Messy Issues, Policy Conflict and the Differentiated Polity: Analysing Contemporary Policy Responses to Complex, Uncertain and Transversal Policy Problems

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Abstract

At present, a surprisingly wide variety of commentators and observers seem to agree that Europeans are failing to tackle urgent policy challenges. As a result, so the argument does, Europeans are falling further and further behind in an increasingly competitive global race. Part of the reason, these commentators believe, is the very nature of policy challenges that face European politicians, policy-makers and citizens. Today's policy problems are messy: underlying causes are rarely known in full, the impacts are complex, and repercussions are likely to spill over into other policy domains or jurisdictions. For this reason, polities across the European continent feature divisive and protracted policy conflicts about how to solve messy policy problems.

This thesis, then, sets out to understand the nature of this policy conflict about messy policy problems in contemporary policy-making contexts. Conventionally, the social sciences explain policy conflict in terms of a clash of self-interested policy actors. Interest-based approaches, however, tell only part of the story. In particular, they entirely omit the impact of ideas, knowledge and world-views on conflicts about messy policy problems. Since, however, "ideas matter" in policy-making, understanding of policy conflict requires analysing the way policy actors clash over ideas and knowledge. This, then, gives rise to the three general research questions of the thesis: is there a way to analyse policy conflict in terms of ideas, knowledge and world-views; what insights into conflict in contemporary European policy domains does such an ideas-based approach offer; and what can the analysis of ideas-driven policy conflict tell us about governance in European policy domains? The thesis addresses these questions in two parts.

Part I of the thesis develops the conceptual framework for policy-oriented discourse analysis designed to analyse conflict about messy policy problems. Chapters 2, 3 and 4 provide both the general conceptual backdrop as well as introduce central concepts and tools used in the discourse-analytical framework. Chapter 2 introduces the idea of the "differentiated polity" by discussing (predominantly British) literature on policy networks and policy communities. The differentiated polity — that is the realisation that contemporary policy-making takes place in functionally segregated and specialised institutional network — provides the institutional setting for the discourse-analytical framework. In turn, Chapter 3 maintained that what goes on between policy actors in policy networks and policy communities is fundamentally argumentative and conflictual. By critically reviewing the so-called "Argumentative Turn in Policy Analysis and Planning", the chapter contributes a range of instruments, concepts and tools that aim to analyse the impact of divergent ideas, knowledge and world-views on contemporary policy processes. In Chapter 4, the thesis discusses five different theories that explain policy processes in terms of the interaction between ideas and institutions: the "Politology of Knowledge" [Nullmeier and Rüb, 1993], the "Multiple Streams Analysis" [Kingdon, 1984, Kingdon, 1995], "Epistemic Communities" [Adler and Haas, 1992], "Advocacy Framework Coalition" [Sabatier and Jenkins-Smith, 1993b], and "cultural theory". This chapter discusses and compares the strengths and weaknesses of each

theory thereby identifying the key concepts and tools deployed in the discourse-analytical conceptual framework.

Chapter 5 develops the conceptual framework for policy-oriented discourse analysis by building in the synergies between different frameworks and theories discussed in Part I of the thesis. The aim here is to capitalise on the mutual strengths of each approach while avoiding the specific weaknesses. The conceptual framework explains policy conflict over messy issues in terms of fundamentally incompatible "perceptual lenses" or policy-frames. Policy actors — networks of individuals that coalesce around a particular policy frame and policy project — use these lenses or frames to make sense of complex and uncertain policy problems. These policy frames, however, are fundamentally biased because they emerge from and legitimate incompatible forms of social organisation. Yet, since frames are irreducible, all knowledge about messy policy issues is inherently relative and partial. The discourse-analytical framework uses the "policy stories" method to reconstruct and compare arguments based on frames in terms of coherent narratives. In this way, the chapter designs a discourse-analytical framework capable of systematic analysing the *scope*, *structure*, and *impact* of policy conflict about messy policy problems.

Part II of the thesis applies the discourse-analytical framework to three distinct policy domains: European transport policy, environmental security and pension reform. Chapters 6, 7, and 8 each feature a similar structure. In each chapter, the analysis uses the policy stories method to gauge the scope of policy conflict by comparing and juxtaposing contending policy stories about the particular issue. Moreover, in each chapter the analysis also explores the structure of policy conflict: here, each chapter scrutinises and compares the areas of agreement and disagreement between each policy story. Last, the chapters also examine the potential impacts of contending policy arguments. This involves scrutinising the contending policy arguments for blind-spots and weaknesses. Given that of policy arguments emerge from frames based in fundamentally incompatible forms of social organisation, the chapters find that ideas-driven policy conflict about complex, uncertain and transversal policy problems is endemic and intractable. Thus, the case studies suggest that a wide scope of policy conflict increases the likelihood of policy debate deteriorating into a "dialogue of the deaf". The inherent selectivity of policy frames, in turn, implies that a narrow scope of policy conflict leaves policy processes vulnerable to unanticipated consequences and policy failure. Chapter 9 applies the conceptual framework to explore the impact of frame-based policy conflict on recent continental European pension reform experiences. Counter to much of the social scientific literature, the chapter shows how widening the scope of policy conflict in European pension reform debates brought about structural changes in continental European pension systems.

The conclusion reviews the argument, evidence and findings of the previous chapters. The frame-based discourse analysis of Part II suggests that inevitable and intractable policy conflict is a valuable, if volatile, resource for dealing with messy policy problems. On the one hand, a wide scope of conflict maximises the pool of potential policy solutions available to policy actors while minimising unanticipated consequences. On the other hand, a responsive policy debate ensures that contending policy actors profit from the critical potential of policy conflict without descending into a dialogue of the deaf. Based on the application of the discourse-analytical framework to three different policy domains, the con-

clusion outlines an agenda for future research. This research will revolve around two main ideas. First, future research will explore the implication of a frame-based analysis of policy conflict for pluralist democracy in Europe. The analysis in the empirical chapters of Part II suggests a positive relationship between policy conflict, policy change and pluralist democracy. A future research agenda will investigate how the discourse-analytical framework can be deployed to refurbish pluralist theory and practice for contemporary policy processes. Second, the future research agenda will also look at how the discourse-analytical framework may be applied to overcoming or mitigating intractable policy conflict about complex, uncertain and transversal policy problems.

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Chapter 1

Introduction: Contending with Policy Mess

In terms of public policy-making, Europeans have got off to an inauspicious start into the 21st century. Creaking welfare states, outdated tax systems, and overly protective labour laws are threatening to stifle economic growth and employment. Environmental problems such as global climate change or transboundary air pollution are likely to leave coming generations with an unsalvageable mess. Inefficient research and development infrastructures mean that Europeans will continue to lag behind the USA and Asia in the development of future technologies. Thorny issues concerning immigration into Europe have fuelled unsavoury behaviour in both host and immigrant populations. In addition to this (far from exhaustive) list of unresolved policy issues, localisation and rapid socio-cultural changes have transformed beyond recognition the contexts for dealing with any policy issue, including old favourites such as unemployment, crime or social policy. If Europeans are to continue enjoying the quality of life they have become accustomed to, many commentators from politics, policy-making, the media and academia warn, policy-makers need to act immediately and decisively to solve the pressing policy challenges of our time.

But, as even the most cursory survey of any policy issue in Europe will confirm, this is easier said than done. Fundamental economic, political and socio-cultural changes in Europe have not only remodelled the backdrop for policy-making, they have also changed the very nature of policy challenges European politicians, policy-makers and citizens face today. As the Cabinet Office in the UK points out, the

> ". . . world for which policy-makers have to develop policies is becoming increasingly complex, uncertain and unpredictable. The electorate is better informed, has rising expectation and is making growing demands for services tailored to their individual needs. Key policy issues, such as social exclusion and reducing crime, overlap and have proved resistant to previous attempts to tackle them, yet the world is increasingly inter-connected and inter-dependent. Issues switch quickly from the domestic to the international arena and an increasingly wide diversity of interests needs to be co-coordinated and harnessed. Governments across the world need to be able to

respond quickly to events to provide the support that people need to adapt to change and that businesses need to prosper. In parallel with these external pressures, the Government is asking policy makers to focus on solutions that work across existing organisational boundaries and on bringing about change in the real world. Policy makers must adapt to this new, fast-moving, challenging environment if public policy is to remain credible and effective" [Strategic Policy-Making Team, 1999].

Contemporary policy problems, then, are messy.

The uncertain, complex and transversal nature of contemporary policy problems give rise to divisive and persistent policy conflict about how to solve them. Not only are these conflicts protracted and increasingly bitter, they have also proved remarkably resistant to resolution [Rein and Schön, 1993, Rein and Schön, 1994]. This, in turn, has created iterative and circular policy processes yielding incremental policy outputs far removed from the ideal of rational policy-making [Hogwood and Gunn, 1984, de Leon, 1999]. The widely perceived inability of European policy-makers to master these problems, as the Cabinet Office suggests with characteristically British reserve, is raising uncomfortable questions about the legitimacy of democracy in Europe [Bergheim et al., 2003, Commission, 2001]. Repeated disappointments and the perceived inability to deal with urgent policy problems have led European citizens to disengage with politics and pluralist democracy [OECD PUMA, 2001, Caddy, 2001, Commission, 2001]. Decreasing voter turnout and the worrying success of (mostly right-wing) extremist parties at elections across Europe are outcomes of what the European Commission perceives to be a central policy paradox:

> "On the one hand, Europeans want them [policy-makers] to find solutions to the major problems confronting our societies. On the other hand, people increasingly distrust institutions and politics or are simply not interested in them" [Commission, 2001, p.3].

If governments in Europe are to remain "credible and effective" with European voters, then, they will have to understand and deal with intractable and persistent policy conflict.

1.1 Conflict as a Clash of Interest

One way of understanding policy conflict is to model it in terms of self-interested competition between rational policy actors. On this view, conflict about messy policy issues stubbornly resists resolution, thinkers such as George Tsebelis, Kent Weaver, Paul Pierson and many others contend, due to institutional characteristics of European polities. Pluralist democracies provide organised interests with power over the policy process disproportionate to either their size or actual socio-economic influence [Tsebelis, 2002, Bonoli, 2000, Pierson, 1996, Pierson, 2001, Bergheim et al., 2003]. Strategically placed at critical junctures in the decision-making process (so-called "veto-points"), these policy actors (so-called "veto-players") can derail or threaten to derail any policy initiative perceived to jeopardise their interests. Political institutions that offer

veto-players many opportunities to contest government policy, George Tsebelis argues, make a departure from the policy *status quo* is highly unlikely. What little policy change does take place is typically accompanied by vociferous squabbling and haggling as governments buy off obstructive veto-players [Leibfried and Obinger, 2001, Bonoli, 2000].

The implications of this argument are to restore policy-making capability to governments by diminishing the influence of veto-players. Indeed, much (but by no means all) of what goes under the catch-phrase of "modern government" reflects this line of argumentation [OECD PUMA, 2001, Caddy, 2001]. In practise, this has meant reducing the scope of policy conflict at both the institutional and ideational level.

At the structural level, policy actors across Europe are currently debating how best to streamline and simplify political institutions at regional, national and European level (*Österreichkonvent*, Konvent für Deutschland, European Convention). Here, advocates suggest to first separate the appropriate policy-making competences at different levels of governance and, second, to pare down substantive policy input across different levels of governance to the merely advisory (the subsidiarity principle) [Strohmeier, 2003]. Moreover, advocates also urge policy-makers to shake-up ossified power relations within levels of governance. Policy proposals include changes to electoral systems [Strohmeier, 2003], reform of socio-economic decision-making [Bergheim et al., 2003] and re-alignments in the horizontal separation of power towards the executive [Herzog, 2004]. In either case, the expressed aim is to reduce the influence of veto-players by curtailing their ability to generate policy conflict.

At the ideational level, policy actors (particularly in the UK and at European level) plan to contain policy conflict with sophisticated knowledge management systems. By basing policy on objective evidence about "what works", policy actors hope to create "a *common policy focus*, [thereby] encouraging participation and mutual understanding..." among policy actors [Strategic Policy-Making Team, 1999, emphasis added]. On this view, values are not only detrimental to understanding and participation, policy positions based on values are "...likely to fail because they may not be grounded in *the economic, institutional and social reality of the problem*" [The Urban Institute, 2003, emphasis added, p.2]. By definition, arguments that challenge the prevalent perception of 'what works' can be safely ignored based as they must be on values rather than evidence. In this way, knowledge management systems designed to bring about "Evidence-Based Policy-Making" help control the policy agenda by narrowing the scope of permitted problems and solutions in the debate.

1.2 Conflict as a Clash of Ideas

While contemporary politics in Europe undoubtedly is a conflict about who gets what, when and how [Lasswell, 1936], that is not all it is. Another and possibly more fruitful way of coming to terms with protracted and intractable policy conflict is to think of it as the encounter of incommensurable ideas, ideologies and world-views.

On this view, ideas matter. Here, argue thinkers such as Deborah Stone, Frank Fischer, John Dryzek or Giandomenico Majone, ideas are far more than the public face of cynically self-interested politicking. Rather, ideas, ideologies

and world-views instill in policy actors the passion and drive for political engagement and confrontation. Shared values help policy actors forge coalitions and associations, help them identify shared causes as well as target common enemies. In this sense, as the policy scientists Paul Sabatier and Hank Jenkins-Smith argue, ideas and values not only motivate, they also are the "glue" enabling political communities to cohere and persevere in the face of adversity [Sabatier and Jenkins-Smith, 1993b]. Thus, boiling political conflict down to disputes about "distributional equilibria" [Bonoli, 2000] ignores what Deborah Stone calls "the essence of policy-making in political communities: the struggle over ideas" [Stone, 1988, Stone, 1997, see also Chapter 3].

However, placing ideas rather than self-interest at the heart of an explanatory strategy is more than a matter of intellectual taste or fancy. At a more fundamental level, ideas, ideologies and world-views matter because policy actors rely on them to make sense of complex, uncertain and transversal policy issues [Schwarz and Thompson, 1990, Rayner, 1991, Adler and Haas, 1992]. Uncertainty means that facts and evidence do not speak for themselves [Thompson, 1997]. On the contrary, to be of any practical use to policy-makers, data and evidence require interpretation and judgement [Vickers, 1965, Fischer and Forester, 1993, Strategic Policy-Making Team, 1999]. By highlighting some aspects while backgrounding others, ideas and world-views help policy actors identify salience and relevance of data for policy-making. The criteria for fore- and backgrounding, however, are "trans-scientific" [Weinberg, 1972]: they are beyond validation by rational, objective or scientific means. For this reason, interpretation of messy policy issues relies on the values that underlie particular world-views [Rayner, 1991].

Since understanding messy policy problems requires the mobilisation of ideas and values, explaining policy conflict in terms of competing rational self-interests alone no longer seems a viable option. Successful policy-making in terms of a self-interested bargaining paradigm assumes a common base for finding and negotiating mutually beneficial trade-offs [Lindblom, 1958, Wildavsky, 1987]. The basic problem with complex, uncertain and transversal policy challenges is that the base has become the object of negotiation and dispute. Policy conflict revolving around messy policy issues is about the basic nature of the issue and what this could mean for policy making rather than the distribution of the associated costs and benefits.

This raises three sets of questions:

Is there a way of systematically analysing policy conflict that takes account of the role of ideas in European policy processes? In other words, can we devise a conceptual framework that

- explains how ideas generate intractable and persistent policy conflict?

- allows us to explore the characteristics of policy conflict in European policy domains?

- provides a way of identifying and understanding the role of policy conflict in processes of institutional and policy change?

What insights into conflict in contemporary European policy domains does such an ideas-based approach offer?

- How do messy policy problems get framed and how does that lead to policy conflict?
- What is the nature of policy conflict in these domains?
- How do framings affect potential solutions for messy policy problems?

What can the analysis of ideas-driven policy conflict tell us about governance in European policy domains?

- How does ideas-based policy conflict impinge on policy change in Europe?
- What are the implications of an ideas-based analysis for the structures and processes of policy-making in European policy domains?

These are precisely the questions this thesis will address.

1.3   Aims and Research Tasks

The overall aim of this thesis is to explore how the simple but powerful insight that "ideas matter" affects the understanding and analysis of conflict about complex, uncertain and transversal policy problems. Pursuing this overall aim implies addressing three constituent objectives, each generating a specific set of research tasks.

First, the thesis will examine the theoretical implications of the insight that "ideas matter" for policy analysis. The necessary concepts and tools for integrating ideas into the analysis of policy conflict are scattered across many different approaches in the social sciences. The thesis aims to identify the relevant concepts in the policy sciences and integrate them into a conceptual framework for analysing policy conflict about messy policy problems. By using a plurality of different approaches, the framework aims to exploit complementarities of the relevant contemporary theories of policy-making. In this way, the conceptual framework can build on the strengths while avoiding the weaknesses of existing approaches (as best as is possible). In terms of research tasks, the thesis will first explore and assess the strengths, weaknesses and complementarities of selected theories of policy-making. Then the thesis will integrate the relevant concepts and tools into an analytical framework for understanding how ideas give rise to conflict about messy policy problems.

Second, the thesis aims to show how such a conceptual framework offers insights into policy conflict in European policy domains. By applying the framework to policy debates in three European policy domains, the thesis aims to demonstrate that a conceptual strategy incorporating ideas, knowledge and world-views significantly contributes to our understanding of contemporary policy-making. In this sense, the thesis aims to show that an ideational explanation can augment and complement more conventional accounts of conflict based on rational self-interest. The research tasks that emerge from this aim relate to the application of the conceptual framework for policy-oriented discourse analysis. After operationalising the conceptual framework for empirical analysis, the thesis will apply the framework to policy domains in Europe. In applying the conceptual framework, the analysis will identify, explore and compare competing narratives that policy actors devise to make sense of messy policy issues. In

this way, the thesis aims to gauge the conflicts that surround complex, uncertain and transversal policy challenges.

Last, yet closely related, the thesis will elicit the wider implication of an ideas-based analysis for the governance of European policy domains. On the one hand, this involves exploring the relationship between ideas-based conflict and policy change in European policy domains. On the other hand, the analysis will also take investigate the structural and procedural ramifications for sub-political policy-making. These will then lead to an outline of an agenda for future research into contemporary policy-making, conflict and democracy at both a theoretical-conceptual and practical-empirical level.

The thesis will pursue the objectives and research tasks in two parts. In Part I of the thesis, Chapters 2, 3,4, and 5 critically review a selection of different approaches and theories in contemporary policy sciences. The goal here is to assemble a conceptual framework for analysing and comparing competing discourses in contemporary policy making. In Part II of the thesis (Chapters 6, 7, 8 and 9) will apply this framework to three different policy issues: European transport policy, environmental security and pension reform. In the concluding chapter, the thesis will summarise and compare the findings and discuss their wider implications for pluralist democracy in Europe. This exposition will be of a forward-looking character in that it plots the direction in which the thesis points both conceptual-theoretical and empirical-practical future research.

The rest of this introduction outlines the basic argument of the thesis by providing an overview of the chapters.

1.4 Ideas, Discourses and Policy-Making: The Conceptual Framework for Analysing Conflict about Messy Policy Problems

The observation that "ideas matter" in policy process is almost a truism. A far more controversial and, therefore, more interesting question to ask about ideas in policymaking is: how and in what ways do ideas matter in contemporary policy processes?

Ideas matter, this thesis suggests, because institutions matter [Putnam, 1993, Pierson, 1996, March and Olsen, 1989, Pierson, 2001]. On this view, institutions and ideas are inextricably intertwined [Douglas, 1970, Douglas, 1987, Douglas, 1992, Douglas, 1996]. Institution give rise to systematic shared sets of ideas and knowledge that help its members impose meaning on a potentially anarchic set of events [Rayner, 1991]. Here, knowledge and meaning are public resources that individuals draw on in social interaction and co-operation [Geertz, 1973]. Thus, ideas enable and coordinate collective action (such as, for example, policy-making). Collective action, in turn, produces and reproduces institutions: by drawing on knowledge to create meaning, ideas and knowledge prescribes social practise which in turn reproduces patterns of transaction typical to particular institutions. On this view, conflict over the definition, understanding and solution of messy policy problems flares when members of different institutions bring their perceptual lenses to bear on complex, uncertain and transversal policy problems. Thus, the interrelationship between ideas and institutions in policy-making provides the

theoretical and methodological focus for this thesis.

In Part I, the thesis will investigate how institutions and ideas impinge of policy-making by adopting a methodologically pluralist approach. Attempting to explain contemporary policy processes within only one theory, Wayne Parsons argues, inevitably overtaxes the explanatory capabilities of the particular approach [Parsons, 1995]. That is why Parsons believes public policy analysis

> "... to be essentially a bootstrapping activity. No one theory or model is adequate to explain the complexity of the policy activity of the modern state. The analyst must accept the pluralistic nature of the enquiry, both in terms of the interdisciplinary quality of investigation and the need for a hermeneutic tolerance of diversity. The analysis of public policy therefore involves an appreciation of the network of ideas, concepts and words which form the world of explanation within which policy-making and analysis take place" [Parsons, 1995, p.73].

Understanding the relationships and processes through which institutions and ideas impinge on policy-making, then, implies using a number of different theoretical and methodological tools. Such a pluralist approach allows the analyst to explore the same phenomena from different theoretical vantage points and through different "perceptual lenses" [Allison, 1971]. This process of conceptual triangulation provides a balanced and more complete picture of the particular aspect of policy-making under scrutiny by forcing the analyst to engage in a critical process of reflection.

For this reason, the chapters of Part I introduce and critically discuss a range of different contemporary approaches to explaining policy-making. The underlying aim of this section is twofold. First, the chapters provide the conceptual background for the theoretical and empirical analysis of this thesis. Second, the analysis in Part I also trawls through a selection of relevant theories, frameworks and approaches in search of concepts that can help structure the analysis of conflict about messy policy challenges.

Chapter 2 outlines some of the conceptual tools for analysing the institutional and organisational structures of policy-making in Europe. This approach invites the analyst to focus attention on the structures and processes that make-up the *subpolitics* of contemporary policy-making. The policy sciences use theories of policy networks and policy communities to map structures of subpolitical policy-making. The basic premise of policy network approaches is that contemporary democracies are so-called "differentiated polities". Here, the growing remit of the state coupled with the increasing technical sophistication of policy issues have meant that policy-making takes place in discrete, issue-oriented and highly specialised organisational networks. These networks consist of organisations from the public, the private and the tertiary sectors.

Concentrating mainly on European thinkers, Chapter 2 introduces and reviews the two contending schools on policy networks and policy communities. One approach, associated with the work of the British political scientist R.A.W. Rhodes, understands policy networks as sectoral configurations in which organisations relate to each other in terms of resource dependencies [Rhodes, 1990, Rhodes, 1997]. Here, the network metaphor describes the institutional location or venues of policy-making. The second school of thought,

associated with the American political scientist Hugh Heclo or the British researcher Jeremy Richardson, prefers to think about policy communities as social units consisting of individual policy-makers [Heclo, 1978, Richardson, 1982]. This approach, in turn, understands policy communities more in terms of policy actors rather than policy venues. Both approaches come to different conclusions about the democratic and governance implications of the differentiated polity. Policy networks, Rhodes argues, represent a threat to popular sovereignty and democratic accountability because representative democracies are poorly equipped for controlling policy networks. Richardson, in turn, argues that policy communities, far from being a threat to democracy, are a fresh articulation of pluralism and pluralist policy-making. However, both strands of literature thematise access to policy networks and policy communities as a key determinant of contemporary policy-making. Chapter 2 closes by critically examining the key weaknesses in the policy network and policy community literature. Unnecessary terminological confusion aside, policy network and policy community concepts overemphasises organisational continuity to the detriment of understanding institutional change. Moreover, theories of policy networks and policy communities have little to say about the role of ideas and ideologies in the differentiated policy-making.

While Chapter 2 concentrates on the institutions of policy-making, **Chapter 3** looks at the role of ideas, ideology and knowledge in the policy process. In this chapter, the thesis reviews a collection of theories and frameworks that, taken together, account for the so-called *"Argumentative Turn in Policy Analysis and Planning"* [Stone, 1988, Majone, 1989, Dryzek, 1990, Fischer and Forester, 1993, Stone, 1997]. More a multi-disciplinary assortment of different social scientific approaches than a coherent theory, the *Argumentative Turn* urges us to reconsider the relationship between ideas and policy-making. Rather than conceiving policy-making as rational problem-solving, we should think of policy-making as an argumentative process. This basic insight has a number of ramifications for both policy-making and policy analysis.

First, it suggests we abandon the belief that applying scientific methods to objective policy problems invariably leads to better, meaning more rational, decision-making. Such a belief, the core of what Deborah Stone calls the "rationality project", emerges from a number of questionable assumptions about the relationship between knowledge and reality, the underlying model of society, as well as the perception of the individual within this society [Stone, 1997, Stone, 1988].

Second, the argumentative nature of policy-making suggests that policy-analysis and politics are about crafting and deploying plausible arguments. Far from separating the objective from the subjective, effective policy analysis uses a battery of rhetorical skills to weave values and facts into an argumentative fabric. Using these arguments, policy actors define problems, apportion blame, identify solutions and ascribe responsibilities. Thus, argue proponents of the *Argumentative Turn*, we can think of politics as the conflict over the naming and labelling of issues. These conflicts, originating in fundamentally incompatible ways of viewing the world or "frames", are not amenable to resolution by rational methods. On the one hand, this implies that no system of knowledge — be it science, religion, common sense, or intuition — provides the analyst with a privileged epistemological vantage point. On the other hand, it also implies that policy analysts not only take part in political processes but, by naming

and labelling policy issues, can significantly shape policy outcomes.

Third, this view of the policy process implies a methodological reorientation of policy analysis. If politics consists of the struggle between political communities over the naming and labelling of contested issues, then policy analysis needs to concentrate both on the way policy actors define these issues and how the conflict over contested definitions plays out in the public sphere. The former suggests that policy analysis should concentrate on so-called frame analysis or discourse analysis [Rein and Schön, 1993, Rein and Schön, 1994, Dryzek, 1990, Dryzek, 1993]. This involves analysing the narratives contending actors from competing political communities construct to lay a claim on policy issues. The second aspect suggests a reorientation of policy analysis itself. Since policy-making is fundamentally an argumentative process, policy analysis should support and enhance this process. Therefore, the thinkers of the *Argumentative Turn* focus on the mode and characteristics of argumentation in policy-making. Instead of providing knowledge about substantive issues, policy analysts should focus their discursive analyses on maintaining the democratic integrity of the deliberative and argumentative policy process. In other words, contend the proponents of the *Argumentative Turn*, policy analysts are well situated and sufficiently qualified to become the guardians of deliberative and argumentative democracy.

Yet, the Argumentative Turn also has decisive weaknesses. In particular, the more radical approaches envisage a pivotal and democratically spurious role for argumentative policy analysts. Using their specialist skills, policy analysts should graduate from being mere technicians to being the moral guardians of democracy. However, without adequate democratic safeguards, about which the *Argumentative Turn* is silent, this new role of policy analysis is as open to abuse as is the conventional role of analysis and planning. What is more, while the *Argumentative Turn* acknowledges the relationship between ideas and institutions, it has lamentably little to say about how social structures affect frames or policy narratives.

Chapter 4 reviews four conceptual frameworks that explain policy-making in terms of both institutions and ideas. In each section, the chapter briefly reviews the assumptions of the approach, outlines how the key concepts explain policy-making and provides a short evaluation of the framework. Chapter 4 opens with a discussion of Frank Nullmeier and Friedbert Rüb's concept of "knowledge markets" [Nullmeier and Rüb, 1993]. The model by the two German political scientists uncovers the institutional and ideational mechanisms with which policy actors limit access to policy-making. Second, Multiple Streams Analysis [Kingdon, 1984, Zahariadis, 1999], based on the Garbage Can model of organisational behaviour [Cohen et al., 1972], shows how the complex and chaotic interaction of ideas, policy problems and events determines policy agendas. Third, the notion of "epistemic communities" [Adler and Haas, 1992] provides a set of terms for analysing and describing the role of knowledge-based experts in international policy processes. The concept of epistemic communities illustrates how groups of experts use their specialist knowledge to shape policy agendas at international level. Fourth, Chapter 4 looks at Paul Sabatier's and Hank Jenkins-Smith rather comprehensive and sophisticated Advocacy Coalition Framework [Sabatier and Jenkins-Smith, 1993a]. The Advocacy Coalition Framework explains how policy beliefs and competing policy communities, called advocacy coalitions, determine long-term policy change. Last,

Chapter 4 discusses cultural theory [Douglas, 1970, Douglas, 1987, Douglas, 1992, Douglas, 1996, Thompson et al., 1990, Thompson et al., 1999], a theory that systematically relates world-views to institutional structure. Essentially, cultural theory stipulates that social systems at any level of analysis consist of four competing social solidarities: hierarchy, egalitarianism, individualism, and fatalism. Each of these solidarities boasts a distinctive pattern of transactions (social relations), a legitimating cosmology (cultural bias) and a characteristic set of social practises (behavioural patterns). The inherently antagonistic relationship between the different social solidarities keeps social systems in constant flux as each social solidarity defines itself in contradistinction to the others.

Although the approaches all bear a family resemblance, they also diverge in significant and important ways. Both Nullmeier and Rüb's Knowledge Politics and Kingdon's MS approach subordinate individual and institutional agency under socio-political contexts: they are, in short, context-driven. In both these approaches, limiting policy conflict is detrimental to the policy process. Conversely, Peter Haas' epistemic communities as well as Sabatier and Jenkins-Smith's Advocacy Coalition Framework explain policy as the outcome of competing aggregate policy actors. These approaches draw the causal lines from agency to socio-institutional contexts and are therefore actor-driven. Here, conflict is something policy actors need to control, harness, and, if necessary, remove from the public sphere.

Chapter 5 concludes the theoretical discussion of the thesis. After having laid the foundations in the previous chapters, Chapter 5 integrates a range of relevant ideas and tools into a 'bootstrapped' conceptual framework for policy-oriented discourse analysis. This framework explains the generation and persistence of policy conflict in terms of the interplay of institutional and ideational structures in policy domains.

