

## RATIONAL CHOICE THEORY AND DEMOCRATIZATION

Miguel Angel Lara Otaola<sup>1</sup>

### Abstract

Adam Przeworski's model (from Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America) is limited for explaining democratization. His narrow and formal definition of democracy, the application of the model to groups instead of individuals, his emphasis on pact transitions, its origin in third wave democracies, its generalizations and assumptions and its lack of other external explanations (structures, ideologies, etc.) make it an inaccurate theory for analyzing and predicting democratization. Furthermore, his theory is tautological, it begins by assuming what he is about to prove, leaving no space for other types of transitions. The Mexican case is evidence that this circular theory can't apply as a general model for all transitions. Transitions not based on negotiation or pacts, that don't come from splits in the regime and that in general don't fulfill Przeworski's assumptions and equilibria, must be understood through structural, cultural, ideological, political and socioeconomic explanations. This limitation, in turn, is also a reflection of some of RCT's shortcomings, therefore making us question the general applicability of the model. Rational Choice Theory, by its micro-level reductionism (by being based solely on the individual), by having limited assumptions and by not taking account of the structure where decisions take place, is a limited model for many social phenomena. Social and political processes must be analyzed and explained too through other theories that encompass socioeconomic factors, political processes and changing structures of power as well.

### Keywords

Democracy, rational choice theory, democratic consolidation, democratic transition, Mexico, third wave, Przeworski.

‘Constitutive metaphors<sup>2</sup> can only be interrogated if their implicit assumptions are made explicit, and if their condensed analogies are unpacked and subjected to comparative scrutiny’

(Whitehead, 2003: 38)

This essay is a criticism of Adam Przeworski’s work “Transitions to Democracy”<sup>3</sup> and in particular it’s a critique on the use of Rational Choice Theory (RCT) when applied to processes of democratization. In general Przeworski’s piece has two major limitations, the first related to the use of a limited definition of democratization and the second in relation to his use of the RCT model and this model’s inability to explain democratization. In relation to this last point, although Przeworski understands RCT’s methodology<sup>4</sup> he makes several mistakes. While the first one can be attributed to him, the rest can be attributed to RCT in general. Firstly, Przeworski uses groups as his main actors, when in fact RCT is based on individual conduct. In second place, the RCT model doesn’t take into account the particular context where transitions are occurring and assumes the process depends entirely on the actors it uses and their strategic decisions. Thirdly, since the structural context is not important for his analysis, Przeworski stresses the salience of pact transitions, when in real life not all transitions to democracy originate from economic-equilibrium like negotiations. Fourthly, the model is a weak predictor. Since it is inspired by a limited number of cases<sup>5</sup>, the model has to over generalize and make too many assumptions in order to explain transition processes. Democratization goes beyond RCT and thus needs other explanations such as historical structures, social and economical conditions and political processes. The Mexican transition to democracy will be used as a proof that Przeworski’s work, although *almost*<sup>6</sup> methodologically correct, is not sufficient to explain all transitions to democracy and that RCT doesn’t apply in this case. This limitation, in turn, is also a reflection of some of RCT’s shortcomings, therefore making us question the general applicability of the model.

### **Democratization and Consolidation**

Przeworski uses a very formal definition of democratization and of its end point, consolidated democracy, thus ending up with a limited model. First of all he assumes that transitions start in an authoritarian regime, but in reality transitions can also start from partial democracies<sup>7</sup> (Potter, 1997:5) and can also jump back and forth, deepening

or reverting democratization (Potter, 1997:6). Also, he limits the several paths to transition to the strategic decisions of utility maximizing actors when in reality; transitions depend as well on structural, cultural, ideological, political and socioeconomic factors. Furthermore, he assumes that transitions begin with a split in the authoritarian regime and that this and popular mobilizations feed each other for transition (Przeworski, 2003: 57), and that is not necessarily the case<sup>8</sup>. Finally, he states that no dictatorship permits autonomous organization of political forces and that the onset of liberalization is marked by the moment when a group inside the authoritarian establishment decides to tolerate this (Przeworski, 1991: 54-55). But there are some real life cases (Mexico) where in fact autonomous organization of political forces existed way before the transition. Therefore we can see that Przeworski's definition of transition is very linear and limited and doesn't allow for exceptions to the model or explanations for 'jumps', transitions from partial democracy, etc.

