

Chapter 5

Critical Junctures

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The concept of critical juncture (and synonyms such as “crisis,” “turning point,” “unsettled times”) has a long pedigree in historical institutionalism. Although, as discussed in this chapter, different definitions of the concept have been used in the literature, the minimum common denominator among all of them is the focus on what can be called “distal historical causation”: events and developments in the distant past, generally concentrated in a relatively short period, that have a crucial impact on outcomes later in time. More broadly, this approach has been used in a wide range of disciplines, from medicine to sociology, to account for outcomes as diverse as individual life histories, the development of groups and organizations, and the evolution of entire societies (e.g., Swidler 1986, 280). In political science, the concept has been most systematically developed and applied in the area of historical institutionalism (and, more generally, in comparative historical analysis). Indeed, the concept of critical juncture, and the underpinning logic of distal historical causation, is often applied in the analysis of the historical development of *institutions*, broadly defined as including organizations, formal rules, public policies, as well as larger configurations of connected institutional arrangements such as political regimes and political economies.

The first use of the concept in comparative historical analysis is to be found in the classic work of Seymour Martin Lipset and Stein Rokkan tracing the roots of the origins of Western European party systems to three “crucial junctures” in the history of each

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nation (Lipset and Rokkan 1967, 37–38). Lipset and Rokkan argued that the variety of party systems in Western European democracies that existed the 1960s was the outcome of a set of ordered consequences of “decisions and developments” which occurred in crucial junctures, located much earlier in history. The concept of critical juncture became a crucial part of the toolbox of scholars interested in the study of institutional development with the seminal study by Ruth Berins Collier and David Collier on modes of labor incorporation in Latin America (1991). Berins Collier and Collier argue that polities, when faced with the challenge of incorporating mass labor, opted in some cases for a state-led and in other cases for a party-led labor incorporation. These different options had important long-term legacies in terms of regime outcome (Berins Collier and Collier 1991). Comparative studies that apply a similar logic and that have followed in the footsteps of Berins Collier and Collier include, among others, the work of James Mahoney (2002) and Evan Lieberman (2003) discussed later in this section.

With respect to Lipset and Rokkan’s seminal volume, a crucial theoretical innovation of these works is that they explicitly cast their studies as examples of a *more general* approach to the analysis of institutional development, in which critical junctures give rise to *path-dependent* processes. Indeed, these authors typically link their work to research on path dependence in institutional economics, imported into political science from the work of Douglass North, Brian Arthur and Paul David (Berins Collier and Collier 1991, 27; Mahoney 2002, 7; Lieberman 2003, 23; see also, more generally, Pierson 2004). The explicit connection of the critical juncture approach to the theory of path dependence provided powerful theoretical tools for the analysis of distal historical causation. The emphasis placed in path dependence theory on mechanisms of institutional

reproduction, dynamics of increasing returns, and network effects lent powerful theoretical support to the thesis that decisions and developments located in the distant past can have a long-lasting effect on institutional arrangements.¹ At the same time, the insight drawn from path dependence in economics and sociology that “small and contingent events,” although generally of insignificant influence during periods of institutional reproduction, can instead play a crucial role at the beginning of an institutional path (e.g., Mahoney 2000, 536; Pierson 2004, 44; see also Soifer 2012), induced scholars in political science to theorize explicitly that during critical junctures different possibilities of development are possible, and that prior structural conditions do not necessarily determine the type and direction of subsequent institutional developments (Goldstone 1998; Mahoney 2000). By underscoring the existence and plausibility of different options that were consequential for subsequent institutional development, these scholars implicitly switched from an *ex post* analytical perspective, evident in the early work of Lipset and Rokkan, to an *ex ante* perspective, which, albeit only implicitly in some work, considered not only the institutional path taken, but also the paths not taken, although plausible at the time.

Although these contributions are at times couched in structuralist language not dissimilar from earlier work (see, e.g., the explicit references to Lipset and Rokkan [1967] as well as to Barrington Moore [1966] in Berins Collier and Collier [1991]), a consequence of the theoretical move from *ex post* to *ex ante* is to focus on political agency and choice as an important factor in selecting among the options available at the time of the critical juncture. According to Berins Collier and Collier, the importance of agency and choice varies: some critical junctures can entail “considerable discretion,”

while in others “the presumed choice appears deeply embedded in antecedent conditions” (Berins Collier and Collier 1991, 27). In his comparative study of the political development of Central America, Mahoney (2002) defines more explicitly critical junctures as “choice point[s] when a particular option is adopted among two or more alternatives” given by antecedent historical conditions. Mahoney emphasizes the importance of agency and meaningful choice: “in many cases, critical junctures are moments of relative structural indeterminism when willful actors shape outcomes in a more voluntaristic fashion than normal circumstances permit... these choices demonstrate the power of agency by revealing how long-term development patterns can hinge on distant actor decisions of the past” (Mahoney 2002, 8; see also Katznelson 2003, 282–283). Lieberman, in his comparative analysis of the development of fiscal systems in Brazil and South Africa, clearly underscores not only that plausible alternatives to the constitutional choices made in the two cases were available to decision-makers, but also that had these alternatives been selected, Brazil and South Africa would have been very different forms of “tax states” (Lieberman 2003, 78–105).

