

Further Readings

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Chapter 2

Understanding Public Policy: Theoretical Approaches

As Peter DeLeon has noted, policy studies have a long history and a short past. That is, the actions of government have been a focus of much examination over the centuries, but their systematic analysis using the conceptual framework of policy science dates back less than six decades (DeLeon, 1994; Peters, 1999). Even in the short time period that the discipline has existed, however, the policy sciences have been characterized by a surprisingly large number of overlapping, yet distinct, perspectives (Sabatier, 1999b; Schlager, 1999). In this chapter we outline the main approaches to studying public policy found in the literature, point out their strengths and weaknesses, and suggest how they may be synthesized for a better understanding of the subject.

Evolution of the Policy Sciences

Policy science emerged in North America and Europe following World War II as students of politics searched for new understandings of the relationship between governments and citizens that could better explain the tremendous growth of public-sector activity involved in creating increasingly ambitious economic and social programs (DeLeon and Martell, 2006; DeLeon, 2006). Before the era of big and active governments, studies of political life tended to focus either on the normative and moral dimensions of governing, or on the minutiae of how specific legal and political institutions functioned.

At one end of the analytical spectrum, scholars concerned with the normative or moral dimensions of government studied the great texts of political philosophy, seeking insights into the purpose of governing and the activities that those in power should undertake if their citizens were to attain the good life. These inquiries generated a rich discussion of the nature of society, the role of the state, and the rights and responsibilities of citizens and governments. However, the gap between prescriptive political theory and the political practices of modern states that emerged between the two world wars and during the ensuing Cold War led many to search for another method of examining politics, one that would reconcile political theory and practice not through the analysis of what government officials said was being done in the public sector, but rather by the systematic evaluation of outputs and outcomes generated by actual government programs (Torgerson, 1990; Smith 1982).

At the other end of the spectrum, scholars interested in the institutions of government had been conducting detailed empirical examinations of legislatures,

courts, and bureaucracies while generally ignoring the normative aspects of these institutions. Such studies of formal political institutions excelled in attention to detail and procedure but for the most part remained very descriptive, failing to generate the basis for evaluating the strengths and weaknesses of such structures in the new era of large public programs, or their effects on policy deliberations and choices. In the immediate post-war decades of decolonization, when the reconstruction and restructuring of defeated states such as Germany and Japan occurred and new institutions of international governance were established, students of politics sought an approach that would connect their examination of governmental processes and structures more directly with substantive questions of justice, equity, and the pursuit of social, economic, and political development (Mead, 1985).

In this context of change and reassessment, several new approaches to studying politics appeared. Some focused on the micro level of human behaviour and the psychology of citizens, electors, leaders, and followers; others concentrated on the characteristics of national societies and cultures; still others focused on the nature of national and global political systems. Most of these approaches—behaviourism, elite studies, studies of political culture, and political cybernetics—have come and gone out of intellectual and academic fashion as many scholars experimented with each before grasping its limitations and moving on to search for something more satisfying (Cairns, 1974; Schaefer, 1974). Of course, some researchers remained devotees of each of these post-war perspectives, but only the policy science perspective can claim an unbroken chain of theoretical development that has not been vigorously challenged by dissenters who were previously enamoured of the approach.

Contemporary studies in public policy certainly retain the intellectual vitality of those who originated the approach. Its focus is not so much on the structure of governments or the behaviour of political actors, or on what governments should or ought to do, but on what governments actually do. This approach focuses on the development of generalizations and laws about public policies and public policy-making, or, as its originators deemed it, *policy science*. Pioneered by Harold Lasswell and others in the United States and the United Kingdom, policy science was expected to replace traditional political studies, integrating the study of political theory and political practice without falling into the sterility of formal, legal studies (Lasswell, 1951; Torgerson, 1990).

Lasswell proposed that policy science had three distinct characteristics that would set it apart from earlier approaches: it would be *multi-disciplinary, problem-solving, and explicitly normative*. By multi-disciplinary, Lasswell meant that policy science should break away from the narrow study of political institutions and structures and embrace the work and findings of such fields as sociology and economics, law and politics. By problem-solving, he envisioned a policy science adhering strictly to the canon of relevance, orienting itself towards the solution of real-world problems and not engaging in the purely academic debates that, for example, characterized interpretation of classical and obscure political texts. By explicitly normative, Lasswell meant that policy science should not be

cloaked in the guise of ‘scientific objectivity’, but should recognize the impossibility of separating goals and means, or values and techniques, in the study of government actions (Torgerson, 1983). He expected policy analysts to say clearly which solution would be better than others when two options were compared.

This general orientation towards government activities and the consequences of those actions suggested by Lasswell remains with us and forms the subject matter of this book. However, the passage of time has led to some changes in the three specific components of the policy orientation he first identified (Garson, 1986; DeLeon, 1986, 1988; Hansen, 1983). For one, over the past 40 years the virtually exclusive concern of many policy scholars with concrete problem-solving has waned. At the outset, it was hoped that the study of public policy-making and its outcomes would yield conclusions and recommendations directly applicable to existing social problems. Although laudable, this hope foundered on the complexity of the policy process itself, in which governments often proved resistant to ‘expert’ advice on subjects with which they were dealing (Wildavsky, 1979; Ascher, 1986; Sharpe, 1975). In the real world of public policy, technically superior analysis was often subordinated to political necessity (Fischer, 2007; Weiss, 1983).

Second, and relatedly, while the emphasis on multi-disciplinarity remains, a large body of literature now focuses on public policy in general. Policy science has become very much a ‘discipline’ itself, with a unique set of concepts and concerns and a vocabulary and terminology of its own (Fishman, 1991). Although many of these concepts have been borrowed from other disciplines, they have a somewhat particular meaning when used in the context of studying public policy. Furthermore, the concept of multi-disciplinarity has changed in the sense that policy scholars now take it for granted that they must borrow from other disciplines and must be experts in at least two fields: the concepts and concerns of policy science, and the history and issues present in the substantive area of policy, or the ‘policy field’, under examination (Anderson, 1979a).

Finally, the calls for the policy sciences to remain explicitly normative also changed over time, although rather less than have the other founding principles. For the most part, policy scholars have refused to exclude values from their analyses and have insisted on evaluating both the goals and the means of policy, as well as the process of policy-making itself. However, analysts’ desire to prescribe specific goals and norms declined with an increasing realization of the intractability of many public problems. Hence, many investigators now either evaluate policies in terms of simple measures such as efficiency or effectiveness, or use the record of policy efforts to establish whether governments have in practice been directing their activities towards the achievement of their stated goals, in either case without considering the desirability or rationality of these goals themselves (Greenberg et al., 1977; DeLeon, 1994; Yanow, 2007).

As these changes occurred, some observers began to castigate the notion of a policy ‘science’ and to equate its promotion with that of other similar endeavours in an era of unrealized hopes and expectations for social engineering and government planning (Tribe, 1972; Pielke, 2004; Wedel et al., 2005). Although sometimes justified by the inflated claims of individual studies, this criticism should

serve as a warning against premature or ill-founded prescriptions or excessive conceptual sophistry, rather than as a rejection of the need to undertake the systematic study of government actions. To the extent that the policy sciences have developed a significant body of empirical and theoretical studies of the activities of numerous governments around the globe, the early efforts and dicta of Lasswell remain valuable and continue to provide the foundation upon which the study of public policy is conducted (Wagner et al., 1991; Torgerson, 1983; Levin-Waldman, 2005).

In general, contemporary policy studies rely on one of two broad *methods of analysis*: deductive and inductive. Some analysts rely on a *deductive* method in which understanding is developed largely on the basis of applying general presuppositions, concepts, or principles to specific phenomena. Other approaches are less grounded in predetermined principles and apply *inductive* methods that develop generalizations only on the basis of careful observation of empirical phenomena and subsequent testing of these generalizations against other cases (Lundquist, 1987; Przeworski, 1987; Hawkesworth, 1992).

Public choice, Marxist, and some economic institutionalist theories are examples of deductive theories whereas group theories like pluralism and corporatism, historical and sociological neo-institutionalism, and statist theories are examples of inductive theories. Although neither analytical method guarantees a clearer insight into the contingent and idiosyncratic circumstances of policy development, the deductive and inductive methods depict different attributes and highlight distinctive policy dynamics (see Almond and Genco, 1977). Each of these approaches is discussed in some detail below. First, however, the general issue of whether or not it is possible to arrive at law-like scientific findings in the area of policy studies should be broached.

Approaches to Public Policy Analysis: Positivism and Post-Positivism

Unlike physics or chemistry, there is no universally recognized methodology for analyzing policy problems. Instead, a range of skills and techniques can be found in the policy analysis toolkit (e.g., law, economics, quantitative methods, organizational analysis, budgeting, etc.). A combination of analytical tools is applied by policy analysts inside and outside government to understand policy problems. The education of policy analysts trained during the post-war decades, and who now populate most bureaucracies and private research organizations (i.e., consultancies), was oriented towards familiarizing them with generic analytical tools, along with cases, workshops, simulations, or real-world projects designed to illustrate how to choose analytical tools appropriate to specific circumstances and contexts. The idea was to demonstrate how the ‘art and craft’ of policy analysis owed much to inductive as opposed to deductive reasoning: matching tools and context, and producing time-sensitive advice that policy-makers could absorb (Wildavsky, 1979; Vining and Weimer, 2002; Guess and Franham, 1989; Weimer, 1992; Bardach, 2000; Geva-May, 1997).

