Political Analysis

WHY INSTITUTIONS MATTER

The New Institutionalism in Political Science

VIVIEN LOWNDES
& MARK ROBERTS

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and
Mark Roberts

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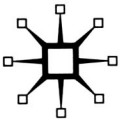

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POLITICAL ANALYSIS

Series Editors: B. Guy Peters, Jon Pierre and Gerry Stoker

Political science today is a dynamic discipline. Its substance, theory and methods have all changed radically in recent decades. It is much expanded in range and scope and in the variety of new perspectives – and new variants of old ones – that it encompasses. The sheer volume of work being published, and the increasing degree of its specialization, however, make it difficult for political scientists to maintain a clear grasp of the state of debate beyond their own particular subdisciplines.

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Whatever insights we have been able to articulate in this book are as much a product of the informal discussions, debates and (occasional) arguments we enjoyed with colleagues at Birmingham and Leicester as they are of the more formal processes of theoretical analysis and empirical research. We would like to thank the colleagues who have influenced our thinking over the years, sometimes helping us down the road upon which we were already travelling, and sometimes disrupting our path dependence and sending us off into previously unknown territory. From our time at the University of Birmingham, we would like to thank John Stewart, Helen Sullivan, Chris Skelcher, Steven Griggs, Janet Newman and Teresa Payne, and acknowledge the contribution of the late Kieron Walsh. From De Montfort, we would like to thank Lawrence Pratchett, David Wilson, Steve Leach, Melvin Wingfield, Jonathan Davies, Rachael Chapman, Catherine Durose, Ismael Blanco, Rabia Karakaya Polat and Valeria Guarneros. Many of these colleagues have moved on to new challenges elsewhere, but we continue to share a common commitment to interdisciplinary scholarship that is both theoretically robust and policy-relevant.

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VIVIEN LOWNDES
MARK ROBERTS

Contents

List of Illustrative Material

Boxes

Figure

Tables

Chapter 1

Why Study Institutions?

Institutions are central to the subject matter of political analysis. Indeed, up until the 1950s, institutionalism *was* political science, in the sense that the discipline concentrated upon the study of constitutions and the organizational arrangements of representation and government. Political scientists compared executive and legislatures, or parties and electoral systems, across countries and over time. Legal and historical methods dominated, alongside a descriptive idiom and a set of assumptions about what constituted a 'good political system'.

The behavioural revolution made its challenge to institutionalism from the late 1950s onwards, questioning what lay beneath the formalisms of politics and using empirical investigation to find out 'who (really) governs' in different contexts (Sanders, 2010). A generation later, rational choice theorists sought to explain politics in terms of the interplay of individuals' self-interest (Hindmoor, 2010). From another direction, neo-Marxists focused upon the role of 'systemic power' (deriving from capital/labour relations) in shaping politics (Maguire, 2010). Political scientists of all colours seemed intent upon debunking the institutionalist certainties of their forebears. The clear message was that there was much, much more to politics than the formal arrangements for representation, decision making and policy implementation.

What happened to the institutionalists who got left behind, as these powerful currents took the discipline in new directions? Many continued to practice their art in the conviction that 'You only need to sit still, it all comes "round again"' (Rhodes, 1995: 57). Others were provoked to defend their 'common sense' assumptions and methods – notably in sub-fields like public administration and constitutional studies. In fact, by the end of the 1980s, institutionalism had 'come round again' as the internal limitations of the new paradigms became clear. A 'new institutionalism' emerged as a response to the 'undersocialized' character of dominant approaches in the discipline, in which institutions were, at best, seen as no more than the simple aggregation of individual preferences.

'New institutionalists' asserted simply that 'the organization of political life makes a difference' (March and Olsen, 1984: 747). Political scientists from different corners of the discipline flocked to the banner of new institutionalism. Historical and comparative scholars brought with them ideas about the institutional shaping of policy choices in areas like welfare and taxation (Steinmo *et al.*, 1992). Rational choice scholars drew attention to the role of institutional factors in structuring individuals' choices (Weingast, 1996; Ostrom, 2005). Neo-Marxists developed 'regulation' and 'regime' theories to analyse the institutional variation that was played down by the structuralists of the 1970s (Painter, 1995; Stoker, 1995). Reflecting this upsurge of interest, Goodin and Klingemann (1996: 25) described the new institutionalism as 'the next revolution' in political science. Rather than returning to the descriptive and atheoretical style of an earlier generation of institutionalists, new institutionalists developed a more expansive definition of their subject matter (to include informal conventions as well as formal rules) and operated with more explicit (if diverse) theoretical frameworks. Historical, rational choice and sociological institutionalism were developed as distinct analytical approaches (Peters, 2005).