Taking stock of these debates, Giovanni Capoccia and Daniel Kelemen (2007) offer a systematic theorization of critical junctures in historical institutionalism, underscoring that analogies to economic processes in which a series of small events leads to a state of “lock-in” are often inadequate for capturing processes of institutional creation in politics. Even in moments of social and political fluidity, the decisions of some actors are often more influential than those of others in steering institutional development: rather than a focus on cumulative small events, a focus on decision-making by powerful actors is likely to be more useful in the analysis of critical junctures.² They

anchor the discussion of critical junctures in the analysis of institutions more broadly by arguing that scholars should endeavour to specify precisely the *unit of analysis* with respect to which the “junction” is argued to be “critical.” One common approach in the literature has been to identify relatively brief periods of momentous political, social or economic upheaval and to assert, in a general sense, that these constitute critical junctures (e.g., Ebbinghaus 2005, 16; Dion 2010, 34). Even during periods of massive social and political upheaval, however, certain institutions may well remain unaffected (Thelen 2004; Streeck and Thelen 2005, 8–9). Conversely, even during periods of stability for a domestic or international regime as a whole, critical junctures may be faced by particular institutions; institutions are certainly inter-connected but critical junctures may occur as relatively discrete phenomena that do not have an immediate impact on the broader political environment. This discussion provides the foundation for a definition of critical junctures that turns on the relaxation of structural (i.e. economic, cultural, ideological, organizational) conditions of political action. Critical junctures are defined as “*relatively short periods of time during which there is a substantially heightened probability that agents’ choices will affect the outcome of interest*” (Capoccia and Kelemen 2007, 348). The reference to “relatively short period of time” captures the fact that the duration of the juncture must be brief relative to the duration of the path-dependent process that follows (Capoccia and Kelemen 2007, 350–351). The absolute duration of a critical juncture has an impact on the ability of actors to behave freely and to affect future institutional arrangements: the longer the juncture, the higher the probability that political decisions will be constrained by a re-emerging structural constraint. The reference to “*substantially heightened probability*” captures the increased causal importance of agency during the

critical juncture when compared to the historical phases before and afterwards. This definition captures both the notion that, for a brief period, agents face a *broader than normal* range of feasible options and that their choices among these options are *likely to have a significant impact* on the path-dependent development of an institution.

The expanded causal role of agency leads to more solid foundations for the analysis of *contingency*, a key element of critical juncture analysis as postulated by path dependence theory in economics (e.g., David 2000), sociology (e.g., Mahoney 2000) and political science (e.g., Pierson 2000). Drawing from Isaiah Berlin's work, Capoccia and Kelemen define contingency in the analysis of critical junctures as "the study of what happened in the context of *what could have happened*" (Berlin 1974, 176; italics added).³ Hence, in this approach, contingency has two important characteristics. First, it is linked to the analysis of agency and choices during critical junctures and points to the intrinsic plausibility of the twofold counterfactual argument that actors could have taken different decisions, and had they done so, this would have had important consequences for the institutional outcome of interest.⁴ Second, this conception of contingency underscores the fact that the range of plausible alternative options during critical junctures—in Berlin's words, "what could have happened"—is not infinite: the range of options is defined by prior conditions even though, within the limits of those conditions, actors have real choices. This conceptualization of contingency in the context of critical juncture analysis presents two important advantages. On the one hand, it detaches the concept from notions of randomness (Bennett and Elman 2006). On the other hand, it offers precise methodological guidance, bringing into focus the key tasks of the analyst. In the analysis of critical junctures, the scholar should reconstruct the context of the critical juncture and,

through the study of historical sources, establish who were key decision-makers, what choices were *historically* available and 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).