While practitioners and those who train them concentrated on acquiring the insight into which analytical approaches and applications will work in a given context, other policy scholars have sought to discern more general overall patterns of policy analysis, influence, and effectiveness from among the potentially infinite variation of analytical practices (Thissen and Twaalfhoven, 2001). Empirical studies of the ways in which policy analysis is generated, interpreted, and utilized have revealed how these processes are affected by the needs and beliefs of ultimate users, the delicacy of the political relations, coalitions and conflicts among decision-makers, the history of previous policy reform efforts, individual personalities and agendas, organizational routines, and other factors (Weiss, 1977a, 1977b; Sabatier, 1987; Shulock, 1999). These studies have shown, on the one hand, that ‘one size does not fit all’ because analytic opportunities are often idiosyncratic, requiring pragmatic judgement of the appropriate techniques to apply in specific circumstances. On the other hand, they have demonstrated that governments tend to develop preferences for specific types of analysis, leading to an ongoing conflict within the analytical process.

Policy researchers have created frameworks that deepen the understanding of how different methods of policy analysis are matched to the tools, repertoires, and capabilities of particular governance contexts. Successful modes of policy analysis are not simply a matter of the choice and skill of policy analysts and managers, but are conditioned by contextual elements that favour particular techniques and preferences (Shulock, 1999; Radin, 2000). These preferred analytical styles can include a penchant for the use of traditional ‘technical’ tools such as cost-benefit analysis, but can also involve the use of alternate or complementary techniques such as the frequent use of public consultation or stakeholder participation, or simply an entrenched preference for the use of specific types of policy instruments (Richardson et al., 1982; Van Waarden, 1995; Howlett, 2000).

These studies have shown how public policy is, above all, a practical discipline whose explicit purpose is to advise policy-makers on how best to address public problems. While various approaches analyze public problems and devise solutions to them, the vast majority of formal analyses rely on ideas and techniques drawn from economics. While the proponents of this approach usually describe themselves as merely ‘policy analysts’, their critics refer to them as ‘*positivist*’ or ‘*rationalist*’, in reference to their scientific leanings. Positivist approaches to studying policy embrace scientific rationality and see policy analysis as part of the quest to uncover objective knowledge. This perceived obsession with quantifiable facts and rational reasoning has fostered a counter-movement whose proponents describe themselves as ‘*post-positivists*’. Both of these broad or ‘meta’-approaches to studying public policy are described below.

Positivist Approaches to Policy Analysis

The mainstream in prescriptive policy analysis consists of applying principles from economics, especially welfare economics, to public problems. Indeed, much of what is identified as policy analysis research is often only applied welfare

Figure 2.1 A General Taxonomy of Goods and Services

		<i>Exhaustiveness</i>	
		<i>High</i>	<i>Low</i>
<i>Exclusivity</i>	<i>High</i>	Private Good	Toll Good
	<i>Low</i>	Common-Pool Good	Public Good

Source: Adapted from E.S. Savas, *Alternatives for Delivering Public Services: Toward Improved Performance* (Boulder, Colo.: Westview Press, 1977).

economics, even though this is rarely stated explicitly (Weimer and Vining, 1999). Welfare economics is based on the notion that individuals, through market mechanisms, should be expected to make most social decisions. Its proponents, similar to other mainstream economists, accept that the market is the most efficient mechanism for allocating society's resources, but they also admit that markets do not work properly under all circumstances. In such instances, referred to as *market failures*, they argue that political institutions can act to supplement or replace markets to produce better outcomes in terms of enhancing overall social welfare.

The principles of welfare economics were first worked out by the British economist Alfred Pigou (1932) during World War I. Although he only identified a small number of specific instances of market failures related to the tendency of some industries to generate monopolies and the inability of both consumers and investors to always receive information necessary for rational or optimal economic decision-making, later analysts argued the existence of many more instances of market failure (Bator, 1958; Zerbe and McCurdy, 1999). The market failures on which there is broad agreement include *public goods*, *natural monopolies*, *externalities*, *imperfect information*, *the tragedy of the commons*, and *destructive competition*. Others exist, but are not universally accepted, such as moral hazard or informational asymmetries.

Public goods. All goods and services in society can be divided into a relatively small number of types. A popular scheme for doing so identifies four types according to the transactional criteria of 'exclusivity' and 'exhaustiveness' (Ostrom, 2003). 'Exclusivity' (also known as non-rival consumption) refers to transactions involving a good or service limited to the consumption or use by a single consumer, while 'exhaustiveness' refers to goods and services whose consumption diminishes their availability to others. These criteria of exclusivity and exhaustiveness generate four types of goods and services, as listed in Figure 2.1, and are used by welfare economists and many policy analysts to determine the need for government action.

In this view, *pure private goods* make up the bulk of goods and services produced in society. These goods or services, such as food, can be divided up for exclusive sale and are no longer available to others after their consumption and

can usually be delivered effectively through the market mechanism. At the other extreme are *pure public goods* or services, such as street lighting, which cannot be parcelled out and are consumed by numerous users without diminishing the sum of the good available. These, it is argued, will not generate profits for suppliers and therefore must be supplied by non-market actors, such as governments, who can fund their supply through the tax system. Between the two are *toll goods* and *common-pool goods*. The former include semi-public goods such as bridges or highways, which do not diminish in quantity after use but for whose use it is possible to charge. These can be provided by either market or non-market means. Common-pool goods are those, like fish in the ocean, whose usage cannot be directly charged to individuals but whose quantity is reduced by consumption. These require a non-market organization, like a government, to ration their supply, which will otherwise be quickly exhausted by competitive market firms.

Natural monopoly refers to the situation in certain industries with large capital requirements and disproportionate returns to scale that tend to promote a single firm over its competitors. In industries such as telecommunications, utilities, electricity, and railways, the first company to establish the necessary infrastructure, if unregulated, enjoys cost advantages that make it difficult for other firms to compete using the same technology. The lack of competition, when it occurs, can lead to a loss of the society's economic welfare if monopoly prices are charged for these goods or services. Governments can correct this problem by regulating prices and other aspects of the good or service provided in order to prevent the exercise of monopoly market power by early-entrant firms.

Imperfect information occurs when consumers and/or producers lack the information necessary to make rational decisions. Unregulated pharmaceutical firms, for instance, have no incentive to reveal adverse side effects of their products, nor do consumers have the expertise required to evaluate such products prior to their use. Once again, decisions may be taken that do not serve the society as a whole, justifying government action to mandate information disclosure.

In the presence of *externalities*, too, the market is deemed to fail. These involve situations in which production costs are not borne by producers ('internalized') but passed on to others outside (external to) the production process. The most often cited example of an externality relates to the costs of air, water, or land pollution that a company in pursuit of reduced costs and increased profits imposes on the society as a whole or on specific segments of it. There may also be positive externalities, as when a person getting immunization improves others' health although those beneficiaries do not incur any price or cost for that benefit. In either case, government action is said to be justified to ensure that producers bear all the costs accruing to, and/or reap all the benefits stemming from, their activities.

The tragedy of the commons is a market failure that occurs when common-pool resources, such as fisheries, pastures, or forests, are exploited without a requirement to maintain the resource for future use. In these circumstances individual users, whether farmers pasturing their cattle on the local common land or multinational seafood or forestry corporations, often benefit from increasing

their use of the resource in the short term although all users will suffer in the long term due to increased depletion of the resource. As with common-pool goods in general, this is said to justify government action to ration production among resource users.

Destructive competition is a controversial market failure that is deemed to exist when aggressive competition between firms causes negative side effects on workers and society (Utton, 1986). It is argued that excessive competition can drive down profit margins and lead to the unnecessary reduction of safety and working conditions, adversely affecting overall social welfare. The taxicab industry is often cited as an example of such an industry because of the relative ease with which suppliers can enter the market until a point is reached when there are too many taxis and fares crash, negatively affecting all producers and consumers. Like tragedies of the commons and the situation with common-pool goods, this is said to support government regulation of market entry in order to prevent over-competition.

Sustained criticisms of the vague criteria used to define market failures have led many welfare economists to attempt to reconceptualize the original notion. Recent critics have argued that market failures are, in fact, only one side of an equation and that there are also innate limitations to the government's ability to correct market failures. They posit that in several specific instances—*government failures*—the state cannot improve on the market, despite the latter's failings (Le Grand and Robinson, 1984; Mayntz, 1993a; Dollery and Worthington, 1996; Bozeman, 2002).

Gaps between legislative or political intent and administrative practice were frequently held up as a major reason for the kinds of shortcomings associated with government failure (see Kerr, 1976; Ingram and Mann, 1980b; Mulford, 1978). In the *principal–agent* theory that was subsequently often invoked to explain this phenomenon, these gaps were viewed as the inevitable results of the structure of political and administrative institutions in modern states in which decision-makers must delegate responsibility for implementation to officials they only indirectly control.

The existence of structural discretion on the part of the administrative 'agents' of political 'principals' provided a powerful explanation for inefficient or ineffective administrative implementation of government policy, stemming as it did from the common practice in government whereby laws passed by the political branches of government are put into effect through regulations developed by administrative agencies responsible for implementing the laws. This legal framework establishes a particular kind of principal–agent relationship between politicians and administrators in which there is an inherent problem of securing the latter's compliance (see Cook and Wood, 1989; Gormley, 1989). Administrators have their own understanding, ambitions, and fiscal and knowledge resources that may take policies a long way from the objectives originally conceived by decision-makers.

This structural problem is compounded by the complex relationships among policies and policy actors. For example, many policies demand action by multiple government agencies. This requires another administrative layer of inter-organizational co-ordination by specialized administrative entities, such as inter-departmental or intergovernmental committees, or so-called 'staff' or 'central

agencies', which can further exacerbate principal–agent dilemmas by adding additional layers of ideas and interests between the policy objective and its realization (see Smith et al., 1993; Campbell and Szablowski, 1979; Mayntz, 1993b; Rogers and Whetton, 1982). Given this diversity of actors and interests involved in addressing problems, the possibility increases that multiple, and not necessarily commensurable analytical frameworks will have been applied to a policy issue.

