

Modeling Complex Historical Processes with Analytic Narratives¹

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The analytic narratives project represents an effort to clarify and make explicit the approach adopted by numerous scholars trying to combine historical and comparative research with rational choice models. In order to understand instances of institutional origin and change, analytic narrativists insist on the combination of deep knowledge of the case and an explicit theoretical model. These requirements do not, in themselves, differentiate analytic narratives from other well-crafted comparative and historical research, however. The focus of this paper is on what constitutes the analytic narrative approach and what, if anything, distinguishes it from other approaches for undertaking rigorous comparative and historical research. In the original book and in responses to critics (Bates et al. 1998, 2000a, 2000b), the authors have tried to outline the key elements of the approach, but there is systematization still to be done.

1 Background

The book, *Analytic Narratives*, brings together five scholars who share a commitment to understanding institutional change and variation. Influenced by the work of Douglass C. North (1981, 1990, 1996 [1993]), the aim is to use the tools of the new economic institutionalism to investigate such enduring questions of political economy as political order, governance of the economy and polity, and interstate relations. However, most of the pieces in

1 This paper draws on earlier work co-authored with my Analytic Narrative collaborators: Robert Bates, Avner Greif, Jean-Laurent Rosenthal, and Barry Weingast. I thank them as well as Turan Kayaoglu and Kevin Quinn for helpful comments on this paper.

the book represent an extension of North's conception of institutions as rules, both formal and informal, that influence behavior by means of constraints and incentives.

There is a particular emphasis here on institutions as self-enforcing equilibria that coordinate behavior. This view derives from the theory of games, especially extensive form games and subgame perfection. Choices are regularized, stable, and patterned – institutionalized, if you will – because they are made in equilibrium. In this sense, they are elicited, not imposed. However, variations in distributions of bargaining power and resources among the participating actors do influence which of many possible institutional equilibria emerge (Levi 1990; Knight 1992). Moreover and quite central to the analytic narrative enterprise is the possibility, even likelihood, of multiple equilibria. The approach is intended to aid in understanding the selection, persistence, and transformation of the equilibrium solutions that arise in particular times and places.

Thinking about institutional and other forms of social change as problems of multiple equilibria imposes certain boundaries on the scholarly endeavor. Whereas North's programmatic books may consider the whole history of the western world, his research tends to take on more narrow questions, such as the origin of constitutional constraints on the English monarch following the Glorious Revolution (North/Weingast 1989). The essays in *Analytic Narratives* are similarly focused on specific institutions in particular times and places.

It is important to be clear. These essays do not represent a methodological breakthrough. There are many comparativists who are engaged in similar enterprises, for example Fritz Scharpf (1991, 1997), David Laitin (1998), and, among more junior scholars, Roger Petersen (2001) and Torben Iversen (1999). What distinguishes the essays in *Analytic Narratives* is not the approach per se but rather the presentation of the material so as to emphasize the steps involved in assembling an analytic narrative. In their response to the review by Jon Elster (2000), the authors claim »... by trying to systematize we begin to force ourselves – and others – to lay out the rules for doing an analytic narrative and to clarify how such an approach advances knowledge (Bates et al. 2000b: 696).«

What equally motivated the project, however, and what made it seem worthwhile to undertake are two other factors having to do with the style of work in which these authors engage. The first is the recognition that, although identifiably in the rational choice camp, none are solely deductive in their practice of research and writing. Nor are many of the others who en-

gage in similar comparative, historical projects – and for good reasons. The discussion of these reasons follows below in the elaboration of the approach itself.

The second motivation has more to do with an interest in influencing how comparative research develops during a period in which the old versions of area studies are losing primacy, at least in American social science departments, to scholars who put their work in wider theoretical and comparative perspective. Rational choice has long influenced the study of legislative politics, particularly in relatively stable democracies, and, obviously, it is the basis of research in economic history that relies on the tools of neo-classical economics. Its usefulness in understanding rebellion and revolution, state transformations, and other important comparative and historical processes has been more contentious. Thus, part of the aim of the project is to advocate the utility of this approach for understanding a wide range of significant events and outcomes.

Because of the desire to systematize the approach of analytic narrative, the essays are written in a way that attempts to reveal the skeleton of the reasoning and decisions that the authors make in building their models, selecting what is essential from the larger history, and devising their explanations. This makes some of the writing more pedagogical than literary. After all, it is the quality of the theory and its confirmation in the essays on which the project rests.