By assembling the key concepts and ideas identified in previous chapters, the thesis constructs a conceptual framework capable of

- mapping the institutional and ideational landscapes of conflict about messy policy problems in the differentiated polity;

- analysing the role of policy conflict in institutional and policy change within policy domains.

Turning first to the mapping of policy conflict, the basic idea behind the conceptual framework is to locate the mechanisms and insights of the *Argumentative Turn* within the types of institutional venues depicted by policy network approaches. In other words, the conceptual framework provides tools for analysing the argumentative struggle over naming and labelling within the institutional context of policy networks and policy communities.

The fundamental assumption underlying the discourse-analytical framework is that policy-making takes place in functionally differentiated networks of individual and organisational policy actors: in short, contemporary policy-making takes place in the "differentiated polity". Each policy domain focuses on a specific messy policy problem or a complex of messy policy problems. The bootstrapped discourse-analytical framework calls this locus of policy conflict about messy policy problems the *contested terrain*. This terrain is both an institutional and ideational space. On the one hand, the contested terrain features all the networks of institutional and individual policy actors relevant to the

specific messy policy issue. Here, the term "relevance" means any institution or individual publicly expressing an interest in any aspect of policy-making on the particular problem. On the other hand, the contested terrain is also the place that contains all policy arguments pertaining to the complex, uncertain and transversal policy problem. In short, the contested terrain is the "policy universe" of all actors and arguments relevant for policy-making about a particular issue [Wilks and Wright, 1987] as well as the locus of engagement between actors and arguments.

Who operates in the contested terrain? The principal policy actors in the bootstrapped conceptual framework are groups of individuals that coalesce around a particular policy project to form stable patterns of transactions. Since these groups focus on a particular common policy agenda, networks can span the organisational boundaries of formal institutions. Following Paul Sabatier and Hank Jenkins-Smith, we will call these groups *advocacy coalitions* [Sabatier and Jenkins-Smith, 1993b, Sabatier and Jenkins-Smith, 1999]. The policy project and policy agenda pursued by these collective policy actors is determined by shared beliefs, norms, and practises — or *policy frames* — that provide members of the advocacy coalition with the cognitive and normative resources for making sense of messy policy problems.[1] These shared beliefs, norms and practises promote group cohesiveness by acting as cognitive and perceptual lenses through which events in the policy domain are refracted and interpreted.

On this view, policy frames justify specific patterns of transactions and behaviour between members of advocacy coalitions. Using Mary Douglas' grid/group analysis and cultural theory [Thompson et al., 1990] gives us four basic but irreducible patterns of transactions that could constitute the social relations of advocacy coalitions. In terms of cultural theory, advocacy coalitions can organise and coordinate their interaction in terms of one of the following basic forms of social organisation:

- Hierarchy: here, advocacy coalitions organise their activity in terms of nested, bounded groups with clear lines of control leading to the centre.

- Individualism: individualist advocacy coalitions consist of ego-focused networks in which each member is free to negotiate relations with any other member.

- Egalitarianism: egalitarian advocacy coalitions operate in terms of bounded groups and are characterised by the lack of internal stratification or formal differentiation.

- Isolation: isolation is characterised by the absence of social coordination and co-operation. Thus, while any contested terrain is likely to feature isolated individuals, this group of policy actors does not actively advocate a policy project.

cultural theory provides a way of classifying and comparing different advocacy coalitions that operate in the contested terrain. Each type of advocacy coalition will feature a distinctive policy frame that justifies and reproduces the

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[1]The more holistic concept of "policy frame" was preferred to Sabatier and Jenkins-Smith's more stratified idea of "policy-belief systems". Chapter 5 goes into more depth on this issue.

preferred form of social organisation. Since these policy frames are grounded in fundamentally incompatible forms of social organisation, the beliefs, norms and practises that constitute the policy frame are similarly incommensurable.

What do policy actors do? Within this bootstrapped conceptual framework for policy-oriented discourse analysis, advocacy coalitions aim to enshrine their basic values in policy. These values are part of the policy frames that help individual policy actors make sense of messy policy problems. Here, the term "policy" encompasses a wide range of outputs, including statutes, policy measures, policy programmes, court rulings, organisational reform, personnel changes and so on. Since "ideas matter", policy processes in the contested terrain are fundamentally argumentative. This means that incorporating values into policy involves vying for legitimacy and credibility in the contested terrain. By pitting policy arguments against those of rival advocacy coalitions, policy actors aim to persuade, convince, cajole, bribe, browbeat, pressurise, silence or subjugate other policy actors into accepting the superiority of their particular policy argument. This, then, is the *policy debate* about the naming and labelling of messy policy problems.

Since policy actors formulate policy arguments on the basis of fundamentally incommensurable policy frames, policy debate in this approach is inherently conflictual and intractable [Rein and Schön, 1993, Rein and Schön, 1994]. Frame-based policy conflict is highly resistant to resolution by recourse to facts. As cognitive and perceptual lenses [Allison, 1971], policy frames determine what is to count as a fact and how this fact is to be used to validate or invalidate an argument. Not only, then, do the policy projects and policy agendas of contending advocacy coalitions differ, the very basis for perception and construction of these agendas is incompatible.

Using cultural theory, the Advocacy Coalition Framework and insights from the *Argumentative Turn* means that we can identify four basic types of policy arguments. These basic policy arguments are blueprints or templates for constructing specific arguments in an ongoing policy debate. These blueprints imbue policy actors with a specific "thought-style" [Douglas, 1987, Douglas, 1992].[2] Applying the different thought-styles, policy actors assemble and launch contending policy arguments in the policy debate. These policy arguments define the messy policy issue, identify lines of causality and apportion blame, develop and propose policy solutions as well as outlining reform pathways.

The method for reconstructing and comparing contending policy arguments in a policy debate is called the *policy stories* approach. Here, the conceptual framework analyses and rearranges policy arguments into a coherent narrative. This narrative outlines a setting (the basic assumptions), identifies villains (the policy problem) as well as heroes (the policy solution).

Thus, integrating the Advocacy Coalition Framework and cultural theory against the wider backdrop of the *Argumentative Turn* and policy network approaches enables the analyst to gauge the *scope* and *structure* of policy conflict over messy policy problems. By identifying contending advocacy coalitions and their policy stories in terms of the cultural theory typology, the conceptual framework allows the analyst to gauge and explore the *scope* of policy conflict. Further, by juxtaposing these policy stories within a comparative framework,

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[2]Mary Douglas, following Ludwig Fleck, uses this term to explain the effects of cultural bias on argumentation.

the analysis can examine the *structure* of policy conflict: that is, the analysis maps the areas of agreement and disagreement among contending advocacy coalitions.

The second type of analysis concerns the role of policy conflict in institutional and policy change. This part of the conceptual framework is basically exploratory in nature. The objective here is to generate hypotheses and theories rather than test the framework in any rigorous sense.

How can we recognise change? On this view, institutional change refers to the structural transformation of individual or organisational networks that constitute the policy domain. Policy change, in turn, depicts the revision on underlying ideas or theories that inform policy outputs [Sabatier and Jenkins-Smith, 1993b]. The cultural theory-inspired typology of advocacy coalitions and their policy frames provides a way of calibrating this change. Shifts in the composition or relation between contending advocacy coalitions indicate institutional change. Adjustments to the underlying frame or policy story that informing policy outputs, in turn, points towards policy change.

In order to trace movement into and out of the contested terrain, the spatial model needs to be augmented with two further layers of nested policy space. The *public sphere* describes the encompassing policy space that contains all policy domains in a particular polity. The *contested terrain* (as we have seen) contains all relevant actors and arguments pertaining to a messy policy issue. Last, the *policy subsystem* describes the core institutional and individual networks: actors in these policy spaces define issues, set agendas, formulate policy and make decisions. While the boundary between public sphere and contested terrain is fluid and open,[3] the boundary between the contested terrain and policy subsystems is subject to change.

Inherent antagonism between advocacy coalitions means that policy actors strive to assert *epistemic sovereignty* over a policy domain. In order to implement their preferred policy solutions, they aim to minimise (endemic) interference and criticism by contending advocacy coalitions.[4] This autonomy implies excluding rival policy actors from policy-making. In terms of the bootstrapped conceptual framework, this means that the organisational and ideational composition of policy subsystems can vary as advocacy coalitions establish their epistemic sovereignty over an issue. The cultural theory-inspired typology of advocacy coalitions provides three schematic types of policy subsystems:

- **Inclusive Policy Subsystems** that feature all three types of advocacy coalitions engaged in policy debate. In this case, the policy subsystems is congruent with the contested terrain.

- **Partially Inclusive Policy Subsystems** feature a bi-polar subset of the contending set of advocacy coalitions in the contested terrain.

- **Exclusive Policy Subsystems** are dominated by a single advocacy coalition.

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[3]Albeit by definition.

[4]This ties institutional change to policy change and *vice versa*. Any change in the composition or relation of advocacy coalitions in the contested terrain and in policy subsystems implies a change in policy outputs.

We can think of institutional and policy change in terms of the contraction and expansion of policy subsystems.

What makes policy subsystems contract and expand? In this discourse-analytical framework, two countervailing forces give rise to a cyclical evolutionary developmental trajectory in contested terrains. On the one hand, the inherent antagonism between advocacy coalitions (based on incommensurable policy frames rooted in fundamentally divergent forms of social organisation) generates conflictual and intractable policy debate. In inclusive policy subsystems, this debate is at risk of degenerating into a "dialogue of the deaf" leading to policy impasse and deadlock [Sabatier and Jenkins-Smith, 1993b].[5] Actors in policy subsystems then become receptive to proposals that suggest narrowing the scope of policy conflict. At this point, external events may precipitate a process of institutionalization in which a subset of advocacy coalitions establishes epistemic sovereignty over the policy subsystem. On the other hand, the inherently selective nature of policy frames means that policy actors are vulnerable to *conceptual blindness*. Epistemic sovereignty, then, implies the institutionalization of "unanticipated consequences": since rival advocacy coalitions are excluded from policy-making, so is their critical potential for scrutinising policy solutions. This may lead to policy failure as unanticipated consequences of policy (caused by conceptual blindness) undermine the legitimacy and efficacy of policy solutions. At the same time, excluded advocacy coalitions in the contested terrain thematise policy failure and mobilise in the public sphere (both ideationally in terms of new ideas and organisationally in terms of new allies). This process, then, leaves policy subsystems receptive to the expansion of policy subsystems. Again, external events may nudge or jolt policy processes onto a trajectory of deinstitutionalisation and reform.

The Scope and Structure of Policy Conflict in the Global Climate Change Debate

How does such an analysis work in practise? By way of a brief illustration, the following section explores the scope and structure of policy conflict for the global climate change debate.

An analysis of the global climate change policy debate in the mid-1990s revealed three contending policy stories about global climate change [Thompson et al., 1998, Thompson and Ney, 2000]. Each policy story provided a setting (the basic assumptions), villains (the policy problem), and the heroes (policy solutions). Depending on the socio-institutional contexts of the particular policy actor, each story emphasised different aspects of the climate change issue.

The first policy story — an egalitarian tale of *Profligacy* — singles out the consumption and production habits of the industrialised North as the fundamental cause of global climate change. The *setting* of this story is a world in which human wellbeing is intricately connected to the wellbeing of planet Earth, a highly fragile and vulnerable thing in need protection. The *villains* of the egalitarian tale are the inequitable structures of global capitalism that have driven human societies to the brink of ecological disaster. The profit motive and

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[5]German commentators have called this state of affairs a *Reformstau* — a congestion of necessary reforms to revitalise stagnant policy domains in Germany and Europe.

obsession with economic growth have instilled in us artificial wants (high calorie foods, fast cars, bottled water) fundamentally alien to our genuine nature. What is more, the entire system is based on an inequitable global distribution of income and burdens: while the rich North wallows in excessive wants, the poor South is in dire want. Inequities, then, have generated unsustainable patterns of consumption and production. The general solution to the global climate change problem — that is, the *heroes* of the tale — is to put an immediate stop to these destructive tendencies. This means, among other things, adopting the strict precautionary principle for any activity and drastically reducing carbon dioxide emissions (mostly in the North). However, since global climate change is merely a symptom of the corruption of the global capital system, curbing global climate change will have to be part of a wider project of socio-cultural renewal.

The second policy story, told by individualist advocacy coalitions, pins the degradation of the world's atmosphere on distorted resource price structures. The *setting* of the *Prices* story is a world of markets and economic growth. In fact, economic growth is the basic motor that drives sustainable development: since climate change mitigation is likely to be costly, the global economic system must produce and release the required resources. This, in turn, means that markets must be allowed to function without governments impeding their self-regulatory mechanisms. However, these policy actors contend, this has not been the case. The *villains* of the Prices Story are misguided economic policies that have led to distortions in resource prices: the inevitable consequence is the relative overconsumption of natural resources that has led to the massive degradation of the environment. The *heroes* of this story, recounted by institutions such as the World Bank, are policies to break down the barriers inhibiting market mechanisms: these include global trade liberalisation as well as instruments such as carbon taxes or emissions permits.

The third policy story identifies uncontrolled population growth as the single most important cause of global warming. The *setting* of the hierarchical *Population Story* is a world in which humans are the custodians of the natural world. Our innate superiority over other species also gives us a moral obligation to manage our resources wisely. While economic growth is an inevitable part of any climate mitigation strategy, unbridled market forces are likely to wreak havoc on the social and natural order. Thus, policies for sustainable development that do not abandon civilisation (as the Profligacy Story proposes), call for the careful and judicious management of socio-economic activity. The *villain* of this story is uncontrolled population growth in the developing world. More mouths to feed and needs to satisfy translates directly into increased carbon dioxide emissions in particular and resource degradation in general. The *heroes* of this tale are policies and organisations that arrest rapid population growth through measures ranging from family planning campaigns to female education. Unlike the *Profligacy Story*, the onus for action is on the countries of the developing world.

The three policy stories about global climate change give rise to a number of areas of agreement and disagreement between the individual advocacy coalitions. The scope of agreement decreases with increasing specificity of issues, principles and policy measures in question. All three advocacy coalitions can agree (in public) that global climate change constitutes a challenge that requires some form of response. However, agreement beyond this general proposition dis-

aggregates into pair-wise alliances. Here, areas of agreement encompass some agreement on fundamental principles, mutual rejections, and agreement on general policy measures. At a more concrete level, however, agreement collapses into an intractable controversy as each advocacy coalition brings its own interpretation to bear on general principles or policy measures.

Advocates of both the Profligacy and Prices Story agree on the superiority of decentralised responses to global climate change. Advocates of both policy stories champion small scale and flexible renewable energy sources, local adaptation and mitigation, as well as the relocation of autonomy and choice to the most appropriate level. Similarly, members of both advocacy coalitions are sceptical of policy responses that centralise and concentrate the responsibility for global climate change policy. The overly bureaucratic treaties of the FCCC as well as unwieldy mechanisms such as the Joint Implementation Mechanism, members of both advocacy coalitions agree, will do little to curb carbon dioxide emissions. Moreover, both advocacy coalitions reject massive investment in large, centralised technologies such as nuclear fusion. Therefore, proponents of the Profligacy and Prices Story both support policy that encourages and promotes development of renewable forms of energy provision.

Proponents of the Population and Prices stories, in turn, understand the significance and necessity of economic growth and the capitalist system of production. As we have seen, both advocacy coalitions are in no doubt that curbing global climate change will require resources that only continuing and increased economic growth can deliver. For this reason, members from both advocacy coalitions reject policy proposals that aim to sacrifice economic growth for stringent environmental standards: both proponents of the Prices and Population stories are critical applying the strong version of the precautionary principle. Consequently, both advocacy coalitions support policies and measures that can lead to a "greening" of the world economy.

Members of the hierarchical (Population Story) and egalitarian (Profligacy Story) both agree in principle that curbing global climate change is also a matter of taking social responsibility. This includes the international reallocation of resources from rich to poor as well as community-driven environmental protection. Policy actors from these advocacy coalitions pour scorn on policies and measures that absolve the community of any responsibility for global climate change mitigation: voluntary codes and targets by industry, both contend, are not only ineffective but also morally corrosive. For this reason, proponents from both advocacy coalitions favour environmental standards that impose restrictions on unfettered emission of carbon dioxide.

However, this agreement dissolves into intractable disagreement as each advocacy coalition brings incompatible frames to bear on the principles and policy measures. While advocates of the Profligacy and Prices stories are united in their opposition to centralised policy responses to global climate change, they disagree on the purpose of decentralised solutions. Egalitarian advocacy coalitions see renewable energy technologies as a way to decouple energy production and consumption from the capitalist mode of production. Individualist coalitions, in turn, see renewable energy sources and flexible technologies as a means of boosting and strengthening economic growth. Similarly, the advocates of the Prices and Population stories may agree on the need for economic growth. They, however, disagree on how to bring this growth about: whereas hierarchical actors favour steering of economic growth in an environmentally sound direction,

individualists argue for setting up real incentives for individuals and firms to "go green". Last, while the proponents of the Population and Profligacy stories see global climate change mitigation as a moral issue, they bitterly disagree on what type of morality is involved. The egalitarian actors see restoring social responsibility as a act of total socio-cultural renewal in which existing inequities are levelled. Conversely, the hierarchical advocacy coalition understands social responsibility as a stratified system of burden-sharing and problem-solving.

1.5 Part II: Applying the Framework to Policy Domains

Part II of the thesis applies the conceptual discourse-analytical framework developed in Part I to three different policy domains: transport policy, environmental and security pension reform. Chapters 6, 7 and 8 use the framework to analyse the scope and structure of frame-based conflict in each policy domain. Chapter 9, in turn, brings the dynamic analysis of institutional change to bear on recent pension reform experiences in continental Europe. This chapter examines the role of policy conflict in recent continental European pension reforms.

The following provides a brief overview of each chapter. In order to illustrate the application of the conceptual framework to real policy issues, this section applies the framework to the issue of global climate change.

Gauging the Scope and Structure of Policy Conflict

The first three chapters of Part II use the conceptual framework centred on the cultural theory-inspired typology of advocacy coalitions and policy frames to assess the scope and structure of policy conflict in three different contested terrains.

Chapter 6 maps the contested terrain of transport policy-making in Europe. The chapter unravels contending policy stories about transport policy by identifying different perceptions of "accessibility". Both at a semantic and normative level, the chapter shows that accessibility means different things to different people. For some, accessibility is an attribute of transport systems. Others see accessibility as an inequitably distributed good within a transport system. Some perceive accessibility as the pre-requisite of mobility while others understand accessibility as an outcome of mobility; still others use the terms accessibility and mobility interchangeably. The reason why policy actors define accessibility differently, the chapter argues, is neither ignorance or self-serving cynicism. Rather, accessibility is a concept with inherent normative implications for transport policy-making. Policy actors define the concept of accessibility in terms of their cultural biases and embed this definition in their particular policy narratives.

Chapter 6 then identifies and describes three contending policy stories in transport policy-making: the classical transport planning approach (the hierarchical story), the market approach (the individualistic story), and the ecological approach (the egalitarian story). Each narrative is based on a specific set of assumptions and identifies a villain of transport policy-making in Europe that conflicts with those provided by the other two, and each champions a different hero to solve the messy policy problem. On the basis of this discussion, the

chapter outlines the triangular contested terrain defined by these narratives. After outlining the scope of policy conflict, the chapter scrutinises the structure of policy contention in the European transport domain by comparing areas of agreement and disagreement. Last, the analysis turns to the potential impacts of policy conflict by comparing the potential effects of conceptual blindspots inherent in policy frames. The chapter draws three conclusion from this analysis. First, the chapter shows that triangular contested terrains give rise to endemic and intractable policy conflict. Second, contending policy stories set up tenuous and fragile areas of agreement between advocacy coalitions limited to general policy principles and measures. Last, the analysis of the potential impacts of conceptual blindness suggests that policy-makers need to promote a lively and pluralist debate but prevent this debate from deteriorating into a "dialogue of the deaf".

Chapter 7 brings the bootstrapped framework for discourse analysis to bear on the idea of environmental security. This overview of the environmental security debate aims at critically evaluating approaches that suggest merging environmental issues with traditional geo-political security concerns. The chapter identifies three different approaches or streams of thinking in the environmental security debate. One stream narrowly focuses on the socio-economic and demographic mechanisms that link environmental degradation to violent conflict and *socio-political security*. The second stream looks at how conventional concepts of security are predicated on a more biological and ecological notion of *eco-system security*. Finally, the chapter looks at lines of argumentation that advocate encompassing all aspects of human well-being in an inclusive idea of *human security*. However, despite identifying three different approaches or streams, closer analysis of the underlying assumptions uncovers the theoretical and conceptual proximity of the frameworks. In essence, all three approaches perceive population growth in the developed world to be the decisive cause of environmental insecurity. Thus, rather than generating a triangular argumentative constellation, the different policy stories are situated along a continuum. At one end of the continuum, the concept of environmental security is developed with reasonable analytical rigour at the expense of a powerful normative message: here we find Thomas Homer-Dixon's notion of "environmental scarcity". At the other end of the continuum, approaches use the idea of environmental security to champion a strong normative vision at the cost of analytical rigour: this is where approaches advocating "human security" are situated. Somewhere in between, the analysis locates approaches proposing "ecological security".

The analysis of the structure of policy conflict uncovers a large potential for consensus on the normative ambitions of all three approaches. Basically, all frameworks reviewed in Chapter 7 aim to push the environmental policy issue up the agenda, redefine the notions of security and, more importantly, the nation-state, as well as remodel global governance structures. Unlike the transport debate, conflict is not inherently intractable. Rather, it is limited to issues of strategy: i.e. where to place policy demands along the continuum. The potential consensus between the contenders, however, comes at a price: all three streams are unable to integrate or even perceive the ability for individual and local adaptation to environmental stress. Thus, policy based on these paradigms of environment security would be vulnerable to the "unanticipated consequences" resulting from individual innovation or the destruction of local socio-cultural coping mechanisms.

Chapter 8, analyses policy stories about pension reform at the international level. Chapter 8 both introduces the basic issues in the pension reform debate and outlines the ideational space in which this debate takes place at international level. The first part of Chapter 8 provides a brief overview of the main issues and concepts of pension reform. It covers what it is that pensions do (long-term savings, redistribution and insurance), what type of pension systems exist, and what types of risks are associated with different types of pension systems. This chapter then outlines the main demographic challenges facing pension systems.

The second part of Chapter 8 discusses pension reform policy stories of three international organisations: the World Bank, the International Labour Office (ILO) and the European Commission. Although all three discourses describe the impacts of ageing on social protection systems, each of the stories starts from differing assumptions, produces a contradictory prognosis on the pension problem (the villains), and prescribes a different policy solution (the heroes). The World Bank – telling an individualist story of Crisis — is worried about the effects on economic growth of ageing and inherent design flaws in public pension systems. In order to increase rates of return on pension contributions, they suggest privatising parts of public pension provision. The ILO — advocates of the hierarchical narrative about Stability — argues that most workers are not covered by old age social security and, for the few that are, these systems suffer from poor management. Rather than retrenching tried-and-tested pension arrangements, the ILO urges policy-makers to expand and deepen systems in order to ensure that retirement income is secure. Last, the European Commission takes a more holistic and egalitarian approach in telling the Social Justice Story. The real problems here are socio-institutional practises and attitudes that exclude older workers thereby accelerating the decline in the labour supply. An effective reform in pension systems therefore necessitates a broad-based project of socio-cultural renewal. The discussion of the scope of policy conflict is followed by an analysis of the structure of dispute. Here, the chapter looks at the areas of overlap and contention that emerge from the triangular contested terrain. Like Chapter 6, this chapter closes with an investigation into the potential impacts of policy conflict by scrutinising the implications of conceptual blindness for pension systems.

The conclusions for Chapter 8 point to three distinct issues. First, like the transport policy debate, the triangular contested terrain implies that conflict in social security reform is likely to be intractable and inevitable. Second, although the pension reform debate provides more and deeper pair-wise overlap between advocacy coalitions than seems to be the case for transport policy, agreement potentially remains brittle. Last, policy-makers in pension reform debates also need to balance plurality with a constructive argumentative climate.

Assessing the Role of Conflict in Institutional and Policy Change

Chapter 9 applies the exploratory framework for explaining the role of policy conflict in institutional and policy change to pension reform in continental Europe. In particular, the chapter examines at the contention that pluralist polities prevent structural pension reform because they promote principled policy conflict. Drawing not only on the material from chapter 8 but also including evidence from continental European countries (e.g. Austria, Germany, France,

Italy, Poland), the chapter shows how structural pension reforms in continental Europe were predicated on opening up formerly exclusive pension policy subsystems to new policy actors. By tracing the evolution of pension policy subsystems, the chapter argues that pension reform experiences have amounted to a partial pluralisation of social policy-making in Europe. On the one hand, new policy actors and their ideas have introduced competition into a once stagnant and predictable policy domain. On the other hand, the process is far from complete since many other policy actors — most notably 'egalitarians' advocating basic income and active ageing — are still widely excluded from policy-making. What is more, pension reform still takes place at arm's length from public scrutiny. The main beneficiaries of structural and ideational changes so far have been central governments. In a very real sense, governments have managed to liberate themselves from the interorganisational ties and responsibilities that locked pension reforms into institutional pathways in the past.

1.6 Conclusions: The Implications for Pluralist Democracy in Europe

The conclusion will summarise the argument and findings of the previous chapters and explore their implications for future research. In the first part of the conclusion, the chapter revisits the research questions (outlined above) and reflects on how the thesis has addressed the research tasks. The second part of the conclusion examines the implications of the thesis' findings for future research. In particular, this section will outline a research agenda for using a frame-based conceptual architecture to understand and assess pluralist democracy in the differentiated polity. This requires extending and adapting the discourse-analytical framework — particularly the normative implications of cultural theory — to the theory and practise of pluralist democracy.

Part I

Theoretical Background

Chapter 2

Institutions Matter: The Differentiated Polity, Policy Networks and Policy Communities

Describing and analysing political structures is the bread and butter of political sciences. Historically, much of political science has been concerned with studying the structures of formal political institutions such as, typically, parliaments, the executive or the judiciary. In the past, political scientists have focused on issues such as the structure and composition of parliaments, the role of political parties in the legislative process, the relationship between executive and legislative institutions or the impact of the judiciary on policy-making. Political science is the study of political power and for a long time political scientists thought that analysing the formal structures of power would provide the key to understanding politics.

The emergence of the policy sciences, however, marked a change in political science. The advent of the policy sciences as a specific area of study coincided with the rapid expansion of state responsibilities. Roughly, this process of state expansion started in the 1940s, gathered momentum in the immediate post-war era, and came into full bloom in most industrialised polities in the 1960s. As the state got involved in more and more aspects of social life, the number of institutions and policy actors implicated in decision-making grew considerably. As a result, formal political institutions lost their monopoly on policy-making. In mass democracies, the pioneers of policy analysis argued, politics no longer takes place in the corridors of power alone. Rather, in order to understand politics, the policy sciences insist, we need to look at political processes in places other than formal political institutions. These places include the public administration, public service delivery, the private sector or civil society as a whole. In a political space less regulated than formal political institutions, the policy sciences increasingly focused on the actual behaviour of institutional and individual policy actors in far more general policy-making processes. As a result, the study of formal structures of power waned in importance relative to

the analysis of decision-making processes and policy actor behaviour.

In the past two decades or so, the study of formal institutions has made a phenomenal come-back. In large parts a reaction to the stifling dominance of Rational Choice Theory in social science, researchers from many social science disciplines (including economics) are showing a renewed interest in the structures of formal institutions. Sociologists [DiMaggio and Powell, 1991], political scientists [Skocpol, 1995, Putnam, 1993, Pierson and Weaver, 1993], economists [Williamson, 1975], and even environmental scientists [Ostrom, 1991] are once again analysing the impacts of formal institutions and institution-building on diverse types of social processes. Their conclusions all point in the same direction: institutions matter. Institutions furnish policy actors with resources and provide a location for political processes. Institutional norms and practises regulate political behaviour. Development within any polity takes place in the context of institutional development. It stands to reason, argue these New Institutionalists, that the structure of institutions is a key aspect of politics.

If institutions matter but political science's traditional focus on formal institutions is too narrow, how can we study political structures in mass democracies? The policy network and policy community approach offers a way to integrate the more behavioural insights of the policy sciences into an broad institutional analysis. In a very real sense, these frameworks take seriously the insight that social relations and patterns of transactions significantly structure policy-making and political behaviour. The network metaphor, as vivid an image to contemporary social researchers as the machine was to previous generations of social scientists, allows us to recognise structures in policy processes without confining analysis to formal political institutions. Like institutional political science, network approaches assume that politics and policy-making takes place in political structures. Like the policy sciences, network theories do not confine these processes to the legislative, executive or judiciary. Arguably, this conceptual flexibility has made policy network and policy community theories "...the dominant 'model' for analysing the policy process in Western Europe ..." [Richardson, 1996, p.4].

The following chapter, then, will present and discuss the major (European) theories of policy networks and policy communities. Section 2 will present the assumptions about policy-making in mass democracies that underpin policy network models. Section 3 briefly lays out the contending theoretical strands in the policy network field. In Section 4 we will look at what policy networks mean for the distribution and control of of political power. While penultimate section reviews some of the weaknesses of existing network theories, the conclusion outlines the general ideas and concrete concepts relevant to a conceptual framework for policy-oriented discourse analysis.

2.1   The "Differentiated Polity"

The starting point of policy network models or, if you will, the thing that policy network approaches try to explain is the "differentiated polity". Policy-making in the differentiated polity, R.A.W. Rhodes suggests, "...is characterised by functional and institutional specialisation and the fragmentation of policies and politics" [Rhodes, 1997, p.7].

This somewhat condensed definition refers to several broad observations

about contemporary policy-making. The first observation concerns the rapid and continuing expansion of state responsibilities since about 1945. At present, advanced industrial states are implicated, in one way or another, in a widening spectrum of social activities ranging from economic life to arts or even sports. New demands on policy-making, so the argument goes, give rise to public institutions that deal with them. As a result, the state changes from being a monolithic entity to a collection of distinct institutions each geared towards handling a limited number of policy issues. In short, the state becomes institutionally fragmented into specialised areas of competence [Jordan and Richardson, 1987, Rhodes, 1997].

