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Alex Mintz and Karl DeRouen
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PART ONE

INTRODUCTION

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Why Study Foreign Policy from a Decision-Making Perspective?

Foreign policy choices range from the dramatic to the mundane. Leaders make decisions to go to war, make peace, form an alliance, establish diplomatic relations, implement a position on nuclear nonproliferation, impose economic sanctions, or ratify global environmental agreements. The focus of this book is this broad range of decisions.

We approach this topic from a number of directions. We consider, among others, the type of the decision (one-shot, sequential, interactive, group), the level of analysis in foreign policy decision making (the individual, group, coalition), the processes and dynamics that lead to the decision, biases and errors, and, of course, models of decision making (rational actor, cybernetic, bureaucratic politics, organizational politics, poliheuristic theory, and prospect theory). We examine the determinants of foreign policy decisions (the decision environment, psychological factors, international factors, and domestic influences). We look at a host of psychological factors that shape decisions, such as images and belief systems, emotions, analogies, the personality of leaders, leadership style, miscalculations and misperceptions, and environmental factors such as time constraints, ambiguity, stress, and risk. We then look at the effect of international and domestic factors such as deterrence, the arms race, the regime type of the adversary, strategic surprise, economic conditions, public opinion, and electoral cycles on foreign policy decision making. We conclude with a case study of the U.S. decision to invade Iraq in 2003, analyzed through five decision models.

FOREIGN POLICY DECISION MAKING

Foreign policy decision making (FPDM) refers to the choices individuals, groups, and coalitions make that affect a nation's actions on the international stage. Foreign policy decisions are typically characterized by high stakes, enormous uncertainty, and substantial risk (Renshon and Renshon 2008, 509). Most of what we read about international affairs concerns only the actions of

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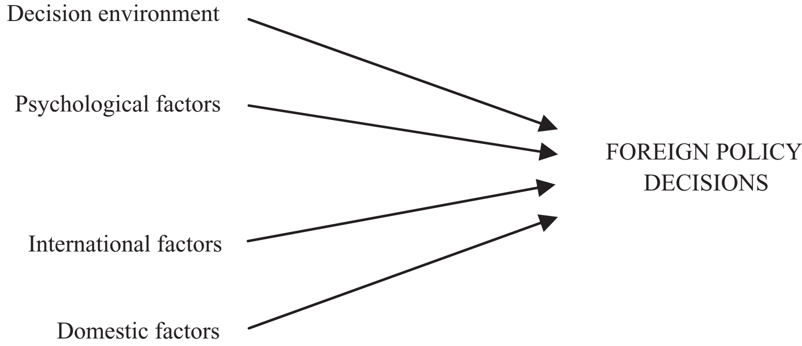

Figure 1.1. Determinants of Foreign Policy Decisions.

states and their leaders. It can be illuminating to understand what goes into the decisions that presage the actions and events. FPDM is an important avenue of research because the way decisions are made can shape the eventual choice. That is, an actor could arrive at different *outcomes* depending on the decision *process*. Moreover, significant cognitive limitations often distort information processing. Some decisions are calculated carefully, whereas others are more intuitive.

The course of world politics is shaped by leaders' decisions. The uncertainty involved in foreign policy making can pertain, for example, to an opponent's motives, beliefs, intentions, or calculations (ibid., 514). If we can understand how decisions are made, we can better understand and, perhaps more important, predict outcomes in the international arena. Figure 1.1 displays key determinants of foreign policy decisions.

