

Critical Junctures and Institutional Change

Giovanni Capoccia

University of Oxford

Paper prepared for inclusion in the volume

Advances in Comparative Historical Analysis in the Social Sciences

Eds. J. Mahoney and K. Thelen, Cambridge, Cambridge University Press.

Critical juncture analysis is popular in comparative-historical analysis (CHA) since it provides tools for studying the political origins and reform of important institutional arrangements that exert a long-lasting influence on their social and political environment. This chapter clarifies a number of theoretical and conceptual issues, explores the strengths and weaknesses of the critical juncture approach, and proposes a methodological strategy for studying critical junctures in comparative perspective.

It is necessary to define the scope of the discussion by making two preliminary observations. First, the “dual” model of historical development intrinsic to critical juncture analysis – shorter phases of fluidity and change alternating with longer periods of stability and adaptation – has been applied to a wide range of outcomes and entities, from individual life histories to the development of groups and organizations and the evolution of entire societies (e.g., Swidler 1986, 280).¹ In this chapter, I focus on the use of the concept of critical junctures in the context of the development of *institutions*, broadly defined as organizations, formal rules, public policies, political regimes, and political economies. These have generally been the object of critical juncture analysis in CHA in both political science and sociology.

Second, within CHA, the concept of critical juncture applies only to the analysis of *path-dependent* institutions and not to all forms of institutional development. The analysis of critical junctures is a part of path dependence arguments, according to which institutional arrangements put in place at a certain point in time become entrenched because of their ability to shape the incentives, worldviews, and resources of the actors and groups affected by the institution. In this analytical context, critical junctures are cast as moments in which uncertainty as to the future of an institutional arrangement allows for political agency and choice to play a decisive causal role

¹At times, synonyms such as *crisis*, *turning point*, and *unsettled times* are used. I refer to critical junctures throughout this chapter.

in setting an institution on a certain path of development, a path that then persists over a long period of time.²

The chapter begins by identifying the components of critical juncture analysis, presenting important examples of the approach from the literature, clarifying its advantages vis-à-vis ahistorical approaches, and linking those advantages to the key characteristics of CHA. In the central section, the chapter proposes a theoretical framework for making the agency and contingency at the core of critical junctures analytically tractable and discusses the resulting theoretical and methodological payoffs of the framework. In essence, the conceptualization developed here alerts scholars to several features of the *politics of institution making* during critical junctures that are causally important for the creation or reform of path-dependent institutions. First, by underscoring the importance of political entrepreneurs in assembling coalitions for institutional change during critical junctures, the approach draws attention to the constraints and inducements derived from the organizational landscape of politics in driving many institutional innovations. Furthermore, by pointing to the possible disconnect between the institutional outcome and the initial preferences of the most powerful actors on the scene, critical juncture analysis avoids the pitfall of attributing institutional outcomes to such preferences, and it uncovers the political dynamics that often guide the strategies of political actors in situations of uncertainty. Finally, by focusing on situations in which influential actors exploit situations of uncertainty to manipulate the preferences of important social groups through the strategic promotion of normative change, critical juncture analysis calls attention to the potentially important role that the cultural construction of the institutional preferences of social actors may play in institution making. In all these cases, a close analysis of political agency and decision

² I refer to path dependence arguments that are based on logics of increasing returns. For a broader view of path dependence see Mahoney (2000). The theoretical literature on path dependence is extensive and its discussion goes beyond the scope of this chapter. A small selection of important contributions includes, in economics, North (1990), Arthur (1994), and David (1985, 2000); in sociology, Goldstone (1998) and Mahoney (2000); in political science, Pierson (2000 and Chapter 5, this volume) and Page (2006). For a review of the use of the concept in the field of international relations, see Fioretos (2011).

making during critical junctures yields fresh empirical findings and furthers the scholarly conversation on institutional change. Methodologically, the concept of “near-miss” reform provides scholars with the theoretical lens for unearthing negative cases of institutional change that enhance the leverage of comparative research designs.

The chapter is organized as follows. In the next section, I illustrate the main characteristics of the critical juncture approach with reference to important comparative work in the field. In the section that follows, I clarify some theoretical issues and discuss the theoretical and methodological payoffs of the approach. I then offer methodological advice for the comparative study of critical junctures. In the conclusion, I summarize the main points of the chapter and discuss the limitations of the critical juncture approach in CHA, pointing to avenues of further theorization.

Critical junctures and historical explanation

The critical juncture approach gained the important place that it currently occupies in CHA with Berins Collier and Collier’s (1991) influential volume on modes of labor incorporation in Latin America. Their crucial theoretical move was to see explicitly their analysis as a specific case of a *more general approach* to the study of institutional development, in which critical junctures give rise to *path-dependent* processes, a conceptual apparatus imported into political science from institutional economics (e.g., Arthur 1994; David 1985; North 1990). In these and later works, the analysis of critical junctures and institutional development is explicitly linked to economic research on path dependence (e.g., Berins Collier and Collier 1991, 27; Lieberman 2003, 23; Mahoney 2001, 7; Yashar 1997, 3). This was an important change from the first use of the concept by Lipset and Rokkan: they traced the origins of Western European party systems to three “crucial junctures” located much earlier in the history of each nation, during which “decisions and developments” shaped mass politics in the region for decades to come (Lipset and

Rokkan 1967, 37–8). Their analysis, however, was largely couched in macrostructuralist language that left little space for the analysis of decisions and developments and reconstructed, instead, the roots of historical variation *ex post*, starting from variation in the outcome of interest and looking backward in time (Berntzen and Selle 1990).

The reference to the theory of path dependence, with its emphasis on the mechanisms (increasing returns, network effects, lock-in, and others) through which institutional arrangements become entrenched by shaping their social underlay, not only gave critical juncture scholars a powerful language to support the claim of *distal causation* – the thesis that decisions and developments in the distant past can have a long-lasting effect on institutional arrangements, which constitutes the essence of the approach – but also entailed a fundamental shift of analytical perspective from *ex post* to *ex ante*. The theorization by institutional economists that “small and contingent events,” although generally of insignificant influence during periods of institutional reproduction, could instead play a crucial role at the beginning of an institutional path (e.g., David 1985, 2000) induced political scientists and sociologists to theorize explicitly that different possibilities were open during critical junctures, and that initial conditions did not determine the type and direction of subsequent institutional developments (e.g., Goldstone 1998; Mahoney 2000). This analytical perspective induced scholars –albeit sometimes only implicitly – to consider not only the institutional path selected during the critical juncture but also the paths that plausibly could have been, but were not, taken.

Another building block of the critical juncture approach was added by Capoccia and Kelemen (2007), who pointed out that the economists’ model of “small and contingent events” as unconnected microdecisions that cumulate to create a state of institutional “lock-in” is ill-suited to capture the *political* dynamics of institutional path selection during critical junctures (see discussion in Capoccia and Kelemen 2007, 354). They note that during moments of social and political fluidity such as critical junctures, the *decisions and choices of key actors* are freer

and more influential in steering institutional development than during “settled” times (Swidler 1986). In other words, by analytically linking the concept of contingency to the choices, strategies, and decisions of political decision makers rather than to a series of bottom-up microdecisions by individuals, the researcher is more likely to capture the dynamics that in most cases influence the selection of one institutional solution over others that were available during the critical juncture.³ This offers the theoretical basis for a definition of critical junctures as relatively short periods of time during which there is a substantially heightened probability that agents’ choices will affect the outcome of interest. By “relatively short periods of time,” Capoccia and Kelemen mean that the duration of the juncture must be brief relative to the duration of the path-dependent process it instigates (which leads eventually to the outcome of interest). By “substantially heightened probability,” they mean that the probability that agents’ choices will affect the outcome of interest must be high relative to that probability before and after the juncture. This definition captures both the notion that, for a brief phase, agents face a broader than typical range of feasible options and the notion that their choices from among these options are likely to have a significant impact on subsequent outcomes (Capoccia and Kelemen 2007, 348).

This theoretical work combines to create the following explanatory approach: an event or a series of events, typically exogenous to the institution of interest,⁴ lead to a phase of political uncertainty in which different options for radical institutional change are viable; antecedent

³ Contingency is at times linked to *events* happening during periods of uncertainty as well as to decisions. However, as discussed below, connecting contingency to decisions not only makes the concept analytically more tractable but also underscores that what is often decisive in critical junctures is how key actors *react* to unexpected events, provided that, in line with the definition of critical junctures set forth in the text, actors have different options to choose from. If an event forecloses all but one option and therefore leaves the actors with no choice, then the situation is better conceptualized as a *sequence* rather than a critical juncture (see, for related discussions, Falletti and Mahoney, Chapter 8, this volume; Mahoney 2000).

⁴ For simplicity’s sake, the discussion in this chapter refers only to exogenous shocks as triggers of critical junctures. However, it is possible that a critical juncture in the development of a given institution is generated endogenously by power holders that may disrupt existing institutional equilibria to achieve political objectives. Kohli, for example, discusses how Indira Gandhi intentionally deinstitutionalized the institutions of the Indian federal state in pursuit of her political agenda (Kohli 1997, 331).

conditions define the range of institutional alternatives available to decision makers but do not determine the alternative chosen; one of these options is selected; and its selection generates a long-lasting institutional legacy.