The second observation, in many respects a corollary to the process of institutional fragmentation and thematic specialisation, points to the growing role of technical knowledge and expertise in policy-making [Atkinson and Coleman, 1992]. Effective policy-formulation and implementation requires reliable knowledge about the issue area in question. This specialised knowledge, proponents of policy network models argue, resides with the different policy actors within an issue area. States need to tap this source of specialised technical expertise either by recruiting experts from the issue area or by inviting interest groups into the policy-making process. Policy-making, then, becomes a process of exchange, transaction and bargaining between different institutions and policy actors.

Third, policy-making in the differentiated polity features a plurality of policy actors. Not only do states need to acquire technical knowledge, they also have to (at least in democratic polities) take into account the differing interests and political demands that coalesce around a policy issue [Parsons, 1995].

All this, the policy network approach argues, means that no single policy domain resembles another. Each issue area features a specific constellation of formal and informal ties between institutions, social groups, and individual policy actors. What is more, each policy domain develops a specific "policy style" [Richardson, 1982] or a set of norms and practises that regulate interaction.

Institutional fragmentation, thematic specialisation as well as the development of discrete webs of organisational and individual relationships also implies the fragmentation of policy objectives. The interests of the state within one policy community, argue proponents of policy network approaches, may very well conflict with governmental goals in another policy network [Rhodes, 1990, Smith, 1993]. Moreover, Martin Smith argues that state interests and policy goals are formulated in civil society not the other way around [Smith, 1993]. In the differentiated polity, policy no longer is the sole responsibility of the state: rather, policy emerges from the social transactions within policy networks and policy communities. Significantly, the policy network approach abandons the idea that state and civil society are separate entities [Nullmeier and Rüb, 1993, p.294].

The upshot of the argument is that the study of formal institutions only tells part of the story of how policy actually emerges in the differentiated polity [Parsons, 1995]. For this reason, proponents of policy network approaches, such as Martin Smith, pour scorn on conventional theories of state and civil society: "They are reductionist, deterministic and underestimate the importance of the state" [Smith, 1993, p.48]. Rather than looking for answers in the interaction of formal institutions, policy network advocates suggest that we "...focus on the pattern of formal and informal contacts and relationships which shape policy

agendas and decision-making ..." [Parsons, 1995, p.185]. Yet, given fragmentation and specialisation of policy-making, what is needed, argue Atkinson and Coleman, is "a concept that travels across policy domains and political systems yet retains some measure of distinctiveness" [Atkinson and Coleman, 1992, p. 156]. This "magic bullet", to use Atkinson and Coleman's term, is the idea of policy networks and policy communities.

2.2 Policy Networks, Policy Communities and Policy Universes

The policy network metaphor, then, has a lot of intuitive appeal. It stands to reason that the structure of personal contacts between policy-makers, the institutional ties between state organisations and social groups, as well as technical expertise have some impact on policy-making. This, however, leaves open two central questions: in what ways do policy networks affect policy-making and how are we to go about studying policy networks and communities?

Unfortunately, as with many social sciences, there is little consensus among scholars of policy communities. "The literature on policy networks", R.A.W. Rhodes and David Marsh observe, "has varied disciplinary origins, proliferating terminology, mutually exclusive definitions and, especially, varying levels of analysis" [Marsh and Rhodes, 1992, p.19]. To complicate matters further, the different policy network approaches defy systematic classification.[1]

In general terms, then, there are two ways of thinking about policy networks. Some analysts, most notably R.A.W. Rhodes in the UK, understand policy networks in terms of formal and informal ties between organisations in the policy process. Others, such as Jeremy Richardson and Grant Jordan, concentrate on the relations between individual policy-makers within and across organisations [Richardson and Jordan, 1979, Jordan and Richardson, 1987].

Policy Networks: The "Rhodes Model"

The so-called Rhodes model is one of the two British schools concerned with policy networks. Originally designed to explain relations between central and local government in the UK, the approach is an attempt to apply European intergovernmental relations theory (IGR) to British policy-making [Rhodes, 1990, Rhodes, 1997]. Since the IGR literature focuses on "...activities or interactions occurring between governmental units of all types and levels..." [Anderson, 1960], the Rhodes-model understands "...structural relationships between political institutions as the crucial element in a policy network" [Rhodes, 1997, p.36].

Initially, Rhodes depicted the relationship between central and local government in the UK as a game based on "power-dependence". Organisations, he argues, depend on each other for resources in order to pursue their goals. These include, among others, political, legal, knowledge-based, personnel and, of course, financial resources. By exchanging resources, organisations in the policy process become dependent upon each other: decision-making in one organisation constrains decisions elsewhere. Rhodes' initial formulation pointed

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[1]Although Rhodes [Rhodes, 1990, Marsh and Rhodes, 1992] identifies an American and a British strand of policy network literature, in practise the distinction is not very sharp.

to the existence of dominant coalitions within each web of organisational ties. These coalitions, he argued, can retain some policy-making discretion by manipulating the process of exchange according to "rules of the game". Moreover, the "appreciative system" of the dominant coalition "influences which relationships are seen as a problem and which resources will be sought" [Rhodes, 1997, p.36]. How much discretion a dominant coalition will secure depends, in turn, on policy goals, the relative distribution of resources among institutions, the structure of exchange, and the prevailing rules of the game [Rhodes, 1997, p.37]. In this political game structured by resource dependencies, organisations deploy resources "...to maximise influence over outcomes, while trying to avoid becoming dependent on other 'players'" [Rhodes, 1997, p. 37].

However, this model failed to untangle the relations between central and local government at the level of group-government interaction [Marsh and Rhodes, 1992, p.11–12] [Rhodes, 1990, p.303]. The problem here was applying insights from corporatist theory to two separate levels of analysis. Whereas corporatism, Rhodes argues, explains state structures at the macro-level reasonably well, it "...provides a rigid metaphor of government-interest group relations" [Rhodes, 1990, p.303]. At this level of analysis, which Rhodes calls the meso-level, corporatist models fail to capture the different ways in which interest groups can and do relate to government organisations. What was needed, then, was a concept that reflected interorganisational resource-dependencies but that also could accommodate varying constellations of interest group-government interactions within different policy areas. This meso-level concept, Rhodes maintains, is the idea of a policy network.

In the Rhodes model, "policy network" is the generic term to cover all forms of interaction between government organisations and interest groups at the so-called meso-level. Networks come into being, Smith argues, when an exchange of information between social groups and the government institutions leads to "...a recognition that a group has an interest in a certain policy area" [Smith, 1993, p.56]. Following Benson, Rhodes defines a policy network as

> "...a cluster or complex of organisations connected to each other by resource dependencies and distinguished from other clusters or complexes by breaks in the structure of resource dependency" [Benson, 1982, quoted in [Marsh and Rhodes, 1992], p.13].

These networks, Rhodes contends, emerge at the aggregated sectoral level; for example, an analyst will find networks of structurally interdependent organisations in social policy as a whole rather than in the area of pension policy-making.

Depending on the constellation of structural features, policy networks in the Rhodes model differ in character, function and style. Martin Smith identifies the following structural features:

1. Constellation of interests: these may vary according to service, function, territory and client groups.

2. Membership: this refers to the types of organisations in the policy network;

3. Vertical independence: the extent to which a policy network is independent of hierarchical structures.

4. Horizontal independence: the contact policy networks have with other policy networks.

5. Distribution of resources [Smith, 1993, p.58] [Rhodes, 1997, p.43].

These structural features determine the degree to which organisations are integrated within a policy network. Based on differences in integration, then, Rhodes locates five different types of policy networks along a continuum. At one end of the continuum, Rhodes places the highly integrated "policy community". At the other end we find the loosely integrated "issue network". In between, Rhodes identifies "professional networks", "intergovernmental networks" and "producer networks".

Policy communities feature stable relationships and a continuity of membership. A policy community, Rhodes argues, is independent both from hierarchical structures and other policy networks. Consequently, policy communities are insulated from parliamentary and public scrutiny [Rhodes, 1997, p.38]. Policy networks of this type are usually based on a major sectoral and functional interest of the state. The examples Rhodes provides are education and fire services [Rhodes, 1997].

Partly in response to criticism of the Rhodes model, Marsh and Rhodes extend the idea of policy communities beyond the strictly structural [Marsh and Rhodes, 1992]. On this extended view, the ideal-type policy community

- limits participation by consciously excluding some social groups,

- provides for "frequent and high quality interaction" between policy community members on all relevant policy issues,

- ensures consistency in membership, values and policy outcomes,

- constructs a consensus of "ideology, values and broad policy preferences" between participants,

- provides for a balance of power between participants based on the exchange of resources (which need not necessarily provide equal benefits to all participants),

- obtains compliance of participants through a hierarchical network structures. [Rhodes, 1997, p.43–44]

At the other end of the spectrum, *issue networks* "...are characterised by a large number of participants with a limited degree of interdependence" [Marsh and Rhodes, 1992, p.19]. Weak structural links lead to an unstable environment which is not conducive to shared decision-making: the extent of government-group interaction may be no more than the exchange of information [Marsh and Rhodes, 1992, Rhodes, 1990, Rhodes, 1997]. Here, trust and security are at a premium.

Like the idea of policy communities, Marsh and Rhodes later expand the concept of issue networks. In particular, they add that issue networks

- encourage fluctuating membership,

- allow for limited consensus and instead create permanent conflict,

- limit interaction to consultation rather than bargaining,

Type of Network	Characteristic of Network
Policy Community/ Territorial Community	Stability, highly restrictive membership, vertical interdependence, limited horizontal articulation
Professional Network	Stability, highly restrictive membership, vertical interdependence, limited horizontal articulation, serves interest of profession
Intergovernmental Network	Limited membership, limited vertical interdependence, extensive horizontal articulation
Producer Network	Fluctuating membership, limited vertical interdependence, serves interests of producer
Issue Network	Unstable, large number of members limited vertical interdependence

Table 2.1: The Rhodes Model

- exhibit an unequal power relationships "...in which many participants may have few resources, little access and no alternative" [Rhodes, 1997, p.45]

In sum, R.A.W. Rhodes provides a model of policy-making based on networks between public institutions, private organisations, and interest groups. These networks emerge from resource exchanges that lead to mutual organisational dependency. Variations in structural characteristics of policy networks gives rise to distinct types of policy networks. Essentially, the Rhodes model distinguishes types of policy networks by the degree to which participating organisations are integrated within the web of organisational dependencies. In this way, Rhodes distinguishes policy networks in terms of their *accessibility*: in general, the more integrated, the less accessible is the policy network. The different forms of policy networks in the Rhodes model are summarised in Table 2.1.

Policy Communities: Networks of Policy-Makers

Policy network concepts inspired by American approaches provide an alternative to Rhodes' structural model. Here the policy community idea has a more "anthropological flavour"[Atkinson and Coleman, 1992, p.157], evoking the image of a village community [Heclo and Wildavsky, 1974]. Rather than structural constraints and resource dependencies, the policy community metaphor implies that participants work within a shared framework of ideas and values. Grant Jordan argues that the concept of the policy community "...rests firmly on the notion that the particular policy of the moment is processed in a context in which there is recognition that there are, and will be in the future, other issues which also need to be dealt with" [Jordan, 1990, p.326]. Whereas policy networks are forged by resource dependencies, the policy community works in terms of an ideological or pragmatic understanding among individual partici-

pants. Thus, policy networks describe the institutional locations or venues of policy-making and policy communities depict collective policy actors.[2]

Based on American literature on sub-governments from the late 1950s and 1960s, the idea of policy communities has an different ancestry from the more structural concepts. In 1965, J.L. Freeman suggested that in order to capture the essence of policy-making, analysis needed to disaggregate the policy process. Political scientists' attention, Freeman implied, was too focused on the government while all relevant activity took place in "sub-governments". A sub-government, according to Freeman, comprised all those involved in decision-making in a specialised area. He argued that the sum of all routine decisions in these subsystems were public policy [Marsh and Rhodes, 1992, pp.5–7].

Closely related to the idea of sub-governments is the concept of "iron triangles". Iron triangles explain a particular type of government-group relationship. Here three parties (usually from congress, a relevant interest group, and an executive agency) form a symbiotic relationship marked by mutual dependence. Iron triangles determine policy with minimal input from the outside and hence run counter to the pluralist ideal of an open policy process.[3]

Grant Jordan and Jeremy Richardson applied these broad concepts to British policy-making in the late 1970s and early 1980s [Jordan and Richardson, 1987, Richardson and Jordan, 1979].[4] British policy-making, they contend, has become "post-parliamentarian". Public policy, they continue, no longer emerges from conflict within political institutions but rather from a "myriad of interconnecting, interpenetrating organisations" [Richardson, 1996, p.6]. Faced with complex policy processes in the differentiated polity, policy-makers within specialised policy arenas band together in an attempt to introduce some form of stability and predictability. Unlike in the Rhodes model, these communities emerge from transactions between individual policy-makers at sub-sectoral level. Significantly, these "tribes" or "communities" (to extend the ethnographic metaphor a little) are based, like all tribes, of a set of set of shared norms, values and practises [Jordan, 1990].

Policy communities provide continuity and stability in complex policy-making environments [Richardson, 1996]. A shared conceptual framework as well as close and repetitive interpersonal contacts allow policy communities to control change [Jordan, 1990]. Essentially, communities of policy-makers work on the principle of exclusion. They create discursive structures that allow participants to identify who is and who is not part of the club. Moreover shared conceptual frameworks affect how issues can be discussed: Jordan observes that "members of the system begin to debate in the same language and arguments are

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[2]The thesis develops this idea in Chapters 4 and 5 where different models of collective actors in policy processes are reviewed and evaluated.

[3]Which caused a pluralist backlash in the 1970s and 1980s. Most notably, Hugh Heclo's concept of the issue network points towards increasing dynamisation of American policy-making. Issue networks, Heclo argues, host two somewhat contradictory tendencies. On the one hand, issue networks feature a large number of frequently fluctuating interest groups clamouring for policy-makers' attention. Participation in American policy-making, Heclo observes, has expanded to such an extent that "…it is all but impossible to identify clearly who the dominant actors are" [Heclo, 1978, quoted in [Richardson, 1996], p.102]. On the other hand, burgeoning participation and the proliferation of policy issues has also implied increasing specialisation and the emergence of "highly knowledgeable policy watchers" [Heclo, 1978, p.49] that concentrate policy-making capabilities.

[4]As an explicit attempt to justify pluralism in UK policy-making [Atkinson and Coleman, 1992, Smith, 1993].

treated seriously only when discussed in these common criteria" [Jordan, 1990, p.326]. In this way, stability becomes synonymous with consensus-seeking: policy communities, replete with formal and informal rules of appropriate conduct, avoid policy conflict by keeping conflicting views and approaches out of policy communities.

Policy Universes: "Turning the Terminology on its Head"

Another British approach to policy networks originates with Maurice Wright and Stephen Wilks. Crudely speaking, the work of the two social scientists [Wilks and Wright, 1987] is conceptually located somewhere between the Rhodes model and the more ethnological ideas of policy communities.[5]

Wilks and Wright model the relationship between industry and government. They set out three themes: "to break away from system-level macrogeneralisations" and replace them with an empirically based approach, to emphasise the comparative aspect, and to develop "a more productive theoretical approach" [Wilks and Wright, 1987, p.275]. Wilks and Wright suggest that the policy network approach be reworked to produce a "more fine-grained analytical schema" [Wilks and Wright, 1987, p.289].

Rhodes and Marsh identify three main areas where Wilks and Wright depart from the Rhodes model [Rhodes, 1990, Marsh and Rhodes, 1992]. First, Wilks and Wright emphasise the extremely disaggregated nature of policy-making. The key to understanding decision-making, argue Wilks and Wright, is understanding that government is "fragmented, differentiated and fissiparous". Not only does the state have to be disaggregated at the sectoral level, as Rhodes suggests, but also at the sub-sectoral level [Rhodes, 1997].

Second, restructuring policy network theory necessitates a number of redefinitions. When invoking the policy community metaphor, Wilks and Wright refer to "actors and potential actors drawn from the *policy universe* who share a common identity or interest" [Rhodes, 1990, p.306]. This diverges from both Rhodes' and Jordan's idea of a highly integrated and closely knit policy community. Grant maintains that this version of the policy community exhibits three characteristics: differentiation, specialised organisations and policy-making institutions, as well as personal interaction between its members.

Wilks and Wright argue that this more iterative and bottom-up format facilitates a comparative approach. By replacing the rigid image of the Rhodes' policy community by a more flexible notion, Wilks and Wright argue, this formulation gives researchers three further avenues of enquiry. First, they can distinguish between factions in the policy community at sectoral and subsectoral level. Second, it allows researchers to identify actors excluded from the policy network but included in the policy universe. Last, the membership of different networks within the same community is open to analysis [Rhodes, 1990, p.306].

The broader term "policy universe" is defined by Grant as "the large population of actors and potential actors [who] share a common interest in industrial policy, and may contribute to the policy process on a regular basis" [Jordan, 1990, p.7]. The policy community, a subset of the policy universe,

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[5]Although, as we will see, their focus on interpersonal relations between policy actors places Wilks and Wright considerably closer to Richardson and Jordan than to Rhodes.

draws its members from the policy universe. In this context, the policy network is the process that links the persons in the policy community [Rhodes, 1990, p. 306]. The image is one of Chinese boxes rather than the linear continuum that Rhodes outlines.

Last, Wilks and Wright suggest that the level of analysis be refocused to the micro-level: the level of personal interaction. Policy communities, they contend, do not conform to institutional boundaries but rather are organised around a set of personal relationships mediated by resource dependencies.

In sum, Wilks and Wright version of the policy network adds three elements to the study of policy networks. It suggests disaggregation to both sectoral and sub-sectoral level, suggests a focus on individual personal relationships, and, finally, rejects any macro-level theory in favour of an empirically based micro-level analysis. Rhodes notes that Wilks and Wright's "reformulation seeks precise and operational definitions of communities and networks to facilitate micro-level analysis" [Rhodes, 1990, p.307]. The policy community, in this sense, is a more fluid idea than the rigorous resource-dependency model.

2.3   Policy Networks, Power and Accountability

Policy networks and policy communities, then, are contested concepts. Although the idea running through all approaches is plausible and appealing, different theorists come to very different conclusions about what policy networks are, how they work, and what they do. All policy network models, however, make two interrelated claims. First, an ontological claim, policy network theories assert that mass democracies and the differentiated polity have qualitatively changed the nature of policy-making and politics. Second, an epistemological claim, network advocates suggest that understanding this new form of politics requires a specific method of enquiry.

Yet, what do these two claims mean for the study of politics? Fundamentally, political sciences (and the policy sciences) are about understanding the nature and organisation of political power within a polity. Political scientists are interested in how political structures give rise to power resources and in what ways they enable or constrain the use of these resources by the state. What, then, do policy network and policy community approaches have to say about power and accountability?

State Power, Autonomy and the Differentiated Polity

The emergence of the differentiated polity, advocates of policy network approaches argue, has complex and ambiguous impacts on governments' capacity to control policy-making. The effect of policy networks is not so much a straightforward transfer of power from state actors to actors within policy communities. Rather the advent of complicated and ever bifurcating policy networks fundamentally changes the nature of the political game. In the differentiated polity, so the argument goes, conventional concepts of political power become increasingly less applicable. As the "...state becomes a collection of interorganisational networks made up of governmental and societal actors with no sovereign actor able to steer or regulate" [Rhodes, 1997, p.57], tried-and-tested instruments of

control, such as line management or incentive structures, become increasingly blunt and ineffective.

Consequently, Smith argues that we need to rethink our concepts of state autonomy and state power [Smith, 1993]. In the differentiated polity, the relationship between government and groups is not a zero-sum game: increases in interest group power do not necessarily imply decreases in state autonomy. Since organisational resource interdependencies blur the distinction between the governors and the governed, or, more prosaically, the state and civil society, pursuing policy goals becomes a common endeavour within each particular policy network. In a very real sense, advocates of policy network approaches argue, policy networks break down the competitive relationship between state actors and interest groups: within policy networks, both sides of the classical political divide become implicit, or even complicit, in each others policy-related activities. In this way, Smith continues, policy networks provide an organisational infrastructure, replete with a wide range of useful policy-making resources that state actors tap into when pursuing policy objectives. Policy networks, then, imbue states with what Smith calls "infrastructural power"[6] by exchanging resources with non-state organisations, governments are able to formulate and implement policies without having to resort to force or coercion.[7]

The structure of resource exchanges within a policy network, Smith contends, determines whether policy actors can 'get things done'. Yet, as we have seen, different government-interest group configurations are more or less conducive to 'getting things done'. Smith argues that the more cohesive a policy network, that is the more it resembles a policy community, the more infrastructural power it creates: frequent 'high quality' communication, tight interorganisational linkages and, most importantly, the ability to exclude and marginalise specific policy actors provide favourable structural means for policy-making. By the same token, loosely organised issue networks provide actors with less resources and institutional mechanisms for steering policy-making: institutional plurality, clamorous policy debates, and transient policy actors provide far less leverage on policy formulation and implementation [Smith, 1993]. If being able to 'get things done in politics' is an indicator of autonomy and power, then, Smith concludes, autonomy and power in the differentiated polity are not really attributes of states and their institutions. Rather it is the organisational networks that cluster around a specific policy arena that are more or less autonomous from each other. Power and autonomy, then, emerge from the structural characteristics of a particular policy network and not from the attributes of individual organisations.

In sum, Smith contends that policy networks give rise to a completely different game of politics than outlined in conventional political science, most notably in pluralist theories. In particular, the rise of policy networks shifts the locus of political power away from individual state institutions and towards networks of policy actors. Moreover, this autonomy and power is a function of structural characteristics within policy networks: in general, Smith avers, the more

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[6]The implication here is that networks not only create a resource environment for states, although both Smith and Rhodes maintain that states are always dominant actors, but also for other organisations within policy networks.

[7]Smith maintains that resorting to force and coercion, or what he calls "despotic power", is likely to be a relatively unsuccessful strategy in the long-run, see also Paul Sabatier and Hank Jenkins-Smith's notion of "raw power" [Sabatier and Jenkins-Smith, 1993b] and Chapter 4.

ideologically and organisationally cohesive, the more a policy network will be able to succeed in pursuing its goals in relation to other policy communities. Political power in the differentiated polity, then, is primarily structural and organisational: it is the power to exclude contending actors and voices from policy communities and, by extension, from the policy agenda.

At a more concrete level, Rhodes' analysis of changes in British policy-making over the past three decades unearths similar developmental patterns [Rhodes, 1997]. Throughout the post-war period but particularly in the past two decades, Rhodes contends, Britain has witnessed the successive decline of the so-called Westminster model of government.[8] The public sector reforms of the 1980s and 1990s, including privatisation, introducing new forms of public service delivery, increasing public-private partnerships, or the creation of special-purpose bodies and executive agencies, have "hollowed out" the British state. Rhodes maintains that in the past 20 years or so, the British state — in the course of dealing with messy policy problems — has lost governmental functions upward to the European Union, downward to special purpose bodies and outward to executive agencies [Rhodes, 1997, p.17 and p.54]. In short, policy-making has become more complex as an ever increasing number of governmental functions passes over from central departments into relatively autonomous networks of interdependent organisations.

As a result of these public sector reforms, British policy-makers now face an increasing number of "self-organising, interorganisational networks" [Rhodes, 1997, p.53]. This, he maintains, has fundamentally changed the rules and structures of British policy-making. Rather than engaging in "government", policy-makers now contend with a system of "governance". Rhodes defines this system in terms of four characteristics:

1. Organisations within the system of governance are interdependent. Governing, Rhodes argues, no longer is the exclusive privilege of state institutions: policy-making now includes organisational actors from both the private and voluntary sectors. This, Rhodes contends, has meant that "...the boundaries between public, private and voluntary sectors [in Britain] became shifting and opaque"

2. Governance features ongoing interaction between network members "caused by the need to exchange resources and negotiate shared purposes" [Rhodes, 1997, p.53],

3. The interactions themselves take on the form of games "...rooted in trust and regulated by the rules of the game negotiated and agreed by network participants"

4. Self-organising, interorganisational networks feature a "...significant degree of autonomy from the state". Policy networks, Rhodes maintains, are not accountable to the state. As a result, the state can only "...indirectly and imperfectly steer networks" [Rhodes, 1997, p.53]

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[8]Rhodes understands the Westminster model, the dominant model of explaining British politics, to consist of a focus on "...parliamentary sovereignty; strong cabinet government; accountability through elections; majority party control of the executive (that, Prime Minister, cabinet and the civil service); elaborate conventions for the conduct of parliamentary business; institutionalised opposition, and the rules of debate"[Rhodes, 1997, p.5]

The concept of governance (understood as self-organising interorganisational networks), Rhodes maintains, has become a more accurate depiction of British politics than the Westminster model. More precisely, the idea of governance describes the kind of fragmented political system the British polity has become as a result of complex, uncertain and transversal policy problems.

How has the shift towards governance affected policy-making in Britain? By outsourcing many governmental functions to policy networks and policy communities, Rhodes argues that the British state has effectively exchanged direct for indirect control over policy-making. Steering these organisational networks requires a different set of skills than managing either hierarchies or markets. For this reason, applying management strategies suitable for markets or hierarchies to networks, Rhodes argues, is likely to fail: here he points to recent British experiences with New Public Sector Management [Rhodes, 1997, pp. 55–56] where policy-makers essentially tried to control networks with market mechanisms. Rather than relying on competition or line-management, Rhodes contends that self-organising, interorganisational networks call for "intergovernmental management", policy-makers will have to engage in "problem-solving, interorganisational games, and networking" [Rhodes, 1997, p.56]. Networks, he concludes, have become

> "...a third governing structure. They are not better than either bureaucracies or markets. They have different characteristics and suit some policy areas some of the time. Reciprocity and interdependence, not competition, characterise network relations. If there is one phrase which captures the nature of IGM [intergovernmental management], it is 'mutual adjustment'. So, managing interorganisational networks is both game-like and requires strategies rooted in trust" [Rhodes, 1997, p.57].

Has the switch from government to governance reduced the capacity for United Kingdom state actors to affect policy? In concrete British case, Rhodes argues that the rise of self-organising interorganisational networks has indeed curtailed state power (in the conventional sense). The failure on part of UK state actors to appreciate the specific management requirements of policy networks has meant that the "...centre's capacity to regulate them remains underdeveloped; it has only 'loose leverage'" [Rhodes, 1997, p.57]. Public sector reforms in the UK, Rhodes concludes, are flawed:

> "They aimed to give the government more control, and they gave the government more control (for example, finance) but over less (for example, service delivery), because governance rivalled markets as the distinctive governing structure of the last two decades" [Rhodes, 1997, p.57].

Although policy networks increase the complexity of policy-making, multiply unintended consequences, and generally lead to 'policy mess', it is not policy networks and governance *per se* that have transferred policy-making control away from government. Rather, UK state actors have lost power to policy networks because they applied management tools unsuitable for steering policy networks.

Democratic Accountability in the Differentiated Polity

Whereas the differentiated polity has complex and somewhat ambiguous impacts on state autonomy and political power, the rise of fragmented and specialised policy networks has far more discernible repercussions for representative democracy and democratic accountability. When assessing the impacts of policy networks on democratic accountability, network theorists also pass judgement on the normative aspects of the differentiated polity: in other words, discussing the state of democratic accountability in a policy process characterised by fragmented and specialised policy networks means assessing whether or not policy networks are a 'good thing' for representative democracies. However, perhaps unsurprisingly, advocates of the different policy network approaches arrive at quite divergent conclusions about the implications of the differentiated polity for democratic accountability.

For Rhodes, policy networks and the differentiated polity represent a serious challenge to representative democracies. The complex interorganisational networks that blur the line between civil society and the state, he maintains, quite considerably undermine conventional mechanisms of democratic accountability. Policy networks in general and the more cohesive policy communities in particular are what Rhodes calls "instances of private government". In their most effective form, policy communities are relatively closed to the public, create privileged hierarchies with differential access to resources within networks, and establish 'rules of the game' that favour established interests [Rhodes, 1997, p.58]. Policy communities' emphasis on continuity makes them inherently conservative in the sense that highly cohesive policy communities aim to maintain the status quo. In an effort to avoid other policy actors 'rocking the boat', policy communities exclude dissenting voices by erecting high barriers to entry into the community, by non-decisions, and by rigging the 'rules of the game' in such a way as to preclude a level playing field. This, Rhodes argues, is anathema to representative democracies since "...private government is bad government; openness is the basic axiom of representative democracy" [Rhodes, 1997, p.22].

Moreover, Rhodes contends that representative democracies are institutionally ill-equipped to deal with, let alone democratically control, policy-making in the differentiated polity. In the differentiated polity, Rhodes maintains, policy formulation, decision-making as well as implementation takes place in complex organisational webs consisting of diverse types of state and non-state institutions often remote from parliamentary scrutiny. In this way, policy networks and policy communities effectively marginalise parliament from decision-making. Conventional mechanism of democratic accountability, moreover, focus on single institutions and their decision-making structures. In a policy process in which policy seeps, bleeds and dissipates from a number of indiscriminate points in complex policy networks, Rhodes maintains that the conventional focus on single institutions leaves much of policy-making democratically unaccounted for. This is why Rhodes concludes that "...accountability can no longer be specific to an institution but must fit the policy and its network" [Rhodes, 1997, p.21].

Since representative democracies, Rhodes contends, "...were never designed to cope with multi-organisational, fragmented policy systems", bringing policy networks to account implies devising new forms of democracy and democratic accountability. Here, Rhodes points to the fundamental incongruence between institutions of representative democracy (based on territoriality) and policy net-

works (based on functionality). If policy-making in the differentiated polity is to be democratically accountable, then, Rhodes avers, the mechanisms of democratic accountability need to be tailored to the requirements of fragmented policy-making in interorganisational networks: in short, Rhodes calls for the democratisation of functional subpolitical domains. This challenge, he continues, is not likely to have elegant and simple remedies since "messy problems need messy solutions" [Rhodes, 1997, p.21]: accountability, Rhodes predicts, will have to go hand in hand with further institutional differentiation. Mechanisms of democratic accountability will have to mirror the complexity and plurality of institutional forms in the differentiated policy process. Although Rhodes does not tell us what these new forms of accountability may look like, he outlines three requirements for establishing these democratic mechanisms:

1. explicit accountability in multiple forms and forums;

2. openness of information;

3. flexible institutions that will permit experimentation with new forms of democracy [Rhodes, 1997, p.198].