The substantive chapters in *Analytic Narratives* explore institutional change in a wide range of places and times. All focus on a specific historic puzzle, sometimes taking place only in one country. The primary aim is to understand a particular set of institutions, but the combination of approach and findings do have implications for a wider set of issues.

Avner Greif's chapter (Greif 1998) is set in **twelfth** century Genoa. He accounts for the origins of the *podestà*, a ruler with no military power, as an institution to resolve clan conflicts and enhance economic growth and political stability. Jean-Laurent Rosenthal (1998) takes readers to France and England in the seventeenth and eighteenth centuries. He compares rulers' capacities to raise revenue and wage wars and argues that the distribution of fiscal authority is a major explanatory variable in the long-term and divergent institutional change between these two countries. Margaret Levi (1998) moves into the nineteenth century where she investigates the institutional bases for variation in government policies and citizen responses to conscription in France, the United States, and Prussia. In particular, she explains the demise of rules permitting buying out of conscription. Barry

Weingast (1998) also explicates an institution in the nineteenth century. His focus is the balance rule, the compromise over the admission of slave states, and how it promoted ante-bellum American political stability. Its breakdown was a critical factor in precipitating the Civil War in the United States. Even though Robert Bates (1998) addresses the range of countries that are coffee producers, he, too, is interested in one specific institution, the International Coffee Agreement. He explains why it rose and fell and why the United States, a principal coffee consumer, cooperated with the cartel to stabilize prices during World War II and the Cold War.

In explicating an exotic institution in an interesting moment of history, Greif constructs an argument with significant implications for theorizing the relationship between factional conflict and political order. Rosenthal speaks to the sources of regime variation and change as well as the relationship between domestic political structures and war making. Levi's finding that revised norms of fairness, resulting from democratization, influence the timing and content of institutional change suggests the importance of normative considerations and the institutional bases of legitimacy in accounting for citizen compliance with government and regulatory agencies more generally. Weingast advances the program of understanding the institutional foundations and effects of federalism. Bates offers a significant contribution to understanding the circumstances under which a political basis for organization will trump economic competition in an international market.

2 The Analytic Narrative Approach

Analytics, in this approach, refers to the building of models derived from rational choice, particularly the theory of extensive form games. This means, first, extracting from the narratives the key actors, their goals, and their preferences and the effective rules that influence actors' behaviors. Second, it means elaborating the strategic interactions that produce an equilibrium that constrains some actions and facilitates others. The emphasis is on identifying the reasons for the shift from an institutional equilibrium at one point in time to a different institutional equilibrium at a different point in time.

The model must be capable of generating not only the favored explanation but also alternative hypotheses. First, by making the assumptions clear and explicit, it is then possible to challenge the assumptions to produce new insights and competitive interpretations of the data. Second, the model

should entail comparative static results. The comparative statics are crucial for comparative research since they are the basis for hypotheses of what could have taken place under different conditions. Comparative statics clarify the key exogenous variables. When the models are game theoretic, they offer yet another source of hypothesis building. The consideration of off-the-equilibrium-path-behavior should reveal reasons and reasoning for why actors took one path and not another. Indeed, what actors believe will happen should they make a different choice might determine what choices they do make.

The narrative of analytic narratives establishes the actual and principal players, their goals, and their preferences while also illuminating the effective rules of the game, constraints, and incentives. Narrative is the story being told but as a detailed and textured account of context and process, with concern for both sequence and temporality. It is not used in the post-modern sense of a master- or meta-narrative. Rather, it refers to research grounded in traditional historical methods. But the narrative provides even more than that. It is, as James Mahoney (1999: 1164) summarizes the emerging »consensus ... a useful tool for assessing causality in situations where temporal sequencing, particular events, and path dependence must be taken into account.«

Narrative offers a means to arbitrate among possible explanations for observational equivalences, that is, two distinct processes that could be leading to the same outcome. For example, in the illustrative game in the Appendix of *Analytic Narratives*, in equilibrium the opposition does not attack a country with a large army. Is having a large army when there is no attack the very reason for peace or is it a waste of resources? Different people have different beliefs that can only be understood contextually:

... the observationally equivalent interpretations rest on markedly different theories of behavior. To settle upon an explanation, we must move outside the game and investigate empirical materials. We must determine how the opponent's beliefs shape their behavior. This blend of strategic reasoning and empirical investigation helps to define the method of analytic narratives ...

