

Compromised Peacebuilding

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Abstract

There is considerable evidence that peacebuilding operations are more likely to reproduce important elements of the status quo than they are to propel post-conflict states toward a liberal democracy. In contrast to existing theories that focus on the resources available to peacebuilders or the degree of damage caused by the war to explain the outcome, we highlight the interaction between international and domestic actors. Specifically, we conceive of peacebuilding as a strategic process involving peacebuilders, a postwar government, and other central elites. The equilibrium results show that this process typically concludes in a compromised peacebuilding outcome. This is not surprising when the policy preferences of the actors diverge, but the results also hold when domestic elites prefer a liberal democracy to the status quo. Why? Primarily, because postwar governments are rewarded by relatively impatient peacebuilders with more resources than they would otherwise receive. Additionally, if there exists a secondary elite with veto power, a compromised outcome becomes even more likely. We illustrate these findings with reference to post-1989 peacebuilding operations. Although peacebuilding might not work as it is intended, in the conclusion we argue that it is better than the alternatives and propose a more realistic measure of peacebuilding success..

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The contemporary literature on peacekeeping, peacebuilding, and postconflict reconstruction is at odds on two fundamental issues. The first is whether peacebuilding makes a “difference.” Scholars have arrived at an impressive and often contradictory array of conclusions: some say that they do, others say not that much, others say not at all, and still others say that they do more harm than good. There are several reasons why such a basic question generates such wildly different assessments. There is remarkably little agreement on what counts as a “difference” — that is, what criteria should be used to evaluate the success or failure of a peacebuilding operation? Some insist that the gold, and only, standard is a liberal democracy, while others define success as a reduction in the likelihood of a return to war. There is an array of measurement issues, including what measure of democratization is appropriate for the postwar context. And there is the necessity of situating the outcome in relationship to the counterfactual: what would have occurred had there not existed an operation, if the operation had been configured differently, or if peacebuilders had made different choices?

Although the jury is still out, the weight of the evidence is increasingly pointing to the conclusion that, if democracy is the measure of a successful outcome, peacebuilding has a poor track record (Diehl and Druckman 2010 and 2012). Since 1989 the international community has launched nineteen major peacebuilding operations:¹ two countries emerged as liberal democracies, seven met Freedom House’s very forgiving threshold of “electoral democracy,”

¹ These are: Afghanistan (2002), Angola (1995), Bosnia (1995), Burundi (2004), Cambodia (1992), Central African Republic (1998), Cote d’Ivoire (2003), Croatia (1996), DR Congo (1999), East Timor (1999), Haiti (1994), Kosovo (1999), Liberia (2003), Macedonia (2001), Mozambique (1992), Namibia (1989), Rwanda (1994), Sierra Leone (1999), Tajikistan (1997). A major mission is defined as mandated by the UN or by another international organization, as having been deployed for at least six months, as having at least 500 military personnel, and as having a mandate to keep the peace and create a stable and democratic country. We code the start of a mission when these criteria are met (i.e. a mission might have been deployed in an earlier version, but does not “begin” until it meets these criteria).

and ten qualified as authoritarian.² The best that can be said (and this is not trivial) is that peacebuilding appears to reduce the likelihood of a return to war. If that is the finding, it raises important questions regarding whether the added cost and effort associated with the promotion of a liberal democracy is worth it.

The second question is: what accounts for this finding? For simplicity's sake, the explanations can be grouped according to whether they "blame the victim" or blame peacebuilding. Perhaps the simplest explanation for this relatively disappointing record is that peacebuilders are reaching for the impossible dream, attempting to engineer in years what took centuries for West European states (Kaplan 2008; Lidén, Mac Ginty, Richmond 2009; Lidén 2009; Tadjbakhsh 2009; Richmon and Mitchel 2011; Chandler 2006). Relatedly, peacebuilding operations confront highly difficult conditions, including a lack of local assets, high levels of destruction from the violence, and continuing conflict (Collier 2009; Chesterman 2004; Doyle and Sambanis 2006; Orr 2004). Furthermore, while civil war (or domestic conflict more generally) can create opportunities for democratization (Weingast 1997; Wantchekon and Neeman 2002; Wantchekon 2004; Gurses and Mason 2008), it can also have the opposite effect of fissuring already highly-divided societies, making it more difficult for the relevant actors to accept the uncertainty that comes with democratic rules of the game (Doyle and Sambanis 2000; Roeder and Rothchild 2005).

² Freedom House (2005) uses a 7 point scale, and rates a country as free when it scores between 2.5 and 1 and least free when it scores a 7. An electoral democracy is defined as a country that has a competitive multiparty system; universal suffrage for all adult citizens (apart from legal restrictions that may apply to citizens convicted of certain crimes); regularly contested elections by secret ballot with "reasonable ballot security" and the absence of massive fraud that distorts results; and "significant public access" of major political parties to voters through open campaigning and the media.

Alternatively, peacebuilding itself might be to blame. It is under-resourced, impatient, and undertheorized (Zeeuw 2005; Carothers 2002; Paris 2004, 2010). Peacebuilders also lack the proper strategy, at times failing to realize that the road to hell can be paved with good intentions. For instance, as peacebuilders push for instant liberalization, they are sowing the seeds of conflict, encouraging rivals to wage their struggle for supremacy through markets and ballots (Paris 2004; Zakaria 2003). Shock therapy, peacebuilding-style, undermines the construction of the very institutions that are instrumental for producing a stable peace (also see Chandler 2010; Boege, Brown et al. 2009; Egnell 2010). This “peacebuilding culture” not only contains a liberal bias but also tends to limit its intervention to the capital city and restrict its negotiation to the national elites – overlooking the critical role of local elites (Autessere 2010). Lastly, some suggest that peacebuilders often must choose between protecting stability and nurturing a liberal democracy, and stability frequently wins out as they face an increasingly unruly society (Jarstad and Sisk, 2008; Fortna 2008).

This article offers a third explanation for peacebuilding’s inability to engineer a liberal democracy in post-conflict countries: strategic interactions between international peacebuilders and domestic actors. Although such interactions have not been given their due, there are pockets of research that point to its centrality for explaining the outcomes of peacebuilding. A growing body of research sees peacebuilding as marked by “hybridity”: peacebuilding operations increasingly comprise local and international actors, and their interactions produce postwar orders that are a mixture of liberal and illiberal elements (MacGinty 2010, 2011; Richmond and Mitchell 2011). Studies of “peacebuilding from below” identify how local actors are constantly attempting to game the system to exploit peacebuilding for ulterior purposes (Boyce 2002; Pouligny 2006; Talentino 2007). And many case studies of specific operations showcase how

the interaction between goal-oriented and strategically-motivated actors explains why they veer off course (Autessere 2010; Campbell, Chandler, and Sabaratnam 2011; Englebert and Tull 2008; Fortna 2008; Hyden 2008; Manning 2008; Pouligny 2006; Richmond and Mitchell 2011; Zuercher 2011).

