

# The Politics of Interpretation: Rationality, Culture, and Transition

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## I. INTRODUCTION

Rational choice theory constitutes a vigorous and contentious voice within political science. Recent political trends suggest its limitations, however, as well as the utility of alternative approaches to the study of politics. This article explores the ability of rational choice theory to address these forms of politics and the possibility of combining it with alternative approaches. Our goal is twofold. First, we provide insight into rational choice theory's relationship with cultural modes of analysis and the former approach's limitations. Second—and contrary to much of the literature—we suggest that rational choice and cultural analysis approaches are complementary rather than mutually exclusive and antagonistic.

### A. *The Challenge*

Game-theoretic forms of rational choice theory have, in recent years, been most successful in the study of highly institutionalized settings in the developed

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world.<sup>1</sup> Judged by the lion's share of its applications, rational choice theory appears most powerfully to be applied to the study of politics when it is rule governed. Major areas of concentration include the following:

*Democracies.* Game- and decision-theoretic approaches have largely been applied to the various institutions that involve voting: elections and legislatures.<sup>2</sup>

*Rule-governed political systems.* Institutionalized procedures specify the set of relevant players, the alternatives available to them, and the sequence of play. A wide range of institutions have been studied in this way, including the bureaucracy,<sup>3</sup> the courts,<sup>4</sup> and interactions in the separation of powers system.<sup>5</sup>

*Instrumental rationality.* The application of rational choice methodology appears to be most successful when people focus on the value of outcomes and evaluate alternatives in terms of their capacity to yield them.<sup>6</sup> Most game-theoretic analyses assume that actors dispassionately weigh the costs against benefits of specific alternatives and the trade-offs among them. This seems to point toward applications such as well-developed markets, stable legislatures, and voting in consolidated democracies.

When rational choice theory penetrated political science in the 1970s, its practitioners largely focused on democratic politics in the United States. In recent years, applications have been extended outside American politics to that of Europe and Japan.<sup>7</sup>

Nonetheless, a large range of phenomena outside of the developed world have received little attention from rational choice theorists, including revolutions, democratization, riots, ethnic conflict, coups, political transition, and other forms of unstable politics and political transformation prevalent in many areas of the developing world. Moreover, events in the 1980s and 1990s have posed powerful challenges to rational choice theory. Among them number the following.

*The rise of "cultural politics."* Politics in the Middle East, North Africa, and Asia highlight the significance of religious fundamentalism.<sup>8</sup> Events in Africa, central Asia, and the Balkans emphasize the power of ethnicity.<sup>9</sup> As identity politics inflicts costs that appear to outweigh any reasonable estimate of the gains, the politics of culture appears to challenge the premise of rationality. Scholars such as Weiner and Huntington, at least, therefore see reason for rejecting "political economy"—including, presumably, rational choice theory—and call for a return to approaches more attuned to the significance of noninstrumental forms of behavior.<sup>10</sup>

*The politics of transition.* The greatest achievement of rational choice theory has been to provide tools for studying political outcomes in stable institutional settings. But in moments of transition, rules are ill-defined and symbols, emotions, and rhetoric seem to count for more than do interests, calculations, and guile.<sup>11</sup> As stressed by Przeworski, moments of transition constitute moments of

maximal uncertainty; in moments of transition, people may therefore “not know” where their interests lie.<sup>12</sup> Political transitions seem to defy rational forms of analysis.

Such considerations suggest a potentially significant limitation to rational choice approaches: while useful for the study of the relatively stable, relatively rule-governed politics of advanced industrial democracies, rational choice theory may face significant limitations when applied to the less-settled politics of other regions, where ethnic and religious identities play a greater role in politics. Many scholars conclude that rational choice theory is therefore less useful in some fields of comparative politics and thus less useful, overall, in the study of comparative politics than in the study of politics in the United States.

### *B. An Alternative*

Several of the attributes that suggest possible limitations to the use of rational choice theory suggest as well possible strengths of a major alternative: what we call interpretivist theory.<sup>13</sup> Interpretivists focus on the politics of culture. They study the political construction of identities, be they of race,<sup>14</sup> nationality,<sup>15</sup> or ethnicity.<sup>16</sup> Interpretivists also focus on the forging of communities,<sup>17</sup> the definition of boundaries,<sup>18</sup> and the invention of tradition.<sup>19</sup> By focusing on the role of culture and the creation of political communities, they address the kinds of issues that pose challenges to rational choice analysis.

In seeking to explain the transformation of politics through the mobilization of cultural materials, interpretivists stress the power of rhetoric, gesture, and metaphor.<sup>20</sup> They focus on communicative acts and their power to imbue moments with political meaning. Many therefore view politics as a form of theater in which bonds are forged, expectations formed, and direction given by expressive acts.<sup>21</sup>

### *C. Toward Complementarity*

Recent political events therefore pose challenges to rational choice analysis and suggest the relevance of a significant alternative. Bhabha speaks for many, of course, when he counterpoises the interpretivists' vision of the wellsprings of political action—emotion, identity, and the search for meaning—with those of rational choice theory—reason, interest, and the pursuit of personal gain.<sup>22</sup>

Acknowledging the gap that divides the two traditions, we nonetheless devote this paper to the search for complementarities. In doing so, we join Goffman, Edelman, Gusfield, and others in exploring the strategic manipulation of political symbols and mobilization of cultural differences<sup>23</sup> and, more recently, that of Ferejohn and Laitin in exploring the deep connections between culture and rational choice theory.<sup>24</sup>

We develop our argument in stages. We first meet the challenge facing rational choice theory by studying phenomena outside the highly institutionalized politics

of the developed West. Toward that end, sections II and II explore two cases of political transformation: one in Zambia and the other in the former Yugoslavia. The first analyzes an act of political theater in which popular protest redefined what seemed possible politically, thereby leading to the overthrow of an incumbent regime and the restoration of democracy. The second centers on the transformation of the political space from one defined in terms of “rational” economic reform to one defined in terms of the seemingly “irrational” ethnification of politics. Sections II and III demonstrate that rational choice theory is readily adapted to contexts outside its traditional areas.

Section IV turns to the broader issue of the relationship between rational choice and interpretive approaches. To suggest the complementarities between these approaches, we discuss the role of ideas and the politics of discontinuous change. In this section, we explore the limitations of current rational choice models to handle the politics of transition and culture. We then explore the possibilities for theoretical integration by suggesting how some of the fundamental concepts used by interpretivists can be incorporated into rational choice theory. In contrast to the idea that rational choice models supplant more traditional approaches, our discussion suggests a two-way street between the approaches.

## II. THE CASE STUDIES: AN INTRODUCTION

### A. *Zambia*

The overthrow of the United National Independence Party (UNIP) in Zambia in 1991 represented the first electoral defeat of an incumbent political party in an Anglophone state in Africa in the period since independence. The UNIP's defeat also marked the toppling of one of modern Africa's founding fathers, Kenneth David Kaunda, and placed Zambia in the “third wave” of democratic transitions.<sup>25</sup>

#### Political Background

Led by Kenneth David Kaunda, the UNIP had triumphed in the preindependence elections of 1963, winning a majority of votes in all but two of Zambia's eight provinces. Shortly thereafter, the party was racked by internal conflicts; dissidents withdrew, taking their backers with them, and by aligning their factions with opposition parties, the dissidents threatened to convert the UNIP into a minority party. Before it could be defeated at the polls, however, the UNIP used its legislative majority to transform Zambia into a single-party government.<sup>26</sup>

As Zambia moved to a single-party system, it also shifted to socialist policies. In a wave of “economic reforms,” the government nationalized retail firms, financial services, and even the massive mining companies, whose production made Zambia the world's third largest exporter of copper.<sup>27</sup>

Although Zambia had a single-party system, its president stood for periodic reelection. To intimidate political rivals and to deter political entry, he sought

large electoral majorities; he thereby sought to demonstrate to political rivals that challenges would fail. Driven by the president's need for exceptional majorities, party workers elicited high turnouts; votes of 90% or more in presidential elections became commonplace in the post-independence period.

Zambia is one of the most urbanized nations in black Africa; over 40% of its population lives in cities.<sup>28</sup> In seeking electoral victories, the governing party found it less costly to organize the densely settled townships than the small homesteads scattered throughout the countryside. One of the issues of greatest concern to urban dwellers is the purchasing power of their incomes, and the UNIP therefore pledged itself to interventionist forms of economic management: overvaluing the currency to reduce the price of imports, subsidizing credit to promote investment and thereby create jobs, imposing price controls on consumption goods, and subsidizing urban housing and the costs of transportation. Above all, the UNIP subsidized the production and consumption of maize, the staple food of Zambia's urban consumers.<sup>29</sup>

Parliament became a center of opposition to the president and to his government's socialist policies. In elections to parliament, the government allowed, and indeed encouraged, rival candidates to compete for votes, albeit all under the UNIP label. Parliamentary candidates had to secure the approval of the UNIP's central committee. Having satisfied the criterion of party loyalty, they competed on other political dimensions, such as their ability to criticize the government or to serve the interests of constituents. Once it chose the candidates for parliament, the UNIP refrained from financing or staffing the campaigns of particular aspirants for office. More than others, businessmen possessed the resources with which to build their own electoral machines. Businessmen found positions in parliament useful in securing contracts, licenses, and favorable rulings from the government and its bureaucracy and parliamentary immunity a useful form of protection when criticizing the government's socialist policies and when pressing for market-oriented reforms. More than others, they also possessed the resources by which to provide constituency services and thereby to build a political base independent of the ruling party. To a degree that surprised, indeed alarmed, the leaders of the UNIP, prominent businessmen therefore gained a major portion of the seats in parliament, from which they mounted increasingly harsh criticisms of the government and its program.<sup>30</sup> Using the political protection afforded by parliament, several of the leading dissidents offered a conservative alternative to the Kaunda regime.

### Economic Background

At the time of independence, Zambia was one of Africa's most prosperous economies. In the late 1970s, the situation abruptly changed. With the collapse of copper prices and the rise in the price of oil in the late 1970s, the index of Zambia's real exchange rate fell from 124.4 in 1978 to 50.9 in 1987 (1985 = 100). The party

had promoted government management of the economy in part to consolidate its electoral support in the urban constituencies. With the collapse of the economy, its financial base weakened, however, and so too its grasp on political power. As economic conditions worsened, the government came under increased pressure to curtail its consumer subsidies, especially those on maize.

The reduction of the maize subsidy struck the poorer urban consumers particularly hard.<sup>31</sup> When maize prices were cut, urban dwellers rioted. In December 1986, they stormed out of the townships, burned cars, attacked police, and looted stores and offices. In response, the government of Zambia nationalized the maize mills and reinstated massive subsidies for the consumer price of maize. So great were these subsidies, amounting to over 10% of the government's total expenditures, that they were not economically sustainable. The government therefore reduced them. Once again, the urban dwellers rioted and, once again, the government reaffirmed its commitment to controlling the consumer price of maize. Following the elections of 1988, seeking to comply with the dictates of the International Monetary Fund (IMF), World Bank, and donor community, the government attempted once again to reduce its subsidies to urban consumers. The township residents again rioted. In this instance, however, they not only protested against the government's economic policies but conspicuously and persuasively dramatized their disaffection with the UNIP and its president.

Upon seizing power from the British and achieving independence for Zambia, the UNIP had turned its old Lusaka offices into a museum. A small dwelling located in a high-density township, the offices contained memorabilia from the days of the political struggle: a typewriter, a set of files, and personal possessions of the party's national secretary, Kenneth David Kaunda, who following independence became Zambia's first president. Parked outside stood a vintage Land Rover that had been used by Kaunda when touring local party branches. In its fury, the mob that rioted in June 1990 set fire to the offices and burned the Land Rover. It thereby desecrated the UNIP's national shrine.<sup>32</sup>

After the rioters set ablaze the party offices, the political dissidents, many from parliament, moved to center stage. Forming a National Interim Committee for Multiparty Democracy, they launched a campaign for a return to multiparty democracy. The urban masses that once had formed the core of the UNIP's constituency now joined in the parliamentary opposition. Confronted by having either to repress this popular movement or to retreat politically, President Kaunda chose the latter course. In October 1991, Zambia held the first competitive party election in over 29 years, and the UNIP and its president were swept from power.

Students of cultural politics often focus on the politics of those who have been marginalized.<sup>33</sup> Among the most emotionally charged issues, they argue, is the price of food.<sup>34</sup> The urban poor and the rural peasantry, denied access to wealth and power, nonetheless make their preferences known and affect political outcomes, these scholars argue, by transforming public festivals into political



theater, engaging in politically charged acts of symbolic protest, and infusing day-to-day life with “hidden transcripts” of political dissent. In doing so, they make possible political transitions: overthrows of governments and revolutionary redistributions of power. Popular protests, symbolic actions, and vivid and dangerous acts that communicate intensely held but hitherto unknown convictions—these forms of politics also mark the case of Zambia. As analysis of these aspects of transitional politics features prominently in interpretivist studies of politics, the downfall of the UNIP provides a useful vehicle for advancing an understanding of the complementarities between interpretivism and rational choice.

