

Policy-making

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Reader's guide

The process related to policy-making touches the core function of democratic politics, namely the elaboration and discussion of policy solutions to societal problems. This chapter provides a theoretical entrée to the analysis of policy-making and identifies potential determinants of policy choices. It pursues two core objectives. First, it intends to familiarise the readers with the general concept of the policy cycle, which helps to focus more specifically on the relevant actors and institutions. Second, it outlines the most crucial domestic and international factors shaping the design of domestic policies. To demonstrate the relevance of the introduced theoretical arguments and analytical concepts, the chapter further presents some empirical findings.

Introduction

Policies follow a particular purpose: they are designed to achieve defined goals and present solutions to societal problems. More precisely, policies are government statements of what it

intends to do or not to do, including laws, regulations, decisions, or orders. Public policy, on the other hand, is a more specific term, which refers to a long series of actions carried out to solve societal problems (Newton and van Deth 2010: 282). Hence, (public) policies can be conceived of as the main output of political systems (see Figure I.1 in the Introduction to this volume). But how are public policies actually made? Which factors determine their shape?

The classic policy analysis literature approaches these questions by using policy typologies as ‘analytical shortcuts’ for the underlying process (cf. Anderson 2003; Howlett and Ramesh 2003). The most influential typology has been developed by Theodor J. Lowi (1964), who distinguishes between (1) **distributive policies** relating to measures which affect the distribution of resources from the government to particular recipients, (2) **redistributive policies** which are based on the transfer of resources from one societal group to another, (3) **regulatory policies** which specify conditions and constraints for individual or collective behaviour, and (4) **constituent policies** which create or modify the states’ institutions. The typology’s main objective is to offer scholars support in building more specific theories since each of these four policy types is related to a varying degree of costs and potential opposition when the governments seek to modify the *status quo*.

These considerations about costs and benefits are even more systematically addressed by James Q. Wilson’s (1973, 1989, 1995) typology. The author distinguishes between policies on the basis of whether the related costs and benefits are either widely distributed or narrowly concentrated. Each of the four possible combinations yields different implications for policy making. When both costs and benefits of a certain policy are widely distributed, a government may encounter no or only minor opposition, indicating majoritarian politics as the likely outcome. When, by contrast, both costs and benefits of a certain policy are concentrated, a government may be confronted with opposition of rivalling interest groups, which signals interest group politics. If costs are, however, concentrated and benefits

diffused, a government may encounter opposition from dominant interest groups. In this case, entrepreneurial politics are the probable outcome. This implies that policy change requires the presence of ‘political entrepreneurs’ who are willing to develop and put through political proposals despite strong societal resistance. The fourth and final scenario consists of a situation in which costs are diffuse and benefits concentrated. In such a case, governments are likely to be confronted with a relevant interest group that is favourable to its reform endeavour, indicating that clientelistic politics is the likely outcome.

The addressees’ opposition or consent to policy options surely represents a central aspect in the analysis of policy-making. Furthermore, both typologies deserve credit for having introduced the notions of costs and benefits related to the policy alternative. Yet, we argue that we can raise the analytical leverage of policy analysis by focusing more explicitly on the political processes. This **politics perspective** involves scrutinizing the roles of the executive and legislative branches of government. Moreover, it implies the employment of sophisticated theories of decision-making and the exploration of policy-making structures for understanding how besides political and institutional forces, social and economic interests shape the content of policies. From this it follows, that the politics perspective enables a more refined definition of the costs and benefits related to a given policy option. Consequently, studying policy-making in terms of comparative politics can significantly enhance our scientific understanding (see Chapter 22). Additionally, by providing the possibility of disaggregating of the policy-making process along various politics stages, this perspective allows for analyzing the effects of new political developments, such as internationalization.

BOX 20.1 Types of policies

Lowi’s typology (1964)

Type of policy	Definition	Examples
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Regulatory policies	Policies specifying conditions and constraints for individual or collective behaviour	Environmental protection; migration policy; consumer protection
Distributive policies	Policies distributing new resources	Agriculture; social issues; public works; subsidies; taxes
Redistributive policies	Policies modifying the distribution of existing resources	Land reform; progressive taxation; welfare policy
Constituent policies	Policies creating or modifying the states' institutions	Changes of procedural rules of parliaments

Wilson's typology (1973, 1989, 1995)

	Costs		Benefits	
	Concentrated		Diffuse	
<i>Concentrated</i>	Interest group politics ('zero sum game')		Entrepreneurial politics	
<i>Diffuse</i>	Client politics ('iron triangles')		Majoritarian politics	

KEY POINTS

- ❑ Policies are the outputs of the political system; they come along in different forms, including laws, regulations, or rules.
- ❑ The policy analysis literature relies on policy typologies as 'analytical shortcuts' for grasping the costs and benefits related to a certain policy option. Based on the respective magnitude of these two parameters, expectations about the likelihood of promulgating new policies are formulated.
- ❑ By studying the policy-making process from a comparative politics perspective, we gain a fuller understanding of the causes and consequences of policy decisions.

Conceptual models of policy-making

What would an ideal policy look like? What is the best policy design that can be achieved? Both questions are crucial to policy-making. The first one refers to the functionality of a policy to be formulated, i.e. which design a particular policy should have in order to meet an *ex ante* defined goal. The second one touches upon the constraints that appear when policies are actually made. These are principally given by politics, i.e. the process by which the actors involved make decisions. Therefore, it is essential for our purpose to examine how politics shapes policies.

There are a number of conceptual models that help to clarify our understanding of the relationship between politics and policies. The major models that can be found in the literature are (1) the institutional model, (2) the rational model, (3) the incremental model, (4) the group model, (5) the elite model, and (6) the process model. These models are not competitive but rather complementary as they focus on different aspects of political life, and hence concentrate on separate characteristics of policies (Dye 2005: 12).

The main implication of these models is that they make different assumptions about the importance of the actors involved—institutions, politicians, bureaucrats, interest groups, and the public—and their rationality. If we conceive of policy-makers as entirely rational actors that search for maximizing solutions to policy problems, our analytical focus would rather be on the quality of available information, decision procedures, etc. If we, however, model policy-makers as imperfectly rational actors, the research interest should rather shift to the role of other aspects, such as mechanisms of finding compromises. We now shortly explain these models—except the process model, which we address in the next section—to provide an initial theoretical access to policy-making.

Institutional model

For a long time, the central interest of political science was on how institutional arrangements

influence the content of policies (cf. March and Olsen 1984, 2008; Weaver and Rockman 1993*b*). The analytical focus of the institutional model is hence primarily on the balance between executives and legislatures, which show notable variation across political systems (cf. Lijphart 1999). From the institutional perspective, policies are formulated and implemented exclusively by these institutions. In consequence, policy-making is seen as a smooth and largely technical process in which all relevant institutions participate. All the intra-institutional processes, however, remain a ‘black box’.

Rational model

First developed in the field of economic analysis, the rational model of decision-making formulates guidance on how to secure ‘optimal’ policy decisions, implying that no other alternative is better according to the decision-makers’ preferences (Shepsle and Bonchek 1997: 25). The rational model is also associated with a particular mode of learning, namely the concept of Bayesian learning. According to this perspective, governments update their beliefs on the consequences of policies with all available information about policy outcomes in the past and elsewhere and choose the policy that is expected to yield the best results (Meseguer Yebra 2009).

