RATIONAL CHOICE APPROACHES AND THE ANALYSIS OF INSTITUTIONAL CHANGES

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Abstract

The endpoint of the present process is the description of the neo-institutional and theoretical elements, with a highlight on their utility in the study of post-communist transitions. My main idea claims that the performances registered by the societies in transition are depending on institutional elections. Practically, the transition processes are depending on the existing structures and on the new institutional elections. Because of this fact, there is no universal prototype of development, but we can clearly observe a large diversity of post-communist traces, since these elections do not take place in an institutional null. From an institutional point of view, we can consider that the study of transactions can be reduced to the idea of following and understanding the way in which institutions change, when the regimes are changing.

Nevertheless, the idea of understanding the manner of an institutional change (a dynamic approach) remains a delicate subject, not only in the political science area but also in sociology. In this context, I consider that the non-institutional “rational choice” approaches offer a methodical manner of studying the institutions, but, furthermore, they offer a proper idea of understanding the way in which the change in institutions is made.

Having a complete image of the mechanisms that generate important changes in some institutions, the study of transitions, in general, and the post-communist ones, in particular, are becoming more and more important.

Keywords:

rational choice, neoinstitutionalism, post-communist transition, social change.

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Transition, democracy and prosperity

The giving up phase regarding the authoritarian régime which started more than 40 years ago or also known as “the third wave” of democracy as Huntington names it (1991) will be an occasion for the social sciences researches to reflect and analyze in order to offer a proper circumstance for understanding these deep transformations associated with these changes.

However, the reality of these years proved that passing from a political authoritarian régime to another democratic one is not that simple. Studying democracy is a much more delicate and heavy than it was thought to be (Taşcu-Stavre, 2011). Thanks to the important amount of empirical information that was gathered, it became more obvious that, although there were some theories about the ending of the authoritarian régimes, it was known the fact that not so much about the elements or the combination of elements that were assuring the success path of democracy was known. The attempts of seeing where the democracy comes from, in what kind of relations is with the social development, how durable the new political organization is going to be are the questions that will be answered by a series of analysts. O'Donnell, Guillermo (1973), Cardoso Fernando, Faletto Enzo (2000). A crucial moment of „the third wave” was the regimes alteration that followed the Iron Curtain, an alteration process that started in 1989. The interesting question that followed once the regimes from the Est and the Centre of Europe were going down was what if the transition experiences from the Latin American countries or the South of Europe (Spain, Portugal, and Greece) will be useful in the understanding of transitions from this part of the world. Certainly that the answer is mostly positive. However, Brustz (1989: 716) states that “despite of the obvious similarity, there is a basic aspect that makes a difference when it comes to changes in the Eastern Europe... that is: in these countries the transition towards a political democracy comes with a series of notable changes and transformations in the economic system. The features of the economic systems based on planning which exist in this part of Europe until 1989 complicated the manner of understanding the changing processes comparing with the countries from South-American countries or the ones form the South of Europe”.

Leading from this observation, the purpose of this thesis is to present a theoretical frame which wants to facilitate the understanding of the processes that took place at the same time with the falling of the authoritarian regimes in Central and South Europe. Furthermore, I hope that endeavour will be useful for the analysis of the post-communist transitions.

A first observation in my thesis is that, after 20 years of reforms initiated by the ex-communist states, we can observe important differences between the levels of political and economic development of the states in that
particular area. My goal is not to determine how effective the new political systems are, but to try to explain the necessity of change regarding the methodological approach.

I reckon that the methodological outlook which I bring forward offers a series of advantages, including essential instruments of analyses, instruments that can decode the mechanisms associated with transition and which lead, finally, to the complete understanding of the differences which exist between the regional states and also why the development paths are so diverse.

Before getting to the presentation of the neo-institutional rational choice approaches, it is mandatory to make some assignations regarding the limits of the previous approaches for the study of the post-communist transitions. I shall not make a thoroughgoing description of the manner in which some researches contribute to the understanding of the social phenomena associated with the process of transition, but I shall briefly present the past perspectives and some observations. Therefore, we shall operate with some theories which sustain the importance of creating the institution of the democracy, thing that would assure the political frame of how the free market works (O’Donnell, 1973). This approach makes a difference between the role of politics and economy and offers a political explanation of democracy, or at least, tries to do this in an independent way, starting from the analysis of the actors and the interactions between the elite. So, the upholders of this perspective say that democracy can be created independently from the structural context. On the other hand, we have theories that sustain-only in very good conditions of the free market economy might be assured the conditions for the democratization of the political field (Lipset, 1959). This perspective makes a bound between the spread of modern democracy and the illuminist idea of the progress universality. The fundamental idea of this approach is that modern society is a product of the capitalism. Unfortunately, in the intention of establishing the direction of the transformations, both ideas have a reductionist vision which does not match with the postmodernist states which are in full transition process. The characteristics of the transition processed in the ex-communist area are connected with the numerous factors (politic, economic, social) which are changing in the same time. Is not an issue of choice – democracy or free enterprise- but an issue regarding the creation, simultaneously, of the democracy and the free enterprise.