In his view consolidated democracy is as a system in which the political relevant forces comply with the uncertainty of democratic institutions and outcomes (Przeworski, 1991: 51). Then his criterion is questionable whether democratization has been completed in say, Spain, (Are the Basque separatists a politically relevant force?) (Whitehead, 2003: 27). Democracy doesn't consolidate when elections take place and its results are respected by the relevant forces. Consolidation, as the word implies *per se*, is not a finished status, it's a permanent process. Even in every democratic country a substantial gap exists between actual and ideal democracy (Dahl, 2000: 31), therefore no country can ever be completely democratic. Consolidation is a constant democratization, a long-term process of social construction<sup>9</sup> (Whitehead, 2003: 6). So how can we know if a country has reached its consolidation when this is a never ending task? Przeworski focuses on the establishment of a stable democracy, so how can he build a model that has a finish line, when the race is eternal?

### **Rational Choice Theory**

Przeworski, although treating groups as individuals, applies RCT to the process of transition to democracy correctly. He understands that this theory's starting point is the individual<sup>10</sup> and that these have specific preferences (e.g. liberalizers preferring a broad dictatorship (BDIC) to an insurrection). He also knows that these actors try to maximize their profits by making rational decisions that connect actions to outcomes (e.g.

liberalizers deceive hardliners in making them believe they prefer BDIC over transition, although they actually prefer transition, thus making hardliners agree to open the regime). Strategic interaction is also well applied in the model; decisions are made depending on own interests and preferences of the other players. Also, RCT 'speaks only of endeavor and not of success' (Rogowski, 1978:300) and in this sense Przeworski follows the theory adequately since he delineates several possible paths from a split in the authoritarian regime, ranging from status quo dictatorship to transition. In sum, although Przeworski treats groups as individuals, the RCT model is applied correctly: it is based on groups treated as individuals, preferences are ordered, choices are in accord with preferences (Shepsle, 1997:25), and actors seek to maximize their profits (Shepsle, 1997:31) (Rogowski, 1978:299), through interactions and given a certain context, arriving at equilibrium.

Przeworski's first limitation in relation to RCT is that he treats groups (hardliners, reformers, moderates, radicals) as individuals. However, treating them as such doesn't fulfill the conditions of RCT theory which applies solely to individuals (Rogowski, 1978:300) and whose methodology therefore stems from this basic unit of analysis (Shepsle, 1997:19). Groups, classes, firms, and nation-states do not have minds, and thus cannot be said to have preferences or hold beliefs (Shepsle, 1997:19). Then, these groups can't make rational cost-benefit choices and therefore can't seek to maximize profit. If the analysis was about specific politicians it would be accurate, nevertheless how can we assume that some groups in the regime prefer broader dictatorship to the status quo, or that is in their interest to ally with x or y players? For this we need to know the context of the decisions and of the cases.

The next mistake stems from the individual-centered approach of RCT. Since individuals (or groups treated as such) and their preferences and decisions are the core of the analysis, the model doesn't take into account the context where transitions are occurring. Przeworski states that obstacles for building democracy are the same everywhere, for they are determined by a common destination and not by the different points of departure (Przeworski, 1991: xii). However, the past matters. Events, past and present...are the true, the only reliable teachers of political scientists (Arendt in Whitehead, 2003:1) History and structures matter for the analysis. Even though Przeworski's intention is not to analyze why authoritarian regimes break down in the

first place, this is still important for future analysis. The decisions people make are limited by the decisions made in the past and by the context: it's not the same having a transition that comes from a military dictatorship (Chile) than one that stems from a hegemonic party regime (Mexico). The context highly determines the outcomes, in Chile the military was an important actor, and thus the country ended up with a democracy with guarantees for it; in Mexico it wasn't. Prevailing circumstances under which democratization occurs vary significantly from era to era and region to region as a function of the international environment, available models of political organization, and predominant patterns of social relations (Tilly, 2000:2).