In fact, in an earlier paper (Author 2009), we employed an informal strategic perspective, treating peacebuilding as a “game” played between peacebuilders and domestic elites. We categorized outcomes of peacebuilding operations not in the ordinal terms of success or failure but instead in nominal terms of different kinds of outcomes: Captured, when local actors reduce peacebuilders to an instrument of their status quo-oriented preferences; conflictive, when peacebuilders and local actors lock horns; co-opted, when local actors willingly implement peacebuilding reforms; and, compromised, when there is a mix of reforms and consolidation of the status quo. We further observed that compromised outcomes are far more likely than the other outcomes because of divergent preferences between peacebuilders and local actors, the scarcity of resources available to peacebuilders, and the highly fractured nature of post-conflict societies. But these were inductively-derived hunches and we failed to specify carefully the causal mechanisms that might account for the dominance of compromised outcomes. The game-theoretical analysis of this study shows exactly why.³

In this article we develop game-theoretical models to explore why *compromised* peacebuilding, defined as an outcome that is a mixture of liberal and illiberal elements, is the most likely outcome to be observed empirically, and what combination of conditions produce this result. We conceptualize the peacebuilding outcome as falling somewhere on a continuum

³ The other three types of outcomes in our earlier conception are best seen as essentially different degrees of compromised outcomes that are either very close to the status quo (captured and conflictive outcomes), or to liberal democracy (co-opted outcomes, or what we call *cooperative* outcomes in this study).

that runs from the status quo to liberal democracy as defined by peacebuilders. Our models generate several new and surprising insights. First, the models predict that cooperative peacebuilding, or the liberal democracy outcome, is most likely to emerge when the government's ideal point sufficiently aligns with the objectives of peacebuilders, when peacebuilders are relatively patient and governments are relatively impatient, and when there are few if any veto-wielding secondary elites. These three conditions are rarely present, which accounts for why compromised peacebuilding is such a dominant outcome and liberal democracy is such a rarity. Second, compromised peacebuilding will result when the government's ideal point is closer to the status quo than to the ideal point of the peacebuilders. Third, compromised peacebuilding will emerge *even* when domestic elites have an ideal point closer to that of the peacebuilders' than to the status quo if the local elites are significantly more patient than peacebuilders. Discount factors — the degree to which peacebuilders or local elites discount their future payoffs relative to their present payoffs — explain why local elites might adopt strategies that dilute the peacebuilding program. Fourth, our models suggest that, contrary to the typical beliefs of international peacebuilders, only under limited circumstances where a lack of resources is the principal constraint facing peacebuilders, increasing resources will appreciably move the outcome in a more liberal direction. Finally, the presence of a secondary elite with veto power increases the prospect of a compromised outcome, because its threat to veto any agreement establishes an upper bound on the feasible offers; when the secondary elite is more conservative than the government or the peacebuilders, then the likelihood of the status quo increases dramatically.

This article is organized as follows. It begins by surveying the literature and defining peacebuilding. The next section introduces the models in narrative form (the formal

presentations of the model and the equilibrium results are in the appendix), highlighting the strategic nature of the peacebuilding process and its key ingredients: the preferences of peacebuilders and domestic actors, their strategies, and their differing discount factors. The subsequent section reports on five critical findings from the equilibrium analysis of the two models. Following each result, we illustrate the logic with examples from recent peacebuilding operations. We conclude by returning to the counterfactual that hovers over all efforts to assess the value of peacebuilding operations with a relatively small number of cases (Fearon 1991): what would have happened in their absence? Our model suggests that if the success of peacebuilding is measured by the standard of producing a liberal democracy, then it has largely fallen short of the ideal. But if the standard is laying the foundations for future democratization, then it might very well be much better than nothing at all.

International Peacebuilding

As can be expected with any recently invented concept, peacebuilding exhibits an impressive range of definitions (Barnett, Kim, O'Donnell, and Sitea 2007). Yet underlying this diversity is a unity. There is general agreement regarding what peacebuilding is not. It goes beyond the attempt to strengthen the prospects for peace and decrease the likelihood of a return of violence and war. Instead, it involves an effort to eliminate the root causes of conflict, to promote the security of the individual, societal groups, and the state, and to nurture features that create the conditions for a stable peace. "Ultimately, peacebuilding aims at building human security, a concept which includes democratic governance, human rights, rule of law, sustainable development, equitable access to resources, and environmental security" (Department of Foreign Affairs and International Trade and Canadian International Development Agency 2002). This

multidimensional and highly intrusive undertaking, involving a reconstruction of politics, economics, culture, and society, leaves no stone unturned.

Two features of contemporary peacebuilding deserve special attention. First, a fair amount of peacebuilding involves state-building in a post-conflict context: the attempt to reconstruct “institutions of governance capable of providing citizens with physical and economic security. This includes quasi-governmental activities such as electoral assistance, human rights and rule of law technical assistance, security sector reform, and certain forms of development assistance” (Chesterman 2004, 5). Much attention, then, is directed at attempting to invest the state with the capacity to deliver services and public goods that will enhance the welfare of society. A second feature of peacebuilding, though, goes to the heart of the enterprise: the desire to produce a particular kind of state—a liberal, democratic state organized around markets, the rule of law, and democracy. This preference is evident across the peacebuilding universe, as the United Nations and other international organizations, states, and non-governmental organizations have developed an impressive array of programs for democracy promotion, creating markets, nurturing civil society organizations, and developing the rule of law.

There are various reasons why international actors are beating a path toward a liberal democratic state. Many hold the view that a legitimate state is a stripped-down state that provides an environment for economic and political opportunities. Others, most prominently nongovernmental organizations, have long viewed the state as a threat to its citizens and, consequently, want to invest in mechanisms that can constrain its power (Paris 2004; Orr 2004; Meierhenrich 2003). Many argue that a liberal, democratic state is normatively desirable because it is the most legitimate form of governance. Others argue that it is of practical benefit because it reduces the chances that the post-conflict state will have more violence in its future (Sens 2004;

Paris 2004). While international peacebuilders do not operate from a single blueprint, there is an impressive consensus that increasing the opportunities for individuals and groups to voice their preferences is a necessary element of peacebuilding. Because democratization figures so centrally in academic and policy discussions of the post-conflict process, we follow convention and assume that the core of the liberalization processes favored by peacebuilders is the building of a democratic, non-violent polity.⁴

Peacebuilders can accumulate all the right tools of the trade and develop elaborate log frames that prioritize and sequence their activities, but the entire enterprise depends on the priorities and strategies of domestic actors—that is, their willingness to get with the peacebuilding program. This observation is not necessarily missing from the myriad peacebuilding reports, programs, and lessons learned, though frequently it is reduced to various claims such as, “the need the consent of the parties,” “buy-in from the participants,” and the “the need for the proper conditions on the ground.” However, this process is rarely conceptualized as part of the politics of strategic interaction in which different actors with different preferences are in a condition of mutual dependence and are constantly attempting to strategize and maximize their payoffs under a set of constraints. This oversight is a pity because there is considerable evidence that such strategic dynamics are present in every operation and help drive the outcome. The challenge is to abstract from the particulars in order to identify general logics that might

⁴ Our results do not depend on the assumption about the content of peacebuilders’ preference. We can always normalize the distance between the status quo and the ideal point of peacebuilders to a unit—as we do in the model—and proceed with our analysis.

generate both plausible explanations across seemingly diverse cases and prescriptive insights for future operations.