This generation of empirical and theoretical studies on critical junctures set the stage for the current use of the concept in historical institutionalism, broadly defining the study of critical junctures as the analysis of the politics of institutional change during a relatively brief phase which is characterized by the availability of different courses of action capable of affecting future institutional development in the longer term.⁵ As reviewed below, scholars using this popular approach to the study of institutional development have emphasized different elements. Some scholars have focused on the importance of the “structural” antecedent conditions to the critical juncture—broad impersonal factors such as socio-economic conditions, diffuse cultural orientations, the organization of public powers—in driving the institutional outcome of the juncture; others have instead focused more explicitly on the role of political agency during the critical juncture, emphasizing either political interaction and decision-making by key actors or the strategies designed to embed and legitimize new institutions through ideational change. In the next section, I briefly review and discuss exemplary works in all three traditions.

Approaches to Critical Juncture Analysis

The Role of Antecedent Conditions

Some approaches to the analysis of critical junctures, while not denying the role of agency and choice, emphasize the importance of antecedent structural conditions—impersonal factors such as the socio-economic conditions, class and social alliances, diffuse cultural orientations and the like—in generating the institutional outcome of interest. Building on classic works in the field with a similar emphasis (e.g., Lipset and Rokkan 1967), recent theoretical contributions have explicitly picked up this theoretical thread, arguing that a critical juncture framework is most appropriate for analyzing situations in which a “common exogenous shock” affects a set of cases (typically countries), causing them to “diverge” as a consequence of the combination of their pre-existing structural configurations and the common shock. For example, Daron Acemoglu and James Robinson, in their analysis of why some societies develop “inclusive” institutions (which favor growth) while others develop “extractive” institutions (which favor predatory elites and stifle growth) define a critical juncture as a “major event or confluence of factors [which disrupts] the existing balance of political and economic power in a nation” (Acemoglu and Robinson 2012, 106), magnifies small, pre-existing institutional differences, and causes nations to “drift apart” along different paths of development.

These works emphasize that post-critical juncture “divergence” is driven by antecedent conditions rather than by decisions and events that take place during the critical juncture.⁶ Dan Slater and Erica Simmons, for example, argue that the impact of “critical antecedents”—variation between cases before a common critical juncture—“combines with agency” during critical junctures to produce the outcome of interest (Slater and Simmons 2010, 889).⁷ Tulia Falleti and Julia Lynch contrast views of critical

junctures that emphasize contingency and, in their account, “delink” critical junctures from contexts, with “classical examples of critical juncture analysis” which instead “embed critical junctures in a richly detailed context” (Falleti and Lynch 2009, 1155, citing among others the works by Lipset and Rokkan and Berins Collier and Collier mentioned above). Soifer, in a recent thoughtful contribution, emphasizes the importance of “permissive” and “productive” prior conditions in generating institutional change during a critical juncture. He underscores the potential causal role of agency and contingency but stresses that he is “agnostic” on the relative importance of such factors versus structural conditions during a critical juncture in generating the outcome of interest (Soifer 2012, 1593). These contributions are powerful reminders for those who employ the critical juncture framework in cross-country analyses to not assume too easily that the background conditions of their cases are similar. Cases may differ in significant ways prior to a critical juncture, and these different initial conditions may have important consequences for the political dynamics that produce the institutional outcome of the critical juncture (e.g., Slater 2011).⁸

The Politics of Institutional Formation

In agency-based accounts of critical junctures, scholars generally take great care to embed the range of choices available to decision-makers within the historical social and political context and to reconstruct carefully the historical plausibility and political viability of the different options (e.g., Katznelson 2003, 277, 282; Capoccia and Kelemen 2007, 355–357). An approach that emphasizes contingent choices, in the sense explained above, and the causal role of agency is not only perfectly compatible with, but indeed *requires* a careful reconstruction of the background conditions and the more immediate

context of key decisions during the critical juncture. While not denying the importance of agency and choice, the structural approaches discussed above tend, to use Stathis Kalyvas' phrase, to "black-box" agency, emphasizing the importance of prior conditions rather than the political interactions and decisions leading to the selection of a path of institutional development. The reason typically given for this focus is that the analysis of strategic interaction and political choices during critical junctures is impervious to generalization and the goal of advancing theory on political and institutional development, a goal which in this view is more easily achieved by focusing on the antecedent structural conditions of a critical juncture (Slater and Simmons 2010).