From this last point comes another limitation of the model. Przeworski doesn't take into account the structural context of the transition and instead argues, in hand with RCT, that transitions emerge from pacts. RCT is inspired in economics (Whitehead, 2003:41) and thus emphasizes equilibria; negotiations and pacts being one clear example of this. However, negotiation is only one of the four main forms that transitions have. Transitions may also occur under the forms of concession, retreat and intervention (Little, 1997: 179-80) Furthermore, Przeworski sees pact transitions entirely due to the interactions of actors, giving little consideration of whether these transitions, or transitions in general, require other (structural or cultural/ideological) contexts to happen. A good exception to this is Mexico. In this country the transition was more of a concession from the regime than a negotiation (Little; 1997:179). Here, the transition wasn't negotiated between, e.g., the 'softliners' in the regime and the moderates outside it. Furthermore, the Mexican transition was a process that even incorporated practices and ideologies as old as the ruling party itself<sup>11</sup> and not only strategic decisions from rational actors. The Mexican transition, involving concession and tutelage from the regime and involving with it past ideology, is a simple example that not all transitions come entirely from pacts and from strategic interactions of profit maximizing actors. Pacts and 'strategic interactions are only one component of the story (...) the societal foundations of democracy, the social and cultural orientations of the population as a whole, also have to be taken into account' (Whitehead, 2003:66). Structural, political, ideological and cultural backgrounds are as equally important as negotiation for explaining transitions and democratization.

Przeworski builds up his theory inspired mainly by the transitions to democracy that happened during the third wave (1974-1990) (Huntington, 1991:5). This small set of cases, in turn, influenced the assumptions of his model, making it limited for analyzing other transitions. In general, Przeworski's assumptions are limited in regards to regimes, behavior and actions of players. Firstly, Przeworski assumes that a transition comes from a split in the authoritarian regime and that all transitions to democracy are negotiated<sup>12</sup> (Przeworski, 1991: 80). In second place, the model assumes the behavior of the players, e.g., that moderates fear hardliners and that radicals may not. Finally, it also assumes the actions the players are going to take when faced against specific situations, e.g. in the case that radicals refuse to participate in the institutions forged by moderates and reformers, moderates prefer democracy with guarantees for reformers to an alliance with radicals (Przeworski, 1991: 74). Therefore, although this is in line with third wave transitions to democracy, (specifically those that took place in Southern Europe and Latin America) it isn't true for all transitions

Since the model is based on a limited number of cases and on assumptions made out of other assumptions and so on, it's weak in its predictive capabilities. For that reason we end up having a limited model that can only explain very few cases of transition to democracy (the ones that meet those assumptions, which are also the ones that inspired the model). His assumptions only apply to some transitions, e.g. 'comparative evidence from *Latin America* suggests that transitions are more likely to be successful if they are controlled by a coalition of "softliners" and "moderates", with radicals kept out' (Potter, 1997: 15). The model can't be generalized (e.g. Mexico's transition to democracy didn't come entirely from a pact between forces) and it's a weak predictor, the cause and effect relationship between actors and outcomes is only known for some cases but unknown for the rest. It uses assumptions that are too simple and narrow for explaining other transition processes.

Democratization is a very complex process that needs further explanations other than RCT and its narrow assumptions. Although Przeworski uses some context (third wave) it seems that the decisions of the groups occur in thin air and that they are just based on broad prisoners dilemmas, when in reality transitions to democracy come from sources other than a split in the regime and the following "rational" preferences of its actors.