The Model

In this section we introduce two bargaining models that we have developed to understand why a peacebuilding outcome often becomes compromised—and tends toward compromise *even* when local elites prefer liberal reforms more than the status quo. In general, to develop and analyze a game theoretical model, we need to specify who the players are, what actions are available to each player when it is her chance to move, what the players' payoff (utility) functions are over all possible outcomes of the game, the sequence of their moves, and the solution concept of the game. In what follows we introduce these aspects of our models in non-technical language, leaving their formal presentations to the appendix.

In our first model there are two players, the peacebuilders and the government, who bargain over two key issues. One is the form of the post-conflict state, and the other is the amount of resources that the peacebuilders will transfer to the government to achieve the transformation. Note that we are not concerned with the bargaining process for war termination—we assume that an agreement to end hostilities exists and at stake is what the post-conflict state looks like. Specifically, in the spirit of Rubenstein (1982), we assume that the two players take turns to propose a pair, (x, m) , which represents a player's choice on the two issues: x is the policy position, and m is the amount of resources. We assume that the policy space for all possible forms of the post-conflict state is one-dimensional and continuous: on one extreme is the status quo, representing an authoritarian government, and on the other extreme is a liberal democracy.

As it is typical in a game theoretical model, we assume that the actors in our models want to maximize their objectives at the least possible cost. Accordingly, peacebuilders want further democratization with the least amount of resources, while the government wants to extract as much international aid and rents as it can with the least amount of reforms. Additionally, this negotiation over the size of the resource transfer and the extent of liberalization occurs against the backdrop of a clock that ticks more or less loudly for each actor. That is, peacebuilders and local elites may have different discount factors, thus they value their future payoffs differently relative to what they can get today when they negotiate.

The game formally begins when peacebuilders make an offer (some combination of reforms and resources) to the government. The government can accept or reject the proposal. If the government accepts, then the game ends; if she rejects, then she has a chance to make a proposal of her own.⁵ The bargaining process continues in an iterative fashion until peacebuilders and the government come to an agreement—at which point they have concluded a “contract,” the agreed upon price of a bundle of reforms. If peacebuilders and the government are unable to strike a deal, then the status quo remains without a resource transfer.

In the second game, we introduce a third player, the secondary elite, who can veto an agreement reached by the peacebuilders and the government through a similar bargaining process as that in the first game. The secondary elite has its own ideal point regarding the future political order, which may be located anywhere in the policy space. In addition to deriving utility from policy, we assume that the secondary elite also derives utility from being recognized as a legitimate domestic actor, which can be accomplished by being included in any negotiations and subsequent agreement. We do not assume that the secondary elite receives material resources

⁵ We use the pronoun “he” to refer to the government and “she” to refer to secondary elites.

from the peacebuilders, though they certainly could exchange symbolic resources, such as legitimacy, for material resources later on if they wish. Also, the secondary elite is not part of the original negotiations between the peacebuilders and the government. Instead, the secondary elite simply chooses whether or not to endorse a contract. If a contract is accepted by all three sides, then the contract will be implemented; if there is no agreement reached between the peacebuilders and the government, or if the secondary elite rejects a successfully-negotiated contract between the peacebuilders and the government, then the status quo prevails.

For each game we solve for a subgame perfect equilibrium, a commonly used solution concept, and show that the equilibrium is also unique. The equilibrium results from the two games are summarized in two propositions in the appendix. We derive five implications from the propositions and present them in the next section, along with case studies that illustrate their intuitions. The most important finding is that most contracts are compromised.

The results of our games are dependent on some simplifying assumptions that are perhaps non-controversial in modeling exercises, but require justification in relationship to the peacebuilding literature. We discuss each — rationality, unitary actors, and complete information in turn. First, we assume that actors are rational and goal-oriented. Although accounts of peacebuilding operations report how, at times, emotions such as grievances and jealousy drive decisions-making, most studies portray the participants as rational, strategic, and goal-oriented. Second, we employ a unitary actor assumption for all three players in our models. This assumption is least controversial with regard to the government. With the exception of Bosnia, peacebuilders negotiated with a unified government in most cases of peacebuilding. There are several reasons for this. The majority of wars ended with a decisive military victory, giving the winner control over the postwar process. In cases where the war ended with a power-

sharing agreement, the agreement often collapsed (as, for example in Angola, Sierra Leone or Liberia), or was swiftly reversed by the majority party (as in Tajikistan).⁶ It is critical, in this regard, to distinguish between power-sharing and coalition governments; the former consists of a formal agreement at the end of hostilities that specifies how power will be divided during the transition, while the latter is the outcome of elections. For example, the war in Mozambique did not end with a power-sharing agreement, but in the first general elections both warring parties won representation. In contrast, in Bosnia (which is the only case of real power-sharing that lasted in our sample), all three warring parties were granted representation in the Dayton peace agreement, and the peacebuilders had to bargain with the leadership of all three ethnic groups separately. In the scenario, the bargaining structure resembles three simultaneous two-player games.

The unitary actor assumption is more challenging with regard to peacebuilders and secondary elites. Most international peacebuilding operations include an assortment of international actors, UN staff, troop-contributing countries, regional organizations such as the African Union and the European Union, international financial institutions such as the World Bank, and nongovernmental organizations such as Oxfam and World Vision International, all of whom will have different understandings of peacebuilding (Barnett, Kim, O'Donnell, and Sitea 2007). Secondary elites also can have divergent interests, generated by the underlying socio-economic structure. Nevertheless, we justify our elite-centric unitary actor approach on the

⁶ Three cases of power-sharing collapsed almost immediately (Angola, Sierra Leone, Cote d'Ivoire) because rebels or government ignored the agreement and kept fighting. In Tajikistan, a formal power-sharing agreement helped ending the war, but it was swiftly reversed by the majority party by co-opting some members of the minority party (UTO) and marginalizing others. In Macedonia, the power-sharing agreement focused on communal self-governance and did not change the composition of the central government. In Burundi, a power-sharing agreement at the central government level helped to end the civil war. However, a major peacebuilding mission was only launched with the establishment of a unified central government, hence the bargaining structure resembles a two players-game.

grounds that at the outset of the post-conflict process most agreements are crafted by a few elites, who also drive much of the high politics of the post-conflict period.