Rational policy-making involves a number of demanding assumptions. For example, policy-makers are expected to have perfect information, which has provoked strong criticism (Simon 1955, 1957). Despite this central point of criticism, the rational model remains important for analytical purposes as it helps to contrast ideal policy decisions with actual ones. By assuming that all political actors behave rationally, i.e. reduce costs and maximize benefits, it also provides the starting point for public choice approaches to policy-making. Public choice theory examines the logic and foundation of actions of individuals and groups that are involved in the policy-making process. In this regard, the main objects of analysis are voting behaviour and party competition, coalition and government formation, the

involvement of interest groups and bureaucracy in policy-making (cf. Mueller 2003 for an overview).

Along the same lines, the rational model is related to game theory, which serves for analyzing decisions in situations in which two or more rational players interact, and where the outcome depends on the choices made by each (cf. McCarthy and Meirowitz 2007). Since game theory allows for systematically modelling the interaction of policy actors, it represents an instructive way of examining the outcomes of policy-making in areas that are affected by externalities, such as trade or environmental policy (cf. Lusztig et al. 2003; Bechtel and Tosun 2009).

Incremental model

Incrementalism emerged as a response to the rational model. Rather than an ideal, it purports to be a realistic description of how policy-makers arrive at their decisions (Lindblom 1959, 1977; Wildavsky 1964). This is related to its foundation on 'bounded rationality', i.e. an alternative concept to rational choice that takes into account the limitations of both knowledge and cognitive capacities of decision-makers. Generally, incremental decisions involve limited changes to existing policies (Anderson 2003: 123).

Similar to rational learning, there is also a concept of bounded learning. In that case, governments likewise engage in information-gathering activity but do not scan all available experience. Instead, they use analytical shortcuts and cognitive heuristics to process the information (cf. Weyland 2006). An example of such heuristics is the adoption of policies from countries that are considered to be particularly successful (cf. Braun and Gilardi 2006).

The Achilles heel of the incremental model is that it does not explain how decision-makers arrive at these incremental adjustments. In response to this central shortcoming, Jones and Baumgartner (2005) propose a model of choice that combines incrementalism and punctuated equilibrium theory. This approach states that political processes are generally

characterized by stability and incrementalism, but occasionally produce large-scale departures from the past. By employing data on governmental processes in the United States, Belgium, and Denmark, Baumgartner et al. (2009) show that incrementalism is an empirical reality.

Group model

Group theory hypothesizes that policies are the result of an equilibrium reached in group struggle, which is determined by the relative strength of each interest group (Truman 1951; Latham 1965). Groups can be distinguished concerning several aspects, such as income, membership size, membership density and recruitment, organizational aspects, sanctioning mechanisms, and aspects of leadership (Newton and van Deth 2010: 170). Consequently, changes in the relative strength of the individual interest groups involved may trigger policy change.

More generally, group theory presupposes that policy-makers are constantly responding to group pressures, which motivates politicians to form majority coalitions for which they have the competence to define what groups are to be included (Dye 2005: 21). The potential effect of groups for policy-making depends on the particular political structures. In (neo-)corporatist systems, for instance, economic interests are strongly integrated in policy-making (Schmitter and Lehbruch 1979). Pluralist systems, by contrast, are a market place in which individuals, political parties, and interest groups compete for influence over policy domains. This model assumes equal access to the policy-making arena, the fragmentation of the market place, a competitive process for determining policies, and the neutrality of government (Thomas 1993).

Elite model

Related to group theory is the view that policy-making is determined by the preferences of governing elites (Mills 1956). The elite model is more specific in a sense as it claims that the

electorate is generally poorly informed about policies and that the elites shape the public opinion on policy questions. In this way, the elite model mainly highlights the potential source of bias in policy-making in terms of the adoption of policy alternatives that rather correspond to the preferences of the elite than of the general public. This view, however, contradicts the popular median voter theorem, which conveys that—under the condition that simple majority rule is used—opinion held by the median voter will become the policy decision (Black 1948; Downs 1957).

KEY POINTS

- ❑ The conceptual models represent starting points for the analysis of policy-making.
 - ❑ The models vary regarding their perception of policy-actors as either fully or partly rational.
 - ❑ The models also differ concerning their focus on either political institutions, actors, or both.
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Analysing policy-making as a process: the policy cycle

What are the main characteristics of policy-making? Basically, three features can be identified. First, policy-making occurs in presence of **multiple constraints**, e.g. shortage of time and resources, public opinion, and of course the constitution. Secondly, policy-making involves the existence of **various policy processes**. Governments are not unitary actors but consist of different departments that overlap and compete with each other. Thirdly, these policy processes form an **infinite cycle of decisions and policies**. Current policy decisions are not independent of decisions taken before, and policies under discussion today may have ‘knock-on effects’ leading to further policies tomorrow (Newton and van Deth 2010: 266).

Given these characteristics, it is convenient to conceive of policy-making as a process model, which is also often labelled **policy cycle** (Lasswell 1956). It models the policy process

as a series of political activities, consisting of (1) agenda setting, (2) policy formulation, (3) policy adoption, (4) implementation, and (5) evaluation. Each policy cycle begins with the identification of a societal problem and its placement on the policy agenda. Subsequently, policy proposals are formulated, from which one will be adopted. In the next stage, the adopted policy is taken to action. Finally, the impacts of the policy are evaluated. This last stage leads straight back to the first, indicating that the policy cycle is continuous and unending. This sequential model of the policy cycle represents a simplification. In the real world different political actors and institutions may simultaneously be involved in single processes. Yet the policy cycle provides a useful heuristic for breaking policy-making into different units to illustrate how policies are actually made.

Fig. 20.1 The policy cycle

Agenda setting

The first stage in policy-making refers to the identification of a societal problem requiring the state to intervene. There are many societal problems, but only a small number will be given official attention by legislators and executives. Those that are chosen by the decision-makers constitute the policy agenda. Setting the agenda is therefore an important source of power as it is policy consequential, i.e. legislative institutions grant an advantage to the first movers as compared to the second movers (Shepsle and Weingast 1987). The factors determining whether an issue reaches the agenda may be cultural, political, social, economic, or ideological (cf. Schattschneider 1960; King 1973; Howlett and Ramesh 2003: ch. 5 for an overview). Further, the ability to exclude societal problems from the policy agenda and to realize the occurrence of ‘non-decisions’ is an important source of policy-shaping power (Bachrach and Baratz 1962).

Cobb *et al.* (1976) distinguish between three basic policy initiation models:

1. The **outside-initiative model** refers to a situation where citizen groups gain broad public

support and get an issue onto the formal agenda.

2. The **mobilization model** describes a situation in which initiatives of governments need to be placed on the public agenda for successful implementation.
3. In the **inside-initiation model**, influential groups with access to decision-makers present policy proposals, which are broadly supported by particular interest groups but only marginally by the public.

On the basis of these considerations, Kingdon (1995: 19) defines agenda setting as ‘three process streams flowing through the system—streams of problems, policies, and politics. They are largely independent of one another, and each develops according to its own dynamics and rules. But at some critical junctures the three streams are joined, and the greatest policy changes grow out of that coupling of problems, policies, and solutions.’

