

Da: Andreas Bergh [mailto:andreas.bergh@ratio.se]

Inviato: giovedì 3 aprile 2008 16.39

A: cb@mpifg.de; eva.beuselinck@soc.kuleuven.be; lilit.hakobyan@econ.umu.se;
carl.dahlstrom@pol.gu.se; alessia.damonte@unimi.it; peter.johnloewen@unmontreal.ca;
karl.loxbo@vux.se; skoeppe@zes.uni-bremen.de; johannes.lindvall@politics.ox.ac.uk;
kv@ifs.ku.dk

Cc: Gissur Erlingsson; Per Nilsson

Oggetto: the 2008 Ratio Colloquium for Young Social Scientists

Congratulations!

Your proposal for the 2008 Ratio Colloquium for Young Social Scientists on The Economics and Politics of Institutional Change was one of the 16 papers to be accepted for the conference!

The preliminary program is attached.

Some practical matters:

- Confirm your participation to per.nilsson@ratio.se before April 15. We have papers on a waiting list for the conference.
- Submit your final paper to per.nilsson@ratio.se and andreas.bergh@ratio.se no later than August 1st . If the paper is not ready, submit it anyway! This conference is meant to improve papers that are work in progress.
- A paper is allocated maximum 20 presentation time and maximum 20 minutes total discussion time.
- At the conference, we expect all participants to have read all papers. A preliminary list of discussants is attached.
- Please note that we expect participants to attend all the scheduled activities!
- We have booked rooms at Hotel Birger Jarl, Tulegatan 8 in Stockholm, from august 21 to august 24. If you wish to stay longer in Stockholm, you may do so at your own expense.
- Start making travel arrangements as soon as possible. Keep tickets and receipts and travel reasonably cheap, and we will reimburse your expenses after the conference.
- If you have special food preferences, let us know before August 1st.

Do not hesitate to ask us if you have any questions.

Welcome to Stockholm!

Andreas Bergh & Gissur Erlingsson, Conference organizers

- paper proposal -

Has the paradigm really shifted?

Trying to explain the variation in policy changes of the EU15 countries

Alessia Damonte

Dept. of Social and Political Studies
University of the Studies, Milan

Via Conservatorio, 7 I-20122 Milan

tel: +39.02.503.21246 • e-mail: alessia.damonte@unimi.it • skype name: alessia.dam

personal page: http://www.graduateschool.unimi.it/politicalstudies/pols_paginapersonale_damonte.html

1. The issue, its relevance and its shape

Policy change is an issue ranking high in many governmental and academic agendas, especially in the old common Europe. Face to the problems of economic growth that since the 1970s affect many countries, policy change is expected to maintain, if not to improve, citizens' affluence and the availability of resources for enforcing social equity, however defined. Especially after Hall's seminal work, this implies to focus on the change of the paradigm that lies beyond public policies: Namely, as the relevant paradigms for growth-oriented policies are economic, on the shift from demand-sided to supply-sided frameworks of reference.

At stake here there is the kind of responses governments are supposed to give to harming pressures and shocks (fiscal protests and public expenditure sustainability, currency and financial crises, stagflation, demographic trends, international accounts and ratings); what from the supply-side and the New Public Management revolutions onward has been taken for proper and successful is the dismissal of the old national public bureaucracies to make room for competition and market logics in producing and delivering as many goods as possible –with the corollaries of a restructured and lower fiscal burden, and sound management of prices and currency. Hence,

DEFINITION 1. A paradigm shift is the radical change in the way to produce and deliver “public” goods¹, and the consistency of this change in the presiding policy regimes as guaranteed by the common reference to a normative framework.

The uneasiness of the current shift is believed here to mainly depend on the fact that, moving relevant parts of public policymaking from State-owned monopolies backed by public finance out to competitive (quasi-)markets, it implies a complete re-definition of the citizenship pact, as Dahrendorf explained in the late 1980s. At its heart, now, the national political community for which Musgrave and Keynes coupled political and social entitlements has in principle been substituted by the open society of individuals to whom economic entitlements allow to accede markets, while governments' main responsibility still consists in correcting market failures, but by carefully designing and running competition, not by replacing it with command over producers and encompassing planning, as in the past.