Third, we assume that actors have complete information regarding the ideal points of the other actors and their willingness to commit to any agreement. The game unfolds against the backdrop of a cease-fire agreement that has been accepted by the key parties on the ground. The status quo, then, is the division of power and privileges at the time of the agreement. In this respect, the agreement ending the war typically includes “a set of mutually-agreed benchmarks to guide the process and that can be used to assess progress” (Goodhand and Sedra 2006, 5). Peacebuilders and domestic political actors bargain across many different policy fields, including security provisions, division of power, human rights, regulatory policies, minority rights, transitional justice mechanisms, and economic policies. It is the aggregate outcome of negotiations across all these policy areas (though some are more important than others) that in the end determines the kind of state that evolves. The claim that actors have a general understanding of each other’s ideal points—the kind of state each wants—is reasonable given their intimate knowledge of each other during this process. Whether or not the parties are truly committed to their agreement, of course, is a highly-debatable assumption. The post-conflict process is riddled with questions regarding whether the parties are truly committed to a peace agreement and a peacebuilding process (and even whether international peacebuilders will deliver the promised goods), and a more realistic game would incorporate uncertainty and incomplete information regarding actors’ compliance with the agreement. However, working with a complete information game is defensible given our goal of attempting to generate some basic insight into the logic of the peacebuilding process.

We now turn to our modeling choices of the actors, their preferences, and the strategies available to them. We conceive of the post-conflict landscape as dominated by three actors: peacebuilders, the government, and secondary elites. Peacebuilders want to implement reforms that improve the delivery of services and create new institutions that (re)distribute political and economic power in a transparent, accountable, and democratic way. Their ability to achieve their goal is dependent on the consent and support of domestic political actors, which means that peacebuilders have a strong incentive to coordinate and cooperate with them — even when local actors are not committed to democratic reforms. Their dependence is driven not only by the cold reality of the situation, but also by their own normative commitments (Paris 2003). Peacebuilders operate according to the principles of consent; they are expected to negotiate with, and gain the cooperation of, the targets of their intervention in order to ensure that the intervened have “ownership.” As Pouligny (2006:194) observes, “on the ground, United Nations staff must, on a daily basis, ensure some minimal collaboration on the part of local entrepreneurs...The risk of manipulation and loss of credibility are always there, and the situation is worsened by the general weakness of analysis of the contexts of intervention.”

The government and the secondary elites are the other actors in this game, and we assume that each has their own policy preference; in particular, either may want to preserve their political power and ensure that the peacebuilding process either enhances or does not harm their fundamental interests. Local actors might match the passion of peacebuilders for liberalization. However, it is more likely that they will be much less committed, or even opposed, to peacebuilding. Indeed, domestic political actors may welcome a “peace” that brings stability, but not a peace that involves democracy.

This suspicion of democracy is informed by several factors. The government and secondary elites want to preserve their political power and ensure that the post-conflict process enhances, or at least does not harm, their interests; often the best way to do so is to maintain the illiberal status quo. Simply put, elites who emerged victorious from civil war may fear that what they won in battle they will lose at the ballot box. Also, domestic actors often worry that democratization can become the source of new security threats by virtue of its tendency to unleash political changes that they can neither control nor combat with extrajudicial and authoritarian tactics. Relatedly, democratization can undermine the clientelism that is the foundation for political power (Van de Walle 2007; Ilkhamov 2007; Reno 2000). Lastly, democratization can introduce reforms that hurt the economic interests of elites and those who control the black markets that invariably emerge during war (Berdal 2009; Elwert 2003; Andreas 2009). For these and other reasons, postwar political elites might see democracy as a problem rather than as a solution.

However much they might fear liberalization, if the government does not cooperate with reform-minded peacebuilders, there is a danger that they will leave and take their resources with them. Postwar governments are resource-starved and international actors are the principal source of nourishment; it is quite common for the budget of peacebuilders to far exceed the budget of the state. Not only is international aid critical for postconflict reconstruction, it also helps the existing political and economic elites maintain their power (Boyce 2002, 367; Englebert and Tull 2008). This kind of rent-seeking behavior, keeping the difference between how much it actually costs to reform and what governments charge peacebuilders, is not a new development. During the age of imperialism, local actors frequently attempted to attract international attention and resources in order to enhance their political position vis-à-vis local rivals (Curtin 2000; Robinson

1986). During the Cold War, states attempted to attract the attention of the U.S. and the Soviet Union in order to garner strategic rents that they, in turn, could distribute domestically to bolster their political support (Clapham 1996; Ayoob 1995). Post-conflict reconstruction similarly offers local actors new opportunities to advance their interests. Because governments after war are short on cash, need to rebuild the country, and want to maintain their power, they are expected to signal to peacebuilders that they favor reforms (even if they do not) in return for resources.

The peacebuilding process (and the modeling exercise) would be a lot simpler if there were only two actors, but often secondary elites are also part of the game and affect a peacebuilding outcome. For simplicity's sake, we use the generic term secondary elites to denote these groups. Similar to the government, we assume that secondary elites want to expand or protect their power. Such conservatism does not mean that they necessarily and always oppose democratization. Sometimes secondary elites welcome it because they genuinely believe in democratic reform, it gives them an opportunity to constrain the power of the central government, and it allows them to achieve other interests. For instance, the Albanian minority in Macedonia, the Tutsi minority in Burundi, and a secular wing of the opposition in Tajikistan all favored liberalization precisely because they believed it would help protect them against the predations of the majority population.

Secondary elites, much like the government, certainly might oppose liberalization because it can harm their immediate interests; warlords, tribal leaders, and provincial elites are infamous for fighting liberalization at all costs precisely because of the damage it might do to their autonomy, independence, and power. Afghanistan is a fairly infamous example of how regional leaders and local power brokers opposed the democratization and centralization of the

state because they feared it would jeopardize their power. Yet even anti-reform secondary elites have an incentive to cooperate, even minimally, with reform-minded peacebuilders. In addition to providing financial resources, peacebuilders can confer legitimacy on domestic elites, choosing to treat some as important political powers or as agents of political communities, thus enhancing their prestige and bargaining power over rivals (Boyce, 2002; Terry 2002). The day after the signing of the Rome agreement that ended the war in Mozambique, the leader of RENAMO declared: “Today, we have won international recognition....The government is a party in power and RENAMO the opposition. The agreement gives RENAMO the status of a political party” (Pouligny 2006: 192).

In addition to being in a situation of mutual dependence and vulnerability, peacebuilders, state elites, and secondary elites operate under constraints that impact their discount factors — how much they value their future payoffs relative to their present payoffs. Peacebuilders are likely to heavily discount the future relative to the present, especially in comparison to domestic actors. Peacebuilders are condemned to get results with limited resources, under severe time pressure, and with minimal casualties. The international community rarely spends lavishly on peacekeeping or peacebuilding exercises. Accordingly, peacebuilders are often expected to operate “on the cheap.” Furthermore, they are on a tight schedule because of an international community that suffers from attention deficit disorder and rarely exhibits the political will to sustain the sort of long-term commitment required for liberalization (Englehart and Tull, 2008). In fact, even before they arrive, peacebuilders are already discussing when they should declare success and withdraw, and from the moment they arrive, there is considerable pressure to achieve success quickly and move on to the next operation. Domestic actors, however, are playing for keeps and for their long-term economic and political positions, and do not necessarily

have an exit option. (And the longer the peacebuilding process takes, the longer they can expect to receive international assistance.) Accordingly, their different discount factors will affect their bargaining position and their willingness to wait out the other. As we will see, discount factors are crucial for our results.