The result of the convergence of the three streams is the opening of a ‘policy window’, which allows advocates of a certain issue to put it on the policy agenda. Similar to the **garbage can model** (Cohen *et al.* 1972), Kingdon’s conception of agenda setting emphasizes the relevance of chance, and therefore qualifies the view that agenda setting represents rational behaviour.

Baumgartner and Jones (1993) modified Kingdon’s model by extending it to the notion of ‘policy monopolies’, in which particular subsystems control the interpretation of a problem. These subsystems comprise both governmental and societal actors. The members of specific subsystems seek to change policy images in order to weaken the stability of existing policy arrangements. In doing so, the subsystem members can either publicize a problem and encourage the public to demand its resolution by government (‘Downsian strategy’), or they can modify the institutional arrangements within which the subsystem operates (‘Schattschneider strategy’).

In most cases, the policy agenda is set by four types of **actors**: (1) public officials, (2) the

bureaucracy, (3) the mass media, and (4) the interest groups (Gerston 2004: 52). Elected public officials, e.g. the president, the parliament, the ministries and courts, are the most obvious agenda-setters. However, actual agenda setting is related to the larger political game in terms of power and the intensity of ideological conflict both within and between the (coalition) government and parliament. Consequently, there exists a considerable variation in the rules and practices of agenda setting—even in the relatively similar Western European polities (Döring 1995: 224).

Originally, the potential impact of the bureaucracy on agenda setting was proposed by William A. Niskanen (1971). His economic model of bureaucratic behavior assumes that bureaucrats impose upon a passive legislature their most preferred policy alternative from among the set of alternatives that dominate the status quo. While theoretically plausible, empirical studies (cf. Hammond 1986) reveal that bureaucrats can influence the policy agenda but certainly not impose their most preferred alternative on the voting bodies.

Agenda setting is also frequently associated with the role of mass media (McCombs and Shaw 1972), involving issues of ‘faming’ and ‘priming’ (cf. Scheufele and Tewksbury 2006). Since not all issues covered by the media reach the policy agenda, there must be an additional explanatory variable.

This leads us to the fourth source of agenda-setting power: interest groups. Agenda-setting theory generally requires advocates to expand interest in a particular issue or policy (Cobb and Elder 1972). That interest groups place issues on the public agenda seems to be indisputable. However, the question emerges whether and to what extent their interests are compatible with public needs. Most importantly, the success of various interest groups depends on those in positions of power, indicating the presence of an interaction effect.

Over the years, research on agenda setting has become increasingly sophisticated and addresses an ever-growing range of questions. Various scholars ask, for instance, how

political representation affects agenda setting (cf. Jones and Baumgartner 2004; Penner *et al.* 2006). Another aspect is about the role of political parties for agenda setting (cf. Walgrave *et al.* 2006; Green-Pedersen 2007). A further fashionable perspective on agenda setting scrutinizes the effects of experts and the scientific community (Timmermans and Scholten 2006).

Policy formulation

The second stage in the policy cycle—policy formulation—involves the definition, discussion, acceptance, or rejection of feasible courses of action for coping with policy problems. Policy formulation is strongly related to policy adoption—the subsequent stage here. Generally speaking, policy formulation deals with the **elaboration of alternatives of action**, whereas policy adoption refers to the **formal acceptance** of a policy.

Policy formulation takes place within the broader context of technical and political constraints of state action. The political constraints can be either substantive (i.e. related to the nature of the societal problem to be solved) or procedural (i.e. related to institutional and tactical issues) (Howlett and Ramesh 2003: 147–8).

BOX 20.2 Formulating policy

Thomas R. Dye (2005: 42)

Policy formulation occurs in government bureaucracies; interest group offices; legislative committee rooms, meetings of special commissions; and policy-planning organizations otherwise known as ‘think tanks’. The details of policy proposals are usually formulated by staff members rather than their bosses, but staffs are guided by what they know their leaders want.

This phase involves a large number of actors. Basically, it brings the relationship between executives and legislatures to the forefront. To be sure, there is good reason to believe that

there is a dominance of executives over legislatures and parties. Executives can rely on more resources than parties and their representatives in the legislature. This view is, however, challenged by the comparative analysis of legislative activity in Belgium, France, Germany, and the United Kingdom by Bräuninger and Debus (2009), which shows that legislatures are also highly involved in the process of policy formulation.

The role of ministerial bureaucracies and top civil servants in policy formulation was predominantly the focus of earlier studies (cf. Dogan 1975). More recent analyses (cf. Jann and Wegrich 2006), highlight that policy formulation can rather be conceived as a more or less rather informal process of negotiations between ministerial departments and interest groups. Consequently, interest groups play a major role in policy formulation as they often work with executive and legislative officials to develop a policy draft. They may especially play a big part in formulating legislation about complex and technical issues, and when government institutions lack time and staff to cope with such matters (Anderson 2003: 105–7).

Table 20.1 Legislative bills by initiator and country

Country	Government	Government parties	Opposition parties	Government and opposition parties	Total
Belgium	1,010 (19.8%) [90.9%]	1,700 (33.4%) [8.7%]	2,089 (41.0%) [4.2%]	297 (5.8%) [36.7%]	5,096 (100%)
France	1,444 (26.4.1%) [67.9%]	1,867 (34.2%) [5.7%]	2,150 (39.3%) [0.7%]	5 (0.1%) [10.0%]	5,466 (100%)
Germany	1,573	426	658	110	2,767

	(56.9%)	(15.4%)	(23.8%)	(4.0%)	(100%)
	[90.2%]	[79.6%]	[2.0%]	[84.6%]	
UK	519	705	785	16	2,025
	(25.6%)	(34.8%)	(38.8%)	(0.8%)	(100%)
	[95.0%]	[12.6%]	[4.2%]	[93.8%]	

Notes: $N = 15,634$. Figures are numbers of bills introduced by government or (groups of) MPs of lower chamber of parliament. Share of bills by initiator in parentheses; share of successful bills in brackets.

Source: Bräuninger and Debus (2009).

Another aspect refers to the impact of policy advice and scientific knowledge (Martin and Richards 1995). Accordingly, the relevance of ‘think tanks’ for policy formulation is becoming an increasingly popular research topic. In theoretical terms, their functioning is related to ideas about policy networks, epistemic communities and policy learning (Marin and Mayntz 1991; Haas 1992; Stone 2005; Meseguer Yebra 2009).

Policy adoption

In contrast to preliminary stages of decision-making, the final adoption of a particular policy alternative is determined by government institutions and predominantly depends on two sets of factors. Firstly, the set of feasible policies can be reduced by the necessity to build majorities for their approval implying considerations about values, party affiliation, constituency interests, public opinion, deference, and decision rules (Anderson 2003: 126).

In this context, party loyalty is an important decision-making criterion for most members of parliament (cf. Benedetto and Hix 2007 for qualifications). Therefore, party affiliation is central predictor for the likelihood of a member of parliament to approve a policy draft. Another important decision criterion is given by the expected costs and benefits of a policy proposal for the constituency. As a rule, a member of parliament is expected to adopt a policy

option, if the benefits for the constituency prevail, although considerations about reelection might lead to suboptimal policy projects (Weingast *et al.* 1981). Further, considerations about the public opinion also affect policy choices as well as decision rules, values, and perception of deference. Overall, policy adoption should be dominated by bargaining and compromise as purported by the incremental model.