Three instances of such government failure are commonly cited: organizational displacement, derived externalities, and the principal–agent problem.

Organizational displacement is the situation in which an administrative agency charged with producing a particular good or service eventually displaces publicly sanctioned goals with its own 'private' or 'organizational' ones. These may extend to maximizing its budget or power or whatever else the organization values. In such circumstances, government action to correct market failure may simply increase inefficiency. Thus, it is argued that they should refrain from doing so over the long term but, rather, might intervene for a shorter period of time, after which the determination of activities are returned to the market where possible.

Rising costs are another instance of government failure. Governments receive tax revenues and, unlike their private counterparts, are not under pressure to generate revenues by competing in the marketplace. Without the fear of going bankrupt, a real possibility for private producers, it is argued that governments do not have the same incentive to control expenses and instead may allow them to continually balloon in size. Again, it is argued that due to this limitation, a government must carefully weigh the costs and benefits of altering market relations, and in some cases allowing 'minor' market failures to persist may be cheaper than engineering a government takeover of that activity.

Derived externalities 'are side effects that are not realized by the agency responsible for creating them, and hence do not affect the agency's calculations or behaviour' (Wolf, 1988: 77). Certain government actions, such as health-care provision, have a broad impact on society and the economy and can have the effect of excluding viable market-produced goods and services, negatively affecting overall levels of social welfare (Wolf, 1979; Le Grand, 1991; Weimer and Vining, 1999: 194). Again, this suggests that government replacement of market-based goods and service production should be carefully assessed, and that the 'opportunity costs' associated with such actions should be factored into the government decision-making calculus.

Although the exact status and causes of government and market failures remain controversial and largely inductively derived, welfare economists advanced a theory of public policy-making built on these concepts. They argued that governments have a responsibility to try to correct market failures because society will be left with sub-optimal social outcomes if they are left to private decisions. In this view, governments facing a demand for action should first determine if a market failure is causing a social problem; only if one is found should the government intervene to correct it (Stokey and Zeckhauser, 1978). However, even then, in order to avoid government failures, policy-makers also must carefully evaluate their own capacity to correct the identified market failure before attempting to do

so, taking into account both common government failings and inherent *principal–agent problems* (Vining and Weimer, 1990; Weimer and Vining, 1992).

Elegant and logical as the welfare economist's conception of public policy-making appears, it often does not reflect the reality of policy-making as governments almost never make their policies in the manner assumed by this theory. Even if one could identify the most efficient and effective policy, which is difficult given the limitations innate to the social sciences, the actual policy choice is a political, not a technical, one, bound by political institutions and made by political actors in response to political pressures, ideologies, and self-interests, among other factors.

As such, the technical analyses generated by welfare economists are often merely another political resource used by proponents of one or another option for government action or inaction to further their claims (Weiss, 1977b). Only in very specific circumstances when welfare economists happen to be policy-makers—as happens at times in some countries' policy sectors, such as taxation or fiscal management—would one expect political decisions to be based largely on the criteria defined by welfare economists (Markoff and Montecinos, 1993). The neglect of political variables by welfare economics has led its critics to describe it as 'a myth, a theoretical illusion' that promotes 'a false and naive view of the policy process' (Minogue, 1983: 76; Hogwood and Gunn, 1984: 50–1) and to propose a more politically informed, alternative 'post-positivist' view.

Post-Positivist Approaches

Post-positivism and the associated 'argumentative turn' in public policy emerged in the early 1990s following widespread dissatisfaction with the technocratic direction the discipline had taken in the preceding decades following orthodox, 'positivist' welfare economics maxims. Many of the critics of mainstream public policy analysis (described in the preceding section) banded together as 'post-positivists' with the explicit objective of going beyond technocratic positivism (which is a strong version of the *empiricism* they felt incorrectly informed welfare economic analysis) in their own analyses of policies and policy-making.

Post-positivists are a disparate collection of scholars bound mainly by their common purpose of generating usable policy analysis through reliance on political and social analysis of public problems and policy-making processes and outcomes. Indeed, any effort to draw up a single blueprint for post-positivist analysis would be an anathema for its proponents because of the importance they attribute to contextual socio-political factors, which by definition vary across cases (Dryzek, 1990; Fischer, 2003, 1998; Forester, 1993; Göktug, 2002; Hajer and Wagenaar, 2003; Majone, 1989; Stone, 1988).

Post-positivists do, however, generally argue that mainstream policy analysts informed by welfare economics and other similar approaches are misguided in their obsession with quantitative analysis, objective separation of facts and values, and generalizable findings independent of particular social contexts—all hallmarks of 'positivist' thinking. They posit subjective reflection, normative

analysis, and argumentation as more fruitful tools for understanding public policies and policy-making. Although post-positivists are influenced by more general social philosophies and methods such as critical theory, post-structuralism, post-modernism, and social constructivism, which tend to deny the existence of an objective realm of facts independent of the observer, they are not against objectivity and empirical analysis per se. Rather, they believe that (positivist) empirical analysis needs to be combined with (post-positivist) normative analysis because the two are inseparable, a position in fact argued explicitly by founders of the policy sciences such as Harold Lasswell (see above).

Post-positivists believe that the almost exclusive emphasis on empirical evidence found in positivist analyses is seriously misguided on both methodological and ethical grounds. The instrumental, ends-means analyses on which welfare economics-inspired policy analysts spend so much effort, they argue, are mistaken because policies rarely have unambiguous goals and rarely do policy-makers choose the most efficient means of achieving them. Instead, they suggest, policy goals and means are products of constant conflict and negotiation among policy-makers guided by their values and interests and shaped by a variety of contingent circumstances. By ignoring or downplaying partisan politics and value conflicts among policy-makers, post-positivists note, positivists fail to examine the most vital elements that shape policy and provide seriously misleading, if not entirely incorrect, analyses (Dryzek, 2002).

Post-positivists not only find positivist policy analysis to be lacking in comprehending reality, however, but also object to it on ethical grounds, arguing it promotes 'top-down' bureaucratic policy management and stifles democracy and participation (Heineman et al., 1990). By emphasizing efficiency and effectiveness in their assessment and design of the means to achieve goals, positivist analysis, they argue, promotes a 'technocratic form' of governance characterized by disdain for politics. As Fischer (2007a: 97) argued: 'If pluralist politics and competing interests don't fit into the methodological scheme, then politics is the problem. Some have gone so far as to argue that the political system itself must be rearranged to better suit the requirements of policy analysis.'

However, unlike the model of market-governance failure inspired by welfare economics and used by positivist policy analysts, there is no set formula for post-positivist analysis because post-positivism is not a formal theory. Rather, it is more appropriate to describe it as an 'orientation' whose proponents are bound by a number of core common beliefs. They start from the assumption that there is no single incontrovertible or 'objective' understanding of policy problems or solutions, as positivists claim. Instead, they explicitly recognize that all knowledge is contestable (Fischer, 2007b: 224). Post-positivists make no pretense of analytical objectivity and political neutrality but take on the role of 'deliberative practitioners operating within a clear value framework that promotes greater social and political equity' (Burton, 2006: 174).

The need to promote democracy and public participation also occupies a central place in post-positivist thinking (Dryzek, 2002). As we have seen, traditional policy analysis is criticized for its technocratic orientation, which is alleged to

exclude ordinary citizens from the policy process (Durning, 1999; Hager and Wagenaar, 2003). To address the lacunae, post-positivists ascribe central importance to providing 'access and explanation of data to all parties, to empower the public to understand analyses, and to promote serious public discourse' (Fischer, 2003: 15). In this approach, the policy analyst is more a facilitator than a policymaker or designer. In their role as facilitator, policy analysts should promote policy deliberations by removing inequalities among participants 'so that a consensus around policy is achieved more by the inherent power of argument than by the status of the person advancing it' (Burton, 2006: 182). Understandably, then, post-positivists place a great deal of emphasis on giving citizens the information they need to participate meaningfully in the policy process.

From this view, participatory policy analysis is desirable not only because it is more democratic but also because it is alleged to lead to better policies and more effective implementation since it brings a greater number of perspectives to bear on a policy problem than is the case with an exclusive, top-down, technocratic orientation. This is especially germane, it is argued, since many policies are increasingly made not by politicians responding to voters' sentiments but by unelected officials influenced by powerful special interest groups and far removed from the concerns of the general public. Only an organized dialogue between the bureaucracy and the public, it is argued, can allow generation of alternatives that effectively address the latter's needs (Hager and Wagenaar, 2003).

Arguments, therefore, are the basic unit of analysis in post-positivism and discourse or discursive analysis its primary methodology. As Majone (1989: 7) explains, 'the job of policy analyst consists in large part of producing evidence and arguments to be used in the course of public debate.' In the post-positivist view, persuasion through argumentation plays a vital role at every stage of the policy process. From agenda-setting to policy evaluation, the policy process is essentially a 'rhetorical and interpretative' exercise in which protagonists engage in discourses intended to both define and further their ideas and interests. As Fischer (2007b: 227) puts it: 'In politics, politicians and policy decision-makers put forth proposals about what to do based on normative arguments. Empirical analysis comes into play but only when there are reasons to question or explore the factual aspects of the argument.'