In turn, Jeremy Richardson is far less pessimistic about the democratic implications of policy communities [Richardson, 1996]. Unlike Rhodes and other theorists adhering to more structural concepts of policy networks, Richardson sees the rise of policy communities as a reinvention or new expression of pluralist politics. The argument that policy communities are both structurally and ideologically closed, he maintains, is somewhat suspect. Whereas the strict definition of policy communities emphasises continuity and ideological homogeneity among policy actors, Richardson points to the dynamic nature of policy-making evident in policy communities at, for example, European level. So, he argues, while policy communities may close ranks for a specific period of time, the dynamics of pluralist politics will inevitably rock policy community boats and break down cohesive policy communities into more pluralist issue networks.

Richardson identifies two mechanisms or channels that challenge cohesive policy communities. First, he points to the considerable pressure for admitting new members into policy communities. Structural concepts of policy communities, Richardson contends, are unable to explain how policy communities can absorb new members without disintegrating. By emphasising policy-making continuity and consensus, these concepts gloss over the fact that "...in many cases (rather like families and villages) the community holds together — in the sense of *exchange relationships* — despite quite serious disputes and despite often having to admit new members" [Richardson, 1996, original emphasis, p.7]. Moreover, particularly at EU-level policy-making, policy actors in European policy communities are too divergent to give rise to a "community of shared views". Policy conflict and fluctuation of policy actors, then, seem to be intrinsic to the workings of policy communities. Thus, Richardson (1996) concludes that

> "...even at the national level, it might be argued that the emphasis on stability and consensus is one of the causes of the intellectual fatigue which the policy network concept now exhibits. Even national politics in the 1980s and 1990s has been very different to the politics of the 1960s and 1970s — not least because of a considerable

degree of radical policy change and the mobilisation of new actors
... " [Richardson, 1996, p.7].

Pressure from outside policy communities to admit new, potentially disruptive members into cohesive policy communities, then, prevents policy networks from closing off completely from public scrutiny and becoming democratically unaccountable.

Second, links between different policy communities provide another means for opening up cohesive policy networks. Links between policy communities within and across different sectors provide leverage on cohesive private governments by introducing new ideas, differing approaches and new demands on policy-making. This, in turn, makes it more difficult for policy communities to avoid the scrutiny of other policy actors and policy professionals. Linkages between policy communities, then, provide a form of horizontal accountability on policy community activities.

For Richardson, then, policy-making in the differentiated polity is an inherently dynamic and increasingly unpredictable undertaking. Using Rhodes continuum of policy networks, Richardson argues that any particular policy network may over time shift along the continuum from policy community to issue network. For this reason, Richardson maintains,

> "...it may be that at any given time several types of policy networks (in the generic sense) are in operation ... Also, over time, the policy process might change its characteristics quite significantly, along the continuum ... " [Richardson, 1996, p.9].

In sum, rather than the static image of cohesive and closed policy communities far removed from any form of democratic scrutiny, Richardson understands policy-making to be a rather more unstable process in which policy community structures persistently face challenges from outside groups as well as other policy communities. This, of course, is a way of restating that the policy process conforms to the patterns of pluralist politics.

2.4   Critique: Terminology, Change and Ideas

The concept of policy communities and policy network provides an appealing and arguably more accurate image of contemporary policy-making. However, indeed like any theory or approach, the idea of the differentiated polity also contains some decisive weaknesses.

Perhaps the most obvious criticism concerns the lack of consistent terminology. As we have seen, researchers have generated a plethora of different, overlapping and contradicting terms. In part, researchers use the same terms to describe different phenomena. For example, the term "policy community" can refer to a closed, tightly knit, ideologically coherent, and strongly interdependent group of policy actors [Rhodes, 1990, Rhodes, 1997, Smith, 1993, Jordan, 1990], a community of conflicting policy actors principally open to 'outside' influences [Richardson, 1996], or loose collection of individuals and organisations potentially interested in a particular issue [Wilks and Wright, 1987]. In part, and as a consequence, analysts use different terms to denote the same phenomena. The terms "policy networks", "policy universe", "policy domain", or "policy arena"

ostensibly describe a broad collection of individuals and organisations that are in some way associated with a particular policy problem or policy sector. As a result, the concepts become rather messy and vague. As Frank Nullmeier and Friedbert Rüb, two German political scientists, observe:

> "With terms such as 'policy network', 'issue network', 'policy arena', 'iron triangle', 'policy community', 'policy domain', 'triple alliances', 'whirlpools', 'sub-system politics', 'policy style', 'policy universe' the policy sciences provide an abundance of concepts whose differences, relations and uses in political science are highly contentious even among policy scientists themselves. As a result, almost each author uses his own categorical framework"[Nullmeier and Rüb, 1993, p.294].[9]

Why, then, has the study of these dependency relationships given rise to such a wide spectrum of terms and meanings? Atkinson and Coleman suggest that relations between government, interest groups and state bureaucracies are actually far more complicated than policy network theories suggest [Atkinson and Coleman, 1992]. Neither interorganisational resource dependencies nor interpersonal relationships based on shared beliefs adequately capture the complexities of how individuals and organisations interact in the policy process. Policy networks and policy communities, then, are good metaphors. The term "networks" provides an evocative image of a seamless web that resists, by it's very nature, any outside interference. The idea of a community conjures up images of a fundamental agreement, solidarity and even kinship. Yet, while these metaphors are successful in providing tangible images of what are in reality a very complex processes, it is precisely these strengths that make for definitional disputes once researchers refine and operationalise their concepts [Atkinson and Coleman, 1992].

However, terminological confusion aside, the policy network and policy community approach is also beset with more substantial difficulties. Although the idea of the differentiated polity, regardless of the particular theoretical flavour, describes policy-making in advanced capitalist democracies reasonably well, the concept is less useful for explaining the dynamics of the policy process. Analysing policy processes in terms of policy communities and policy networks, argue Atkinson and Coleman,

> "... tends to be dynamic in the sense that one learns about patterns of interaction among various actors, the content of those interactions, and the structures that channel communication. In this respect, network studies have provided useful snapshots of the policy process at a particular point in time, but they have devoted less attention to the changes in processes and outcomes" [Atkinson and Coleman, 1992, p.172].

Mapping relations between individual and institutional policy actors tells the researcher little about how the policy process unfolds and how the character-

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[9]This is my translation from the original German. The original passage reads: "Die Policy-Forschung steuert mit 'policy network', 'issue network', 'policy arena', 'subgovernment', 'iron triangle', 'policy community', 'policy domain', 'whirlpools', 'sub-system politics', 'policy style', 'policy universe' eine Fülle von Begrifflichkeiten bei, deren Differenzen, Relationen und politologischen Zwecke unter den Policy-Spezialisten selbst äusserst umstritten ist. Dies hat zur Folge, dass beinahe jeder Autor sein eigenes Kategoriengerüst verwendet"

istics of the network affect the policy process. In general, researchers applying network approaches to policy-making are content with observing that the policy process in the "differentiated polity" is complicated and messy [Smith, 1993, Rhodes, 1997]. Cohesive policy communities, so the argument goes, will operate predominantly in terms of non-decisions and exclusion whereas issue networks will give rise to the politics of the lowest common denominator. In either case, policy-making is an incremental adjustment process that diffuses responsibility throughout the network: here, the policy is the product of an iterative, multi-layered and arhythmic bustle of policy activity. In short, policy in the "differentiated polity" just appears from this messy and inherently chaotic process. Although there is much to commend this description of policy-making, it is not very helpful for understanding, let alone affecting, the policy process.

This also makes [Atkinson and Coleman, 1992]. Essentially, network approaches are geared towards understanding and describing 'normal' politics. Policy communities (either in Rhodes' or in Jordan and Richardson's sense) are explicitly designed to avoid policy change: controlled membership, strong integration, as well as a shared ideological framework preclude policy change in favour of preserving the status quo. Here, political change is an unusual event that throws the proverbial spanner into the smooth workings of a policy community. By the same token, the basic characteristics of issue networks are also unlikely to change since decision-making is effectively gridlocked in a system of highly conflictual yet weakly integrated interest groups.

Yet, if we are to believe the plausible claims by network theorists that policy in the differentiated polity emerges from policy networks and policy communities, then these must also be the locus of wide-spread political change we are experiencing at present. Rhodes' central argument is that the shift from the Westminster model to the differentiated polity is in fact at the heart of contemporary political change is not altogether convincing [Rhodes, 1997]. Although network theorists have shown that big government and increasing specialisation has substantially altered policy-making in advanced industrial democracies, there is little within the approach itself to explain how political change works through the "differentiated polity" and how the differentiated polity itself may change.

One of the main reasons the policy network and policy community approach is relatively static is related to the somewhat marginal status of ideas, ideology and knowledge within policy network theories. In general, policy network and policy community approaches concentrate on the exchange relationships, be it between individual or institutional policy actors, rather than on the ideas and beliefs that these policy actors may hold. This, however, is not to say that network theorists of either methodological bent discount the role of ideas and ideology. In his theory of power dependence, Rhodes, referring to the work of Sir Geoffrey Vickers [Vickers, 1965], points out that "...the appreciative system of the dominant coalition influences which relationships are seen as a problem and which resources will be sought"[Rhodes, 1997, p.36]. What is more, Rhodes contends that the dominant coalition determines the 'rules of the game' within the network; presumably, these rules reflect fundamental beliefs about how to tackle the issue at hand and how to effectively organise policy processes. Jordan is even more explicit: for him, "a policy community exists where there are effective shared 'community' views on the problem. *Where there are no such shared attitudes no policy community exists*" [Jordan, 1990, original emphasis,

p.327]. So, ideas, ideology and knowledge seem to be important.

However, for all the effort that has gone into mapping and categorising different types of exchange relationships, network theorists have paid scant attention to understanding how ideas and ideologies interact with and impact on the configuration of exchange relationships. First, it is not entirely clear from the literature what "appreciative systems" or the "community of shared values" exactly entail. It is unclear from the literature how these different ideational aspects (fundamental values, process-oriented beliefs, or epistemic commitments) hang together to reinforce and justify a specific policy network configuration.

Second, a more fine-grained and systematic understanding of ideas and knowledge would allow a clearer analysis of consensus and conflict in policy networks. The Rhodes model, but also other approaches to policy networks, deals with policy conflict in a rather binary way. Either cohesive policy communities avoid principled conflict about ideas by simply excluding potential dissenters or issue networks, which consist of nothing but conflict, produce policy by exercising "despotic power" [Smith, 1993]. In either case, the dominant actor determines policy outcomes: in the former case by determining the rules of the game, in the latter case by governmental volition. More specifically, it would enable the analyst to identify the types of principled conflict 'permitted' in a particular policy network. In short, a more systematic approach to ideas and ideology would provide the key to how policy networks manage principled conflict.

Third, and related to the above, is the issue of systemic norms and normative structures. Atkinson and Coleman point out that prevalent normative structures beyond the boundaries of policy networks may have a decisive impact on the exchange relationships within policy communities [Atkinson and Coleman, 1992]. The overall structures, norms and practises of a polity as a whole, what Atkinson and Coleman call "systemic macro-variables", may profoundly affect the interactions within specific policy domains. Pointing to comparative research on regulatory regimes [Vogel, 1986] and on different corporatist arrangements, Atkinson and Coleman point to rather significant differences in the network structure at sectoral level. For example, in countries where the polity is geared towards competition, such as the United States, policy communities tend to exhibit far more conflictual behaviour than in countries based on consensual policy-making, such as the United Kingdom. At present, however, analysis tends to end at the boundaries of the specific networks under consideration. Including wider systemic norms within the analytical framework, then, may help explain the structures of conflict and interaction within specific policy arenas.

2.5 Conclusion

This chapter shows how theories of policy networks and policy communities help come to terms with the institutional and organisational structures of contemporary policy-making. Realising that "institutions matter" but that policy-making in the "differentiated polity" no longer takes place in formal political institutions alone, concepts of policy networks and policy communities explicitly take into account the impact of social relations and patterns of social transactions on policy-making. While the so-called "Rhodes-model" understands networks to emerge from resource dependencies between organisations, other approaches, no-

tably Jeremy Richardson's policy community framework, focus on transactions between individual policy-makers. The chapter also shows that the different flavours of network approaches come to different conclusions about the impact of policy networks on pluralist democracy. While Rhodes sees the differentiated polity as potentially watering down democratic accountability, Richardson perceives policy communities as a rejuvenation of pluralism in mass democracy. However, despite disparities between different approaches, concepts of policy networks suggest that mapping the patterns of social transactions between individual or institutional policy actors reveals incentives and constraints that significantly shape policy-making.

Chapter 2 has also pointed to the weaknesses of the policy network and policy community approaches. Apart from a debilitating terminological feud between adherents of differing approaches, policy network theories are poorly equipped for understanding either organisational or policy change. This is methodologically hard-wired into the frameworks: in a very real sense, policy network and policy community theories are one-dimensional in that they explain policy-making solely in terms of organisational or institutional structure. Ideas, ideologies or discourses, to the extent that they do figure in the theories, are added on in an unsystematic manner. Thus, the network approaches have no means of spotting and explaining how conflict arises between actors within and across networks and communities.

How, then, can we use policy network and policy community approaches for a discourse-based analysis of conflict about messy policy problems? The following insights, then, will inform the conceptual framework for a policy-oriented discourse analysis elaborated in Chapter 5:

Contemporary policy-making takes place in the "differentiated polity". In Europe, policy processes are located in functionally differentiated institutional networks focused on a specific policy issues (such as transport, environment of social security policy). Alongside public sector institutions (such as ministries or executive agencies), these institutional networks include organisations from the private and tertiary sectors.

The approaches discussed in this chapter provide three complementary perspectives on the differentiated polity. The Rhodes Model describes how different institutional constellations function as a *location* or *venue* of policy-making. Richardson's concept of the policy community, in turn, shows how individual policy-makers cohere to form collective *policy actors*. Wilks and Wright address both the venue and actor aspect of policy networks: in their scheme of *nested policy environments*, policy universes provide the organisational environment from which different policy communities emerge. Understanding conflict about complex, uncertain and transversal policy issues will require analysing the relationships between venues, policy actors and policy environments.

Policy networks and policy communities have profound implications for the exercise and distribution of political power within a polity. Smith's idea of "infrastructural power" implies that in the differentiated polity, policy actors depend on resources and structures within the policy network to formulate and implement the policies they prefer. This means that the

autonomy and capacity to shape policy increasingly depends on control over *access* to policy networks and policy communities.

However, we have also see that policy network and policy community approaches leave central questions unanswered:

- *How can we re-integrate the role ideas, ideologies and knowledge into the differentiated polity.* The thesis will first discuss the role and function of ideas, ideologies and knowledge for contemporary policy processes in Chapter 3 and then explore how ideas can be integrated into a network-based policy analysis in Chapter 4.

- *How do policy networks change over time and what factors bring about these changes?* The thesis will address these questions in Chapter 4 and Chapter 5.

- *What are the implications of the "differentiated polity" for democratic accountability in contemporary pluralist polities?* The thesis will return to this issue in the conclusion.

Chapter 3

Ideas Matter: Argument, Conflict and Policy-Making

Traditionally, the analysis of how ideas, ideologies, and knowledge impact on the policy process has led a Cinderella-type of existence in the policy sciences. In the previous chapter we saw how policy network theorists relegate ideas, ideologies and knowledge to the margins of their explanatory architectures. But the thinkers and approaches discussed in the last chapter are not alone in underestimating the role of ideas in policy processes. For the most part, policy sciences have been preoccupied with wringing 'objective truths' out of policy problems by using an impressive array of sophisticated scientific methods. For a long time, policy analysts understood their role in the policy process as one of 'cutting through the crap' of politics and, by applying objective methods and tools, 'getting to the bottom' of social problems. By "speaking truth to power" [Wildavsky, 1987], policy analysts would provide a shining beacon along the path of objective, and rational decision-making.

The preference for policy analysis and policy-making sanitised of values and ideas is part of what Deborah Stone calls "the rationality project" [Stone, 1997]. This project aims to rescue "...policy from the irrationalities and indignities of politics, hoping to make policy instead with rational, analytical and scientific methods" [Stone, 1997, p.6]. In terms of the rationality project, the body politic is afflicted with a serious and unsightly illness making politics look "messy, foolish, erratic and inexplicable" [Stone, 1997, p.6]. On this view, the palliative is rational, objective and value-free policy analysis to be judiciously administered by skilled professionals. Indeed, many governments across Europe are reacting to messy policy problems by suggesting a return to knowledge-based, objective and evidence-driven   policy-making [Parsons, 2002, Strategic Policy-Making Team, 1999].

Yet, Stone and other policy scientists[1] argue, the rationality project misses the point. Whatever else it may be, policy-making in democratic polities is fundamentally a process of argumentation. In principle, Giandomenico Majone argues, policy decisions in liberal democracies are the outcome of an deliberative process in which contending parties exchange arguments based on ideas

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[1]Including, most prominently, Frank Fischer, John Forester, John Dryzek, Deborah Stone, or Giandomenico Majone

[Majone, 1989]. Far from being a pathology, deliberation and conflict featuring rhetoric and persuasion are central to the policy process [Majone, 1989, p.2]. Ignoring these argumentative aspects not only means that policy analysts have an incomplete understanding of what happens in real policy processes, they also have a distorted perception of what ought to happen in policy-making. By purging values and ideology from policy-making, Stone contends that the rationality project ignores

> "...the essence of policy making in political communities: the struggle over ideas. Ideas are a medium of exchange and a mode of influence even more powerful than money and votes and guns. Shared meanings motivate people to action and meld individual strivings into collective action. Ideas are at the centre of all political conflict" [Stone, 1997, p.11].

If we are to understand contemporary policy processes, these thinkers contend, ideas, ideology and knowledge must become an integral aspect and central object of policy analysis. This, in turn, implies that policy analysis and planning undergo an "argumentative turn".[2]

In this chapter, we will review what this means for contemporary policy-making and policy analysis. In doing so, this chapter aims to explore the theoretical context for policy-oriented discourse analysis as well as to identify useful concepts for developing a discourse analytical framework. Section 3.1 and Section 3.2 provide the conceptual backdrop by discussing the way the *Argumentative Turn* respectively portrays and criticises the conventional precepts of policy analysis. In Section 3.3, the chapter introduces some alternative methods and tools for policy analysis relevant to practical discourse analysis. The penultimate section — Section 3.4 — picks up on some of the weaknesses inherent in the argumentative approach to policy analysis and planning. The conclusion summarises both the basic insights and the concrete conceptual tools relevant for analysing conflict about messy policy problems.

3.1 Conventional Policy Analysis

Conventional tools of policy analysis, the thinkers of the *Argumentative Turn* assert, have become blunt and rather unsafe to use. The 'rationality project' has given rise to three sets of interrelated misconceptions about policy analysis and policy-making. First, a rather narrow notion of rationality, based on the distinction of fact and value, has led policy analysts to adopt inappropriate and unrealistic standards for analysing social problems and policy processes. Second, a restrictive concept of the rational, theorists of the *Argumentative Turn* contend, has focused policy analysis on decision-making. Third, the 'rationality project' rather inaccurately portrays what policy analysts actually do.

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[2]The *Argumentative Turn in Policy Analysis and Planning*, which is also the title of Frank Fischer and John Forester's edited volume[Fischer and Forester, 1993], encompasses a rather disparate assembly of thinkers and paradigms. Despite considerable differences between the approaches found under this label, they all share a fundamental scepticism toward conventional policy analysis based on the "rationality project". Instead, the theorists and researchers prefer to focus on how the actual rhetorical and argumentative performances of policy actors shapes policy-making.

Facts and Values

For thinkers within the *Argumentative Turn*, many problems in contemporary policy analysis and policy-making stem from a restrictive and narrow definition of the rational. This particular view of rationality, which emerged from the Enlightenment, assumes that we can neatly separate the objective from the subjective. According to this model of reason, the world is a place that the scientist, given proper training and the appropriate methodology, can describe in terms of facts and relationships between facts. On this view, which John Dryzek calls "objectivism", science is "...a single universally applicable set of rules and procedures for the unambiguous establishment of causal relationships" [Dryzek, 1993, p.213]. The facts that sciences uncover are real, hard and incontestably true statements about the world. Values, in contrast, are matters of belief, ideology and even myth. More importantly, however, values lie in the realm of the subjective; they are part of a world hidden from science and rational methods [Douglas, 1992]. While, then, rational science provides knowledge of objective reality, subjective values always remain a matter of individual judgement.

Yet, how can we be sure that the facts really reflect objective reality? In order to safeguard objectivity, "objectivism" imposes some rather rigorous standards of what forms of enquiry are to count as science. In this context, Dryzek identifies three research traditions that have set scientific standards for policy analysis: positivism,[3] critical rationalism and the so-called analycentric mode. The first tradition, associated with 18th century thinkers such as Auguste Compte or St. Simon, stipulates that a science feature a rigorous empirical methodology capable of generating general laws (so-called covering laws) that explain observed uniformities [Kaplan, 1993]. Here, science can only make authoritative statements about means (facts) but not, however, about ends (values or objectives) [Dryzek, 1993]. The problem with positivism, Dryzek contends, is two-fold. On the one hand, the covering laws that are supposed to provide the empirical basis of policy action are very scarce in the social science. On the other hand, the assumption that scientists can operate with a given and uncontroversial set of objectives (provided by policy-makers) is simply unrealistic. Dryzek maintains that, in real policy processes, values and objectives are vague, multiple, and inherently fluid [Dryzek, 1993, p.218]. Pretending as if objectives and values are fixed, he concludes, introduces a bias into analysis: either the analysis serves established interests or it is simply irrelevant.

The second research tradition is associated with the philosopher of science Sir Karl Popper. The main argument of critical rationalism is that scientific theories and hypotheses can never be conclusively proven by empirical evidence. Rather, the aim of scientific enquiry is to disprove or falsify existing scientific hypothesis and theories. While successive failure to falsify theories and hypotheses strengthens the confidence in existing knowledge, scientists should always be alive to the possibility of falsification in the future. The idea of critical rationalism crucially depends on free debate and open criticism within a scientific community. Policy-making, Popper argued, is a very similar process to that of

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[3]Dryzek, unlike other theorists of the *Argumentative Turn*, feels that positivism, at least in its classical form, has little relevance for policy-making and policy analysis. He argues that it is very difficult to find any contemporary researcher who claims to adhere to positivist conceptions of science

scientific enquiry. Here, scientific hypotheses become policies and experiments become the implementation of policies. For this reason, Popper argued that social change should take place in small, incremental steps, so-called "piecemeal social engineering". Like the in scientific community, policy should be subject to wide criticism within an "open society". The weaknesses of critical rationalism, Dryzek contends, lie in its "impoverished notion of discourse" and rigid ideas of what constitutes a valid scientific experiment [Dryzek, 1993]. Like positivism, Popper's conception of science relies on a sharp distinction of fact and values. Valid experiments, in science as in policy-making, need to be comparable and reproducible. This implies that not only the conditions but also the values and goals that guide an experiment remain constant throughout the investigation. Scientific exchange and debate, then, can only be about facts and empirical evidence emerging from experiments (or implementation). Again, a rational debate about values and goals is inherently beyond the scope of scientific enquiry.

The last body of knowledge in the 'objectivist' vein is what Dryzek, following William Dunn [Dunn, 1993], calls the 'analycentric mode'. This corpus consists of a number of different methods and techniques such as Cost-Benefit-Analysis, decision analysis, multi-attribute utility analysis, linear programming, and systems analysis [Dryzek, 1993, p.221]. Unlike positivist prescriptions for analysis, these techniques do not rely on empirically verified covering laws. Rather, the authority of these approaches resides within the methodology itself [Dryzek, 1993]. Here, the aim is to evaluate different policy alternatives by ranking their possible outcomes. Thus, conclusions "...take the form of 'policy A will maximise the amount of value B produced' rather than 'policy A will cause B to happen'" [Dryzek, 1993, p.221]. However, methods in the analycentric mode, Dryzek argues, are highly stylised depictions of reality with little relevance to real-life policy-making [Dryzek, 1993, p.221]. These models evaluate alternative policy pathways as if decision-making were in the hands of a benevolent dictator and the policies implement themselves [Dryzek, 1993, Majone, 1989]. Moreover, Dryzek contends that the methods and techniques in the analycentric mode have inbuilt, often implicit, value structures and biases. For example, Dryzek argues that a technique such as cost-benefit analysis is based on the concept of Pareto efficiency. Thus, Dryzek concludes,

> "...the models that [the analycentric mode] uses are consequently never more than a gross oversimplification of a complex reality, rooted as they all are in a single analytical framework chosen from the many that could be employed within the analycentric mode" [Dryzek, 1993, p.222].

In sum, the objectivist bias, based on a narrow idea of the rational, creates a restrictive conception of scientific enquiry. By drawing and maintaining a sharp boundary between objective facts and subjective values, objectivism determines what is and what is not a suitable object for scientific enquiry: on this view, science is essentially about gathering and assessing facts while remaining silent about goals and values. More importantly, the focus on objective facts assumes that rational and objective techniques have a privileged access to reality. Since science and scientific methods, so the argument goes, can help us understand the nature of reality, scientific knowledge is by definition superior to other forms of enquiry.

Rationality and Decision-Making

Objectivism replete with the strict separation of fact and value, the thinkers of the *Argumentative Turn* contend, has given rise to a specific mode of reasoning in the policy sciences. This mode of reasoning, Stone points out, emerges from perceiving society in terms of the market model. Here, society becomes

> "...a collection of autonomous, rational decision-makers who have no community life. Their interactions consist entirely of trading with one another to maximise their individual well-being. They have objectives and preferences, they each compare alternative ways of attaining their objectives, and they each choose the way that yields most satisfaction. They maximise their interest through rational calculation" [Stone, 1997, p.9].

The market model, then, provides a very specific conception of rational behaviour: acting rationally implies "...determining the best means to a given end" [Dryzek, 1993, p.213].

Within this paradigm, rational action necessitates some form of decision process to evaluate and choose possible courses of action. What features, then, characterise 'rational decision-making'? Since facts describe how the world really is and since there is no way of verifying values, any decision or course of action, if it is to be rational, ought to base on objective facts rather than subjective values. In order to ensure that decisions are rational, would-be policy-makers need only subject their decision processes to a rational and logical sequence of steps [Majone, 1989, Stone, 1997]. These include

1. identifying objectives,

2. identifying alternative courses of action,

3. predicting possible consequences of each alternative (by using science to compile facts),

4. evaluating the possible outcome of each alternative,

5. selecting the alternative that maximises objectives [Stone, 1997, p.8].

This model of rational decision-making, proponents of the *Argumentative Turn* maintain, has become the cornerstone for policy analysis [Majone, 1989, Stone, 1997]. Rational decision-making or, to use Herbert Simon's term "synoptic rationality" has become both a descriptive and normative model for rational behaviour [Simon, 1945]. Not only does the model claim to provide a useful tool for understanding decision-making processes, it also prescribes a certain form of reasoning for would-be decision-makers.

What is more, conventional approaches have elevated the model of rational decision-making to a general conception of policy-making. Here, organisations and institutions in the policy process become unitary actors that, like individual market agents, are capable of clearly formulating and ranking preferences. By extension, political arenas become market places in which these unitary actors face optimisation and maximisation problems. Within this ideational set-up, policy-making and politics are little more than a stream of decisions issuing from individual and organisational policy actors. On this view, Stone maintains, the

policy process is similar to a production process "... where policy is created in a fairly orderly sequence of stages, almost as if on an assembly line" [Stone, 1997, p.10]. Here, politics and policy-making become "decision-theory writ large" [Majone, 1989, p.25]. Analysts are encouraged to look for discrete stages in the life-cycle of a policy which follow the steps outlined in the rational decision model. For liberal democracies (such as the United States), Stone outlines these stages as follows:

> "An issue is placed on the agenda, and a problem gets defined. It moves through the legislative and executive branches of government, where alternative solutions are proposed, analysed, legitimised, selected, and refined. A solution is implemented by the executive agencies and constantly challenged and revised by interested actors, perhaps using the judiciary branch. And finally, if the policy-making process is managerially sophisticated, it provides a means of evaluating and revising implemented solutions" [Stone, 1997, p.10].

In sum, conventional approaches to policy analysis equate the policy process with rational decision-making. This model, based on the conception of a market, has both a descriptive and normative dimension. Not only does the rationality project understand rational decision-making as a suitable model for analysing policy processes, it also implies that following a synoptically rational prescriptions leads to better policy outcomes.

The Rational Decision-Maker

The rationality project, its focus on rational decision-making and its adherence to a market model of society has also created a particular image of analysts in the policy process. By insisting that "... there are objective and neutral standards of evaluation that can be applied to politics, but that come from a vantage point outside politics" [Stone, 1997, p.12], the 'rationality project' places the policy analyst above the political fray. As a wielder of objective and rational methods, the policy analyst, if the analysis is to remain uncontaminated by ideas and values, needs to remain in a place remote from the vagaries of politics, power, and influence.

Majone shows how what he calls "decisionism" extends the sharp distinction between the objective and subjective to the activities of policy analysts. Within decisionism, the primary task of a policy analyst, Majone contends, is to provide objective, non-partisan, problem-solving resources. On this view, policy analysts map alternatives for policy-makers and evaluate possible consequences using rational and objective techniques. In short, "... the analyst's job is to determine the best means to achieve given goals" [Majone, 1989, p.21].

Goals and objectives of policy, however, are strictly off limits for policy analysts. Investigating policy goals and policy objectives would imply exploring the realm of values, which, by definition, is closed to rational scientific methods. On this view, then, policy analysis (finding out the about the 'how') is a fundamentally different task from policy advocacy (finding out about the 'why'): whereas the former can rely on the certitude of objective facts, the latter activity is an exercise in opinion and speculation.