### *B. The Former Yugoslavia*

The outbreak of war and ethnic violence in the former Yugoslavia appears to constitute a breakdown of rationality.<sup>35</sup> Standard accounts emphasize the strength and durability of primordial identities. According to this view, the current conflict bears striking parallels with earlier battles. The Balkans, as Kaplan asserts, are inhabited by “ghosts.”<sup>36</sup>

Despite the surface plausibility of the primordial interpretation of Balkan politics, the reality appears far more complex. Not only did the 45 years between the end of World War II and the outbreak of the recent war remain remarkably peaceful, but also, during that era, high rates of intermarriage took place among ethnic groups.<sup>37</sup> It is simply implausible that groups experiencing hatreds, even if “submerged” by a repressive regime, would behave in this way. Memories of past events are not irrelevant to the current situation, but neither are they determinative.

The recent comparative literature on ethnicity offers an alternative to the primordial explanation.<sup>38</sup> Although ethnic groups may be taken as given in the short run, their political significance cannot. The role and meaning of ethnicity, in this view, are politically constructed. Ethnic identity thus emerges in part as a result of interaction among competing political elites.<sup>39</sup>

### *Historical Background*

In the years following the death of Marshal Tito in 1980, a majority within the Yugoslav Communist Party seemed to support both democratic and economic reform.<sup>40</sup> Reform was opposed by the conservatives. Slobodan Milosevic, a former communist and leader of Yugoslavia in the late 1980s, stood at the center of the conservative faction. Milosevic rejected democratic and economic reform in large part because he and his supporters could not dominate the process. By exploiting and creating ethnic tensions, Milosevic was able to derail economic reforms and emerge on top of postcommunist Serbia. This was not a straightforward process. While it might have been in Milosevic’s interests to exploit ethnic tensions, what must be explained is why so many Serbians followed his lead.<sup>41</sup>

A number of institutions and practices under the ancien régime created by Tito served to blunt ethnic tensions.<sup>42</sup> First, Tito created a balance among groups and regions, notably between Slovenia and Croatia, on one hand, and Serbia, on the other. Second, he decentralized many decisions and resources to areas roughly corresponding to groups, thus giving each group control over the distribution of some state resources. Decentralization not only reduced the power of the central state but also reduced the central state's capacity to be used by one group against another. Third, Tito enforced an explicit prohibition against political appeals to one group against another. And fourth, he created a series of national institutions to limit the ability of particular groups to capture the state for their own narrow purposes; for example, he created a governing council composed of representatives of the "republics" and two others, requiring a high degree of consensus for national decisions.

Thus, not only did the ancien régime help maintain the Yugoslav Communist Party's lock on national political power and control over the economy, as most accounts emphasize, but it also provided the institutional basis for trust among ethnic groups by making it difficult for any group to use national power against another. In the words of Burg and Berbaum, "The stability of the communist political order in Yugoslavia rests in large part on the party's ability to maintain social and political peace among nationalities."<sup>43</sup>

During the 1980s, Woodward suggests, two factors helped erode the institutions providing group protection. First, international events revolving around the negotiations to reschedule Yugoslavia's international debts forced reform. International donor agencies, such as the IMF and World Bank, required regulatory reform, drastic reductions in budgets (including redistributive payments) and greater central control over the economy. These had the unintended effect of reducing the resources provided to the regions and squelching the decentralized protections limiting the authority of—and hence risk from—the central state.

Second, Slovenia and Serbia, for very different reasons, sought to undermine these institutions to maximize their autonomy. Slovene leaders wanted less central control so they could break free of Yugoslavia and enter the European Community. Serbia wanted to dismantle the institutional restraints on its power to afford it greater control over the other regions of Yugoslavia.

In combination, these two factors undermined the institutional basis for political stability. They eliminated the restrictions inherent in the ancien régime, increasing the possibility that one region or the central state might take advantage of another. These fears were reinforced as Milosevic announced that Yugoslavia was no longer a pan-Southern Slavic state but a Serbian state. Simultaneously, he began making outrageous claims about the Croats. Finally, he took steps to gain control over the Yugoslav army and began strengthening it. Slovenia left as quickly as possible.<sup>44</sup>



In the late 1980s, in the institutional vacuum, several campaigns emerged that raised ethnic tensions in Yugoslavia. In Croatia, ethnification was fanned by its leader, Franjo Tudjman, and in Serbia by its leader, Slobodan Milosevic. In what follows, we focus on the dynamics of ethnification within Serbia. Milosevic's campaign of ethnification emphasized the possibility of genocidal-minded Croats.<sup>45</sup> Although not totally unlikely given the long history of episodic violence in the Balkans, this portrait at first appeared improbable, even to most Serbians. Most Yugoslav citizens had lived in harmony, trusting their neighbors, and Milosevic's claims did not fit with their experiences.

What must be explained about the emergence of ethnic politics in Yugoslavia is how ethnic issues moved from the periphery of politics to become its dominating force. In particular, how were large numbers of Serbs transformed from a focus on reform in combination with indifference about ethnic issues to a focus on the aggressive ethnification of politics?

As part of his campaign of ethnification, Milosevic heralded the primacy of Serbia in the Yugoslav state, making aggressive and threatening speeches about other groups. He also used his control over the army in ways that threatened Serbia's neighbors. In this environment, other groups sought to protect themselves. Both the Slovenes and Croatians moved toward independence, in part propelled by historic and immediate problems in Yugoslavia and in part by the encouragement of Europeans.<sup>46</sup>

Two sets of events then strengthened Milosevic's hand, lending considerable credence to his claims, both involving Croatia and its Serb minority. First, Croatia's movement toward independence threatened to render the Serbians a permanent political minority.<sup>47</sup> Serb fears were intensified by Croatia's choice of a national symbol, the *Sahovnica*, which had been used by the Ustashe regime that had launched the ethnic cleansing of the 1940s. Second, ethnic identification and the fears it raised were reinforced by the dismissal, in 1990, of Serbs holding positions in Croatian police departments and as local magistrates. The Croats' action generated fears among Croatian Serbs that worse could easily occur. Many Croatian Serbs, particularly those in rural areas, reacted by initiating guerilla warfare.<sup>48</sup>

With the outbreak of violence, many Croats and Serbs were murdered, including many innocents. Regardless of who initiated this process, the importance for Milosevic was that these events provided vivid proof that the old system had collapsed: Serbians were being killed by Croats. Although the events did not prove his views correct, the events did increase their credibility. Within Serbia, Croatia's behavior provoked fears of a return to the mass violence and genocide of an earlier era. Although Croatian violence directed at Croatian Serbs might be a limited program that would not spread elsewhere, Serbians could not be assured of this. Such violence contained the seeds of a much larger conflict. Croatian leader Franjo Tudjman's calls for a "greater Croatia" hardly suggested moderate or limited ambitions. According to Silber and Little,

Tudjman also made clear his total disregard for Bosnia-Herzegovina, calling the central Yugoslav republic a "national state of the Croatian nation." . . . [Extremist Croatians] openly advocated the annexation of Herzegovina, the Southern part of Bosnia-Herzegovina. Extremist ambitions to extend Croatian territory as far as Zemun, a town just north of the Serbian capital Belgrade, even entered the popular humor at the time. One joke said HDZ stood for *Hrvatska do Zemuna*, which means Croatia all the way to Zemun.<sup>49</sup>

Thus, Croatia might use its mobilization to move into Bosnia-Herzegovina, granting it significant geostrategic advantages from which to force concessions from Serbia. Having moved into Bosnia-Herzegovina, Croatia might next form an alliance with disgruntled elements in Kosovo and Vojvodina, attempting to dominate Serbia from all directions. Macedonia, Yugoslavia's southern province, might also side with Croatia, using the opportunity to assert its independence and reduce the risk from Serbia. Croatia's immediate threat was to its domestic Serbs, but nothing limited Croatia's threat to its borders. Croatia's ambitions could have easily exploded into a wider conflict, one that might dominate Serbia. If Croatia undertook these steps, an unprepared Serbia could easily become more than a mythical victim. Ultimately, these fears generated greater support for Milosevic's hard-line position. For if Croatia in fact became violently anti-Serbian, a hard-liner such as Milosevic would provide greater security than could a government focusing on reform.

These effects were strengthened by the outbreak of ethnic conflict within Croatia. When reformist movements mounted anti-Milosevic demonstrations within Serbia, Milosevic conceded limited reforms, on one hand, while fostering the escalation of guerrilla violence, on the other. When Milosevic, under the guise of restoring order, involved the Yugoslav army, full-scale warfare resulted. Once at war, Serbia pushed aside economic reform. The war led to a state of emergency that allowed the regime to repress the reformist opposition. The government first drafted individuals residing in areas that supported the opposition and targeted, in particular, members of the reformist movement. Many reformers fled the country. In addition, the war enabled Milosevic to redefine the basic cleavage in politics in ethnic terms by focusing government propaganda on atrocities committed in Croatia. At the same time that Milosevic used the ethnic issue to strengthen his position within Serbia, Tudjman took similar actions within Croatia. Strong parallels existed between the politics within Serbia and Croatia, and the interaction between the two unleashed hatred and mistrust.<sup>50</sup>

A central factor underlying Milosevic's successful transformation of domestic Serbian politics from reform to ethnic issues was Croatia's seeming confirmation of Milosevic's claims. Rather than acting in a manner that would disconfirm Milosevic's claims, Croatia pursued actions that reinforced them. As Glennie among others argues, in the context of the general collapse of authority in the region, each side's paranoia fed upon the other's.<sup>51</sup>

Reciprocal paranoia, history, and symbols all marked the transformation of a peaceful region into one characterized by mutual hatred and mass murder. These are not the kinds of events typically studied by rational choice theorists.

### III. INTERPRETING THE CASES: A GAME-THEORETIC ANALYSIS

In this section, we investigate the politics of the two cases using the tools of rational choice theory. In both instances, we begin by using spatial theory, a standard tool of political analysis. In dealing with the two cases, spatial models prove too limited, however. Political transition lies at the core of both. The cases demonstrate that, as interpretivists have long stressed, the very structure of politics is itself subject to redefinition and the space itself subject to change. To deal with this reality and to absorb the insights of interpretivist accounts, we are therefore compelled to change our choice of tools. We are driven from spatial theory to games of incomplete information. We are also driven to deeper insights into the limitations of rational choice theory and into its relationship with interpretivism—themes that we address in section IV.

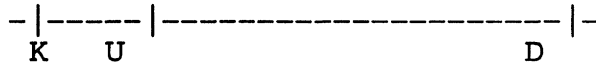
#### A. *The Case of Zambia*

We begin our analysis of Zambia's political transition using a spatial framework (see Figure 1). The dimension suggests the degree of political loyalty to the UNIP regime. Figuratively, the political opposition is mounted from the right. The ideal point of the (parliamentary) dissidents is labeled *D* and that of the government is labeled *K* (for Kaunda). Neither the militants nor the dissidents, acting alone, are politically decisive, however. The urban constituents' ideal point, labeled *U*, is located between *D* and *K*. The urban dwellers constitute the political pivot: should they support the dissidents, the opposition could unseat the government.

Figure 1 depicts two political periods in Zambia. In period 1 (i.e., before the collapse of the economy), the ideal point of the urban constituents lay closer to that of Kaunda than to that of its critics (panel 1). As the economy eroded, however, so too did the loyalty of the urban dwellers. As suggested in panel 2, the collapse of the economy changed urban dwellers' preferences over policy; the ideal point of those who became alienated ( $U = A$ ) shifted rightward, away from that of Kaunda and toward that of the dissidents. With the collapse of the economy, then, the government became politically vulnerable.

The government's opponents faced a dilemma. The dissidents would have liked to have unseated Kaunda by forcing the government to hold multiparty elections; without the backing of the urban dwellers, however, they could not hope to do so. But the preferences of the urban constituents constituted "private knowledge"—that is, they were known only by the urbanites themselves. As shown in panel 2, the preferences of the urban dwellers may have lain closer to the ideal point of the dissidents than to that of the government ( $U = A$ ). But without perfect

### Panel 1: Before Economic Collapse



### Panel 2: After Economic Collapse

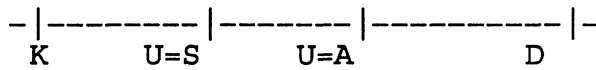


Figure 1. The erosion of the United National Independence Party's political support.

information, the dissidents could not be certain. The urbanites, they feared, may also have remained politically loyal ( $U = S$ , or "satisfied"). Only the urbanites knew for sure whether they were loyal to the government or favored the opposition.