2. Questions with an answer

Consistently with the concerns of knowledge usability, many of the works developed since the late 1980s aim to understand how such a change happens.

By and large, they hence focus on the triggering dynamics in key national policies (the budgeting and the administrative ones, as key indicators of the shift away from the 'big government' logics; but also substantial policies, especially where the provision of public goods has gone market, from TLC to public utilities to some welfare provisions) and in leading countries because of their successful innovations of policy tools and delivery architectures (mainly, and not by chance, the NPM countries: UK, US, Denmark). Their findings usually feed the meso- and micro-level theories of institutional change, refining the hypotheses about the actors, relations and resources essential to ignite such path-breaking processes: policy entrepreneurs, policy ideas and windows of opportunities, as in the multiple stream approach; “positive spillovers” in spreading the attention for policy problems and frames, as in the punctuated equilibrium theory;

¹ The term is here in quotes as far as a) after the revolution of the new institutional economics, for which the Musgravian non-rivalry is just the result of ill-defined property rights, the classic separation of private from public goods is less meaningful; b) even keeping the Musgravian definition up, different political systems recognized the status of “public” to a different range of goods. The adjective will then be used here in a policy and constructivist meaning, to indicate the goods the provision of which is framed as a collective problem deserving the intervention of public authorities.

competition among social networks glued together by interests and normative beliefs, as in the advocacy coalition framework, or the argumentative confrontation of discourse coalitions, as in Fisher's theory; the erosion of existing "policy trusts" in the restructuring of interests and social alliances, as in Richardson's account of Europeanization based on policy communities. Notably, rational-institutional reasoning seems to add nothing – not lastly because, as Arrow himself noted, actors could mature expectations and figure out interests only in settings of clear rules, that is exactly what a paradigm shift blurs.

Altogether, there hence seems to be a convergence of explanations toward a substantial extra-institutional picture of actors mobilized from and around ideas able to catalyze a broad consensus – eventually cleaved by the dilemmas of the endogenous vs. exogenous nature of change, or of key actors' learning vs. substitution in easing the change. What is understood is thus exactly how the *decision* to change enters the governmental agenda, here promoting a different range of solutions from the past.

3. Open questions

Although important, this seems only half the explanation for such a complex phenomenon as an actual paradigm shift, for two reasons. First, a paradigm shift is a process affecting the whole bulk of growth-related policies, and second, even in the most encompassing top-down designs and the most centralized political systems, it is hard to find that a single decision determines the shift of a complete policy. To have a paradigm shift, hence, means to have a coherent adding up of many non-symbolic decisions during time, which becomes visible after the new regimes have been put into place. Thus, the half explanation that partially seems gone missing has to do with the poor results in the stabilization of the decision to change –i.e. the implementation of different policy regimes, then the consistent restructuring of the expectations and behaviors of all the players (implementers, stakeholders, policy takers) with the new rules.

On this point, the theories focused on decisions seem quite divided when taking the problem into account. By one side, according to the punctuated equilibrium theory, the decision for radical change seems to require a convergence in actors' position of such a magnitude that could not result but into a stable new order. By the other, the advocacy coalition framework allows the reversal or the watering down of the decision during time, and this actually is the lesson from many classical pluralist accounts of implementation, from Pressman/Wildawsky and Lindblom onward, as well as the findings of many Europeanization studies when they recognize that EU decisions are often resisted and captured by domestic and local implementation networks. But this does not help to understand why the paradigm shift allowed by the voters' majority does not always result into keen compliance in implementation –i.e. under what conditions administrative bodies, stakeholders and policy-takers can keep on with playing the old game, or their resistances be democratically and effectively flattened.