(Bates et al. 1998: 241)

Sometimes the narrative alone cannot arbitrate between two alternative explanations, and the theory specifies the conditions that must obtain to ascertain which is correct. This was the case in Greif's analysis of political order in pre-1164 Genoa (Greif 1998: 35–6). The narrative becomes key to providing leverage on causal mechanisms, a central concern of social sci-

tists interested in explanations that are ultimately testable. This sometimes leads the analytic narrative project authors to tell a story in a way that fails to fit the aesthetic criteria of many historical institutionalists (Carpenter 2000: 656–657), but it is a narrative nonetheless.

Analytic narratives involve choosing a problem or puzzle, then building a model to explicate the logic of the explanation and to elucidate the key decision points and possibilities, and finally evaluating² the model through comparative statics and the testable implications the model generates. As an approach, analytic narrative is most attractive to scholars who seek to evaluate the strength of parsimonious causal mechanisms. The requirement of explicit formal theorizing (or at least theory that could be formalized even if it is not) compels scholars to make causal statements and to identify a small number of variables.

This approach provides the researcher with some discipline. Explicit theory of the sort advocated here provides criteria to enable the researcher to distil the narrative and ensure that the explanation need not rely too much on factors outside the model.

2.1 Criteria for Case Selection

In comparative and historical social science, there are several very distinct strategies for case selection. One is to pick most similar or most different cases, according to the canons of John Stuart Mill and then use the cases to reveal the crucial explanatory variables. Those who label themselves historical sociologists, historical institutionalists, or macro-comparativists have been especially active in modifying and modernizing this approach (Skocpol/Somers 1980; Mahoney 1999). A second strategy is to develop a **comparative** method that emphasizes focused and structured comparisons and process tracing (George 1989; George/Bennett, forthcoming). An important recent contribution to the discussion (King et al. 1994) involves the emphasis on scientific procedures of causal inference and universally applicable standards that make it possible to derive explanation from otherwise descriptive material. King, Keohane, and Verba emphasize statistical principles applied

2 In *Analytic Narratives*, the authors use the language of theory testing. However, as Kevin Quinn has pointed out, it is not really clear that testing is at issue in most analytic narratives, where the number of observations is so few. This is an issue that deserves considerable further exploration.

to case selection. Yet a fourth strategy asserts the necessity of starting with a general theory and then finding cases that actually test parts of that theory (Kiser/Hechter 1991). Finally, there are those who are specialists in a particular part of the world and explore a variety of issues within that context.

The analytic narrative authors share with the fourth group a commitment to rational choice and share with the last group a deep interest in a particular case. The combination entails an aim most area specialists lack: to go beyond detailing the case to elaborate more general conditions for institutional change. This means there must be criteria for selection of cases other than their intellectual appeal as puzzles demanding solutions. The standard approaches to case selection emphasize the bases for choice among a sample of cases which are informative about the causal chain of interest, either because of the absence, presence, or extreme values of key variables (Van Evera 1997: 49–88). While these may be critical criteria for selecting cases to test or generate a general theory, the criteria used by the analytic narrativists are closer to that of the historians than of generalizing social scientists.

The criteria for analytic narratives also include features that make the cases amenable to modeling, which not all puzzles or problems are. In addition, they must provide an opportunity to get at an important process or mechanism not easily accessible through other means. Finally, the causal mechanisms and the structures or relationships must be generalizable to other cases under specifiable conditions.

2.1.1 Strategic Choice Situations

Essential to the model building is the choice of cases in which there are strategic interactions among the key actors. That is, the choice of one depends on the choice of the other. In addition, by considering situations that can be modeled as extensive form games in which there is a subgame-perfect equilibrium, self-enforcement of the institution becomes a matter of credible commitments. In equilibrium it is in the interest of the players to fulfill their threats or promises against those who leave the equilibrium path.

This does not mean that the game – and its incentives – cannot change. As already noted, the comparative static results suggest where it might. Indeed, the understanding of the sources of change is critical to understanding institutional transformation. However, it is also important to comprehend the reasons for institutional stability. Thus, Barry Weingast's analysis of the balance rule accounts for the mechanics of how actors, with conflicting interests in the perpetuation of slavery, benefited from a compromise on slav-

ery, why they stopped benefiting, and therefore why the institution changed and with what consequences.