Some examples of recent comparative work in this vein illustrate the power of the approach. In her *Demanding Democracy: Reform and Reaction in Costa Rica and Guatemala*, Yashar compares the different political trajectories of authoritarian Guatemala and democratic Costa Rica to explore the question of why democracies are founded and endure. Her argument is that enduring democracy depends on whether emerging democratic forces seize the opportunity to forge cross-class coalitions during a democratic transition (the critical juncture in her framework; Yashar 1997, 3, 235) and pass bounded redistributive reforms that weaken the power of rural elites while at the same time allowing for the possibility that traditional social forces will continue to play a role in politics. The uncertainty typical of democratic transitions, triggered by a split among authoritarian elites (O' Donnell and Schmitter 1986), makes it impossible for traditional elites to confidently oppose such reforms, since they do not have a sufficiently clear view of the future and cannot count on reliable political allies. The implementation of such reforms during the transition, therefore, reduces the power of traditional elites and empowers other social groups, making democracy more likely to endure well after the critical juncture. If the attempt to pass democratic reforms is instead delayed, established forces will generally have the power and the resources to oppose them and restore authoritarian rule. A high level of development of civil society constitutes a necessary condition for democratizing elites to form cross-class coalitions during the critical juncture since these coalitions draw their power from the politically mobilizable masses (Yashar 1997, 22–3). At the same time, however, Yashar makes clear that this favorable antecedent condition makes pro-democratic coalitions possible, but “agency can prove paramount precisely at the political moment offered with a transition to

democracy ... in the event that actors do not act at the moment of democratic transition, they will lose a historic opportunity to reshape institutions in an enduring way” (Yashar 1997, 22).

The study of regime change in Central America is also at the core of Mahoney’s *The Legacies of Liberalism: Path Dependence and Political Regimes in Central America*. In his analysis, the period of liberal oligarchic regimes at the turn of the twentieth century constitutes the critical juncture during which political developments shaped the variation of regimes across Central America during the subsequent decades (traditional dictatorship developed in Honduras and Nicaragua, military authoritarianism in Guatemala and El Salvador, and democracy in Costa Rica). In Mahoney’s account, the increased world demand for indigenous Central American agricultural products as well as the technological advances that allowed long-distance shipping of perishables opened up new possibilities for agricultural development in these countries. The choices that liberal presidents and their political allies made in relation to agricultural development during the critical juncture were crucial in setting the political institutions of these countries on different paths of development. Importantly, Mahoney shows that these initial choices, some of which failed to promote agricultural development because of foreign intervention, and others of which succeeded but varied according to whether they sought rapid or gradual development, put into place institutions and policies that affected class relations in the countryside. These class relations, in turn, created the social constituencies that underpinned the persistence of the original institutional choices, structured political dynamics in predictable ways, and encouraged the development of the type of state that sustained the different models of agricultural development. As in Yashar’s account, antecedent conditions were an important backdrop during the critical juncture but did not determine the decisions of political actors (Mahoney 2001, 14). Mahoney emphasizes the “historical contingency” of the choices made by liberal presidents, arguing that their decisions were directly influenced by the immediate political

imperative to maintain or expand power rather than by the desire to forge social coalitions that would persist over the long term (Mahoney 2001, 42).

Lieberman's *Race and Regionalism in the Politics of Taxation in Brazil and South Africa* addresses the question of why states vary in their capability to extract tax from the more affluent social strata. His argument is that different types of "tax state" (important tax policies and their implementation) emerge as legacies of critical junctures in the development of constitutional orders, in particular the formal rules of citizenship. Lieberman defines such junctures as foundational moments in which the boundaries of the National Political Community (NPC) are set, namely, when notions of "us" and "them" identifying who has the rights and duties of a citizen and who does not, are socially constructed and entrenched in constitutions and formal rules. The entrenchment of such categories in formal institutions, as well as in important carriers of symbolic meaning such as maps, museums, census rules, and media discourse, "cast[s] a long shadow on the future, even once the initial conditions have changed" (Lieberman 2003, 14) and sets in motion path-dependent processes of development of fiscal institutions, giving rise to nationally distinctive patterns of tax policy that were resistant to significant change (Lieberman 2003, 19). The choices that Brazilian and South African elites made during brief periods of constitution making around the turn of the century led to different definitions of NPC: racial categories prevailed in South Africa, leading to the exclusion of blacks from citizenship, whereas in Brazil racial categories were deemphasized, and regional categories prevailed and were entrenched in a strongly federalized polity (Lieberman 2003, 80–4). Lieberman makes clear that alternative choices on both dimensions were not only possible but seriously considered in both cases: "Comparative historical analysis reveals that there was nothing pre-ordained about how the NPC would be defined in either country ... Legacies of immigration from Europe, Asia and Africa; slavery; miscegenation; and centuries of internal conflict created important political cleavages that obscured any obvious basis for nationhood in Brazil and South Africa"

(Lieberman 2003, 70–1). In South Africa, a race-based definition of citizenship created interclass solidarity among whites so that the more affluent groups in society (who are white) felt an obligation to pay taxes out of solidarity with poorer whites. In Brazil, racial criteria were not made salient for the definition of citizenship, official discrimination was banned, and an official policy of miscegenation was promoted, but de facto racial discrimination remained in society; as a result, poor whites were more likely to be perceived as poor, not as whites, by the members of the (white) affluent groups. Moreover, the combination of highly salient regional identities, strong federal institutions, and income differences between regions made affluent groups likely to perceive taxes as drawing resources from “us” (defined regionally) to “them” (people in other regions). By the same token, the salience of regional differences made it more difficult for the poor majority to make unitary demands for more progressive taxation. These patterns shaped the organizational landscape of politics and had a strong impact on tax policy, leading to long-lasting legacies of more fiscal progressivism in South Africa and less fiscal progressivism in Brazil.

These and other works show how a rigorous application of the critical juncture approach can have important advantages over ahistorical approaches, which typically focus on contemporaneous social (or international) correlates of the institutional outcome of interest. In general terms, critical juncture analysis tests the hypothesis that the domestic social factors that correlate with the institutional outcome of interest may be *endogenous* to political decisions made much earlier in time and for reasons unrelated to such factors. Mahoney, for example, shows that patterns of agrarian class relations, which many consider key determinants of political regimes in Central America during the twentieth century, were largely the consequence of the previous choice of a particular model of agricultural development on the part of liberal leaders. These choices were in turn not endogenous to dominant class interests of the time, nor were they simply a response to the “objective” needs of an incipient agrarian capitalist mode of production. Central American liberal states were generally headed by personalistic dictators who were

capable of making decisions without negotiation or consultation with classes and groups from civil society and who were mainly interested in maintaining and expanding their own personal power (Mahoney 2001, 19). Apart from demonstrating that “purely structural explanations ... are clearly incomplete” (Lieberman 2003, 2–3),⁵ Lieberman’s focus on critical junctures and their institutional legacies allows him to show that macrosocial and cultural factors at the core of alternative explanations of taxation capability, such as the “trustworthiness of the state” (Levi 1988, 1997), the diffusion of social capital (Putnam 1993), and the strength and preferences of the groups which strike different “tax bargains” with the state Levi’s (1988), are largely endogenous to the earlier definition of the NPC (Lieberman 2003, 22–32). In sum, a focus on critical junctures and their legacies shows that what might be at play in shaping important institutional arrangements is not correlational causation but *distal causation*: decisions and events happening much earlier in time give rise to path-dependent institutions that *shape their social underlay* and thereby persist over time.

The power of the critical juncture approach to provide important correctives to ahistorical explanations turns on its reliance on some key tools of CHA (Thelen and Mahoney, Chapter 1, this volume). First-hand *knowledge of the cases* studied is essential to critical juncture analysis not only to rule out alternative explanations for specific cases⁶ but also, importantly, to identify the key critical juncture(s) in the development of the institution of interest and to provide a compelling account of the exact mechanisms that give rise to the path-dependent legacy. Furthermore, the analysis of critical junctures and their legacies represents a form of *temporal analysis*, and similar to all such analyses in CHA, it compels scholars to focus on *when*

⁵ Through the application of a nested analysis (Lieberman, Chapter 9, this volume), Lieberman shows how levels of economic development, although correlated cross-nationally with taxation capability, heavily underpredict South Africa’s taxation capability and overpredict Brazil’s, and therefore not only fail to provide a satisfactory explanation for these important cases but also leave significant room for theory building (Lieberman 2003, 10–12).

⁶ For example, Yashar’s (1997, 12) analysis enables her to criticize accounts that consider the US involvement in the 1954 *coup* an important cause of the failure of democracy in Guatemala and to show that the United States “was not the only or even the most important actor” in those events.

something happens in order to establish whether and how much causal force it exercises over their *explanandum*. In the context of the critical juncture/path dependence approach, this has three main consequences. First and foremost, the approach exemplifies Polanyi's dictum that in some moments in history "time expands ... and so must our analyses" (Polanyi 1944, 4). This expansion of time underscores the fact that an event that occurs during a critical juncture may have a large effect on the outcome even though the same event may not have important consequences in later phases of institutional development, when the costs of change are higher (David 2000; North 1990), and encourages scholars to perform detailed historical analysis of the decisions and developments that happen during critical junctures. Second, the approach points to the possibility that transformative institutional change (although not a necessary characteristic of critical junctures, as explained below) may be abrupt and concentrated in relatively short periods of time rather than be gradual and protracted. Third, as discussed above, by enlarging the temporal horizon of the analysis (Pierson 2004) the approach may reveal that what may seem to be causing the institutional outcome at a certain moment may in fact be the effect of decisions made much earlier in time that became entrenched in institutional arrangements.