The second set of factors refers to the allocation of competencies between the actors involved in policy-making. Cross-national research concludes that the type of state organization, whether federal or unitary, affects the success, speed and nature of governmental policy-making (cf. Lijphart 1999; Braun 2000). An adequate theoretical underpinning for this aspect offers Tsebelis' (1995, 2000, 2002) concept of 'veto players'. For example, in the French presidential system, 'divided government' can impede policy adoption as there are generally insufficient incentives for political parties to cooperate and build policy-making coalitions. Another illustration is provided by Germany's bicameral legislature, which limits governmental policy-making to the consent of a set of institutional veto players (Tsebelis and Money 1997; Bräuninger and König 1999).

Implementation

Implementation represents the conversion of new laws and programmes into practice. Without proper implementation, policy has neither substance nor significance. Thus, policy success depends on how well bureaucratic structures implement government decisions. At the first glance, implementation appears as an automatic continuation of the policy-making process. Yet there often exists a substantial gap between the passage of new legislation and its application (Pressman and Wildavsky 1973).

Consequently, it is the explicit objective of implementation research to open the 'black box' between policy formation and policy outcomes. To this end, various theoretical approaches were elaborated which Püzl and Treib (2006) divide into three generic

categories:

- Top-down models (cf. Pressman and Wildavsky 1973; Bardach 1977; Mazmanian and Sabatier 1983) primarily emphasize the ability of policy-makers to produce unequivocal policy objectives and control the implementation process.
- Bottom-up models (cf. Lipsky 1971, 1980) regard local bureaucrats as the central actors in policy delivery and view implementation as negotiation processes within networks.
- Hybrid models (cf. Mayntz 1979; Windhoff-Héritier 1980) integrate elements of both previously mentioned models and other theoretical models.

For successful implementation, there must be an entity that is able to translate the policy objectives into an operational framework and that is accountable for its actions (Gerston 2004: 98). Often bureaucracies emerge as principal actors during implementation. In his study of the US bureaucracy, Meier (2000) finds that implementation depends on the policy types proposed by Lowi (1964). When implementing regulatory policies, most agencies are responsive to the communities over which they preside, while distributive policies are implemented with some bureaucratic discretion, with congressional subcommittees and organized interest groups exercising continuous oversight. With redistributive policy, by contrast, little discretion is left to bureaucracy since Congress puts in a lot of effort when designing these policies.

Related to this perspective is the choice of policy instruments, which are perceived to be vulnerable to specific kinds of implementation problems (Mayntz 1979). Yet it is not only the policy type and the instrument choice that determines the likelihood of proper implementation. In federal systems, for instance, implementation efforts may move between and within levels of government (Gerston 2004: 103). If implementation is a matter of horizontal implementation, in which a national legal act must be applied solely by an agency in the executive branch, the number of actors remains low and implementation can be

attained smoothly. The opposite scenario is likely, if vertical implementation is concerned, implying that various segments of the national government must interact with different subnational levels.

The relevance of bureaucracy during implementation reveals a contradictory picture of great interest. On the one hand, bureaucracies are essential for making policies work. On the other hand, senior bureaucrats are often more experienced and better trained than their political masters, which paves the way for ‘bureaucratic drift’ (cf. Grossman and Hart 1983). Hence, a policy might drift towards the liking of bureaucracy and away from what was originally intended by legislation, which is particularly likely to occur in coalition governments (Hammond and Knott 1996).

Evaluation

After a policy is passed by the legislature and implemented by the bureaucracy, it becomes a subject of evaluation. The main question at this stage is whether the output of the decision-making process—a given public policy—has attained the intended goals. Evaluation is often a formal component of policy-making and is commonly carried out by experts who have some knowledge about the processes and objectives pertaining to the issue undergoing review.

Evaluation can be carried out in different ways. In this context, Munger (2000: 20) differentiates between (1) purely **formal** evaluations (monitoring routine tasks), (2) **client satisfaction** evaluation (performance of primary functions), (3) **outcome** evaluation (satisfaction of a list of measurable intended outcomes), (4) **cost–benefit** evaluation (comparison of costs and impacts of a policy), and (5) evaluation of **long-term consequences** (impact on the core societal problem, rather than symptoms alone).

Policy evaluation provides a feedback loop, which enables decision-makers to draw lessons from each particular policy in operation. This feedback loop identifies new problems

and sets in motion the policy-making process once again, creating an endless policy cycle. This turns policy evaluation into a powerful tool of the policy-making process: it possesses the potential to reframe an issue once thought to be resolved by policy-makers, but as we will see it can also lead to the termination of public policies.

The systematic evaluation of a policy—or more specifically of a programme—is generally carried out of scientists. Administrative evaluations are conducted or initiated by the public administration and political evaluation is carried out by diverse actors in the political arena, including the public and the media (Howlett and Ramesh 2003: 210–16). Most government agencies make some effort to evaluate their own policies and programmes. The most common type of evaluation is based on hearings and reports. Another common approach is given by the analysis of citizens' complaints. Occasionally, teams of high-ranking administrators or consultants visit sites and collect impressionistic data about how policies are carried out, or government agencies themselves gather data on policy output measures. Moreover, in some policy fields governmental entities evaluate the performance of certain policies by comparing them with professional standards. However, most policy evaluations are unsystematic and do not satisfy minimal requirements formulated by scientific evaluation research, before and after comparisons (Dye 2005: 335–39). The need for systematic policy evaluation is expected to grow since contemporary concern over the allocation of scarce resources makes it essential to evaluate the effectiveness of policy interventions.

In practice, policy evaluation presents numerous challenges to the evaluators. Citizens and governments alike tend to interpret the actual effects of a policy so as to serve their own intentions. Often governments avoid the precise definition of policy objectives because otherwise politicians would risk taking the blame for obvious failure (Jann and Wegrich 2006). Further, policy decisions cannot be limited to intended effects only. An additional

problem stems from the time horizon: ‘Program circumstances and activities may change during the course of an evaluation, an appropriate balance must be found between scientific and pragmatic considerations in the evaluation design, and the wide diversity of perspectives and approaches in the evaluation field provide little firm guidance about how best to proceed with an evaluation’ (Rossi *et al.* 2004: 29).

The results of the evaluation procedure can also lead to the termination of a certain policy. In theoretical terms, policy termination should be likely when a policy problem has been solved, or if evaluation studies reveal the dysfunctionality of a policy. Nonetheless, the empirical findings show that, once a policy is institutionalized within a government, it is hard to terminate it (Bardach 1976; Jann and Wegrich 2006). This immortality of policies stems from various sources. The most rampant view is that inefficient programmes continue because their benefits are concentrated in a small, well-organized constituency, while their greater costs are dispersed over a large, unorganized group. Additionally, legislative and bureaucratic interests may impede termination. This is related to the concept of incrementalism, which implies that attention to proposed changes focuses on parts of existing policies and not on their entirety (Dye 2005: 344–45).

From this it follows that termination should become more likely if a government experiences some kind of shock, justifying drastic measures, such as economic crises (cf. Geva-May 2004). Another stimulus can be given by supranational policy harmonization for the creation of a common market (cf. Knill *et al.* 2009). Studies of policy termination are therefore primarily concerned with the question why policies continue to exist despite plausible theoretical arguments predicting the exact opposite.