2.1.2 *Contingency*

The existence of multiple equilibria makes contingency a crucial feature of analytic narratives. Contingency in turn provides space for strategy, another essential component of the approach. When the starting point is fortuitous, then the resulting equilibrium is effectively determined by contingency. Whatever the starting point, there is contingency in reaching one or another equilibrium.

However, even when there are clear focal points and strategies, factors in the situation can change unexpectedly. Some contextual changes may have clear and significant consequences, others have butterfly effects, and others little or no effect. The narrative is crucial here for sorting out what matters for what. In Rosenthal's chapter, the potential birth of a Catholic heir to James II affects the calculations of both monarch and elites, but its importance lies in how it changes the strategies of the elites even unto the point of revolution (Rosenthal 1998: 92). Why they had to resort to revolution rather than peaceful institutional change becomes apparent through the narrative.

Uncertainty and lack of information are prevalent features of the unraveling of events in history, and they are major bases of contingency. Illustrative of their effect is the role they play in Levi's research on labor union leadership.³ She finds that members are very concerned to have competent representation, agents able to serve them well in bargaining and strikes. They do their best to figure out who will be a good leader based on the track record of potential candidates as organizers, strike leaders, heads of locals, and business agents. However, the members cannot know for sure how employers will react, what the economy will do, or how effective the leaders will be in different positions and under different circumstances. Equally contingent is the kind of behavior, including strong-arm tactics and corruption, which comes with that leadership; the rank-and-file appear to select the best leadership available at the time in whatever form it comes. This in turn has consequences for other facets of the organization, such as its governance arrangements and orientation towards business or social unionism. If members knew and understood all the implications of their original choice, they

3 This is on-going research currently being funded by the Russell Sage Foundation.

might make a different one – if they could. Yet, the very fact of uncertainty leads them to coordinate around a specific leader and leadership style, and they may well continue to maintain that person in office for years.

The cases must include problems of randomness or contingency but not if they are too extreme. Again, the example of the unions makes the point. Members solved their leadership problem in the face of uncertainty about the occurrence of strikes and only partial information about the reaction of employers to their demands. Because the interactions between unions and managers are unpredictable and leaders cannot always deliver what they promise, there could be regular leadership turnover. But, if that were true, union leadership would not be a good subject for an analytic narrative. It might make more sense to treat each election independently and use quantitative methods to develop and test models of leadership selection and retention or offer an interpretive account focusing on the culture of that union and set of workers .

The approach, as illustrated in *Analytic Narratives*, rests on cases where there is some but hardly complete contingency in the path of history, cases that the model helps in understanding what was likely to happen. Nothing about the approach, however, limits it to cases of determinateness or low contingency. Extensive form games have long proved useful in studying settings of high uncertainty and contingency.

2.2 Building Models

The analytic narratives privilege parsimonious models, ones where the number of exogenous factors are sufficiently few that it is possible to know how changes in their value can affect the institutional equilibrium. This affects the narrative by reducing the importance of other variables for the story. For instance, for Bates one sort of contingency was critical: movements in the price of coffee. Variations in US economic activity – however important they may be to the world economy – were much less salient. All narratives have to have an anchor (or set of anchors). Analytic narratives make the theoretical anchor more explicit (and thereby easier to criticize) than in more configurative accounts.

In building a model, it is advisable to avoid using off the shelf models unless they demonstrably enhance the explanatory project. Empirical social scientists often appeal to one of a small number of models (prisoner's dilemma, battle of the sexes, principal agent with moral hazard, principal

agent with adverse selection), even when these models do no more than re-describe the situation in slightly different terms or illuminate only a small part of what is under investigation. Their analysis depends on the context; each of these models can either lead to an efficient or inefficient solution, to a problem solved or to a problem not solved. Which model applies depends on detailed knowledge of the context. Once the context is sufficiently understood, the researcher can build a model that fits the particular case better and that captures actual institutional constraints. The institutional constraints illuminate the set of possible outcomes that are possible, and they suggest how the particular problem faced by a society can be solved.

The models should also build in path dependence. This requires more than identifying the constraints that derive from past actions or the incentives that are built into new institutions. The sequence in which events occur is causally important; events in the distant past can initiate particular chains of causation that have effects in the present. The literature on critical junctures⁴ has attempted to systematize this sequencing but in a way distinctly different from that of analytic narratives. Game theory, especially where there is subgame perfection and, therefore, an analysis of off-the-equilibrium-path-behavior, offers a basis for understanding precisely why a particular starting point has the effects it had later in the historical sequencing.

