around 2%, while the rest of the countries face an average probability of war of around 80%. Given that variation in the term my model labels as commitment explains considerable variation in the probability of wars, a natural question is how to manipulate such a term to avoid wars? While a theoretical literature raises the possibility of endogenous democracy as a mechanism of commitment (Acemoglu and Robinson [2001]), and that stabilization of the incumbent in the government coupled with lack of commitment may generate persistent wars (Powell [2009]) the model predicts that increasing democracy/power turnover would have little effect over the probability of war.

Finally, the point estimates are inconsistent with some attributes countries bound by commitment should have. The estimated cost of war is typically negative, which raises doubts on whether players would like to negotiate their way out of war. Moreover, moving to full commitment actually increases the probability of war for the countries bound by commitment. This is inconsistent with a theory that say that players would negotiate in a Coasian Bargain their way out of war if they had full capacity to commit. However, these conclusions are not very robust, since the main model cannot capture precisely the model's parameters and their heterogeneity.