KEY POINTS

- ❑ In analytical terms, it is helpful to view policy-making as a series of political activities encompassing agenda setting, policy formulation, policy adoption, implementation, and

evaluation.

- ❑ The number of actors involved decreases when we move from agenda setting to implementation.
 - ❑ Evaluation is a rather formal component of policy-making and often carried out by experts.
 - ❑ The concept of policy termination analytically complements the policy cycle.
-

COUNTRY PROFILE Russia

Russian Federation (*Rossiyskaya Federatsiya*)

State formation

Independence 24 August 1991 (from Soviet Union).

Constitution 1993.

Form of government

Federation.

Head of state President; term of 4 years (renewable once). There is no vice president; the Prime Minister serves as acting president until a new presidential election is held.

Head of government Prime Minister appointed by the President with the approval of the Duma.

Cabinet Appointed by the President.

Administrative subdivisions 48 oblasts, 21 republics, 7 autonomous okrugs, 7 krays, 2 federal cities, and 1 autonomous oblast.

Legal system

Based on civil law system; judicial review of legislative acts.

Legislature

Bicameral Federal Assembly (*Federalnoye Sobraniye*).

Lower house State Duma (*Gosudarstvennaya Duma*): 450 seats; term of 4 years.

Upper house Federation Council (*Soviet Federatsii*): 178 seats (members appointed by the top officials in each of the 88 federal administrative units); term of 4 years.

Electoral system (lower house)

Mixed system of plurality vote and PR (until December 2007 elections).

Formula 225 seats allocated by plurality in single-member constituencies, 225 seats allocated by PR. From 2007, all seats are to be elected by PR.

Constituencies 225 single-member constituencies and 1 multi-member constituency; from 2007, one multi-member constituency.

Barrier clause 5% nation-wide; from 2007, 7%. A 25% voter turnout is required to validate the poll.

Suffrage Universal, 18 years.

Direct democracy

The constitution provides the possibility for the President to call an extraordinary referendum under procedures established by federal constitutional law.

Party system Results of the 2003 legislative elections (State Duma):

Electorate:	108,404,870	100.0%
Voters:	59,297,970	54.7%

Party	Valid votes	%	Seats
United Russia	22,529,459	38.0	221
Communist Party	7,622,568	12.9	51
Liberal Democratic Party	6,923,444	11.7	37
Homeland Union	5,443,053	9.2	37
Russian Democratic Party (Yabloko)	2,601,549	4.4	4

Union of Right Forces	2,390,868	4.0	3
Agrarian Party of Russia	2,201,806	3.7	3
Russian Pensioners' Party	1,869,729	3.2	1
Rebirth of Russia	1,137,193	1.9	3
People's Party of the Russian Federation	707,434	1.2	16
Others	5,870,867	9.9	74
Total	59, 297, 970	100.0	450

Notes: Category 'Others' includes parties with less than 1% nation-wide and no seats. Seat figures include both 225 district seats (including 74 that were won by non-partisan candidates) and the 225 list seats.

Source: Russian Election Commission.

Institutions, framing, and policy styles

While we scrutinized rather generally the different stages of policy-making in the first section, we now refine our analytical focus and examine how certain structures in different countries can impact policy decisions. In doing so, we concentrate on institutions, cognitive and normative determinants, and national policy styles.

The role of institutions

In a broader sense, we can interpret policy-making as a strategy for resolving societal problems by using institutions. From a rationalist perspective, institutions can structure the interaction of actors and avoid the suboptimal solutions they are given by the prisoner's dilemma. From a sociological point of view, institutions can support cooperation through the provision of moral or cognitive templates (Hall and Taylor 1996).

As policy interventions in democratic systems originate in electoral systems, it is the most essential formal institution when scrutinizing policy-making. Electoral competition is largely

party competition, turning political parties into important actors (see Chapter 13). One of their main functions is to structure and articulate public opinion. Most frequently, political parties are described by a left–right dichotomy, implying that they have diametrically opposed policy preferences. In fact various studies—based on expert judgements as well as content analysis of party manifestoes—found a level of consistency with this dichotomy (Laver and Hunt 1992; Budge and Klingemann 2001; Laver *et al.* 2003; Debus 2007).

Strongly related to this is the relevance of the voting systems, of which we can distinguish between three main types:

- **Plurality-majority systems**, in which the elected candidates get more votes than any other (e.g. United Kingdom).
- **Proportional representation**, in which seats are allocated according to a formula that seeks to ensure proportionality (e.g. Germany).
- **Mixed systems** that combine plurality-majority with proportional representation aspects (e.g. Japan).

Each system has strengths and weaknesses (see Chapters 5, 10, and 13 for further discussions of these models). While the proportional system ensures the representation of all societal groups, including small parties, plurality-majority systems are usually associated with stable and effective governments. These aspects have strong repercussions on the quality of policy-making.

The relationship between legislative and executive is also of crucial importance. In parliamentary models, the executive is a group of ministers elected from the very parliament, while in pure presidential systems the two branches of government are separate. In this context, Lijphart (1999) claims that, despite strong variations among countries, democratic systems tend to fall into two categories: majoritarian and consensus democracies. The majoritarian system—which is generally associated with the United Kingdom, and hence is

also known as the ‘Westminster model’—concentrates power and fuses executive and legislative powers in the classic parliamentary manner (e.g. Colombia, Costa Rica, France, Greece, New Zealand (before 1996)). By contrast, the consensus model focuses on sharing power by separating and balancing executive and legislative power (e.g. Austria, Germany, India, Japan, the Netherlands, and Switzerland). Remarkably, consensus democracies score higher in terms of democratic quality as well as the state’s generosity in social welfare, environmental policy, criminal justice, and foreign aid than majoritarian democracies (Lijphart 1999: ch. 16).

Role of cognitive and normative frames

The concepts of normative and cognitive frames are crucial for explaining how actors understand and interpret policy-making situations. Cognitive frames refer to the schemes through which actors view and interpret the world (Campbell 1998: 382). Normative frames are about values and attitudes that shape the actors’ view of the world (Fischer 2003). Both cognitive and normative frames can enable but also constrain policy action.

Thus, to gain a more comprehensive understanding of policy-making, we need to supplement our analytical framework by normative and cognitive determinants. Although rational motivation may explain the adoption of new policies, cognitive and normative factors may be essential for understanding better the decision-making at each stage of the policy-process (Miller and Banaszak-Holl 2005: 214).

In this context, Sorel (2000) discusses three concepts, i.e. those on **policy paradigms** (Hall 1993), **advocacy coalitions** (Sabatier and Jenkins-Smith 1993; Sabatier 1998), and **referential**. According to Hall (1993), there are certain paradigms present in the real world that imply distinct policy goals. These goals—that are intertwined with the paradigm—then define the choice and specification of instruments. The advocacy coalition framework, by contrast, assumes a similar construct to affect the entire society, which is the ‘deep core’.

Subordinated to it is the ‘policy core’, which refers to the belief systems within a subsystem of public policy. From this perspective, ‘secondary aspects’ are the instrumental decisions that are necessary to implement the policy core. Finally, the *référentiel* equals a paradigm as it comprises values and norms (Surel 2000: 496).