Path dependence, as understood through the prism of the paths not taken, means more than »history matters.« This is trivially true. Once again, it is the existence of multiple equilibria that makes path dependence both interesting and important. The starting point of the game affects and often determines the end point, but only once the proper payoffs are incorporated. Certain institutions in certain contexts become self-enforcing in the sense that the alternatives continue to appear unattractive. Beliefs by the players then matter as much as history. While beliefs are certainly affected by historical experience, they also are affected by what actors know of the other players within the current context.

Path dependence in analytic narratives also implies that once certain institutional arrangements are in place – and with them certain distributions of power and authority – it becomes more difficult to reverse or change course. Rosenthal makes this very clear in accounting for the divergence between French and English political institutions in the seventeenth century. Are these the feedback effects that Paul Pierson (2000) emphasizes in his influ-

4 For an excellent review of the literature on critical junctures, see Kathleen Thelen (1999).

ential article (also, see Thelen 1999: 392–396)? This is not so clear. The analytic narratives approach shares features with this formulation, but the extent of difference and similarity remains to be fully explored. One clear distinction is the emphasis in the rational choice literature on the beliefs of the actors about what the effects of their actions will be; the more historically institutionalist approach tends to emphasize the determinative effects produced by the institutions.

Avner Greif's research on the Commercial Revolution is illustrative (Greif 1996). Greif identifies various forms of expectations that coordinate action and, in some instances, give rise to organizations that then influence future economic development. The expectations arise out of the complex of economic, social, political and cultural – as well as technological – features of a society. The existence of a coordination point in itself makes change difficult since it requires considerable effort to locate and then move enough others to a different coordination point (Hardin 1999). When organization develops, the path is even more firmly established, for organization tends to bring with it vested interests who will choose to maintain a path even when it is not or is no longer optimal.

2.3 Deduction, Induction, and Iteration

In analytic narratives the narrative and the analytics are very intertwined. The approach does not involve the deduction of hypotheses from a very general model and then their testing with appropriate cases. This is a common practice among rational choice scholars and one that has led to some very important insights and findings (Levi 1988; Kiser 1994; Golden 1997). For analytic narratives, however, the models used to elucidate the causal connections among variables are iterative and inductive although the initial intuitions may have been deduced. The assumptions of rational choice and the logic of game theory generate hypotheses, but the models are refined in interplay with the detailed elements of the narrative. While the claim to generalizability of findings is clearer when hypotheses are deduced from general theory, the explanations of specific instances may be less compelling and realistic. This has long been a critique of the rational choice program in comparative and historical politics and one the analytic narrative project attempts to address.

All of the *Analytic Narrative* authors rely on rational choice to derive hypotheses and provide theoretical leverage, and each has training and expe-

rience in historical research, fieldwork, or both. The research began with some basic information and some theoretical priors, but the next step is to accumulate new information and formulate new models. Bates' chapter exemplifies this process by moving from a model of oligopoly to a model of political economy. He started from one clearly articulated vantage point, confronted it with the evidence, and then selected a new one.

Iteration between theory and data also has implications for the conduct of research. Each new model adopted should be consistent with the facts on hand and indicate what new data still needs to be acquired. When constructing the theory, social scientists often already know a lot about the data/problem/case that they study. While this is true generally in social science, it is even more obvious in an approach like analytic narrative where the theory must be imbedded in the narrative.

3 Evaluation

There are a variety of criteria for evaluating implementations of the analytic narrative approach. Several of these are logical, but others involve issues of confirmation and generalizability. Most are in the standard toolbox of the well-trained social scientist and are used in evaluation of virtually all research. James Mahoney (2000: 86) claims »... advocates of the new rational choice theory have still not said enough about their methods of hypothesis testing.« What follows below is only the humblest of beginnings of a corrective.

3.1 Logic

One of the advantages to analytic narratives is the possibility of assessing the argument according to rigorous and, often, formal logic. Conclusions must follow from the premises. If the reasoning is wrong or even insufficiently precise, then the account lacks credibility. Logical consistency disciplines both the causal chain and the narrative. This is especially true where there is explicit formal and mathematical reasoning employed. The math is either right or wrong.