Theoretical and methodological payoffs

But is this real progress? Can a focus on agency and contingency as key causal factors of institutional path selection during critical junctures offer the foundations for theoretical advances and knowledge accumulation on why certain institutions are selected over others? This concern drives a number of recent theoretical contributions that, while not denying the causal importance of agency and contingency during critical junctures, nevertheless take the view that a focus on the *antecedent conditions* of critical junctures is analytically more useful than a focus on political agency and contingency. According to this scholarship, the defining feature of critical junctures is not contingency but *divergence*: critical juncture analysis is appropriate in situations in which a "common exogenous shock" affects a set of cases (typically countries), causing them to

“diverge” as a result of the combination of the common shock and their different antecedent conditions, which therefore exert a significant causal force on the outcome (Acemoglu and Robinson 2012, 106; Slater and Simmons 2010, 888; Soifer 2012, 1593).

Since, as clarified in more detail below, agency-based conceptualizations of critical junctures *do* take the structural context of decision making into account insofar as it constrains or enables⁷ a certain range of choices on the part of key actors and do *not* equate agency with the free-floating determinations of politically disembodied actors (e.g., Capoccia and Kelemen 2007; Katznelson 2003), the disagreement would appear at first glance to be one of emphasis. However, insofar as these critics promote a research program based on the causal predominance of *structural* antecedent conditions in the selection of path-dependent institutions, the disagreement is substantial.⁸ To be sure, *structure* is one of the most contested and ambiguous terms in comparative politics. A comprehensive theoretical discussion of the concept, however, is unnecessary here,⁹ since the term as used by these critics refers broadly to the distribution of material resources and technology exogenous to human agency (e.g., Parsons 2007, 49–51)¹⁰, which is the same general definition typically adopted in agency-focused critical juncture analyses. These, however, circumscribe or even deny the decisive causal force of such structural antecedent conditions (e.g., Lieberman 2003, 30; Mahoney 2001, 7).

⁷ In many cases, structural antecedent conditions may restrict the range of choices available to actors; in other cases, structural conditions may provide necessary conditions for certain developments during critical junctures, thus making certain choices possible (e.g., Yashar 1997, 22; see also Soifer 2012).

⁸ Falletti and Lynch (2009, 1155) interpret the conception of agency put forward by Capoccia and Kelemen (2007) as “de-linked from context” and bemoan it as unproductive. Soifer (2012, 1593) argues that he is “agnostic” about the relative importance of agency and contingency vis-à-vis structural factors during critical junctures. Even though not all the examples of “critical antecedents” that Slater and Simmons discuss can be considered structural according to the definition adopted here, they explicitly mention their intent to uncover the role of “deeper structural forces” and “long-term causal factors” (Slater and Simmons 2010, 887) and various synonyms (892–3, 895, 905).

⁹ For an insightful discussion, see Sewell (1992)

¹⁰ Or that can be considered exogenous to human agency for the temporal scope of the analysis (see discussion in Parsons 2007, 49–65).

In general terms, views that emphasize the importance of structural antecedents offer a welcome reminder that scholars should not assume too easily that the background conditions of the cases that they compare are similar. Cases may differ in significant ways prior to the critical juncture and those differences may be important causally. However, an analytical focus that emphasizes the causal significance of structural antecedents also raises several concerns. To begin with, scholars in this line of analysis do not deny that agency (Slater and Simmons 2010, 890) and contingency (Acemoglu and Robinson 2012, 110; Soifer 2012, 1573) play a potentially important causal role during critical junctures. Such a role, however, is logically inconsistent with a *definition* of critical junctures in terms of divergence. Divergence is a *consequence* of critical junctures in which agency and contingency are causal, and as such it cannot be used to define them.¹¹ Furthermore, as explained above, the critical juncture/path dependence approach postulates that institutions exert causal force on their social underlay, a claim that would need to be nuanced if the selection of the institutions in question were endogenous to “long-term structural forces,” which in many cases would be likely to continue to influence the institutions after these had been put in place. Finally, structuralist explanations picture “people reacting in regular, direct ways to their ‘material’ surroundings” (Parsons 2007, 51): all aspects of political life, including institutional ones, once stripped of unimportant detail, are unequivocally shaped by the underlying structural landscape. To be sure, this does not mean that structuralist explanations are necessarily deterministic: it is perfectly possible to build probabilistic arguments showing a robust correlation between structural conditions and institutional outcomes in a sufficiently large number of cases, where deviations from the regularities dictated by structural conditions are relegated to the error term of a regression model. However, as discussed

¹¹ Furthermore, whether divergence between cases is observable depends on which cases are selected for comparison. These authors talk about “divergence” also in the context of a single case, with reference to situations in which radical institutional change happens (Slater and Simmons 2010, 888; Soifer 2012, 1593; see also Acemoglu and Robinson 2012, 106). However, a causal role of agency and contingency is also incompatible with considering change as a *defining* element of a critical juncture (see Capoccia and Kelemen 2007, 352, and the discussion on “near misses” below).

above, it is precisely these arguments that, drawing on the strengths of CHA, critical juncture analysis demonstrates can be insufficient or problematic.

More generally, though, as Greif (2006, 33) rightly puts it, “Institutional analysis is about situations in which more than one behavior is physically and technologically possible.” There may be significant organizational and ideational gaps between “physical and technological” conditions and institutional outcomes, which point to a potentially substantial *causal ambiguity* between the two. On the one hand, the organizational landscape of politics does not necessarily map onto the social cleavages defined by the distribution of material resources (e.g., Capoccia and Ziblatt 2010, 949–52). On the other hand, “different agents can hold different mental models regardless of the similarities of their structural positions” (Blyth 2003, 697). During critical junctures, the uncertainty created by the disruption of the institutional status quo and the ensuing demand for radical institutional change, this causal gap is likely to be even *wider*. This raises the risk that “portable” causal arguments based on the analysis of “long-term structural forces” preceding the critical juncture will be quite vague and at times possibly misleading.

Decision making under uncertainty: the politics of institutional formation during critical junctures

Theoretical and methodological progress in critical juncture analysis depends largely on how contingency is defined. Indeed, if theorists of an agency-based view of critical junctures equated contingency with randomness and conceived of critical junctures as characterized by “complete contingency” and “blank slates” (Slater and Simmons 2010, 890), the criticism of theoretical sterility would be justified. However, my contention, discussed in previous work (Capoccia 2004, Capoccia and Kelemen 2007, 355–7; see also Katznelson 2003, 277), is that Isaiah Berlin’s definition of historical contingency provides the most useful starting point for the study of critical junctures. Berlin defines the analysis of contingency as “the study of what happened in

the context of *what could have happened*' (Berlin 1974, 176, emphasis added).¹² Hence, in the context of the critical juncture approach, contingency has two key characteristics. First, as discussed above, to account for the political dynamics leading to institutional path selection, it should be linked to the analysis of political choice and decision making, and in this respect it simply points to the intrinsic *plausibility of the twofold counterfactual argument* that, first, actors could have plausibly made different decisions, and second, had they done so, this would have had led to the selection of a different path of institutional development. The second characteristic of this definition of contingency points to the fact that the range of plausible options during critical junctures – in Berlin's words, "what could have happened" – is not infinite: its boundaries are defined by prior conditions even though, within the limits of those conditions, actors have real choices. It is the analyst's task to reconstruct the context of the critical juncture and, through the study of historical sources, establish who were the key decision makers, what choices were available to them –*historically* available, not simply *hypothetically* possible – how close actors came to selecting an alternative option, and what likely consequences the choice of an alternative option would have had for the institutional outcome of interest (Capoccia and Kelemen 2007, 355; see also Gourevitch 1992, 67; Katznelson 2003, 282).

Against the background of this conceptualization, the study of agency during critical junctures does not refer to the idiosyncratic creation of institutions by fiat through the unbridled action of free-floating demiurges but to "the choice (within given constraints) of *triggering a specific process among many possible, rather than ensuring a particular outcome*" (Kalyvas 1996, 262–3, emphasis added). As mentioned above, the uncertainty typical of critical junctures widens the organizational and ideational gap that often exists between structural preconditions and institutional outcomes. Hence, during critical junctures, political decision making, initiatives

¹² For different definitions of contingency, see Mahoney (2000, 514) and the discussions in Bennett and Elman (2006) and Shapiro and Bedi (2006).

for political mobilization and coalition formation, and strategic interactions between key actors are likely to be directly influenced by multiple and contradictory *political pressures* of varying strength, which, given the generalized uncertainty, are likely to be ambiguous and to change rapidly. Political actors, therefore, have substantial leeway to choose which pressures to yield to, and which instead to resist, in deciding their best course of action. In their choices and interactions, there is significant scope for intentionality, interpretation, and unintended consequences. The different forms of political pressure on agents are inseparable from the study of political agency – what political actors want, think, prefer, and actually do to transform their surrounding social relations – indeed, they constitute the very *substance* of it. At the same time, such political pressure is not random: it is often possible to identify commonalities across cases involving struggles on similar institutional choices. Indeed, by analyzing these political pressures and actor responses during critical junctures, scholars have built compelling midrange theoretical arguments (the typical scope of most arguments in CHA) on the origins and reform of important institutional arrangements. These arguments have often led to fresh insights into their specific object of study as well as theoretical payoffs capable of informing research on other cases and methodological advances in the design of comparative research. The next section discusses and illustrates three typical patterns of the politics of institutional formation during critical junctures and shows their achievements and potential in advancing the scholarly conversation on the origins and change of important political institutions.

