# Sticky Rationality: Rationality in Two Approaches to Foreign Policy Analysis

## Hans Rusinek

Hans Rusinek received his Bachelor's degree in "Philosophy & Economics" at the University of Bayreuth in 2014, spending semesters abroad at Tel Aviv University and Marmara University, Istanbul. He wrote his Bachelor's thesis on "Human Rights Management for Global Corporations". He currently finishes his postgraduate degree in "International Relations" at the London School of Economics and Political Science with a dissertation on "The international society and the threat of Terrorism". His interests include security studies, political violence, political philosophy, philosophy of science, politics of the Middle East, economics, global ethics and business ethics.

MSc International Relations, London School of Economics Email: h.c.rusinek@lse.ac.uk

#### **Abstract**

This essay explores the assumption of rationality in Foreign Policy Analysis. Two approaches, neoclassical realism and schema theory, will be highlighted and it will be examined how they incorporate the notion of rationality. Neoclassical realism reacts to the suboptimal outcomes, which realism fails to explain, by adding the domestic level though leaving the assumption of rationality untouched. Schema theory as a part of the cognitive school seemingly "bounds" rationality but then opens a backdoor through which rational agency can be reintegrated in the model. The case study of the sanctions regime on Iraq illustrates that the assumption of rationality can not only lead to unintended but also dangerous policy outcomes. This essay claims that it is almost tragic how those theories hold on to rationality and it offers an underlying explanation for the "stickiness" of rationality assumptions in Foreign Policy Analysis by using Quines concept of confirmation holism.

## **Key Words:**

Cognitive School, Confirmation Holism, Foreign Policy Analysis, Neoclassical Realism, Scientific Method

The real trouble with this world of ours is not that it is an unreasonable world, nor even that it is a reasonable one. The commonest kind of trouble is that it is nearly reasonable, but not quite.

G. K. Chesterton<sup>28</sup>

## Introduction

This essay explores the assumption of rationality in Foreign Policy Analysis.

Two approaches, neoclassical realism and schema theory, will be highlighted and it will be examined how they incorporate the notion of rationality. Neoclassical realism reacts to the suboptimal outcomes, which realism fails to explain, by adding the domestic level though leaving the assumption of rationality untouched. Schema theory as a part of the cognitive school seemingly "bounds" rationality but then opens a backdoor through which rational agency can be reintegrated in the model. Both models have the assumption of rationality at the center of their theories. A case study of the sanctions regime on Iraq illustrates that the assumption of rationality can not only lead to unintended but also dangerous policy outcomes. This essay claims that it is almost tragic how those theories hold on to rationality and offers an underlying explanation for this "stickiness".

# Rationality and "Physics Envy"

John Lewis Gaddis argues that in freudian terms the social sciences suffer from "physics envy". Social sciences from economics over sociology to international relations share the obsession to theorize as closely as possible in the style of this "hard science". Their envy aims at the fact that physics has the ability to apply the scientific method and by doing this it acquires predictive power.

The scientific method has a twofold capacity: It explains, i.e. helps to understand why things happen the way they do, and it forecasts, i.e. shows how things will happen in the future. Those two tasks go hand in hand: The explanation must use general laws which can be then extrapolated into the future: The Water boiled because it

<sup>&</sup>lt;sup>28</sup> Chesterton (1908) p. 87

<sup>&</sup>lt;sup>29</sup> Gaddis (1996) p.35

<sup>&</sup>lt;sup>30</sup> see Homo oeconomicus

<sup>&</sup>lt;sup>31</sup> see Structural Functionalism

reached the temperature of 100°C and if this liquid is water and it will boil once it reached 100°C.

## Scientific Method in International Relations

It can't be emphasized enough how much of a holy grail the scientific method is for political science. The method would give the political sciences predictive power. Theory would be essential for actual policy makers.

To obtain this capability, general laws need to be found. Laws which are independent of historical context and which streamline the behaviour of agents in the international system. An attempt is done by (neo-)realists. Their claim is that anarchy is the ultimate driver and the resulting only interest of a decision-maker is the interest in power. In order to make sure that the ways decision-maker follow this unifying goal are identical it is assumed that they act rationally<sup>32</sup>.