In this book, we tell the story of the new institutionalist 'revolution' and give our assessment of its contributions, positive and negative, to political science. But we also identify another set of less spectacular, but equally important, changes taking place. If the 'old' institutionalism was the first phase of the intellectual trajectory and the 'new' institutionalism the second, then we see in clear relief the emergence of a third phase. This development is characterized by a growing consensus across the (previously fragmented) schools of institutionalism around core concepts and key dilemmas.

As institutional theory has been changing rapidly over the last thirty years, so have institutions themselves. For this reason the book is not only concerned with new institutionalism as a way of understanding politics, but also with the development and spread of new institutions, which are structuring politics in new ways across the world. In fact, the two concerns are linked. As the organization of politics and government becomes more complex and fragmented, political scientists need access to more sophisticated theoretical and methodological tools. At the same time, the availability of these tools illuminates phenomena that might otherwise go unnoticed.

Some commentators have referred to the 'de-institutionalization' of politics and government, with the break-up of large scale bureaucracies

and the growth of 'soft' processes like networking, collaboration or 'steering' (Rhodes, 1997; Sullivan and Skelcher, 2002). But political institutions have not become any less important; rather, they have changed. Institutionalist theory provides a good set of conceptual tools for analysing contemporary governance precisely because it does not equate institutions with organizations, nor assume that politics is determined by formal structures and frameworks alone. Institutionalists embrace institutional differentiation in political life, for instance the increasing role of markets and networks alongside hierarchy and bureaucracy. And they expect hybridity, anticipating that existing and emerging institutions will overlap and recombine in context-dependent ways. Moreover, they recognize that informal conventions can be as binding as formal constitutions, and can be particularly resistant to change. Most importantly, second, and now third, phase institutionalists underline the 'double life' of institutions, in which institutions constrain actors, but are also human creations (Grafstein, 1988: 517–18). The burgeoning political institutions we see around us have not landed from another planet; rather, they are the products of political action and the outcomes of political struggles.

What are institutions – and what is an institutionalist explanation?

The dictionary defines 'institution' as 'established law, custom or practice'. From the sixteenth century, the term has had a particular association with the practices and customs of government. Today, 'institution' also refers more generally to forms of social organization (Williams, 1983: 169). It is a multi-faceted term which is used to refer to social phenomena at many different levels – informal codes of conduct, written contracts, complex organizations. It also hints at some evaluation of these phenomena. Institutions are somehow 'more' than they appear: they are 'special' procedures and practices (Lowndes, 1996). Moreover, they show resilience over time, producing 'stable, valued and recurring patterns of behaviour' (Huntington, 1968).

As we live our lives, we play our part in both reinforcing and undermining the institutions around us. Institutions exist in every sphere of our lives, the social, economic and political. Marriage, markets, mosques, media... these can all be described as 'institutions'. They all create 'patterned interactions that are predictable' (Peters, 2005: 18).

While the sources of institutional regularities are diverse, they are also overlapping. We know that expectations regarding male and female roles in politics are shaped by the institutions of marriage and the family, the influence of which is not confined to the domestic sphere. The institutions of the market (prices, contracts, competition) increasingly penetrate the public realm as social activities become more commercialized and many state services are privatized. Religious institutions are no longer a 'private' matter as they come to shape political conflicts, whether in the USA, the Middle East or Europe.

But what does it mean to describe an institution as 'political'? We can follow Adrian Leftwich's (Held and Leftwich,1984: 144) definition of politics:

> politics is about power; about the forces which influence and reflect its distribution and use; and about the effect of this on resource use and distribution; it is about the 'transformatory' capacity of social agents, agencies and institutions; it is not about government or government alone.