Pathways to institutional change: coalitional engineering, out-of-winsit outcomes, and the politics of ideas

Political entrepreneurs and coalitional engineering

The insight that structural conditions may not map unequivocally onto the organizational landscape of politics creates space for political entrepreneurship: in times of uncertainty, when multiple institutional options are available, political agents may play a crucial role in determining

which coalition forms in support of what type of institutional change and when. More broadly, focusing on the gap between structural constellations and institutional arrangements brings to the fore the possibly decisive role of the *organizational landscape of politics* in generating constraints and inducements that condition political entrepreneurs seeking institutional reform during critical junctures (Capoccia and Ziblatt 2010). While unconsolidated political organizations may enable actors to exploit their internal divisions and fluidity to obtain political realignment in favor of their preferred institutional reform, organizational loyalties may at times constrain innovative coalition making, and interests vested in political organizations may constitute powerful obstacles to reform. Even in those cases, however, a fragmented organizational landscape does not necessarily stand in the way of institutional reform via creative coalitional engineering. In some circumstances, situations of uncertainty coupled with a fragmented organizational landscape offer opportunities for “heresthetic” political entrepreneurship (Riker 1986) in forging coalitions in support of specific reforms (Hausermann 2010).¹³

An illustration of these dynamics is Ertman’s (2010) recent analysis of the 1832 Reform Act in Great Britain, which he explains as the outcome of a critical juncture in which a “fundamental, unforeseen transformation of a political regime occur[red] over a relatively short period of time as a result of decisions of a small number of actors” (1001). In his careful reconstruction of the tumultuous political interactions of the years 1827–35, Ertman underscores the importance of political choices, in particular those made by important leaders such as Peel and Wellington in forming a coalition for electoral reform that cut across party lines (1009); at the same time, he embeds his detailed analysis of political agency in the key cleavages that characterized British politics in that period, in particular the emancipation of religious minorities

¹³ Hausermann (2010) shows how government can exploit the multidimensional nature of pension policies – in which benefit levels, type of financing, and eligibility criteria vary largely independently from each other – and take advantage from the overall level of fragmentation of social and political organizations to “package” proposals for reform that attract the support of a certain social coalition.

and the fight against “Old Corruption.” Ertman makes clear that these cleavages had been prominent in British politics for several decades, that “demand for parliamentary reform were present at both the popular and elite level since the mid-18th century,” and that “the intensity of such demands fluctuated substantially, rising during periods of economic distress and/or budget crisis, but falling during times of national emergency or prosperity” (1008). Ertman’s analysis has important implications for the scholarly debate on British democratization. Among other things, he shows that the reforms of 1827–35, and in particular the 1832 Reform Act, were not the result of a “long and continuous build-up pressure,” as others have argued (e.g., Morrison 2011), but rather were a series of decisions and political interactions through which powerful political leaders assembled a coalition for reform that cut across traditional party lines.

Out-of-winsset outcomes and strategic interaction

Focusing on political interactions and decision making during critical junctures may uncover situations in which the institutional outcome does not reflect the preferences of any of the key actors on the political scene –in the language of formal analysis, the outcome falls outside the “winsset” defined by actor preferences (Tsebelis 2002). In these situations, objective sociostructural conditions may empower specific social groups, which interact to push for their preferred institutional solution. However, as a result of both the high political uncertainty of the situation and the nature of the interaction itself, the outcome does not reflect the preferences of any of the key actors involved in the institution-making process. Making sense of these situations requires at least two analytical steps: first, carefully unpacking the actual impact that objective macrostructural conditions have on the influence of political actors and organizations; second, focusing at close range on political agency and interactions (the *politics* of institution making) and the institutional outcome of the process. By avoiding placing agency and interactions in a “black box,” this second, and potentially causally decisive, step in the process may produce results that would be inexplicable from a structuralist perspective.

An important illustration of this type of analysis, which shows how smaller-scale and more proximate determinants of political strategies and interactions can be decisive in forming new institutional arrangements, comes from Kalyvas's comparative analysis of the emergence of confessional parties in Western Europe.¹⁴ Even though he does not explicitly use the language of critical junctures, Kalyvas analyzes in comparative perspective a situation in which the demand for institutional innovation was present and several options were possible during a relatively brief window of opportunity. In his analysis Kalyvas shows how the choices and strategies of the conservative elites and the Catholic Church were decisive for the formation of confessional parties. At the same time, Kalyvas leverages a large amount of historical evidence to show that both the Catholic Church and conservative politicians, on the basis of a rational assessment of costs and benefits, *opposed* the formation of confessional parties. Confessional party formation was thus the unintended outcome of the strategic moves made by both actors in response to the liberal anticlericalism of the late nineteenth century (Kalyvas 1996, 262). Kalyvas devotes an extensive part of his discussion to showing that the structural antecedent conditions that several leading theories in comparative politics and history (e.g., Lipset and Rokkan 1967) consider causally decisive for the emergence of confessional parties had at best an indirect impact on this outcome. In Kalyvas's account, variation in outcomes, namely nonformation of a confessional party in France and formation in all other cases, was not driven by structural conditions. Rather, the variation was the product of the circumstance that for some years after the establishment of the Third Republic the French Catholic Church (whose preferences were similar to those of the Church in other Western European countries) believed that the Monarchy would soon be restored, and the Church's privileges with it. This belief derived from the postrevolutionary history of rapid regime change in France and influenced the Church's risk calculations and therefore the payoffs that it attached to different strategies, inducing it to decide – contrary to the

¹⁴ A further example is the comparative analysis of self-abdication by democratic parliaments developed by Ermakoff (2008).

Church's actions in other Western European countries – against supporting the creation of Catholic mass organizations in response to anti-clerical attacks. This initial move made it more difficult (although not impossible; Kalyvas 1996, 151, 160) for the Church to sponsor the creation of successful Catholic mass organizations in France at a later stage, even after its beliefs changed and it had come to believe in the stability of the Republic.

The Church's initial belief in the transitory nature of the French Third Republic should be considered as one of the several proximate and changing (it waned after some years) political factors that influenced decision making.¹⁵ Kalyvas is very explicit on the point: the Church could have created Catholic mass organizations and was subject to important pressures to do so by Catholic forces in French society (e.g., Kalyvas 1996, 124, 131, 134): “the absence of mass Catholic organizations was mostly a result of factors not independent on [the Church's] will ... the potential was there. The French Church could have created mass organization but *chose not to do so*” (Kalyvas 1996, 137, emphasis added). Kalyvas's analysis points to the plausibility of the double counterfactual at the basis of the Berlinian conception of contingency discussed above: the Church could have made different choices at key moments, and had it done so, France would have had a confessional party like other Western European countries.

The most important theoretical insights to be drawn from Kalyvas's analysis come from his unpacking of the processes of cleavage formation, identity formation, and party formation through “a close focus on agency” (Kalyvas 1996, 262). Once created, confessional parties moved away from the Church and embraced democratic politics, redefining their identity in order to protect their autonomy. They reinterpreted Catholicism in an increasingly general,

¹⁵ For this reason, the view that arguments that assume instrumental rationality and interest- or power-maximizing preferences on the part of the actors have an essentially structuralist logic, since variation in outcomes can only be given by variation in external conditions and not by agency (e.g., Parsons 2007, 55; see also Blyth 2003), does not apply to Kalyvas's analysis, where variation in outcome is driven by a nonstructural factor. More generally, whether rational choice arguments respond to a structuralist logic – and therefore whether assuming rationality in modeling interactions during critical junctures validates the causal power of structural antecedent conditions – depends on whether the factors driving strategic interactions are structural or (like in Kalyvas's case) of a different nature.

vague, and secular way, which allowed them to integrate masses of previously disenfranchised voters into democracy, thereby becoming able to form coalitions and access power more easily. This means that secularization, integration, and acceptance of democracy were not the outcome of the “adaptation” of these parties to a secular and secularizing environment but were the by-product of the choices made by the new parties in response to endogenous constraints that were built into the process of their formation (Kalyvas 1996, 261). In dealing with these constraints, confessional parties contributed to the secularization and democratization of their political and societal environment. Kalyvas himself extends these insights to guide his own research on the conditions under which religious movements become democratic in other contexts (Kalyvas 1998, 2003).