3.2 The Problem with Conventional Policy Analysis

The theorists of the *Argumentative Turn* take issue with conventional precepts of policy analysis. Ideas of objectivist science and rational policy-making, they contend, are fundamentally flawed in two respects. First, models of objective policy analysis and rational decision-making are wholly inaccurate depictions of real-life policy processes. Second, objectivism, instrumental rationality and synoptic decision-making processes give rise to inappropriate and even irrelevant normative standards for policy analysis. Replacing these with more sensible and relevant standards, they contend, implies understanding the way policy analysts really behave, deducing what sort of policy processes this behaviour gives rise to and, in the light of this enquiry, remodelling our fundamental approach to policy analysis.

What Policy Analysts Actually Do

The *Argumentative Turn* unravels the rational model of policy analysis and policy-making by looking closely at what policy analysts actually do in real-life policy processes. Policy analysis, the thinkers of the *Argumentative Turn* point out, is not merely about understanding social problems but also about intervening in policy processes and social life. By paying "...close attention to the actual performances of argumentation and the practical rhetorical work of framing analyses, articulating them, constructing senses of value and significance" [Fischer and Forester, 1993, p.5], the thinkers of the *Argumentative Turn* show how the activity of analysing policy consistently and necessarily breaches the boundary between objective and subjective.

Policy analysts, they argue, operate within real social settings characterised by value systems, political power, personal authority and influence. In these settings, facts never speak for themselves; policy analysts always have to show a sceptical and often hostile audience how analysis relates to the issue at hand [Stone, 1997]. In order to do their jobs, then, policy analysts have to use persuasion, rhetoric and argument.

If policy analysts do not provide objective and impartial advice from outside the policy process, what is it they do provide? Majone maintains that "...in a system of government by discussion, analysis – even professional analysis – has less to do with formal techniques of problem-solving than with the process of argument" [Majone, 1989, p.7]. Essentially, he continues, policy analysts produce arguments for use in policy debates. In addition to informing policy actors, these arguments are designed to, among other things, outline the problem at hand, construct a compelling case for a particular course of action, provide legitimation and justification, build alliances within the community of policy actors, and mobilise resources within the policy process [Stone, 1997, Majone, 1989].

This form of activity, Majone maintains, is considerably closer to jurisprudence than to engineering or science. Policy analysts, if they are to impact on the policy process, require a similar set of skill to those of a lawyer. A policy analyst, Majone points out, needs to critically probe assumptions, needs to produce and evaluate evidence (rather than data, see also [Adler and Haas, 1992]), should be able to construct and argument from many different sources and,

most importantly, needs to communicate effectively with non-specialist audiences [Majone, 1989, p.22].

Wielding theses skills, Majone argues, leads to fundamentally different outputs than scientific enquiry. Science, he contends, aims at providing demonstrations. These, in turn, assume consensus on the problem formulation, no conflict of interests and values, as well as no implementation aspects. Moreover, a demonstration implies full knowledge of all alternatives, all relevant facts, all present and future preferences and all possible consequences of each alternative [Majone, 1989, p.22]. In contrast, real life policy analysis aims to generate arguments. Whereas demonstrations relate to a system of formal rules of inference and axioms, arguments are based on values and opinions. Arguments use logical inferences but, unlike demonstrations, these inferences are not exhausted by the deductive system of formal statements. Further, demonstrations are designed to convince specialists with the requisite technical knowledge. Arguments, in turn, always aim at a particular audience and attempt to mobilise support for a particular thesis. Most importantly, Majone maintains, arguments do not aim to produce "intellectual agreement" but are geared towards inciting action or creating a disposition to act [Majone, 1989, p.22].

The activity or "craft" of constructing and communicating arguments, Majone argues, implies constantly overstepping the divide between fact and value. Majone outlines four areas in which actual policy analysis blurs the distinction between the objective and the subjective. First, policy analysts are involved in both using and setting norms for public policy. Whereas conventional models of policy-making assume that analysis starts when policy actors have agreed on goals and values, Majone maintains that analysis plays a major role in defining these values. In real policy processes, policy objectives are a moving target that shift along with changes in overall value structures. Indeed, Majone implies that values may change as a result of policy analysis. Policy analysts not only apply norms (i.e. does policy A fulfil objective α), they actively set norms (i.e. what is a suitable objective for policy A). Moreover, in issue areas featuring large degrees of uncertainty, Majone contends, the difference between norm-setting and norm-using is often unclear. Uncertainty creates a large degree of discretion for policy-makers implementing policies. In these issue areas, policy analysts will often be called upon to interpret observed reality [Adler and Haas, 1992] in order to understand what fulfilling objective α may actually entail. Thus, just as implementing policy is a way of formulating policy, norm-setting overlaps with norm-using [Majone, 1989, p.26]. This process of norm-setting, which helps define and focus policy problems, requires persuasion and argument on the part of the policy analyst.

Second, Majone points to the distinction between discovery and justification. The process of discovery refers to the application of scientific methods to a social problem. Justification, in turn, implies communicating and justifying these findings to a specific audience. Again, Majone argues, policy analysts honour this distinction more in the breach than in observance. Just as scientists have to justify a private discovery to an audience of other scientists, policy analysts justify decisions and policies to other policy actors [Majone, 1989, p.29]. Justification and legitimation of policies, Majone suggests, is an integral part of the policy process. Policies require constant updating: they need to adapt to changing environmental conditions (changes in policy community structure or shifts in values) and they have to ensure continued support from actors within

the community. Post-decision justification, Majone avers, is a crucial element of policy-making: far from being mere rationalisation, post-hoc analysis is critical to the ongoing life-cycle of a policy. Policy-makers, then, need both ex-ante and ex-post analysis in order formulate and adapt policy.

Third, Majone investigates the distinction between analysis and advocacy. Like the other distinctions derived from the objective/ subjective schism, Majone argues, the differentiation between analysis and advocacy is difficult to maintain in practise for three reasons. As we have seen, analysis in the objectivist approach is limited to providing knowledge about means, not about goals or values. However, Majone argues, values in policy processes are fluid and dynamic: the choice of means and values depends on the policies and policy objectives that already exist in the policy process. Policy processes, he continues, do not take place in a socio-institutional vacuum. Rather, policy processes depends on institutional structures, replete with codified value systems. Policy-maker, then, need advice about both technical means and policy goals. Another reason why analysts necessarily engage in policy advocacy, Majone argues, is that many policy problems are "trans-scientific" [Weinberg, 1972]; that although we can formulate the problem in terms of science, the problem will not yield to scientific methods. For this reason, any set of data may be consistent with competing and conflicting social scientific theories. Since, Majone asserts, there are no meta-rules for choosing scientific theories, the analyst has to chose a particular approach and advocate this frame to the relevant audience of policy actors. Again, the choice of any particular theoretical model implies a value judgement on the part of the policy analyst. The last reason for engaging in advocacy as well as analysis relates to the issue of policy innovation. Majone asserts that the institutional realities of policy processes militate against new ideas. Bureaucratic inertia and the inherent conservatism of political processes allow established interests to keep new ideas off the political agenda. Further, innovative approaches, by definition, lack any empirical basis or evidence. Objective and impartial analysis oriented along given values alone, Majone concludes, rarely leads to policy change. For this reason, policy analysts have to 'sell' new ideas to a sceptical audience of policy actors. Here, policy analysts blend reasoned analysis with the craft of persuasion.

Fourth, Majone shows that the supposed separation of advice and persuasion is unrealistic in practise. In real policy processes, policy analysts provide three kinds of advice to policy-makers. The first type of advice, which Majone calls "prescription", provides the decision-maker with the "... best, cheapest and most efficient" way to achieve a particular policy objective. For the analyst to provide this type of counsel, policy objectives need to be unambiguous and the available means need to be clear. Prescription, then, comes closest to the rational and objective ideal of policy analysis. The second type of counsel, which Majone calls simply "advice", helps policy-makers structure and define a policy issue. Policy analysts advise policy-makers, Majone contends, when the nature of a social problem is unclear and when there are many conceivable solutions to a particular issue. Majone labels the third type of policy counsel "persuasive advice". Here, analysts try to redirect policy-makers preferences, attitudes or beliefs. This kind of policy analysis, Majone argues, becomes necessary when policy-makers are "blinded by stereotypes" or are victims of "wishful thinking". In this situation, policy analysts speak truth to power. Each form of advice, Majone asserts, requires an increasing degree of persuasion, argument

and rhetoric.

Analysing policy in real political and socio-institutional setting, then, is far more than simply applying rational problem-solving techniques to social problems. Policy analysts, operating in socio-institutional and political settings, need a broad range of skills to both understand the issues at hand and communicate the analysis to policy-makers. Typically, Fischer and Forester argue, the activities of a policy analyst include

> "...the scanning of the political environment for support for and opposition to potential recommendations, the anticipation of threats and dangers that policy and planning measures might counteract, and the subtle negotiating that transpires between agency staff who are always seeking to learn, to protect working relationships, and to maintain their own strategic position as well" [Fischer and Forester, 1993, p.6].

Doing this inevitably means blurring the lines between fact and value, between reason and power, and between the objective and the subjective. Policy analysts define problems by using language, rhetoric and interpretation. Facing ill-defined social problems in dynamic socio-institutional settings, policy analysts are invariably forced to make value judgements in their analyses. Analysts need to decide on what particular model is appropriate for the specific issue and setting at hand, what data to rely on, how to organise evidence and what aspects of the problem to highlight. The value judgements, Fischer and Forester argue, also help set policy agendas: policy analysis "...focuses attention *selectively and deliberately*, enabling a more focused consideration of some alternatives and excluding others from practical consideration altogether" [Fischer and Forester, 1993, emphasis added, p.6]. Quite contrary to the conventional image of the policy analyst as a neutral and impartial observer, policy analysts, the value judgements they make and the findings they peddle actively shape policy outputs and policy outcomes.

The aim here, however, is not to criticise the actual practise of policy-making. Rather, the aim here is to point out that the idealised vision of sanitised policy analysis and policy-making is, at best, a nuisance for policy analysts and, at worst, a distorting influence. The ideal of objective and value-free analysis, argue Fischer and Forester, has placed policy analysts operating in real political and institutional settings in an uncomfortable position. On the one hand, policy-makers expect politically astute and relevant analyses of social problems. On the other hand, the canon of rational and objective analysis expects policy analysts to stay aloof of real policy processes. Policy analysts, then, are perpetually torn between applying rational techniques to policy issues to produce "rationally sound policy analysis" and "the organisational networking,'boundary spanning', relationship building, and ritualised bargaining that analysts must do to work in policy and planning processes at all" [Fischer and Forester, 1993, p.6].

The upshot of the argument, then, is that the strict separation of the objective and subjective is as untenable in practise and it is undesirable in theory. In order to analyse policy at all, analysts are constantly overstepping this boundary at both an analytical and a practical level. What is more, the theorists of the *Argumentative Turn* maintain, the artificial and counterfactual separation of fact and value distracts from the real issues involved in policy analysis and policy-making. Fischer and Forester argue that as long

> "...as students and practitioners of policy analysis and planning
> think of the political and the rational [fact and value] as antithetical,
> planners and policy analysts will seem to have impossible jobs. For
> these analysts are political animals whether they wish to be or not"
> [Fischer and Forester, 1993, p.4].

Policy analysis takes place in political and institutional settings. To pretend
it does not, the *Argumentative Turn* asserts, hides from analytical view the
more pressing questions of how policy analysts and policy analysis impact on
the policy process. More importantly, however, the distinction between fact
and value is a misleading normative model for policy analysis. The theorists of
the *Argumentative Turn* bristle at the objectivist conceit that sound analysis
is free of values and beliefs. Not only is policy analysis about making value
judgements in practise, it should be about values judgements in theory since,
as Majone forcefully argues,

> "...to say anything of importance in public policy requires value
> judgements, this artificial separation between values and rational
> capabilities is a threat to all notions of public deliberation and de-
> fensible policy choices" [Majone, 1989, p.8].

Analysing the actual practises of policy analysts provides the thinkers of the
Argumentative Turn with the key for criticising the basic precepts of rational
policy analysis. If, as the enquiry into the activity of policy analysis shows,
the policy process is not a neat succession of rational steps, then what is the
nature of policy-making in differentiated polities? And, if instrumental ratio-
nality provides a misleading model of reasoning for policy analysis, what mode
of reasoning is appropriate for understanding policy issues?

The Argumentative Policy Process

The discovery that the practise of policy analysis has little in common with
the prescriptions for objective enquiry has significant implications for the ra-
tional model of the policy process. Argumentative policy analysis that deploys
persuasion and rhetoric sits uncomfortably with the image of a neatly logical
and rational mode of (aggregated) decision-making. Instead, the *Argumenta-
tive Turn* implies that the policy-process is a far messier and more engaged
phenomenon.

Rather than understanding politics and policy-making in terms of the mar-
ket, Deborah Stone urges us to locate politics in what she calls the "Polis"
[Stone, 1997]. Politics, she argues, is far more than the sum of individual op-
timisation and maximisation decisions. Most importantly, politics takes place
in and between different political communities. These communities, she avers,
use the full battery of cultural techniques to recruit and retain members: po-
litical communities make use of symbolism to inspire loyalty, they construct
a system of values reflecting the good (and the evil) life, and they create a
sense of 'us' and 'them'. The Polis, then, is the battleground on which dif-
ferent political communities fight over competing conceptions of the good life.

Box 3.2: Politics in the Polis Political activity in the Polis, Deborah Stone argues, follows a different set of rules than in the market. In particular, Stone outlines ten features of the 'Polis':

1. The Polis is a community or multiple communities "with ideas, images, will, and effort quite apart from individual goals and behaviour" [Stone, 1997, p.32]

2. The Polis has a conception of public interest, even if it may only be an ideal that policy actors struggle over.

3. Most policy problems are what Stone calls "common problems". These type of problems refer to "...situations where self-interest and public interest work against each other ..." [Stone, 1997, p.22]. Common problems raise the issue of collective action to motivate policy actors to forego private benefits (or shoulder social costs) for the "collective good".

4. Influence and political power are pervasive in the Polis. Moreover, Stone argues that policy actors constantly contend and question the border between legitimate influence and coercion.

5. In the Polis, cooperation between policy actors is at least as important as competition.

6. Loyalty to a political community is the norm rather than the exception.

7. The basic unit of analysis or the "building blocks" of the Polis are groups and organisations, not homogenised and stylised rational individuals.

8. Information in the Polis is never perfect and is never freely available. Rather, information is always incomplete and uncertain. Policy actors will use uncertainties and deploy information strategically.

9. The Polis is governed by "laws of passion" as well as by "laws of matter". The former set of laws tells us that resources are scarce, they invariably deplete with use, and using one resource precludes using another. The "laws of passion", however, postulate that some resources, such as social capital or political skill, increase with use. Moreover, according to the "laws of passion", the Polis permits ambiguity: the same policy issue can mean different things to different constituencies in the Polis [Stone, 1997, pp.30–31].

10. Change in the Polis "...occurs through the interaction of mutually defining ideas and alliances" [Stone, 1997, p.32]. The primary struggles in the Polis, Stone asserts, concern ideas. Clashing conceptions of the good life and the conflicts these clashes give rise to drive political change in the Polis. Stone argues that in the Polis, policy actors will use ideas to strengthen, undermine, and form new alliances in an attempt to control the policy process. The struggle for legitimacy and about ideas makes the Polis a dynamic and ever-evolving sphere of political activity. Unlike the market model, Stone maintains, the Polis is not inherently teleological: policy actors never solve social problems once and for all. Rather, policy interaction in the Polis features the constant drawing and redrawing of battle-lines as policy actors define and redefine policy issues [Stone, 1997, pp.33–34].

The distinctive feature of the argumentative policy process is that conflict is endemic. Policy-making, on this view, has little in common with rational problem solving. Rather policy processes are disputes and conflicts about the very

nature of policy problems. In the Polis, social groups and political communities are perpetually embroiled in struggles over ideas, values and beliefs. Yet, the rational model of policy-making understands conflict over ideas, ideology and beliefs as an aberration or deviation from the rational policy process. On this view, struggles over values and beliefs are obstacles or even misunderstandings that rational analysis can clear out of the way. In contrast, the argumentative approach to policy-making sees conflict over ideas and values as constitutive of the policy process: here, policy-making is inherently about value-conflicts. "Ideas", Stone informs us,

> "are the very stuff of politics. People fight about ideas, fight for them, and fight against them. Political conflict is never simply over material conditions and choice, but over what is legitimate. The passion in politics comes from conflicting senses of fairness, justice, rightness and goodness" [Stone, 1997, pp.33-34].

Moreover, the theorists of the *Argumentative Turn* assert, these conflicts over values, ideas and beliefs are not necessarily resolvable by objective analysis. Martin Rein and Donald Schön distinguish conflict amenable to resolution by recourse to facts (so-called policy disagreements) from "intractable policy controversies" that

> "...are immune to resolution by appeal to the facts. Disputes of this kind arise around such issues as crime, welfare, abortion, drugs, poverty, mass unemployment, the Third World, the conservation of energy, economic uncertainty, environmental destruction and resource depletion, and the threat of nuclear war. Disputes such as these tend to be intractable, enduring, and seldom finally resolved" [Rein and Schön, 1994, p.4].

In policy controversies, facts and evidence become a resource in the rhetorical struggle for legitimacy in the public sphere. Parties to such a controversy use "different strategies of selective attention": they differ on the data they accept as evidence, what facts are relevant and even what is to count as a fact. Even if the parties in a policy controversy focus on the same set of facts, they interpret the facts differently thus developing "...a remarkable ability, when embroiled in a controversy, to dismiss the evidence adduced by ...antagonists [Rein and Schön, 1994, p.5].

In an argumentative policy process, argue the theorists of the *Argumentative Turn*, intractable policy controversies are likely to be the norm rather than the exception. In a policy process based on argument, policy actors facing complex, uncertain and transversal policy problems will bring different sets of values and beliefs to bear on policy issues. These, in turn give rise to fundamentally divergent interpretations of the social issues. The argumentative policy process, then, centres on how policy actors struggle to accrue legitimacy for their specific interpretations of social reality.

If, as the thinkers of the *Argumentative Turn* claim, objective analysis and the rational mode of reasoning does not provide any insights into real policy-making, how can (and should) we analyse the argumentative policy process?

Political Reasoning

In order to both understand actual policy processes and provide analysis of any relevance, the thinkers of the *Argumentative Turn* maintain, policy analyst need to jettison the artificial dichotomy between fact and value. In real policy processes, characterised by conflict over fundamental beliefs and values, the rational always implies the political. By applying reason to policy issues, policy analysts also exercise political power [Stone, 1997]. Understanding these processes, Stone contends, requires a different form of reasoning than on offer from objectivism. Whereas the rationality project operates in terms of "calculating reasoning" (doing X will provide more or less of A), Stone urges policy analysts to think in terms of "political reasoning".

Political reasoning, Stone argues, relies primarily on the strategic use of metaphors. Policy actors use metaphors to describe policy issues. These metaphors, Stone argues, create categories that policy actors use to understand complex and inherently ambiguous social problems. Policy actors use these categories to sort events, phenomena, and issues into different conceptual boxes. Essentially, she argues, these conceptual boxes allow policy actors to recognise when specific events and issues are similar and when they are not. Political reasoning, Stone tells us, "...is primarily a reasoning of sameness and difference, and of good and bad or right and wrong" [Stone, 1997, p.377]. On the basis of this classification and differentiation, policy actors construct and define social problems. In short, analysis imposes an order or a structure on an inherently fluid and ambiguous reality. By constructing categories of sameness and difference or, as Martin Rein and Donald Schön suggest, by "naming and framing", policy analysis "...provides conceptual coherence, a direction for action, a basis for persuasion, and a framework for the collection and analysis of data ..." [Rein and Schön, 1993, p.153].

However, by creating these categories of difference and sameness, political reasoning gives rise to conflict within and between political communities. "Naming and framing", Rein and Schön point out, is neither an obvious nor an uncontested process. In an argumentative policy process, categories and interpretations of policy issues become the rhetorical battle standards around which policy actors seek to build coalitions and alliances in the struggle for legitimacy and power. Yet, by constructing systems of meaning and significance, analysis and analysts invariably highlight certain aspects of a particular policy problem at the cost of other aspects. Since understanding ill-defined and ambiguous policy problems is associated with a considerable degree of uncertainty, assigning a set of categories to a policy issue is always a matter of interpretation and value judgement. Policy actors (including policy analysts) rely on their judgement, guided by fundamental values, on what issues, events, or conditions to include into categories. Political conflict, in turn, erupts over differences in interpretation over what to include in or exclude from conceptual categories. Naming and framing itself, then, is an argumentative process, arguably the most fundamental of all processes in politics. Policy actors strategically deploy rhetorical resources to draw boundaries both at the conceptual and organisational level [Stone, 1997]. These lines define what is good or bad, affluent and poor, efficient or wasteful, and feasible or futile.

The main point of the *Argumentative Turn* is that drawing these lines is never a politically neutral activity. Defining an issue in one way rather than

another, drawing the line here rather than there, is likely to have very tangible effects in terms of who is responsible for dealing with a problem, who is to blame for causing the problem, and what is to be done about the problem. In short, drawing lines implies distributing legitimacy and power. For this reason, Stone contends that,

> "*Reasoned analysis is necessarily political*. It always involves choices to include some things and exclude others and to view the world in a particular way when other visions are possible. Policy analysis is political argument, and vice versa" [Stone, 1997, original emphasis, p.375].

Within an argumentative policy process, the ideal of objective and value-free analysis is little more than a pipe-dream. Policy analysts, no matter how 'rational' their analytical methods, cannot escape the logic of political reasoning: drawing conceptual lines invariably means making a statement about causes, liability and blame. This, in turn, is likely to be contested by those who interpret the policy issue differently. Policy-making, then, is a ongoing and circular process of drawing lines, contesting these categories, and, as a result of policy conflict, redrawing conceptual and organisational boundaries. To understand this process, the theorists of the *Argumentative Turn* maintain, policy analysts have to leave behind the sterile fact/value distinction and devise analytical instruments that take into account the rhetorical, metaphorical and argumentative nature of political reasoning.

3.3 Alternative Concepts for Policy Analysis and Policy-Making

Understanding the policy process in terms of argument, rhetoric and persuasion implies viewing policy-making as an inherently conflictual process. The point of the *Argumentative Turn* is that in policy-making and politics, there can be no privileged position outside this messy and unsavoury brawl of values, norms, and beliefs. More specifically, advocates of the *Argumentative Turn* maintain, those rational tools and methods that are supposed to provide an objective view of social problems, are, just like any other set of ideas and beliefs, part of the political fray: like any other ideology, instrumental rationality, objectivism and decisionism impose a specific order onto a fluid and plastic reality, create epistemological categories and articulate a specific set of values.

How, then, can we get an analytical handle on policy-making in the argumentative policy process?

Frames and Policy Stories

In the argumentative policy process, the theorists of the *Argumentative Turn* suggest, principled conflict arises because individual and institutional policy actors define policy issues in terms of incompatible values and beliefs. One way of studying how these conflicting sets of beliefs impact on the policy process is the concept of "frames". Applying frames to social reality, Rein and Schön argue,

> "... is a way of selecting, organising, interpreting, and making sense
> of a complex reality to provide guideposts for knowing, analysing,
> persuading, and acting. A frame is a perspective from which an
> amorphous, ill-defined, problematic situation can be made sense of
> and acted on" [Rein and Schön, 1993, p.146].

Frames give policy-actors the cognitive and conceptual tools to understand and
interpret political events, facts and scientific evidence. Frames allow policy ac-
tors to ascribe symbolic meaning and significance to political life. These frames
cannot, argue Rein and Schön, be reduced to interests because "... it is the
frames held by the actors that determine what they see as *being* in their interests
and, therefore, what interests they perceive as conflicting" [Rein and Schön, 1994,
p.29, original emphasis]. In this sense, frames cannot be falsified: Rein and
Schön observe that "... if objective means frame-neutral, there are no objective
observers" [Rein and Schön, 1994, p.30]. All policy argument, then, takes place
within one or another frame of reference.

John Dryzek identifies five social science frames relevant for policy analysis:
welfare economics, Public Choice Theory, information processing, social struc-
ture and political philosophy.[4] The existence of multiple frames, he argues,
undermines the feasibility of objective and uncontested scientific truths. In real
policy processes, he contends, many different

> "... social science frames of reference can be applied to the analysis of
> policy. It is not just that these frames give different answers to policy
> questions. Rather, each frame treats some topics as more salient
> than others, defines social problems in a unique fashion, commits
> itself to particular value judgements, and generally interprets the
> world in its own particular and partial way" [Dryzek, 1993, p.222].

Here, frames are similar to "a language or even a culture shared by a tribe of
experts". Like frames in Rein and Schön's approach, Dryzek argues that policy
actors use frames to construct multiple and conflicting interpretations of social
reality, not least the reality of complex, uncertain and transversal policy issues.
The five frames, he points out, "... show that multiple theories can be brought
to bear in any given situation. And each frame comes complete with both a
lens for interpreting the world and procedures for testing its own hypothesis –
but not necessarily for testing those generated in other frames" [Dryzek, 1993,
p.223].

This, then, is the primary source of conflict in the argumentative policy pro-
cess. As we saw in the previous section, conflicts in the Polis are not amenable to
resolution by recourse to objective facts or rational analysis. These controversies

> "... cannot be understood in terms of the familiar separation of ques-
> tions of value from questions of fact, for the participants construct
> the problems of their problematic policy situations through frames
> in which facts, values, theories and interests are integrated. Given
> the multiple social realities created by conflicting frames, the par-
> ticipants disagree both with one another and also about the nature
> of their disagreements" [Rein and Schön, 1993, p.145].

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[4]And, one might add, argumentative policy analysis.

By applying different frames to messy policy problems, policy actors arrive at fundamentally incommensurate accounts of social reality. In argumentative policy processes, these conflicting accounts vie for legitimacy by questioning the fundamental definition of the policy issue.

Yet, how can policy analysts recognise frame-based policy arguments? In other words, what form do these policy arguments take in the Polis?

In policy processes and policy debates, the thinkers of the *Argumentative Turn* assert, frames are articulated in terms of stories. Policy actors use the entire range of literary techniques to construct coherent and persuasive narrative accounts of social problems and issues. Rein and Schön argue that "... these problem-setting stories, frequently based on generative metaphors, link causal accounts of policy problems to particular proposals for action and facilitate the normative leap from 'is' to 'ought'" [Rein and Schön, 1993, p.148]. Policy argument, then, tells a story: it outlines a setting, provides heroes and villains, suggests a solution, and, most importantly, is guided by a moral [Stone, 1997].

Box 3.3: Stone's Types of Policy Stories Stone identifies two basic archetypes of policy stories. The first type is the "story of decline". Policy actors that apply this narrative structure conjure up an image of persistent decline, suggesting the urgent need for policy action along the lines implicit in their story. Within this first archetype, Stone points to two variations. First, policy actors can tell a story of "stymied progress". Here, the story line tells us that "... in the beginning things were terrible. Then things got better, thanks to a certain someone. But now somebody or something is interfering with our hero, so things are going to get terrible again" [Stone, 1997, p.142]. A second variation on the decline theme, Stone argues, is the tale of "change is only an illusion". Here, policy actors point out that, contrary to popular belief, change (either decline or improvement) is either not actually taking place or is moving in an opposite direction to what it may appear.

The second archetype Stone identifies is the "story of helplessness and control". Here policy actors tell a tale of apparent helplessness in the face of a bad situation. The aim of the story is to show that, in fact, we are less helpless about the situation than we initially assumed. Again, this archetype suggests that, now we know there is something we can do to remedy the situation, urgent policy action is necessary. Again, Stone points to two sub-plots in the helplessness and control policy story. The first is the well-known story of conspiracy: this yarn suggests that helplessness in the face of a particular problem was in fact a cover for a group manipulating and causing the situation. The conspiracy story, Stone avers, "... moves us from the realm of fate to the realm of control, but it claims to show that all along control has been in the hands of a few who have used it to their benefit and concealed it from the rest of us" [Stone, 1997, p.143]. Another variation within this archetype, the mirror image of the conspiracy story, is the story that blames the victim. This story, like the 'conspiracy' tale, redefines helplessness in the face of a problem into an issue of human agency. Rather than locating the blame with individuals outside the immediate situation, this story makes the individuals or groups affected by the problems responsible for causing the situation.

Policy actors use policy stories to 'deliver' policy arguments to a critical audience. The aim of policy arguments, as we saw in previous sections, is persuade other policy actors to understand issues in a particular way and thereby to mobilise support for policy action. By looking at policy issues through the

"perceptual lenses" [Allison, 1971] of a particular frame and by packaging these findings in a narrative format, policy actors try to win over other groups and individuals to their preferred story line. By outlining what the problem is, who or what is responsible for causing it and how to go about solving the problem, policy stories provide a means for policy actors to identify with and communicate a particular course of action. Policy stories, Stone concludes,

> "... are tools of strategy. Policy makers as well as interest groups often create problems (in the artistic sense) as a context for the actions they want to take. This is not to say that they actually cause harm and destruction so they will have something to do, but that they represent the world in such a way as to make themselves, their skill, and their favourite course of action necessary" [Stone, 1997, p.162].

The idea of frames and policy stories, then, provides the policy analyst with a means for grasping different constructions of social reality.

Reforming Policy Analysis and Policy-Making

As we have seen, the theorists of the *Argumentative Turn* urge policy analysts to fundamentally rethink the way they go about policy analysis. One of the main messages of the *Argumentative Turn* is that policy analysis and policy analysts are considerably more than mere spectators and observers of the policy drama. On the contrary, by wielding scarce specialist skills, policy analysts define policy problems, set policy agendas, and outline possible alternatives. Policy analysis creates a sense of what is and is not feasible. In this way, policy analysts delimit and outline possible courses of action within a polity. This is a subtle, but rather incisive, exercise of political power.

In the past, claim the thinkers of the *Argumentative Turn*, analysts have handled this power rather carelessly. In general, they contend, analysis has strengthened the status quo and has precluded change [Dryzek, 1993]. Much of this power, however, rested on the claim to a privileged access to reality. Having done away with the artificial separation of the objective from the subjective and having shown that policy analysis is an inherently political activity, the thinkers of the *Argumentative Turn* also reflect on what this may mean for policy analysis and policy-making.