Legal argumentation, in which different protagonists prepare arguments for and against particular policy positions, offers a template for what post-positivist analysis and policy formulation look like. The opposing analyses take the form of a debate in which participants not only present arguments but also disclose their norms, values, and circumstances. Fischer (*ibid.*) explains:

In such a policy debate, each party would confront the others with counter-proposals based on varying perceptions of the facts. The participants would organize the established data and fit them into the world views that underline their own arguments. The criteria for rejecting or accepting a proposal would be the same grounds as those for accepting or rejecting a counterproposal.

Rules of evidence as used in courts are proposed as a means of assessing the conflicting arguments and choosing among them. Such a strategy would allow analysts to combine empirical and normative analyses, making their efforts pragmatic yet analytically rigorous.

Fischer (*ibid.*, 230) offers 'practical reasoning' as a way to deal with conflicting arguments. Unlike mathematical or logical proof, which either is true or false:

practical arguments are only more or less convincing, more or less plausible to a particular audience. What is more, there is no unique way to construct a practical argument: data and evidence can be chosen in a wide variety of ways from the available information, and there are various methods of analysis and ways of ordering values.

All of these allow policy-makers considerable room to use their judgement in making a final choice both among the sorts of problems to be addressed and among the tools and techniques available to address them.

Post-positivist analysis combining empirical and normative analyses proceeds at two levels (*ibid.*, 232–4). At the micro level, study focuses on issues concerning the actual programs in place, the problems they are directed at, and those involved in making and implementing the program. Typical questions at this level include: 'Does the program fulfill its stated objective(s)?' 'Does the program fulfill these objectives more efficiently than alternative means available?' 'Is the program objective(s) relevant to the problem?' At the macro level, post-positivist analysis is concerned with abstract goals and contexts. Does the policy goal 'contribute value for the society as a whole?' 'Does the policy goal result in unanticipated problems with important societal consequences?' Finally, the analyst must address the broader values underpinning the conceptualization of public problems and efforts to address them.

The greatest strength of post-positivist analyses is that they are sensitive towards the messy realities of the public policy process, unlike their positivist counterparts who tend to have an orderly, even mechanistic, conception of the policy realm. For positivists, policy problems are largely technical issues that can be addressed effectively once the right solution is found through rigorous technical analysis. Post-positivists correctly point out that technical analysis needs to be complemented by study of a range of other factors, including conflicts based on different values and interests.

The emphasis on participation and democratic decision-making is another great strength of post-positivism. According to Dryzek (2002: 35):

A more participatory policy process helps to create more effective and competent citizens, who are also more effective problem solvers, within the policy process and beyond. They are also more capable of constructing productive relationships with others concerned with different facets of complex problems.

Public participation in the policy process has the additional benefit of generating social capital, which not only helps solve immediate problems but also strengthens the government and society's overall capacity for addressing public problems in the future (*ibid.*).

One of the limitations of post-positivism, however, is the lack of accepted criteria for evaluating competing arguments. The absence of such criteria promotes 'relativism in which a commitment to avoid the privileging of any one viewpoint becomes a tolerance of anything' (Burton, 2006: 186).

Moreover, the deliberative process on which post-positivists place so much emphasis may be hijacked by those who gain from the status quo. The potential losers in any change situation are likely to be the most active participants in such processes, and they will have an overwhelming interest in scuttling any process that negatively affects them through protracted deliberation.

Third, while post-positivists correctly point out the importance of value-based discourse, they unwittingly underestimate the importance of the material interests in which the discourse is grounded. As Burton (*ibid.*, 187) warns: 'in believing that discourse is everything and that material inequalities can be overcome by discourse alone, it may appear not only that words are deeds but that they are sufficient to change society for the better.'

The lack of a clear research method, a guide as it were, also severely handicaps those trying to include post-positivism in their teaching curriculum and may at least partially explain why it receives scant attention in public policy syllabi. Although Dryzek (2002: 32) has argued that 'most of its proponents would say that the whole point is to replace the illusion of certainty with recognition of the reality of contention and so avoid simplistic recipes', it does raise the level of difficulty for those trying to teach or put it into practice a post-positivist mode of policy analysis—unlike the easily codified and understood welfare economics-inspired 'positivist' analysis it condemns.

Reconciling the Positivist and Post-Positivist Debate

Recent empirical work has identified several of the basic parameters of the range of analytical styles found in different locales, which fall between the rational, *modern* positivist analyst of the 1960s and 1970s, focused on the quantification of economic costs and benefits, and the *postmodern* or post-positivist analyst of the 1980s and 1990s, concerned with the social construction of policy problems, policy discourses, and the politics of the policy process (Radin, 2000).

Drawing on European experience, Mayer, Van Daalen, and Bots (2001) have provided a finer-grained dissection of the policy analysis function. They note how both types may coexist within a given polity or policy sector, and argue that policy analysis embraces distinct tasks of research, clarification, design, advice, mediation, and democratization. Using pairs of these activities, Mayer et al. produce six distinct, but not mutually exclusive, styles of policy analysis:

1. *Rational*. In the traditional positivistic style, researchers apply mainly economic and other empirical methods to specific cases. Here, the generation of new knowledge is the main task of the analyst.

2. *Client advice*. The analyst provides political and strategic advice to clients.
3. *Argumentative*. The analyst is actively involved in debate and policy discourse as a distinct independent actor both within and outside governments.
4. *Interactive*. The analyst serves as a facilitator in consultations in which key players and participants define their preferred outcome.
5. *Participative*. The researcher/analyst is an advocate, aggregating and articulating the interests of silent players in the policy process: the poor, the general interest, or any other actor not represented in the policy process.
6. *Process*. The analyst acts a 'network manager', steering the policy process towards a preferred outcome defined as part of the analytic task.

This analysis helps break out of the often sterile debate between positivist and post-positivist policy analysis and emphasizes the extent to which all types of policy analysis are subordinated to larger concerns and analyses in the policy studies tradition (Knoepfle et al., 2007).

Approaches to Public Policy Studies: Multi-Level, Multi-Disciplinary

Theorizing with Different Units of Analysis

This high-level, meta-dispute between positivists and post-positivists over the nature of policy knowledge and methods of 'formal' policy analysis has affected the general approaches taken to explain policy-making and the methods used to evaluate or critique public policies within policy studies. However, these disputes have had little effect on policy studies per se, because virtually all theories developed to explain public policy-making and public policy outcomes from a policy studies perspective already assumed a heavily politicized policy process.

A great many theories, generated in fields as diverse as geography, history, economics, sociology, and political science, inform work in the policy studies tradition. These theories can be differentiated according to the basic *unit of analysis* they use in their investigations. *Public choice theory*, for example, focuses on the micro-level behaviour of individuals. *Group and class theory* looks at the interaction of organized interests that often mediate between individuals and the state. And adopting the broadest perspective on how people come to make policy, *institutional analysis* looks to the structure of political and economic arrangements—from the ways in which finance and industry operate to the respective roles of bureaucracy, legislatures, and courts in the policy process. These three perspectives (see Figure 2.2) are representative of the range of focuses found in policy studies. Like the visual variety found in a good movie, however, superior policy studies combine wide-angle, mid-range, and close-up shots of policy-making in action to highlight different elements of the process. In other words, the best policy analyses from a policy studies perspective combine elements of these macro-, meso-, and micro-level approaches.

Figure 2.2 Levels of Analysis and Examples of Relevant Policy-Related Theories

Unit of Analysis	Approach
Individual	• Public choice
Collectivity	• Class analysis • Group analysis: Pluralism and Corporatism
Structures	• Institutionalism and Neo-institutionalism • Statism

In the following discussion, each of these approaches is defined and its key principles and assumptions are set out. We then assess the strengths and weaknesses of each approach, in terms of its ability to help understand policy-making, including formal policy analysis, and explain the nature of policy outcomes.

Public Choice

Public choice theory rests on a firm foundation of rationality and draws on the values of neo-classical economics to try and explain virtually all aspects of human behaviour. The rational choice framework it resides within has informed theoretical applications in political science, psychology (Tversky and Kahneman, 1986), and sociology (Hector and Kanazawa, 1997; Kiser and Hector, 1991), as well as being a mainstay of economics. The primary assumption in this perspective is that political actors, like economic ones, act ‘rationally’, that is, in a calculating fashion, to maximize their ‘utility’ or ‘satisfaction’. In this model, the only political actor that counts is the individual and the primary motivation that arises from that person’s rationality is self-interest, as defined by the individual.

Public choice theory is a ‘strong’ application of the *rational choice framework* and is often used in policy analyses because the deductive application of its general principles easily generates a clear and consistent set of policy prescriptions, whether or not there is merit to its fundamental axioms. As James Buchanan (1980: 5), one of the founders of public choice theory and the first among public choice theorists to win a Nobel Prize (for Economics), put it: ‘In one sense, all public choice or the economic theory of politics may be summarized as the “discovering” or “re-discovering” that people should be treated as rational utility maximizers, in all of their behavioural capacities.’

In the public choice approach it is assumed that individual political actors (whether policy-makers, administrative officials, or voters) are guided by self-interest in choosing a course of action that will be to their best advantage (McLean, 1987; Van Winden, 1988). This simple assumption about the basis of human behaviour leads public choice theorists to an extensive series of related propositions used to

explain various aspects of politics and public policy-making. In these studies, each political action is analyzed in terms of individual self-interest.