The opposition thus faced a tactical problem. For should they mistake the true meaning of the clamor of the mob, they might then attempt to overthrow the government, only to find that the government's core constituency remained intact. If the dissidents mounted an unsuccessful challenge, they would face reprisals; if assured the support of the urban masses, an emboldened president could silence the parliamentary opposition. Alternatively, should urbanites truly alienated from the government riot, the dissidents might misperceive them as simply demanding better policies from the government, rather than its overthrow. The spatial model deployed thus far helps define the nature of the political dilemma facing the dissidents, but it does not lend itself to the analysis of its subsequent resolution. To address this dilemma, and hence to study the politics of transitions, we employ an alternative framework: games of incomplete information.

#### The Model

Figure 2 outlines the game. To capture the uncertainty that plagues the political actors, the first move is made by a nonstrategic player who we call "Nature." Nature assigns preferences to urbanites probabilistically. With probability  $\pi_1$ , Nature chooses  $S$ , so that  $U$  is satisfied and will support  $K$  (Kaunda) under any circumstances. With probability  $\pi_2$ , Nature chooses  $M$ , so that  $U$  is moderate and will support  $K$  if and only if Kaunda supports them economically by subsidizing the price of maize. If Nature chooses  $A$ , then  $U$  is alienated or angry and will not

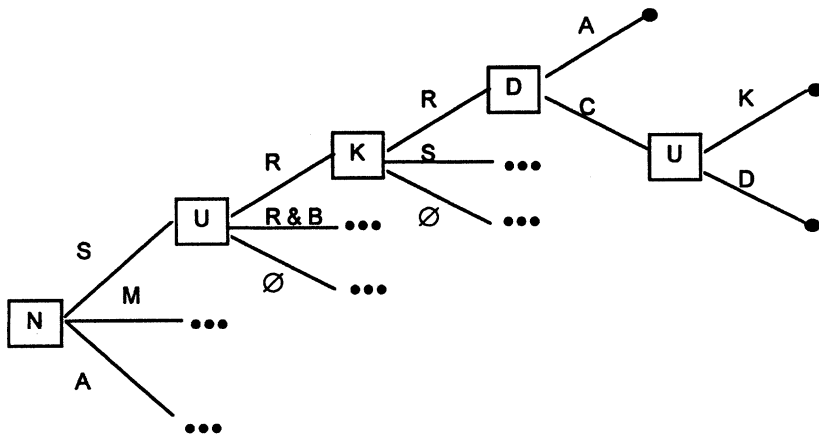


Figure 2. Extensive form of Zambia game.

NOTE: Dots represent continuation of game symmetrically.

support Kaunda under any conditions; this occurs with probability  $1 - \pi_1 - \pi_2$ .<sup>52</sup> Note that the move by Nature does not imply that the level of urban disaffection is determined immediately prior to the sequence of play. Rather, we use Nature's move as a convenient way of representing the uncertainty of the dissidents and Kaunda about  $U$ 's true motivation. The next move is made by  $U$ , the urbanites, who choose among three actions: they can do nothing, riot, or riot and burn sacred symbols, such as Kaunda's Land Rover.

As shown by the extensive form, Kaunda ( $K$ ) then responds. Given the choice made by the urban dwellers, Kaunda can either repress them, provide them costly subsidies, or do nothing. The next move is made by the dissidents,  $D$ . They have to decide whether to challenge Kaunda. The last move is conditional: if  $D$ , the dissidents, have chosen not to challenge, the game ends, and Kaunda retains power. If the dissidents challenge, however, then the urbanites must choose either to support the dissidents or to support Kaunda. As previously noted, a challenge by the dissidents will succeed only if supported by the urban dwellers; otherwise, Kaunda remains in power.

The game tree specifies both the sequence of moves and the structure of information. Only the urban dwellers know for certain their level of political alienation. To capture this feature, we represent  $U$  as knowing precisely the choice by Nature but Kaunda and the dissidents as knowing only the prior probability distribution of Nature's choice: the urban dwellers, they believe, are  $S$ ,  $M$ , or  $A$ , with probability  $\pi_1$ ,  $\pi_2$ , and  $1 - \pi_1 - \pi_2$ , respectively. We call these probabilities prior probabilities since they constitute estimates of the likelihood of the urban dwellers' type formed prior to the events of the game.

Table 1  
*U's Support for K as a Function of Type and Subsidies*

U's Type	Probability	K Subsidizes	K Does Not Subsidize
S (satisfied)	$\pi_1$	K	K
M (moderate)	$\pi_2$	K	D
A (alienated)	$1 - \pi_1 - \pi_2$	D	D

Finally, we make several assumptions about the preferences of the players.

*Kaunda and the dissidents.* Both prefer to be in power rather than out. Both fear reprisals. The dissidents therefore prefer not challenging over challenging and losing. And Kaunda, if he is to be overthrown, prefers not to have repressed. He regards repression as costly.

*The urban dwellers.* As shown in Table 1, while satisfied urbanites (type S) always prefer Kaunda and alienated ones (type A) always prefer the dissidents, the moderate urbanites (type M) exhibit a political loyalty that is conditional: type M prefers K only if K addresses their economic needs by subsidizing the costs of maize.<sup>53</sup> Finally, the costs of rioting also depend on the urban dwellers' type: only urbanites of type A will find burning the symbols of independence palatable. Further, if they are not willing to support a challenge by the dissidents, then the urbanites prefer that the dissidents not challenge. Finally, the urbanites prefer that Kaunda not repress and prefer any other regime to a repressive regime.<sup>54</sup>

Our objective is to explore the mechanisms that allowed Kaunda to hold on to political power, despite the presence of food riots and political dissidents, and to account for his subsequent downfall. Both his persistence in power and his ouster, we argue, constitute equilibrium outcomes. One results from the strategic manipulation of informational advantages conferred by uncertainty, and the other results from the ability of angry urbanites to dispel uncertainty, thereby disabusing the dissidents of any presumption of urban loyalty to the Kaunda regime.

If the probability of U being moderate is sufficiently high relative to the probability of U being satisfied and subsidies are sufficiently valuable, then the following strategies constitute an equilibrium to the game:<sup>55</sup>

1. U will riot if either satisfied or moderate; otherwise, U will riot and burn.
2. K will subsidize if U riots; otherwise, K will do nothing.
3. D will challenge if (1) K represses, (2) U riots and burns, or (3) U riots and K does nothing; otherwise, D will acquiesce.
4. U will support D if (1) K represses, (2) U is alienated, or (3) U is moderate and K does nothing; otherwise, U will not support D.



Conditions 1 and 2 explain how Kaunda retained political power, while conditions 3 and 4 explain how he lost it. Rather than presenting a rigorous proof of this proposition, we instead focus on key portions of the reasoning.

### Kaunda Retains Power

Kaunda's rule was marked by repeated urban riots. Nonetheless, he remained in power. He responded to the riots with food subsidies, and the dissidents refrained from challenging.

In explicating this portion of the equilibrium, we can best begin by noting a paradoxical implication: Kaunda always provided subsidies following riots. He did so even when subsidies may not have been necessary, that is, even though the urban dwellers might have been satisfied.<sup>56</sup> This unintuitive behavior underscores the importance of uncertainty and the strategic significance of "private" information. The urbanites stopped at rioting; that is, they did not riot and burn. This subtle but important distinction conveys information for Kaunda. Because the urban dwellers did not riot and burn, this eliminated the possibility that they might be angry. It provided Kaunda no further information about the urban dwellers' type: they might have been satisfied or moderate.<sup>57</sup> Were the urbanites satisfied, Kaunda need not have subsidized, but had they been moderate, then subsidies, although expensive, would have ensured his retention of power.

Consider in greater detail Kaunda's decision to provide maize subsidies when the urbanites riot. Assuming Kaunda does not repress, there are four possible outcomes from Kaunda's perspective, depending on whether he retains power and whether he provides subsidies. We write these as the following:

Kaunda retains power and subsidizes ( $R, S$ ),  
 Kaunda retains power and does not subsidize ( $R, \emptyset$ ),  
 Kaunda loses power and subsidizes ( $L, S$ ),  
 Kaunda loses power and does not subsidize ( $L, \emptyset$ ),

Kaunda would choose to subsidize if and only if

$$U_K(R, S) > \frac{\pi_1}{\pi_1 + \pi_2} U_K(R, \emptyset) + \frac{\pi_2}{\pi_1 + \pi_2} U_K(L, \emptyset),$$

where  $U_K$  indicates the utility to Kaunda of each outcome. We interpret this inequality as follows. The inequality reflects the fact that Kaunda's decision to subsidize requires that his expected utility from subsidizing (the left-hand side of the inequality) outweigh the expected utility from not doing so (the right-hand side of the inequality). When the urbanites have rioted, Kaunda will retain power for sure if he subsidizes. His utility for this outcome is  $U_K(R, S)$ . Thus, the left-hand side of the inequality represents the certain payoff to retaining power by subsidizing. Now to the more complex left-hand side. If Kaunda chooses not to subsidize, he will retain power if the urbanites are satisfied but will lose power if the urbanites

are moderate. The first part of the expression on the right-hand side, therefore, is the probability that the urban dwellers are satisfied given that they have rioted,  $\frac{\pi_1}{\pi_1 + \pi_2}$ , multiplied by the utility to Kaunda of retaining power without subsidizing,  $U_K(R, \emptyset)$ . The second part of the expression is the probability that the urban dwellers are moderate given that they have rioted,  $\frac{\pi_2}{\pi_1 + \pi_2}$ , multiplied by the utility to Kaunda of losing power without subsidizing,  $U_K(L, \emptyset)$ . Thus, the right-hand side of the expression represents the expected value of not subsidizing when the urbanites have rioted.

Rearranging terms, we obtain

$$\frac{\pi_2}{\pi_1} > \frac{U_K(R, \emptyset) - U_K(R, S)}{U_K(R, S) - U_K(L, \emptyset)} \quad (1)$$

The left-hand side of inequality (1) is the ratio of the prior probability that the urban dwellers are moderate to the prior probability that the urbanites are satisfied. As this ratio increases, the probability that the urban dwellers are moderate given that they have rioted also increases. Both the numerator and denominator of the terms on the right refer to the difference between Kaunda's correctly guessing  $U$ 's type and mistakes. The numerator represents the case when the urban dwellers are satisfied. It is the difference in Kaunda's utility between correctly not subsidizing the urban dwellers when they are satisfied,  $U_K(R, \emptyset)$ , and incorrectly subsidizing them,  $U_K(R, S)$ . The denominator represents the case when the urban dwellers are moderate. It is Kaunda's utility value of the difference between correctly subsidizing the urban dwellers when they are moderate,  $U_K(R, S)$ , and thus retaining power, and failing to do so and losing power,  $U_K(L, \emptyset)$ . In the numerator, a subsidy is wasted: with or without it, Kaunda remains in power. In the denominator, the saving on subsidies is gained at the expense of losing office. The expression then states that if the probability that the urban dwellers are moderate is large enough, Kaunda will not take a risk by failing to subsidize maize prices. Further, the loss of utility in the denominator is great; the gains in the numerator are small by comparison. As a result, the prior probability that the urban dwellers are moderate,  $\pi_2$ , need not be large relative to the prior probability that they are satisfied,  $\pi_1$ , for Kaunda to continue to waste money. Satisfied urban dwellers therefore did better by "pooling," that is, acting as if, like the moderates, their loyalty was contingent. They thereby exploited the government's informational disadvantage to secure low-cost grain.<sup>58</sup>

We can thus understand the strategic calculations that underpinned the Kaunda regime: a regime beset with riots but capable of retaining power—at the expense of wasteful subsidies.

## Kaunda Loses Power

In explicating the second portion of the equilibrium—one in which alienated urbanites separate and the regime is overthrown—it is useful to recall the magnitude of Zambia's economic decline. In terms of the model, economic decline would decrease  $\pi_1$  while increasing both  $\pi_2$  and  $1 - \pi_1 - \pi_2$ . One way of viewing these changes is that economic decline alters the distribution of preferences over policy; that is, economic decline lowers both economic activity—and hence jobs—and the resources available to the state. Both decrease the value of the regime to its constituents, potentially resulting in a rise in political alienation. Another is as a change in political expectations. Put simply, with increased misery, Kaunda and the dissidents would expect urban dwellers to become less satisfied.

With this change, those who sought to overthrow the government become disadvantaged by uncertainty surrounding Zambia's politics. Unlike the satisfied urban dwellers, the alienated urban dwellers gain no advantage from pooling with the moderates. Such pooling would prevent the dissidents from recognizing the urbanites' political sentiments and their own political opportunity. When alienated, the urban masses' central problem is therefore how to credibly communicate their disaffection to the challengers.

