



## Reviews

ROBERT H. BATES, AVNER GREIF, MARGARET LEVI, JEAN-LAURENT ROSENTHAL, AND BARRY WEINGAST (1998) *Analytical Narratives*. Princeton: Princeton University Press, x, 296 pp., \$65.00

Modern social science has been divided along the following lines—thick or thin theory, dirty or clean empirical work. Thick description often postulates that every village is its own universe and thus universal explanations are not possible. Thin description, on the other hand, tends to find the universal in all instances of human action. Economists have a penchant for “thin” description and the model of rational choice provides them with the necessary tool. Non-economists have traditionally been more attracted to “thick” description and have looked at economists with a considerable degree of suspicion. Recent decades, however, have seen the adherents to the economist’s toolkit increase in political science, law, sociology, and philosophy. Rational choice models have proven extremely useful in solving many problems which have plagued other approaches.

The theoretical coherence which rational choice models provide, however, does not assure empirical relevance. Traditionally, economists have favored “clean” empirical techniques—namely statistical work in the form of regression analysis. Scholars outside of economics, especially those in area studies, have tended to be more drawn to “dirty” empirical techniques such as the archive, interviews, and ethnography. The following matrix (see Figure 1) might capture this characterization of modern social science scholarship (however much a “straw-man” I am actually constructing).

Each of these styles of work have strengths and weaknesses, though one might be at a loss to find much strength in the lower right-hand cell. Economics has tremendous argumentative structure, and econometrics is often essential for the examination of certain questions. But, as Deirdre McCloskey has argued in many venues, statistical significance is not the same as economic significance. Furthermore, there are trade-offs associated with the different approaches. Case studies run the problem of  $N = 1$ , but large sample size data analysis doesn’t have the “richness” that close up empirical work does. On the other hand, while area studies scholars often provide the reader with rich details of the situation under examination, the lack of an argumentative structure limits the usefulness of the narrative offered. The great missing cell in modern social science scholarship is the upper left-hand cell—the realm of the ANALYTICAL NARRATIVE.

The book by Bates, Greif, Levi, Rosenthal and Weingast attempts to fill in that missing cell by combining the logical structure of rational choice theory (as illuminated in game theory) with the attention to historical, institutional and cultural detail usually associated with area studies scholars in the social sciences and historians. Thus, the term analytical narrative—the analytical tools of economics in the service of the narrative form of history. In doing so, the authors of this work continually strive to illuminate the particular by way of the general and to find the general in a close examination of the particular.

	<b>"DIRTY" Empirical Work</b>	<b>"CLEAN" Empirical Work</b>
<b>THIN description</b>	ANALYTICAL NARRATIVE	Standard economics analysis <ul style="list-style-type: none"> <li>• constrained optimization</li> <li>• statistical significance</li> </ul>
<b>THICK description</b>	Traditional anthropological, sociological, area studies political science work <ul style="list-style-type: none"> <li>• social forces and cultural analysis</li> <li>• case study and ethnography</li> </ul>	Statistical sociology and political science <ul style="list-style-type: none"> <li>• "Kitchen sink" statistical analysis which throws everything in the right side of the equation in search of explaining the left side.</li> </ul>

*Figure 1.*

This project should be of particular importance to scholars of constitutional political economy (CPE) precisely because of the uneasiness with which CPE views empirical work. It is not at all clear that the best way to pursue the research program of Buchanan and Hayek is to engage in "clean" data analysis. Certainly one way to pursue an empirical research program in CPE would be to test the impact of constitutions on economic performance across countries. This is an important question and traditional techniques have yielded important results along this line of inquiry. But that does not exhaust the research program of CPE, nor does it represent its most important implication which must be empirically explored. There are questions about what constitutes a rule in the first place, where those rules come from, how rules ever change, and how transferable rules are across cultures and time. Each of these questions, it seems to me, demands the "richer" form of empirical examination that can only be achieved via "dirty" methods. On the other hand, these questions only occur to us because of our "thin" model of human agency which can be used to examine the reason of rules in the first place. Thus, the development of a methodological defense of analytical narratives should be welcomed by students of CPE.

This book takes a first step in the direction of building such a defense. The collection of authors is first rate—among the leading figures in rational choice political science and economic history. Each contributes a chapter on his or her own, and they collectively wrote the introduction and conclusion, which are devoted to setting up the problem and providing tentative answers to critics from both the interpretive and scientific sides of the methodological divide in modern methodology of the social sciences.

In the introduction and conclusion, the authors overstate, in my opinion, the problems with interpretative social science and understate the problems with positivistic social science. As a result, the defense mounted is weaker than hoped for. But while the book is advertised as a "methodological manifesto" this is not where the serious thought has gone. Instead, the proof of the approach is to be found in the chapters themselves, where the separate authors provide their analytical narrative on a topic that they have worked on for some time. What unites all the chapters is not just the rational choice structure and the narrative form, but also the focus on the questions of the sources of political order, the origins of conflict and

the interplay between international and domestic political economy. A primary conclusion of the papers is the significance of institutions in explaining outcomes.

The separate chapters provide narratives on late medieval Genoa; absolutism in France and England; conscription in France, the United States and Prussia; the Civil War in the United States; and the International Coffee Organization. Themes that run throughout these narratives in comparative political economy are collective action problems, principal-agent problems, problems of credible commitment, nested games, the power of pivotal decision makers, the function of gate-keeping authority, and the political significance of veto points. The game theoretic structure in political economy, our authors tell us, might yield multiple equilibria. But in the context of constructing these comparative analytical narratives they argue that multiple equilibria don't damage the analysis. Instead, the structure of the game is able to illuminate the mechanisms underlying the properties of unique historical events. The "force" of the game (their word) is in the structure of incentives it highlights and the strategic problems which emerge within it. Thus, even though a specific game might not yield universal solutions, the strategic incentive issues raised in the game focus our attention on the principles which provide the basis for comparative analysis.

*Analytical Narratives* is an important book in several respects. Researchers in CPE can learn much from it and draw inspiration from it for comparative historical research in constitutional analysis. It is my judgment that the CPE research program will advance by striving for richer historical narratives, rather than attempting to test its propositions with exercises in statistical significance. "Dirty" empirical techniques guided by the structure which economic logic provides will enable us to illuminate the human condition and explain the significance of how alternative rules of the game impact upon that condition. To me, this is the intellectual calling of those who wish to practice the "worldly philosophy." Much of CPE has engaged in philosophical speculation on the structure of rules, but empirical work has tended to lag behind. With this book, scholars in CPE have been given a handbook for applied political economy and the empirical examination of the reason of the rules.

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