Thus, for example, voters are deemed to vote for parties and candidates that will best serve their interest in terms of the rewards they hope to receive from governments (Downs, 1957). Politicians are seen as constantly vying for election in order to promote their interests in the income, power, and prestige derived from holding office, and thus offer policies that will win them voters’ support (Becker, 1958; Coase, 1960). Political parties are seen to operate in much the same way as politicians, devising policy packages that will appeal to voters (Riker, 1962). Bureaucrats’ self-interest leads them to maximize their budgets because larger budgets are a source of power, prestige, perks, and higher salaries (Niskanen, 1971). They are largely successful in realizing their interest because, as monopoly suppliers of unpriced goods and services, they face no competition and because citizens and elected officials lack the expertise to monitor their activities. Peter Self (1985: 51) succinctly summarized the theory as follows:

Following this approach, voters can be likened to consumers; pressure groups can be seen as political consumer associations or sometimes as co-operatives; political parties become entrepreneurs who offer competing packages of services and taxes in exchange for votes; political propaganda equates with commercial advertising; and government agencies are public firms dependent upon receiving or drumming up adequate political support to cover their costs.

Public choice theorists view the policy process as one in which a variety of political actors engage in competitive *rent-seeking* behaviour. That is, each actor attempts to use the state to capture some portion of the social surplus (‘rents’) that accrues from productive social labour and is amassed through taxation. Each actor would prefer, if possible, to *free ride*, that is, to obtain a share in the surplus resulting from the action of other parties at no cost to themselves (Buchanan, 1980; Kreuger, 1974).

This conception of the motivations and roles of voters, parties, and politicians in the policy process leads to the conclusion that voters will constantly seek more programs from government, constrained only by their willingness to pay or ability to evade taxes, and that politicians, parties, and bureaucrats will be willing to supply the programs because of their own self-interest in power, prestige, and popularity. The result is a constant increase in the level of state intervention in the economy and society, often in the form of a *political business cycle*. That is, democratic governments are seen to operate in a perpetual campaign mode, buying votes with public money according to the timing of the electoral cycle. Popular decisions that dispense benefits will thus be taken before election and unpopular ones, attributing costs, will be made soon afterwards (Boddy and Crotty, 1975; Frey, 1978; Locksley, 1980; Tufte, 1978).

Public policy-making in this view leads to an inexorable process of extending the state’s provision of goods and services. Public choice theorists oppose this

dynamic, arguing that it distorts the 'natural' operation of market-based societies and reduces overall levels of social welfare by encouraging free riders and other counterproductive forms of rent-seeking behaviour, as well as promoting government deficit financing or tax increases to cover the costs of expanded programs. The general conclusion of public choice theorists is that institutions must be developed to curb destructive utility-maximizing behaviour that serves the interests of particular individuals while adversely affecting the society as a whole. Hence, according to Buchanan, public choice theory does not lead to the conclusion that all collective action, and all government initiative, is necessarily undesirable. It leads, instead, to an understanding that because people will maximize their own utilities, institutions must be designed so that individual behaviour will further the interests of the group, small or large, local or national. The challenge, then, is to design, or reconstruct, a political order that will channel the self-serving behaviour of participants towards the common good along the lines once described by Adam Smith (Buchanan et al., 1978: 17).

Put simply, for public choice theorists, the same individual utility maximization that promotes the general good in the market takes on a decidedly harmful form when combined with the ability to compel action available in the political arena. This leads public choice theorists to reject most policy analyses and prescriptions generated by researchers who tend to see government activity as more benign (Rowley, 1983). Instead, public choice perspectives seek to restrain and redirect government intervention to supplementing the market by enforcing and creating property rights so that economic forces can operate at a safe distance from political authority and allocate resources to benefit the whole society.

The simplicity and logical elegance of public choice, along with the impressive mathematical presentations found in many studies, mask its shortcomings (Jones, 2001; Green and Shapiro, 1994). First of all, the theory is based on an oversimplification of human psychology and behaviour that does not accord with reality. Many political activities, for example, are undertaken for symbolic or ritualistic reasons; to treat them as goal-oriented behaviour directed at utility maximization is to underestimate the complexity of politics that surrounds public policymaking (Zey, 1992). Second, because of this oversimplification, the theory has poor predictive capacity. There is no empirical proof, for example, that government functions will grow inexorably because democratic representation spurs public spending to buy votes. If anything, in most industrialized countries governments have been pruning spending on popular social programs such as health and education, or, at least, have not been expanding them as the theory would predict.

The actual fluctuations in government growth patterns are also not new and bear little relationship to the electoral cycle. How and why this variation in government size and programming occurs is virtually inexplicable within a public choice framework (Dunleavy, 1986). A third reason for empirical shortcomings can be found in the public choice perspective's heavy reliance on US experience. By presuming a pattern of electoral competition between two parties that requires voters to make 'either-or' choices on contending alternatives, the political reality of multi-party democracies is distorted. The legislative coalitions

that are common under multi-party representation do not present voters with the clear-cut bidding for support between 'in' and 'out' parties found in the US or the UK since electoral promises may be overridden by post-election legislative deal-making (Warwick, 2000).

And despite the public choice theorists' insistence that their analysis is 'positive' and 'value-free', the theory is explicitly normative. The notions that only social interactions in market-based exchange produce wealth and that the state exists as a kind of parasite extracting rents from the marketplace ignore the important role played by the state not only in establishing the economy's foundation through property rights and public security, but also in organizing such key economic activities as education and technological innovation (Dosi et al., 1988). Thus, public choice theory seeks, in effect, to promote a particular vision of orthodox liberalism (also called neo-conservatism or neo-liberalism) that would advance markets wherever possible and severely restrict the scope for government activity without any empirical justification for so doing (Hood, 1991, 1995, 1998).

More recently, public choice theorists have acknowledged that a gap exists between their deductive models and empirical reality. Although they are loath to drop any of their fundamental assumptions about human behaviour, they have come to realize that some modifications in their fundamental units of analysis are needed. Many public choice adherents recognize that their theory is institutionally constrained. It has little to say, for example, about policy-making in non-democratic systems that do not rely on free and competitive elections, a central assumption of the model.

Moreover, the theory also disregards or underestimates the effects of institutional factors in shaping actors' preferences, despite its pretensions towards institutional design (Ostrom, 1986a, 1986b). Pioneering public choice theorists tended to regard institutions themselves as changeable according to actors' preferences and were unwilling to fully recognize the durability of institutions and the pervasive impact they have on individual behaviour. The realization by many former public choice adherents of the effects of institutional structures on individual choices has moved many rational choice theorists, including many who had previously endorsed variants such as game theory (Harsanyi, 1977; Scharpf, 1990; Elster, 1986), to embrace a more subtle and supple approach to deductive social theory, a form of economicistic 'neo-institutionalism' or 'actor-centred institutionalism', which will be discussed in more detail below.

Class Analysis

Class and group theories explore the often messy middle ground between individuals and the governments that formally enact policy along with the public and private agencies that implement it. They accord primacy to collective entities, the organized interests and associations that seek to influence policy agendas, policy options, and policy outputs. The deductive variant of this mid-range perspective is class theory, which ascribes group membership according to certain observable characteristics of individuals, whether or not the individuals involved see

themselves in those terms. Class theorists expect behaviour that maximizes group interests to flow from this attributed orientation.

While there are several types of class analysis, we present the 'Marxist' variant, which, because of its influence on the development and spread of European socialism in the nineteenth and twentieth centuries, is by far the best known and theoretically developed. In this approach, class membership is determined by the presence or absence of certain characteristics, usually, but not always, related to the economy (Ossowski 1963).

The mid-nineteenth-century *Manifesto of the Communist Party* (1848), written by German philosopher and political economist Karl Marx and his friend and colleague, Friedrich Engels, is the best-known articulation of class theory. Marx and Engels presented society as being composed of two classes contesting political and economic power throughout history. Society has passed through a number of distinct stages ('modes of production'), each of which had particular technological conditions of production ('means of production') and a distinct manner in which the various actors in the production process relate with each other ('class structure' or 'relations of production') (Cohen, 1978). In the logic of this model, each mode of production develops a dichotomous class system consisting of those who own the means of production and those who must work for the owners, and the relationship between the two groups is inherently adversarial.

Slaves battled their owners in slave-holding societies; serfs contended with landlords in feudal society; and workers struggle with owners in capitalist society. Continued class struggle leads to eventual collapse of modes of production and their replacement by another mode, which in turn is eventually replaced by yet another system. Marxist class theory interprets public policies in capitalist societies as reflecting the interests of the capitalist class. The capitalists' dominance of the base—that is, the economy—affords them control over the state and what it does. Indeed, according to Marx, the state is merely an instrument in the hands of capitalists, who use it for the purposes of maintaining the capitalist system and increasing profits ('surplus value'), necessarily at the expense of labour.

While this instrumentalist view proved a popular approach to studying public policy in many countries and colonies during the 1930s and 1940s, by the late 1960s in Western Europe it was beginning to be seen as problematic by Marxists on two counts. First, even if a policy did serve the interest of capital, it is not necessarily true that the policy had been enacted at the behest of capital. To show this, one would have to demonstrate that capitalists issued instructions that were faithfully carried out by state officials, proof of which is usually lacking. Second, and more importantly, this approach cannot explain policies adopted over the opposition of capitalists. In most capitalist states, for instance, the adoption of social welfare policies was vehemently opposed by many capitalists, something that cannot be explained if the state is merely an instrument of capital. Recognizing this problem forced a reappraisal of the role of the state in Marxist theory (Block, 1980; Foley, 1978; Gough, 1975; Poulantzas, 1978; Therborn, 1977, 1986).