It follows that, in understanding political institutions, we are as much concerned with what 'ordinary people' can and cannot do as with the capacities of government and the actors who directly inhabit the political arena. Political institutions shape the opportunities that all of us have as citizens to make our voices heard, to participate in decision making, and to access public services. Institutions like electoral systems, political parties, social movements and human rights legislation all affect what we can and cannot do politically (and the costs, risks and potential benefits involved). The way in which government is organized provides opportunities for citizens to make contact with their representatives and decision makers – through institutional mechanisms such as consultations, complaints systems or question and answer sessions, as well as traditional routes like voting. Whether citizens take up these opportunities is conditioned by other, less obvious aspects of the institutional configuration – such as the timing and location of public meetings – and by informal conventions about the way in which issues are discussed and decisions made. Institutional opportunities and constraints may operate differentially for particular groups of citizens: parents may not be able to attend an evening meeting, young people may be put off by traditional committee procedures, new migrants may need translation or interpretation facilities.

While a bottom-up perspective is important, it is also true that the formal institutional architecture of the state sets parameters as to what is possible and impossible (and desirable/undesirable) for politicians and the civil servants who work for them. For example, whether a country has a proportional or majoritarian electoral system makes coalition government more or less likely, which in turn affects both the relationship between parties and the conduct of politicians towards their electorates. A prime ministerial system allows parties more influence over the executive than a presidential one. Equally in countries where state assets or services have been privatized, there is a reduction in the political influence of public sector workers, but new investment opportunities for business (and new incentives for business to lobby politicians or build alliances with consumer groups).

The influence of institutions over the conduct of politics is manifold, encompassing both the 'dignified' and the 'efficient' parts of the constitution (Bagehot, 1867), and reaching from matters of state to the day-to-day operation of local government. Informal institutions can be as powerful as formal ones – the debating conventions which are observed in a parliamentary assembly are not usually specified in writing but have a profound effect on the nature of that country's politics. The 'glass ceiling' in public life has no formal status but remains effective in shaping women's opportunities. The public service ethos that shapes the conduct of health or education workers in many social democratic states is sustained chiefly through informal processes and is part of a powerful legitimizing narrative about the role of public servants *vis-à-vis* their counterparts in the private sector.

Moreover, political institutions do not stand still. The familiar institutional landscape is being transformed as the international movement of people, goods and information gains pace. The technological revolution is both part of this phenomenon and a driver of it. Indeed, at the present time, many of our familiar political institutions are responding to these and other demands for change:

- Political parties have been challenged by new interest groups and social movements that reflect the fracturing and internationalization of political identities. Politicians assess electoral outcomes in the context of new mechanisms for gauging public opinion (polls, direct action, talk shows, blogs, tweets and e-petitions).
- Politicians and civil servants find themselves operating in an ever-more complex system of multi-level governance, in which they are constrained by transnational institutional frameworks – e.g. the

European Union and also global agreements on climate change and trade, as well as more familiar military and defensive alliances.

- Pressures to reduce the scope of central state intervention have also increased the importance of 'lower' levels of governance – devolved assemblies, regional bodies and (on some matters) local councils.
- The drive for efficiency and competition has driven the break-up of state bureaucracies though privatization and marketization, and the formation of multi-sector partnerships involving public, private and civil society actors.
- Pressures to greater transparency are uncovering the continued significance (and ongoing adaptation) of informal institutions – like patronage, corruption and clientelism – in the interstices of seemingly accountable formal structures.

Our approach has the flexibility to extend its purchase beyond the Western liberal democracies with which we are most familiar. Unlike the 'old institutionalists' (see Chapter 2), we do not make any assumptions about the shape of political institutions or the values they embody. New institutionalism is just as interested in the ways in which political behaviour and identities are shaped (or more harshly delimited) by institutions of dictatorship, tribalism, militarism, one-party states or religious republics. The conduct of international politics (whether in relation to trade, migration, security or peacekeeping) across such very different institutional orders presents both politicians and researchers with formidable challenges.

So we have established the varied and dynamic nature of political institutions and introduced some of the ways in which they shape political behaviour. But what explanatory purchase does *institutionalism* give us over political phenomena that we may be missing when using other approaches? Guy Peters (2005: 164) summarizes the core proposition:

> The fundamental issue holding all these various approaches... together is simply that they consider institutions the central component of political life. In these theories institutions are the variable that explain political life in the most direct and parsimonious manner, and they are also the factors that themselves require explanation. The basic argument is that institutions *do* matter, and that they matter more than anything else that could be used to explain political decisions.