The resulting general laws are:

- 1. All decision-makers seek in all situations to maximize their power.
- 2. Decision-makers act following rational principles.

A decision-maker following the principles of rational choice is striving for the optimal outcome by ranking his preferences in order of their importance, balancing them against costs, examining the tools available for the task and calculating the likelihood of their success<sup>33</sup>.

This rational actor perspective assumes that "decision-makers usually perceive the world quite accurately and misperceptions can be treated as random accidents"<sup>34</sup>. A psychological examination of the decision making process can therefore be ignored or assumed away. Hans Morgenthau writes: "(We can) ... consider all decision makers to be alike"<sup>35</sup>. All agents follow the same goal in the same way. This simplification now offers the ability to use the scientific method. The "physics envy" seems to be sated but it turns out that the scientific method is not working very well.

<sup>32</sup> Gaddis (1996) p.33

<sup>&</sup>lt;sup>33</sup> Bjola (2013) p. 98

<sup>&</sup>lt;sup>34</sup> Jervis (1976) p.6.

<sup>&</sup>lt;sup>35</sup> Morgenthau (1978) p.6.

Realist theory is unable to predict not even to explain why the two most powerful nations of the modern era chose, at certain points during the twentieth century, to relinquish power rather than to retain it – the United States in 1919-1920 and the Soviet Union in 1989-91.<sup>36</sup> Realist theory with the assumption of rationality at its heart seems to fail here<sup>37</sup>.

The assumption of rationality seems counterintuitive because it is assuming that the mind "has essentially unlimited demonic or supernatural reasoning power"<sup>38</sup>. This idea of computational goal-seeking<sup>39</sup> does not match with the basic experiences of anybody observing his own mind. However it is important to point out already at this point that critizing the assumption of rationality does not lead us directly to an assumption of irrational behaviour. As shown in the quote at the beginning of the paper the point is simply, that strict rationality is not giving us the whole picture.

# Neoclassical Realism / Squeezing Rationality into Reality

The insight that realism does not explain foreign policy decisions is the starting point of neoclassical Realism. When a theory clashes with reality it needs to be adjusted. The relevant question within the theory building is: Which hypothesis can stay, which needs to be replaced? W.V.O. Quine shaped the term confirmation holism, which states that no hypothesis can be tested in isolation but theory testing is always embedded in a background of other hypothesis'. In his own words: "Any statement can be held true come what may, if we make drastic enough adjustments elsewhere in the system." This offers an illustrating background to neoclassical realism, which preserves the notion of rationality by adjusting another hypothesis in the theory building of realism: It adds the constraint of domestic factors. Neoclassical realism is therefore a hybrid of realism and a domestic perspective.

Neoclassical realists admit that the decision-maker is not reacting to the demands of the international system directly. Between the input of the system and the agent is an intervening variable namely the domestic sphere. Neoclassical realists do not trace the sub-

<sup>36</sup> Gaddis (1996) p.37

<sup>&</sup>lt;sup>37</sup> It must be pointed out that realists defend their point by arguing that they explain political outcomes not foreign policy. Waltz (1979) p.121

<sup>&</sup>lt;sup>38</sup> Gigerenzer & Todd (1999) p. 6.

<sup>&</sup>lt;sup>39</sup> Bjola (2013) p.101

<sup>40</sup> Quine (1961) p. 41

optimal outcomes of foreign policy back to incomplete rationality of the decision-maker. The reason they are giving instead, the,,update" they are offering, is that there is a distorting variable between the decision maker and his decision. In the words of Imre Lakatos, another Philosopher of Science, neoclassical realists do not change the core of the theory, rationality, but build a protective belt of auxiliary hypothesis', the domestic intervention, around it.<sup>41</sup>

Angela Merkel might be willing to support the United States in stopping the so-called Islamic State. The group is generating a high number of foreign fighters from Germany, which will eventually come back and harm German stability. Merkel might also be interested in a stable European border in the south and in the prevention of refugee crises. Those considerations can be derived from her interest in power. But there is a variety of domestic constraints: On the level of public opinion she is constrained by the fact that the German population is anti-interventionist and not so keen on cooperating with the United States. On the level of its economy Germany could face a recession very soon<sup>42</sup>. And on the structural level the German army is in an internal crisis caused by major equipment problems<sup>43</sup>.