Recall that the challengers would only challenge if (almost) certain that they would be supported. The urban masses need some mechanism of communication. To achieve their desired outcome, alienated urban dwellers therefore need to separate themselves from satisfied or moderate types. They accomplish this by taking actions that those with moderate objectives would find too costly but which they do not. Burning the symbols of the UNIP regime constituted such a costly gesture. Among those activists who still recognized the UNIP's role in securing political liberty and racial equality, the destruction of the party museum provided a measure of the depth of their disillusion with the government. Being more costly, the action therefore distinguished this riot from others, transforming it from the normal political turbulence occasioned by Zambia's economic decline into a defining political moment.

## Counterfactual

This analysis thus offers an understanding of the conditions that both underpinned and unseated the Kaunda regime. It helps to identify and unpack the processes that enable dramatic political gestures to generate a political transformation. The analysis thus helps to demonstrate the broader thrust of our argument: that rational choice and interpretative approaches to the study of politics constitute complements, not rivals.

The complementarity of the two approaches becomes even more evident when exploring a further implication of the model: the counterfactual that it implies.

Urbanites of all types feared repression, and if the urban masses were dissuaded from acting when alienated, the dissidents, themselves fearful, would not have risked a challenge to Kaunda's regime. Had Kaunda made use of an effective repression, Zambia's history could thus have been that of Zaire.

This possibility is itself intriguing. But its importance for this argument lies elsewhere. It stems from the fact that the counterfactual story is implied by the equilibrium conditions.<sup>59</sup> Insofar as the counterfactual is plausible, it therefore lends support to our analysis of the conditions that account for the stability and overthrow of the Kaunda regime.

Honing in more closely, we see that the factors that underlie the counterfactual, and thus the broader result, rely on two assumptions: one structural and one based on preferences. On one hand, repression did not significantly alter the strength of a coalition between the dissidents and urbanites. This meant that repression was of minimal utility to Kaunda, who wanted to retain power. Second, Kaunda preferred not to repress, all else equal. Qualitative accounts enhance our credence in this assumption and thus in the broader analysis that it supports. From fieldwork, we learn that irrespective of Kaunda's actions, a coalition of dissidents and urbanites was sufficient to unseat the UNIP. From such accounts we also learn of Kaunda's Christian upbringing, his humanistic values, and ultimate fear that the army would turn on him rather than repress its own citizens.<sup>60</sup> This qualitative information about constraint and preference bolsters our confidence in the assumptions that play a critical role in the formal analysis.

The rational choice analysis must thus appeal to qualitative accounts for its completion. But note also the complementarities that flow the other way, that is, from the formal analysis. Biographers, historians, and political analysts have, of course, commented upon Kaunda's vulnerability and personality and stressed their significance for Zambia's politics. Our analysis suggests an important qualification. Kaunda's preferences, for example, may have been necessary to explain political outcomes, but they were not sufficient. To be sufficient, other very precise conditions had to be fulfilled. His personal attributes generate the outcomes we observed only when in interaction with the specific choices and behaviors of other strategic actors. This interaction had to occur in a highly constrained manner, as captured in the equilibrium conditions of the model. The fine structure of political meaning, distinguishing the symbolism of rioting versus rioting and burning, was well beyond Kaunda's control. Moreover, the signaling model captures the social and political significance of this type of distinction in meaning. As with interpretivism, game theory suggests that actions do not speak for themselves but must be ascribed meaning.

This analysis thus helps to highlight the complementarity between formal theory and interpretative analysis.

### Degree of Economic and Political Reform



Figure 3. The politics of reform.

#### B. *The Case of the Former Yugoslavia*

The transformation of Serbian politics can be portrayed in the following spatial diagrams.<sup>61</sup> In the mid-1980s, economic and political reform provided the central dimension of politics. For simplicity, we represent these two aspects of reform as a single-issue dimension ranging from no reform on the left to complete marketization and democratization on the right (see Figure 3).<sup>62</sup> Milosevic and the incumbent former communist regime, *M*, are located on the left, preferring a system that liberalizes neither politics nor economics. At the opposite end of the spectrum stand the reformers, *R*, who seek to liberalize the economy and to institute democracy. Also located on the diagram is the status quo, *Q*, representing, by the late 1980s, a modest degree of reform over the old system, although nothing comparable to the program sought by *R*. At this time, most citizens preferred some degree of reform, and we represent this by placing the pivotal Serbian, *P*, closer to *R* than to *Q*.

As the logic revealed in the diagram shows, it was only a matter of time before the reformers would succeed in replacing Milosevic and the incumbent regime. As the diagram suggests, the pivot supports *R* over *M*. Without a reinstatement of political repression or some other change in politics, *M*'s days were numbered.

A general political strategy in settings of this type is for the losers to seek an alternative dimension of politics that holds the promise of breaking apart the opposing coalition.<sup>63</sup> In the Serbian case, such an issue would have to separate *P* from *R*. The issue of ethnicity could produce precisely that effect. If *M* could convince *P* to worry more about the threats from the Croats and Muslims, then it could draw *P*'s support away from *R*. But how was this transformation accomplished?

This question can be reposed by introducing additional diagrams. We do so in two stages. The first shows the initial response to *M*'s raising of the ethnification issue (see Figure 4). This diagram adds a second ethnification dimension to Figure 3's dimension of economic reform; it depicts each actor's preferences over the

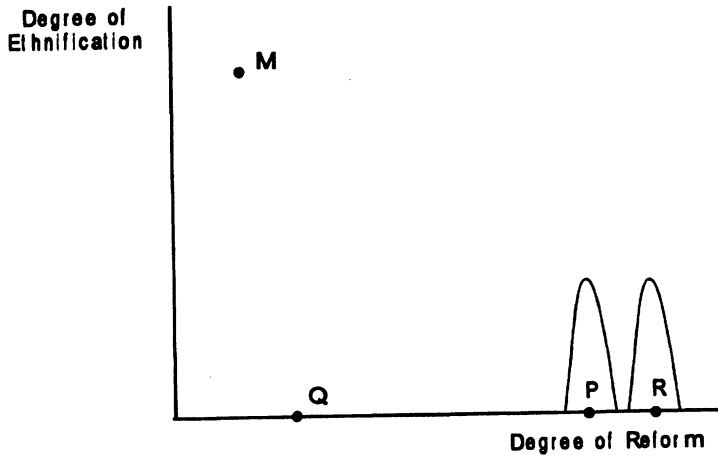


Figure 4. The initial politics of ethnification.

two dimensions. At the outset of *M*'s raising of the second dimension, the political situation was not substantially altered from that depicted in Figure 3. Although *M* preferred the ethnification of politics, neither *P* nor *R* held such a preference; indeed, the ethnic issue was initially met with indifference within Serbia. This is reflected in the structure of preferences assumed for *P* and *R* at this stage, which are shown in the diagram as ellipses. The short axis of the ellipse is depicted as horizontal, reflecting the fact that, at this time, a small change in economic policy mattered far more than a large change along the ethnic dimension. The status quo, *Q*, is also represented as unchanged. Under these circumstances, *P* prefers *R* to *M*, and *M* is still losing.

The essence of Milosevic's success is represented in Figure 5, which exhibits new ideal points for the players. Although *P* still prefers a high degree of economic reform, the pivot's preferences along the ethnification dimension have changed, now preferring a strong policy of ethnification. Two other aspects represented on the diagram are fundamental to the political transformation. First, notice that the orientation of the ellipse representing *P*'s preferences has shifted so that its short axis is now the vertical or ethnification dimension, not the reform dimension. Second, notice that *R* is represented as having also moved on the ethnification dimension, but not as far as *P*. The reason is that the reformers' comparative political advantage is reform, not ethnification. Just as Milosevic could not compete with them along the reform dimension, the reformers could not compete with Milosevic as a hard-liner and potential defender of Serbia in an environment of ethnic hostility.

These diagrams illustrate the transformation of the Serbian politics and of Milosevic's success. They do not explain that success, however: they fail to tell us



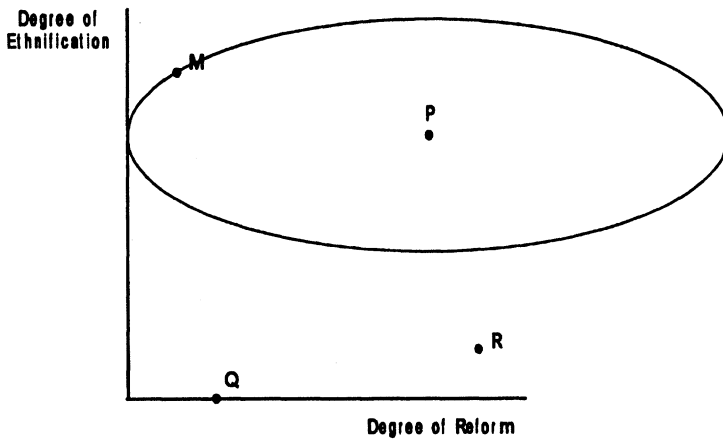


Figure 5. Milosevic's successful politics of ethnification.

why the critical shift in  $P$ 's preferences occurred. Answering this question, therefore, requires additional steps, to which we now turn.

#### Return to the General Framework

The essence of the Serbian political transformation concerns the interaction of Milosevic and  $P$ , the pivotal supporter within Serbia. How did  $P$  come to believe Milosevic's claims that the Croats were intent upon anti-Serbian violence and, perhaps, genocide? To address this question and thus the dynamics of the transition, we assume that the actual Croatian political type is not known to the pivot, although it is fixed in advance.<sup>64</sup> We model  $P$ 's uncertainty by positing that the Croats are one of two types: with probability  $\gamma$ , the Croats are aggressive, wanting not only independence but also to acquire as much territory and hegemony as possible; with probability  $(1 - \gamma)$ , they are not. We then explore the conditions under which  $P$  would give credence to Milosevic's insistence that the defense of ethnic interests represented the fundamental issue of Serbian politics.

The sequence of action is given in Figure 6. First, Nature determines the Croats' type.<sup>65</sup> For simplicity, we assume that this information is revealed to Milosevic but not to the pivot,  $P$ .<sup>66</sup> We represent the aggressive type as  $A$  and the peaceful, unaggressive type as  $\sim A$ . Second, Milosevic can either escalate the tensions and militarize Serbia further, an action we label  $E$ , or take a more peaceful stance, labeled  $\sim E$ . Third,  $P$  must choose whether to support Milosevic or the reformers, represented in the diagram as  $M$  and  $R$ , respectively. The dashed lines

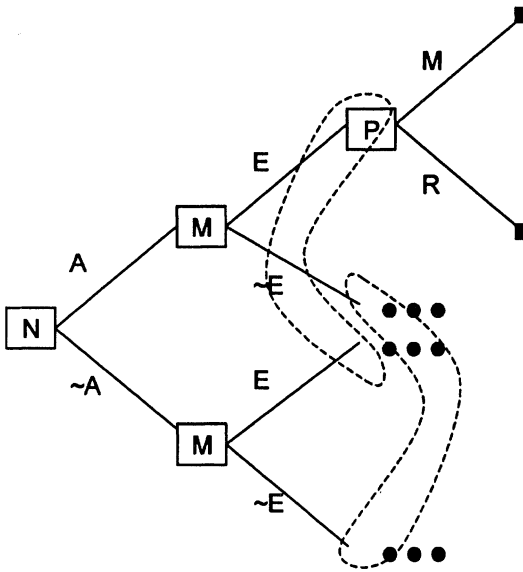


Figure 6. Extensive form of Yugoslavia game.

NOTE: Dots represent continuation of game symmetrically.

represent the information sets for the pivot. Because  $P$  does not know the Croats' type but can observe  $M$ 's action, they cannot distinguish between being on the first or third branch or between the second or fourth.

Next, we specify the preferences of the players. First,  $M$  prefers to retain power over all other outcomes. Second, the pivot  $P$  prefers Milosevic if they are facing an aggressive Croatia, and the reformers otherwise.

In this setting, the following strategies are an equilibrium, if  $\gamma$  is sufficiently high:

$M$  plays  $E$  if the Croats are type  $A$ ,  
 $M$  plays  $E$  if the Croats are type  $\sim A$ ,

and

$P$  plays  $R$  if  $M$  has played  $\sim E$ ,  
 $P$  plays  $M$  if  $M$  has played  $E$ . (2)

Note that the actions of  $M$  do not convey Milosevic's information about the Croatian type; in this sense, his action is what game theorists call "babbling." According to the strategies in (2),  $M$  plays  $E$ —that is, recruits a larger and more effective army—no matter what he observes about the Croats. But note also that  $M$  can nonetheless win by playing the ethnic card. The pivot's strategy calls for it to support  $R$  if  $M$  does not raise an army but to support  $M$  if he does raise one.