Compromised Peacebuilding

In this section we discuss in non-technical language five main results generated by the two models.⁷ Our modeling exercise is an attempt at theory-building, so the results should be treated as hypotheses that remain to be tested empirically and systematically. Yet to strengthen the plausibility of our findings, we illustrate our claims with examples from recent peacebuilding operations. Before conducting such illustrations, an important issue that needs to be discussed is how we identify in these cases the local actors' "real" preferences, which correspond to the actors' ideal points in the models. The difficulties of identifying the actual preferences of actors are legion, especially in situations of strategic action when actors have incentives to misrepresent their preferences. We want to stress that this is a problem not only for modelers but also for qualitative researchers. We arrive at our observations regarding actors' preferences from both primary data and secondary analysis, including those from a fourteen-person team that has examined all post-1989 cases of major peacebuilding operations and has collected data that includes information directly related to actor preferences (Author 2009, 2013).⁸

⁷ The formal presentation of the model and the propositions is in the appendix. Results 1-3 are direct implications of Proposition 1, Result 4 is an implication of both propositions, and Result 5 is a direct implication of Proposition 2. The proofs of the propositions are in the online supplementary document.

⁸ In this project, a team of 14 country experts prepared structured case studies based on a research template consisting of 101 questions. Building on this data, we are confident that our assumptions about actors' preferences are reasonably accurate.

Result 1 *Cooperative peacebuilding toward a liberal democracy is possible if and only if the government's ideal point is closer to the peacebuilders' ideal point than to the status quo, peacebuilders are patient, and the government is impatient. Additionally, no significant resource transfer is necessary to achieve the outcome.*

The result underlines why democratic outcomes are rare: uncompromised outcomes (that is, the government accepts the peacebuilders' ideal point) are possible when the government desires democracy more than the perpetuation of the status quo, *and* when the government heavily discounts future payoffs and therefore is eager to get to a contract as soon as possible, while peacebuilders are patient and willing to wait. These conditions are uncommon. Rarely does the postwar government share the enthusiasm of peacebuilders for liberal reforms for the simple reason that such reforms are likely to threaten its existing political and economic power. Nor do we have many instances in which peacebuilders are *more* patient than the local government for liberal reforms. But when these conditions are met, the peacebuilders will have the most bargaining leverage and a minimum amount of resource transfer is required to achieve the liberal democratic outcome.

There are some “easy” peacebuilding successes. Namibia is one. After twenty-three years of violent struggle against South African rule, it won its independence and has been considered a democracy almost ever since. This outcome was made possible first because of an alignment of the peacebuilders and the government's interests in favor of a liberal peace, and second because of the absence of a secondary elite with veto power. The victorious SWAPO (South West Africa People's Organization) wanted to introduce universal suffrage and democracy as a way to solidify its sovereignty and independence. Furthermore, the postwar elite moved quickly toward peacebuilding, worried that the window for reforms might close.

Consequently, peacebuilders were able to reinforce liberalizing reforms with relatively few resources (Hartman 2009).

East Timor is another example of a post-conflict government that was in a rush to reform. Much like Namibia, after 24 years of occupation, oppression, and war, the Timorese elite and public were anxious to win their sovereignty. As Myrtilinen (2009, 219) observes, “conditions were about as ideal as they could be: there had been a general consensus over the future between external and internal actors, an almost complete lack of spoilers, and a high degree of international interest.” Five years into the peacebuilding mission, Timor achieved a Freedom House score of 3, on par with Macedonia and only slightly behind Namibia.

Mozambique offers a similar story. After sixteen years of civil conflict, it successfully transitioned to peace and democracy despite numerous social, political, and economic conditions that were conducive to neither. Many factors contributed to this unlikely outcome, but crucial among them was a genuine desire by both warring parties—Frelimo (the Mozambique Liberation Front) and Renamo (the Mozambique National Resistance)—for peace and democracy. Both Frelimo and Renamo saw general elections as the escape from a hurting stalemate. Although Frelimo, the ruling party, benefited most from the resulting system, Renamo supported the democratic process because the alternative was to become a marginalized contender in an unwinnable war. Peacebuilders’ flexible, intensive, and coordinated efforts, and major donors’ longstanding relationships with the former belligerents, contributed to the democratization success.

Result 2 *Compromised peacebuilding will emerge when the government’s ideal point is closer to the status quo than to the ideal point of the peacebuilders.*

In the fairly common situation when peacebuilders and the government have divergent preferences, compromised peacebuilding is the likely outcome. Tajikistan is illustrative of this process. Tajikistan emerged from its bloody civil war (1992-97) as an authoritarian, Soviet-style regime, ruled by a dominant president and his lieutenants. Democracy had limited appeal for both elites who cared about self-preservation and the broader public who desired stability and looked to the regime to provide it (Matveeva 2009). Although the reform-oriented peacebuilding mission that began in 1997 was relatively muscular and well financed, there was little budging the regime or the public toward liberalization; five years after the beginning of the peacebuilding mission Tajikistan remained an undemocratic regime (with a Freedom House score of only 5.5). In Cambodia, the ruling elite permitted a façade of democracy in order to keep donors happy, but had no real intention of liberalizing. Rwanda resembles Tajikistan in that domestic elites and the population were wary of liberalization in part because they blamed the genocide and the civil war on ethnic cleavages that erupted in reaction to an earlier round of political liberalization. In this set of countries we observe virtually no movement towards democracy.

***Result 3** Even when the government's ideal point is closer to the ideal point of the peacebuilders than to the status quo, compromised peacebuilding will likely result if the government is significantly more patient than peacebuilders.*

Although compromised peacebuilding is perhaps the best possible outcome that might emerge when the government has a preference that favors the status quo, it can also occur even when the ideal point of the domestic elite is closer to the peacebuilders' ideal point than it is to the status quo. There are two likely scenarios of a government that is reform-minded but might

behave in ways that are closer to what one would expect from a status-quo oriented government; each scenario pivots around the discount factor. In the first scenario, the local actors may deliberately take advantage of the short time horizon within which peacebuilders operate. Afghanistan's troubled record owes to many factors, including, quite possibly, a strategy by the Karzai government to stall in order to improve their bargaining position vis-à-vis peacebuilders. For example, a former representative of the Canadian government in Kandahar observed that the Karzai government knew peacebuilders were in a hurry to end their operations, and it used this information to increase its price for implementing reforms at critical junctures.⁹ Our model suggests how domestic actors might be rewarded when they delay and complain about the pressures they face.