This approach, however, carries the risk of being uninformative in those cases in which the connection between macro-structural antecedent conditions and the strategic interactions and political choices that lead to the adoption of an institutional arrangement is not direct (e.g., Greif 2006). There are three possible sources of this causal ambiguity that have been identified in the literature: first, macro-structural conditions broadly favorable to the adoption of certain institutions may fail to produce institutional innovation if the groups supportive of such innovation are not mobilized by political actors; second, even though "favorable" macro-structural conditions may be present and institutional innovation is possible and, indeed, attempted, it may be narrowly missed; third, even though actor preferences may be linked to antecedent structural conditions, the institutional outcome that emerges from strategic interaction during the critical juncture may *not* correspond with the individual preferences of any of the actors. In all these cases, analyzing the *politics of institutional formation* becomes crucial to

understanding institutional development. In the remainder of this section I illustrate these three points with brief examples.

An illustration of the first pattern is Thomas Ertman's 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[ed] over a relatively short period of time as a result of decisions of a small number of actors" (Ertman 2010, 1001). In his careful reconstruction of the tumultuous political interactions of the years 1827–1835, Ertman underscores the importance of political choices and in particular "the central significance of personal choices made by Peel and Wellington" (Ertman 2010, 1009); at the same time, he embeds this detailed analysis of political agency in the structural cleavages that characterized British politics in that period, in particular the emancipation of religious minorities 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" (Ertman 2010, 1008). Hence, Ertman goes on to argue, the reforms of 1827–1835, and in particular the 1832 Reform Act, were not the result of a "long and continuous build-up pressure," as others have maintained (e.g., Morrison 2011) but rather of a series of decisions and political interactions, made in the relevant political context of the time. In sum, Ertman's analysis shows that structural conditions that supported demand for parliamentary reform were *present* in earlier periods but did *not* lead to reform; he underscores that even though

background conditions are necessary to understand the parameters of choice during critical junctures, the initiatives of influential actors were crucial in mobilizing and creating coalitions to foster institutional change.

Moving to the second of the three types of difficulties created by the structural-antecedents approach, the analytical focus on agency and contingency in the theory of critical junctures raises the possibility that the political struggle over the choice of different institutional options during a critical juncture may result in *re-equilibration* rather than change—what Capoccia and Kelemen call a “near-miss” critical juncture (Capoccia and Kelemen 2007, 350–351). As Capoccia and Kelemen argue, a logical consequence of stressing the importance of contingency (in the “Berlin-ian” sense discussed above) 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 was proposed, considered, and narrowly rejected, thereby reinstating the previous path of institutional development, there is no reason that such a period should not be considered a critical juncture. Some critical junctures may well result in re-equilibration of an institution. This approach provides scholars with potentially important “negative cases”—that is, cases in which institutional change was possible but did not happen⁹—that increase the leverage of the analysis. One recent example of the application of “near-miss” critical junctures, in which change is possible and plausible but is not achieved, is Curt Nicholls and Adam Myers’s work revisiting Stephen Skowronek’s (1993) theory of “reconstructive presidency” in the United States (Nicholls and Myers 2010). Nicholls and Myers argue that not all presidents who are “unaffiliated with a vulnerable regime” have seized the opportunity to transform 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 (Nicholls and Myers 2010). By bringing the concept of “near-miss” critical junctures to bear on the theory of reconstructive presidency, Nicholls and Myers propose a fresh analytical perspective and attain new empirical results, thus achieving theoretical and empirical progress on a terrain that seemed well trodden (Nicholls and Myers 2010, 831).

Finally, focusing on political interaction and decision-making during critical junctures may uncover situations in which the institutional outcome does not reflect the preferences of any specific actor, nor even falls within the “winset” of the institutional preferences of any one set of actors (Tsebelis 2002). For example, Kalyvas’ analysis of the interactions between conservative elites and the Catholic Church that led to the formation of confessional parties in Western Europe shows how the choices and strategies of key actors were decisive for the outcome of party formation and non-formation, and argues that antecedent conditions had at best an indirect impact on whether a confessional party was formed or not. (For example, he shows that in the case of France, despite the presence of the “right” structural conditions, a confessional party did not emerge.) 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 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). Where formed, such parties went on to play a crucial role in Western European mass politics during the twentieth century.

In these and other analyses, the politics of institutional change—the strategies and choices adopted by key actors—are firmly embedded in their historical context. At the same time, these analyses demonstrate that the institutional outcomes of critical junctures are not structurally pre-determined and at the same time are not idiosyncratic or random. In particular, the analysis of critical junctures in the context of a structured comparison—either cross-sectional as in the work of Kalyvas or longitudinal as in the work of Nicholls and Myers—can offer important leverage for building and testing theories on the origins of specific institutions, and can generate theoretical insights that can guide the analysis of critical junctures in the development of similar institutional arrangements in other comparable contexts.