For a game-theoretic model to capture the politics of transition, it must address the following question: why is it rational for the pivot to behave this way? The answer comes from examining behavior on and off the equilibrium path. It is the latter that underscores the limitations of the rational choice perspective and its need for interpretivist accounts of choice and behavior.

As shown in (2) above, in equilibrium, the pivot would support the reformers if Milosevic chose not to raise an army but would support Milosevic if he did choose to raise one. The first part of the pivot's behavior is easy to comprehend. Given that *M* is a hard-liner, if he ever fails to raise an army, it implies that the Croats are not aggressive. Under these circumstances, it would then be safe for *P* to support the reformers.<sup>67</sup> The difficulty arises in understanding why *P* supports Milosevic when he has raised an army, knowing full well that *M* might well have done so strategically, that is, hoping it will convince *P* that the Croats are in fact aggressive.

In this equilibrium, *M*'s actions do not fool *P*; indeed, *M*'s actions convey no information. Rather, it is the underlying situation and the relevant values, given the uncertainty, that induce *P* to support *M*.

Consider the choices and payoffs facing *P*, given that *M* has "played" *E*, that is, chosen to mobilize an army. Because *P* is uncertain about the Croats' type, the payoffs from supporting either *M* or *R* are also uncertain. If the pivot supports *M*, its payoffs are as follows. With probability  $\gamma$ , the Croats are aggressive, but Milosevic has prepared by raising troops and remains in power to defend Serbia. This yields *P* a payoff we label *AM* for an aggressive type facing a Milosevic who has retained power. But with probability  $(1 - \gamma)$ , the Croats are not aggressive, though Milosevic has raised an army and remains in power to block reform, yielding a payoff of *PM*, for a peaceful type facing Milosevic. The expected payoffs from supporting *M* are thus  $\gamma AM + (1 - \gamma)PM$ .

Supporting *R* also yields uncertain payoffs. With probability  $\gamma$ , the Croats are aggressive, and although Serbia has an army, it remains without an effective leader to protect it, yielding a payoff of *AR*, for an aggressive Croatia facing reformers. With probability  $(1 - \gamma)$ , the Croats are not aggressive. In this event, the Serbian reformers initiate democracy and economic reform, yielding *P* a payoff of *PR*, the best outcome for *P*, following the previous labels. Supporting *R* thus yields *P* an expected payoff of  $\gamma AR + (1 - \gamma)PR$ .<sup>68</sup>

For the pivot to support *M*, the expected payoffs to *P* from supporting *M* must be larger than if *P* supports *R*, that is,

$$\gamma AM + (1 - \gamma)PM > \gamma AR + (1 - \gamma)PR. \quad (3)$$

Rearranging terms, this implies that

$$\gamma (AM - AR) > (1 - \gamma)(PR - PM). \quad (4)$$

Inequality (4) yields a natural interpretation. On the left-hand side, the term  $(AM - AR)$  represents the difference between supporting  $M$  and  $R$  given that the Croats are actually aggressive and that  $M$  has raised an army. When this is multiplied by  $\gamma$ , the probability that the Croats are aggressive, the left-hand side can be interpreted as the expected benefits from “correctly” supporting  $M$  when the Croats are aggressive. On the right-hand side, the term  $(PR - PM)$  is the difference in supporting  $R$  and  $M$  given that the Croats are not aggressive and that  $M$  has raised an army. When this is multiplied by  $(1 - \gamma)$ , the probability that the Croats are not aggressive, the right-hand side can be interpreted as the expected benefits from “correctly” supporting  $R$  when the Croats are not aggressive. Taken as a whole, the inequality says that, for it to be rational for  $P$  to support  $M$ , it must be that the expected benefits from supporting  $M$  over  $R$  when the Croats are aggressive exceed the expected benefits from supporting  $R$  over  $M$  when the Croats are not aggressive.

Note that the probabilities work against satisfying this inequality: prior to the initiation of hostilities, the probability that the Croats are aggressive,  $\gamma$ , is likely to have been relatively low. This implies that although  $M$  possesses a comparative advantage in fighting the Croats, given that they are aggressive, the probability that this gain will be realized was low. What drives the “ethnification” of politics, then, is the difference in the *stakes*. Even assuming that the economic and political reform succeeds in generating positive increases in welfare, such increases are not likely to be high. The differences in growth rates under Milosevic versus the reformers is at most likely a few percentage points higher a year. In contrast, if Croatia is aggressive, Serbs stand to lose significant freedom and even modest prosperity if they are unprepared, an outcome that in comparison to making the “correct” choice is likely large in cost. Further, the model is extremely flexible in this regard since one can analyze potential actions under a range of possible Croatian types: the more aggressive Croatia might be, the lower the probability necessary for the pivotal Serb to choose Milosevic. In the extreme, if  $P$  believes Croatia is actually genocidal, a claim made by some observers, and Serbia is unprepared, Serbs stand to lose everything—their property, their children, their lives—and to do so in short order. The consequences of genocide are simply far larger than those from reform. In sum, the expected benefits of having Milosevic as president when the Croats are aggressive therefore swamp the expected costs from supporting him instead of the reformers when they are not.

Phrased differently, the ethnification of politics depends on whether the pivot’s assessment of the likelihood that the Croats were aggressive was greater or lower than the minimal probability,  $\gamma^*$ , necessary for the pivot to support Milosevic.<sup>69</sup> The disparity in the stakes implies that  $\gamma^*$  is closer to 0 than to 1. Further, as Croatia is believed to be a greater threat,  $\gamma^*$  becomes smaller and smaller: even if the probability of genocide is small, it is enough to motivate action. Hence,

the key to the transition lay in the shift of  $P$ 's subjective probability to a level above  $\gamma^*$ , which enabled Milosevic to gain credence for his ethnic claims.

Our explanation for Milosevic's success thus far has relied on two elements (section IV discusses a final and critical element): first, Milosevic's attempts at misinformation and manipulation, here modeled as his decision to escalate tensions regardless of the Croats' true type; second, the asymmetry of the stakes, which imply that  $\gamma^*$  is closer to 0 than to 1.

We end this section with the discussion of a third point, focusing on behavior that does not occur in equilibrium. The analysis thus far has stressed behavior "on the equilibrium path," as outlined in (2). But this behavior is supported in equilibrium by beliefs about the value of the outcomes that would result were the players to make other choices—the parts of the strategies that never occur condition the behavior that does. Were Milosevic to pick  $\sim E$  and thus stray off of the equilibrium path, then, by (2), the pivot would support the reformers (i.e., choose  $R$ ). An examination of the game tree suggests that the pivot would behave that way if (rearranging inequality (4))

$$\frac{\gamma}{1-\gamma} > \frac{PR - PM}{AM - AR}. \quad (5)$$

The expression  $(PR - PM)$  represents the pivot's evaluation of the net gain that would occur if the reformers rather than Milosevic were to rule when the Croats were peaceful. The expression  $(AM - AR)$  represents the pivot's valuation of the net gain that would occur if Milosevic were to rule rather than the reformers when the Croats were in fact aggressive. Given the relative magnitude of these net gains, the odds of the Croats being aggressive need not be at all high for the inequality to hold and thus for the pivot to choose  $R$ . Knowing that, Milosevic would therefore not choose  $\sim E$ , that is, would not choose to deviate from his equilibrium choice of strategy. The response of the pivot that he could expect were he to do so constitutes, in effect, a threat that keeps Milosevic from altering his behavior.

Condition (2) thus results from rational responses to information about the behavior of the Croats. But choices made along the equilibrium path also result from conjectures about behavior that is never observed: the choices that the pivot would make if Milosevic altered his choice of strategy. These choices depend upon assessments of likelihoods in situations that do not in fact occur. Whereas behavior along the equilibrium path can be analyzed using Bayes's rule and the theory of rational choice under uncertainty, behavior off the equilibrium path cannot. For in calculating the probability of outcomes off the equilibrium path, the actors lack the data that would enable them to form rational beliefs (i.e., beliefs formed in accordance with Bayes's rule).

This observation has an important implication. As players never directly encounter off-the-path situations (subgames off the equilibrium path), they must make decisions in response to their own conjectures or to interpretations

advanced by others. Direct experience with these situations does not shape or constrain these interpretations. Perception, debate, persuasion, influence, and rhetoric: these processes, rather than rational decision making and experience, govern the calculations that inform the choice of strategies off the equilibrium path.

Our analysis of the Serbian case thus helps us to demonstrate that a rational account of political choice in strategic settings requires an analysis of behavior both on and off the equilibrium path. Fear of what will result from departures from the equilibrium choice of strategies constitutes a major portion of the reason that they are chosen. Interpretivist accounts thus necessarily represent complements to rational choice explanations, in part because they offer insight into the "cautionary tales" that inform people's behavior.

#### IV. DISCUSSION

In the case of Zambia, this paper has explored the politics of symbolic communication: the way in which alienated urban masses turned to the streets to signal their disaffection, thereby precipitating the return to democracy. In the case of Serbia, it has explored the politics of identity and revolutionary transformation: the redefinition of politics as a matter of ethnicity rather than economics, resulting in the costly abandonment of economic reform and the rise of ethnic violence. By analyzing these cases, this paper has explored the complementarities between interpretivist and rational choice approaches to the study of politics.

The "cultural" knowledge required to complete a rational choice explanation reveals the complementarity of the approaches. Game theorists often fail to acknowledge that their approach requires a complete political anthropology. It requires detailed knowledge of the values of individuals, of the expectations that individuals have of each others' actions and reactions, and of the ways in which these expectations have been shaped by history. Game-theoretic accounts require detailed and fine-grained knowledge of the precise features of the political and social environment within which individuals make choices and devise political strategies. To construct a coherent and valid rational choice account, then, one must "soak and poke" and acquire much the same depth of understanding as that achieved by those who offer "thick" descriptions. As John Ferejohn argues,

Rational choice theory is, in this sense, an interpretive theory that constructs explanations by "reconstructing" patterns of meanings and understandings (preferences and beliefs) in such a way that agents' actions can be seen as maximal given their beliefs. In this sense the logic of rational choice and the logic of interpretivist or culturalist approaches are similar: start with observed data (behavior including documents and letters, practices, institutions), and reconstruct actors and their inner attributes (meanings, beliefs, values) in such a way that the data are as fully explained or accounted for as possible.<sup>70</sup>

Interpretivists, focusing on symbols, significance, and meaning, argue that action and events do not speak for themselves but instead must be interpreted. The same events may have very different meanings in different cultures, and different



distinctions surrounding particular events can have different meanings. Thus, in the *Zambian game*, the political significance of the actions of the crowd varied, depending not only on what they did but also upon the inferences drawn—the interpretations attributed to them—by others. Meaning was constructed through the process of interaction and emerged as part of the equilibrium of the game.

The sequential game used to discuss the *Zambia case* reveals that signaling games capture precisely the same aspect of interpretation. The equilibrium of the game drew a distinction between rioting and rioting and burning. Rioting alone could indicate an attempt to convey dissatisfaction with the regime's policies. Burning the hallowed party shrine, however, had a more precise symbolic meaning: it indicated the urban dwellers' anger and alienation. Nothing inheres within this distinction to compel this meaning; the distinction is symbolic in precisely the way interpretivists suggest. In this way, signaling games reflect the ways in which individuals and communities ascribe meaning to events.

To further advance the agenda of intellectual complementarity, we turn to two key phenomena. One is the politics of ideas; the other is the politics of interpretation. In addressing these two subjects, it should be noted that we omit discussion of a third: the literature on social movements. The linkages that run from Durkheim to Goffman and thus to Tarrow, Tilly, Kuran, and others run as well through our analysis.<sup>71</sup> Because the connections are so apparent, we feel little need to elaborate upon them.

### *The Role of Ideas*

Rational choice theorists typically eschew the notion that ideas affect political choice.<sup>72</sup> As Shepsle illustrates, many instrumentalists believe that a simpler focus on interests alone is often adequate to explain the political event in question, relegating the "idea" to an epiphenomenon.<sup>73</sup> Those convinced of the power of ideas typically provide no evidence to counter Shepsle's argument. They also fail to explain why some ideas gain intellectual hegemony over others. If any of ten thousand ideas are potentially relevant, then a theory of the role of ideas must explain why one idea gains prominence. That scholars believing in the role of ideas have not countered Shepsle's objection does not mean ideas can safely be ignored, however. In this essay, we have sought insight into the mechanisms that underlie the politics of symbols, identities, and other subjective states. The approach we develop has significant implications for the literature on the role of ideas as well.<sup>74</sup>

Consider the case of Yugoslavia, where the initial controversy in Serbia focused on the question of whether the Croats were hostile. The resulting ethnification of politics hinged on Milosevic remaining in power, in turn requiring that the Serbian pivot accord sufficient likelihood to Milosevic's characterization of the Croats' intentions. But given their initial implausibility, how did Milosevic's ideas gain prominence, convincing Serbs that an aggressive response was the only path toward safety?