Przeworski, accurately following RCT, leaves out of his analysis other possible sources for democratization.

Approaches such as modernization, transition and structural theories, and explanations such as ideology, values and international pressure are left out of Przeworski's analysis. However, the route to democracy can be traced and followed not only by individual rational choices but also by socioeconomic factors (modernization), political processes and elite initiatives and choices (transition), and the changing structures of power (structural approach) (Potter, 1997:10). Beyond these approaches, Przeworski doesn't take into account other factors such as external pressure, ideology, institutions and the like which can influence the process of transition. As the Mexican case suggests, Przeworski's model and RCT are not enough for explaining democracy. Democracy must be explained and understood from other viewpoints and causes.

### **The Mexican exception**

The Mexican transition to democracy is a good exception to Przeworski's model since Mexico has evolved much more slowly and irregularly than the cases of transition from military rule (in Latin America<sup>13</sup>) (Levy, 1999: 519). In particular, from the Mexican experience we can find several real events and processes that challenge both RCT's use for explaining democratization and Przeworski's theory about transitions. In Mexico, when the transition started and occurred, the country was not an 'ideal type' of authoritarian regime, but a partial democracy (Little, 1997: 175), a situation that doesn't fit the model. Also, the transition didn't start with a split in the regime; it actually started years before the split, with the regime's tutelage and concessions for the institutional reforms started in 1977. Actually when the split did occur (1988), the regime didn't automatically divide between hardliners and liberalizers; it actually split in three and ended up having a different configuration (hardliners and liberalizers remained a part of the regime; the ones that split became an opposition political party). Furthermore, the 'players' of the game frequently changed their roles, even to opposite extremes, which Przeworski's theory doesn't take into account. In addition, when it started to open, the regime didn't issue signals that it was able to tolerate opposition (as Przeworski states), actually opposition already existed in Mexico. Moreover, the democratic transition in Mexico didn't stem exclusively from a negotiation or a pact; it

also came from above (including the so-called hardliners) and largely through subsequent electoral reforms.

All these experiences can't be explained by the preferences, beliefs and actions of the different groups involved in the transition, even if treated as individuals. The Mexican transition and its many phases require a broader view, one that includes other explanations such as ideology, international pressure, personal decisions and historical and political processes. When it comes to ideology there are two important explanations. In the first place, many of the officials of the regime during the 1980's studied abroad (known as the Chicago boys) and thus had different views for the country for achieve its development (including free trade and democracy). In the second place, the PRI's tradition of tutelage of the revolution (e.g. political changes) influenced the handling of the transition from above. As for international factors, by that time, the negotiation of the North American Free Trade Agreement (NAFTA) included pressures from the US (for achieving democracy) in order to become a reality. Finally, during the 1990's it was President Zedillo's personal ambition to go down in history as a democrat, and thus further pushed the state institutions for achieving democratic transition. Also the peculiar characteristic of the Mexican transition (through several electoral reforms) can't be explained in the vacuum of RCT, it's explained mainly because of the historical lack of trust in elections in the country and of elections being an important symbol of democracy in Mexico.

Przeworski's model is limited for explaining democratization. His narrow and formal definition of democracy, the application of the model to groups instead of individuals, his emphasis on pact transitions, its origin in third wave democracies, its generalizations and assumptions and its lack of other external explanations (structures, ideologies, etc.) make it an inaccurate theory for analyzing and predicting democratization. Furthermore, his theory is tautological, it begins by assuming what he is about to prove, leaving no space for other types of transitions. The Mexican case is evidence that this circular theory can't apply as a general model for all transitions. Transitions not based on negotiation or pacts, that don't come from splits in the regime and that in general don't fulfill Przeworski's assumptions and equilibria, must be understood through structural, cultural, ideological, political and socioeconomic explanations.