The politics of ideas and the promotion of normative change

Extant normative understandings and value systems supporting institutional arrangements may be difficult to dislodge (e.g. Steensland 2006). The disruption of the institutional status quo and the ensuing uncertainty that characterizes critical junctures can create the possibility for otherwise unlikely normative change. Strategically placed actors may use their position of influence to diffuse ideas that legitimize particular institutional innovations and through this process prevail over others affected by the institutional change at stake, including social groups that may be substantially larger. This operation of social construction can be decisive in the selection of path-dependent institutions that do not reflect the “objective” (i.e., structurally given) interests of the social actors affected by the institutions in question.

To illustrate, Blyth analyzes the critical junctures of the Great Depression and the economic downturn of the 1970s in Western democracies with the aim of explaining why new macroeconomic policies emerge after economic crises. He argues that crises are not simply a reflection of the “objective” fact of economic dislocation (e.g., deflation or negative growth) but also socially constructed by powerful actors to be *crises of a certain type* – the same actors that

then promote new institutions to “solve” the so-defined crisis (Blyth 2002). In Blyth’s account, collective actors such as the state (in the 1930s) or business (in the 1970s) act politically to promote, diffuse, and entrench certain ideas in the public sphere, ideas which both define the crisis and provide an institutional recipe to “solve” it, and in so doing they seek to bring around social groups with different “objective” interests.¹⁶ When this ideational battle is won, collective action to build new institutions is undertaken, which can count on a broader range of supporters than would be predicted by a focus on structural antecedent conditions (Blyth 2002, esp. 152–66 and 209–19). Referring to the economic crisis of the 1970s, during which business successfully promoted anti-inflationary and monetarist policies, Blyth argues: “other agents’ interests had to be reinterpreted so that they became homologous with business’, a homology that was neither obvious *nor structurally determined*” (Blyth 2007, 86, emphasis added; see also Blyth 2003).

The insight that the *politics of ideas* is what ultimately determines the institutional outcome of a critical juncture points to the possibility that during situations of institutional uncertainty, powerful actors strategically promoting new social norms to manipulate the preferences of social groups may have more chances of success than during periods of stability. This insight has been applied in other contexts besides Blyth’s macroeconomic policy making. Krebs, for example, applies a similar framework in his analysis of the domestic institutional consequences of “limited wars,” which constitute the critical juncture for the reform of executive powers. In his account, reform of the executive branch is decisively shaped by the normative positions promoted by political leaders in the public debate on the purpose and outcome of such wars (Krebs 2010; Kier and Krebs 2010, 15; see also the discussion in Capoccia forthcoming).

¹⁶ It is worth underscoring that, although his analysis focuses on the interaction of collective actors, Blyth does not attribute agency to abstract entities. For example, his account of how American and Swedish business promoted neoliberal ideas to both define the 1970s economic crisis and provide an institutional “solution” to it is extremely precise in detailing the internal dynamics within the business world, showing how important donors, organizations, foundations, conservative media, and other actors acted in a concerted fashion to promote pro-business ideas. His historical analysis shows empirically that in the critical juncture of the 1970s, business “acted as a class” (Blyth 2002).

Methodological payoffs: near misses and negative cases

The analysis of agency and contingency in critical junctures not only yields innovative theoretical payoffs that can guide comparative research on the origins and reforms of important institutions but also has important methodological advantages. A logical consequence of stressing the importance of contingency as a defining element of critical junctures is that, as counterintuitive as it may seem, change is not a necessary element of a critical juncture. If change is possible, considered, sought after, and narrowly fails to materialize, there is no reason not to consider this situation as a critical juncture (Capoccia and Kelemen 2007, 350–1). Such “near-miss” critical junctures may arise from two main sets of circumstances.

First, near-miss critical junctures may arise from the dynamics of political entrepreneurship and coalition formation discussed above: the social and political bases for reform may exist, but political entrepreneurs may *fail to mobilize the necessary coalition* to achieve reform (Ertman 2010, 1008; see also Yashar 1997, 22).¹⁷ One illustration of this pattern can be found in Nichols and Myers’s (2010) recent work revisiting Skowronek’s (1993) theory of “reconstructive presidency” in the United States. Nicholls and Myers argue that not all presidents who are “unaffiliated with a vulnerable regime” have seized the opportunity to “reconstruct” the political order – that is, shift the main axis of partisan cleavage and assemble a new majority coalition. Presidents may fail to do so, in which case reconstruction may still happen but only in a much more protracted way.

A second source of near-miss critical junctures is one in which the political forces in favor of institutional change *narrowly lose their struggle* to forces favoring stability – in other words, cases in which the political struggle over the choice of different institutional options

¹⁷ Soifer (2012) considers such situations as “crises without change” (i.e. not critical junctures), thus addressing a similar theoretical problem in the context of a partially different framework. The approach proposed here entails stricter theoretical conditions to consider such cases as “negative cases” that can be most usefully compared to “positive” cases of change: social forces for change need to be present *and* their activation through mobilization, coalition-building, or decision-making should fail narrowly.

during a phase of uncertainty and institutional fluidity results in *reequilibration* rather than change. Capoccia (2005), for example, in a study of democratic crises in the interwar years, compares cases of democratic breakdown with cases of democracies that survived despite the severe challenge posed by totalitarian parties to their persistence. Through the close analysis of the political process, he identifies the key political actors whose decisions and actions at crucial moments were decisive in steering the outcome of political crises toward democratic survival or breakdown.

The concept of near-miss critical junctures adds an important methodological tool to the toolbox of CHA scholars, giving them the possibility to make space, in their comparative research designs, for what the British historian Hugh Trevor-Roper (1988) calls “the lost moments of history”: potentially important “negative cases” in which institutional change was possible but did not happen, which can improve analytical leverage. In the examples above, by bringing the concept of near-miss critical junctures to bear on their objects of analysis, both Nichols and Myers (2010) and Capoccia (2005) unearth previously invisible negative cases of change, thus proposing a fresh analytical perspective and attaining new empirical results on scholarly terrains that seemed well trodden.

Building a critical juncture argument: logical steps and comparative design

To sum up at this point, critical juncture analysis can provide important integrations and correctives to ahistorical approaches and can yield innovative theoretical insights and methodological progress. This section outlines the methodology of critical juncture analysis, illustrating its logical steps and including a discussion of problems of cross-sectional and longitudinal comparisons. The overall goal is to build and test midrange theoretical arguments that address the question of the origin or the reform of important political institutions.

Clarify the unit of analysis

The first step in the study of critical junctures is the *identification of a unit of analysis*, which in CHA is typically some institutional setting: an organization, a public policy, a set of formal rules, a political regime (Capoccia and Kelemen 2007, 349–50). When considering whether a series of events and decisions constitute a critical juncture, the preliminary question to be asked is “a critical juncture in the development of what?” At times, scholars identify relatively brief periods of momentous political, social, or economic upheaval and assert that these are critical junctures in a general sense (e.g., Dion 2010, 34). This, however, can be misleading since different kinds of external shocks may affect some decision-making arenas and not others (e.g., Cortell and Peterson 1999, 187). Similarly, even when political systems as a whole face “unsettled times,” many institutions within the system may remain unaffected (Streeck and Thelen 2005, 8–9). Indeed, if one concurs with Skowronek’s (1995) view that “in a historical/institutional view, politics is structured by persistent incongruities and frictions among institutional orderings” (95), this should not come as a surprise. While events at one level of analysis may also have an impact on other levels of analysis, it is important to keep them separate and to be careful to define the critical juncture in light of the specific unit of interest (Shermer, 1995, 71; Thelen 1999, 213).

Identify “candidate” critical junctures

Once the unit of analysis is identified, scholars should study the history of that institution to identify “candidate” critical junctures – moments in which the institutional status quo was challenged and in which demands for radical institutional change emerged. The triggers (generally labeled “shocks”) are often exogenous to the institution and can take various forms depending on the institution analyzed (e.g., Cortell and Petersen 1999). Moments already identified in the literature as critical junctures for related institutions can be counted as candidate critical junctures, keeping in mind, however, that their destabilizing effect on the institution of interest should be shown empirically and not assumed a priori. For example, in Lieberman’s

(2003, 79–105) work discussed earlier he considers (and discounts) the potential impact of democratic transition and labor incorporation on the emergence of different “tax states” in Brazil and South Africa. These are critical junctures for the political regime and the system of industrial relations that in some accounts are considered to have implications for the tax state.

Test for structural effects

Once such moments of challenge and radical institutional change are identified, the hypothesis that structural antecedents, not agency, drive institutional change should be tested. Are the institutional outcomes driven by political choices between available alternatives, as might appear *prima facie* – or as Berins Collier and Collier (1991, 27) put it, are the choices in question only “presumed,” but not real? Logically, the potential irrelevance of agency and choice during critical junctures can take two forms, which in turn give rise to testable hypotheses. First, structural and impersonal conditions may *close off choice* by excluding all options but one from the range of conceivable alternatives in a given situation. Apart from being the hallmark of conventional structuralist logic, as discussed above, this possibility is also underscored in some versions of social constructivism, which argue that diffuse cultural norms provide cognitive and moral scripts for decision makers in specific circumstances (e.g., March and Olsen 1989). For example, Katzenstein’s comparative analysis of security policy in Germany and Japan after 9/11 points to the importance of deeply embedded and radically different scripts in explaining the different ways in which the two countries reacted to a similar exogenous shock (Katzenstein 2003). Second, antecedent structural conditions may *trump* choice: the actors that rise to prominence and the options that are available during a critical juncture may be fully endogenous to structural conditions operating in the long run. This points to situations in which the availability of significant alternative options is only illusory: a choice is made during the critical juncture but is immediately reversed as a result of underlying structural conditions. An example is Luebbert’s (1991) classic structuralist analysis of Western European political development.

