

GAME THEORY AND THE ISRAELI-PALESTINIAN CONFLICT



VS



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Some Key History

- Sykes-Picot (1916), "a peace to end all peace"
- Balfour Declaration (1917), Palestine Home of the Jewish People (1922)
- Arab Revolt (1936-1939), Removal of Balfour Declaration (1939), WW2 and the Jewish Settlers
- UN creates Israel (1947-1948), P.E.J.S.I.L vs Israel
- Six Day War(1967)
- Yom Kippur/Ramadan War
- Camp David Accords (1978)
- Intifada (1987), Oslo Accords (1993), Intifada (2000)
- Hamas Elections (2006), Israeli blockade of Gaza (2008), Acquisition of land (2014)

Prisoner's Dilemma

- Israel and Palestine Neighbors forever
- Tit-for-Tat
- Equality amongst players?
- Previous history

	C	D
C	4, 4	0, 5
D	5, 0	1, 1

Ultimatum Game

- First player receives good, Second player decides acceptance or rejection
- Offer as little as possible
- Israeli advantage
- Possibility of Punishment?
- “enfranchise Palestinians, maintain the status quo, or disengage unilaterally”

Adjusted Winner

- Pareto optimal, free of envy, and satisfy both players' interests equally
- Highest value -> Ratio -> Distribute or repeat second step
- Applied to Issues ?
- Manipulation is practically negligible
- Mediator required

Issues	Israel	Palestine
Right of return	10	40
Israel's right to exist	40	10
West Bank settlements	10	40
Israeli security	40	10

Third Party Inclusion

- Two Player Bargaining Game (A and B)
 - A good is available
 - X is the expected amount A will receive
 - Y_a = cost of war for A, Y_b = cost of war for B
 - Offer $Y_a < z < Y_b$
 - Problems: uncertainty, commitment, indivisibility
- Three Player repeated Bargaining Game (A, B, and C)
 - Player C provides potential subsidies \rightarrow Player A attack or ultimatum game \rightarrow Player B war or deal \rightarrow repeat
 - Player C provides sufficient and sustained subsidies
 - Manipulation is Possible by A and B

Questions??