Neoinstitutional approaches and the study of transition

Starting with the 80s, a new theoretical theme is getting on the first line: the neoinstitutionalism. This approach emphasizes the institutional factors regarding the explanations about the economic effects of the states. Actually,
the institutions which establish the actions become more important. Having as a starting point the idea that the „rules of the game” are determined to fit the actors` strategies, the nucleus of the neoinstitutional analysis focuses on understanding the manner in which the institutional frames appear, disappear or modify.

Of course, my aim is not to discuss the evolution of the institutional approaches; it would be an almost impossible step to make in a quite narrow space. Which is really important is the fact that, when it comes about institutional approaches, there is a notable diversity of visions. Scott (2004), in a wide-ranging work, succeeds to put in order the multitude of perspectives, using two criteria: a disciplinary one, making the difference between the economical perspective, the sociological one and the one of the political sciences, making a distinction between the „old” institutionalism and the new one- the neoinstitutionalism. A detailed description of these ideas can be found in Taşcu-Stavre (2011, 2012).

Proceeding, using the Scott`s (2004) typology, I will present the characteristics of the neoinstitutionalism-rational choice type, and I will try to substantiate why it is proper for the analyses of the post-communist transitions.

First of all, in a relatively antithesis with other political science types of approach, the rational choice type of approach assumes that the institutions represent systems of rules for the actors, in which the actors are trying to maximise their utility. Therefore, when speaking about this pattern, the ideas and the actions are determined by the institutions (Peters, 2005, 19). The analysts are concerned about the role played by the institutions. Their task regarding the new institutionalism is to understand the role of the institutions and to determine from where or how they appear. The issue of institutional transformation is not a new one and this type of issue is present in the political systems with strong democratic regimes. The new discovery in this case comes from the capability of the rational choice approaches to offer theoretical instruments concerning the institutional change. So, Kenneth Shelps (1986) launches a challenge regarding the conclusions of other studies about the institutional stability. This study allows the possibility of separation of the institutional analysis on two levels, as it follows:

- On the first level- the study of the institutions` effects as constant and exogenetic;
- On the second level- why the institutions perceive particular shapes, allowing them to be endogenetic.

Many works were realized starting from these ideas and have offered a new manner of approaching the way in which institutions affect the decisions of the public policies. From this point of view, the analysis which considers the

institutions as being stable and exogenetic, was applied to all major democratic institutions, from constitutions to specific phenomena, like corruption.

Regarding the second level of analysis, which seems to be quite effective as the first, this one refers to questions about the internal structure of the institutions. Why are these institutions modified only in some circumstances and how do they resist is time. Weingast (2005:162) reckons that the approach of the institutional stability from the rational choice point of view offers one of the few correct and systematic analyses of these questions.

Conclusions

First of all, I reckon that this approach offers a methodical way of studying the institutions’ effects. Starting from the simple patterns with two actors and a constant variable set, the theoreticians of this approach have managed to offer explanations for a wide range of behaviors. This approach is suitable not only for studying political science and economy, but offers the support in order to explain a wide range of social problems. (Taşcu-Stavre, 2011: 65). Although the classical patterns of rational choice were used to be criticized because they had as a starting point some assumptions about individual rationality, the neo-institutional patterns have new points of view and/or use a much wider concept regarding the rationality.

Second of all, this approach offers instruments for a complete analysis of the institutions. Most of the analyses about the study of institutions stand that there are fix. But the recent studies, which consider the institutions endogenetic, offer the researchers the understanding of the manner in which the institutional change are being made. (Taşcu-Stavre, 2011: 65).

Ostrom (1990, [2007]), for example, succeeds in offering a model of the institutional change and also answers the challenge regarding the exogenetic characteristic of institutions, by separating the analysis on more levels. Therefore, Ostrom (2007: 67) considers that “in order to use this analysis, the theoretician should start from the idea that there are some exogenetic rules and the fact that these are kept constantly and are not changed while the analysis is being made that does not mean that they cannot be changed.” This means for Ostrom that some rules are considered endogenetic and other exogenetic, and if we want to understand which rules can be changed and how, we have to look them form another level. Ostrom (2007: 67) says that “all the rules are like in a nest which defines the way how rules from the first set could be changed.”

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To sum up, in order to understand the transformation of the institutions, we do not have unique solutions and so, the research of the unique context is relevant for getting knowledge. Beyond the invite launched by Ostrom to realize various empirical studies, I consider that the main trump of neo-institutional rational approaches remains the theoretical frame of analysis.

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