Ever since the end of the Second World War, Rational Actor models have dominated strategic thinking at all levels of government policy and military planning. In the confrontation between states, and especially during the Cold War, these models were insightful and useful in anticipating a wide array of challenges and in stabilizing the world peace enough to prevent nuclear war. But now our society faces a whole new range of challenges from non-state actors who are committed to die in order to kill and terrorize enough of our citizens to change the course of history. The darkest fear in the current struggle with terrorism is a nuclear bomb exploding in a major city. Given the operational demise of Al Qaeda and the still generally amateurish capabilities of its spiritual descendents, the present probability of such an event is low. Nevertheless, low probability events do occur and they are responsible for most of the cataclysmic and cascading changes that move human history from one phase to the next. Yet even attacks on the scale of September 11th, such as the recently foiled plane bombing plot out of London, with several thousand casualties and tens of billions of dollars in losses, can cause great and unpredictable changes, just as September 11 set the stage for the Iraq War and its spiraling aftermath.

The ability of a few deeply committed terrorists to change the world is a strategic challenge that standard, rational state actor models do not adequately address. We need new ways of thinking about the Devoted Actor who is routinely willing to make extreme sacrifices that are all out of proportion to the likely prospects of success. That's what my research tries to do.

But even if it were the best and truest research, rather than only the preliminary and tentative research it is, it could have little present effect. That's because policy is a product of the way government is structured. If policy making bodies don't have people who are as familiar with new ways of thinking as with old, nothing new can be done. And that's why I sincerely appreciate the opportunity to directly address policymakers — not to tell policymakers what they should do (they, and not researchers like me, are elected by the people or appointed by elected officials to make policy), but to inform about what is newly possible and plausible within the moral limits I have chosen.

Increasingly across the world, political conflict is a moral clash between different sets of sacred values, which communities, cultures or civilizations treat as possessing transcendental significance that precludes comparisons or tradeoffs with material values of realpolitik or the marketplace. Although the field of judgment and decision-making has made enormous progress, especially through the Nobel Prize winning work of Danny Kahneman (and the late Amos Tversky), much more is known about economic decision
making than about morally-motivated behavior. There is relatively little knowledge, study or theoretical discussion of sacred values, which differ from material or instrumental values by incorporating moral (including religious) beliefs that may drive action independently of its prospect of success.

From extensive personal interviews and controlled psychological experiments with Israeli settlers, Palestinian refugees, leaders of Hamas, radical Islamic groups in Pakistan and Indonesia, and (ongoing pilot work) with certain non-Muslim fundamentalist groups, I (together with a research team including Jeremy Ginges, Douglas Medin, and Khalil Shikaki) find that when disputed issues are transformed into sacred values, as when land ceases to be a mere resource and becomes "holy" or when structures of brick and mortar become "sacred sites," then standard political and economic proposals for resolving conflicts don't suffice and can be counterproductive by raising levels of outrage and disgust. But even token symbolic concessions, such as an apology for a perceived wrong that touches a sacred value, can be more important than material trade-offs in making peace.

Almost all current approaches to resolving resource conflicts or countering political violence tend to assume that adversaries make rational choices. Such assumptions are prevalent in risk assessment and modeling by foreign aid and international development projects, and by U.S. diplomatic, military and intelligence services as well. Similarly, in economics, political science and psychology, most academic courses and journals analyze decision-making in terms of strict cost-benefit calculations regarding goals, and entail abandoning or adjusting goals if costs for realizing them are too high. When people are asked to trade sacred values for material rewards they tend to react with outrage and anger, although they are sometimes able to accept trading one sacred value for another.

But not all things in the world can be treated like items in a shopping mall, or thought of in terms of tit-for-tat. To most of us, it is morally abhorrent to sell one's children or sell out one's country for money (or for almost anything else we can imagine). And most of us would be outraged and disgusted by someone willing to offer such a tradeoff for our children, our country, or anything else we may value as "sacred."

For example, rational cost-benefit analysis says that the Palestinians "should" agree to give up their claim to Jerusalem in return for an autonomous state in the West Bank and Gaza (they would gain more land than they would renounce), especially if the U.S. and Europe sweetened the deal by giving every Palestinian family $1,000 a year for 10 years in economic assistance. Instead, my research team finds that the sweetener makes Palestinians more opposed to the deal and even more disposed to support suicide terrorism. This suggests that peace between clashing moral communities cannot be achieved by material calculations alone.

"Israel freeing some of our prisoners will help us to stop others from attacking it," the Hamas government spokesman, Ghazi Hamad, told me. "But Israel must apologize for our tragedy in 1948 before we can talk about negotiating over our right of return to historic Palestine." From the other side, Isaac Ben Israel, one of Israel's top military strategists, who currently heads his country's space program, drove home the point to me that "when we feel Hamas has recognized our right to exist as a Jewish state, then we can deal."

Material tradeoffs, like prisoner exchanges, are important. However, so are symbolic actions, perhaps even more so. In my discussions with Palestinian Prime Minister Ismail Haniya and other Hamas officials, they have stressed the importance of Israel's recognizing their suffering from the original loss of Palestinian land. And our survey research of Israeli settlers, Palestinian refugees and Hamas reliably finds that violent opposition to peace decreases if the adversary is seen to compromise its own moral position, even if that compromise has no material value, for example by simply recognizing another's right to exist as a moral entity or by apologizing. In rational-choice models of decision making, that something as intangible as an apology should stand in the way of peace doesn't compute."