4. A strategy to fill the gap

What instead can help to frame, although not to solve, the problem of change stabilization is rational institutionalism, in its double focus on macro-constitutional and micro-managerial design. According to it, it is rules that shape actors' gaming: when they are ambiguous, or badly enforced, they simply fail to re-orient expectations, and to exclude those interests, claims and courses of action that refuses to meet the logic of the paradigm. Their prescriptions focus on a distribution of 'political property rights' among the assembly, the executive and administrative bodies that at least decouples the decision for change (a matter of the assembly-executive interplay) from the fixing of the operational details (a matter of the executive-administration interplay). The twofold design leaves the responsibility for selecting a clear path out from the ambiguities of the electoral will to the executive, and assigns the goal of consistent

implementation to the rules that preside over its relation with administrative bodies. But, when asked to identify what kind of delegation works better, again analysts split into those supporting hierarchical mechanisms of control over the appointees' discretionary powers and then the policy-takers behaviors, as far as the legitimacy of public action could not lay but back in the decisions of the elected officials, as opposed those convinced that the legitimacy of public action largely rests on its effectiveness, which is assured only if the bodies governing implementation are guided by clear political goals and statutes but are then left autonomous and free to move throughout pressures, so avoiding the capture from special interests (included the elected officials').

The issue around which this theoretical cleavage revolves can sharpen the tools to understand country variance in paradigm shift.

As the ideational turn in policy studies made out clear, it is ideas that assure the co-ordination among actors in ambiguous setting where interests are of little or no use. In order to institutionalize policy changes, the new paradigm's principles should orient actors throughout the whole policy process, from issue shaping to implementation. But while the entrance of the actual new ideas into governmental agenda are described as quite insensitive to the institutional hardware of the 'input side' (NPM and supply-side economics solutions having been supported in both consensual and Westminster, presidential and parliamentary democracies, and by governments of different colors over the last decades), the same is not for the 'output side', where the administrative rules, behaviors and organizations are exactly the bones of a paradigm shift, the part of the political system that should change in order to have new production and delivery systems (as isomorphic phenomena in administration, the last of which is the 'agency fever' reported in the 1990s, seem to indicate). Just to set agencies, however, does not imply to keep the process hooked on the new ideas: There could easily be new organizations in administration following old logics, as well as executives forced to give up reforms by swings in voters' moods or by pressures from unhappy stakeholders for whom There However Is Alternative; moreover, there could be a textbook adoption of "learned lessons" with little regard to the context and hence the (poorness in) effects.

The difference here is instead supposed to lie in the way the players in the policy field are induced to behave because of the checks they have to pass –in other words, the kind of accountability they are required, or value most. And this for the double reason that the constraints really active in a field are what shapes the players' behaviors, and that, according to the laws of cybernetic, any control system is also a working model of the controlled system. When put in place, hence, a paradigm shift should imply a coherent change in the possible ways policy actors are made accountable (procedural correctness as in the tradition of the *Court des Comptes*, auditing, or evaluation; formal compliance, efficiency without questioning the appropriateness of decision contents, or efficacy and the inquiry of the quality of the overall process toward outcomes: see Clarke 1999), while the distribution of the duties of accountability, and of the rights to be given account (to voters, to taxpayers, to users), could cast new lights on the democratic features of the political systems where the change has occurred.

After this long journey, the main positions held here and deriving from definition 1 are:

POINT 1. A successful paradigm shift implies (a) a non-symbolic replacement in the mechanisms to produce and deliver "public" goods, (b) the consistency of the change in the policy regimes presiding on the new mechanisms, as assured by the reference to a single normative framework over time.

POINT 2. The consistency of paradigm shift over time is the consistency of the political decisions to change policies, but also the consistency of their enforcement on stakeholders' and policy-takers' possible resistances.

Thus, the main logical consequences that the data should test are:

HP 1. A paradigm shift implies a shift in the modes key policy actors are made accountable to whom.

HP 2. Given similar decisions for changes in delivery, the variance in change consistency across countries is explained by the modes the key actors are made accountable.

4. Evidences from EU-15: where to find them

Variations in new production and delivery systems are quite studied from international think-tanks and monitoring organizations. A useful insight comes from the works of the OECD Economic Department. In 2005, Conway, Janod and Nicoletti tried to make some sense out of the variety of national designs of recently liberalized markets. By scoring market policies of a panel of OECD countries in crucial times for liberalizations (1998 and 2003), they produced a quite interesting picture (see graph 1 in Appendix) that shows how, beneath widespread convergence, traditional NPM countries rank coherently high in both the dimensions of market-building, followed by Denmark and in 2003 by Sweden, that altogether seem to represent some leading example, while in the Eu-15 the “Club Méditerranée”, in spite of relevant moves toward the leading group, still belongs to the laggards.