Ideational Change and the Legitimation of New Institutions

Another important approach to critical junctures underscores the role of *ideational change* in producing institutional outcomes. Also in this approach the role of the politic of institutional formation takes on an important causal role, but the peculiarity vis-à-vis the approaches reviewed above consists in the emphasis on the strategies of public legitimation of institutional change. For example, in their work on the comparative study of macro-economic crises, Hogan and Doyle characterize critical junctures as encompassing an initial economic dislocation and subsequent ideational change. New policy ideas to tackle the economic problem are promoted by individual and collective actors such as international agencies, academics, bureaucrats, and elected politicians; once a sufficient consensus has consolidated around these new ideas, radical policy change happens (Hogan 2006; Hogan and Doyle 2007).¹⁰ Probably the best example in this tradition of analysis of critical junctures, however, is the work of Mark Blyth. He

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 political economy institutions emerge after economic crises. Blyth argues that economic crises are not simply a reflection of the “objective” fact of economic dislocation (e.g., deflation or negative growth), but are also socially constructed by powerful actors to be crises and, more importantly, to be *crises of a certain type*. The same actors then promote new institutions to “solve” the so-defined crisis (Blyth 2002). Hence, in his view, the *politics of ideas* is what matters during a critical juncture (Blyth 2007) and what ultimately determines the institutional outcome: a group of actors—in his account collective actors such as the state, decisive in the 1930s, or business, decisive in the 1970s¹¹—acts politically to impose on other groups a particular definition of the crisis—and therefore what institutions it takes to “solve” the crisis. When such ideational battle is won, collective action to build new institutions is undertaken (Blyth 2002).

Although this approach to critical junctures has been particularly popular in the analysis of economic crises and macroeconomic policy, the central contention is that the *ideational terrain* is where the main political battles are fought during a critical juncture. In this view, political actors seek to create and diffuse legitimacy for new institutional arrangements, a political strategy that in principle is applicable to other types of institutions too, which do not necessarily or primarily involve distributional conflict (Hogan and Doyle 2007, 884). An example is Ron Krebs’s recent work (Krebs 2010). Drawing on a long-standing theme of the literature of the domestic effects of war, Krebs argues that wars are critical junctures for executive power institutions (Kier and Krebs 2010, 15). Focusing on what he calls “limited wars” (i.e., small-scale wars), he argues

that the effect of war on executive powers depends only in part on the objective characteristics of the war itself such as duration, cost, level of resource extraction by the state, and extent of societal sacrifice. Rather, whether or not executive powers will increase turns largely on how the purpose and the outcome of a war is framed by national leaders in the public debate. In particular, Krebs argues that limited wars can be framed as transformational or restorative. Transformational wars aim, in essence, to “civilize.” Since the high standards and expectations of the promoters of such wars typically exceed the outcomes of war, they are often followed by pressures for institutional reform. Restorative wars are instead generally not followed by institutional reform, since the gap between ideals and institutions is less salient. Crucially, what makes a limited war transformative or restorative is how national leaders frame it in the public arena, thus providing legitimacy either for radical institutional reform of executive powers, or for the consolidation of existing institutions (Krebs 2010).

Similar to the work that emphasizes strategic interaction and political choice, “ideational” approaches to critical junctures emphasize the agency of influential actors, which seek to take advantage of a fluid and uncertain situation to build new institutions. The distinctive feature of ideational approaches is their conceptualization of the interests and the preferences of important actors: interests are not objectively given by an actor’s position vis-à-vis the class structure, the market or other objective structural conditions but, to a large extent, are *culturally constructed*. This process of construction is the key characteristic of the politics of institutional formation during critical junctures. Powerful collective actors seek 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 must seek to bring around social groups with different “objective” interests (Blyth 2002, esp. 152–166 and 209–219). These authors insist that since interests are constructed and recast during critical junctures, they are *not* determined by antecedent conditions—and neither is the institutional outcome of the critical juncture. Referring to the economic crisis of the 1970s, during which business successfully promoted anti-inflationary and monetarist policies and transformed the opposing interests of other groups, 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, italics added; see also Blyth 2003).

Alternatives to Critical Junctures in the Analysis of Institutional Development: Weak Institutions and Processes of Endogenous Change

To summarize the argument thus far, historical institutionalists have defined critical junctures as moments of openness for radical institutional change, in which a relatively broad range of options are available and can plausibly be adopted. The range, of course, is not infinite: antecedent conditions typically define and limit the possible options. In critical junctures, however, actors operate with a significant margin of maneuver and have increased possibilities for influencing institutional formation: in some cases they can influence the outcome directly, while in other cases their interactions may lead to unexpected results that none of the actors originally intended. Since the institutional outcome of critical junctures is not determined by macro-structural antecedents, the *politics of institutional formation*—strategies and choices of political leaders, decision-making processes, coalition-building, acts of political contestation, waves of public debate—typically take on a central role. Scholars of critical junctures have endeavored, in

particular through comparative analysis, to analyze systematically the interactions, strategies, types of coalitions, and ideational debates that give rise to specific institutional arrangements, and have reached insightful conclusions on the origins of important institutions.