Talking about the selection of working-class leaders in countries with lib-lab arrangements, he writes: “It is always possible to speculate that a different set of leaders would have produced different policies with different outcomes. But it must be borne in mind that their ascensions to party leadership were not simply random outcomes” (230). In addition to observing that the selection of political decision makers may be endogenous to structural conditions and therefore have no independent effect on the institutional outcome of interest, Luebbert also remarks, talking about liberal political office holders in aliberal societies such as for example Giolitti in Italy, that at times leaders could in principle have made different choices but that these choices were in any case bound to fail as a result of the prevailing force of structural conditions. Whether structural antecedent conditions close off or trump choice in moments in which agency *prima facie* appears to expand is fully amenable to empirical testing. If positive, such tests would falsify the hypothesized causal role of agency and validate the decisive causal force of structural antecedents in those moments, also clarifying which impersonal antecedent factors matter for the outcome and how they generate the outcome of interest. Generally speaking, this research task should not be too onerous, since the in-depth analysis of political choices can be concentrated on the relatively short period of the (candidate) critical junctures.

Compare candidate critical junctures longitudinally and select for analysis the most “critical” one(s)

The tests outlined above should rule out some candidate critical junctures and help focus attention on those moments in which agency and political dynamics play an important role in selecting a path of institutional development. Even though it is possible to employ a research design that includes more than one critical juncture in the same spatial unit(s) (e.g., Lynch 2006, Nichols and Myers 2010), the researcher may ask, once different potential critical junctures have been identified, which one had the greatest influence in shaping the key durable characteristics of the institution of interest. Capoccia and Kelemen (2007) operationalize the “criticalness” of

candidate critical junctures by focusing on two components: the probability that at the end of the critical juncture the institution acquires its durable path-dependent characteristics observable for the duration of the legacy of the critical juncture, and the duration of the critical juncture relative to its legacy. They recommend that the analysis begin with those critical junctures that had the largest impact on the outcome and that occurred earlier in time (see Capoccia and Kelemen 2007, 360–3, for a formalization of this operationalization). Although she does not use the language of critical junctures, one example is Grzymala-Busse’s (2002) analysis of the development of successor Communist parties in post-Communist democracies. She shows that parties that had chosen to allow the intelligentsia and nonparty members to fill high positions in the administration in response to political crises that affected the Communist regime were much better placed to remake themselves after the transition as compared to those parties that had instead reacted to crises with closure and repression. The earlier critical juncture of the regime crisis (e.g., 1956 in Hungary, 1968 in Czechoslovakia), which provoked markedly different reactions from Communist parties, was therefore *more critical* for the shape of party organization and ideology in the new democratic regime than the (candidate) critical juncture of the transition itself, in which the choices of party elites were constrained by the consequences of their earlier decisions.¹⁸ More broadly, this strategy of starting the analysis at the “most critical” critical juncture also offers a handle on the oft-mentioned problem of *infinite regress* – namely, the arbitrariness of beginning the analysis at a certain point in time (the critical juncture) and not exploring the importance of prior events and developments. Such longitudinal comparisons of the “criticalness” of candidate critical junctures are not infrequent (even though at times

¹⁸ This example is often quoted as an illustration of the decisive causal importance of antecedent conditions during critical junctures (e.g. Slater and Simmons 2010). In this view, only the regime transition of 1989 is considered as a critical juncture. However, once it is made clear that critical junctures should be related to a precise unit of analysis, and that such unit in this case is the party organization, there is no reason not to conceptualize the earlier regime crises during the Communist era as critical junctures. These regime crises caused disruption in the ruling Communist Parties, and faced party elites with important choices. This conceptualization allows then to compare the criticalness for the outcome of interest of the two critical junctures and to focus (as Grzymala-Busse correctly does) on the more critical one.

implicit), and scholars can and do build arguments as to which candidate critical juncture was more “critical” for their outcome of interest (see, e.g., Lynch 2006, 59–63; Mahoney 2001, 26–7). In the example mentioned above, Lieberman (2003, 105) shows that the later junctures of democratic transition and labor incorporation are in fact *much less critical* for the emergence and persistence of different “tax states” in Brazil and South Africa than the *earlier* constitutional moments in which the National Political Community was defined.

Reconstruct the political process in the selected critical juncture(s)

Once they identify the critical juncture(s) for analysis, scholars should “read history forward” (Capoccia and Ziblatt 2010), identify the main decision makers and the dynamic of their interaction, and reconstruct which institutional alternatives were politically viable at the time. Actors can be individual or collective. In the latter case, scholars should not attribute agency unproblematically to corporations or social groups but problematize the connection between the leadership of collective actors and their social and political base and reconstruct the dynamics that led collective actors to pursue a coherent line of action (Sewell 1992, 145).¹⁹ Scholars should further clarify which social and political forces stood behind each option and identify which decisions were most influential in shaping the outcome. Consistently with the “Berlinian” conception of contingency discussed above, researchers should also analyze the “paths not taken” (and that could plausibly have been taken) in the selection of the institutional outcome as well as the path that was in fact taken.²⁰

Perform counterfactual analysis

The latter move takes us into the realm of counterfactual analysis, which, after several decades of considerable skepticism (e.g., Carr 1961), has been restored to its rightful place in history and

¹⁹ The works, discussed above, of Kalyvas (1996) on the Catholic Church and of Blyth (2002) on economic collective actors offer excellent examples on how to do so.

²⁰ Several methods are apt for the task at hand: process tracing (e.g., Bennett and Checkel forthcoming), “analytic narratives,” (Bates et al. 1998), and in general any form of structured, theory-guided narrative.

historiography (e.g., Bulhof 1999; Bunzl 2004) as well as in historically oriented social sciences (e.g., Fearon 1991; Lebow 2000a, 2000b, 2010; Tetlock and Belkin 1996). In the context of the critical juncture approach, the purpose of counterfactual analysis is to establish the plausibility of the twofold counterfactual argument that, first, a different institutional arrangement could have been selected and, second, that had such been the case, the institutional arrangement in question would also have had a long-lasting legacy. The literature has elaborated a whole roster of logical and methodological criteria for building plausible counterfactual scenarios, differentiating counterfactuals with good heuristic value from those belonging to the thought-provoking but insufficiently rigorous realm of “virtual history” (e.g., Lebow 2010, 52–7; Tetlock and Belkin 1996, 23–4). The most relevant criteria for critical juncture analysis, apart from the general ones of clarity and logical consistency, are theoretical consistency and historical consistency. Regarding theoretical consistency, Mahoney (2000) explains that analysts should focus on “a counterfactual antecedent that was actually available during a critical juncture period, and that, according to theory, should have been adopted” (513; see also Mahoney and Goertz 2004). Historical consistency is also known as the “minimal-rewrite rule” and constrains counterfactual speculations in several ways: only include policy options that were available, considered, and either not pursued by the relevant actors or narrowly defeated; only entertain decisions that could plausibly have been made but for some reason were not; exclude counterfactuals in which the antecedent and the consequent are so distant in time that it is implausible that all other things would remain equal. As several authors have underscored, there may be as much historical evidence on plausible counterfactual arguments as on factual arguments (e.g., Lebow 2000b, 559; 2010; Turner 1999). Similarly, enough evidence may be available to produce informed speculation at least on the immediate institutional consequences of the other decisions that could realistically have been made (Lebow 2000a).

Show that the institution selected had a long-lasting legacy

Critical juncture analysis is a component of the study of path-dependent institutions. As demonstrated by the examples of critical juncture research discussed earlier, scholars go to great length to substantiate empirically the mechanisms supporting the long-lasting institutional legacy of the critical juncture.

Cross-sectional comparison of critical junctures

All of the above can –and, whenever possible and appropriate, should – be done in the context of comparative analysis. As the examples discussed earlier show, such comparative analyses are most commonly based on a design that identifies similar historical processes in different institutional units in which the same kind of actors act against the background of broadly similar background conditions and face similar challenges and in which eventual variation is the product of the decisions and strategic interactions that occur during a critical juncture. Analyzing critical junctures in comparative perspective presents several important advantages. First, a counterfactual argument in one unit may actually be a factual argument in another. In other words, if critical junctures occur in similar units and under similar conditions, then different decisions of the same actors can give rise to different outcomes, allowing variation and increasing the overall leverage of the analysis. Second, comparison facilitates the identification of negative cases, that is, junctures that present the same characteristics of structural fluidity and actor prominence but that do not actually give rise to sweeping change. Third, comparing similar junctures (possibly with different outcomes) sheds light on which actors, moments, and choices are important and which contextual detail is less relevant. If the study involves similar junctures in different spatial units and at different points in time, political learning and diffusion can have an impact on the independence of the cases being compared (Weyland 2010), since actors involved in the later cases may know of the outcomes of earlier cases and adjust their behavior

accordingly (Büthe 2002). In such circumstances researchers must account for the potential influence of such earlier junctures on the outcome of later ones.

