

# **Tug of War: Economic Interdependence and Conflict Duration**

## **Abstract**

The commercial peace literature has been focused on whether/how economic interdependence depresses conflict initiation. However, its impact on conflict duration has not been explored. In this paper, I employ a simple "war of attrition" model to examine how the costs of economic disruption over time affect states' choices over the optimal timing of ending a conflict. In addition, I argue that the logic of asymmetric dependence applies better in the reasoning of conflict duration, rather than initiation as the conventional wisdom suggests.

Key Words: trade and conflict, crisis bargaining, duration

The commercial peace literature finds a robust relation between economic interdependence and peace (Oneal and Russett, 1997; Gartzke, Li and Boehmer, 2001; Polachek and Xiang, 2010). Specifically, economic interdependence promotes peace by suppressing conflict initiation (though scholars differ on the specific mechanism). In addition, researchers suggest that asymmetric dependence may sabotage such a peaceful impact because it either renders one party too vulnerable or breaks down the costly signaling mechanism. This line of literature appears to neglect the possible relation between economic interdependence and conflict duration. However, any explanation of war initiation without why and how war ends is incomplete (Wagner, 2000; Ramsay, 2008).

Moreover, the relation between economic interdependence and war duration/termination is theoretically intriguing. Each state's ability to impose and bear economic costs over time dictate how patient they can be during a conflict. This patience and its variance between states determine how long a country is willing to and capable of holding out in a conflict. The arguments about asymmetric dependence and vulnerability (Hirschman, 1980; Keohane and Nye, 1977; Wagner, 1988) appear to fit better in this case in that states that are relatively independent can hold out longer in a conflict and should therefore enjoy bargaining power.

## References

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