Cognitive and normative frames produce a sense of specific identity. Yet certain actors have a privileged role in policy-making as they generate and diffuse cognitive frames. Since elites and other privileged actors frame policy ideas to convince each other as well as the public, they are important for the adoption of policies (Campbell 1998: 380). This category of actors are ‘policy-brokers’ (Sabatier 1998). Furthermore, frames help to reduce tension and conflict by marking out ‘the terrain for social exchanges and disagreements, rather than simply supporting an unlikely consensus’ (Surel 2000: 502). The relevance of these considerations is, for instance, illustrated by Dobbin (1994), who shows that the differences in how decision makers promoted railway development in the late nineteenth century can be explained by variations in cognitive frameworks.

National policy styles

The concept of policy styles—or also regulatory styles—refers to the routines and choices of actors involved in policy-making and implementation. To a certain extent, this concept takes up the discussion about institutional characteristics (Lijphart 1999) as well as Dyson’s (1980) elaboration on ‘strong’ and ‘weak’ states. Further, it is related to the ideas of ‘policy communities’ and ‘administrative culture’ (van Thiel 2006: 118). The objective of this section is therefore to elucidate that for the analysis of policy-making nations matter.

Richardson (1982) distinguishes policy styles along two dimensions. The first dimension is about how policy-makers respond to the issues on the policy agenda. Do decision-makers anticipate societal problems (technocratic approach), or do they merely react to them (diplomatic approach)? The first notion presupposes that the government is perfectly

informed and able to foresee and forestall policy problems before they become critical. By contrast, the second notion about the government's approach is built around the concept of imperfect information and hence seems to be more realistic. The second dimension is about the relative autonomy of the state *vis-à-vis* other actors involved in policy-making and implementation. Here, the question is whether decision-makers seek to ensure consensus among the parties involved, or whether they simply impose their decisions on the executing actors.

The abovementioned dimensions correspond to Van Waarden's (1995) typology of regulatory styles, which comprises six sub-dimensions that refer to the 'what', 'how', and 'who' questions of policy-making:

1. Liberal-pluralist versus étatist versus corporatist style: the first style prefers 'market' solutions to policy problems, while étatism implies a preference for 'state solutions'. Corporatism, by contrast, favours 'associational' solutions to policy problems.
2. Active versus reactive styles: active styles are higher in their degree of intensity, radicalism, and innovation as compared to reactive ones.
3. Comprehensive versus fragmented or incremental styles: comprehensive policies are integrated into larger plans, while the latter are not.
4. Adversarial versus consensual paternalistic styles: the first type strongly relies on coercion and imposition, while the latter is based on consultation.
5. Legalistic versus pragmatic styles: legalistic styles are characterized by formalism, detailed regulation, and rigid rule application. The pragmatic style, on the other hand, is informal and flexible in both policy formulation and implementation.
6. Formal versus informal network relations between state agencies and organizations of state agencies.

Altogether, policy styles provide an analytically useful concept for determining the design

of policies (Howlett 1991; Arentsen 2003) and the mode of implementation (Freeman 1985). Yet, assessing the extent of impact of national policy styles augers for systematic comparative analysis. Richardson's (1982) volume itself, however, could not deliver empirical evidence for existence of national policy styles. By contrast, Bovens *et al.* (2001) present evidence that different national policy styles affect how policies are formulated. Most importantly, policy styles in some countries tend to be more stable and clearly defined than are those of others, even though very much also seems to depend on the policy sector.

Fig. 20.2 Richardson's (1982) typology of policy styles

*Concerning financial regulations, the French style is anticipatory.

Source: Based on Bovens *et al.* (2001: 645–7).

In sum, we can conclude that the notion of national policy styles is not unproblematic. One central flaw refers to the lacking attention paid to policy change over time. Consequently, we should rather refer to national policy styles as another heuristic tool but not as explanatory factors.

KEY POINTS

- ❑ Policy-making can be thought of as a strategy for resolving societal problems by using institutions.
 - ❑ Cognitive and normative framing fulfils important functions during the policy-making process and therefore complements the politics perspective.
 - ❑ Similar to the policy cycle, the concept of national policy styles serves as a useful heuristic tool for elaborating more specific theoretical explanations.
-

International factors for domestic policy-making

In this section, we concentrate on the impact of international factors on domestic policy-making. The notion that countries do not constitute independent observations has been known

for a long time in comparative politics, and became discussed as ‘Galton’s problem’ (Braun and Gilardi 2006; Jahn 2006; Chapter 3). This recognition has led researchers to scrutinize more carefully the link between domestic processes and the international arena (Risse-Kappen 1995). The concepts of policy diffusion and transfer and the analysis of cross-national policy convergence provide an ideal basis for shedding light on the role of international factors (see also Chapter 22 on these concepts).

Theories of policy diffusion, policy transfer, and cross-national policy convergence

Diffusion is generally defined as the socially mediated spread of policies across and within political systems, including communication and influence processes which operate both on and within populations of adopters (Rogers 1995: 13). Diffusion studies typically start out from the description of adoption patterns for certain policy innovations over time. Subsequently, they analyze the factors that account for the empirically observed spreading process (cf. Gilardi 2008).

Regarding domestic politics, diffusion mainly affects the stages of agenda setting, and to a lesser degree policy formulation. The likelihood of adopting a diffusion policy increases if the proposal originates from a country that is culturally similar to the receiving country (Strang and Meyer 1993; Strang and Soule 1998). This, however, does not reduce the relevance of domestic factors, such as considerations about values, party affiliation, constituency interests, public opinion, and decision rules. Along these lines, Lenschow *et al.* (2005), for instance, argue that the extent to which a policy innovation is accommodated by a given country can be explained by three aspects: institutional, cultural, and socio-economic factors.

Transfer can best be described as ‘processes by which knowledge about policies, administrative arrangements, institutions and ideas in one political system (past or present) is

used in the development of policies, administrative arrangements, institutions and ideas in another political system' (Dolowitz and Marsh 2000: 5). It is not restricted to merely imitating policies of other countries, but can also include profound changes in the content of the exchanged policies, leading to four forms (Rose 1991, 1993; Dolowitz and Marsh 2000: 13):

- Copying (direct and complete transfer).
- Emulation (transfer of the ideas behind the programme).
- Combinations (mixture of different policies).
- Inspiration (final policy does not draw upon the original).

The focus of transfer studies is on the analysis of the specific processes and factors that influence the way and degree to which one country learns from other countries with regard to policy-making in a certain area. Here again domestic factors come into play—it is important which actors engage in transfer, which negotiation power they possess, and whether they can build a supportive coalition. Another aspect for the success of a policy import might be its regulatory legitimacy (Majone 1996: ch. 13). It is indeed reasonable to hypothesize that some countries have more problems in regarding external policy proposals as legitimate than others.

Diffusion and transfer share a number of assumptions, for example, that governments do not learn about policy practices randomly, but rather through common affiliations, negotiations, and institutional membership (Simmons and Elkins 2004). Both transfer and diffusion processes hence require that actors are informed about the policy choices of others (Strang and Meyer 1993: 488).

Both transfer and diffusion represent processes that might result in policy convergence, which can be defined as 'any increase in the similarity between one or more characteristics of a certain policy (e.g. policy objectives, policy instruments, policy settings) across a given set

of political jurisdictions (supranational institutions, states, regions, local authorities) over a given period of time' (Knill 2005: 768). It has close proximity to the concept of isomorphism which has been developed in organization sociology and is defined as a process of homogenization that 'forces one unit in a population to resemble other units that face the same set of environmental conditions' (DiMaggio and Powell 1991: 66).