One could argue that anarchy is expanding from the outside of the nation to the inside and that the decision-maker has to deal with two variables instead of one. However, neoclassical realists argue that over the long term rational decision making striving for power dominates, because the decision-maker will try to overcome the domestic constraints. In Angela Merkel's case this would mean to get the economy back on track, persuade the German public and to modernize the army.

In the longer term therefore the scientific character of neoclassical realism can be preserved. The assumption of rationality is generally not touched by the addition of domestic factors. The decision-maker can price those constraints in his costs. Interestingly there is one aspect where neoclassical realism does accept irrationality: The perceptions of the public as an intervening variable are not rational or at least not rationally following the same goal as the decision maker.

42 "Sedating, not leading" The Economist, Oct 18, 2014

<sup>41</sup> Lakatos (1978) p.44

<sup>&</sup>lt;sup>43</sup> http://www.dw.de/von-der-leven-catches-more-flak-over-german-defense-troubles/a-17989911

The step from realism to neoclassical realism is done by adding to the independent variable of power distribution in the international system the intervening variable of domestic perception and domestic constraints while the notion of rationality is not adjusted. This will be contrasted with the contributions of Debora Larson's schema theory. Will the assumption of rationalism be abandoned? To what extent is schema theory a challenge for neoclassical realism?

## Schema Theory

Schema theory needs to be seen in the context of the cognitive revolution aiming to "discover ... the meanings that human beings created out of their encounters with the world and ... what meaning-making processes were implicated." Whereas in realism the misperceptions were seen as a random noise the cognitive school tries to systematize them. It assumes that individuals are acting not in an objective environment but in their own specific "psychological environment". On first sight it seems that rationality is challenged by the fact that a kind of anarchy now enters the human perception.

Deborah Larson is a part of the second generation of the cognitive school concerned with how the individual processes the vast amounts of data, how he achieves cognitive economy<sup>46</sup>. As the capacity of the human mind is limited, a decision-maker needs to take shortcuts and to simplify. She gives credit to the imperfect human reasoning powers. The individual is a "cognitive miser"<sup>47</sup> caused by the simple material fact that a conscious evaluation of the costs of any option is beyond the means of human cognition. Instead he uses schemata representing a cluster of options to reduce complexity. A schema is an "abstraction from experience with a subject, rather than a definition or a collection of

cases" 48. When new information comes in, it will be slotted in a fitting schema. Schemata structure information.

<sup>44</sup> Bruner (1990) p.2

<sup>&</sup>lt;sup>45</sup> Sprout & Sprout (1965) p.119

<sup>&</sup>lt;sup>46</sup> Rosati (2001) p.56

<sup>&</sup>lt;sup>47</sup> Larson (1994) p.23

<sup>48</sup> Larson (1994) p.18

It is important to point out that Larson is not offering an alternative to neoclassical realism but adding a level of complexity to the psychological process of decision making. It can be seen as a "software update" to the "hardware" of neoclassical realism.

It seems very plausible that the cognitive restrictions rule out perfect rational behavior. Surprisingly for Larson this is not the case. The devil is in the detail how schemata are chosen. Larson allows us to test our schemata by their utility, rank them and switch them consciously like eyeglasses<sup>49</sup> i.e. rationally. Instead of treating the outside world rationally like in realism we just operate rationally within our psychological environment. Furthermore "there is no evidence that schemata misrepresent the information available." The psychological environment is therefore nothing more than a hyperaccurate translation<sup>51</sup> of the objective environment, which renders the psychological environment also objective. For Larson there is no evidence how information is lost or distorted in this process.