Much as with public choice theory, the traditional Marxist view—that the means of production constitutes the principal force shaping the state, law, and ideology—

has been challenged to address a broader range of causal factors. For example, the state has been shown to play a crucial role in organizing the economy and shaping the mode of production (Cox, 1987). The nineteenth-century promotion of natural resource sector production and the protection of inefficient import substitution industrialization in Canada, Argentina, Australia, Brazil, and Mexico, for example, had a decisive impact on those countries' economic structures and class relations and continue to shape these various classes' interests, the policy outcomes they desire, and the policy responses they elicit (Clarke-Jones, 1987; Duquette, 1999; Hirschman, 1958). Similarly, the proliferation of Keynesian policies in the 1950s and 1960s in many countries (Hall, 1989) occurred over the opposition of entrenched business interests and cannot be understood without reference to ideological factors influencing state behaviour, just as policies promoting privatization and deregulation in many of the same countries in the 1980s (Ikenberry, 1990) cannot be traced entirely or directly to the interests of capitalists (Amariglio et al., 1988).

Like public choice analysis, which came to recognize a much greater role for the independent effects of institutions and social structures on individual behaviour, class analysis in the 1960s and 1970s placed an increased emphasis on institutional or structural factors to account for state activities and behaviour (McLennan, 1989: 117–19). To account for the state devising policies opposed by capital, for example, the notion of the *relative autonomy* of the state was developed (Poulantzas, 1973a; Althusser and Balibar, 1977). Nicos Poulantzas, for example, argued that conflicts among the various fractions of capital, coupled with the existence of a bureaucracy staffed by individuals drawn from non-capitalist classes, permitted the state to have some autonomy from capital. This autonomy, in turn, allowed the state to adopt measures favourable to the subordinate classes if such policies were found to be politically unavoidable or necessary for promoting the long-term interests of capital in social stability.

Hence, in this 'structural' version of neo-Marxism, policy-making was still viewed as serving the interest of capital, but not in the same instrumental sense as conceived by early Marxists (Thompson, 1978). The rise of the welfare state, for example, is explained not as a direct response to the needs of capital, but as the result of political pressures exerted by the working class on the state (Esping-Andersen, 1981, 1985; Esping-Andersen and Korpi, 1984). The structural imperatives of capitalism are not ignored, however, because they impose limits on what the state can do in response to working-class demands. Thus, it is argued, the welfare state, established by capitalist governments in response to working-class demands, was designed in a manner that did not undermine fundamental property rights or profits. By introducing a structural component to class analysis, however, this version of neo-Marxist social theory, as occurred with public choice theory, shifted towards more institutional types of analysis (see below).

Pluralism

One of the most prominent approaches to studying the middle ranges of policy-making is 'pluralism', which originated in the United States in the early twentieth

century and continues, in one form or another, to dominate American political science perspectives on studying politics and policy. ‘Corporatism’, discussed below, is a parallel group theory developed in Europe around the same time.

While pluralist thinking can be found in the principles that James Madison articulated to justify the 1789 United States Constitution (Madison and Hamilton, 1961), the doctrine received its first formal expression by Arthur Bentley in 1908. The theory has been considerably refined since then, but the fundamental tenets remain. Some prominent pluralist thinkers, responsible for a revival of Bentley’s work in the US during the post-World War II era, include Robert Dahl (1956, 1961), Nelson Polsby (1963), and especially David Truman (1964).

Pluralism is based on the assumption that interest groups are the political actors that matter most in shaping public policy. In *The Process of Government*, Bentley argued that societal interests found their concrete manifestation in different groups consisting of individuals with similar concerns and, ultimately, that ‘society itself is nothing other than the complex of the groups that compose it.’ Truman expanded on Bentley’s notion of a one-to-one correspondence between interests and groups and argued that two kinds of interests—‘latent’ and ‘manifest’—resulted in the creation of two kinds of groups—potential and organized (Truman, 1964; also see Jordan, 2000). For Truman, latent interests in the process of emerging provided the underpinnings for potential groups, which over time led to the emergence of organized groups, allowing politics to be seen as a more dynamic process than Bentley seemed to depict.

Groups in pluralist theory are not only many and free-forming, they are also characterized by overlapping membership and a lack of representational monopoly (Schmitter, 1977). That is, the same individual may belong to a number of groups for pursuing his or her different interests; a person, for instance, may belong at the same time to Greenpeace, the local Chamber of Commerce, and Ducks Unlimited. Overlapping membership is said to be a key mechanism for reconciling conflicts and promoting co-operation among groups. In addition, the same interest may be represented by more than one group. Environmental causes, for example, are espoused by a large number of groups in every industrialized country. Politics, in the pluralist perspective, is the process by which various competing interests and groups are reconciled. Public policies are thus a result of competition and collaboration among groups working to further their members’ collective interests (Self, 1985).

Contrary to many critics of this approach, pluralists do not believe that all groups are equally influential or that they have equal access to government (Smith, 1990: 303–4). In fact, pluralists recognize that groups vary in terms of the financial or organizational (personnel, legitimacy, members’ loyalty, or internal unity) resources they possess and their access to government (Lindblom, 1968; Lowi, 1969; McConnell, 1966; Schattschneider, 1960). Nevertheless, as far as the policy process is concerned, as McLennan (1989: 32) has observed, ‘It is impossible to read the standard works without getting the sense that resources, information and the means of political communication are openly available to all citizens, that

groups form an array of equivalent power centres in society, and that all legitimate voices can and will be heard.’ As such, pluralist theories are justifiably criticized for not having a sufficiently developed notion of groups’ varying capacity to determine or influence government decision-making.

A more significant problem with the application of pluralism to public policymaking, however, is that government’s role in making public policies is quite unclear (Smith, 1990). The early pluralists assumed that the government was a sort of ‘transmission belt’ that simply registered and implemented the demands of interest groups. The government was often thought of not actually as an entity but as a place, an ‘arena’ where competing groups met and bargained (Dahl, 1967). A more nuanced reformulation subsequently presented government as a ‘referee’ or ‘umpire’ of the group struggle. In this view, the state was still ultimately a place where competing groups met to work out their differences, but this time the government was considered a kind of neutral official setting out the rules of group conflict and ensuring that groups did not violate them with impunity (Berle, 1959).

This is still an overly simplistic view of how government works, however, as public choice scholars such as Mancur Olson (1965) have pointed out, because it assumes that public officials do not seek to realize their own interests and ambitions through the control they exert over governmental machinery. It also neglects the fact that states often maintain special ties with certain groups and may even sponsor establishment of groups where there are none or if those in existence are found to be difficult to co-opt or accommodate (Pal, 1993a).

The pluralist notion of the government responding to group pressure is also misconceived because it assumes both that pressure is not exerted in the opposite direction and that there is a unity of purpose and action by government. Indeed, with respect to the latter point, it has been noted that ‘bureaucratic politics’ is a pervasive phenomenon that can have a decisive impact on public policies (Allison and Halperin, 1972). That is, different departments and agencies often have different interests and conflicting interpretations of the same problem. How these differences are resolved has an impact on what policies are adopted and how they are implemented.

Recognition of these problems with early forms of pluralism (Connolly, 1969) led to the emergence of what is sometimes described as ‘neo-pluralism’ within the American political science community (McFarland, 2004, 2007). The reformulation retained the significance attributed to competition among groups, but modified the idea of approximate equality among groups and explicitly acknowledged that some groups are more powerful than others. Charles Lindblom, for example, argued that business is often the most powerful interest group in liberal democratic societies for two closely related reasons. First, these types of governments are invariably located in a capitalist economy and need a prosperous economy in order to have an adequate basis of tax revenues required to spend on programs that enable their own re-election. To avoid a capital strike where businesses scale back their investment and operations, governments must maintain business confidence, which often means paying special heed to the demands of the business

community. Second, in capitalist societies there is a division between public and private sectors, the former under the control of the state and the latter dominated by business. The private sector's dominance by business gives it a privileged position in comparison to other groups in that much employment and associated social and economic activity ultimately depend on private-sector investment behaviour (Lindblom, 1977).

Unlike the classical pluralists, who seemed only to acknowledge but not incorporate the observation that some groups may be more powerful than others because of their superior organization and resources, Lindblom argued that the strength of business lay in the nature and structures of capitalism and democracy itself. Business need not, though it may, exert pressure on the government to realize its interests; the government, in accordance with the imperatives of capitalism and the pursuit of its own self-interest, will itself ensure that business interests are not adversely affected by its actions.

Neo-pluralist studies revealed that groups form for a variety of reasons, and pointed to the role patrons played in providing start-up funding and organizational assistance to groups, either directly through the provision of state funds or indirectly through favourable treatment afforded foundations and other funding groups by specific tax, estate, and charities laws (Nownes and Neeley, 1996; Nownes, 1995; Nownes and Cigler, 1995). Such studies highlighted another problem with pluralist theory: its excessive concentration on the role of interest groups themselves and its relative neglect of other equally important factors in the political and policy-making processes that influence their creation, operation, and activities.

While neo-pluralism was a significant improvement on its immediate past predecessor, it did not resolve all the problems inherent in a focus on groups as driving forces behind policy. Neo-pluralism, for example, continued to overlook the role of the international system in shaping public policies and their implementation (Grande, 1996; Schafer, 2006). International economic interdependence makes states' policies increasingly subject to international pressures, regardless of domestic group pressures. It is difficult to understand, for example, the industrial and trade policies of industrialized countries without reference to the international economy and the political pressures it places on policy-makers. The role of ideology was also unjustifiably neglected in the pluralist explanations of politics and public policy. The liberal tradition pre-eminent in Anglo-Saxon countries (including Canada, the US, and Australia), for example, has had a significant impact on their governments' hesitant and often contradictory intervention in the economy.

