

What Game Theory Can Tell Us About Terrorism

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In my inaugural column, it's appropriate to deal with one of last week's big events in economics: the awarding of the Nobel prize. The prize in economics went to two men for their contributions to game theory: Robert Aumann of Israel and Thomas Schelling of the United States. Game theory is, in a nutshell, the rigorous thinking about how person A will act in a situation where his action affects person B, whose actions also affect person A. In other words, game theory is rigorous thinking about many of the situations in life.

I wrote the editorial about it in Tuesday's Wall Street Journal (subscription-only, "The Great Game," Oct. 11, 2005.) I know little about Aumann except that his work is highly theoretical; but I know a lot about Schelling's work, and that is what I devoted almost the whole Wall Street Journal article to.

How, you might ask, does this all relate to a column on Antiwar.com? Because Schelling, while not clearly definable as pro-war or antiwar, gave us a way of thinking about war that is very valuable and that, when carried through consistently, often leads to antiwar conclusions. Schelling made his reputation in the late 1950s and early 1960s by applying game theory to one of the most important issues of the day: the Cold War. He wanted to make sure it didn't turn into a hot war. What distinguished Schelling early from most other game theorists was that he understood the importance of thinking clearly about how real humans act in complex interactive situations when faced with a wide range of strategies to choose from. That's why Schelling ran various experiments: to see how real people would react.

The sine qua non of game theory is that because you're in an interactive situation with at least one other person (thus the word "game"), to play the game well, you need to put yourself in the other person's shoes. How would he react if I did this versus that? Would he understand my real intent or would I mistakenly signal something to him that would miscommunicate my intent? And so on. Although every game theorist knows this, Schelling really drove it home in the context of the Cold War. He often did so with analogies that everyone could understand.

Here's one from his book, *The Strategy of Conflict*:

"If I go downstairs to investigate a noise at night, with a gun in my hand, and find myself face to face with a burglar who has a gun in his hand, there is a danger of an outcome that neither of us desires. Even if he prefers to just leave quietly, and I wish him to, there is danger that he may think I want to shoot, and shoot first."

The above is a perfect example of putting yourself in the other person's shoes.

In December 1996, I took this other-person's-shoes approach with a group of Defense Department officials when I commented on a paper by my Hoover colleague Henry Rowen, a former president of the RAND Corporation. I pointed out that, in his paper, Rowen had taken terrorism as a given, but that one should take a step back and ask why terrorism exists. I said:

"What leads the Irish Republican Army to put bombs in Britain? Why don't they, for example, put bombs in Canada or Bangladesh? To ask the question is to answer it. They place the bomb where they think it will help influence the government that makes decisions most directly in the way of their goals, and the governments in the way of their goals are usually governments that intervene in their affairs."

Then I concluded, "If you want to avoid acts of terrorism carried out against people in your country, avoid getting involved in the affairs of other countries." In other words, don't go around stirring up hornets' nests. I also advocated completely abolishing U.S. immigration restrictions on nuclear engineers, biotechnicians, and the other technical professions whose practitioners could build weapons of mass destruction, as a carrot to entice them to settle in the United States.

One person in the audience, noted game theory economist Martin Shubik, sarcastically accused me of advocating that "we all love one another." But he missed the point. A good game theorist puts himself in the shoes of the other person whether or not he loves him. Even if you hate your opponent, and especially if he hates you, it's good to know what motivates him and what

pushes his button. Schelling would agree. Note that in the Schelling quote above, Schelling doesn't evince a lot of love for the burglar in his house: he just wants him to leave.

Although I mentioned earlier that Schelling cannot be categorized as clearly antiwar or pro-war, he does seem to be principled. In his book *Secrets: A Memoir of Vietnam and the Pentagon Papers*, Daniel Ellsberg, who had been a student of Schelling's at Harvard, writes that Schelling was among the Harvard scholars who visited Nixon's National Security Adviser Henry Kissinger to resign en masse over the secret bombing of Cambodia.