In order to test the hypotheses, to take the Eu-15 countries as initial panel allows to have an ideal setting: although sharing many past institutional paths and being pressed toward convergence in policy change (and paradigm shift: Hvinden et al. 2001) by their membership to the EC/EU, they however vary as for both the degree of their markets’ internal stickiness and openness, hence (following pluralist accounts) for the somehow “rightful” resistances of the policy insiders to such a change. Moreover, the striking evidence that none of the Euro-area members belongs to the leading group suggests to look for institutional causes of resilience, of which the structure of accountability is taken as a reliable proxy.

The analysis would hence map and score different accountability models starting from Furubo et al (2002), the British NAO’s report on accounting institutions and practices in Europe, and other sources, and see what correlations allow to say.

5. Expected results

The analysis is supposed to highlight the role that different modes of accounting and evaluation play in stabilizing the paradigm shift: as a (more or less) meaningful discipline of whose players’ behavior, and/or as a different arena where stakeholders, policy-takers, administrative bodies and maybe executive bodies can clear their preferences up, align their framing, and fine-tune the implementation design to make it viable without losing the nature of change –i.e. fixing framing conflicts by argument and evidences, and allowing policy actors learning.

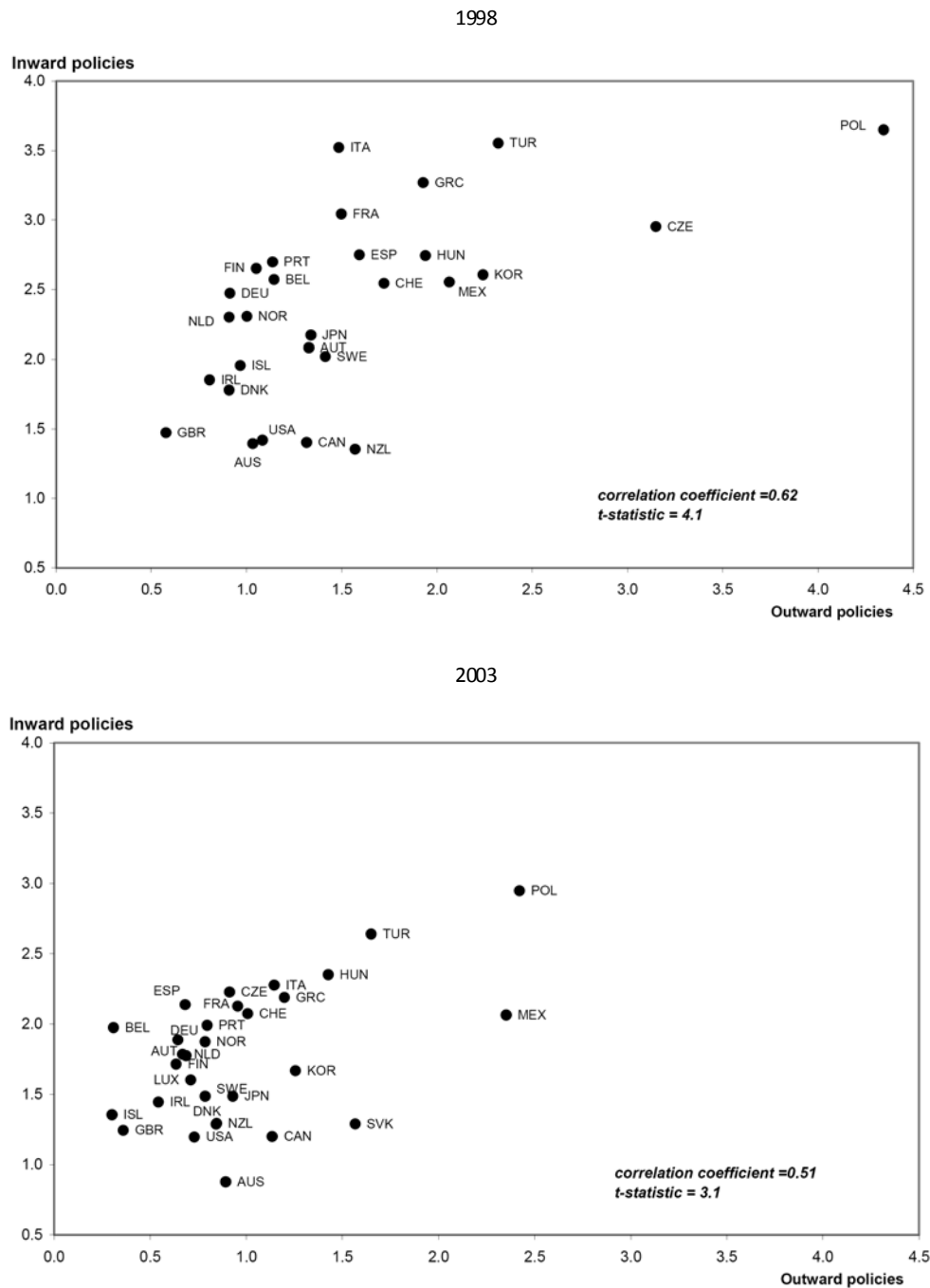
The results could then link the research to the questions raised by detractors of the neo-liberal paradigm when accusing it for harming democracy because of the narrower range of options it leaves to voters. This contribution could support the thesis for which the order that results from the paradigm shift is instead ‘differently democratic’, as it recognizes the need for a *reauthorization* of policy changes to come from the actors in the administrative field, in order to balance and refine the amorphous consent expressed by vote without reversing it. This would mean a different way for citizens to play political rights—not just as voters but also as those with a stake in the concrete way a “public” good is (poorly) produced and delivered here and now— and to deal with social conflict, in this way dispersed and at the same time attached to the concrete problem.