As regularity, processes of transfer and diffusion do not necessarily lead to converging policy outputs. This would imply that policy ideas were equally transposed into domestic policy proposals, and subsequently adopted through the same or at least similar political processes. Admittedly, this is an unrealistic scenario. How can we explain similar policies across different countries otherwise? Apparently, there are different sources of international influence with a varying degree of constraints on domestic policy-making.

International sources that affect domestic policy-making

Internationalization does not only affect policy sectors that are generally associated with externalities, e.g. environmental policy, but also policy fields with no immediate international connection, e.g. social policy (cf. Jahn 2006). Yet, internationalization is a highly complex phenomenon with varying effects on different policy sectors and states. To disentangle the mechanisms behind internationalization, we rely on the concepts introduced by Holzinger and Knill (2005), who distinguish between (1) imposition, (2) international harmonization, (3) regulatory competition, and (4) transnational communication.

Imposition—sometimes also labelled 'coercive isomorphism' (DiMaggio and Powell 1991), or 'penetration' (Bennett 1991)—occurs whenever an external political actor forces a government to adopt a certain policy. This presupposes asymmetry of power, and often policy adoption is accompanied by an exchange of economic resources. Policies can either be unilaterally imposed on a country by another, or imposition can occur as a condition of being part of an international institution (Dolowitz and Marsh 2000: 9). Unilateral imposition

happens rarely and only in extreme situations, such as wars. Conditionality, on the other hand, can be observed more frequently, as where applicant countries for membership in the European Union have to adopt the entire *acquis communautaire*, i.e. the total body of European law accumulated thus far. Imposition implies that the country forced to adopt a certain model has not much choice in modifying the policy. In such cases, domestic politics are mainly bypassed.

International harmonization refers to a situation in which member states voluntarily engage in international cooperation, and hence corresponds to ‘negotiated transfer’ (Dolowitz and Marsh 2000: 15). This mechanism implies that countries comply with uniform legal obligations defined in international or supranational law. International harmonization presupposes the existence of interdependencies or externalities which push governments to resolve common problems through cooperation within international institutions, thus sacrificing some independence for the good of the community (Drezner 2001: 60). Once established, institutional arrangements will constrain and shape domestic policy choices (Martin and Simmons 1998: 743).

BOX 20.3 International harmonization and domestic politics

Bernstein and Cashore (2000: 79–80)

The importance of domestic politics is largely limited along this path to the stage of rule creation/ratification and to the decision of whether to comply or not in specific circumstances. In the two-level game of international negotiations, governments balance, and sometimes play off, the interests of their negotiating partners and domestic constituencies. Domestic policy-making structures are also important when states require domestic ratification of international agreements or implementing legislation.

However, once rules are in place, assuming states view them as legitimate, they create a ‘pull toward compliance’ regardless of domestic political factors. Contravening the rule could

result in costly disputes in international adjudication bodies or domestic courts or sanctions of various sorts. It could also erode the legitimacy of other related rules that a state may want others to obey or, in utilitarian terms, erode general reciprocity that creates a broad incentive to obey international rules in the long run. The rule also becomes a resource on which transnational and/or coalitions of domestic actors can draw when governments do not comply. For example, they can publicize non-compliance, pressure governments to live up to their commitments or press governments to launch disputes against other countries which do not fulfil their obligations.

The mechanism of regulatory competition is closely related to the notion of internationalization as economic globalization. It is expected to homogenize the countries' policies when these are mutually faced with competitive pressures. The competitive pressure arises from (potential) threats of economic actors to shift their activities elsewhere, inducing governments to lower their regulatory standards. In this way, regulatory competition among governments may lead to a race to the bottom in policies (Drezner 2001: 57-9; Simmons and Elkins 2004).

Theoretical work, however, suggests that there are a number of conditions that may drive policy in both directions (Vogel 1995; Scharpf 1997*d*; Holzinger 2002, 2003). In this context, often a distinction is made between product and production process standards (Vogel 1995; Scharpf 1997*d*; Holzinger 2008). In the case of production standards, we find a widely shared expectation that states will gravitate towards the policies of the most *laissez-faire* country (Drezner 2001). If the regulation of production processes implies an increase in the costs of production, potentially endangering the international competitiveness of an industry, regulatory competition will generally exert downward pressures on economic regulations (Hahn 1990; Scharpf 1997*d*: 524).

Expectations are yet less homogeneous for product standards. While industries in both

low-regulating and high-regulating countries have a common interest in harmonization of product standards to avoid market segmentation, the level of harmonization can hardly be predicted without the examination of additional factors. Most important in this context is the extent to which high-regulating countries are able to factually enforce stricter standards, e.g. through the erection of exceptional trade barriers (Vogel 1995; Scharpf 1997*d*).

So far, most empirical findings for different policy sectors, such as environmental and social policy, do not support the race to the bottom scenario but rather give hints for the occurrence of a race to the top, i.e. upward ratcheting of regulatory standards (see Chapter 21 on the welfare state and Chapter 22 on the impact of public policies).

Transnational communication consists of a number of mechanisms, which are purely based on communication among countries, namely lesson-drawing, transnational problem-solving, emulation, and the transnational promotion of policy models. Lesson-drawing refers to constellations of policy transfer in which governments rationally utilize available experience elsewhere in order to solve domestic problems (Rose 1991). Transnational problem-solving is also based on rational learning. It is driven by the joint development of common problem perceptions and solutions to similar domestic problems as well as their subsequent adoption at the domestic level. In doing so, transnational elite networks or epistemic communities, international institutions, and common educational and normative backgrounds play an important role in forging and promulgating transnational problem-solving (DiMaggio and Powell 1991; Haas 1992; Elkins and Simmons 2005).

Emulation, on the other hand, is motivated by the desire for conformity with other countries rather than the search for effective solutions to given problems. States might sometimes copy the policies of other states simply to legitimate conclusions already reached (DiMaggio and Powell 1991; Bennett 1991). Finally, policy adoption can be driven by the active role of international institutions, for example, the European Union, that are promoting

the spread of distinctive policy approaches they consider particularly promising (Keck and Sikkink 1998).

Similar to all the other mechanisms, the effects of transnational communication strongly depend on mediation by domestic politics (Radaelli 2005). Thus, as concerns the national effect of these mechanisms of internationalization, we must conclude that the political context matters (Steinmo *et al.* 1992). As already argued for policy diffusion, it can be expected that if the cultural, institutional, or socio-economic similarity between communicating countries and international institutions is high, the adoption of the corresponding policy proposals should become more likely. Another strategy for enhancing the likelihood of policy adoption is given by the infiltration of the domestic policy-making process, e.g. by penetrating domestic policy networks (Bernstein and Cashore 2000: 83).

Empirical illustration

In this final section we enliven the points raised above and show that internationalization is a relevant factor for explaining domestic policy-making. As this has increasingly been recognized by scholars, there is a considerable body of empirical literature, which we, however, cannot discuss in extent here (but see Heichel *et al.* 2005 for a systematic overview). Therefore, we rather limit ourselves to the presentation of some selected empirical examples.