Many foreign policy decisions resemble a chess game. Consider, for example, the moves and countermoves, and subsequent moves and countermoves in reaction to prior moves and decisions of Saddam Hussein and George H. W. Bush before the First Gulf War; the interactive sequence of decisions of U.S. and European powers vis-à-vis Iran on its nuclear program; or the discussions and negotiations between Israel and Syria and Israel and the Palestinian Authority. The essence of many foreign policy decisions is a decision process taken in an interactive setting and consisting of a sequence of decisions. As in chess, players learn from prior moves. When playing with the same opponent for many years, they also learn from game to game. This can also result in bluffing behavior and attempts to mask signals. Just like in professional chess, many foreign policy decisions are taken under stress of time. FPDM consists of four components:

1. identifying the decision problem,
2. searching for alternatives,
3. choosing an alternative, and
4. executing the alternative. (Robinson and Snyder 1965, 437)

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We make decisions every day. Some of these decisions require little thought. For example, if one is required to wear a uniform to work, one spends little time deciding what to wear. Some decisions must be made quickly. For example, if the traffic reporter on the radio says there is an accident just a mile ahead on the road on which you are driving, you would need to think of a course of action quickly. However, this decision can become clouded by uncertainty if taking a detour around the accident places you on roads you do not know. The situation becomes even worse if the street signs on your detour are missing or if pranksters have turned them around. In contrast, on your normal route to work, there is little time spent deciding on which route to take. Decisions are more or less automatic and made in an environment of certainty. In the event of an accident, you could be faced with time constraints, uncertainty, and incomplete information. These are two very different decision environments.

Although the stakes are much higher, these everyday decision dynamics also occur at the foreign policy level. In our driving analogy, the actor could try to compare the costs and benefits of several alternatives. The options could include waiting until the accident clears or taking the first possible exit in hopes of saving time. In the face of uncertainty, comparing costs and benefits may be more difficult. The actor might, however, think back to some previous experience that approximates the current situation. The use of analogies might provide a mental shortcut that can save time and effort. Perhaps in a similar past experience, the driver detoured and was easily able to navigate back to the main road. As we will show using historical and contemporary examples, analogies can also work in foreign policy but are sometimes misleading and can lead to suboptimal outcomes.

WHY STUDY FOREIGN POLICY DECISION MAKING?

As one recent article (Renshon and Renshon 2008, 511) pointed out, no crisis or war can be understood "without direct reference to the decision making of individual leaders." Scholarly attention to FPDM generally dates back to the 1954 publication of *Decision-Making as an Approach to the Study of International Politics* by Richard C. Snyder, Henry W. Bruck, and Burtin Sapin – the first systematic look at the determinants of government FPDM. This seminal work focused on the decision process itself by merging aspects of organizational behavior, communication, and motivation (Hudson 2005, 6). The book introduced an ambitious framework for the study of decision making, but it did not create enough momentum to carry the discipline into mainstream international relations.

An analysis of foreign policy decisions can uncover the cognitive processes that lead to foreign policy making and "get into the minds" of leaders who make the decisions. It can also help identify unique and general patterns of decisions and generate insights about leadership styles and personalities that cannot be revealed through a systemic approach to foreign policy analysis.

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Such an approach to foreign policy analysis has the potential to make a broad and important contribution to the study of international relations. FPDM can provide deeper understandings of biases, motivations, and perceptions. Moreover, the growth and development of theories of cognitive psychology and decision theory directly spurred advances in FPDM (Voss and Dorsey 1992, 5–6). These advances comprise the basis of this book.

Other factors also make FPDM an inviting approach. For example, many international relations theories apply specifically to great powers. An FPDM approach, in contrast, can speak to issues that affect all nations (M. Hermann 2001). Nations have security considerations, trade disputes, and myriad other agenda items – environmental, political – that require decisions. Joe Hagan has outlined several other compelling reasons for the study of foreign policy from a decision-making perspective (Hagan 2001). First, FPDM can add to grand systemic theories of war by helping us to understand how uncertainties shape decision makers' responses to systemic and military capacity ratios. Hagan tells us uncertainties, value trade-offs, and dispersion of authority are important influences on FPDM. Security decisions, for example, involve a great deal of uncertainty because policies are often sorted out in debate between moderates and hard-liners, as is the case, for example, within the current Iranian leadership. Decision-making theories can help us to understand this debate and the decisions that are made to implement the position of the winning side.