In line with this theoretical approach, the study of critical junctures consists essentially in the theory-driven and historically grounded analysis of the politics of institutional formation in moments of political openness during which different options are available to actors and are in principle politically viable. The political history of every country, however, is replete with events, decisions of political leaders, political alliances, the rise of new normative frames for public debate, and other occurrences which, in the language of the French historians of the *Annales* School would be labeled as rather insignificant *histoire événementielle*. What justifies the high cost of detailed, intensive and time-consuming historical analysis of such events during critical junctures—costs which are compounded in comparative analysis—is the leverage provided for distal causation: the theoretical claim that understanding the politics of a critical juncture is crucial for explaining the origins of an institutional arrangement, which then stays in place for a long time afterwards.

As mentioned in the introductory section of this chapter, typically the reference to institutional path dependence is key to understanding the distal causation that motivates the conceptualization and study of critical junctures: indeed, critical junctures are often an essential part of analyses of path-dependent institutions (Capoccia and Kelemen 2007). As an important tradition of analysis in historical institutionalism has argued, many institutional arrangements are path dependent, namely give rise to endogenous

mechanisms of reproduction and positive feedback that sustain them and keep them in place, limiting or bounding change. This view has been applied to the analysis of institutional development in sociology (e.g., Goldstone 1998; Mahoney 2000; see also Abbott 1988, 173) and political science (e.g., Pierson 2000). Path-dependent institutional outcomes, therefore, have a composite causal structure: they are the effect both of the mechanisms of institutional reproduction that sustain the trajectory of their development, and of the events of the critical juncture responsible for selecting, in the first place, the path taken.

However powerful the idea of path dependence is in historical institutionalism, recent scholarship in the field has shown important limitations of the approach and has argued that in many cases it does not offer a realistic theoretical image of institutional development. Given the close connection between critical junctures and path dependence, this research also questions indirectly the importance of critical junctures in theories of institutional development. In the last part of this chapter, I review briefly two strands of this scholarship: analyses of “weak institutions” and theories of gradual, endogenous institutional change. Space limitations do not make it possible to do justice to their nuances and complexities; the purpose of this section is to illustrate how and why the concept of critical juncture as discussed above plays a very limited, if any, role in these approaches.

Critical juncture analysis affords limited traction in the analysis of the development of “weak institutions” (Levitsky and Murillo 2005, 2009). Steven Levitsky and Victoria Murillo argue that most theories (notably historical institutional theories) of institutional development were developed in relation to the politics of advanced

industrialized democracies, in which the assumption that formal rules either reflect or generate shared expectations about how others will behave is typically correct. They note that this assumption often does *not* hold in most of the developing world, where formal rules are often neither stable nor consistently enforced. Institutional strength, which consists of the level of enforcement and the patterns of stability of formal rules, should be conceptualized as a variable and not as a constant. In their view, this makes historical institutionalist theories largely inapplicable to the developing world, where the “politics of institutional weakness” is often the typical pattern (Levitsky and Murillo 2005).

Relevant for the present discussion is that institutional weakness inhibits path dependence, at least in the sense of institutional self-reinforcement, for which “institutional strength” (defined as a high level of enforcement and a pattern of sufficient stability over time) is a necessary condition: “When institutional arrangements persist (and are enforced) over time . . . actors develop expectations of stability and consequently invest in skills, technologies and organizations that are appropriate to those institutions . . . As these investments accumulate, existing arrangements grow increasingly attractive relative to their alternatives, thereby raising the cost of institutional replacement. . . Where formal institutions are repeatedly overturned or rendered ineffective, actors may develop expectations of instability. . . Consequently, they will be less likely to invest in those institutions or develop skills and technologies appropriate to them, thereby keeping the cost of overturning the rules low” (Levitsky and Murillo 2009, 123). Under conditions of institutional weakness, institutional change is most likely to take the form of “breakdown and replacement” (Levitsky and Murillo 2009, 128). As a consequence, critical juncture analysis, which examines political struggles over institutional design in brief moments of

relative openness and uncertainty, offers little leverage in this context—because the institutional arrangements resulting from such struggle would not be longstanding (or would remain unenforced), and another struggle would be likely to ensue shortly afterwards to bring about new formal rules and overturn the existing ones.¹²