Barack Obama's information processing in relation to the rising of the so called Islamic State can be expressed in schemata. In the beginning of the civil war the schema for rebel groups could have been "opposition against Assad". A schema leading to an affirmative perspective as Assad dictatorship led to war and caused risk for example for the American ally Israel. During the rise of militant jihadism within those groups i.e. new information the schema was consciously changed to "destabilizer" and eventually for the so called Islamic State to "violator of Human Rights and the state system" leading to air strikes against them.

This process according to Larson would be still shaped by rational agency. Obama would simply choose which schema offers him the highest utility. Instead of arguing for subconscious irrational processes whether they may be social and collective or psychological and individual<sup>52</sup> she is re-introducing rational choice and "supernatural reasoning power" through the back door.

<sup>&</sup>lt;sup>49</sup> Larson (1994) p.21

<sup>&</sup>lt;sup>50</sup> Larson (1994) p.25

<sup>&</sup>lt;sup>51</sup> "hyperaccurate translation" being almost an oxymoron

<sup>&</sup>lt;sup>52</sup> Houghton (2007) p.42

As shown before rationality is essential to satisfy the "physics envy" of social sciences and reach out to the "holy grail" of predictive power. Ironically Larson herself admits that schema theory "not only explains but also predicts"53.

Is Wladimir Putin rationally choosing schemata when looking at Ukraine and then deciding that the schema "destabilize at any costs" is the most rational i.e. power maximizing perspective on the conflict? Or isn't there an irrational element making him unable to correctly judge costs and benefits of invading Ukraine? An element rooted perhaps in the ideology of eurasianism or even in the idea that "he is chosen by divine providence to punish liberated Ukrainians", as his former advisor Andre Illarionov states<sup>54</sup>? The current course of action hints at an irrational element. An element left unexplained by the presented theories.

## The use of sanctions and rationality

An interesting backdrop for the stickiness of rationality in analyzing foreign policy decisions is the use of sanctions, which heavily relies on the assumption of rationality. Sanctions are a tool of coercive diplomacy, the attempts to change the behavior of a state by threatening it with the use of force or the actual use of limited force.

Sanctions became very popular after the Cold war. Sanctions were applied in the 1990s alone in Iraq (1990), The former Yugoslavia (1991, 1992, and 1998), Libya (1992), Liberia (1992), Somalia (1992), Parts of Cambodia (1992), Haiti (1993), Parts of Angola (1993, 1997, and 1998), Rwanda (1994), Sudan (1996), Sierra Leone (1997) and in Afghanistan (1999)<sup>55</sup>. Sanctions are a standard policy response in the post-cold war world because they lead to pain for the adversary but to almost<sup>56</sup> no pain for the state applying those sanctions. It is preferred for its subtlety: There are no "boots on the ground" and there is general no cruel footage on CNN about the results of sanctions.

The abstract theory of coercive diplomacy and thereby the framework for sanctions assumes pure rationality in the targeted state. The core idea is to change the cost-benefit

<sup>53</sup> Larson (1994) p.26

<sup>&</sup>lt;sup>54</sup> Foreign Affairs (2014)

<sup>&</sup>lt;sup>55</sup> Dodge (2015)

<sup>&</sup>lt;sup>56</sup> however sanctions can hurt the own economy if it is a main trading partner with the targeted state (see Russia and EU sanctions).

analysis of the decision maker or a certain elite. By applying additional costs (in the case of negative sanctions) the ends-means calculation receives another element. It is expected that the targeted decision maker will then refrain to continue (or to begin) certain actions because they became too costly. The theory of sanctions is rationalistic in a mechanistic way: The sanction must damage the targeted decision making elite. This elite must recognize the damage, it must struggle to balance the damage and look that the damage is bigger than the benefits.

It is not too hard to spot the traces of "hard science envy" in the theory of sanctions. Sanctions are based on a paradigm of a positivist cause-and-effect machinery. This would not be problematic if sanctions were successful. However there is a huge controversy over the percentage of success: Some authors state that 35% of the sanctions are successful, some even say only 5%.<sup>57</sup>

What if the targeted state is actually not applying a cost-benefit analysis? This paper states that it is exactly because of this overemphasis of rationality why sanctions tend to fail.