Policy diffusion

Guler *et al.* (2002) show that the adoption of ISO 9000 quality certifications can be explained by diffusion theory and isomorphism. Their results support the hypothesis that states as well as foreign multinationals are involved in coercive isomorphism. Additionally, the authors highlight the importance of mimetic isomorphism and policy imitation.

Concerning the diffusion of pension privatization, Brooks (2005) suggests that national policy decisions are strongly interdependent on policy actions undertaken by peer nations, i.e.

countries that are structurally comparable and that participate in the same economic and political organizations. This finding matches with the study by Simmons and Elkins (2004) on the spread of models foreign economic policy-making. The authors show that economic competition and the policies of a country's socio-cultural peers determine the adoption of liberal economic models. Gilardi's (2008) study of independent regulatory agencies further complements the empirical picture by highlighting how the domestic institutional context matters for transnational diffusion processes.

Policy transfer

Dolowitz (1997) uses the policy transfer framework for explaining the enactment of the Social Security Act in 1989. The government's motivations for policy transfer were (1) growing public concern over high level of unemployment, hence problem pressure, (2) electoral uncertainty, related to the threat of electoral defeat, (3) competition pressure, and (4) perceived dysfunctionality of the existing system. In response to these challenges, the British government transferred core elements of the American and Swedish welfare-to-work systems.

Jones and Newburn (2002) clarify the impact of the United States on recent developments of British crime control policy. Also dealing with the United Kingdom, Pierson (2003) scrutinizes the policy transfer between the British and the Australian Labour Party in terms of welfare-to-work systems and student funding during the 1990s. He finds that the main driving force behind policy transfer was learning. Lavenex (2002) shows how Central and Eastern European candidate countries have transferred refugee policy from the European Union. While domestic factors explain variation with regard to the timing of the countries' implementation of asylum laws and the general asylum practice, the principal mechanism is represented by conditionality.

Policy convergence

Holzinger *et al.* (2008) analyze the development of forty environmental measures across twenty-four countries between 1970 and 2000, by concentrating on international economic and institutional interlinkages between states. Their results show that in general policy similarity grows considerably from 1970 to 2000, which can be explained in particular by the effects of international harmonization and transnational communication. In a similar vein, Starke *et al.* (2008) scrutinize whether or not OECD welfare states have converged since 1980. The authors find that there is evidence of welfare state convergence of limited magnitude.

KEY POINTS

- ❑ As internationalization is a complex phenomenon, it is useful to approach its underlying mechanisms via the concepts of policy diffusion, policy transfer, and cross-national policy convergence.
- ❑ There are four main mechanisms: imposition, harmonization, regulatory competition, and transnational communication.
- ❑ Empirical findings show that internationalization in fact affects domestic policy-making.

Conclusion

Policy making is extremely complex. Therefore, the first approaches to understanding how policies come about were the so-called conceptual models. They focus on differential aspects of the policy-making process and primarily deal with issues about the actors' power resources and rationality. While these models certainly draw attention to crucial aspects of policy-making, they fall short of providing complete explanations.

More promising is the analysis of policy-making by focusing on the process. Since the number, nature, and interactions of actors change across the single stages, this theoretical disaggregation allows for deriving more clear-cut theoretical expectations. Problem definition

and agenda setting ensure important strategic advantages, turning this stage into a highly competitive one. Many actors participate in the selection of suitable items from an undefined universe of societal problems. Power fragmentation also affects policy formulation and adoption. If the political system is a rather cooperative one, decision-making in the political process remains unchallenging. Otherwise, there can be harmful delays in policy-making.

Once we move from to implementation, the number of involved actors notably decreases. This stage is associated with the dominance of bureaucratic actors over political ones. In the subsequent evaluation stage, the floor is opened to experts and their appraisal of whether a policy performs well or poorly. In some—rare—instances, an evaluation can entail policy termination.

There are, however, also structures present in the political sphere that help to reduce the complexity of policy-making. Institutions, for instance, possess such a function. In a similar vein, cognitive and normative framing mechanisms serve to structuring politics. Finally, the development of routines and particular national policy styles help to establish a stable negotiation framework and therewith ensure the continuity of the policy-making process.

In the final section we learnt that is not exclusively the outcome of domestic bargaining processes. Policy making is also affected by internationalization, implying a variety of stimuli and corresponding reaction patterns. Generally speaking, internationalization can either enable or constrain policy-making. How these effects are translated into policy outcomes depends on domestic policy-making processes.

So far, convincing theoretical work that disentangles the interaction of domestic and international factors is missing. Our knowledge is also limited concerning the evolution of national policy styles and the role of cognitive and normative frames in the presence of international stimuli. Furthermore, we believe that the analysis of policy-making could more systematically be related to political economy. In light of these analytical challenges, we

believe that research on policy making will remain stimulating for scholars of comparative politics.

Questions

1. How can we think of policy-making in terms of theory?
2. In which ways are policy typologies related to the policy-making process?
3. What are the main stages of the policy cycle, and how does this concept enhance our understanding of policy-making?
4. Which actors—societal and political ones—participate, or even dominate, in the single stages?
5. What is the role of political institutions in policy-making?
6. How can we define normative and cognitive frames?
7. What are national policy styles?
8. Which theoretical concepts cope with the effects of internationalization on domestic policy-making?
9. What are the mechanisms behind these concepts? And how do they interact with domestic policy-making?
10. Does internationalization matter empirically?

Further reading

Arce, Moisés (2005) *Market Reform in Society: Post-Crisis Politics and Economic Change in Authoritarian Peru* (University Park, Pa.: Pennsylvania State Press). This is an excellently written in-depth analysis of neo-liberal policy reform in Peru, which combines theory and process tracing in a remarkable way. It is really worth reading—and not only for those interested in Peruvian politics.

Bryce, Herrington J. (2005) *Players in the Public Policy Process: Nonprofits as Social Capital Agents* (Basingstoke: Palgrave Macmillan). This book develops a convincing

framework for scrutinizing the increasing role of non-profits in governance.

Compston, Hugh (ed.) (2004) *Handbook of Public Policy in Europe: Britain, France and Germany* (Basingstoke: Palgrave Macmillan). Gives a comprehensive overview on the content of public policy in Britain, France, and Germany across a wide range of policy fields.

Hill, Michael (2009). *The Public Policy Process*. Harlow: Pearson Longman. A straightforward und up-to-date textbook on policy making with a detailed presentation of the policy cycle.

Munger, Michael C. (2000) *Analyzing Policy: Choices, Conflicts, and Practices* (New York and London: W. W. Norton). This is an accessible and comprehensive introduction to the principles of public-policy analysis from an economics perspective.

Sabatier, Paul A. (ed.) (2007) *Theories of the Policy Process* (Boulder, Colo.: Westview Press). This is the second edition of the remarkable anthology that gives a great overview of theoretical approaches to the study of policy-making.

Web links

www.policyagendas.org

The Policy Agendas Project.

www.fp7-consensus.eu

Confronting Social and Environmental Sustainability with Economic Pressure.

www.uni-konstanz.de/FuF/Verwiss/knill/projekte/envipolcon/project-homepage.php

Environmental Policy Convergence in Europe.

www.defendingscience.org

Project on Scientific Knowledge and Public Policy.

polidoc.net

Political Documents Archive.