Theories of endogenous institutional change (Hacker 2004; Thelen 2004; Streeck and Thelen 2005; Mahoney and Thelen 2010; see also Hacker, Pierson and Thelen 2015) take their lead from what they define as the difficulty that path dependence theories have in explaining institutional change. Theories of institutional path dependence have a stability bias, relegating change to exogenous shocks. In the effort to incorporate change in a theoretical account of institutional development, scholars have therefore identified several patterns of endogenous institutional change that take place gradually but over the long run transform radically an institution, either through piecemeal reform (layering) or reinterpretation (conversion). Scholars in this tradition have shown that such forms of gradual institutional change are very common, and have provided broad empirical support for their theoretical propositions.

This influential approach to institutional change is founded theoretically on the conceptualization of institutions as *arenas of conflict*, rather than as equilibria, as is the case in path dependence theory (albeit implicitly in many accounts). Institutions are constantly reshaped and reinterpreted by groups vying for power, trying to bend the institution to their priorities and preferences. To be sure, theorists of endogenous institutional change do underscore that institutional development does sometimes follow the pattern of punctuated equilibrium, with moments of openness and rapid change (i.e. critical junctures) followed by phases of stability (e.g., Streeck and Thelen 2005, 9).

However, when institutions develop according to the patterns of long-term, gradual, endogenous and transformative change such as conversion and layering, critical junctures have no place in the analysis: if institutions are constantly vulnerable to piecemeal modification and reinterpretation by the actors involved, and their shape, nature and impact change continuously in accordance with shifts in power and influence among the actors involved (Mahoney and Thelen 2010), then there is little reason to study in detail the politics of their initial creation. The analytical attention shifts rather to the long-term process of gradual but transformative institutional change and the patterns and processes of such change. Indeed, and *pour cause*, the concept of critical juncture (and synonyms) does not play an important analytical role in the literature on gradual institutional change.

Conclusion

In historical institutionalism, critical junctures are conceptualized as moments of structural indeterminacy and fluidity during which several options for radical institutional innovation are available, one (including possibly institutional re-equilibration) is selected as a consequence of political interactions and decision-making, and this initial selection carries a long-lasting institutional legacy. In this process, actors have real choices and the institutional outcome, albeit constrained by antecedent conditions and the range of politically feasible options, is not pre-determined by such conditions. Critical junctures underscore the point made by Greif (2006, 33) that “institutional analysis is about situations in which more than one behavior is physically and technologically possible.”

The study of critical junctures consists of theory-driven analysis of the *politics of institutional formation* in moments of political openness and fluidity: the various types of political processes through which institutional choices are made: strategic interaction,

coalition-building, norm-generating strategies aimed at influencing the perception of the legitimacy of institutional innovations by rule-takers, and choices made by powerful political leaders. These processes unfold in a well-defined context in which several options for institutional change are politically viable. Based on these theoretical premises, scholars have endeavored, often successfully, to offer *systematic* analyses of institutional origins, generally through either cross-sectional or longitudinal comparisons of critical junctures. These analyses have generated key theoretical insights on the origins of important institutions and can guide research on other, comparable cases.

The justification for such detailed historical and comparative study of political processes during critical junctures is to be found in the circumstances that critical junctures have long-term legacies, typically conceptualized, in historical institutionalism, in terms of path dependence. The logic of path dependence highlights the long-term consequences of the selection of one institutional option over the other historically available options during relatively rare moments of political openness. Even though theories of gradual institutional change and of variation in institutional strength have posed a challenge to path dependence approaches to institutional development—and indirectly to critical juncture analysis—the concept continues to be used both in theoretical contributions (e.g., Soifer 2012) and empirical analyses (e.g., Nunn 2009). At the same time, the challenges posed by other traditions of analysis to the usefulness of critical junctures as a theoretical concept in the toolbox of historical institutionalism should not be underestimated. The ubiquitousness of gradual, endogenous, and transformative institutional change, which has been amply documented and is rooted in a theory and a definition of institutions as arenas of conflict, suggests that in many cases

the analytical traction offered by critical junctures may be limited. Similarly, weak institutional enforcement and high instability, typical of much of the developing world, render institutions either less consequential or, by underscoring the changing ways in which formal rules may be used in practice, renders the reasons for the in-depth study of their origins less compelling than in the context of more developed polities. To be sure, these approaches are not mutually exclusive: they may be applicable in different circumstances. However, more robust theorization is needed on the *conditions* under which each of them applies—in particular on the conditions which encourage the path-dependence logic of adaptive expectations and specific investments, thus raising the cost of institutional reversal, and the conditions which, instead, produce incremental but transformative institutional change by virtue of continuous strategic action over time on the part of actors vying for power.¹³ Theoretical advancement on this front would also clarify the scope of applicability, limitations and potential of the concept of critical junctures in historical institutionalism.