# Sanctions on Iraq

The most profound sanctions ever used on a country were in 1990 on Iraq. The United Nations Security Council Resolutions 661 prevented all trade with Iraq. The primary aim of these sanctions was to force Iraq out of Kuwait. The sanctions failed, a large scale military coalition was needed to force the Iraqi army out of Kuwait. But the sanctions were mostly kept in place (UNSC Resolutions 687) to stop Iraq from acquiring Weapons of Mass Destruction and to weaken the base for Saddam Hussein's leadership by creating political fracture. The resolution 687 was described as a "christmas tree" because so much "was hung on it" by different actors. <sup>58</sup> It was expected that the societal suffering would place so much pressure on Saddam's regime that he eventually would have to resign. The draconian sanctions did indeed result in societal suffering: Child malnourishment went up by 73%, which lead to 6000 dead children in each month. <sup>59</sup> This traumatized an entire generation.

<sup>&</sup>lt;sup>57</sup> Dodge (2015)

<sup>58</sup> Brown (1999) p.20

<sup>&</sup>lt;sup>59</sup> Dodge (2015)

But it did not result in pressure on Saddam Hussein's regime itself, it even strengthened it.<sup>60</sup>

There are three general lessons from this case. First the imagined cost-benefit-balance, which is meant to be shifted as a result from sanctions, needs to be real. It is not the claim of the paper that Saddams Husseins policy is completely irrational. But the assumption of a strict rationality of the target in form of a mercantile cost-benefit-balance incorporating economic factors, was clearly not that relevant in Baghdad. Maybe it was simply non-existent, maybe there are other factors left unexplained by rationalism-focused theories.

In this case study the assumption of rationality is not only wrong but also dangerous. This case also argues for a more pluralistic idea of "rationalities". Consider the statement by a Putin intimate, who was asked about the sanctions and simply answered: "Putin is not a businessman".<sup>61</sup> How is utility maximized? And whose utility?

The second lesson is that sanctions do not work, when there is no transmission belt between societal suffering and policy change. One reason why the sanctions failed is because the public has no influence on the situation, that there is no mechanism between the public and Husseins decisions. The suffering was achieved by the sanctions but it did not trigger any policy change in Baghdad. Therefore in the case of Iraq again the assumption of a mechanistic rationalistic backdrop proved to be misguided.

The third lesson is that sanctions can even be counter productive, they can lead to the opposite of the intended consequences. A reason is the "rallye around the flag" effect: The conviction of an external conspiracy against the Iraqi people led some to support Hussein more against that threat, to rallye around him.<sup>62</sup> Based on the idea that the suffering is not the fault of the government but the fault of hostile states, a regime can even lay the blame for issues completely untouched by sanctions on foreign governments: e.g. "We can't reform the education system because of the sanctions". This kind of "guilt export" made possible by sanctions can ultimately stabilize a regime.

<sup>60</sup> Dodge (2015)

<sup>61</sup> http://www.nytimes.com/2014/09/28/world/europe/it-pays-to-be-putins-friend-.html?\_r=0

<sup>&</sup>lt;sup>62</sup> Dodge (2015)

This case study illustrates that the strict assumption of rationality is at the root of the problem why sanctions mostly don't work. The mechanistic idea from the imposing of sanctions to the desired policy outcome does not do the political reality justice, especially not of those authoritarian states typically targeted by coercive diplomacy. Sanctions are still chosen because we tend to judge someone by our own standards and the standard not only in Foreign Policy Analysis but also for foreign policy decision makers is rationality.

# Conclusion / Overcoming the envy

There are two comforting insights, which shall close this essay and help the political scientist to overcome "physics envy", and eventually the stickiness of rationality.