This limitation, in turn, is also a reflection of some of RCT's shortcomings, therefore making us question the general applicability of the model. Rational Choice Theory, by its micro-level reductionism (by being based solely on the individual), by having limited assumptions and by not taking account of the structure where decisions take place, is a limited model for many social phenomena. Social and political processes must be analyzed and explained too through other theories that encompass socioeconomic factors, political processes and changing structures of power as well.

## **Bibliography**

Dahl, R. (2000) *On Democracy*. (New Haven: Yale University Press)

Huntington, Samuel. (1991) *The Third Wave: Democratization in the Late Twentieth Century*. (Norman: University of Oklahoma Press)

Levy, Daniel C., Bruhn, Kathleen (1999) "Mexico: Sustained Civilian Rule and the Question of Democracy", in Diamond, Larry, et al. (eds) *Democracy in Developing Countries: Latin America* (United States of America: Lynne Reinner Publishers)

Little, Walter (1997) "Democratization in Latin America, 1980-95" in David Potter, David Goldblatt, et.al. (eds) *Democratization* (United States of America: Blackwell Publishers)

Potter, D. (1997) "Explaining democratization" in David Potter, David Goldblatt, et.al. (eds) *Democratization* (United States of America: Blackwell Publishers)

Przeworski, Adam (1991) *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. (Cambridge: Cambridge University Press)

Rogowski, Ronald (1978) "Rationalist Theories of Politics: A Midterm Report." *World Politics* 30, no. 2: 296-323.

Shepsle, Kenneth A., Bonchek, Mark S. (1997) *Analyzing Politics: Rationality, Behavior, and Institutions*. (New York: Norton & Company)

Whitehead, Lawrence (2003) *Democratization: Theory and Experience*. (Oxford: Oxford University Press)

---

<sup>1</sup> Asesor Electoral en la Asociación Mexicana de Impartidores de Justicia. Correo: motaola@hotmail.com

<sup>2</sup> Eg. Rational Choice Theory.

---

<sup>3</sup> Przeworski, Adam (1991) Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America. Cambridge, Cambridge University Press.

<sup>4</sup> Based on the individual, rationality, strategic interactions and profit maximizing.

<sup>5</sup> Third wave transitions to democracy.

<sup>6</sup> He treats groups as individuals, when in fact RCT is based on individual conduct (Rogowski, 1978:299)

<sup>7</sup> E.g. Mexico, (Little, 1997:175)

<sup>8</sup> While for some cases such as Spain we could argue this, there have been other transitions to democracy (e.g. Mexico) that haven't originated in the crack of the regime, or where this crack happened but wasn't relevant for start of the transition.

<sup>9</sup> Also, there are other ways to evaluate if a country is democratic, a. the quality of democracy (having an accountable government, free and fair elections, civil and political rights, associational autonomy) and b. the level in which democracy operates (national or local government levels). (Potter, 1997: 5-7)

<sup>10</sup> He treats groups (hardliners, reformers, moderates and radicals) as individuals.

<sup>11</sup> The ruling party in Mexico changed its name in 1946 from PRM (Mexican Revolution Party) to PRI (Institutional Revolutionary Party). This apparently contradictory name meant that now the 'Mexican Revolution' would stop being so revolutionary and that now it would be conducted from above and handled by the party and its institutions. This tradition of tutelage remained also during the transition to democracy where the PRI, from above, and without involving negotiation, started opening the regime in 1977. In general, this political 'revolution' was lead by institutional changes, the most important being the creation (on the President's initiative) of the Federal Electoral Counsel, later known as Federal Electoral Institute.

<sup>12</sup> Przeworski argues that transitions (Przeworski, 1991: 80) and the institutions generated from them (Przeworski, 1991: xi) always emerge from negotiation. One explanation for this may be in RCT's emphasis on equilibrium; a negotiation, a pact, is an equilibrium. Furthermore, Przeworski's final equilibrium comes from a series of previous equilibriums between political forces.

<sup>13</sup> Latin American transitions are considered to be part of the third wave of democracy in the world.