Realising that policy analysis has a significant impact on policy-making, the *Argumentative Turn* propose to recast the conventional role of the policy analyst. Rather than a mere technician who creates specialist knowledge, the *Argumentative Turn* envisages a more expansive role for policy analysis and policy analysts. Alluding to Harold Lasswell's initial vision for the policy sciences, the *Argumentative Turn* sees policy analysts as the "guardians of democracy". Since democracy is fundamentally an argumentative process, policy analysts should use their specialist skills to illuminate the "contingencies of democratic deliberation" [Fischer and Forester, 1993, p.7].

Democratic deliberation, Fischer and Forester contend, is always vulnerable to distortion, manipulation and corruption. Deliberation can be a means of civic learning: policy-makers, citizens and policy analysts alike can use the argumentative nature of policy processes to learn from one another. However, the same processes are also prone to manipulation by forces in the policy processes

that have have better argumentative skills, more authority and, most importantly, more resources [Fischer and Forester, 1993]. As Dryzek points out, the deliberative process "... may involve information overload, by accident or by design. Technical jargon, slanted rules of admissibility of evidence and argument, and the deliberate stigmatisation of unconventional proposals can all affect the outcome of debate" [Dryzek, 1993, p.227].

Policy analysts, Fischer and Fischer argue, have a central role in this deliberative process. Not only do they have the specialist skills for analysing policy problems, they also have (or could have) an understanding of the argumentative nature of policy-making. On this view, policy analysis not only informs about social problems but also has a pedagogic and emancipatory function in the process of argument itself [Fischer and Forester, 1993, Dryzek, 1993]. Armed with concepts such as frames and policy stories, policy analysis should engage in what Rein and Schön call "frame-reflective" analysis. Analysis of this kind seeks "... to explicate the conflicting frames inherent in policy controversies so that we can reflect on them and better grasp the relationship between hidden premises and normative conclusions" [Rein and Schön, 1993, p.150]. In this way, argumentative policy analysis explores the ambiguities and consequences inherent in policy stories and contributes to overall learning. Further, policy analysts can apply their argumentative tools to identify manipulations of policy agendas, illegitimate uses of power, skewed distribution of information, and attempts to distract attention form the real issues [Dryzek, 1993, p.228]. Here, policy analysts act as a counterweight to what Dryzek somewhat dramatically calls "the agents of distortion". Argumentative policy analysis can (and according to Dryzek has the moral obligation to) question abuses of the policy process on part of established interests.

In the argumentative policy process, then, policy analysis takes on a mediating function at two levels. At one level, policy analysis provides reasoned arguments that help policy actors understand complex issues, define social problems and set policy agendas. At a more abstract level, frame-critical analysis promotes and safeguards the health of the argumentative process itself. By probing policy stories and by revealing both their inherent assumptions as well as as their argumentative function, policy analysis becomes a means to communicate across different frames and belief systems. This analysis-led process of cross-frame communication, the theorists of the *Argumentative Turn* suggest, can foster mutual learning between contending policy actors. Argumentative policy analysis can also cry foul when established interests usurp and abuse democratic procedures. Thus, rather than providing technical knowledge for maintaining the status quo, frame-critical policy analysis should aim to promote "... a continuous process of mutual learning through discourse" [Majone, 1989, p.41]. Argumentative policy analysis, then, potentially is the linchpin of modern democracies: it both enlightens policy actors via criticism, advocacy, and education as well as sets the standards of argument and intellectual engagement in public discourse.

The findings of the *Argumentative Turn* also have considerable normative implications for the structure of policy processes. Given that the *Argumentative Turn* relativises sciences' claim to authoritative knowledge, it follows that policy processes should be open, or at least more open, to forms of policy argument that deviate from the objective ideal. Rather than constructing the policy process

as a means of discovering a single optimal solution for a particular problem,[5] the *Argumentative Turn* asks how we may conceive of policy processes that would allow for different policy arguments to vie for legitimacy without claiming a privileged access to reality. Here, the theorists of the *Argumentative Turn* suggest a procedural solution.[6] Rather than thinking of policy processes in scientific or engineering terms, they urge us to understand policy-making as a forensic procedure. "Whereas the aim of jurisprudence," William Dunn argues,

> "...is to study the variety of concepts and procedures used to resolve legal claims, the aim of the applied social sciences is to investigate concepts and procedures used to argue and settle practical claims. The applied social sciences may therefore be described as 'generalised jurisprudence' or, alternatively, as 'jurisprudence writ large'" [Dunn, 1993, p.263].

In this vein, Majone proposes to organise policy processes as adversarial procedures. In fora such as science courts or citizens' juries, policy analysts could provide an arena for policy actors to present their policy stories. Similar to a court of law, these adversarial procedures could stipulate rules of evidence, of argument, and deliberation [Majone, 1989]. In this way, Majone argues, policy processes would allow communication across different frames as well as across the lay/expert divide.

More radical proposals for restructuring policy processes propose a shift away from liberal democracies altogether. Recognising the in-built conservatism of representative liberal democracies, these theorists see the "vindication of the argumentative turn" in establishing grass-roots democratic processes [Dryzek, 1993, p.228]. Policy processes in a deliberative democracy, based on extensive citizen participation, would replace conventional, expert-oriented processes characteristic of liberal democracies. Within these processes citizen knowledge, by definition highly contextualised and local, would balance the more universal and general knowledge systems of experts. Policy processes within the deliberative democracy, then, would be more inclusive and would impose less distortions on the argumentative process. Policy outcomes, in turn, would be based on a consensus that more closely resembles Habermas' idea of the ideal speech situation [Dryzek, 1993, Dryzek, 1990].

In sum, the *Argumentative Turn* not only criticises conventional policy analysis and policy-making practises, but also points to new ways of going about analysing and formulating public policy. In this sense, Fischer and Forester maintain, the *Argumentative Turn*

> "...does much more than simply announce the underwhelming news that policy analysis is an interpretative enterprise. Instead, this view suggests far more provocatively and productively that careful analysis of policy and planning problems can develop better technical information and cultivate the moral imagination of all those involved in the policy and planning process" [Fischer and Forester, 1993, p.7].

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[5]Which, of course, does not exist due to different framings of any one issue.
[6]Although prescriptions and visions of different theorists diverge considerably.

3.4   Critique

The *Argumentative Turn* urges us to fundamentally reconceptualise the policy analysis and, by extension, policy-making. We have seen how thinkers such as Deborah Stone, Giandomenico Majone, Frank Fischer or John Dryzek have dissected the assumptions that underpin rational and objective policy analysis. We have also seen that, if we take a close look at what policy actors actually do, policy analysis is inseparable from the value judgements, the ideological battles, and rhetorical games characteristic of politics in general. In a very real sense, the *Argumentative Turn* suggests that policy analysis is, to paraphrase Carl von Clausewitz, politics pursued by other means [von Clausewitz, 1940]. As we have seen, the implications of this insight for analysis and policy-making are considerable.

Yet, as thorough the critique of arcane conceptions of science and restrictive notions of rationality may be, the *Argumentative Turn* also reveals decisive weaknesses. Although the *Argumentative Turn* is a rather heterogeneous assembly of theories and approaches, there are two broad issues where all approaches fail to convince.

"The Spectre of Relativism" and the New Role of the Policy Analyst

Deflating the myth that science provides a privileged access to reality raises some rather uncomfortable questions. Policy analysis, the theorists of the *Argumentative Turn* insist, draws on many different frames and thereby creates multiple constructions of social reality. If all of reality is socially constructed and there are no absolute standards for evaluating analysis (such as, say, objective science), does this mean that one policy story is as valid as any other policy story? If there is no agreed-upon way of distinguishing one narrative from another, does this mean that "anything goes"? In other words, as Rein and Schön argue, pointing to the existence of multiple possible frames and policy narratives invites the "spectre of relativism" [Rein and Schön, 1993].

In fairness, the problem of relativism is not limited to the *Argumentative Turn*. Any social scientist who claims reality is socially constructed will, sooner or later, have to face the issue of how to deal with and choose between conflicting accounts of reality. This question has cropped up in anthropology, sociology, ethnography, and, rather belatedly, in political science.

In general, there have been two broad responses to the problem of relativism. The first response simply refuses to acknowledge relativism as a problem at all. Indeed, proponents here argue, there is no immediate access to reality. All we know is mediated by language and social structure: one form of knowledge, say science, no more reflects reality than any other form of knowledge, say literature. Since we are social and cultural animals, there is no conceivable position outside society from which we could construct a meta-narrative to evaluate different constructions of social reality. Attempting to do so is worse than futile since it implies imposing an arbitrary order onto inherent difference. All we can say for certain is that different accounts of reality are, well, different. Passing judgement on contending social constructions of reality in terms of truth, logic, or reason is about as meaningful as evaluating elephants' ability to fly. As social scientists, then, we should abandon the quest for universal meaning and instead

celebrate (and vigorously defend) socio-cultural difference.[7] Clearly, this view leaves little room for policy analysis in any form.

The second response, which by and large is the approach taken by the thinkers of the *Argumentative Turn*, shies away from extreme relativism. Although there are multiple constructions of reality, not all constructions of reality are equally valid. Here, the natural and social worlds are real, although our representations of them may be socially constructed. Some accounts of reality, then, are a better reflection than others. The problem here, however, becomes how one can tell an accurate from an inaccurate policy stories. Rein and Schön, leaning on Richard Rorty's terminology, speak of normal and abnormal discourse [Rein and Schön, 1993]. A normal discourse "... proceeds under a shared set of rules, assumptions, conventions, criteria, and beliefs, all of which tell how, over time and in principle, a disagreement can be settled". An abnormal discourse, in turn, takes place "... in those situations in which agreed-upon criteria for reaching agreement are not the essential elements upon which communication among contending actors is based" [Rein and Schön, 1993, p.149]. Is there, then, a way of describing abnormal discourse in terms of some normal discourse?

The issue of epistemological relativism, despite the arcane language in which it is debated, is of considerable significance for contemporary policy processes and their outputs. If there is no way of reflecting upon, criticising or obtaining consensus on any policy-relevant knowledge, then the dynamics of argumentative and conflictual policy processes invariably leads to the circular, iterative and unproductive "policy mess" German commentators describe as *Reformstau*. The question about understanding abnormal discourse, then, is essentially the question of whether policy actors can deal with intractable policy controversies without recourse to (illicit) discursive or infrastructural power or whether policy actors are doomed to ride the misery-go-around of *Reformstau*.

In broad terms, the theorists of the *Argumentative Turn* (or at least those few who even address this issue) resolve the issue in terms of procedure rather than epistemology. The work of Stone and Majone also Fischer and Forester and, taking a more radical stance, John Dryzek implies (although never explicitly states) that, at least for policy analysis and policy-making, there are indeed meta-narratives. Roughly, these meta-narratives consist of the normative structures of democracy itself. The underlying norms and practises of democracy, so the argument goes, provide the normative yardsticks for measuring and evaluating contending policy stories. In other words, conflicting policy stories are not so much 'true' or 'false'; rather, policy stories are either 'right' or 'wrong' in the way they conform to the normative precepts of argumentative and discursive democracy. This, then, shifts the focus from the substance of policy arguments to the form of policy arguments.

The implicit argument here is that existing democratic institutions have lost touch with the underlying idea of democracy. Recall that Majone understands democracy as being a 'government by discussion'. Mass democracies, replete with large bureaucracies and a swarm of experts, have transformed policy processes from the exchange of argument into a parody of scientific and managerial efficiency. Assessing policy arguments in terms of objective scientific standards, so the argument goes, completely misses the point [Stone, 1997] of democratic argumentation: these are, the thinkers of the *Argumentative Turn* point out,

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[7]Of course, this is a somewhat unkind caricature of a rather more complex argument.

the wrong standards for choosing between contending frames and policy stories. What is important in this context is how the argument itself (both in terms of formal and performative characteristics) promotes or hinders a democratic process of consensus-seeking and deliberation. For this reason, the theorists of the *Argumentative Turn* propose adversarial procedures of deliberation that regulate the form of argument rather than the substance. The concrete reform proposals, as we have seen, vary considerably. On one end of the spectrum, where we may find Giandomenico Majone or Deborah Stone, the proposals are limited to introducing new procedures of argument and evidence into existing policy process. At the other end of the spectrum, where we find John Dryzek, reform proposals suggest completely remodelling democratic polities to make policy processes conform as closely as possible to Jürgen Habermas' ideal speech-situation.

So far so good (if one believes in the ideal speech situation, that is). The problems associated with constraining relativism in terms of democratic procedures relate to the role of policy analysis in this deliberative framework. Recall that the argumentative policy analyst effectively guards the integrity of the democratic and argumentative policy processes. By acting as a catalyst between contending coalitions, by using specialist skills to educate and enlighten policy actors, or by pointing to foul play in the policy process, policy analysts safeguard the 'proper' procedures of an argumentative and deliberative policy process.

But is this 'new' role any different from the conventional role of rational policy analysis? Exchanging instrumental rationality with communicative rationality or calculating reason with political reason, does not necessarily alter the function of policy analysts in the policy process. Whereas conventional policy analysts applied objective and rational methods to the policy process, 'argumentative policy analysts' now bring deliberative and discursive methods to bear on the politics. The former concentrates on substance and epistemes, the other concentrates on procedure and norms. Rational science promises a privileged access to reality; argumentative analysis promises a critical insight into the socially constructed nature of policy stories. Rational and objective policy analysis stands above contending policy stories; argumentative policy analysis, to extend the spatial metaphor, stand between policy stories. Yet, both forms of knowledge claim to in some way transcend the different forms of local knowledge in the policy process. Ultimately, the shift does not significantly change the telos or purpose if policy analysis: policy analysis still aims to use specialised knowledge to make politics more 'rational' and 'reasonable'.

More importantly, however, the shift from rational to argumentative policy analysis leaves the privileged status of policy analysis and policy analysts virtually untouched. The ideological logic of instrumental rationality and objectivism must place the analyst in a privileged position outside politics lest rational analysis be contaminated by values, beliefs or power. The logic of the *Argumentative Turn*, however, foresees a pivotal role for policy analysis within policy processes. As we have seen, for argumentative policy processes to work, policy analysts need to be guardians, educators, and, most worryingly, referees. So, policy analysts are still the ones who 'know' better, have clearer insight and should be telling other policy actors what to do: policy analysts are still the experts. Furthermore, since fact and value in politics are inseparable, new style policy analysts will, as a matter of necessity, also enlighten policy actors about

their values. In short, argumentative policy analysts not only tell other policy actors what to do but also what to believe: here, policy analysis becomes the moral guardian of deliberative democracies.

Apart from being downright frightening, this vision is highly problematic for a number of reasons. First, it is wholly unclear why argumentative policy analysis is in any way more democratic than the rational orthodoxy. If the point of the *Argumentative Turn* is to highlight how conventional policy analysis excludes certain voices from policy-making, then it is not at all transparent how the 'moral guardianship' will in any way remedy this situation. Exclusion will simply focus on another set of policy actors, presumably those with the 'wrong' set of values or the inappropriate argumentative design. Moreover, exactly like conventional policy analysts, the democratic accountability of argumentative policy analysts is spurious. Policy analysts (rational or argumentative) are not elected into any type of office, do not report to any democratic institution (such as a parliament), and always are sensitive to their clients' needs. The lack of formal and institutional democratic constraints on analysis is lamentable enough in conventional policy processes. It becomes alarming in policy processes devoted to promoting the "force of the better argument" where policy analysts decide what is or is not to count as a better argument.

Second, the methods and approaches of the *Argumentative Turn* are themselves not immune to instrumental and strategic deployment. Many of the theorists, particularly however John Dryzek, seem to associate the approaches and methods of the *Argumentative Turn* with some sort of moral rectitude [Dryzek, 1990, Dryzek, 1993]. They seem to imply that frame-critical analysis invariably leads to an enlightened, meaning argumentative, view of the policy process. As a result, Dryzek sees stark choices for policy analysts: they

> "...can choose to side with authoritarian or with liberal democracy.
> My own position is that defensible policy analysis must side with
> open communication and unrestricted participation: in other words,
> with participatory and discursive democracy" [Dryzek, 1993, p.229].

But what happens if they choose not to side with the forces of good? The methods and approaches of the *Argumentative Turn* are powerful tools for deconstructing policy stories. Just like rational and objective analysis, however, there is nothing stopping policy actors using argumentative methods to further particular and exclusive ends. In fact, most thinkers of the *Argumentative Turn*, such as Stone and Majone, repeatedly demonstrate that policy actors do just that [Stone, 1997, Majone, 1989]. Coupled with the privileged position within policy processes, then, there is no reason to believe that deliberative democracy will be any less exclusive than conventional policy processes.

Last, elevating the policy analyst to some form of educator or moral guardian contradicts the democratic ambitions of the *Argumentative Turn*. What starts out as a forceful criticism of how policy analysts deploy scientific knowledge to secure a privileged position in the policy process, comes full circle, not unlike the farm-yard revolution in George Orwell's *Animal Farm*, when the thinkers of the *Argumentative Turn* reinstall the policy analyst as the moral arbiter of deliberation: at first, all systems of knowledge are relative, but then some systems turn out to be more relative than others. In a very real sense, the *Argumentative Turn* undermines its own critique of rational ideology. On the one hand, they very convincingly demonstrate that objective knowledge is really no different

from other forms of knowledge in the policy process. On the other hand, they imply that frame–critical and argumentative analysis does in some way transcend other forms of knowledge. In this way, the thinkers of the *Argumentative Turn* undermine one of their strongest arguments: real policy processes are messy and defy attempts by policy analysts of making them more rational. It also leaves us with an unpalatable choice: either we accept the moral guardianship of deliberative policy analysts as a way of dealing with intractable policy controversies or we resign ourselves to a circular, iterative and conflictual policy mess.

The Institutional Dimension

The *Argumentative Turn* competently reintegrates the study of ideas, beliefs and values into policy analysis. As we have see, systems of knowledge, ideologies and values, they argue, are a crucial element of policy-making. Moreover, the *Argumentative Turn* provides a set of tools, such as frames and policy stories, to analyse the role of ideas in policy processes. Yet, what about institutions? How do frames and policy narratives relate to institutional structures and institutional practises?

Regrettably, the theorists of the *Argumentative Turn* provide few answers. Most of the writers discussed so far recognise the relationship between institutions and political argument, but, more often than not, leave it at that. Rein and Schön, are probably most explicit [Rein and Schön, 1994, Rein and Schön, 1993]. Frames, they contend, never interpret themselves (just as facts never speak for themselves); the interpretation and application of frames presumes some form of agency. In policy processes, groups and individuals become what Rein and Schön call "sponsors" of frames. These groups and individuals develop frames by explicating their assumptions and creating metaphors for communicating frames to other policy actors.

Yet, many questions remain open. How do institutions shape frames? Surely, institutional practises and institutional structures impact on the way policy actors perceive social issues. Paul Pierson, commenting on social welfare reforms, argues that established welfare state structures (e.g. social insurance structures, see Chapters 8 and 9) have given rise to a specific way of understanding and dealing with social policy problems [Pierson, 1994]. Alternatively, how do frames affect institutional practises? Can we expect a change in institutional practises on the basis of an observed frame-shift? Empirical evidence from the United Kingdom seems to point in that direction. As we saw in the previous chapter, Rhodes identifies a rather momentous change in British public administration as a result (at least in part) of a frame-shift at the political level [Rhodes, 1997]. Further, how do conflicts over frames shape the institutional landscape? If policy stories aim at mobilising policy actors, we should expect conflicts over policy stories to affect the constellation and configuration of policy networks and policy communities. These relationships, however, remain largely unexplored by the theorists of the Argumentiative Turn.

3.5 Conclusion

The *Argumentative Turn* in policy analysis and planning skillfully reminds us that ideas, knowledge and beliefs play a pivotal role in policy-making. By exploding the myth of rational and objective policy science, the *Argumentative Turn* exposes the inherently political nature of policy analysis. Politics and analysis, they argue, are two sides of the same coin: analysing social problems implies affecting political processes just as policy-making inherently imposes categories on an unruly world. Denying that policy analysis and policy analysts are implicated in the exercise of political power, they point out, either risk producing irrelevant analysis or wielding power (inadvertently or purposely) on some one else's behalf. The *Argumentative Turn*, then, appeals to policy scientists to accept their political roles and to exercise their powers prudently and cautiously.

Focusing on the role of ideas, beliefs and values in policy-making leads to a more conflictual image of the policy process. The *Argumentative Turn* understands the policy process as a battleground in which different policy actors fight over ideas. The argumentative policy process does not follow the logical sequence of stages or steps outlined by rational decision-making. Rather, policy making in real political processes is a far more messy, iterative and divisive affair. Conflict between contending parties in the policy process is endemic and, as a rule, rarely amenable to resolution by rational analysis. The thinkers of the *Argumentative Turn* suggest that we acknowledge this unruly process as inevitable, even desirable. Fundamentally, policy processes are about conflicts over ideas and beliefs not about finding efficient means for predefined end. No amount of analysis and planning, contend the the theorists of the *Argumentative Turn*, is likely to change this: real policy processes populated with real policy actors fighting for values and beliefs will (rightly) understand any attempt of rationalising and sanitising policy processes as a political act of aggression. In this way, policy processes will always wind and twist themselves out of the rational shapes objective analysis would impose onto them.

For this reason, theorists of the *Argumentative Turn* have developed alternative methods for analysing public policy. Tools such as frames, narratives and policy stories are supposed to enable the policy analysts to take a critical view of conflictual policy processes about messy problems. They allow policy analysts both to probe the underlying assumptions of any particular policy argument and to evaluate the performative aspects of policy stories.

Yet, we have also seen that the *Argumentative Turn* has decisive weaknesses. In particular, the more radical approaches envision a pivotal and democratically spurious role for argumentative policy analysts. Using their specialist skills, policy analysts should graduate from being mere technicians to being the ethical guard of democracy. However, without adequate democratic safeguards, about which the *Argumentative Turn* is silent, this new role of policy analysis is as open to abuse as is the conventional role of analysis and planning. What is more, while the *Argumentative Turn* acknowledges the relationship between ideas and institutions, it has little to say about how social structures affect frames or policy narratives.

What can the *Argumentative Turn* contribute to a policy-oriented framework for discourse analysis? In a very real sense, the ideas reviewed in this chapter form much of the conceptual context for the enquiry of this thesis. The following

insights and concepts, then, will inform the analysis in Part II of the thesis:

Contemporary policy processes are fundamentally argumentative, deliberative and conflictual. Policy emerges from contests in which competing political constituencies struggle over ideas about how best to structure society. This struggle is not only about formulating the most effective responses to policy challenges but also about the basic definition and significance of messy policy issues. Understanding these argumentative and inherently conflictual policy processes requires critically scrutinising the actual processes of argument and communication in contemporary policy-making. In other words, the way policy actors argue, deliberate and engage with contending policy arguments significantly shapes policy outputs and policy outcomes.

Political constituencies use ideas, ideologies and knowledge to make sense of messy problems. Yet, on this view, knowledge is never complete or absolute but always partial and relative. That is why political constituencies using different systems of knowledge will interpret messy policy issues in fundamentally divergent ways. Since there is no vantage point from which to adjudicate and resolve this struggle of ideas and values, policy conflict is norm rather than the exception in contemporary policy processes;

Thinkers of the *Argumentative Turn* suggest that we think of systems of ideas, ideologies and knowledge in terms of "frames". Policy actors rely on these coherent but selective ideational frameworks for constructing plausible and credible policy arguments for use in argumentative policy processes. Articulated in terms of "policy stories", these narratives provide an account of cause and effect, blame and culpability, as well as resolution and remedy of messy policy problems. Policy stories help political constituencies cohere around common policy project and justify their political involvement to others.

A corollary is that any knowledge in the policy process — particularly policy analysis — is always an integral part of the argumentative struggle over the naming and framing of messy policy issues. This means that policy analysis is never value-free or power-neutral and policy analysts, if they are to remain relevant, cannot disassociate from struggles over values and power. By shaping definition of messy problems and the policy agendas to deal with them, policy analysis affects the *accessibility* of policy processes: policy analysis helps organise some actors into politics while organise others out of politics [Schattschneider, 1960]. What is more, the strategic use idea, ideology and knowledge also determines the *quality of interaction* between policy arguments organised into policy processes. Understanding the relationship between knowledge, power and policy-making requires becoming "frame-reflective".

This chapter also leaves a number of important questions unanswered:

- *How do institutions shape ideas, ideologies and knowledge and vice versa?* In the following chapter, the thesis will look at ways of analysing the way institutional and ideational structures shape policy-making.

- *If rationality (either instrumental or communicative) can no longer authoritatively adjudicate frame-driven policy conflict, how can contemporary policy processes avoid becoming mired in circular conflict?* This is a question that will also be addressed in the following chapter.

- *What are the implications of the* Argumentative Turn *for democratic accountability in contemporary pluralist polities?* As we have seen, the ideas and concepts of the *Argumentative Turn* throw up some thorny questions concerning the viability of pluralist democracy in contemporary policy-making contexts. In the conclusion, we will return to think about these questions in more depth.

Chapter 4

How Institutions Matter for Ideas (and Vice Versa): Explaining Policy Conflict in an Institutional Context

The past two chapters have reviewed the conceptual background for policy-relevant discourse analysis of European issue domains. The concept of the "differentiated polity" — introduced in Chapter 2 — suggests that contemporary policy-making takes place in distinct organisational clusters centred on specific functional policy issues. Here, institutional and interpersonal patterns of transaction form networks that span formal organisations from the public, private and tertiary sectors. Variations in network constellations give rise to divergent opportunity and constraint structures for policy-makers thereby shaping policy processes. The approaches and theories reviewed in Chapter 3 suggest that what goes on in these fragmented institutional sites of policy-making is an inherently argumentative, deliberative and conflictual contest about the naming and labelling of messy policy problems. Here, policy conflict is the inevitable outcome of policy actors making sense of complex, uncertain and transversal policy problems in terms of fundamentally incompatible frames. Since any relevant policy analysis must engage with beliefs and values of contending policy actors, knowledge and knowledge producers are invariably implicated in the argumentative contest for ideas and power.

Yet, the previous chapters have also shown that the different approaches either rely exclusively on structural or ideational factors to explain contemporary policy-making. What is missing is an account of how institutions and ideas interact to shape policy processes and policy outputs. That is why this chapter compares approaches that focus on how policy emerges from the interplay of institutions and ideas.

In the following, then, we will look at five different approaches: "the Political Science of Knowledge" [Nullmeier and Rüb, 1993],[1] the "Multiple-Streams Analysis" [Kingdon, 1984, Zahariadis, 1999],

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[1]A rather inelegant translation of *Wissenspolitologie.*

"Epistemic Communities" [Haas, 1992b], the "Advocacy Coalition Framework" [Sabatier and Jenkins-Smith, 1993a] and "cultural theory" [Douglas, 1987, Thompson et al., 1990]. Each of these theories bears a distinct family resemblance. All assume that both institutions and ideas matter for policy-making. Each approach questions conventional explanatory frameworks in political science and the policy sciences and therefore attempts to recast policy analysis into a more plausible theoretical context. Each of the frameworks integrates the basic insights of the previous two chapters in different ways. As we shall see, the approaches provide tools for understanding the way policy actors grapple with messy policy problems in real institutional settings. It is from this reservoir of terms, concepts and ideas that the framework for a policy-oriented discourse analysis of transport, environment and social policy issues will emerge in Chapter 5.

Each section briefly outlines each theory, approach or framework. This overview will attempt to convey (as concisely as possible) the aims and assumptions of the approach as well as how the key concepts explain policy-making. Each section concludes with an evaluation of the strengths and weaknesses of the theories.

4.1 The Politics of Knowledge and Knowledge Markets

Frank Nullmeier and Friedbert Rüb initially designed the "Politics of Knowledge" to explain German pension policy-making in the 1980s.[2] In the course of the decade, the two social scientists argue, the German welfare state changed from being a system that ameliorated social problems (the welfare state or *Sozialstaat*) to a system concerned solely with its own institutional survival (the security state or *Sicherungsstaat*). While conventional political science would predict a considerable degree of political conflict to accompany transformation on that scale, Nullmeier and Rüb point out that policy conflict was conspicuous in its absence. On the contrary, these fundamental policy changes apparently enjoyed extensive support among ostensibly competing experts, administrators, and politicians. It seemed as if the very nature of the pension issue, not to mention Reason itself, dictated a specific set of policy solutions to German decision-makers. Not trusting the depth or scope of this consensus, the two German political scientists assumed that something else was going on. This something, they suspected, had to do with the way policy actors used expert knowledge to crowd out or co-opt political opponents in order to prevent political conflict from even arising. The aim of the "Politics of Knowledge", then, is to provide a framework for analysing how policy actors deploy expert knowledge to, paraphrasing E.E. Schattschneider, mobilise bias and narrow the scope of political conflict [Schattschneider, 1960].

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[2]See also Chapter 9.

Assumptions

The Politics of Knowledge is based on three fundamental assumptions.

Policy actors socially construct reality. Unlike rational choice approaches would have us believe, Nullmeier and Rüb tell us that politics is not determined by rational individual responses to objective constraints in a reality 'out there'. Rather, policy actors react to and interact within a socially constructed world. For this reason, analysts should not assume that constraints, interests and policy preferences are exogenously given. Finding out why policy actors construct reality in one way rather than another is an integral part of the Politics of Knowledge [Nullmeier and Rüb, 1993, p.25].

Knowledge and power are codeterminate. For Nullmeier and Rüb, knowledge[3] and political power are two sides of the same coin. On the one hand, the two German social scientists argue, knowledge always emerges from institutional structures, be they universities, commercial research and development installations, or government research departments. These institutions, replete with a set power relations, will colour and shape the type of knowledge produced within their confines. On the other hand, the exercise of political power in contemporary polities crucially depends on expert knowledge. As we saw in the previous chapters, rational decision-making in any policy field is synonymous with knowledge-driven policy formulation. For this reason, knowledge always is as plastic and contested as the social structures from which it emerges. Moreover, different types social power structures will give rise to different forms of knowledge. Rather than speaking of knowledge in the singular, Nullmeier and Rüb urge us to think of many different ways of interpreting the same reality [Nullmeier and Rüb, 1993, p.26].