First, even "hard" science is not hard science. Heisenbergs uncertainty principle proves that attempts to measure phenonema can actually alter them<sup>63</sup>. Gödel's incompleteness theorems show that even mathematics is an invention not a discovery<sup>64</sup>. And Einstein proved the relativity of time and space. This leads to the insight that even the hard sciences can not offer general laws in their strictest sense. The scientific method in a strict sense cannot even be applied in the natural sciences. The scientific paradigm then, the "physics envy" is based on an outdated idea of the natural sciences from the 19<sup>th</sup> century.

Second, we can derive comfort from geologists and biologists. They are strong in explaining the past, but much more modest in their claims to forecast the future. They have paradigms of plate tectonics and natural selection but still allow for the impact of unpredictable events. Both do not rely heavily on quantification but they go out in the field look at rocks, describe them and classify them. The accepted means of communication is taxonomy – the careful comparative description<sup>65</sup>. There are sciences, with the reputation of "hard sciences", that don't require the scientific method.

Human irrationality is the elephant in the room of this essay. The acceptance of non-purposive (or at least not always purposive) behavior is a bitter pill to swallow for political theory disabling it to predict the behavior of decision-makers. Neoclassical realism, as shown, avoids the topic by adding complexity on another level. Larson's Schema Theory

<sup>63</sup> Cohen & Stewart (1994) pp.44-45

<sup>64</sup> Putnam (1975) pp.60-65

<sup>65</sup> Gaddis (1996) p.38.

finally opens the black box of human cognition but closes it again by showing that eventually the human mind and its filter work rationally. The case study of the sanctions regime on Iraq illustrates how the assumption of a strict rationality can actually lead to foreign policy failure.

In conclusion it remains to say that others than neoclassical rationalists and schematheorists have been more courageous by attacking rationality from a cultural and a psychological perspective. Kahnemann and Tversky introduced prospect theory arguing that actors are risk-prone when they perceive loss and risk-averse when they perceive gain. Fast and frugal heuristics contends that actors use simple heuristics like historical analogies to make sense of the world and that a single clue can suffice for a decision-maker to make up his mind. In contrast to Larson this happens subconsciously and is not subordinated to a rationalist filtering process. Other Authors highlight the emotional dimension pointing out that reason and emotions are always going together and are impossible to separate. Constructivists of course show how the very benchmarks of decision-making are relative, culturally determined and fluid. <sup>66</sup> But all these insights are heavily rejected by neoclassical realism and schema theory in order to save rationality and to satisfy "physics envy".

<sup>66</sup> s. Bjola (2013) p.103

## References

Gilbert Keith Chesterton, Orthodoxy (1908)

John Lewis Gaddis, "History, Science, and the Study of International Relations," in Ngaire Woods, ed., Explaining International Relations Since 1945 (1996)

Corneliu Bjola, Understanding International Diplomacy: Theory, Practice and Ethics, 2013

Robert Jervis, Perception and Misperception in International Politics 1976

Hans J. Morgenthau, Politics among Nations: The Struggle for Power and Peace (1978)

Imre Lakatos, The Methodology of Scientific Research Programmes (1978)

Toby Dodge, Foreign policy tools: From diplomacy to war. Coercive diplomacy and the use of economic sanctions, Hongkong Theatre, London School of Economics, London. 15. January 2015. Lecture

Willard van Orman Quine, "Two Dogmas of Empiricism", in his From a Logical Point of View (1961)

Jerome Bruner, Acts of Meaning (1990)

Harold Sprout and Margaret Sprout, The ecological perspective on Human Affairs. (1965)

Deborah Welch Larson, The Role of Belief Systems and Schemas in Foreign Policy Decision-Making (1994)

Jerel A. Rosati, The Power of Human Cognition in the Study of World Politics (2001)

Jack Cohen and Ian Stewart, Collapse of Chaos: Discovering Simplicity in a complex world (1994)

Hilary Putnam, "What is Mathematical Truth?" in Historia Mathematica (1975)

Sarah Graham Brown, Sanctioning Saddam: The politics of intervention in Iraq (1999)

Foreign Affairs (2014), "Is Putin Rational?" Foreign Affairs. Accessed November 16, http://www.foreignaffairs.com/articles/141039/alexander-j-motyl/is-putin-rational.