In answering this question, many emphasize Milosevic's ruthlessness, his skillful use of the old communist apparatus, and his near monopoly control over the media. All may be true, but, in our view, they are insufficient to explain why his ideas gained sufficient hegemony to keep Milosevic in power and to support the ensuing ethnification of politics.

Our approach provides insight into these matters. By embedding the problem in a model of choice under uncertainty—here, a signaling game—we translate the problem of the influence of ideas into the one about changes in the likelihood estimates held by decision makers. In this view, ideas matter because they affect how individuals interpret their world via the likelihoods they accord alternative possibilities.

The cases presented here illustrate this point. Milosevic did not have to convince Serbians (technically, the Serbian pivot) that his idea—his hypothesis that the Croats were aggressive—was correct. Rather, he had to convince them that his ideas were *sufficiently plausible*. In technical terms, the problem turns on the probability,  $\gamma$ , that the Croats were aggressive. The model showed that the condition for the pivot to support  $M$  was that  $\gamma > \gamma^*$ , not that  $\gamma = 1$ . And in this case, given the asymmetry in the stakes,  $\gamma^*$  was, in fact, much closer to 0 than to 1, and yet  $\gamma > \gamma^*$  was sufficient to generate the political transition. Similarly, in the Zambian case, for the urbanites' riots to be effective in inducing Kaunda to subsidize grain prices, their meaning—that urban dwellers would support a dissident-backed challenge unless they were subsidized—had to be sufficiently plausible. If the probability that they were moderate, relative to their being satisfied, was small relative to the stakes for Kaunda, riots would not be effective.

This result has important implications for the power of ideas. Scholars often emphasize the irrationality of an ideology, noting, for example, that the alternative idea was more plausible than the idea that gained intellectual hegemony. Our approach suggests that the influence of ideas does not depend on relative plausibility but rather on the balance between plausibility and the stakes, that is, between *probabilities* and *payoffs*. At the outset of the process of ethnification, the idea that the Croats were hostile remained less plausible than the idea that they were not hostile and that their actions could easily be explained as defensive maneuvers. Nonetheless, our model suggests that Kaunda and the Serbians could have rationally acted on the ideas of urban disaffection and Croatian hostility because the costs of being wrong were large.

Our perspective emphasizes that, to have an effect, an idea must not simply be announced and publicized; endless repetition from a monopoly media is not sufficient. Rather, the idea must somehow gain some external validity, a process we model via Bayes's rule and its effects on citizens' likelihood estimates. The initial Serbian expectations about the Croats held that the probability the latter were aggressive was low. Something had to convince Serbians that this probability was larger, and Milosevic could not accomplish that on his own. Events in Croatia

served to “verify” Milosevic’s hypothesis. In terms of Bayes’s rule, these events increased the probability that Milosevic was correct. Consider Croatia’s move toward independence; its adoption of the symbols of the Ustashe regime; the emergence of its own hard-line, nationalist, and anti-Serbian politics; its firing of domestic Serbs from police positions; and, most important, the eruption of guerilla warfare—all these events external to Milosevic served to increase the probability that Milosevic’s assertions were correct. Moreover, as we argued, this increase accords with the rationality inherent in Bayes’s rule.

To gain credence, interpretations of politics and history cannot be unconstrained. As we illustrate in the case of the war between Croatia and Serbia, the rhetorical persuasiveness or emotional appeal of a particular leader is not sufficient to explain why individuals accept that leader’s ideas and interpretations. Individuals do not automatically or blindly endorse a leader’s claims. Interpretations must interact with events in a way that “makes sense” of the world. And that is not solely a matter of culture and identity. Similarly, the symbolic role of the burning of Kaunda’s Land Rover does not explain, in and of itself, the transition from an UNIP government in Zambia. The usefulness of these symbols are constrained by the process and context of interaction between all of the actors there. Thus, our interpretations are complemented by two factors. First, the process must be consistent with Bayes’s rule. The necessity for verification and for updating consistently with Bayes’s rule places striking constraints on what types of interpretations help make sense—help provide meaning—to the political audience. Second, actions—symbolic or otherwise—should only be understood in the context of interactions among actors and not as ends in themselves.

Our analysis also helps to account for discontinuous change in both the saliency of ideas and in political behavior, that is, not just persuasion but also conversion. Events and information cause individuals to revise their beliefs about relevant probabilities. As these probabilities change, they may cross particular boundaries. In our models, an increase in the probability  $\pi_2$  relative to  $\pi_1$  in the Zambian case and of  $\gamma$ , from below to above  $\gamma^*$ , in the Yugoslavian case causes individuals to change their actions: from ignoring riots to responding to them, from ignoring Milosevic’s ideas to embracing them. Thus, the model helps to explain how long periods of peace and quiescence, perhaps decades, can be followed by the sudden eruption of conflict.<sup>75</sup>

Equally as important, the model suggests the conditions under which such transitions will occur. Returning to the Serbian case, two parameters proved critical: the probability,  $\gamma^*$ , that the Croatians were aggressive and the relative stakes,  $S$ , if violence erupts. Given the formula for calculating  $\gamma^*$ , we can derive the intuitively plausible comparative statics result that  $\partial\gamma^*/\partial S < 0$ . In other words, as the stakes of violence rise, the critical probability unleashing support among Serbians for Milosevic declines—thus increasing the likelihood of abrupt transitions. This comparative statics result combines with the point about irrationality above: as the

stakes get larger, not only does the critical probability unleashing violence go down, but the more likely that, *ex post*, violence was unleashed when it was not called for. High stakes imply a very low  $\gamma^*$ . Under these conditions,  $\gamma > \gamma^*$  implies that individuals rationally support aggressive (and defensively motivated) violence, even when it is unlikely that the opponents are aggressive.

Armed with these insights, we can return to Zolberg's argument about "moments of madness." These moments represent sharp, discontinuous change, when an old order disintegrates and a new one is born. Within our model of Yugoslavia, these moments occur when  $\gamma$  rises above  $\gamma^*$ , that is, when the pivot is convinced by circumstances to drop an old, well-established, and possibly long-held system of beliefs. Our model suggests one set of conditions for such a switch in ideas: the presence of great threats. Such threats imply that the value of the status quo is low and, possibly, deteriorating quickly. In the Serbian case, once he had convinced the pivot to reject the old belief system about the Croats and to support him, Milosevic had considerable freedom in the degree of escalation of the conflict. Milosevic, and hence the content of his ideas and their consequences, could have located in any number of places in the political space and still have succeeded in supplanting the old idea. More generally, the worse the pivot judges the status quo, the greater the range of policies the pivot prefers to  $Q$  and hence the greater the discretion of the framer/agenda setter (Figure 5). In this sense, we agree with Zolberg that "all [becomes] possible."<sup>76</sup>

The critical insight offered by our model is that these moments are not created by rhetoric alone but by a specific type of interaction between the rhetoric and actual events. Our view suggests that moments of madness happen when the stakes are high and possibly highly asymmetric, that is, when there is a real danger. As a consequence, the pivot can support a large range of policies over the status quo, thus allowing not just for a discontinuous switch in ideas but for a dramatic switch from social cooperation to ethnic warfare.

This discussion once again underscores the larger point of our paper: that interpretive and rational choice approaches are complementary and, together, provide a deeper and more powerful account than either alone.

Zolberg's study of moments of madness focused on a phenomenon outside the traditional ken of rational choice theory, and he explicitly doubted that instrumentalist approaches could explain it. We have demonstrated that a plausible instrumental account of these moments is possible. But this does not imply that either approach supplants the other. The advantage of the traditional approach is its rich characterization and understanding of the three phases of any crisis with a moment of madness: the *ex ante* belief system; the crisis, including the events leading up to the undoing of the old system and the specific moment of madness; and the consequences, often including a new belief system. The advantage of our approach is that it suggests something about the mechanisms associated with such

moments. This includes a set of conditions showing that the specific pattern of the old belief system and events must serve to raise  $\gamma$  above  $\gamma^*$ .

*The politics of interpretation.* A key question, then, is where do beliefs come from?<sup>77</sup> The interpretivist account of politics would point to two closely related answers. Rational choice theorists would disagree with neither. But taken together, the two suggest important limitations in rational choice theory and the need for further work.

The first answer is from history or prior experience. The games analyzed in the text can be thought of as the last stage of a longer and more extended process, in which historical experience shapes beliefs. In an account based upon history, the eventual overthrow of the UNIP regime in Zambia and the tragic results captured in the Serbian signaling game represent the outcome of an extended process of (Bayesian) learning.

Such an historical perspective can be assimilated into a rationalist account. In both games analyzed above, all of the probabilities— $\pi_1$  and  $\pi_2$  in the Zambia game,  $\gamma$  in the Yugoslavia game—are treated as prior probabilities. But beliefs are revised in the light of new data. This suggests that these beliefs can be reconceptualized as posterior probabilities generated by a process antecedent to that modeled in the text. And the outcome of the game—the choices that occur in equilibrium—can thus be seen as the product of previous beliefs and encounters with historical experiences.

To illustrate, suppose that the critical value that supported the pivotal player's decision to abandon the reformers and to support Milosevic in the Yugoslavia game was  $\gamma^* = 0.2$ . Suppose as well that the pivot also believed that the Croats, if aggressive, would claim independence with certainty and, if not aggressive, would do so with probability 0.5. Finally, suppose that the pivotal players then observed that the Croats demanded independence. The elementary laws of probability imply a precise value of the prior (0.11) that yields the subsequent posterior of 0.2. The prior probability used in the game,  $\gamma$ , thus need not be taken as exogenous but rather can be regarded as the product of the sequential revision of prior beliefs based on historical experience.

People do not respond to objective facts or new data, interpretivists argue, however. Rather, they respond to interpretations of events. Interpretivists therefore point to a second factor that shapes the beliefs underlying people's choices of actions: their worldviews. Say, for example, that the Croats claim independence. Are they then to be regarded as aggressive? The answer depends upon beliefs about the relative likelihood of how different types of persons are likely to behave. Actions lead to revisions in beliefs only after being interpreted; the way in which they will be interpreted depends upon the worldview brought to bear upon them.

This argument, too, can enhance a rational choice approach to the study of politics. Once again, the prior probabilities in the signaling games— $\pi_1$ ,  $\pi_2$ , and  $\gamma$ —can be reconceptualized as a posterior probability of an antecedent process. But rather than being thought of as a belief revised in the light of objective experience, it can be thought of as a belief revised in the light of interpreted experience. After observing data, beliefs are formed by combining prior beliefs about the world with what interpretivists might call worldviews but what statisticians call likelihood functions.

From this perspective, the two points made thus far simply represent an exegesis of Bayes's rule. Label historical experience  $D$  (for data) (e.g., the Croats have declared independence). Assume a set  $H = \{H_1, \dots, H_n\}$  of mutually exclusive, collectively exhaustive hypotheses that assign probabilities of observing that data, given a hypothesized underlying causal process (e.g., the political proclivities of the Croats). Then Bayes's rule states

$$P(H_i|D) = P(H_i)P(D|H_i) / [P(H_1)P(D|H_1) + \dots + P(H_n)P(D|H_n)] \quad (6)$$

The left-hand side constitutes the posterior distribution. It is a probability in precisely the same sense as  $\gamma$ ; in this case, it can be taken as an assessment of the aggressive nature of the Croats, given that they declare independence. The first term on the right-hand side,  $P(H_i)$ , is the prior distribution: the original beliefs concerning the nature of the Croats. The second term constitutes the likelihood function; it gives the probability of the Croats declaring independence, given beliefs about how they would be likely to behave given different hypotheses about their true nature. The posterior probability results when a decision maker revises his or her prior probability in light of the observed data and the likelihood function. By Bayes's rule, historical experience and worldviews, then, both play a role in transforming prior beliefs into posteriors.

Thus far, the arguments of interpretivists nudge rational choice theorists along well-trod paths. Both the first answer—the appeal to history—and the second—the appeal to worldviews—lead back to Bayes's rule. But when taken together, they provoke a deeper reconceptualization. Recall the first point: that the game analyzed in the text be thought of as the last stage in a more extensive process, in which probabilities are revised over time. Recall the second: that subjective worldviews play a major role in shaping the way such beliefs are revised. Taken together, these two points imply that the struggle over subjective worldviews should itself be treated as a strategic process.