Compromised peacebuilding might be a consequence not only of a deliberate, go slow policy, but may also result from perverse incentives that are presented to the local elites. In other words, because peacebuilders are willing to keep open the flow of resources—and perhaps even increase the resources in order to encourage reforms, governments have little incentive to embrace peacebuilding in its fullest dimensions in a timely fashion. According to Englebert and Tull (2008, 123), African elites have an incentive to extend the stay of the peacebuilders for as long as possible because the moment the peacebuilders depart, the resources start to wane. In general, because postwar elites having a larger discount factor than do peacebuilders, local elites have an incentive to threaten the pace of the peace process in order to minimize the risk of harm to their fundamental interests, and peacebuilders will often continue the flow of international aid.

⁹ Interview with a former Representative of the Canadian Government in Kandahar, May 26, conducted by author.

One obvious way to limit the possible negative impact of aid is to make it conditional on compliance. In fact, sensitive to the possibility that their resources are encouraging local actors to either dawdle or feign resistance, peacebuilders have attempted to tie the flow of funds to meeting clear benchmarks for progress. Although a possible solution on paper, peacebuilders rarely follow through on their threats to reduce or suspend aid if performance criteria are unmet. Peacebuilders are typically constrained by a bureaucratic routine that demands that they spend the allocated aid money within a very short planning cycle. If they do not dispense the funds, then they might be seen as failing to do their jobs properly, which has immediate implications for their careers. Furthermore, peacebuilders are dependent on the cooperation of local elites and do not want to alienate them by withholding aid, especially when local elites suggest that such a turn-of-events might have security implications. Finally, particularly in larger missions, local elites can go donor-shopping. If one donor threatens to stop financing a project, the next donor will gladly step in. For these and other reasons, it is rare for peacebuilders to threaten to make aid conditional on progress and compliance, and even rarer for them to follow through (Author 2013).

Result 4 *More resource transfer from the peacebuilders to the government is unlikely to produce a more democratic outcome unless resources are the only constraining factor.*

It is a common refrain in the peacebuilding literature that the lack of resources is a primary cause of failure, and that if the international community wants to see more success then it will have to spend more. Yet our model suggests that simply providing more resources is unlikely to work if there are other constraining factors, including the locations of the actors' ideal points, the size of the discount factors, and the shape of the utility functions, i.e., how quickly a

player's valuation of a policy drops as the policy moves away from her ideal point. The cases of Cambodia and Tajikistan are a useful comparison in this regard; in contrast to the peacebuilding operation in Tajikistan, the peacebuilders in Cambodia had a more muscular mandate and had deeper pockets (in Cambodia they had \$44 per capita over five years and \$26 in Tajikistan)—yet Tajikistan and Cambodia are roughly at the same place on the road to democratization.

Here it is important to distinguish between the willingness and capability of elites to engage in liberalization. If resources are designed to increase the technical know-how and implementing capacities of local actors who are already favorably disposed toward democratization, then more resources might help. But if the primary constraint is not technical but political, then increasing the available resources might not make a significant difference. In short, resources are just one of the many factors that affect the prospect of success, and it may not be *the* constraining one. Moreover, if the government is strongly averse to liberalization — that is, its utility drops very sharply as the policy outcome moves away from its own ideal point — then it will likely demand a lot of resources in exchange for any policy change. Yet the tradeoff — lots of resources for slightly more reforms — may not be worth it from the peacebuilders' perspective.

Our finding, in fact, is consistent with a growing body of work that observes little direct relationship between the overall spending by the international community and the prospect of success (Zuercher, Roehner, et al. 2009; Zuercher, Manning et al. 2012). Kosovo, Bosnia, Afghanistan and East Timor rank among the most funded peacebuilding efforts in terms of aid per capita, but only East Timor qualifies as a success, and the reason for its success probably has more to do with factors other than external resources — there is no evidence that ample resources in the other cases improved the prospect of success. In fact, given our previous

observations, peacebuilders offering more carrots for more reforms might, in fact, create incentives for the government to prolong the transition. In general, the combination of the difference in ideal points between peacebuilders and the government, and the perverse effects of aid, suggests that more resources will significantly improve the outcome if resources are the *only* constraining factor.

Result 5 *The presence of a veto-wielding secondary elite increases the likelihood of compromised peacebuilding.*

However rare cooperative peacebuilding may be, it becomes even rarer with the introduction of additional players. There is the possibility, as previously discussed, that secondary elites might see peacebuilding as a strategy for improving their political and economic position. Yet the conventional wisdom is that secondary elites are likely to be conservative, not only in terms of their defense of existing cultural traditions but also in terms of their preference for the status quo. Moreover, the presence of a conservative secondary elite may actually benefit a status-quo minded government's negotiating hand because it makes it easier for the government to obtain concessions from the peacebuilders and get a contract that is closer to its ideal point. In general, in order to avoid a compromised outcome in a three-player game, the rare conditions in Results 1 be met *and* the secondary elite also must have a fairly liberal ideal point, or at least highly value the legitimacy they derive from participating in a peacebuilding process.

Afghanistan illustrates the potentially critical role of secondary elites. Karzai and his team of mostly western-trained reformers were initially committed to the democratic and liberal vision that the peacebuilders had outlined in Bonn in 2001. But Afghanistan is a highly-fragmented country, and at no time in its history did a central government have the capacity to

effectively govern the provinces. Accordingly, rule in Afghanistan always relied on shifting alliances and networks of patronage (Rubin 2002). Despite the warm wishes for centralization and democratization at Bonn, this long history of decentralized, illiberal rule was not interrupted. Even with support from the international community, Karzai had little luck convincing the secondary elites of the necessity and desirability of centralizing and democratizing the state. The secondary elite, in fact, had little incentive to legitimate the peacebuilding agenda, in part because they were likely to lose power as a consequence, and in part because other international, security-oriented, bodies were rewarding these regional players with resources in return for their support on security. Consequently, the Karzai regime increasingly abandoned its commitment to reforms and relied on clientelism. All this was well known to the international community, but it continued to provide international aid (Goodhand and Sedra 2007). This was probably due to widespread recognition that Karzai had little room for maneuver and therefore had to implement reforms cautiously and gradually, and the international community feared that getting tough, and even exiting Afghanistan, might have deleterious effects on global security.

Bosnia is another example of how the presence of secondary elites can frustrate peacebuilding. Liberalizing peacebuilders had an ally with the majority Bosniaks, but the minority Bosnian Serbs feared that democratization would threaten their goal of regional autonomy. Consequently, the Bosnian Serbs resisted peacebuilders' attempts to centralize more power in the hands of the central state (ICG 2009a, ICG 2009b).