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¹ The theoretical literature on path dependence is very extensive and its discussion goes beyond the scope of this essay. In institutional economics and economic history, key contributions are by North (1990, 1994); Arthur (1989, 1994); David (1985, 1994, 2000, 2007). In economic geography, apart from Arthur's work cited above, an important contribution is by Krugman (1991). In sociology, important theoretical contributions are by Goldstone (1998) and Mahoney (2000). For the use of the concept of path dependence in the field of international relations, see Fioretos (2011). A formalization of the concept is in Page (2006). In political science, a seminal contribution is by Pierson (2000).

² Even Paul David's (2000) classic example of the "direction of traffic," in which a series of individual decisions of car drivers cumulate to bring the system into what he calls a "trapping region" (i.e. a universal rule of keeping right or left), once analyzed historically, reveals the importance of authoritative political decisions rather than the accumulation of individual determinations (Capoccia and Kelemen 2007, 354).

³ Mahoney, in an important piece, also emphasizes the importance of contingency in critical junctures, conceiving it as a factor whose explanation "appears to fall outside of existing scientific theory" (Mahoney 2000, 514; see also Bennett and

Elman 2006). More generally on the importance of contingency in the study of politics, see Shapiro and Bedi (2006).

⁴ On rules for assessing the plausibility of counterfactual arguments in political science, see e.g., Fearon (1991); Tetlock and Belkin (1996); Lebow (2000, 2010); Levy and Goertz (2007).

⁵ As discussed below, these options include re-equilibration, that is, near-miss change (Capoccia and Kelemen 2007).

⁶ Acemoglu and Robinson argue, however, that although “existing economic and political institutions... delineate what is politically feasible” during critical junctures, the outcome of critical junctures is “not predetermined but contingent” (Acemoglu and Robinson 2012, 110).

⁷ Even though not all the “critical antecedents” that Slater and Simmons discuss in their examples refer to impersonal macro-conditions, clarifying the importance of such structural factors in shaping the outcomes of critical junctures seems to be a recurring concern in their elaboration (see Slater and Simmons 2010, 887, 892–895, and 905).

⁸ More problematic seems to be the reference to “divergence” as a defining element of critical junctures emphasized by these scholars: despite the popularity of this view (e.g., Slater and Simmons 2010, 888; Soifer 2012, 1593; Acemoglu and Robinson 2012, 106), it bears reminding here that “divergence” between cases is a *potential consequence* of critical junctures. In order to have analytical traction, the concept of critical juncture—like any other concept—needs to be defined independently from its empirical consequences. On this see Capoccia (2015).

⁹ Soifer (2012) considers such situations as “crises without change” (i.e. not critical junctures), and encourages comparisons with critical junctures, thus addressing the same theoretical problem in the context of a partially different framework. Near misses are also an important feature of “episode analysis,” an approach to the analysis of sequences of asynchronous punctuated institutional change in different institutional arenas of the polity developed in Capoccia and Ziblatt (2010).

¹⁰ One problematic aspect in Hogan’s work is that his analysis of critical junctures is explicitly disassociated from the long-lasting legacies of the events and decisions taken during the critical juncture (e.g., Hogan 2006, 664). To be sure, classifying macro-economic dislocations as more or less severe along certain indicators (and reserving the notion of critical juncture to the most severe ones) may serve classificatory purposes. However, if the concept is applied to the analysis of long-term institutional and policy development, this approach raises the question of why one should study in detail events and decisions whose effects are not long lasting and may well be reversed immediately afterwards. I return to this point in the next section.

¹¹ Blyth does not attribute agency to abstract entities. For example, his account of how American and Swedish business promoted neo-liberal ideas to both define and point to a “solution” to the 1970s economic crisis 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).

¹² In this line of theorization, however, critical juncture analysis could play a role in explaining patterns of institutional *instability*: a period of initial institutional failure, which, as Levitsky and Murillo (2009, 123) put it, may be the product of “historically contingent circumstances (including sheer bad luck)” may induce actors to develop expectations for future instability and lack of enforcement, and lock a polity into a path of institutional weakness. This theoretical thread, although promising, has not yet been fully articulated by scholars of weak institutions.

¹³ I discuss some of the relevant issues in Capoccia (2012).