The applicability of pluralism to countries besides the United States has also been found to be especially problematic because of differences in underlying political institutions and processes that challenge pluralist assumptions and precepts derived only from examination of the US experience (Zeigler, 1964). British parliamentary institutions found in Australia, Canada, the United Kingdom, Japan, and Sweden, for example, do not lend themselves to the kind of open access that groups enjoy in relation to legislatures in the US and other countries

with similar republican systems of government (Presthus, 1973). And many authoritarian countries simply lack the kinds of groups conceived by pluralists as being the basic building blocks of political analysis. Even if groups have the freedom to organize, the numbers actually formed are fewer than in the US and tend to be much more permanent and formalized. This finding led some group theorists, such as Phillip Schmitter, to speculate that pluralism was only one form in which group systems could develop. Schmitter (1977) argued that, depending on a range of variables and historical factors, a *corporatist* form of political organization was much more likely than a pluralist one to emerge in many countries outside the US.

Corporatism

In Europe, theories treating groups as their primary unit of analysis have tended to take a corporatist rather than a pluralist form. The roots of corporatist theory are also much older than pluralist ones, extending back to the Middle Ages when there were concerns about protecting the 'intermediate strata' of autonomous associations between the state and the family (Gierke, 1958a, 1958b). These included, notably, guilds and other forms of trade associations as well as, most importantly, religious organizations and churches.

Corporatist theory argued that these intermediate strata had a life of their own above and beyond their constituting individuals, and that their existence was part of the 'organic' or 'natural order' of society. Much of political life and conflict in Europe in the fifteenth and sixteenth centuries concerned efforts by emerging national states to control the operations of these 'autonomous strata'—especially religious bodies—and the latter's efforts to resist state control (Cawson, 1986; Mann, 1984; Winkler, 1976).

As a group theory, corporatism can be best understood, as Schmitter has observed, in contrast to pluralism. As we have seen, the latter proposes that multiple groups exist to represent their respective members' interests, with membership being voluntary and groups associating freely without state interference in their activities. In contrast, corporatism is:

[a] system of interest intermediation in which the constituent units are organized into a limited number of singular, compulsory, non-competitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports. (Schmitter, 1977: 9)

The groups here are not thought of as free-forming, voluntary, or competitive, as in pluralism. Nor are they considered to be autonomous, for they depend on the state for recognition and support to play their role in policy-making. Corporatism thus explicitly takes into account two problems endemic to pluralism: its neglect

of the role of the state in group formation and activities, and its failure to recognize institutionalized patterns of relationships between the state and groups.

In corporatist theory, public policy is shaped by the interaction between the state and the interest group or groups recognized by the state. Interaction among groups is institutionalized within and mediated by the state (McLennan, 1989: 245). Public policy formation towards a declining industry, for instance, would take the form of negotiations and bargaining between and among the state and relevant industry associations and trade unions as to how best to rationalize or streamline the industry and make it competitive. In France and Germany, for example, corporatist bargaining was a key element in passenger train development, providing commercially successful high-speed transportation between cities (Dunn and Perl, 1994). The making of social welfare policies similarly involves negotiations with business associations, social welfare groups, and possibly trade unions—if the proposed policies affect their members. The outcome of these negotiations depends not only on the organizational characteristics of the groups but on the closeness of their relationship with the state. The state itself is viewed as a powerful actor, although it is not seen as a monolith, but rather as an organization with internal fissures that shape its actions.

Although this conception accords fairly well with political practices in many European countries, there are still problems with corporatism as an approach to politics or the study of public policy. First, it is a descriptive category of a particular kind of political arrangement between states and societies (such as in Sweden or Austria), not a general explanation of what governments do, especially those in non-corporatist countries. Thus, it has little to say about why countries such as Australia, Canada, and the United States have the particular public policies that they do, except to point out that the lack of institutionalized co-operation between the state and groups in these countries often leads to fragmented and inconsistent policies (Panitch, 1977, 1979).

Second, the theory does little to further our understanding of public policy processes, even in ostensibly corporatist countries. While it is significant to know that not all countries have open-ended competition among groups as suggested by pluralism, this in itself does not say very much about why a policy is adopted or why it is implemented in a particular manner. The close links between governments and certain groups are certainly important, but these are also only one among many factors shaping policies and policy-making, and these relationships may vary significantly by policy sector or issue area (Castles and Merrill, 1989; Keman and Pennings, 1995).

Third, the theory does not contain a clear notion of even its own fundamental unit of analysis, the ‘interest’ group. Contemporary societies contain myriad interests, as pluralists have noted, and it is not clear which are or should be represented by the state. In some cases, the relevant groups are defined in terms of ethnicity, language, or religion (Lijphart, 1969), while in others they are defined with reference to their economic activities. The bulk of corporatist literature concentrates somewhat arbitrarily on producer groups, such as industry associations

and trade unions, and on their role in specific economic sectors, such as labour market policy and wage bargaining (Siaroff, 1999).

Fourth, the theory is vague about the relative significance of different groups in politics. Are we to treat all groups as equally influential? If not, then what determines their influence? Some argue that corporatism is a manifestation of an autonomous state desiring to manage social change or ensure social stability (Cawson, 1978). Others suggest it is a system sought by the major corporate actors and thus is simply put into place by the state at their behest (Schmitter, 1985).

Despite its shortcomings, corporatist theory has played a significant role in the analysis of public policy, especially in Europe and Latin America, but also to a certain extent in China and in the former socialist countries, many of which were organized along corporatist lines, albeit with a very powerful central state apparatus. By highlighting the autonomous role of the state in politics, it paved the way for more sophisticated explanations of public policy-making than those provided by group theories such as pluralism (Smith, 1997). More significantly, by emphasizing the importance of institutionalized patterns of relationships between states and societies, it fostered the emergence of new institutional approaches such as ‘statism’, which focus on the macro level of social and political structures to draw their insights about public policy-making and serve to correct some of the oversights not only of pluralism and corporatism, but also of class and public choice theories (Blom-Hansen, 2001).

Neo-institutionalism

The broadest perspective on the forces that drive the policy process can be found in neo-institutionalism and statist theories. These theories seek to overcome the limits of individual and group and class-based theories to explain the full range of social behaviour and organizational activity behind policy-making (Peters, 1999; Hall and Taylor, 1996; Kato, 1996).

Neo-institutionalism avoids the limitations of most earlier theories informing policy studies by explaining why political, economic, and social institutions such as governments, firms, and churches exist at all, as well as what impact these macro-level structures have in fashioning constraints and providing opportunities for policy-makers (March and Olsen, 1984, 1989, 1995). Many variants of this approach have existed over the past 25 years, under titles such as the ‘New Economics of Organization’ (Moe, 1984; Yarbrough and Yarbrough, 1990; Williamson, 1996) or the ‘Institutional Analysis and Development’ (IAD) framework (Kiser and Ostrom, 1982; Ostrom et al., 1993). All, however, use a form of what Fritz Scharpf has termed ‘*actor-centred institutionalism*’ to understand social processes, including political and policy-oriented ones (Scharpf, 1997).

Like recent class analysis, actor-centred institutionalism emphasizes the autonomy of political institutions from the society in which they exist. And, like public choice theory, it begins with a simple idea about calculating human behaviour. But unlike these more focused perspectives, neo- or actor-centred institutionalism

assumes that a greater influence on human behaviour comes from the socio-political environment surrounding people and organizations than from within an individual or from group-based interactions (Cooney, 2007). Neo-institutionalism thus seeks to identify how rules, norms, and symbols affect political behaviour; how the configuration of governmental institutions affects what the state does; and how unique patterns of historical development can constrain subsequent choices about public problem-solving (Scharpf, 2000). Institutions are defined to include not only formal organizations, such as bureaucracies and markets, but also legal and cultural codes and rules that affect how individuals and groups calculate optimal strategies and courses of action (Ostrom, 1999).¹

These assumptions orient neo-institutionalist policy research to examining the 'big picture' effects of structure on policy actors and, as James March and Johan Olsen (1984: 738) put it:

They deemphasize the dependence of the polity on society in favor of an interdependence between relatively autonomous social and political institutions; they deemphasize the simple primacy of micro processes and efficient histories in favor of relatively complex processes and historical inefficiency; they deemphasize metaphors of choice and allocate outcomes in favor of other logics of action and the centrality of meaning and symbolic action.

Transaction cost analysis is an example of a neo-institutionalist approach to policy studies that expands the concerns of welfare economics about how governments and markets can fall short of optimal outcomes into a broader search for the historical legacies, social structures, and political approaches that lie behind these shortcomings (North, 1990; Williamson, 1985). This approach suggests that institutions constitute an essential element of political life, because they can overcome impediments caused by information asymmetries and other barriers to 'perfect' exchange in society. The basic unit of analysis in this approach is related to the 'transaction' among individuals within the confines of an institutional order (Coase, 1937). Institutions of various kinds are significant to the extent that they can increase or lower the costs of transactions. In this perspective institutions are 'the products of human design, the outcomes of purposive actions by instrumentally oriented individuals' (Powell and DiMaggio, 1991: 8) that also influence human behaviour.²

In institutionalist approaches to social theory, the argument usually is not that institutions *cause* an action, *per se*. Rather, they are said to *influence* actions by shaping the interpretation of problems and possible solutions by policy actors, and by constraining the choice of solutions and the way and extent to which they can be implemented. In the political realm, for example, institutions are significant because they 'constitute and legitimize individual and collective political actors and provide them with consistent behavioural rules, conceptions of reality, standards of assessment, affective ties, and endowments, and thereby with a capacity for purposeful action' (March and Olsen, 1994: 5). That is, while individuals, groups, classes, and states have their specific interests, they pursue

them in the context of existing formal organizations and rules and norms that shape expectations and affect the possibilities of their realization (Williamson, 1985; Searle, 2005).