In sum, our model finds that, given the limited resources and the strategic interactions between the key players with divergent preferences, liberal peacebuilders should expect compromised peacebuilding outcomes. A more cooperative and far-reaching liberalization is possible if and only if domestic elites are quite anxious to secure liberal reforms. Whenever

peacebuilders become less patient than local elites the bargaining dynamics shift in a direction that makes compromised peacebuilding all but inevitable. More resources might moderately improve the outcome if resources are the *only* constraint responsible for producing a compromised outcome, but it is much more likely that peacebuilders will find themselves spending more for marginal or no improvement.

Conclusion

The international community has invested a considerable amount of energy, time, and resources in the attempt to help postwar states move toward liberal democracy. The key finding of our game theoretical analysis is that while the peacebuilding road can take many different paths, most paths lead to a compromised peacebuilding. Our models suggest that peacebuilders can do the most to advance the cause of liberal democracy when the government's ideal point sufficiently aligns with that of the peacebuilders, peacebuilders are patient and governments are relatively impatient, and secondary elites are few and compliant. However, these conditions are rarely met in practice. In this respect, our findings that strategic interactions in the peacebuilding process are more likely to reproduce important elements of the status quo than it is to initiate a massive liberal transformation is consistent with other studies that find little or no association between the presence of a peacebuilding operation and the prospects of democratization (Diehl and Druckman 2012). Yet before anyone starts to pronounce the last rites over peacebuilding, two issues must be addressed. First, there is the counterfactual that looms over all studies of peacebuilding (and peacekeeping) operations: what would have occurred in their absence? Second, given that strategic interactions may limit the extent to which the peacebuilders can push for democratization (even with ample resources), what should be reasonable criteria for judging the success of a peacebuilding operation?

The peacekeeping and peacebuilding literatures are smothered in counterfactuals. With the counterfactual in mind, the findings on *peacekeeping* have largely concluded that, on balance, peacekeeping operations help reduce the likelihood of a return to war. We did not address whether and how *peacebuilding* might also contribute to this outcome, but our findings that most peacebuilding operations produce compromised outcomes—mixtures of the elements of the status quo and liberal democracy—suggest that they might make their own independent contribution to a stable peace. As we argue below, even symbolic reforms may help to pave the way for future democratization. Future research, though, might want to more closely disaggregate peacekeeping from peacebuilding when assessing the individual impact of each on the likelihood of a return to war.

Our concern, though, was to tease out whether and how peacebuilding contributes to the creation of a liberal democracy. Stated counterfactually, we offer three preliminary conclusions. First, there are instances when the conditions are such that peacebuilding is unlikely to make a difference; for instance, if the ideal point of the government is very close to the status quo, then there is little reason to expect peacebuilders to make a direct impact on democratization. This was arguably the case in Cambodia, Tajikistan and Rwanda. Second, when the conditions on the ground are highly favorable, peacebuilders do not have a major impact, but that does not mean that their role is inconsequential. Consider the three “easy” cases in our discussion, East Timor, Namibia, and Mozambique. In East Timor and Namibia, the presence of the peacebuilders safeguarded the success of the first general elections, and their resources helped to build democratic institutions. In Mozambique, the peacebuilders had the trust of both former warring parties because major donors had been working with them for years prior to any peace arrangement; therefore, they helped reduce uncertainty about each other’s intentions by serving

as a guarantor and assisted in compliance after elections. Thus, when local conditions are already favorably disposed to democratization, the role of the peacebuilders may lie in trust-building and reducing commitment problems. Under such conditions, peacebuilders can, even with relatively small resources, nudge the outcome closer to a democratic outcome, which is consistent with our theoretic results.

Third, although peacebuilding might not make a *direct* impact on the prospect of a liberal peace, it might do so *indirectly*, laying the groundwork for democratization down the road. Compromised peacebuilding can take up a lot of space — that is, it can include anything that falls between no movement, on the one hand, and a highly spirited and fully supported peacebuilding process, on the other. Either way, a compromised peacebuilding includes some mixture of liberal and illiberal outcomes. But modest reforms, the acceptance by local actors of the legitimacy of reforms, and creating the ceremonies and symbols of liberal democracy (what we call ceremonial peacebuilding), might improve the chances of liberal democracy, certainly relative to the scenario in which there was no operation. For instance, while Bosnia is far from being a poster child for liberal democracy, peacebuilders did put in place democratic institutions, and provided ample incentives (positives in the form of resources, and negative in their authority to fire politicians in Bosnia) for local actors to move towards more democracy. Without the efforts of peacebuilders there are reasons to doubt that there would now be municipal elections and the provision of public services, both of which are increasing the legitimacy of the state.

This suggests that peacebuilders should be as concerned with institutionalizing principles as they are with establishing programs (Author 2009). What sort of principles might these be? Divided power, forcing groups to negotiate and compromise with one another. Deliberative mechanisms, forcing individuals to state their preferences in public. And representation and

accountability, which might or might not include elections in the days immediately following the establishment of a peacebuilding operation. The object—and thus the measure of success—of peacebuilding must not be the establishment of values that just barely, and only recently, obtain in many advanced democracies, but should instead be the creation of institutions that contain principles that compel individuals to consult, deliberate, and negotiate with one another as they decide the future governance arrangements.

To repeat, what is important is not that these values are formally and deeply institutionalized, but rather that they have been planted within “hybrid” orders. Thus, even a small move towards democracy can be seen as success of a peacebuilding mission. One implication is therefore that meeting a certain threshold (such as for example an electoral democracy) is perhaps not a good measure for success. Rather, success should be measured according to how far peacebuilders can nudge a country towards democracy, taking into account the distance between ideal points.

It then follows that a reasonable criterion for judging the success of a peacebuilding operation should be the institutionalization of the symbols and principles associated with liberal reforms. In other words, the symbols associated with a ceremonial peacebuilding — that is, a compromised peacebuilding that has ritualistic elements of democracy that mask an illiberal underbelly — can possibly set the stage for further liberalization. Even if local elites do little more than recognize the legitimacy of liberalization or accept the symbolic reforms, at the very least, this creates new expectations and provides new benchmarks against which the performance of the central government and secondary elites can be judged. Symbols can become public commitments that even hypocritical reformers must take into account. They can be used by local and international reformers to continue to press for change. Symbols can also be new focal

points. They can encourage existing actors to reprioritize their interests and develop new networks of associations that can, over time, build support for liberalization. While compromised peacebuilding is likely to reinforce elements of the status quo, it might simultaneously establish a pathway for future liberalization. A compromised peacebuilding might be far superior to the alternatives.

Compromised and ceremonial peacebuilding might not only be better than the alternatives, but it also has its principled advantages. Do peacebuilders truly know better? The underlying presumption of many arguments in favor of liberal peacebuilding is that liberal peacebuilders are pure of motives and, in many respects, know what is best for the local population. Yet even if we grant, in a rather paternalistic gesture, that international actors are acting as public trustees, is there any evidence to suggest that they actually know how to socially engineer a liberal peace? At present, many peacebuilders escape their uncertainty by relying on general models that are frequently developed from their most recent experiences in the field.¹⁰ But universal models can be a false sanctuary. The only way out is for peacebuilders to confess to a high degree of uncertainty—and actively incorporate local voices into the planning process.