References

- Arrow K., 1999, "Comments on the Commentaries", in Alt J.E., Levi M., Ostrom E. (eds), *Competition and Cooperation. Conversation with Nobelists about Economics and Political Science*, New York, Russell Sage Foundation, pp. 51-6.
- Baumgartner F.R., Jones B. (eds.), 2002, *Policy Dynamics*, Chicago, University of Chicago Press.
- Buchanan J.M., Musgrave R.A., 1999, *Public Finance and Public Choice: Two Contrasting Visions of the State*, New York, The MIT Press.
- Clarke A., 1999, *Evaluation Research*, London: Sage.
- Conway P., Janod V., Nicoletti G., 2005, 'Product market regulation in OECD countries: 1998 to 2003', *OECD Economics Department Working Papers*, 419.
- Dahrendorf R., 1988, *Modern Social Conflict. An Essay on the Politics of Liberty*, New York, Weidenfeld & Nicholson.
- deLeon P., 1997, *Democracy and the Policy Sciences*, Albany, State University of New York Press.
- Fisher F., 2003, *Reframing Public Policy*, Oxford, Oxford UP.
- Furubo J.-E., Rist R.C., Sandhal R. (eds), 2002, *International Atlas of Evaluation*, Edison, Transaction.
- Hall P.A., 1992, "The Movement from Keynesianism to Monetarism: Institutional Analysis and British Economic Policy in the 1970s", in Steinmo S., Thelen K., Longstreth F. (eds), *Structuring Politics. Historical Institutionalism in Comparative Analysis*, Cambridge, Cambridge UP, 90-113.
- Hvinden B., Heikkilä M., Kankare I., 2001, 'Towards activation?' in Kautto M., Fritzell J., Hvinden B., Kvist J. and H. Uusitalo (eds), *Nordic Welfare States in the European Context*, London, Routledge.
- Kettl D.F., 2000, *The Global Public Management Revolution. A Report on the Transformation of Governance*, Washington, Brookings Institution Press.
- Lindblom C.E., 1990, *Inquiry and Change. The Troubled Attempt to Understand and Shape Society*, New Haven, Yale University Press.
- Majone G., 1997, "From the Positive to the Regulatory State: Causes and Consequences of Changes in the Mode of Governance", *Journal of Public Policies*, 17, 139-67.
- Pressman J.L., Wildawsky A., 1973, *Implementation*, Berkeley, University of California Press.
- Richardson J., 2000, "Government, Interest Groups and Policy Change", *Political Studies*, 48, 1006-25.
- Roberts P.C., 1984, *The Supply-Side Revolution*, Cambridge Mass.: Harvard UP.
- Ruggie J.G., 1982, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order", *International Organization*, 36, 379-415.
- Sabatier P.A., Jenkins-Smith H., 1993, *Policy Change and Learning. An Advocacy Coalition Approach*, Boulder, Westview.
- Weiss C.H., 1998, "Have we learned anything new about the use of evaluation?", *American Journal of Evaluation*, 19, 21-33.
- Zahariadis N., 2007, "The Multiple Stream Framework. Structure, Limitations, Prospects", in Sabatier P.A. (ed.), *Theories of the Policy Process*, Boulder, Westview.