Traditional models of foreign policy decision making assume that security matters are paramount. However, many note that domestic issues can shape foreign policy. Value trade-offs refer to how domestic values such as the desire of leaders to stay in power can drive foreign policy. Domestic politics can shape foreign actions. Decision-making models can help us understand why this happens. As we show, the rational actor model, cybernetic theory, prospect theory, poliheuristic theory, and other decision models shed light on the subject of domestic politics influencing foreign behavior. For example, according to the poliheuristic theory of decision, domestic politics is "the essence of decision."

Finally, we come to the unitary actor assumption. The decision-making approach to foreign policy analysis often has been overshadowed by the unitary, rational actor assumption commonly used in international relations. Nevertheless, a slow but compelling body of literature in FPDM has emerged over the decades highlighting the *psychology* of foreign policy decision making of groups, coalitions, and, of course, leaders. It is standard for pundits, politicians, and scholars alike to speak in terms of "Canada doing" this or "Australia doing" that. However, such language obscures what really goes on behind the scenes. Most foreign policies emanate from diffuse sources of power. There are coalition governments in which competing parties debate over policy. There are also legislative, mass public, special interest group, and judicial constraints on executive power. Bureaucracy also can be an important source of power.

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For example, the United States Department of Defense, Central Intelligence Agency, National Security Agency, and other security agencies can be expected to express a strong voice in national security decisions, whereas the Office of Management and Budget will have greater influence in budgetary decisions. As we show in the next chapter, the size and composition of the decision unit have important implications for decision making. These implications are easily ignored if we only consider systemic unitary actor assumptions.

Given the complexities involved in foreign policy making, it becomes clear that an approach to foreign policy analysis focusing on decision making is vital to a comprehensive understanding of foreign policy behavior, our world, and the specific policies of nations. FPDM is equipped with theories and models that help us understand how biases and errors, uncertainty, domestic politics, and various decision units can shape decisions. In this sense it takes us into the nuts and bolts of international relations. FPDM is a "peek under the hood" at what underlies international affairs.

THE RATIONAL AND COGNITIVE SCHOOLS

Many scholarly analyses of FPDM proceed from the **rational actor** assumption. The realist paradigm, in particular, assumes that states, as unitary actors, act to maximize gains and minimize losses while navigating an anarchic international system (Waltz 1979; Mearsheimer 1995). This perspective is often referred to as the ideal type – many consider it the most desirable form of decision making. The rational actor assumption is a hallmark of microeconomics. Individual economic decision makers want to buy low, sell high, and maximize wealth. Stated more formally, the rational decision maker chooses from among a set of alternatives, the alternative that maximizes utility. Buying a new car is a frequently used example. There are several important dimensions (criteria) in the decision: price, safety, fuel efficiency, warranty, and so on. The alternatives could include a fuel-efficient import, an expensive sports car, and a gas-guzzling SUV. Information about the cars is typically readily available and fuel efficiency and warranty guidelines are clearly stated on the window tag. Price may or may not be clearly stated on the window tag. Buyers determine their objectives beforehand and then compare the payoffs of each of the alternatives. As we will describe, the means of searching the information (for example, by type of car vs. by key decision criteria) has implications for the decision.

The rational model has much to recommend it. It is open to new information and casts a wide net in search of information. Decisions can be made by a person or small group searching for the optimal outcome. The executive relies on bureaucrats to provide information for the decision process, and after the decision is made the bureaucracy implements the decision (Rosati 1993, 268). Indeed, there are historical cases of bureaucratic reorganization with an eye toward optimizing the process. After World War II, the National Security

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Act merged the departments of War and Navy into the Defense Department under one secretary. Similarly, the act created a new Executive Branch entity, the National Security Council, headed by the National Security Advisor. The object of these endeavors was to centralize the security realm as the United States redefined its international role.

Centralization has its critics. After 9/11, the Department of Homeland Security was created. This enlarged bureaucracy subsumed, among other entities, the Federal Emergency Management Agency (FEMA) – the agency in charge of disaster response. In the wake of Hurricane Katrina in August 2005, FEMA was widely criticized for its inability to manage the disaster response. In hearings that followed, the former head of FEMA, Michael Brown, complained that the agency had been hamstrung by its new position as part of the new Department of Homeland Security. FEMA now had to go through too many bureaucratic layers.