Also, compromised peacebuilding, from the perspective of local elites and societal groups, might very well look normatively desirable because it provides greater opportunity for local voices to participate and affect a process that is supposedly “owned” by them. We readily acknowledge that many elites and politicians are not great democrats and are more interested in preserving their perks and power than in pluralizing politics (and in this respect are no different from politicians all over the world), but their presence does force otherwise steamrolling

¹⁰In a report on Liberia and Sierra Leone, the International Crisis Group observes that peacebuilders possess an “operational checklist” that does not recognize the underlying political dynamics. ICG 2004.

peacebuilders to go slow and adopt a more incremental approach. In other words, demonstrating greater patience, and especially patience informed by modesty and humility, might strengthen the hands of peacebuilders and produce a better outcome. Indeed, this conclusion is consistent (though for different reasons) with the push toward local ownership (Busan 2011).

Compromised peacebuilding, if done right, might be the best of possible worlds. Perhaps it is time that compromised peacebuilding, warts and all, be used as a measure of success.

Appendix

In this appendix, we first present a formal description of our game-theoretic models and then present two propositions from which the main results in the paper are derived. Suppose peacebuilders and local actors bargain over two key issues: the form of the post-conflict state, and the amount of resources that the peacebuilders will provide for the transition. Let P denote the peacebuilders, G the government, and E secondary elites. Assume that the policy space for all possible forms of post-conflict state is one-dimensional and continuous. Without loss of generality, denote the policy space as $X = [0, 1]$, where 0 represents the status quo, and 1 represents P 's ideal point—a liberal democracy. Assume G 's ideal point is $g \in [0, 1)$, and E 's ideal point is $e \in [0, 1]$.¹ Additionally, assume that P has resources of size M at its disposal to assist the government's peacebuilding effort if a contract is accepted by both sides. A contract is defined by a pair of values, (x, m) , where $x \in X$ is the new policy position, and $m \in [0, M]$ is the amount of resources provided by P to achieve the policy goal.

We begin by modeling a bargaining game between the peacebuilders and the government only, and then extend the model to include the secondary elites as a veto player. In the spirit of the Rubinstein bargaining game (1982), at the core of our model is a give-and-take dynamic. Specifically, suppose the peacebuilders and the government take turns to propose a contract. At time $t = 0$, P proposes (x, m) to G . If G accepts the contract, then the status quo will be revised to x , G will receive $m \in [0, M]$, and the game ends. If G rejects the contract, then the game moves to $t = 1$ and G proposes a contract of its own, (y, n) . If the contract is accepted by P , then the status quo will be revised to y , P provides $n \in [0, M]$, and the game ends. If P rejects the contract, then the game moves to $t = 2$ and it is again P 's turn to propose a contract. This alternating procedure continues until a contract is accepted by both sides. If the peacebuilders and the government are unable to strike a deal in any period, then the status quo remains, which means that the policy is 0, and there is no resources for either side.²

The utility functions of the peacebuilder and the government in a period over a bargaining

¹We exclude the trivial case where $g = 1$, i.e., the government's ideal point is identical to that of the peacebuilders.

²We do not assume that the peacebuilders own any resources if there is no agreement reached between them and the government.

outcome, (x, m) , are continuous and strictly concave:

$$U_P(x, m) = u_P(x) - m;$$

$$U_G(x, m) = u_G(x) + m.$$

Moreover, given that the ideal points of P and G are 1 and g , respectively, $u'_P(1) = u'_G(g) = 0$. This means that $u_P(x)$ strictly increases on $[0, 1]$, while $u_G(x)$ increases on $[0, g)$ and decreases on $(g, 1]$.³ Each actor discounts its future payoffs with a discount factor $\delta_i \in (0, 1)$, $i \in \{P, G\}$.

The model is a game of complete information and following the convention for such games, we solve for subgame perfect equilibrium. Proposition 1 summarizes the results for the two-player game, which depend on whether the government is better off at the peacebuilder's ideal policy or at the status quo.

Proposition 1. *There is a unique subgame perfect equilibrium to the game.*

- (1) *If $u_G(1) < 0$, then the equilibrium produces a compromised policy outcome;*
- (2) *If $u_G(1) \geq 0$, then the equilibrium policy outcome is compromised if $\delta_G > \frac{u_G(1)}{u_G(\bar{x})}$, and cooperative if $\delta_G \leq \frac{u_G(1)}{u_G(\bar{x})}$. In the cooperative equilibrium, the peacebuilder gets its ideal point, and additionally, there is no resource transfer from the peacebuilder to the government.*

See the online appendix for the proof.

In the second game, we add a third player, a secondary elite, E . The three-player game resembles the game between P and G , except that when P or G accepts a contract proposed by the other side, E decides whether or not it will also accept the contract. The game ends either after E makes its decision, or if P and G cannot come to an agreement in the first place. If a contract is accepted by all three sides, then the contract will be implemented; if there is no agreement reached between P and G , or if E rejects a contract negotiated successfully between P and G , then the status quo prevails.

In the three player game, the utility functions of P and G are the same as in the baseline model. The utility function of E depends on the outcome of the policy, x , and a constant, $l_E \geq 0$, which is the value of legitimacy for E by being recognized in the peace contract. That is, we assume that by creating a contract that is endorsed by the secondary elite, peacebuilders and the government confer recognition and status on the elite, which may

³Without loss of generality, in deriving the equilibrium results we assume $u_G(0) = u_P(0) = 0$.

bring material and symbolic benefits to E . E does not receive other forms of resources from P . The utility function of the elite is thus as follows:

$$U_E(x) = u_E(x) + l_E$$

where $u_E(\cdot)$ is continuous and strictly concave. E will accept a contract if $u_E(x) + l_E \geq u_E(0)$. Let $\tilde{x} \in (0, 1)$ solve the equality.⁴ Given the concavity of $u_E(\cdot)$, $\tilde{x} > e$, and it is the largest policy change that E will tolerate given that accepting the change will confer some degree of legitimacy to E . So, if $x \leq \tilde{x}$, then E will accept the contract negotiated between P and G ; if $x > \tilde{x}$, then E will reject the contract because x is too far away from its ideal point that even a positive payoff from legitimacy cannot make up for the loss in its utility from the policy. Proposition 2 summarizes the equilibrium result for the extended game.

Proposition 2. *There is a unique subgame perfect equilibrium to the three-player game and the equilibrium policy outcome is a compromised one. Specifically, the policy outcome is \tilde{x} if $\tilde{x} \leq g$, and $x \in (g, \tilde{x}]$ if $\tilde{x} > g$.*

See the online appendix for the proof.

⁴If $\tilde{x} \geq 1$, then the elite does not pose any constraint on the bargaining.

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