Each equilibrium in the signaling games of section III depends upon a particular set of beliefs that supports a corresponding choice of strategies. The players will not be indifferent over the various equilibria, however. A sophisticated player will therefore seek to influence the choice of equilibrium. Given the lines of reasoning developed in this section, he or she might do so by seeking to alter other players' beliefs in an effort to induce a change in their choice of strategy. And if recall or knowledge is imperfect, he or she might seek to reinterpret history,



thereby altering the way in which prior probabilities are revised and other players' assessments of their best strategies.

Interpretivists have long realized that people seek to shape the future by reinterpreting the past. Comparativists have long acknowledged the political power of intellectuals, particularly in the kinds of situations studied in this article, in which the past is reinterpreted for today's political purposes. The discussion in this section indicates the current limitations in the ability of rational choice theory to incorporate such insights.

We have taken the first steps toward incorporating some of the fundamental insights of interpretivism within a rational choice approach. More are necessary. We have nonetheless shown how a healthy interplay between interpretivism and rational choice theory results in a better understanding of political phenomena. Taken together, they constitute a more powerful means for understanding than either alone.

## V. CONCLUSIONS

In this paper, we have sought to build bridges between approaches that too often sit at "separate tables": rational choice and especially game theory, on one hand, and interpretivist approaches, on the other.<sup>78</sup> We have argued that they should be seen as complements rather than rivals.

In part because it was first developed to study the politics of advanced industrial democracies, rational choice theory has offered little insight into forms of politics characteristic of many regions of the world: the turbulent politics of culture and the unstable politics of political transition. In response to the challenges posed by such forms of politics, we have moved from the forms of rational choice analysis commonly applied to rule-governed settings to forms better suited to the analysis of symbolic gestures and precipitous political change. In doing so, we have found that, contrary to our own initial expectations and the expectations of others, interpretivist and rational choice theory stand as complements rather than as rivals. Interpretivist accounts illuminate the power of ideas, the influence of history, the significance of intellectuals, and the persuasive power of political rhetoric and dramaturgy. Rational choice analysis helps to explain the mechanisms that account for the impact of these political forces. The complementarity of these traditions thus stands as one lesson.

A second lesson is that our analysis suggests how rational choice theory can illuminate aspects of political transition and discontinuity. Although the lion's share of rational choice applications may be to the highly institutionalized politics of the developed West, these settings are not necessary for its application.

A final lesson is a sense of the limitations of rational choice theory. To succeed in accounting for the forms of manipulation explored in this article, rational choice theorists must face the deeper challenge posed by interpretivist accounts: that the structure of beliefs is not exogenous. In the last section, we sketched



several ways in which rational choice theory could approach this phenomenon. But we also encountered a major gap that must be spanned before rational choice theory can analyze the strategic manipulation of beliefs—a fundamental property of the politics of culture and transitions.

## NOTES

1. When we refer to “rational choice theory,” we refer to the theory of games and decisions. We therefore omit many alternative forms, such as the new institutionalism, open economy politics, theories of rent seeking, and collective action. See Douglass C. North, *Institutions, Institutional Change, and Economic Performance* (New York: Cambridge University Press, 1990); Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton, NJ: Princeton University Press, 1989); Robert H. Bates, *Open Economy Politics* (Princeton, NJ: Princeton University Press, 1997); Anne O. Krueger, “The Political Economy of the Rent Seeking Society,” *American Economic Review* 64 (1974): 291-303; Mancur Olson, *The Logic of Collective Action* (Cambridge, MA: Harvard University Press, 1965).

2. See, for example, David P. Baron and John A. Ferejohn, “Bargaining in Legislatures,” *American Political Science Review* 83 (1989): 1181-1206; Gary W. Cox and Mathew D. McCubbins, *Legislative Leviathan: Party Government in the House* (Berkeley: University of California Press, 1993); Keith Krehbiel, *Information and Legislative Organization* (Ann Arbor: University of Michigan Press, 1991); Kenneth Shepsle, “Institutional Arrangements and Equilibria in Multidimensional Voting Models,” *American Journal of Political Science* 23 (1979): 27-51; and Barry R. Weingast and William J. Marshall, “The Industrial Organization of Congress; or, Why Legislatures, Like Firms, Are Not Organized as Markets,” *Journal of Political Economy* 96 (1988): 132-163.

3. See David Epstein and Sharyn O’Halloran, *Delegating Powers: A Transaction Cost Politics Approach to Policy Making under Separate Powers* (New York: Cambridge University Press, 1999).

4. See William N. Eskridge, Jr., “Reneging on History? Playing the Court/Congress/President Civil Rights Game,” *California Law Review* 79 (1992): 613-684.

5. Mathew McCubbins, Roger Noll, and Barry R. Weingast, “Structure and Process, Politics and Policy: Administrative Arrangements and the Political Control of Agencies,” *Virginia Law Review* 75 (March 1989): 431-482; Terry M. Moe, “The Political Structure of Agencies,” in John E. Chubb and Paul E. Peterson, eds., *Can the Government Govern?* (Washington, DC: Brookings Institution, 1989); John A. Ferejohn and Charles R. Shipan, “Congressional Influence on Administrative Agencies: A Case Study of Telecommunications Policy,” in Lawrence C. Dodd and Bruce I. Oppenheimer, eds., *Congress Reconsidered*, 4th ed. (Washington, DC: Congressional Quarterly Press, 1989).

6. See Bruno S. Frey, *Not Just for the Money: An Economic Theory of Personal Motivation* (Cheltenham, UK: Edward Elgar, 1998).

7. See, for example, Gary W. Cox, *Making Votes Count* (New York: Cambridge University Press, 1997); Michael Laver and Kenneth A. Shepsle, *Making and Breaking Governments* (New York: Cambridge University Press, 1996); J. Mark Ramseyer and Frances McCall Rosenbluth, *Japan’s Political Marketplace* (Cambridge, MA: Harvard University Press, 1993); Geoffrey Garrett, *Partisan Politics in the Global Economy* (New York: Cambridge University Press, 1998); and George Tsebelis, *Nested Games* (Berkeley: University of California Press, 1990).

8. See, for example, Barry M. Rubin, *Islamic Fundamentalism in Egyptian Politics* (New York: St. Martin’s, 1990); American Academy of Arts and Sciences, *Islamic*

*Fundamentalism and the Gulf Crisis* (Chicago: American Academy of Arts and Sciences, 1990). It is important to note that this is not exclusive to non-Western countries and cultures but is simply more stark.

9. See, for example, Crawford Young, *The Rising Tide of Cultural Pluralism* (Madison: University of Wisconsin Press, 1993); Donald Horowitz, *Ethnic Groups in Conflict* (Berkeley: University of California Press, 1985).

10. Myron Weiner and Samuel P. Huntington, *Understanding Political Development* (Boston: Little, Brown, 1987).

11. Recall Zolberg's discussion of what he called "moments of madness" in which people detach themselves from prevailing political alignments and realize that "all is possible." It is notable that Zolberg decries the blunt instruments offered by instrumentalist theories for the study of such defining political moments. "So much in the conventional paraphernalia of political science is founded on axiomatic instrumentalism," he writes, "that we do not know what to make of [such] events." Aristide R. Zolberg, "Moments of Madness," *Politics and Society* 2 (1972): 183-207. But note also the recent contributions of Susanne Lohmann, "The Dynamics of Informational Cascades," *World Politics* 47 (1994): 42-101, and Timur Kuran, *Private Truths, Public Lies* (Cambridge, MA: Harvard University Press, 1995).

12. Adam Przeworski, *Democracy and the Market* (Cambridge: Cambridge University Press, 1991); Robert H. Bates and Anne O. Krueger, "Generalizations Arising from the Country Cases," in Robert H. Bates and Anne O. Krueger, eds., *Political and Economic Interactions in Economic Policy Reform* (Oxford, UK: Blackwell, 1993).

13. See, for example, Aletta Biersack, "Local Knowledge and Local History: Geertz and Beyond," in Lynn Hunt, ed., *The New Cultural History* (Berkeley: University of California Press, 1989); Richard Johnson, "What Is Cultural Studies Anyway?" *Social Texts*-016 (1986-1987): 38-80.

14. See, for example, Virginia Domínguez, *White by Definition: Social Classification in Creole Louisiana* (New Brunswick, NJ: Rutgers University Press, 1988).

15. See, for example, Parthan Chatterjee, *Nationalist Thought and the Colonial World* (London: Zed Books, 1986); Patrick Williams and Laura Chrisman, *Colonial Discourse and Post-Colonial Theory* (New York: Columbia University Press, 1994).

16. See, for example, Michael Ignatieff, *Blood and Belonging* (New York: Farrar, Straus, & Giroux, 1993).

17. See, for example, Benedict Anderson, *Imagined Communities* (New York: Verso, 1991).

18. See, for example, Scott Michaelsen and David Johnson, eds., *Border Theory: The Limits of Cultural Politics* (Minneapolis: University of Minnesota Press, 1997).

19. See, for example, E. J. Hobsbawm and Terrence Ranger, eds., *The Invention of Tradition* (Cambridge: Cambridge University Press, 1983).

20. Murray Edelman, *Constructing the Political Spectacle* (Chicago: University of Chicago Press, 1988).

21. See, for example, Clifford Geertz, *Negara: The Theater State in Bali* (Princeton, NJ: Princeton University Press, 1980); Nicholas Dirks, Geoff Eley, and Sherry B. Ortner, *Culture/Power/History* (Princeton, NJ: Princeton University Press, 1993).

22. Homik Bhabha, *The Location of Culture* (London: Routledge Kegan Paul, 1994).

23. Erving Goffman, *The Presentation of Self in Everyday Life* (New York: Doubleday, 1965); Erving Goffman, *Strategic Interaction* (Philadelphia: University of Pennsylvania Press, 1969); Edelman, *Constructing the Political Spectacle*; Joseph Gusfield, *The Culture of Public Policies* (Chicago: University of Chicago, 1980).

24. See John A. Ferejohn, "Rationality and Interpretation: Parliamentary Elections in Early Stuart England," in Kristen Renwick Monroe, ed., *The Economic Approach to Politics* (New York: HarperCollins, 1991); David D. Laitin, *Hegemony and Culture: Politics and Religious Change among the Yoruba* (Chicago: University of Chicago Press, 1986); and David D. Laitin, *Identity in Formation: The Russian-Speaking Populations in the Near Abroad* (Ithaca, NY: Cornell University Press, 1998).

25. Samuel P. Huntington, *The Third Wave* (Norman: University of Oklahoma Press, 1991).

26. See Cherry T. Gertzel, Carolyn Baylies, and Morris Szeftel, *The Dynamics of the One-Party State in Zambia* (Manchester, UK: Manchester University Press, 1984); William Tordoff, ed., *Politics in Zambia* (Berkeley: University of California Press, 1974); William Tordoff, *Administration in Zambia* (Manchester, UK: Manchester University Press, 1990).

27. See Carolyn Baylies, "Zambia's Economic Reforms and Their Aftermath: The State and the Growth of Indigenous Capital," *Journal of Commonwealth and Comparative Politics* 20 (1982): 235-263.

28. See the data given in D. Hywel Davies, ed., *Zambia in Maps* (London: University of London Press, 1971).

29. See Doris Jansen Dodge, *Agricultural Policy and Performance in Zambia* (Berkeley, CA: Institute of International Studies, 1977).

30. For a discussion, see Gertzel, Baylies, and Szeftel, *The Dynamics of the One-Party State in Zambia*, and William Tordoff, "Residual Legislatures: The Cases of Tanzania and Zambia," *Journal of Commonwealth and Comparative Politics* 15 (1977): 234-249.

31. Robert H. Bates and Paul Collier, "Zambia," in Robert H. Bates and Anne O. Krueger, eds., *Political and Economic Interactions in Economic Policy Reform* (Oxford, UK: Blackwell, 1993), 420-421.

32. *The Times* [London] 29 June 1990.

33. This tradition draws on, among others, George Rude and Eric Hobsbawm, *Captain Swing* (New York: Pantheon, 1968). For studies of urban political protest, see Janice Perlman, *The Myth of Marginality* (Berkeley: University of California Press, 1976); this tradition of political analysis draws on George Rude, *The Crowd in History* (New York: John Wiley, 1964). For studies of rural protest, see James C. Scott, *Weapons of the Weak* (New Haven, CT: Yale University Press, 1985) and James C. Scott, *Domination and the Arts of Resistance* (New Haven, CT: Yale University Press, 1990).

34. For studies emphasizing popular protest in defense of subsistence entitlements, see James C. Scott, *The Moral Economy of the Peasant* (New Haven, CT: Yale University Press, 1976). In addition to the studies by Rude noted above, see also Charles Tilly, ed., *The Formation of Nation States in Western Europe* (Princeton, NJ: Princeton University Press, 1975).