Politics is a conflict about the validity of knowledge. In addition to arguing over more guns or more butter, policy actors will also dispute rival assumptions (e.g. how much butter is healthy for the average person?), contending definition of policy problems (e.g. is this a question of agricultural or defence policy?), as well as norms and interests (e.g. does military defence take precedent to subsidising dairy farmers?). If institutions are to survive, Nullmeier and Rüb maintain, they need to engage in and win these contests of meaning. Institutional policy actors need to demonstrate periodically that they are capable of dealing with social problems. Here, learning takes place in the context of conflicting institutional power structures: new and emergent knowledge is always subject to scrutiny by an audience that may have more to lose than an academic argument.

In sum, Nullmeier and Rüb's approach assumes that politics, political conflict and political action are in some way based on socially constructed knowledge. Thus, the study of politics, which is the study of political power, becomes the "Politics of Knowledge": an analysis of how policy actors use expert knowledge as a means of wielding political power.

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[3]Which they rather broadly define as anything that can be learned or culturally transmitted.

Key Concepts and How They Work: Knowledge Markets and Self-Referential Policy Cycles

The central descriptive concept of Nullmeier and Rüb's approach is the "knowledge market". All organisations and institutions, Nullmeier and Rüb maintain, are partially open to flows of knowledge and argument from their environments. These organisational spaces are so-called "partial public spheres"[4] which, Nullmeier and Rüb emphasise, are not restricted to political institutions alone. Organisations in the private sector, in public administration, or in the tertiary sectors are also constantly producing, circulating and reviewing policy-relevant knowledge. These interorganisational and quasi-public spheres, where policy actors argue about policy issues, deliberate new knowledge, and trade information, are what Nullmeier and Rüb call "knowledge and interpretative markets".[5] By using the image of the market, Nullmeier and Rüb convey (or wish to convey) that policy-making emerges from a competition of ideas.

Knowledge markets, Nullmeier and Rüb argue, arise in these partial public spheres under specific circumstances. First, knowledge markets develop in the context of uncertainty about the policy issue in question. For example, the issue of global climate change, where scientific uncertainties are very high, has given rise to lively policy debates and considerable political conflict [Thompson and Rayner, 1998b, Thompson et al., 1998]. Conversely, the question of whether the Earth is round or flat has not (recently) been the stuff of scientific dispute. Second, knowledge markets presuppose choice between competing interpretations of a social or natural condition. As we shall see, the policy debate about global climate change, for instance, features at least three competing interpretations of the causes of global warming which vie for legitimacy in (partial) public spheres: an explanation that sees population growth as the main culprit of global climate change, an approach that blames profligate Northern consumption habits for anthropogenic climate change, and a theory that perceives distorted resource prices as the main cause of global climate change [Thompson and Rayner, 1998a, Thompson et al., 1998]. Last, knowledge markets assume that access to these partial public spheres is at least nominally open. Like product and service markets, however, what is important here is the idea (rather than the reality) of free exchange and unlimited access: as Nullmeier and Rüb put it, the "idealisation of openness justifies the metaphor". In terms of our global climate change example this means that although anyone can contribute to the global climate change debate in principle, it is questionable whether anyone without scientific credentials is likely to be taken very seriously. In short, knowledge markets describe policy networks in which actors face messy policy problems.

The degree of openness to policy actors and ideas, then, is a central characteristic of knowledge markets. A knowledge market in which many different

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[4]In the sense that a policy community or policy network is nominally public but also has elements of a 'private government'.

[5]Although one would associate scientific and disciplinary deliberation most readily with a partial public sphere dedicated to the production and refinement of knowledge, Nullmeier and Rüb contend that this is only one of the many types of possible knowledge markets. Unfortunately, however, they leave us in the dark about what distinguishes different types of knowledge markets and what examples of alternative knowledge markets may be (except for perhaps the knowledge market concerning pension reform in Germany, yet even here they are strangely vague, see below).

policy actors (individuals or institutions) argue about a multitude of competing ideas and interpretations, Nullmeier and Rüb argue, signifies an open knowledge market [Nullmeier and Rüb, 1993, p.28]. However, like markets for goods and services, policy actors can also "monopolise" knowledge markets by restricting both policy actor participation as well as ideational choice. Monopolised markets, Nullmeier and Rüb argue, produce knowledge that disqualifies from the outset alternative interpretations, thereby reinforcing institutional closure (few policy actors) by so-called "interpretive closure" (few policy arguments) [Nullmeier and Rüb, 1993, p.29].

This mutually reinforcing dynamic between the ideational and the institutional aspects of knowledge markets, Nullmeier and Rüb assert, leads to a norm and knowledge consensus among policy actors. In practise, this means that actors in closed knowledge markets accept a particular interpretation of the issue in question as true: this body of knowledge then becomes dominant within the knowledge market [Nullmeier and Rüb, 1993, p.29]. The norm and knowledge consensus implies that policy actors not only agree on how to define an issue but also on what policy action the problem requires. In closed knowledge markets, Nullmeier and Rüb conclude, dominant consensual knowledge becomes the absolute truth that squeezes out ideational choice. For example, in the past two decades economists worldwide have converged on neo-classical methods and approaches to the detriment of alternative frameworks (such as evolutionary economics or Marxian economics).

Since incentives for policy actors to 'rock the boat' weaken as the degree of openness on knowledge markets declines, Nullmeier and Rüb imply that monopolised knowledge markets are unlikely to change from within. The major external threat to dominant knowledge and established policy actor networks, Nullmeier and Rüb suggest, are "debates" that take place in other knowledge markets. These debates concern specific issues, problems, or themes that are relevant for more than one knowledge market. A prominent contemporary example here is the ongoing debate about sustainable development. Initially, the concept emerged in the context of environmental policy [WCED, 1987]. Yet, the idea of tempering behaviour in the present so as not to compromise the range of options available in the future has proved to be extraordinarily compelling. So compelling, in fact, that policy actors soon extended its logic to other policy arenas increasingly remote from environmental policy. Wherever the sustainability debate has turned its attention, it very effectively questioned existing concepts and policies. Thus, by creating networks of related policy arguments that transcend the boundaries (and therefore the control) of particular knowledge markets, debates can challenge the established social relations and dominant knowledge structures in specific issue areas.

Institutionally and ideationally closed knowledge markets lead to what the two researchers call self-referential policy cycles (*politischer Eigenzyklus*). These types of policy cycles are characterised by three defining features. First, in self-referential policy cycles, institutional needs rather than the needs of a specific target group (such as pensioners, the mentally ill, hospital patients, the environment, etc.) are the basis for policy-making. The aim of all policy-making, Nullmeier and Rüb argue, is survival of the institution at all costs. Second, policy processes are self-referential if they exclude rival constructions of needs or rival interests from the problem definition and the agenda-setting process. Last, self-referential policy cycles emerge from knowledge markets that portray

institutional needs as absolute necessities [Nullmeier and Rüb, 1993, p.65]. This type of closed policy process, Nullmeier and Rüb point out, leads to a cumulative approach to solving policy problems. Here, policy actors plot a policy course in terms of cumulative small decisions. The cumulative policy-makers, then, are both more purposive than Charles Lindblom's incremental decision-makers who merely "fly by the seat of their pants" [Lindblom, 1958, Lindblom, 1977] and more circumspect than Herbert Simon's synoptic decision-makers [Simon, 1945] who weigh all possible alternatives and outcomes. Cumulative decision-making, Nullmeier and Rüb contend, is a strategy guided by the (perceived) needs of the system; what seems to be an incremental and unstructured process is in reality oriented along long-term policy goals.

Nullmeier and Rüb use the concepts of knowledge markets, debates and self-referential policy cycles to analyse the politics of expertise at two distinct levels. At the first level of analysis, Nullmeier and Rüb describe the types and distribution of policy-relevant knowledge throughout the political system. This level of analysis provides an overview of the structure of knowledge markets and the allocation of different market shares among policy actors. Building on this first level, the Politics of Knowledge then proceeds to ask why certain forms of knowledge succeed in policy processes while others fall by the wayside. Success[6] in knowledge markets, Nullmeier and Rüb suggest, depends on the capability and opportunity to exercise political power. Like in more conventional markets for goods and services, the degree of control over events in a knowledge market depend on factors such as resources, personnel, decision-making capacities, charisma, etc. However, unlike more familiar markets, success in knowledge markets additionally requires a control over what Nullmeier and Rüb call "interpretative and knowledge resources". These include both the material conditions for producing knowledge (access to training and know-how, physical infrastructure, funding, staff, etc.) as well as the ability to "mobilise good reasons". The latter, somewhat elliptical factor, refers to the ability of policy actors to produce high quality policy arguments. Like all resources, Nullmeier and Rüb argue, the capacity to produce policy-relevant knowledge is unevenly distributed within any society. This, in turn, favours the closure of knowledge markets and skews the policy-making playing field [Nullmeier and Rüb, 1993, p.31].

The focus of the "Politics of Knowledge", then, is the intimate relationship between expert knowledge and political power in real-life policy processes. The approach is designed to help us understand how policy actors exercise political power whenever they apply expert knowledge and, by the same token, how decision-makers require expert knowledge about a policy problem to exercise political power. The concept of "knowledge markets" implies that the people who wield scientific and technical expertise are not neutral, let alone innocent, bystanders of the political drama. Rather than a mere source of information, expert knowledge in Nullmeier and Rüb's framework is a powerful political weapon that can discredit competing interpretations, close down rival policy options, and narrow the scope of political action.

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[6]Nullmeier and Rüb do not provide a definition but we can assume that success is expressed in 'increasing market shares' and impact on policy outputs.

Evaluation

The "Politics of Knowledge" describes the way policy actors strategically deploy knowledge and expertise in an attempt to control policy networks and policy processes. By monopolising Knowledge Markets, policy actors can successfully reduce the accessibility of "partial public spheres' and thereby maximise their influence and autonomy over policy-making. Moreover, the interaction between institutional and ideational structures, Nullmeier and Rüb argue, shapes policy processes: monopolised knowledge markets generate "self-referential policy cycles". In this way, Nullmeier and Rüb provide some evocative metaphors for thinking about the role of knowledge in contemporary policy processes. Unfortunately, many of these metaphors and theoretical mechanisms are far more convincing when viewed from afar. Closer inspection of the key concepts of the Politics of Knowledge throws up many unanswered questions.

The first area of weakness concerns the vagueness surrounding the idea of knowledge markets. It is not entirely clear where knowledge markets begin and where they end. It would seem that knowledge markets are interorganisational yet informal arenas for producing and disseminating policy–relevant knowledge. However, are knowledge markets driven by specific issues (such as global climate change, road pricing, crime, or unemployment), are they defined by their types of knowledge producers (for example, scientists or government researchers), or do knowledge markets emerge analogously to policy sectors (such as social policy, environmental policy, or defence policy)? Do knowledge markets span different policy communities and levels of governance? Unfortunately, Nullmeier and Rüb provide many vague hints but ultimately leave us in the dark about what exactly defines and delimits knowledge markets.

Moreover, it is also not quite clear what exactly is supposed to be going on in these knowledge markets. Again, Nullmeier and Rüb are not terribly specific but it would stand to reason that knowledge markets provide an arena for arguing about established and emergent knowledge. If this is the case, why is this any different from a 'debate'? Nullmeier and Rüb indicate that 'debates' are discussions that take place in specific knowledge markets but may be relevant for other knowledge markets. In that case, how do these debates affect other knowledge markets? Is it via policy decisions, via participants that are active in more than one knowledge market or via power structures? Because the central concept of the Politics of Knowledge is fundamentally vague, we are left to speculate.

Further, while Nullmeier and Rüb spend a lot of time theorising about closed knowledge markets, they provide a disappointingly anaemic account of open knowledge markets. In open knowledge markets, they argue, alternative courses of action and different interpretations of reality to co-exist (and, presumably, compete) in the same public or semi-public space. And leave it at that. Open questions include: What are the conditions that favour open knowledge markets? How can policy makers bring about open knowledge markets? What sort of impact do open knowledge markets have on policy outcomes? And, most importantly, what are the benefits of open knowledge markets? While economic theory is very clear on the benefits of competitive markets (efficient allocation of resources), Nullmeier and Rüb leave it to the imagination of the reader to come up with the benefits of open knowledge markets. In essence, Nullmeier and Rüb are asking us to prefer open knowledge markets simply because are

not closed.

The second set of weaknesses concerns the general suitability of the market metaphor. Although markets provide a neat general image, closer scrutiny shows that the analogy only holds at a very abstract level. In Nullmeier and Rüb's framework, who are the consumers and who are the producers of knowledge? Policy actors are not the same as rational economic agents: both their policy goals as well as their strategies differ quite considerably. Whereas economic agents are interested in maximising profits or utility, policy actors have a far more complex set of policy goals and strategies (as we saw in the previous chapter). We can, then, expect quite different patterns of behaviour than in markets.

Further, markets are quintessentially about trade. Yet, in knowledge markets, it is not entirely clear who is trading what. Knowledge itself is, in Samuelson's sense, a public good and not amenable to trading[Samuelson, 1948]. Add to that the reams of literature by economists dealing with science, technology and innovation that argue against establishing markets[7] for knowledge and it becomes difficult to see what it is that Nullmeier and Rüb's knowledge markets actually trade. Moreover, do specific knowledge markets offer one type of knowledge (disciplinary knowledge, applied vs basic science, policy-relevant knowledge, religious knowledge, everyday knowledge) or do they offer different types? If they do specialise, what types of knowledge are we likely to find on what types of markets? Again we can see that the lack of definition and clarity in the knowledge market concept itself has knock-on effects throughout the theoretical edifice.

In sum, Nullmeier and Rüb designed the Politics of Knowledge to explain policy-making in one particular issue area: public pension provision in Germany. As we will see in Chapter 9, German pension policy-making in the 1980s was dominated by a highly coherent and tightly organised policy community of experts that dominated problem-definition and agenda-setting. Here, Nullmeier and Rüb's theoretical edifice works rather well as a critical tool. By showing how policy actors deployed knowledge and institutional resources to close knowledge markets and limit debate to 'innocuous' issues, the "Politics of Knowledge" shines a none too favourable light on German pension policy-making in the 1980s. By its very nature, the idea of knowledge markets revolves around the costs of relatively exclusive and expert-led policy networks. However, the approach excludes (or at least heavily discounts) the potential benefits of such policy styles and network structures (such as, most prominently, creating a stable and predictable policy environment). As such, Nullmeier and Rüb's approach is useful for identifying and criticising closed-shop policy processes. Yet, in light of the weaknesses of the approach identified above, it is questionable whether the "Politics of Knowledge" travels well to other issue areas or indeed, as we shall see in Chapter **??**, the same issue area over time.

What can we take from the "Politics of Knowledge"? First, policy emerges from a competition of ideas in a knowledge market. This notion suggests that the production, dissemination and application of expert knowledge in "partial public spheres" also sets policy agendas and exercises power. Second, the accessibility of knowledge markets can change over time. Policy actors deploy expertise and knowledge to control network membership and the agenda by monopolising

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[7]Admittedly, these economists are thinking about monetarised markets for knowledge.

knowledge markets. Last, policy actors strategically utilise expert knowledge to achieve and establish "epistemic sovereignty" (*Wissenshoheit*) in a policy network.

4.2 Garbage Cans and Multiple Streams

If the "knowledge markets" of the preceding section help us understand how decision-makers keep issues off policy agendas, so-called Multiple Streams Analysis (MSA) aims to explain the exact opposite. Based on John Kingdon's application of the Garbage Can model to the United States federal government, MSA describes how issues get onto policy agendas and how policy actors formulate responses to these issues [Kingdon, 1984, Kingdon, 1995, Cohen et al., 1972, Zahariadis, 1999].

Assumptions

Multiple streams analysis rests on four interrelated assumptions:

Policy-processes are "Garbage Cans": In their Garbage Can model of organisational behaviour, Michael Cohen, James March, and Johan Olsen outline decision-making in so-called "organised anarchies"[Cohen et al., 1972]. In these types of organisations, preferences are problematic, the technology to realise these preferences is unclear and participation in the organisation is fluid. A university, the authors point out, is a typical example of an organised anarchy. In organised anarchies, decision-making is not a linear process: policy problems are neither clearly defined nor can the organisation neatly dispense with them. Rather, argue Cohen, March and Olsen, the Garbage Can process features four relatively independent streams: problems, solutions, participants and choice opportunities. As a result, organised anarchies are "...a collection of choices looking for problems, issues and feelings looking for decision situations in which they may be aired, solutions looking for issues to which they may be the answer, and decision-makers looking for work" [Cohen et al., 1972, p.2].

Organised anarchies give rise to ambiguity: Multiple Streams analysis assumes that policy-makers operate in conditions of fundamental ambiguity. This means that for any single issue or phenomenon, there may be several different, often conflicting, ways of thinking about and perceiving it. Ambiguity, Nikolaos Zahariadis points out, is not the same as uncertainty. Whereas information and knowledge may reduce uncertainty, no amount of information can reduce ambiguity.[8] We can also think of ambiguity as what happens when policy actors use different cognitive and normative frames to make sense of the world.

Organised anarchies and ambiguity mean that understanding policy-making requires a logic based on time rather than on rationality: The use of a rationality-based logic typical of conventional social science presumes

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[8]However, many scholars [Jasanoff and Wynne, 1998, Thompson and Rayner, 1998a] use the term "uncertainty" to refer to what Kingdon and Zahariadis call "ambiguity".

that policy actors understand both their preferences and the policy problems they face. In organised anarchies under conditions of ambiguity, however, preferences are as unclear as the nature of the policy issue at hand. Zahariadis argues that choosing under conditions of ambiguity is an exercise in coming to terms with complex reality rather than rational problem-solving. Since organised anarchies and ambiguity mean that many different issues are constantly clamouring for policy-makers' attention, time management rather than task management is the key skill [Zahariadis, 1999].

Complexity, ambiguity and chaos are the rule rather than the exception: As we saw in Chapter 3, the "rationality project" depicts the messy, unpredictable, and normative nature of politics as an unwanted deviation from rational policy-making. Multiple Streams Analysis, however, suggests that complexity, chaos and disequilibrium are inherent characteristics of policy-making in pluralist systems.

Key Concepts and How they Work: Streams, Coupling and Launch Windows

Kingdon applies the Garbage Can model to politics to explain why certain issues rise to the top of policy agendas when they do. Like Cohen, March and Olsen, Kingdon conceives of policy-making systems (in this case the United States Congress) as organised anarchies composed of independent streams. However, unlike the organisational theorists, Kingdon distinguishes participants from processes. So while participants in policy processes[9] are not a separate stream in Kingdon's model, he identifies three independent process streams in the polity: a problem stream, a policy stream and a politics stream.

The problem stream consists of competing problem definitions. Kingdon discerns three mechanisms with which policy problems are brought to the attention of policy-makers: indicators, events and feedback. Changes in indicators, such as GDP, the level of unemployment, or population statistics, not only draw attention to a particular problem as it develops, but also construct a particular image of an emerging policy problem. For example, the OECD's Programme for International Student Assessment (PISA) publishes a periodical report comparing the educational achievements of 15 year olds across industrialised countries. In the last reports, German students did comparatively poorly. As a result of the report, the problem of the "new German education catastrophe"[10] shot right to the top of the German policy agenda in 2001 and has become a major issue in the general election campaign of 2002. Further, events such as catastrophes or personal experiences focus policy-makers' attention on societal conditions. The most prominent recent example of such a focusing event is the terrorist attack on the World Trade Center in September 2001. Ever since the attack, policy-making throughout the industrialised world has focused on security issues. As a direct result, European governments, most prominently Germany, have introduced rather restrictive public order and public security legislation.

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[9]Which not only include politicians, advisors, civil servants but also journalists, researchers and interest group representatives.

[10]Again, this is my own translation of *"neue deutsche Bildungskatastrophe"* [Anonymous, 2001].

Last, feedback on the performance of existing policies alerts policy-makers to unanticipated implementation problems. For example, by the mid-1990s it had become clear that official flexible retirement provisions introduced by the German pension reform of 1989 were not very popular with workers [Schmähl, 1999]. This signalled to policy actors that the reform had done little to curb the abuse of the pension system as a means of easing older and less productive workers out of the labour market. This allowed the pension issue to claw its way back onto the German policy agenda by the mid-1990s (see also Chapter 9).

The second stream is the policy stream where policy solutions float about as if in a "primeval soup". Here, experts and specialists from policy communities that make up the organisational environment come up with ideas and design policy solutions. These ideas are then tested in a number of possible venues (including hearings, meetings, parliament, position papers, etc.). Some policy solutions will rise to the surface of the primeval soup, other policy solutions will simply die and others still will be recombined with different ideas (a process Kingdon refers to as successive "softening up"). Although there are many ideas floating around in the policy stream, only very few solutions receive serious attention at any one time. Policy-makers decide to pay attention to a particular idea on the basis of whether the policy solution seems technically feasible and whether the idea is in harmony with the policy-maker's values and beliefs. The upshot of the argument is that the way policy solutions rise to the top of the agenda follows a different, far more complex logic than conventional theories of rational problem solving assume. Rather than simply providing solutions to policy problems, different policies compete in an evolutionary process for survival and supremacy. In that process, very much like living organisms, ideas evolve and mutate. For example, recent pension reforms in Germany have introduced private pension provisions alongside traditional social insurance mechanisms. These new pension schemes, however, bear only a slight resemblance to the radical market-oriented reform proposals championed both by economists within Germany [Börsch-Supan, 1999, Miegel and Wahl, 1999] and by institutions such as the World Bank [James, 1994].

The third stream in Kingdon's model, the political stream, determines the status of a particular issue. Its components are the national mood, the constellation of organised political forces, and the make-up of government. The idea of national mood "... refers to the notion that a fairly large number of individuals in a given country tend to think along common lines and that the mood swings from time to time" [Zahariadis, 1999, p.77]. Policy-makers, Kingdon argues, pick up on national moods and national mood swings through instruments such as opinion polls. For example, in the aftermath of 9/11, the national moods in the United States and in many western European countries swung in favour of military, or at least armed, responses to the perceived 'terrorist threat'. Another, possibly less dramatic example is the current eurosceptical and anti-immigration mood that seems prevalent in many EU countries. Further, the political stream also depends on the activities of interest groups. Governments, Zahariadis argues, look very closely to the patterns of support and opposition among pressure groups hoping to derive an image of broader consensus patterns within the polity. Examples here include the way governments in corporatist polities (i.e. Austria, Sweden and, to a lesser extent, Germany) will test ideas and policy proposals with key corporatist interest representation before committing to any policy action. Last, continuity and change in the make-up of

government and parliament determines the opportunities and likelihood of policy shifts.

Kingdon argues that issues climb to the top of policy agendas when all three streams converge at a single point. This, in turn, occurs when so-called "policy entrepreneurs" join together or, to use Kingdon's term, couple different streams. These policy entrepreneurs, who invest "...their resources – time, energy, reputation, money – to promote a position for anticipated future gain in the form of material, purposive, or solitary benefit" [Kingdon, 1995, p.179], match policy problems to existing solutions and bring this package to the attention of policy-makers in a position to act on the issue [Zahariadis, 1999, p.84]. If policy entrepreneurs are sufficiently deft or sufficiently fortuitous (or both), the coupling of process streams opens a policy window. Similar to launch windows in space travel, policy windows are opportunities for policy-makers to act on a certain policy issue that are available for a limited time only.

In general, Kingdon identifies two types of these "temporal stimuli for choice" [Zahariadis, 1999, p.8]. The first type of policy window opens in the problem stream (say as the result of an event). Windows of this type, Zahariadis maintains, will favour a "consequentialist coupling" of policy streams meaning that policy entrepreneurs and policy actors will try to find solutions to policy problems. A particularly clear example is gun control legislation in the United Kingdom in the mid-1990s. Following a particularly bloody incident in which a disturbed gunman murdered a class of primary school children in Dunblane, the British government very swiftly drafted and passed a comprehensive gun control law. In contrast, policy windows that open in the politics stream (say as the result of an election), argues Zahariadis, will favour a "doctrinal coupling" of streams. Here, policy actors look for policy problems to match predefined solutions. By way of example, Zahariadis points to the British Conservative Party's enthusiasm applying market-oriented policies, specifically privatisation, to all types of policy issues ranging from health care to education. Kingdon argues that, regardless in which particular stream they open, some policy windows appear regularly (such as the budget) while others are unpredictable (such as earthquakes).

After a limited amount of time, Kingdon argues, policy windows will inevitably close. Once a policy window closes, no further policy action on this particular issue is possible. Policy windows, Kingdon maintains, close for a number of reasons. First, policy-makers may feel they have suitably addressed the policy issue. For example, pension reform policy windows in Germany tend to close when the government passes the reform legislation [Ney, 2001, see also Chapter 9]. Second, policy windows close when decision-makers fail to generate any action on a particular topic. A good example here is the abortive pension reform in France. In 1995, the French government under the Gaullist Prime Minister Alain Juppé attempted to retrench public sector pension schemes but had to back down due to massive nation-wide protests against the planned reforms; as a result, the policy window closed and has not yet reopened [Bonoli, 2000, Ebbinghaus and Hassel, 2000, Bozec and Mays, 2001]. Third, policy windows may close because there are no suitable policy alternatives available. Fourth, the person who opened the policy window may no longer be in power. At the international level, the Middle-East peace initiative of the late 1990s initiated by the United States president Bill Clinton fizzled out (and turned into a very violent Israeli-Palestinian conflict) as soon as Mr. Clinton

was succeeded by President George W. Bush. Fifth, the crisis that caused a policy window to open may simply pass. For instance, the civil war in Bosnia, a acute military and humanitarian crisis in the early to mid-1990s, no longer is quite as pressing as it was. Last, policy windows may close because another crisis dramatically crashes onto the scene. Again, 9/11 is a good recent example: issues that occupied European policy-makers such as BSE, food safety, or genetic research into stem cells were relegated into policy-making obscurity by the terrorist attack.

Evaluation

Although Kingdon provides a dynamic and complex model of how ideas interact with institutional structures, Multiple Streams Analysis is open to at least three criticisms. First, the approach has no explicit concept of policy actors and human agency. Although Kingdon points to a wide array of participants in the policy process, he tells us very little about what makes these policy actors 'tick'. A corollary of this criticism is the fact that Multiple Stream analysis has no theory of action that explains the political behaviour of individual or collective policy actors. While the Multiple Streams shows that ideas (in the policy stream) spur policy-makers to action, it is also clear that individual self-interest motivates policy entrepreneurs [Zahariadis, 1999, p.78]. Unfortunately it is not very obvious when policy actors will be motivated by self-interest and when they will react to social constructions (i.e. deft couplings of streams). Moreover, while Kingdon convincingly shows that policy-making is a struggle of ideas and frames, he is less explicit about how different frames and ideas will influence political behaviour and policy action.

Second, although the Multiple Streams framework quite impressively dismisses the myth of rational policy-making, Kingdon (and Zahariadis) are less forthcoming about the socio-institutional origins of these ideas and frames. Recall that experts and specialists generate ideas in policy networks and that these ideas then float and compete in a "primeval soup". In what ways, then, do the institutional structures and organisational practises of these communities impact on the types of policy solutions generated in the policy stream? Nothing in the Multiple Streams approach allows us to relate institutional structures and practises to the types of policy solutions that emerge from the policy stream. In the Multiple Streams framework, ideas and policy solutions just seem to materialise from the complex environment of policy networks that make up the primeval soup.

Yet, it seems a little implausible that institutional structures will have little discernible effect on policy solutions. On the one hand, thinkers in the New Institutionalist vein of policy analysis [Skocpol, 1995, Ostrom, 1991, Pierson, 1996, March and Olsen, 1989] have pointed out how past policy decisions constrain and even determine policy-makers' choices in the present. For example, in countries with welfare states based on the social insurance model (such as Austria, Germany, or France) the scope of technically 'feasible' and normatively suitable policy solutions is closely circumscribed by the workings of welfare state institutions themselves [Bonoli, 2000]. On the other hand, Nullmeier and Rüb's idea of closed knowledge markets shows that specific institutional forms give rise a very specific types of policy solutions, namely solutions that bolster the existing closure of knowledge markets. The free evolutionary competition of ideas out-

lined by Kingdon, then, seems to be the result of a specific socio-institutional set-up. For these reasons, the Multiple Streams approach needs a concept both of how organisational structures in the polity regulate the competition between conflicting ideas in the primeval soup and of how these organisational structures impact on the types of policy solutions on offer.

Last, in its implicit fatalism, the Multiple Streams approach is also somewhat politically complacent. Multiple Streams analysis, Zahariadis notes, sacrifices the ability to predict policy processes in order to more accurately portray the complexities of contemporary policy-making [Zahariadis, 1999]. Indeed, one of the strengths of Multiple Streams Analysis is that it manages to transport a sense of this complexity very effectively. However, Multiple Streams analysis is also rather frustrating. Since the interaction of the different streams is essentially chaotic, depending as it does on random and unpredictable events such as aeroplane crashes or earthquakes, Multiple Streams analysis tells us how policy-making works without providing tools to do anything about it. This, of course, begs the question: if policy-making is this kaleidoscopically complex and multi-faceted business over which we have little or no influence, why bother analysing politics in the first place? Why should researchers expend their most valuable and scare of all resources (time and effort) to study a system of human interaction about which they can do very little anyway? Moreover, the implication here, very much like Charles Lindblom's early formulations of incrementalism, is that we can do nothing to improve policy-making because pluralist polities, by and large, are about as good (i.e. fair, efficient or democratic) as they can get. Reminiscent of Winston Churchill's aphorism, Multiple Streams Analysis leads us to believe that while imperfect and a little capricious at times, contemporary democratic systems (particularly those resembling American-style pluralism) are the best we can hope for.