The rational model is useful in situations such as the strategic analysis of deterrence and nuclear weapons. It has been applied in game theory settings to show how certain decisions have been made. For example, the rational actor assumption employed in the Prisoner's Dilemma game demonstrates why actors who cannot or do not communicate make suboptimal decisions in a one-shot interactive game.

Psychological theories help us understand *how* leaders make foreign policy decisions. The core focus of cognitive psychology is on "how people acquire, process, and store information," which has direct relevance to decision making (Van Wagner 2008). Personality theories help us understand the effects of personality traits and personality profiles on FPDM, whereas affective theories are relevant to the study of the role of emotions in foreign policy decision making.

Cognitive models generally posit that the rational actor assumption is not realized in practice. Robert Jervis influential book *Perception and Misperception in International Politics* (1976) is perhaps the most important work in this area. Various dynamics are indicative of cognitive approaches. These dynamics feature mental shortcuts and other processes indicative of the mind's inability to carry out the complicated calculus of the rational model. Many of these processes are indicative of bias and error. Cognitive processes are not to be understood as "irrational" but rather as more realistic interpretations of how the human mind really works. Cognitive models also take into account the high costs of information gathering, time pressure, ambiguity, memory problems, misperceptions, organizational structure, and other factors that enter into most decisions (Mandel 1986, 252). We look in further detail at the cognitive-rational debate in Chapters 4 and 5 when we discuss the rational actor model and alternatives (bounded rationality, prospect theory, and poliheuristic theory).

Political psychologist Rose McDermott (2004b, 691) has observed that "recent advances in neurosciences offer a wealth of new information about how the brain works and how the body and mind interact." According to

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McDermott (p. 692), **cognitive neuroscience** can help answer one of the critical questions in political science and international relations: "under what conditions do emotions help explain decision making?" The tools of cognitive neuroscience have been applied only recently to understanding foreign policy decision making. The work has largely focused on the effect of emotions on decision making, judgment, and learning as well as on how domestic and international events provide feedback, which in turn can influence leaders' decisions.

This book builds upon these studies and presents a **psychological** approach to decision making. The benefits of such an approach are its ability to explain not only outcomes of decisions but also the processes and distortions that lead to decisions and the decision dynamics. In contrast to other approaches such as rational choice, a psychological approach to decision making focuses on process validity as well as outcome validity. Furthermore, the psychological approach deals with information search and processing as well as with biases and errors in decision making. The rational choice approach does not fully describe how decision making is affected by cognitive biases. However, if we are to understand decision making, we need to understand how information processing is limited and how various biases, search patterns, and decision rules affect decision making. Existing textbooks do not present such an explicit approach to foreign policy decision making, American foreign policy, and comparative foreign policy.

COMPARATIVE FOREIGN POLICY

Foreign policy decisions often are studied by focusing on a single country (e.g., a decision on the use of force by a U.S. president) or by conducting research across nations (e.g., comparing environmental decisions by leaders of the United States, United Kingdom, Germany, France, and Italy) or across time (e.g., comparing decisions of U.S. presidents in the first and second Iraq wars). The unit of analysis in such comparative studies is the event – "who does what to whom, how" in international affairs (Hudson 2005, 9). Events are compared along behavioral dimensions and other influences on foreign policy, such as the regime type of the adversary, domestic conditions, the arms race, whether it was a strategic surprise, a threat, and so on (ibid.).

For example, we can examine how leaders of different countries make foreign economic decisions on trade, aid, and arms transfers or on global environmental challenges such as pollution controls. The advantage of the comparative foreign policy approach is that it allows the student of foreign policy analysis not just to examine one case, but to compare similarities and differences across multiple cases using a comparative case-study approach. Thus, from a methodological point of view, the comparative foreign policy approach can enhance the validity of a single case study.