Appendix.

Graph 1. Conway, Janod, Nicoletti 's panel countries by inward-oriented and outward-oriented market policies, 1998 and 2003



Note: inward-oriented policies include state control (public ownership and involvement in business affairs) and barriers to entrepreneurship (opacity, administrative burdens, barriers to competition), whereas outward-oriented policies include barriers to trade and investment – each scored from 0 (less restrictive) to 6 (more restrictive).

Source: Conway, Janod, Nicoletti (2005: 28).

Submitter's profile

Damonte, Alessia

born in 1971, a daughter

Assistant Professor (ricercatore confermato) in Political Science/Policy Studies

personal page: http://www.graduateschool.unimi.it/politicalstudies/pols_paginapersonale_damonte.html

Research interests

My research interest centers on the institutional change supporting the neo-lib great transformation that, since the 1970s, the political systems of Western countries have went through, with different degrees of conviction, in order to meet old and new challenges –among which the maintenance of a working international order.

To address such puzzle, mainly thanks to my extensive teaching experience at Unimi, I came to rely on the policy studies' toolbox and analytical lenses: When transformations are so radical as a paradigm shift, it is very likely that the classic tasks of a political system remain the same –i.e. to find binding solutions to common problems– but it has to be as well expected that the instruments to deliver such solutions will change radically, and the underlying institutional architecture with them. By promoting a process- and problem-based approach to political systems, and by looking at these systems while in action, policy studies hence are here believed to allow a better understanding of institutional changes. This way, the institutional structure as rules and bodies for co-ordination becomes the dependent variable of a process (the policy cycle) for coupling problems and solutions where actors and ideas are independent variables, and any kind of rationality is theoretically allowed, from garbage can to synoptic optimality. This scheme is deemed especially useful as far as, by framing institutional change as the result of a policy change, it helps to grab and connect the whole set of relevant decisions for change wherever they have been taken –from international to local levels– and independently from conventional jurisdictions.

Up to now, I developed this framework by focusing the levels of the EC/EU and the Italian Regions, where the institutional effects of such transformation have been more visible, and as a reflection on the shift –firstly normative– in the models of policymaking, from “old government” (of concentrated knowledge) to “new governance” (of distributed knowledge).

The final ambition will be to demonstrate that, to the extent it is shaped around the “old government” model, the classic way to think political systems is not anymore useful knowledge, and that the questions of democracy raised about the common Europe are actually valid for domestic institutional settings, too. Since the diffusion of non-majoritarian bodies in charge of key decisions, there is enough evidence that assemblies and classical politics have lost much of the effective relevance that classical political thinking used to recognize them; but efforts to force the “new governance” models into legitimacy schemes of “old government” while maintaining the current paradigm for growth equally seem to result into losses for the whole political community. The paper I submitted is thus the attempt to refine hypotheses in search for the actual modes of exerting political rights, hence of meeting the basic requirements of democracy, the “new governance” order has already been experimenting.