This approach is somewhat eclectic in the sense that it directs attention to a wide range of international and domestic norms, rules, and behaviour that affect aspects of policy-making behaviour, such as the calculations and perceptions made by actors of actual and perceived transaction costs (Putnam, 1988; Atkinson, 1978).³

A more serious problem for economic or actor-centred neo-institutionalism, however, lies with its inability to provide a plausible coherent explanation of the origin of institutions, or their alteration, without resorting to functionalism (Blyth, 2007). That is, since this approach argues that individual and collective preferences are shaped by institutions, it is unclear how institutions or rules themselves are created, and once in place, how they would change (Cammack, 1992; March et al., 2000; Peters, 1999; Gorges, 2001; Dimitrakopoulos, 2005). Actor-centred institutionalism, for example, tends to provide an excellent discussion of the constraints placed by structures on policy actors and to show how what is 'rational' for them to do in specific circumstances is affected by such institutions, but says very little about what causes those constraints to move in any particular direction (Bromley, 1989: ch. 1; Ruiter, 2004). Studies that compare policy-making over time, however, have noted an 'institutional durability' in which some social and political structures endure much longer than others (Perl, 1991), an observation that is difficult to explain within the deductive logic of institutions orienting individual behaviour found in neo-institutionalism (Clemens and Cook, 1999; Greif and Laitin, 2004). This has led many students of policy studies to turn away from it and towards a more sociologically or historically informed version of institutionalism, which we shall term 'statism', in order to provide a more thorough and rigorous base for their studies of public policy-making.

Statism

'Statism' is the term sometimes employed to describe a second kind of inductive institutional approach to policy-making that addresses both the neo-institutionalist lacunae regarding institutional origins and change as well as the pluralist, corporatist, class, and public choice neglect of the state.

Many statist policy studies focus solely on formal state structures, seeing government as the leading institution in society and the key agent in the political process. Others, however, also attribute explanatory significance to organized social actors in addition to the state. Continuing earlier work by Zysman (1983) and Hall (1986), for example, Hall and Soskice (2001b) have argued that each political system has an underlying logic and a matching set of interrelated institutions that foster certain choices and hinder others. Thus, the liberal variety of capitalism found in the UK and the US is said to promote choices centred on the market, which in turn promote competition, innovation, and low-cost mass production. The corporatist variety of capitalism found in Germany and Japan,

in contrast, is based on co-operation and consensus, which is conducive to high-cost but high-quality production but is ill-equipped for rapid changes. While Hall and Soskice believe that neither is inherently superior because both have successful track records, it is sometimes suggested that the corporatist variety is ill-suited for the globalized world, which requires rapid responses that are not possible in political systems based on consensus (Hay, 2004). Yet, the corporatist variant of capitalism may turn out to be better suited to devising appropriate responses to the vulnerability of global capitalism in the face of looming energy and climate shocks (Ferguson et al., 2007).

Statist interpretations have their origin in the works of late nineteenth- and early twentieth-century German historical sociologists and legal theorists who highlighted how establishing modern state institutions influenced the development of society. Rather than argue that the state reflected the character of a nation's populace or social structure, theorists such as Max Weber and Otto Hintze noted how the state's monopoly on the use of force allowed it to reorder and structure social relations and institutions (Hintze, 1975; Nettl, 1968; Weber, 1978).

The statist perspective on policy-making explicitly acknowledges that policy preferences and capacities are best understood in the context of the society in which the state is embedded (Nettl, 1968; Przeworski, 1990; Therborn, 1986). Like economic neo-institutionalism, Peter Hall described the statist approach to 'institutionalist' analysis as one that focuses on the impact of large-scale structures on individuals and vice versa. In this approach:

The concept of institutions . . . refer[s] to the formal rules, compliance procedures, and standard operating practices that structure the relationship between individuals in various units of the polity and economy. As such, they have a more formal status than cultural norms but one that does not necessarily derive from legal, as opposed to conventional, standing. Throughout the emphasis is on the relational character of institutions; that is to say, on the way in which they structure the interactions of individuals. In this sense it is the organizational qualities of institutions that are being emphasized. (Hall, 1986: 19)

However, statist perspectives differ from more economic neo-institutional approaches in several important aspects. First, no effort is made to reduce institutions to less organized forms of social interaction, such as norms, rules, or conventions. Second, there is no attempt to reduce institutions to the level of individuals and individual activities, such as economic or social transactions, as is the case with more actor-centred neo-institutional thinking. And, third, institutions are simply taken as 'givens', that is, as observable historical social entities in themselves, with little effort made to derive the reasons for their origins from *a priori* principles of human cognition or existence (March and Olsen, 1994).

Using such a line of analysis yields, to use Theda Skocpol's terms, a 'state-centric' as opposed to 'society-centric' explanation of political life, including public policy-making (Skocpol, 1985). In a 'strong' version of the statist approach, as Adam Przeworski (1990: 47–8) put it in a pioneering book:

states create, organize and regulate societies. States dominate other organizations within a particular territory, they mould the culture and shape the economy. Thus the problem of the autonomy of the state with regard to society has no sense within this perspective. It should not even appear. The concept of 'autonomy' is a useful instrument of analysis only if the domination by the state over society is a contingent situation, that is, if the state derives its efficacy from private property, societal values, or some other sources located outside it. Within a true 'state-centric' approach this concept has nothing to contribute.

It is problematic to accept statism in the strong form described above, however, because it has difficulty accounting for the existence of social liberties and freedoms or explaining why states cannot always enforce their will, such as in times of rebellion, revolution, civil war, or civil disobedience. In fact, even the most autocratic governments make some attempt to respond to what they believe to be popular preferences. It is, of course, impossible for a democratic state to be entirely autonomous from a society with voting rights. And, as Lindblom and others pointed out, in addition to efforts to maintain and nurture support for the regime among the population, capitalist states, both democratic and autocratic, need to accommodate the imperatives of the marketplace in their policies. Second, the statist view suggests implicitly that all 'strong' states should respond to the same problem in the same manner because of their similar organizational features. This is obviously not the case, as different states (both 'strong' and 'weak') often have different policies dealing with the same problem. To explain the differences, we need to take into account factors other than the features of the state (Przeworski, 1990).

To be fair, however, few subscribe to statism in the 'strong' form described above. Instead of replacing the pluralist notion of the societal direction of the state with the statist notion of the state's direction of society, most inductively oriented institutionalist theorists merely point out the need to take both sets of factors into consideration in their analyses of political phenomena (Hall and Ikenberry, 1989; McLennan, 1989; Levy, 2006). As Skocpol has conceded:

In this perspective, the state certainly does not become everything. Other organizations and agents also pattern social relationships and politics, and the analyst must explore the state's structure in relation to them. But this Weberian view of the state does require us to see it as much more than a mere arena in which social groups make demands and engage in political struggles or compromises. (Skocpol, 1985: 7–8)

In this view, the state is seen as an autonomous actor with the capacity to devise and implement its own objectives; it does not necessarily just respond to pressure from dominant social groups or classes. Its autonomy and capacity derive from its staffing by officials with personal ambitions and agency interests, as well as from the fact that it is a sovereign organization with unparalleled financial, personnel, and—in the final instance—coercive resources. Proponents of

this perspective claim that emphasizing state centrality as an explanatory variable enables statism to offer more plausible explanations of policy development patterns in many countries than do other political theory perspectives (Krasner, 1984; Skowronek, 1982; Orren and Skowronek, 1998–9).

This milder version of statism thus concentrates on the links between the state and society⁸ in the context of the latter's pre-eminence in pluralist group theory. To that extent, statism complements rather than replaces society-centredness and restores some balance to social and political theorizing, which, it can be argued, had lost its equilibrium (Orren and Skowronek, 1993; Almond, 1988; Cortell and Peterson, 2001; Thelen and Steinmo, 1992; March and Olsen, 1996; Keman, 1997). This view and approach to policy studies inform the analysis of policy processes found in the remainder of this volume.

Conclusion

In considering a range of deductive and inductive perspectives on public policy-making across individual, group, and societal scales, we have encountered different and often contradictory ways to approach the study of public policy. An extensive literature exists on policy analysis from both positivist and post-positivist orientations, both promoting and denouncing the origins, assumptions, and application of each approach to the subject. Nevertheless, a few general conclusions can be offered.

In each of the theoretical frameworks that seek to make sense of policy, we can find three essential elements that are addressed, albeit differently. First, understanding policy requires some knowledge about the *actors* who raise issues, assess options, decide on those options, and implement them. These actors can be seen as subjects trying to advance their own interests, or as objects influenced by the circumstances of their surrounding environment. Second, policy insights also call for an appreciation of the *ideas* that shape policy deliberations. These ideas can range from the most particular and self-interested points of view to widely held belief systems that endure through the ages. And third, policy-making takes place within a set of social and political *structures* that affect the deliberations about what is to be done. Those structures can be seen as arenas that set the 'rules of the game' for the competition among different interests and the clash of distinctive ideas. These structures can also be seen as the subjects of political initiative—providing a focus for debate over how to better govern a society, how to better sustain an economy, or how to better express a culture.

Actors, ideas, and structures form the common ground where all policy theories converge—from different directions, and with distinctive points of view. It is in adopting, and adapting, these conceptual particularities that the potential for greater insight into policy-making and policy outcomes can be realized. We turn to elaborating that context in Chapter 3.

Study Questions

1. Are the positivist and post-positivist approaches to policy analysis necessary counterweights to each other's limitations, or can one of these frameworks yield sufficient insight on its own?
2. How should the unit of analysis be selected for understanding policy attributes?
3. Can deductive and inductive approaches to analysis be used in conjunction to study public policy, or must one choose between their competing logic of inquiry?

Further Readings

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