However, correct math is hardly the only criterion of assessment. A given narrative suggests a model which, when explicated, should have implications for choices, behaviors, and strategic interactions among the players. Those implications force the scholar to reconsider the narrative and then to reevaluate the extent to which key elements of the narrative lie outside of the proposed theory. If one must appeal too often to forces outside the model, then the theory must be rejected. At the same time, the model clarifies those issues that cannot be resolved logically and can only be resolved through narrative materials.

3.2 Confirmation

There are various means to assess the extent to which the authors have **offered** an account confirmed by the data and superior to the alternatives. Not only must the assumptions and causal mechanisms fit the facts, but the model must also have generated testable implications that no alternative would.

The requirement to make assumptions explicit aids in the process of appraisal. However, it also puts a burden on the analyst to demonstrate that the assumptions are reasonable. Are the actors identified as the key players in fact the key players? Have the authors provided a plausible and defensible definition of the content and order of preferences and of the beliefs and goals of the actors? The reliance on simplifying assumptions tends to prompt challenges from those who are steeped in the history and the context of the place and period, but it also provokes challenges from those who do not find the assumptions logical or consistent with the material presented in the narrative. The logic embedded in analytic narratives and the empirical material used to create, on the one hand, and evaluate, on the other, soon become enmeshed. Both must meet high standards.

Producing testable implications from the model and then subjecting them to disconfirmation is as critical to the evaluation of the analytic narrative as it is for other means of generating hypotheses and implications. However, the iterative feature of analytic narratives adds another dimension. As the authors of *Analytic Narratives* note,

We stop iterating when we have run out of testable implications. An implication of our method is that, in the last iteration, we are left uncertain; ironically perhaps, we are more certain when theories fail than when they fit the case materials. (Bates et al. 1998: 17)

Analytic narratives share with process tracing (George/Bennett, forthcoming) the commitment to modification of the models and explanations as the data reveals new possibilities. There is a difference, however. By explicitly using rational choice and especially when relying on extensive form games, there is an even clearer and more rigorous delineation of the process. Both process tracing and analytic narratives easily degenerate into curve fitting exercises if improperly done. One of analytic narratives greatest strengths may be that the combination of game theory and iteration compels the researcher to search for novel facts that the old model neither recognized nor captured. This then makes the refinement of the model part of a progressive research program in the Lakatosian sense.⁵

The final criterion of adequate confirmation is the extent to which the theory offers a more powerful account than other plausible explanations. Sometimes, there are alternatives that an author is contesting or subsuming. This was true for the issues Weingast and Levi study. Sometimes, there are obvious alternatives that derive from a general framework. For example, Greif demonstrates that his political economic theory is superior to a cultural theory. To some extent, the comparative static results offer some competitive explanations. However, often, the generation of an alternative account must come from someone on the other side of the scholarly debate and not from the author of the original analytic narrative. No matter how objective authors attempt to be, they usually become committed to their own interpretations and their own ways to discipline the narrative. Thus, real social scientific progress comes when different scholars with different perspectives attempt to offer more powerful explanations of the same phenomenon.

3.3 Generalizability

The Achilles' heel of analytic narratives is in the capacity to generalize. These are, after all, efforts to account for a particular puzzle in a particular place and time with a model and theory tailored to that situation. Even so, it is possible to use the cases to make some more general points.

Although the approach is not straightforwardly deductive, it does nonetheless rely on rational choice, which is a general theory of how structures

5 Turan Kayaoglu suggested this point to me.

shape individual choices and consequently collective outcomes. This is not quite the same claim as that made by Kiser and Hechter (1991, 1998), who are rigorously deductive. The difference lies not only in the emphasis on the relative roles of deduction and induction but equally on the extent of portability of the findings. Nor do they find game theory useful in their practice or their theory (Hechter 1990, 1992).

The analytic narrativists find game theory valuable in constructing models, evaluating explanation, and generalizing. For them, rational choice, particularly in its game theoretic form, can highlight certain properties of the structure and strategic choices that then arise. »...whereas the specific game may not be portable ... they may yield explanations that can be tested in different settings« (Bates et al. 1998: 234). By identifying the specific form of collective action problems, principal-agent issues, credible commitments, veto points, and the like, analytic narratives provide a way to suggest the characteristics of situations to which these apply and in what ways. For example, the models of federalism, as initially developed by William Riker (1964) and further developed by Barry Weingast and his collaborators (Weingast 1995; Weingast et al. 1995), are useful in explicating a large number of problems in a wide range of countries, including the case Weingast addresses in his *Analytic Narrative* chapter.