Conclusion: situating critical juncture analysis in the comparative study of institutional development

In a recent essay on theoretical innovations in American political development, Skowronek and Glassmann (2008) write: “There is little patience in any quarter today with explanations that invoke disembodied historical forces or political processes ... How to put the actor center stage and still keep open a view to the larger whole, how to assess changes effected in the moment against the standards of the *longue durée* – these are outstanding challenges” (2). The critical juncture approach is one way in which these challenges can be tackled in CHA, in particular in the context of the analysis of path-dependent institutions. In synthesis, the approach offers a framework for studying relatively *rare* moments of political openness in the history of a given institution, during which agency and choice are decisive in putting into place institutional arrangements that have a long-lasting legacy. The chapter has outlined the basic characteristics of the approach, discussed its strengths vis-à-vis alternative approaches to the analysis of institutional variation, and has offered some methodological indications on how to apply the approach in comparative analysis. The main thesis of the chapter is that the approach, by adopting an appropriate theorization of contingency as referred to individual and collective agency and by focusing on their causal power in the uncertainty typical of critical junctures, can yield significant theoretical payoffs for the comparative-historical analysis of the creation and reform of important institutional arrangements.

In this concluding section, I briefly situate this form of analysis in the context of other approaches to institutional development in CHA. In essence, the key strength of the critical juncture approach – path dependence – is also its main limitation. On the one hand, the theory of institutional path dependence provides scholars with a powerful language for substantiating

claims of distal causation. On the other hand, recent scholarship on “weak institutions,” on the one hand, and on models of endogenous institutional change, on the other, has highlighted that the conceptual apparatus of path dependence may not always offer a realistic image of institutional development. Given the close connection between critical junctures and path dependence, these strands of theorization on institutional development also indirectly call into question the analytical leverage of the critical junctures approach and suggest key priorities for future theoretical work.

In their theoretical work on “weak institutions,” Levitsky and Murillo note that path dependence assumes “institutional strength,” namely, the consistent enforcement and high degree of persistence of formal rules in a polity, which engenders expectations in actors that the investment in skills, technologies, and organizations that is necessary for successful engagement with institutions will not go to waste (Levitsky and Murillo 2009, 123). In the developing world, where the “politics of institutional weakness” is the typical pattern (Levitsky and Murillo 2005), institutional path dependence is inhibited, and institutional change is most likely to take the form of “breakdown and replacement” (Levitsky and Murillo 2009, 128). In this context, critical juncture analysis offers little leverage: the institutional arrangements resulting from the political struggle over institutional design are unlikely to last (or if lasting, are likely to remain unenforced), and new contestation over institutional design, reversing the existing rules and establishing new formal rules, is likely to ensue in short order.

Theories of endogenous institutional change (Streeck and Thelen 2005; Thelen 2004) criticize theories of path dependence as displaying a “stability bias,” which relegates change to exogenous shocks. In the effort to incorporate change in a theoretical account of institutional development, scholars in this tradition have conceptualized institutions as “arenas of conflict” rather than as equilibria. Institutions are constantly reshaped by groups that try to bend them to their priorities and preferences and that resort to an identifiable repertoire of strategies, including

piecemeal reform (layering) and reinterpretation (conversion), to achieve this goal. These endogenous processes of institutional change, for which these scholars have provided broad empirical support, are not deployed in short periods but take place gradually, radically transforming institutions over the long run (Hacker, Pierson, and Thelen, Chapter 7, this volume). Critical junctures are virtually absent in this theoretical literature, and *pour cause*: if institutions are constantly vulnerable to piecemeal modification and reinterpretation and their shape changes continuously in accordance with shifts in power and influence among the relevant actors (Mahoney and Thelen 2010), then there is little reason to study in detail the politics of their origins.

Despite these important alternative approaches to the conceptualization of institutions and institutional change, both the theory of path dependence and the concept of critical junctures continue to be popular in CHA. To be sure, these alternative approaches are not mutually exclusive and may be applicable in different circumstances. At the same time, however, these approaches are now simply *juxtaposed* in the theoretical toolbox of CHA scholars (Capoccia 2012). More robust theorization is needed on the *conditions* under which each of them applies – in particular on the conditions that encourage the path dependence logic of adaptive expectations and specific investments, thus raising the cost of institutional reversal, and the conditions that, instead, produce incremental but transformative institutional change by virtue of continuous strategic action over time on the part of actors vying for power. Advances on this front would go a long way to clarifying the scope, potential, and limitations of the concept of critical juncture, along with alternative approaches to the analysis of institutional change, in CHA.

References

- Acemoglu, D., and J. A. Robinson. 2012. *Why Nations Fail. The Origins of Power, Prosperity and Poverty*. London: Crown Business.
- Arthur, B. 1994. *Increasing Returns and Path Dependence in the Economy*. Ann Arbor: University of Michigan Press.
- Bates, R. H., Avner Greif, Margaret Levi, Jean-Laurent Rosenthal, and Barry R. Weingast. 1998. *Analytic Narratives*. Princeton, NJ: Princeton University Press.
- Bennett, A., and J. Checkel. Forthcoming. *Process Tracing: From Metaphor to Analytic Tool*. Cambridge: Cambridge University Press.
- Bennett, A., and C. Elman. 2006. "Complex Causal Relations and Case Study Methods: The Example of Path Dependence." *Political Analysis* 14 (3): 250–67.
- Berins Collier, R., and D. Collier. 1991. *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*. Princeton, NJ: Princeton University Press.
- Berlin, I. 1974. "Historical Inevitability." In *The Philosophy of History*, edited by P. Gardiner, 161–86. London: Oxford University Press.
- Berntzen, E., and P. Selle. 1990. "Structure and Social Action in Stein Rokkan's Work." *Journal of Theoretical Politics* 2 (2): 131–50.
- Blyth, M. 2002. *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century*. Cambridge: Cambridge University Press.
- Blyth, M. 2003. "Structures Do Not Come with an Instruction Sheet: Interests, Ideas and Progress in Political Science." *Perspectives on Politics* 1 (4): 695–706.
- Blyth, M. 2007. "When Liberalisms Change: Comparing the Politics of Inflation and Deflation." In *Neoliberalism: National and Regional Experiments with Global Ideas*, edited by R. Roy, A. Denzau, and T. Willet, 71–96. London: Routledge.
- Bulhof, J. 1999. "What If? Modality and History." *History and Theory* 38 (2): 145–68.
- Bunzl, M. 2004. "Counterfactual History: A User's Guide." *American Historical Review* 109 (3): 845–58.
- Büthe, T. 2002. "Taking Temporality Seriously: Modeling History and the Use of Narratives as Evidence." *American Political Science Review* 96 (3): 481–93.
- Capoccia, G. 2004. "Structuralism, Contingency and Regime Survival: Evidence from Interwar Europe." Paper presented at the Conference of Europeanists, Chicago, March.

- Capoccia, G. 2005. *Defending Democracy: Reactions to Extremism in Interwar Europe*. Baltimore: Johns Hopkins University Press.
- Capoccia, G. 2012. "Historical Institutionalism and the Politics of Institutional Change." Manuscript, University of Oxford.
- Capoccia, G. Forthcoming. "Critical Junctures." In *The Oxford Handbook of Historical Institutionalism*, edited by T. Falleti, O. Fioretos, and A. Sheingate. Oxford: Oxford University Press.
- Capoccia, G., and R. D. Kelemen. 2007. "The Study of Critical Junctures: Theory, Narrative, and Counterfactuals in Institutional Analysis." *World Politics* 59 (3): 341–69.
- Capoccia, G., and D. Ziblatt. 2010. "The Historical Turn in Democratization Studies: A Research Agenda for Europe and Beyond." *Comparative Political Studies* 43 (8/9): 931–68.
- Carr, E. H. 1961. *What Is History?* New York: Random House
- Cortell, A., and S. Peterson. 1999. "Altered States: Explaining Domestic Institutional Change." *British Journal of Political Science* 29 (1): 177–203.
- David, P. 1985. "Clio and the Economics of QWERTY." *American Economic Review* 75 (2): 332–7.
- David, P. 2000. "Path Dependence, Its Critics, and the Quest for 'Historical Economics.'" In *Evolution and Path Dependence in Economic Ideas: Past and Present*, edited by P. Garrouste and S. Ioannides, 15–40. Cheltenham, UK: Elgar.
- Dion, M. L. 2010. *Workers and Welfare: Comparative Institutional Change in Twentieth-Century Mexico*. Pittsburgh: University of Pittsburgh Press.
- Ermakoff, I. 2008. *Ruling Oneself Out: A Theory of Collective Abdications*. Durham, NC: Duke University Press.
- Ertman, T. 2010. "The Great Reform Act of 1832 and British Democratization." *Comparative Political Studies* 43 (8/9): 1000–22.
- Falleti, T. G., and J. F. Lynch. 2009. "Context and Causal Mechanisms in Political Analysis." *Comparative Political Studies* 42 (9): 1143–66.
- Fearon, J. 1991. "Counterfactuals and Hypothesis Testing in Political Science." *World Politics* 43 (2): 169–95.
- Fioretos, O. 2011. "Historical Institutionalism in International Relations." *International Organization* 65 (2): 367–99.
- Goldstone, J. A. 1998. "Initial Conditions, General Laws, Path Dependence, and Explanation in Historical Sociology." *American Journal of Sociology* 104 (3): 829–45.