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Limitations of the Decision-Making Approach

The importance of decision making to foreign policy can hardly be overstated. However, the decision-making approach to foreign policy analysis is not without limitations. Decisions are critical in foreign policy making, but understanding decisions does not provide a complete analysis. International, domestic, cultural, and social changes affect foreign policy in both the short and the long run. Systemic factors and unique state-level factors affect decisions. In this book we discuss the effects of key international, domestic, and cultural factors on foreign policy decision making as well.

PLAN OF THE BOOK

This book attempts to explain how and why foreign policy decisions are made. It considers key psychological, environmental, international, and domestic factors that shape foreign policy decision making. The goal for us as observers of foreign policy is to be able to understand how and why decisions are made. We accomplish these tasks by describing the theories, models, and concepts of FPDM while illustrating them through examples and case studies.

We intersperse many brief examples of decision principles, concepts, and theories throughout the book. In addition, we offer several longer case studies that provide greater detail on decision-making processes and dynamics. These cases come from a wide variety of polities, societies, and cultures: the United States, Cuba, New Zealand, Iraq, Israel, the Palestinian Authority, Argentina, the United Kingdom, Iceland, and other countries. The longer cases are U.S.-Cuban relations (1954–1967), the Israeli-Palestinian negotiations at Camp David in 2000, New Zealand's decision to stop allowing nuclear visits and thus end its defense alliance with the United States, the Falkland Islands War between England and Argentina, and the U.S. decisions not to invade Iraq in 1991 and to invade Iraq in 2003.

This introductory chapter has provided a broad outline of FPDM. We have explained our approach, the rationale for studying foreign policy from a decision-making perspective, and introduced a few basic concepts that are needed before we proceed. We discuss theories and models and provide relevant examples throughout the remainder of the book.

Chapter 2 covers types of decisions, the levels of analysis in foreign policy decision making, and key characteristics of the decision environment, such as time constraints, information problems, uncertainty, ambiguity, risk, accountability, dynamic versus static settings, and other conditions that are generally beyond the influence of the decision unit. We also cover information search patterns and decision rules.

In Chapter 3, we show how a series of cognitive biases affects decision making in foreign policy. We introduce the "wishful thinking" bias, the "shooting from

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the hip" bias, the "preference over preference" bias, the "poliheuristic bias," and other biases and errors in decision making. The chapter also discusses the effects on decision making of group dynamics known as groupthink and polythink, as well as the group polarization effect.

In Chapter 4, we introduce the rational actor model of FPDM. We look at the expected utility model of war and cover some game-theoretic models such as the Prisoner's Dilemma, the Chicken Game, and the Tit-for-Tat strategy.

In Chapter 5, we introduce alternative models to the rational actor model. We summarize the main concepts and models such as cybernetic theory, bureaucratic politics, organizational politics, prospect theory, and the poliheuristic theory of decision. These models provide competing explanations of the decision process. We apply these models to a case study of the decision *not* to invade Iraq in 1991. The chapter covers the mechanics of how choices are made from among a set of alternatives using different decision models. We also introduce Applied Decision Analysis, a procedure that aims to uncover leaders' decision patterns. The chapter refers the reader to the Appendix, which includes creative exercises that can be used to understand FPDM from various perspectives.

Chapter 6 focuses on psychological factors shaping foreign policy decisions. Decisions are influenced by emotions, images, beliefs and belief systems, cognitive consistency, the use of historical analogies, and the personality of leaders and leadership style.

Chapter 7 considers domestic and international determinants of foreign policy decisions. Topics here include deterrence, arms races, alliances, regime type of the adversary, strategic surprise, economic conditions, public opinion, and electoral cycles. This chapter also looks at decisions about the use of nonmilitary tools of foreign policy such as economic aid, trade, mediation, and negotiation.

In Chapter 8, we cover the framing and marketing of decisions. This takes in elements of politics, as decision units move to "market and sell" their decisions to the public. We also look at media effects on foreign policy decision making.

Chapter 9 concludes the book with a summary and overview. It also provides a case study of the U.S. decision to invade Iraq in 2003. The Appendix contains a decision-making exercise that can be used in the classroom or as a research tool for scholars. Such policy scenarios can be used to simulate decision-making processes.

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