Moreover, the analytic narrative approach also demands identification of causal mechanisms. This includes more than the repertoire of mechanisms, such as emotions, resentment, and the like, that offer a fine-grained explanation of the link between actions and alternatives (Elster 1998, 1999). The repertoire perspective on mechanisms seems to reinforce the kind of skepticism Elster admits about the possibility of »unified theory« and of law-like explanations, a skepticism »bordering on explanatory nihilism«, redeemed only by »the recognition that the idea of a mechanism could provide a measure of explanatory power« (1999: 2). Arthur Stinchcombe, on the other hand, argues, »Theories of mechanisms are not, in general, useful, unless they generate new predictions at the aggregate or structural level« (Stinchcombe 1991). The analytic narrativists find themselves on the side of Stinchcombe in this debate and attempt to identify just such causal mechanisms.

Roger Petersen offers a primer for linking mechanisms and structures by means of game theoretic analyses. He emphasizes processes, by which he means the ordering and linkage of mechanisms. As he states,

When the structures can be identified a priori, that is independently from outcomes, prediction becomes possible. Secondly, the decision structures may connect individual actions to aggregate level phenomena. Through its specification of causal linkages across levels of analysis, game theory can provide individual level prediction from existing aggregate level theory. (Petersen 1999: 66)

To further establish the generalizability of the theory, out-of-sample tests are necessary. The presumption today in social science research is that the authors will provide those tests themselves, and many attempt to, including Levi and Rosenthal in their chapters in the book. However, seldom does the level of knowledge for the out of sample case rival the detailed understanding of the original case that puzzled the author. While it can be argued that it is incumbent upon an author to have equal authority over a wide range of cases, this is seldom realistic for area specialists, historians, and others who must conquer languages, archives, and other sources to acquire the in-depth authority over the subject matter and the narrative detail essential for an analytic narrative. Thus, once again, the demonstration of generalizability may rest on a larger community of scholars who take the findings applicable to one place and time to illuminate a very different place and time.

4 Conclusion

The analytic narrative approach stands in sharp opposition to views of history that would make the outcomes of events totally systematic or unsystematic in the extreme. It is the claim of the analytic narrativists that understanding the institutional context within which events occur helps account for how and why certain events may happen. This is an ideological position rather than a methodological position because there is nothing per se in game theory that rules out complete uncertainty about outcomes.

Others, using approaches quite distinct from ours, also claim the label of analytic narratives. For example, in a recent essay, Ira Katznelson (1997) frequently uses the term to describe a very different methodological persuasion that takes up large-scale macro-historical questions with a configurative approach derived from Barrington Moore (1966). There is no denying that Katznelson and many of those he cites are analytical in the sense that they theorize about the relationships among the actors, institutions and structures that are the constituent parts of a complex phenomenon. Nor is

there any question that they, too, are narrativists in their emphasis on context, process, sequence, and temporality. Theda Skocpol and Margaret Somers (1980) label their preferred comparative method as »macro-analytic comparative history« and certainly rely both on narrative and on iteration in their research.

As Kathleen Thelen (1999) has made abundantly clear, the comparison between the historical institutionalists and new economic institutionalists should not be overdrawn. Both elaborate processes of institution building and destruction across time and place. Both recognize the collective action problem, on the one hand, and the role of path dependence, on the other. History matters, and institutions constrain and facilitate action while also having a formative effect on individuals and their preferences. While rational choice practitioners explicitly advocate parsimonious explanations, the analytic narrativists are nonetheless interested in texture and detail just as the historical institutionalists are concerned on identifying criteria for reducing the variables and selecting among the vast material presented by historical and case research.

Even so, the distinctions persist. Analytic narrativists may be increasingly engaging with the comparative methods of more macro comparativists, but there are inherent tensions that are far from resolved (Munck 2001; Mahoney/Rueschemeyer 2002: 88–91). Even if the lines elide among particular scholars identified with one or the other approach, the median is still fairly far apart. Some of this might initially appear stylistic. For example, the reliance on formal rather than verbal theory is more than a taste for organizing information one way rather than another. The analytic narrative approach reflects a distinct conception of theory, theory building and theory evaluation.

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