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maximizing behavior. While this may not satisfy the critical orientation of many sociologists, a theory should be evaluated for its explanatory power, not for its ideological orientation.

What distinguishes the new attempt to establish rational choice theory in sociology is the attention to the micro-macro transition between individual choices and their aggregation in system-level outcomes. This is a challenging task. Skeptics point to the difficulty inherent in combining more than two levels of analysis in a tightly coupled causal chain. Interactions between levels of analysis are complex and difficult to model. Yet for sociologists with a taste for intellectual adventure, the quest for satisfactory explanation may yield surprisingly good results.

Institutions and Social Conflict. By Jack Knight. New York: Cambridge University Press, 1992. Pp. xiii + 234.

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The problem of institutional emergence has been approached in a number of ways, one of which is rational choice. Many sociologists have criticized the rational choice perspective, however, for its neglect of power. Starting from the Hobbesian state of nature, the perspective is said to assume that all actors are equally endowed, but this assumption is clearly inconsistent with even the most casual empirical observations. Rational choice theorists can now refer to Jack Knight's *Institutions and Social Conflict* to counter such criticism.

Knight presents a theory of institutional emergence and change that specifically incorporates power asymmetries between actors. The theory derives from general bargaining theory and explains how a particular form of social institution emerges spontaneously. Institutions are defined as socially shared sets of rules that structure social interactions in particular ways (pp. 2–3). These are what most sociologists call *norms*. Knight argues that institutions are by-products of conflicts over resource distribution between unequal actors when there are multiple equilibria. With simple but informative illustrations, he explains how, without any coercion, such distributional conflict results in the equilibrium that is favored by the more powerful actor.

Imagine an interaction between two actors (A and B), each with a binary behavioral choice (*L* and *R*). In the 2 × 2 game (*RL*), A prefers one equilibrium, whereas B prefers another (*LR*), although both prefer either outcome to the other two (*LL, RR*). Each actor thus has an incentive to constrain the other's choice to *L* (while choosing *R* him- or herself). To constrain B's behavior, A must manipulate B's expectation of A's behavior and, to do so, must constrain his or her own behavior through precommitment and threat. If B believes A will choose *R,* B will choose *L* and receive the payoff from the less favorable equilibrium (*RL*), rather than choose *R* and receive the breakdown value (payoffs when actors cannot coordinate their choices). In the absence of external enforcement, the precommitment and threat by the more powerful actor are more credible because credibility is a function of attitude toward risk and time preference, and these are, in turn, functions of endowment. The more resourceful actor can afford to take more risks and to have longer time horizons. Thus if A has more resources than B, *and* if this resource asymmetry is common knowledge, then, in games with multiple equilibria, B will *voluntarily* choose that equilibrium which A prefers because B simply cannot do better *given* B's expectation of A's behavior.

> Individual bargaining is resolved by the commitments of those who enjoy a relative advantage in substantive resources. Through a series of interactions with various members of the group, actors with similar resources establish a pattern of successful action in a particular type of interaction. As others recognize that they are interacting with one of the actors who possess these resources, they adjust their strategies to achieve their best outcome given the anticipated commitments of others. Over time rational actors continue to adjust their strategies until an equilibrium is reached. As this becomes recognized as the socially expected combination of equilibrium strategies, a self-enforcing social institution is established. [p. 143]

This is a strong theory of the spontaneous and decentralized emergence of institutions. Nevertheless, it is incomplete on two counts. In the first place, although it explicates the micro-to-macro process by which institutions emerge from individual bargaining, the macro-to-micro process of how institutions, once established as enforceable rules, constrain individual choice is ignored. The current institution governing the relationship between husbands and wives may have been the result of the resource advantage men have historically enjoyed over women (pp. 136–37), but it is absurd to argue that each married couple *independently* arrives at the same equilibrium through bargaining. Men and women learn the relevant rules long before they ever get married. Knight's theory would have difficulty explaining institutional inertia because in his model institutions should change as the resource asymmetries of relevant actors change.

In the second place, power asymmetry is completely exogenous. While every theory must leave some element exogenous, power asymmetry is too important to Knight's theory, especially since current asymmetries are the likely result of prior institutional arrangements. Knight briefly alludes to this possibility (p. 192), but does not develop it. Had he specified the feedback mechanism through which institutions affect resource asymmetries, the theory would have been more dynamic.

These problems do not diminish the book's significant contributions. *Institutions and Social Conflict* is important to sociologists because it offers one of the few deductive theories of the origins of norms. I recommend, however, that interested readers read chapter 5 in which Knight discusses his theory before reading his criticisms of current theories of institutions in chapters 3 and 4.