Keywords: European Union policies • Regions • policy change • policy cycle framework • implementation • governance • accountability • citizenship •

Curriculum (brief)

Academic career

- 2002 • Enrolled as Assistant professor (*ricercatore*) in Political Science at the Dept. of Social and Political Studies, Faculty of Political Science, University of the Studies, Milan – position confirmed in 2006 (after 3 standard years + maternity leave).
- 2000 • PhD in sociology at the University of the Studies, Milan; thesis on the emergence of the Italian Regions as relevant decisional actors and arenas in the negotiations for the 2000-2006 cohesion policies (first prize in the doctoral thesis contest of the EU Committee of the Regions).
 - Co-examiner (*cultore della materia*) in Prof. Gloria Regonini's course of Policy Analysis, Faculty of Political Science, University of the Studies, Milan.
- 1996 • Master in sociology of law at the International Institute of Sociology of Law, Oñati (ESP); thesis on the different policies to recognize the right of asylum in Europe.
 - Degree in sociology at the University of Urbino; thesis in sociology of law on national citizenship models and immigration (prize ISMU/Cariplo Foundation).

Research

- 2006-07 • Senior researcher within the project on “Democratic Accountability, e-government and Policy Evaluation” co-financed by the Italian *Ministero dell'Università e Ricerca* and co-ordinated by Prof. Gloria Regonini (University of the Studies, Milan).
- 2001-03 • Research Director of the project aimed to develop a “Methodology for the *ex-post* analysis of laws” commissioned by the GD *Assistenza Legislativa* of the Assembly of the Lombardy Region to the Dept. of Social and Political Studies (Unimi), under the scientific co-ordination of Prof. Gloria Regonini (Unimi).
- 2001 • Research director of the project on “e-government and Regions” commissioned by the Dept. of the *Funzione Pubblica* of the Italian Presidency of the Council-FORMEZ to the Cattaneo Institute, under scientific co-ordination of Prof. Piergiorgio Corbetta and Prof Salvatore Vassallo (University of the Studies, Bologna).
- 2000-1 • contract as junior researcher within the project on “Comparing Administrative Reform and Reinventing Government: Theoretical Bases and Operational Implications”, co-financed by the Italian *Ministero dell'Università e Ricerca* and co-ordinated by Prof. Gloria Regonini (Unimi).
- 2000 • contract as junior researcher (qualitative data collection) within the programme on “The Organisational Reforms in the *Comune* of Turin” co-financed by the Italian *Ministero dell'Università e Ricerca* and co-ordinated by Prof. Fiorenzo Girotti and Prof. Mariella Berra (University of the Studies, Turin).

Teaching at Unimi

- PhD *Comparative Public Policy* (course, 20 hrs., 2007);
Policy Studies (course, 20 hrs., 2006);
European Governance (presentation in doctoral workshop, 2005);
Governance: Limits and Capacities (module, 20 hrs., 2004);
Policy Networks, Arenas of Power and Governance (module, 20 hrs., 2003)
- 2-year degree *Administration and Society in Europe* (from 2004 to 2007)
- 3-year degree *European Public Policies* (40 h. course, 2003-2006);
Administrative Sciences (40 h. course, 2003);
Policy Analysis (60 h. course, 2002)

Papers and publications

- forthc.* "Il paradigm sotto l'ombrello", article submitted to *Stato e Mercato*.
- 2008 "La governance europea", chapter in Ferrera M., Giuliani M. (eds.), *Governance e politiche nell'Unione europea*, Bologna, il Mulino, pp. 145-76. Excerpt from "La governance europea", *URGE Working Paper* nr.6/2006, <http://www.urge.it/paper>.
- 2007 *Coping with European Integration Trilemmas*, paper presented at the 4th ECPR conference, Pisa, September 6-8.
- 2007 *Changing Tools to Catch the Beast*, paper presented at the 10th Biennial Conference of the EUSA, Montreal, May 17-19.
- 2003 "Sostanzialmente escluso. Il *law-making* regionale dopo le riforme degli anni Novanta: riflessioni sul caso lombardo", *Rivista Italiana di Politiche Pubbliche*, 1, pp. 131-62. Publication of the paper presented at the SISP Annual Conference, Genoa, September 18-20, 2002.
- 2001 "L'approccio italiano al negoziato per la programmazione dello sviluppo. Attori e logiche di un mutamento istituzionale", *Le istituzioni del federalismo*, 2, pp. 393-417. Excerpt from doctoral thesis.
- 1997 "La normazione dell'altro: la partecipazione alle consulte regionali per l'immigrazione", *Sociologia del diritto*, 3, pp. 83-106. Excerpt from graduate thesis.