35. This account draws on Steven L. Burg, *Conflict and Cohesion in Socialist Yugoslavia* (Princeton, NJ: Princeton University Press, 1983); Steven L. Burg and Michael L. Berbaum, "Community, Integration, and Stability in Multinational Yugoslavia," *American Political Science Review* 83 (1989): 535-554; Aleksa Djilas, *The Contested Country: Yugoslav Unity and Communist Revolution, 1919-1953* (Cambridge, MA: Harvard University Press, 1991); V. P. Gagnon, "Serbia's Road to War," *Journal of Democracy* 5 (1994): 117-131; V. P. Gagnon, "Ethnic Nationalism and International Conflict: The Case of Serbia," *International Security* 19 (1994-1995): 130-166; Misha Glenny, *The Fall of Yugoslavia* (New York: Penguin, 1992); Ignatieff, *Blood and Belonging*; Branka Magas, *The Destruction of Yugoslavia: Tracking Yugoslavia's Break-up 1980-92* (New York: Verso, 1993); Claus Offe, "Strong Causes, Weak Cures," *East European Constitutional Review* 1

(1992): 21-23; William Pfaff, "Invitation to War," *Foreign Affairs* 72 (1993): 97-109; Laura Silber and Allan Little, *Yugoslavia: Death of a Nation* (New York: TV Books/Penguin USA, 1995); and Susan Woodward, *Balkan Tragedy: Chaos and Dissolution after the Cold War* (Washington, DC: Brookings Institution, 1995).

36. Robert D. Kaplan, *Balkan Ghosts: A Journey through History* (New York: St. Martin's, 1993). Although Ignatieff and Pfaff argue against the primordial view, they both acknowledge its prevalence among observers and participants. Pfaff observes that "war in the Balkans is widely thought to be atavistic, the product of a perverse time warp that unloads fourteenth-century hatreds." Pfaff, "An Invitation to War." Ignatieff writes, "Nationalists everywhere turn the historical record into a narrative of self-justification." Ignatieff, *Blood and Belonging*.

37. Gagnon, "Ethnic Nationalism and International Conflict."

38. Horowitz, *Ethnic Groups in Conflict*; David Laitin, *Language Repertoires and State Construction in Africa* (New York: Cambridge University Press, 1988); Donald Rothchild and Victor Olorunsola, *State versus Ethnic Claims* (Boulder, CO: Westview, 1983).

39. Similarly, the comparative literature on nationalism emphasizes the systematic evolution of the locus of community over time in the modern era. See, for example, Anderson, *Imagined Communities*; Ernst Gellner, *Nations and Nationalism* (Ithaca, NY: Cornell University Press, 1983); and E. J. Hobsbawm, *Nations and Nationalism since 1780* (New York: Cambridge University Press, 1992). Put simply, this historical perspective demonstrates that identity is not primordial but is a social process, if one not well understood.

40. Gagnon, "Ethnic Nationalism and International Conflict."

41. Barry R. Weingast, "Institutionalizing Trust: The Politics and Economics of Ethnic and Regional Conflict," Working paper (Stanford, CA: Hoover Institution, Stanford University, 1994).

42. Burg, *Conflict and Cohesion in Socialist Yugoslavia*; Djilas, *The Contested Country*; Weingast, "Institutionalizing Trust."

43. Burg and Berbaum, "Community, Integration, and Stability," 535.

44. Fearon's discussion of credible commitments helps explain how this dismantling of the ancien régime threatened different groups, particularly minorities. See James D. Fearon, "Commitment Problems and the Spread of Ethnic Conflict," in David A. Lake and Donald Rothchild, eds., *The International Spread of Ethnic Conflict* (Princeton, NJ: Princeton University Press, 1998).

45. He also emphasized problems in Kosovo, claiming discrimination against Serbians by the majority Albanians; see, for example, Aleksa Djilas, "A Profile of Slobodan Milosevic," *Foreign Affairs* 72 (1993): 81-96. Though this was an important antecedent to Serbia's confrontation with Croatia, we do not treat it here. We also do not treat the important events surrounding Slovenia's move to independence; see, however, Silber and Little, *Yugoslavia: Death of a Nation*; Woodward, *Balkan Tragedy*.

46. Silber and Little, *Yugoslavia: Death of a Nation*; Woodward, *Balkan Tragedy*.

47. Substantive accounts, such as Woodward, *Balkan Tragedy*, provide the empirical details; theoretical accounts, such as James D. Fearon, "Commitment Problems and the Spread of Ethnic Conflict," and Rui J. P. de Figueiredo, Jr. and Barry R. Weingast, "The Rationality of Fear: Ethnic Conflict and Political Opportunism," Working paper (Stanford, CA: Stanford University, 1997), emphasize the mechanisms that in part generate these fears.

48. Glenny, *The Fall of Yugoslavia*; Woodward, *Balkan Tragedy*.

49. Silber and Little, *Yugoslavia: Death of a Nation*, 86-87.

50. Indeed, as many observers note, the similarities between these regimes and between their people stand out more than their differences (Woodward, *Balkan Tragedy*). These areas do not contain starkly different people but people virtually identical in many respects. The differences between the Serbian and Croatian language, for example, are reported to be a few hundred words. See, for example, Glenny, *The Fall of Yugoslavia*, and Pfaff, "An Invitation to War."

51. Glenny, *The Fall of Yugoslavia*.

52. Note that here the urbanites are so disaffected by the United National Independence Party (UNIP) regime that they are willing to accept a potentially austere dissident regime even over an UNIP government that could be willing to subsidize maize.

53. Should Kaunda do nothing ( $\epsilon$ ) or repress ( $R$ ), then the moderate urbanites support the dissidents.

54. These assumptions about preferences over classes of the various (81) terminal nodes of the game are sufficient to yield the equilibrium we outline below. Proofs of the results are available from the authors upon request.

55. Note that this result represents only the partial exposition of one equilibrium.

56. But only when the probability of urban dwellers being only moderately happy is high relative to the probability of them being satisfied.

57. We can further specify Kaunda's estimates of, respectively,  $U$  being of type  $S$  and  $U$  being of type  $M$ , that a rational Kaunda could infer using Bayes's rule. The probability of  $U$  being  $S$  given that they have rioted is given by

$$\begin{aligned} Pr(U = S | U \text{ rioted}) &= \frac{Pr(U \text{ rioted} | U = S) Pr(U = S)}{Pr(U \text{ rioted} | U = S) Pr(U = S) + Pr(U \text{ rioted} | U = M) Pr(U = M) + Pr(U \text{ rioted} | U = A) Pr(U = A)} \\ &= \frac{(1)\pi_1}{(1)\pi_1 + (1)\pi_2 + (0)(1 - \pi_1 - \pi_2)} \\ &= \frac{\pi_1}{\pi_1 + \pi_2}. \end{aligned}$$

By a similar method, we can see that

$$Pr(U = M | U \text{ rioted}) = \frac{\pi_2}{\pi_1 + \pi_2}.$$

58. For this result to hold, we require an auxiliary assumption about the preferences of the players. In particular, it must also be the case that

$$\frac{\pi_2}{\pi_1} > \frac{U_D(NC) - U_D(CL)}{U_D(CW) - U_D(NC)}, \quad (1a)$$

where  $U_D$  indicates the utility to the dissidents for each outcome,  $NC$  indicates that the dissidents do not challenge and the UNIP retains power,  $CL$  indicates that the dissidents challenge and lose, and  $CW$  indicates that the dissidents challenge and win. This ensures that  $D$  has an (off-path) incentive to challenge if  $K$  does not subsidize after riots. Notice that only one of (1) and (1a) will be binding. If (1a) binds,  $\pi_2$  must be higher than under (1) in order for Kaunda to subsidize following riots.

59. Weingast explores the use of game theory for the construction of counterfactuals, in particular, for distinguishing one counterfactual from among all the possible events that



did not happen. See Barry R. Weingast, "Off-the-Path Behavior: A Game-Theoretic Approach to Counterfactuals and Its Implications for Political and Historical Analysis," in Philip E. Tetlock and Aaron Belkin, eds., *Counterfactual Thought Experiments in World Politics* (Princeton, NJ: Princeton University Press, 1996).

60. Richard Hall, *The High Price of Principles* (New York: Africana, 1970); interviews, Carter Center, Atlanta, Georgia (1992).

61. The following does not attempt to model the breakup of Yugoslavia but rather the behavior of pivotal groups in Serbia. Much that would be endogenous, given the first objective, can remain exogenous, given the second. In particular, for our purposes, we need not "endogenize" the behavior of groups in Croatia; rather, we can focus on the impact of their behavior in Serbia while ignoring the obvious strategic interdependence. In a separate endeavor, we seek to address these issues, incorporating the approach pioneered by Timothy Groseclose, "Blame-Game Politics," Working paper (Columbus: Ohio State University, 1995).

62. The unidimensional construction reflects the idea that preferences over them were highly correlated and that politics of what followed did not attempt to exploit these differences.

63. William M. Riker, *The Art of Political Manipulation* (New Haven, CT: Yale University Press, 1986).

64. This model is a simplified version of a model we develop in de Figueiredo and Weingast, "The Rationality of Fear."

65. As in the Zambia game, this assumption does not literally imply that the Croats' type was random or that it was chosen by "nature" as the first step of this game just prior to Milosevic's move. Rather, this is a fictional device for representing the pivot's uncertainty about the Croats.

66. In practice, there is some doubt as to whether Milosevic actually knew the Croats' type and hence their intentions. Nonetheless, Milosevic and the Yugoslav state were better informed on this issue than the typical Serb, even if not fully informed. A modest adjustment in the model to account for this is omitted for ease of exposition.

67. The technical conditions are a bit more complicated than this, but they need not detain us.

68. Notice that  $P$  has a clear preference order over the four possible outcomes, from highest to lowest:  $PR$ ,  $PM$ ,  $AM$ ,  $AR$ .

69. The exact expression for  $\gamma^*$  is

$$\gamma > \gamma^* = \frac{PR - PM}{AM + PR - AR - PM}.$$

70. Ferejohn, "Rationality and Interpretation," 281.

71. Emil Durkheim, *Suicide* (New York: Free Press, 1951); Emil Durkheim, *The Division of Labor in Society* (New York: Free Press, 1956); Goffman, *The Presentation of Self in Everyday Life*; Sidney Tarrow, *Democracy and Disorder: Protest and Politics in Italy, 1965-1975* (Oxford, UK: Clarendon, 1989); Sidney Tarrow, *Power in Movement: Social Movements, Collective Action and Politics* (Cambridge: Cambridge University Press, 1994); Charles Tilly, ed., *Citizenship, Identity and Social History* (Cambridge: Cambridge University Press, 1996); Doug McAdam, Sidney Tarrow, and Charles Tilly, "Toward an Integrated Perspective on Social Movements," in Mark I. Lichbach and Alan S. Zuckerman, eds., *Comparative Politics* (Cambridge: Cambridge University Press, 1997); Timur Kuran, "Now out of Never: The Role of Surprise in the East European Revolution of 1989," *World Politics* 44 (1991): 7-48; Kuran, *Private Truths, Public Lies*; Barry Barnes, *Elements of Social Theory* (Princeton, NJ: Princeton University Press, 1996); Edelman, *Constructing the Political Spectacle*; Russell Hardin, *One for All: The Logic of Group Conflict*

(Princeton, NJ: Princeton University Press, 1995); Lohmann, "The Dynamics of Informational Cascades."

72. An exception is the work of Douglass North (see, for example, North, *Structure and Change in Economic History*, chap. 5).

73. Kenneth A. Shepsle, "Comment," in Roger Noll, ed., *Regulatory Policy and the Social Sciences* (Berkeley: University of California Press, 1984).

74. See, for example, Judith Goldstein and Robert O. Keohane, *Ideas and Foreign Policy: Beliefs, Institutions, and Foreign Policy* (Ithaca, NY: Cornell University Press, 1993).

75. See also Mark Granovetter, "Threshold Models of Collective Behavior," *American Journal of Sociology* 83 (1978): 217-224; Kuran, "Now out of Never"; Doug McAdam, "Micromobilization Context and Recruitment to Activism," in Bert Klandermas, Hanspeter Kriesi, and Sidney Tarrow, eds., *International Social Movement Research*, vol. 1 (Greenwich, CT: JAI, 1988); and Lohmann, "The Dynamics of Informational Cascades."

76. Zolberg, "Moments of Madness."

77. Thomas Sargent, *Bounded Rationality* (New York: Oxford University Press, 1993) provides an important investigation of this issue. This section has benefited greatly from discussions with, and formulations put forward by, Kenneth Shepsle (personal communications).

78. Gabriel Almond, "Separate Tables: Schools and Sects in Political Science," *PS: Political Science and Politics* 21 (1988): 828-842; Gabriel Almond, *A Discipline Divided* (Newbury Park, CA: Sage, 1990).