- Gourevitch, P. 1992. *Politics in Hard Times: Comparative Responses to International Economic Crises*. Ithaca, NY: Cornell University Press.
- Greif, A. 2006. *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*. Cambridge: Cambridge University Press.
- Grzymala-Busse, A. 2002. *Redeeming the Communist Past. The Regeneration of Communist Parties in East-Central Europe*. Cambridge: Cambridge University Press.
- Hausermann, S. 2010. *The Politics of Welfare State Reform in Continental Europe: Modernization in Hard Times*. Cambridge: Cambridge University Press.
- Kalyvas, S. N. 1996. *The Rise of Christian Democracy in Europe*. Ithaca, NY: Cornell University Press.
- Kalyvas, S. N. 1998. "From Pulpit to Party: Party Formation and the Christian Democratic Phenomenon." *Comparative Politics* 31 (2): 293-312.
- Kalyvas, S. N. 2003. "Unsecular Politics and Religious Mobilization." In *European Christian Democracy: Historical Legacies and Comparative Perspectives*, edited by T. A. Kselman and J. Buttigieg, 293-320, Notre Dame: Notre Dame University Press.
- Katzenstein, P. 2003. "Same War, Different Views: Germany, Japan, and Counter-Terrorism." *International Organization* 57 (4): 731-60.
- Katznelson, I. 2003. "Periodization and Preferences: Reflections on Purposive Action in Comparative Historical Social Science." In *Comparative Historical Analysis in the Social Sciences*, edited by J. Mahoney and D. Rueschemeyer, 270-303. Cambridge: Cambridge University Press.
- Kier, E., and R. Krebs. 2010. "Introduction: War and Democracy in Comparative Perspective." In *In War's Wake: International Conflict and the Fate of Liberal Democracy*, edited by E. Kier and R. Krebs, 1-21. Cambridge: Cambridge University Press.
- Kohli, A. 1997. "Can Democracies Accommodate Ethnic Nationalism? The Rise and Decline of Self-Determination Movements in India." *Journal of Asian Studies* 56 (2): 325-44.
- Krebs, R. 2010. "International Conflict and the Constitutional Balance: Executive Authority After War." In *In War's Wake: International Conflict and the Fate of Liberal Democracy*, edited by E. Kier and R. Krebs, 187-210. Cambridge: Cambridge University Press.
- Lebow, R. N. 2000a. "Contingency, Catalysts, and International System Change." *Political Science Quarterly* 115 (4): 591-616.
- Lebow, R. N. 2000b. "What's So Different about a Counterfactual?" *World Politics* 52 (4): 550-85.
- Lebow, R. N. 2010. *Forbidden Fruit: Counterfactuals and International Relations*. Princeton, NJ: Princeton University Press.

- Levi, M. 1988. *Of Rule and Revenue*. Berkeley: University of California Press.
- Levi, M. 1997. *Consent, Dissent, and Patriotism*. Cambridge: Cambridge University Press.
- Levitsky, S., and M. V. Murillo. 2005. *Argentine Democracy: The Politics of Institutional Weakness*. University Park: Pennsylvania State University Press.
- Levitsky, S., and M. V. Murillo. 2009. "Variations in Institutional Strength." *Annual Review of Political Science* 12 (1): 115–33.
- Lieberman, E. 2003. *Race and Regionalism in the Politics of Taxation in Brazil and South Africa*. Cambridge: Cambridge University Press.
- Lipset, S. M., and S. Rokkan. 1967. "Cleavage Structures, Party Systems, and Voter Alignments." In *Party Systems and Voter Alignments: Cross-National Perspectives*, edited by S. M. Lipset and S. Rokkan, 1–64. New York: Free Press.
- Luebbert, G. M. 1991. *Fascism, Liberalism, and Social Democracy: Social Classes and the Political Origins of Regimes in Interwar Europe*. Oxford: Oxford University Press.
- Lynch, J. 2006. *Age in the Welfare State: The Origins of Social Spending on Pensioners, Workers, and Children*. Cambridge: Cambridge University Press.
- Mahoney, J. 2000. "Path Dependence in Historical Sociology." *Theory and Society* 29 (4): 507–48.
- Mahoney, J. 2001. *Legacies of Liberalism: Path Dependence and Political Regimes in Central America*. Baltimore: Johns Hopkins University Press.
- Mahoney, J., and G. Goertz. 2004. "The Possibility Principle: Choosing Negative Cases in Comparative Research." *American Political Science Review* 98 (4): 653–69.
- Mahoney, J., and K. Thelen. 2010. *Explaining Institutional Change: Ambiguity, Agency, and Power*. Cambridge: Cambridge University Press.
- March, J. G., and J. P. Olsen. 1989. *Rediscovering Institutions: The Organizational Basis of Politics*. New York: Free Press.
- Morrison, B. 2011. "Channeling the Restless Spirit of Innovation: Elite Concessions and Institutional Change in the British Reform Act of 1832." *World Politics* 63 (4): 678–710.
- Nichols, C., and A. Myers. 2010. "Exploiting the Opportunity for Reconstructive Leadership: Presidential Responses to Enervated Political Regimes." *American Politics Research* 38 (5): 806–41.
- North, D. C. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge: Cambridge University Press.
- O'Donnell, G. A., and P. C. Schmitter. 1986. *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*. Baltimore: Johns Hopkins University Press.

- Page, S. 2006. "Path Dependence." *Quarterly Journal of Political Science* 1 (1): 87–115.
- Parsons, C. 2007. *How to Map Arguments in Political Science*. Oxford: Oxford University Press.
- Pierson, P. 2000. "Increasing Returns, Path Dependence, and the Study of Politics." *American Political Science Review* 94 (2): 251–68.
- Pierson, P. 2004. *Politics in Time: History, Institutions, and Social Analysis*. Princeton, NJ: Princeton University Press.
- Polanyi, K. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press.
- Putnam, R. D. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ: Princeton University Press.
- Riker, W. 1986. *The Art of Political Manipulation*. New Haven, CT: Yale University Press.
- Sewell, W. H. 1992. "A Theory of Structure. Duality, Agency, and Transformation." *American Journal of Sociology* 98 (1): 1–29.
- Shapiro, I., and S. Bedi. 2006. *Political Contingency: Studying the Unexpected, the Accidental, and the Unforeseen*. New York: New York University Press.
- Shermer, M. 1995. "Exorcising Laplace's Demon: Chaos and Antichaos, History and Metahistory." *History and Theory* 34 (1): 59–83.
- Skowronek, S. 1993. *The Politics Presidents Make: Leadership from John Adams to George Bush*. Cambridge, MA: Belknap Press of Harvard University Press.
- Skowronek, S. 1995. Order and Change. *Polity* 28 (1): 91–6.
- Skowronek, S., and M. Glassman. 2008. "Formative Acts." In *Formative Acts: American Politics in the Making*, edited by S. Skowronek and M. Glassman, 1-9. Philadelphia: University of Pennsylvania Press.
- Slater, D., and E. Simmons. 2010. "Informative Regress: Critical Antecedents in Comparative Politics." *Comparative Political Studies* 43 (7): 886–917.
- Soifer, H. 2012. "The Causal Logic of Critical Junctures." *Comparative Political Studies* 45 (12): 1572–97.
- Steensland, B. 2006. "Cultural Categories and the American Welfare State: The Case of Guaranteed Income Policy." *American Journal of Sociology* 111 (5): 1273–1326.
- Streeck, W., and K. Thelen. 2005. "Introduction: Institutional Change in Advanced Political Economies." In *Beyond Continuity: Institutional Change in Advanced Political Economies*, edited by W. Streeck and K. Thelen, 1–39. Oxford: Oxford University Press.

- Swidler, A. 1986. "Culture in Action: Symbols and Strategies." *American Sociological Review* 51 (2): 273–86.
- Tetlock, P., and A. Belkin. 1996. *Counterfactual Thought Experiments in World Politics*. Princeton, NJ: Princeton University Press.
- Thelen, K. 1999. "Historical Institutionalism in Comparative Politics." *Annual Review Political Science* 2:369–404.
- Thelen, K. 2004. *How Institutions Evolve: The Political Economy of Skills in Germany, Britain, the United States, and Japan*. Cambridge: Cambridge University Press.
- Trevor-Roper, H. 1988. "The Lost Moments of History" [Romanes lecture]. *New York Review of Books*, 35 (16), October 27.
- Tsebelis, G. 2002. *Veto Players: How Political Institutions Work*. Princeton, NJ: Princeton University Press.
- Turner, H. A. 1999. "Human Agency and Impersonal Determinants in Historical Causation." *History and Theory* 38 (3): 300–6.
- Weyland, K. 2010. "The Diffusion of Regime Contention in European Democratization, 1830–1940." *Comparative Political Studies* 43 (8/9): 1148–76.
- Yashar, D. J. 1997. *Demanding Democracy: Reform and Reaction in Costa Rica and Guatemala, 1870s–1950s*. Stanford, CA: Stanford University Press.