On the more positive side, the Multiple Streams framework does feature a number of rather unique strengths. First, unlike most models of meso-level policy-making, Multiple Streams analysis connects policy communities and policy networks to broader political events. Whereas the concepts discussed in Chapter 2 depict policy communities as relatively insulated from one another, the Multiple Streams framework shows that, despite fragmentation and specialisation, policy communities are connected, albeit in complex ways. Even though external events may not be able to determine policy outcomes within a policy community, Zahariadis argues that these events certainly influence the policy options decision-makers choose when policy windows open [Zahariadis, 1999]. Again, the most prominent recent example is the terrorist attack on the World Trade Center. Despite this event being of no direct relevance to many policy communities, it has coloured debates and policy choices in areas as diverse as domestic law and order, ethnic relations, or development policy.

Second, assuming that process streams are relatively independent (or that their relationship is so complex as to seem independent) means that the analyst needs to "uncover rather than assume rationality" [Zahariadis, 1999, p.93]. Unlike conventional theories of the policy process, Multiple Streams analysis does not assume from the outset that policy-making is about rational problem solving. Rather, as we have seen, policy formation has more in common with social learning as policy actors come to with ambiguous policy problems. Thus, the Multiple Streams framework turns its back on the aspirations of the rationality project by abandoning what Zahariadis calls the "illusion of control". In this

sense, the Multiple Streams framework very plausibly operationalises some of the key insights of the Argumentative Turn discussed in the previous chapter.

Perhaps the most refreshing feature of Multiple Streams Analysis is the way it depicts the complexity, ambiguity and uncertainty in contemporary policy processes. By skillfully applying the Garbage Can model of organisation, Kingdon not only produces a charmingly irreverent portrayal of agenda-setting, he also manages to demonstrate how complexity and chaos emerge from relatively well-known and straightforward aspects of the rational decision process. Multiple Stream Analysis loosens the logical (but counterfactual) relationship in which the 'rationality project' places policy actors, policy problems and policy solutions. By doing this, the framework points to the importance of context rather than purpose in policy-making. Here, policy-making is the net result of complex institutional interactions and unpredictable events [Zahariadis, 1999]. What is more, Kingdon suggests that this state of affairs may be the rule rather than the exception: since streams are independent and since serendipity is an important determinant of policy outcomes, it is unlikely for policy systems to be in equilibrium. In terms of the Multiple Streams Analysis, then, the ambiguity, uncertainty, and general messiness so abhorrent to the rationality project is an integral and constitutive feature of contemporary policy-making.

4.3 Epistemic Communities

Unlike the "Politics of Knowledge", the concept of Epistemic Communities focuses on policy-making at international level. Increasingly, Peter Haas argues, policy-makers in the international field are faced with complex and uncertain policy problems such as stratospheric ozone depletion, transboundary air pollution or global climate change [Haas, 1992b, Haas, 1992a]. While the transnational nature of these issues demands inter-state collaboration, the accompanying complexity and scientific uncertainty make co-operation rather precarious. In short, state actors in international arenas face messy policy challenges. In these situations, Haas points out, scientists and professionals help state actors make sense of policy issues by applying their expert knowledge in an effort to reduce uncertainties. The Epistemic Communities approach, then, aims to understand how these experts and their expert knowledge affect the formation of international policy regimes.

Assumptions

Haas makes two general assumptions: one about the nature of contemporary policy-making and another about expert knowledge:

Policy-making takes place in policy networks populated by knowledge-based experts. The Epistemic Communities framework conceptualises contemporary states in a similar way to the policy network and policy community literature reviewed in Chapter 2. Like Rhodes, Richardson or Smith, Haas also points to the rapid expansion of state functions, the specialisation of administrative capacities, and growth of professionalisation that has characterised the post-war period. Haas argues that this development has had two significant effects. First, the fragmentation of policy-making has coincided with the emergence of the "policy expert" as well as

a "...deference paid to technical expertise and, in particular, to that of scientists" [Haas, 1992b, p.1]. Second, this development is in part due to the nature of policy issues and problems themselves. Policy issues in the differentiated polity, Haas maintains, have become increasingly complex and uncertain, often affecting several different policy domains at once [Haas, 1992b, p.12]. State actors in these situations are often unclear about where their interests lie, let alone how to go about maximising these preferences. Additionally, uncertainty may lead to misperceptions about the way actors behave, why they behave the way they do, and the nature of international settings. For this reason, the conventional wisdom of international relations, which assumes states know their policy preferences and know how to pursue them, seems of little use for understanding the formation of international policy regimes under scientific and political uncertainty. Rather, Haas argues, coming to grips with the way policymakers handle uncertain and complex issues requires looking beyond the structural imperatives imposed on state actors in the international anarchic system.

Although reality is socially constructed, consensus on knowledge is possible. Explicitly rejecting the extreme constructivist position.[11] Haas prefers what he calls an "essentialist/materialist" view of expertise and knowledge [Haas, 1992b, p.22]. Here, "...the world is a real and separate object of enquiry that exists independently of the analyst and that although the categories in which it is identified are socially constructed, consensus about the nature of the world is possible in the long-run" [Haas, 1992b, p.23]. What is important to Haas is the social consensus about knowledge rather than the consistency or fit of this knowledge with reality. The questions here are how actors form a consensus on knowledge[12] on the one hand and how this knowledge is diffused to other actors on the other. Moreover, Haas is interested how this consensual knowledge affects the political behaviour of policy actors. Whether or not this particular piece of knowledge is true in any substantial or philosophical sense is less important for the Epistemic Communities approach. In sum, knowledge in the Epistemic Communities approach, like in knowledge markets, emerges from a distinctly social process of conflict, negotiation, and adjustment.

Key Concepts and How They Work: Epistemic Communities

The term "epistemic communities" refers to "...a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue area" [Haas, 1992b, p.3]. Epistemic Communities strongly resemble policy communities and policy networks discussed in Chapter 2. However, epistemic communities are a special type of policy networks[13] with distinct characteristics. To

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[11] which holds there is no way of directly observing reality since all our knowledge is socially mediated by language.

[12] Which is very similar to concerns of Nullmeier and Rüb's approach discussed above.

[13] Probably, epistemic communities are closest to "professional networks" on Rhodes' continuum. See Table 2.1 in Chapter 2.

qualify as an epistemic community, networks consisting of scientists or professionals must

1. share a set of normative and principled beliefs;

2. share a set of causal beliefs;

3. share notions of validity (which are intersubjective, internally defined criteria for weighting and validating knowledge in the domain of their expertise, i.e. agreed-upon standards for knowing when the community is right or when it is wrong);

4. possess a common policy enterprise (which is a set of practises associated with a set of problems on which their expertise is focussed) [Haas, 1992b, p.3].

Epistemic Communities are always a subset of professional or scientific communities. For example, Haas argues that economists as a whole do not qualify as an epistemic community, whereas Keynesians and Monetarists economists are distinct epistemic communities. Haas' central claim is that these networks of knowledge-based experts shape international policy-making and policy coordination under conditions of scientific uncertainty: in other words, it models the way policy actors deal with messy policy problems in the international system of states. How, then, does the Epistemic Communities approach explain international policy-making?

Policy processes driven by epistemic communities, Haas maintains, typically run through three stages: uncertainty, interpretation, and institutionalization. First, crises focus policy-maker attention on a specific issues or problems. On closer inspection, policy actors realise how little they know about the issue. This, in turn, leads to the generation of data and information concerning the particular problem. At this point, uncertainty is a problem for state actors since it obscures where and in what ways the state needs to exercise political power [Haas, 1992b, p.3]. In these types of situations, Haas, maintains, it becomes difficult to identify potential allies and strategies that may maintain the state's relative position in the international arena. Uncertainty at this level may even lead to a breakdown of operating procedures and, as institutions grapple to deal with the new situation, to new patterns of behaviour [Haas, 1992b, p.14].

Second, uncertain and complex problems have multiple, partially estimable consequences that call for interpretation. Poorly defined policy problems require a specific type of information that can depict the social/ physical processes involved, link these with other processes and outline the likely consequences of action [Haas, 1992b, p.4]. This, Haas points out, is what epistemic communities supply to policy actors. By applying their expertise as well as their principled beliefs to a specific issue, epistemic communities construct plausible policy stories about what is going on. In this way, epistemic communities enable states to identify their interests, recognise allies and choose the most suitable policy instruments. Thus, epistemic communities focus, delimit and help select policy alternatives for dealing with complex and uncertain policy problems: in other words, Haas argues, epistemic communities exercise political power by shaping policy actors' perception of both the problem and possible policy solutions [Haas, 1992b, p.15].

Third, the Epistemic Communities's influence on policy-makers may lead to the institutionalization of new forms of policy behaviour. As we have seen, Haas believes that epistemic communities can influence policy making both indirectly (i.e. by defining policy issues, by identifying state interests or by pointing to features salient for negotiations) and directly (by formulating policy measures). By convincing state actors to respond to a crisis or policy issue in a specific manner, epistemic communities can create a path or trajectory for other decision-makers to follow. Decision-makers may actually converge on a set of co-operative policy norms and practises informed by the causal and normative beliefs of the epistemic community. In this way, Haas concludes, patterns of international policy co-operation may harden into international policy regimes even where systemic power concentrations alone would not encourage policy co-ordination.

Evaluation

The Epistemic Communities framework highlights the way experts make sense of messy policy problems and how this contributes to the international institutional policy environments. By applying their specific frames to messy policy problems, scientists in epistemic communities interpret and translate data into policy-relevant arguments. By foregrounding certain aspects and backgrounding others according to the normative commitments and policy project constitutive of the Epistemic Communities , scientists help state actors define their interests in the international arena. Unlike Nullmeier and Rüb who explain policy-making primarily in terms of the *institutional context* of knowledge markets, Peter Haas' approach focuses on the way groups *policy actors* deploy expert knowledge to shape institutional environments at international level.

However, a close review of the Epistemic Communities framework, Sheila Jasanoff and Brian Wynne argue, reveals a number of shortcomings [Jasanoff and Wynne, 1998]. First, they argue that it may not be the epistemic communities as much as the epistemes, that is the ideas themselves, that drive international policy-making. This line of criticism, based on the thought of Emile Durkheim, sees deep-seated, unquestioned beliefs as guiding international political behaviour far more decisively than relatively loosely integrated networks of scientists and professionals. Another, second line of attack reasserts the state's primacy in international policy-making while recognising the cognitive aspects of policy-making. The model of epistemic communities, proponents argue here, has not paid sufficient attention to the state's role in formulating and shaping information for policy [Jasanoff and Wynne, 1998, p.51]. Third, since scientists will paper over real differences in order to influence policy agendas and secure research funds, Jasanoff and Wynne are suspicious of the framework's ability to identify shared causal beliefs and values. In this context, they also point out that it is not entirely clear how consensual knowledge impacts on policy-making in the long-run. Will policy actors interpret and act upon this consensual knowledge in the same way over time? Fourth, since epistemic communities are not part of all stages of regime formation in international policy-making, Jasanoff and Wynne argue that it is difficult to determine whether they are independent motivators of international co-operation or merely catalysts. Last, the two social scientists point out that the idea of epistemic communities does not explain why and

under what conditions scientists and professionals cohere as a social group. In short, it is not clear what produces social solidarity and what provides for social integration in epistemic communities. Often epistemic communities are loose networks of highly heterogeneous actors. As Jasanoff and Wynne point out, such groups

> ". . . may never achieve either the boundedness or the internal cohesion and common purpose that one intuitively associates with the term epistemic community. From a constructivist standpoint, these are contingent entities, representing temporarily stable but institutionally fragile conjunctions of social, ethical and cognitive forces. Nonetheless, such networks can serve as effective levers for international agenda setting and policy co-ordination" [Jasanoff and Wynne, 1998, p.53].

Additionally, the epistemic community approach tells us very little about the relationship between different epistemic communities within a specific policy domain. The fact that epistemic communities are sub-sets of wider scientific communities implies that the relations among different epistemic communities must be conflictual or at least competitive. How, then, does this conflict and competition play out in the policy processes? Does this competition have any impact on the types of interpretations and advice epistemic communities provide to policy-makers? Or, as Nullmeier and Rüb would argue, do different types of institutional structures (i.e. knowledge markets) lead to different types of competition? Why do policy-makers prefer one epistemic community over another? Unfortunately, the Epistemic Communities approach provides us with few answers.[14]

There are, however, also a number of features that speak in favour of the Epistemic Communities approach. First, like knowledge markets, it understands policy as being more than simply the outcome of an exercise of power within given institutional structures. Rather, the idea of epistemic communities shows how expert knowledge shapes policy outputs and international regime formation. Second, an important message of the epistemic community concept is that ideas and knowledge never impact on the policy process by themselves. Rather, policy actors (in this case scientists or professionals) have to engage in some form of social interaction and have to create some form of stable social group that acts as a vehicle for transporting ideas into the policy process. In other words, the diffusion of ideas in policy processes requires some form of collective human agency. Third, the concept of epistemic communities is also based on the notion that policy actors will form networks defined by shared beliefs and norms. Formal institutions, then, may not be as important an influence on policy-making as these informal networks of policy actors based on epistemic affinity. Last, the epistemic community approach provides a vocabulary and conceptual language to analyse the way ideas help set agendas and define policy problems. By reducing uncertainty for policy actors, epistemic communities delimit and

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[14]The empirical applications of the epistemic community approach, particularly [Peterson, 1992], actually describe quite a lively struggle as diverging Epistemic Communities compete for legitimacy in the relevant knowledge markets,to use Nullmeier and Rüb's terminology. Unfortunately, Peter Haas and Immanuel Adler seem less interested in this competition than in the process of regime creation that take place after a particular epistemic community has managed to 'sell' their definition to policy-makers.

select possible courses of action and thereby exercise a considerable amount of power. In a very real sense, Haas suggests that Epistemic Communities's guide policy-makers through the mess.

4.4 The Advocacy Coalition Framework

The two theories discussed so far have focused on one particular aspect of policy-making. Nullmeier and Rüb's Politics of Knowledge concentrates on the cognitive and institutional barriers to free policy debate while Peter Haas' Epistemic Communities model looks at expert networks that generate and diffuse policy-relevant knowledge.

In this respect the Advocacy Coalition Framework is different. Although it would be unfair to describe the Advocacy Coalition Framework as a theory of everything, the framework is a very comprehensive and structured model of policy-making in contemporary pluralist democracies.The central aim of the Advocacy Coalition Framework is to understand and explain how policy changes and evolves in functional political subdomains that characterise the differentiated polity. In particular, Sabatier and Jenkins-Smith are interested in understanding the role of what they call "technical information" relative to more traditional political factors (e.g. resources, power, influence) in the evolution of policy.

Assumptions

Sabatier and Jenkins-Smith base the Advocacy Coalition Framework on four broad assumptions.

Policy-making takes place in "policy subsystems". The locus or venue of policy change is the "policy subsystem". Thus, Sabatier and Jenkins-Smith acknowledge that policy-making takes place in discrete functional subdomains or policy networks. These policy subsystems are populated with policy actors such as researchers, journalists, or scientists (in addition to more familiar policy players e.g. interest groups, elected officials, bureaucrats, and so forth). Similarly, policy subsystems, Sabatier and Jenkins-Smith argue, include policy actors from all relevant levels of governance. Policy change in these institutional settings, Sabatier and Jenkins-Smith contend, takes at least a decade [Sabatier and Jenkins-Smith, 1993a, Sabatier and Jenkins-Smith, 1999].

All public policies are either implicitly or explicitly guided by some theory of cause and effect: For this reason, analysts should treat policies as if they were belief systems. Like belief systems, the theories implicit in policies structure values, the perception of important causal relationships, awareness of world states, as well as an understanding of the efficacy of policy instruments.

Individuals are not rational utility maximisers: The Advocacy Coalition Framework suggests a model of the individual that decisively departs from the conventional rational actor paradigm. On the one hand, individuals are subject to "bounded rationality" [Simon, 1945]. This means that human

faculties for processing information are inherently limited and, as a result, any attempts at comprehensive or synoptic rationality are doomed to fail. On the other hand, individual rationality is also confined by so-called "cognitive biases" and "heuristics" that systematic distort human judgement [Kahnemann and Tversky, 1981, Kahnemann and Tversky, 1984]. In the Advocacy Coalition Framework, these two characteristics of human reasoning reinforce each other. Since information processing is subject to inherent limitations, individuals will tend to rely on heuristics to imbue perception with some structure and meaning, albeit biased. On this view, then, perception is refracted through normative and perceptual beliefs. Perceptual filters and lenses, Sabatier and Jenkins-Smith argue, will affect individual behaviour at least as much (but probably more) than will cost-benefit calculations. In practise, Sabatier and Jenkins-Smith argue that cognitive biases will lead individuals to fear potential losses more than to value potential gains.[15] In sum, then, individuals in the Advocacy Coalition Framework aim to act rationally (and probably think they do so) but are detracted from the rational path by a host of complex perceptual and motivational constraints [Sabatier and Jenkins-Smith, 1999, p.131].

Organisational affiliation is not primordial: Where a policy actor sits, Sabatier and Jenkins-Smith argue, does not necessarily tell us everything about where this policy actor stands. Individuals in the Advocacy Coalition Framework can and will adopt beliefs and value structures that may run counter to the dominant ideology of their formal institutional affiliation. In essence, Sabatier and Jenkins-Smith are postulating that formal institutional affiliation may not be the main determinant or predictor of individual behaviour in all circumstances. This also means that, like Wilks and Wright suggested in their nested policy community approach (see Chapter 2), that the policy relevant social groups consists individuals within involved in a stable pattern of transactions that spans and transcends formal institutional boundaries and affiliations.

Key Concepts and How They Work: Policy Subsystems, Policy Belief Systems, Advocacy Coalitions Policy Brokers and Policy-Oriented Learning

The Advocacy Coalition Framework is a highly systematic and carefully structured theory. Like a mechanical watch, the Advocacy Coalition Framework consists of a number of moving parts that slot into an overall theoretical framework and interact with other elements of the theory. Once all parts are properly oiled and wound-up, the Advocacy Coalition Framework shows us a number of things about policy-making.

Box 4.4 lists the hypotheses that Sabatier and Jenkins-Smith explore using the Advocacy Coalition Framework.

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[15] This particular cognitive bias is described by Prospect Theory. For a critique of Prospect Theory, see [Douglas and Ney, 1998].

Box 4.4: The Hypotheses of the Advocacy Coalition Framework
Sabatier and Hank-Jenkins-Smith formulate hypotheses for three broad areas:

Hypotheses Concerning Advocacy Coalitions

- Hypothesis 1: On major controversies within a policy subsystem when policy core beliefs are in dispute, the lineup of allies and opponents tends to be rather stable over periods of a decade or so.

- Hypothesis 2: Actors within an advocacy coalition will show substantial consensus on issues pertaining to the policy core, although less so on secondary aspects.

- Hypothesis 3: An actor (or coalition) will give up secondary aspects of his or her (its) belief system before acknowledging weaknesses in the policy core

Hypotheses Concerning Policy Change

- Hypothesis 4: The policy core attributes of a governmental programme in a specific jurisdiction will not be significantly revised as long as the subsystem advocacy coalition that instituted the programme remains in power within that jurisdiction — except when the change is imposed by a hierarchical superior jurisdiction.

- Hypothesis 5: The policy core attributes of a governmental action programme are unlikely to be changed in the absence of significant perturbations external to the subsystem, i.e. changes in socio-economic condition, public opinion, system-wide governing coalitions, or policy outputs from other subsystems.

Hypotheses Concerning Learning Across Coalitions

- Hypothesis 6: Policy-oriented learning across belief systems is most likely when there is an intermediate level of informed conflict between the two coalitions. This requires that

  1. Each have the technical resources to engage in such a debate;
  2. The conflict be between secondary aspects of one belief system and core elements of the other or, alternatively, between important secondary aspects of the two belief systems.

- Hypothesis 7: Problems for which accepted quantitative data and theory exist are more conducive to policy-oriented learning across belief systems than those in which data and theory are generally qualitative, quite subjective, or altogether lacking.

- Hypothesis 8: Problems involving natural systems are more conducive to policy-oriented learning across belief systems than those involving purely social or political systems because, in the former, many of the critical variables are not themselves active strategies and because controlled experimentation is more feasible.

- Hypothesis 9: Policy-oriented learning across belief systems is most likely when there exists a forum that is

  1. prestigious enough to force professionals from different coalitions to participate and
  2. is dominated by professional norms.

In the Advocacy Coalition Framework, policy subsystems are home to two or more competing advocacy coalitions organised around different policy belief systems. Regulated and mediated by a "policy broker", competing and conflicting advocacy coalitions will aim to enshrine their beliefs in policy measures. Policy change can either originate from outside the policy subsystem or, given the right conditions between advocacy coalitions, can come about by knowledge-led policy-oriented learning within a subsystem. This learning process that emerges from the conflictual interaction between advocacy coalitions is the main focus of the Advocacy Coalition Framework.

What lies behind these terms?

The Moving Parts: Policy Subsystems, Advocacy Coalitions and Policy Belief Systems

The institutional backdrop for advocacy coalitions is the so-called "policy subsystem". A policy subsystem consists of "...those actors from a variety of public and private organisations who are actively concerned with a policy problem or issue such as air pollution control, mental health, or surface transportation" [Sabatier, 1993, p.17]. Since Sabatier and Jenkins-Smith include a wide variety of different institutions and policy actors in this definition, policy subsystems more closely resemble policy networks and policy communities (discussed in Chapter 2) than iron triangles. Like epistemic communities or knowledge markets, policy subsystems shift attention away from formal institutions usually the object of a political scientist's enquiry: rather, policy emerges from the complex interaction of public and semi-public institutions (such as universities) as well as the private sector and the media.

Sabatier and Jenkins-Smith argue that policy subsystems depend on both relatively stable and relatively dynamic external factors. The stable factors include the constitutional order, basic attributes of problems and goods, the endowment of resources across the polity as a whole, or the socio-cultural norms prevalent within the society. In turn, the dynamic "system events" encompass things like general changes in society and economy, shifts in public opinion, changes to the governing coalition of the polity as a whole, or policy decisions from other policy subsystems [Sabatier and Jenkins-Smith, 1999, p.120][Parsons, 1995, p.198]. Figure 4.1 below provides a schematic overview of policy subsystems.

Applications of the Advocacy Coalition Framework to real-life policy issues have suggested that policy subsystems will develop different characteristics and features over time. Older or maturer subsystems, Sabatier and Jenkins-Smith contend, will feature policy actors that regard themselves as a semi-autonomous community sharing a domain of expertise [Sabatier and Jenkins-Smith, 1999]. This community, they continue, will have sought to influence policy for at least 7-10 years. Another telling sign of a mature subsystem is the existence of specialised departments or sub-units at all relevant levels of government that deal with the particular issue. Similarly, Sabatier and Jenkins-Smith point out that a subsystem is likely to be mature if interest groups or specialised units in interest groups regard the issue in question a major social problem [Sabatier and Jenkins-Smith, 1999, p.136].

For example, as we shall see in Chapters 8 and 9, policy subsystems dealing with pension issues tend to be policy networks that have matured over many

Policy Subsystem

Relatively stable
parameters:
a. Basic
attributes
of problem
area
b. Basic
distribution
of natural
resources
c. Fundamental
socio-cultural
values
and social
structure
c. Basic
Constitutional
Structure (rules)

Degree of
consensus
needed
for
policy change

Policy
Broker

Coalition A
a. Belief Systems
b. Resources

Coalition B
a. Belief Systems
b. Resources

Constraints
and
resources
of
subsystem
actors

Strategy A1
re
Guidance
Instruments

Strategy B1
re
Guidance
Instruments

External
system events
a. Changes in
socio-economic
conditions
b. Changes in
public opinion
c. Changes
in systemic
governing
coalition
c. Policy
Decisions and
impacts from
other policy
subsystems

Decisions by
governmental authorities

Institutional rules,
resource allocations
and appointments
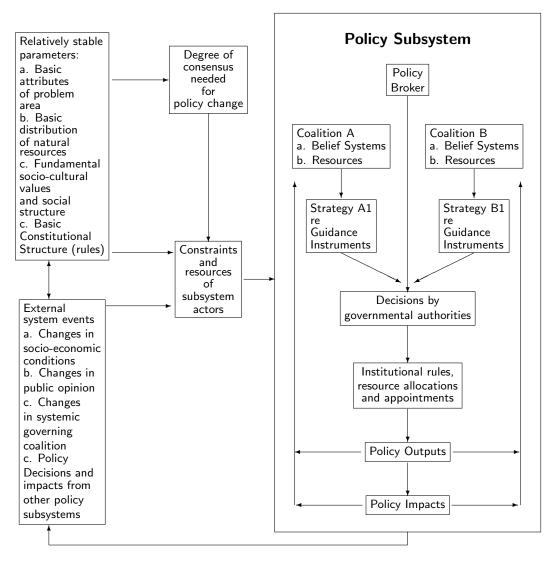
Policy Outputs

Policy Impacts

Figure 4.1: Policy Subsystem

decades. Here, policy actors clearly stake out their claim in terms of expertise. Since pension policy-making requires "credible technical data" [Reynaud, 2000, p.9], pension policy subsystems in Europe tend to consist exclusively of professionals such as actuaries, legal experts or economists [Ney, 2001]. Not only do we find entire departments at all levels of governance that deal with pension issues (e.g. the United Kingdom has recently renamed the *Department of Social Security* to *Department for Work and Pensions*), old age income provision has generated an entire organisational environment in itself [Bonoli, 2000, Ney, 2001]. In continental Europe, corporatist interest groups such as, most prominently, labour unions and employer's representatives, not only consider pensions an important issue but are often formally implicated in managing them (see Chapters 8 and 9.

Younger or nascent policy subsystems, in turn, are likely to be more fluid and unpredictable. They emerge either as a spin-off from established policy subsystems (when, for example, some policy actors are unhappy with the way a specific aspect is being dealt with) or as a result of a new policy problem or a reconceptualisation of an existing issues (such as the environmental issue in the late 1970s and early 1980s). Sabatier and Jenkins-Smith aver that the constellation of policy actors and interests in younger systems is less likely to be stable or fixed. Here, policy actors will be in the process of getting to grips with the nature of the issue at hand and, in this process will be discovering their policy preferences and policy beliefs.[16]

Policy communities concerned with global climate change in the early 1990s could be an example for nascent subsystems. Although institutional structures for dealing with environmental issues were in place in many countries, these tended to concentrate on relatively localised environmental problems (such as the siting of hazardous facilities, air or water pollution, etc.). The global and inherently transversal aspects of climate change, however, required some rethinking and reshuffling of political responsibilities as well as the creation of specialist sub-units. Moreover, the wide variety of policy actors involved, in terms of professions, scientific background and institutional affiliation, shows that policy actors were still getting to grips with the issue. Today, the global climate change debate still features policy actors from many professional disciplines and organisational backgrounds, yet now they all call themselves experts on global climate change (e.g. members of the IPCC). Most significantly, however, was the initial suspicion of environmental pressure groups towards the issue of climate change: the need to cut carbon dioxide emission, they feared, may provide a selling point for nuclear power.

Whether nascent or mature, policy subsystems provide the institutional settings in which policy actors operate. Here, the Advocacy Coalition Framework aggregates policy actors into so-called "advocacy coalitions". These, argues Sabatier, are composed of

> "...people from a variety of positions (elected and agency officials, interest group leaders, researchers, etc.) who share a particular belief system - that is, a set of basic values, causal assumptions, and problem perceptions - and who show a non-trivial degree of co-ordinated activity over time" [Sabatier, 1993, p.25].

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[16]This may imply that policy-oriented learning primarily takes place in nascent systems.

Depending upon its age, a policy subsystem consists of 2–4 politically significant advocacy coalitions. Mature policy subsystems feature less advocacy coalitions because they either converge or are crowded out of the subsystem over time. Yet, regardless of the age of a policy subsystem, advocacy coalitions compete and conflict to realise their specific policy goals and political agendas.

These goals and agendas, Sabatier and Jenkins-Smith argue, are determined by "policy belief systems". Each advocacy coalition in any given policy subsystem coalesces around and evolves with a particular policy belief system. In effect, these policy belief systems set value priorities, structure perceptions of causal relationships, mould perception of states of the world, and affect how an individual policy-maker views the efficacy of different policy tools [Sabatier and Jenkins-Smith, 1993a].

Policy belief systems have a threefold, hierarchical structure. The base of policy belief systems is made up of "deep core beliefs" consisting of fundamental norms based on ontological axioms. Applying to the political system as a whole, deep-core beliefs are very resistant to change. In fact, Sabatier and Jenkins-Smith judge changes to deep-core beliefs to be akin to "religious conversions". The second layer consists of "policy core beliefs" which contain the fundamental policy positions and strategies for attaining core values. Although policy core beliefs are also very sluggish to change, they are, in principle, amenable to learning. Since beliefs in the policy core apply to the entire policy subsystem, they provide what Sabatier and Jenkins-Smith call the "glue" for individual advocacy coalitions. Policy core beliefs are the basic normative and causal beliefs about a specialised domain which is the ostensible *raison d'être* for the advocacy coalition [Sabatier and Jenkins-Smith, 1999, p.121]. The outer layer of policy belief systems comprises the "secondary aspects": these are the instrumental decisions and information searches necessary to implement the policy core. Secondary aspects pertain to the seriousness of the problem at hand, the relative importance of causal factors, or policy preferences regarding the desirability of regulation. These more peripheral beliefs, Sabatier and Jenkins-Smith point out, are most susceptible to change in the light of new data, new experiences or new political strategies [Sabatier and Jenkins-Smith, 1999, p.121].

Ticking Away: Conflict, Policy-Oriented Learning and Change

How, then, do the different elements of the Advocacy Coalition Framework help us understand policy change?

Sabatier and Jenkins-Smith point to three sources of policy change in pluralist policy subsystems. First, changes in external factors (see Figure 4.1) may bring about policy change in subsystems through a variety of mechanisms.[17] Second, Sabatier and Jenkins-Smith point to personnel changes in advocacy coalitions: new individuals in advocacy coalitions may not only bring a fresh outlook to policy issues but also may introduce new policy styles to the advocacy coalition and policy subsystem. What Sabatier and Jenkins-Smith are

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[17]Which include: changes in the basic attributes of the problem area, shifts in the basic distribution of resources across different policy subsystems, the transformation of cultural values and social structures, or reforms to the basic legal framework. Additionally, so-called "dynamic system events" may include changes in the broader political landscape, fluctuations in socio-economic conditions and technology, changes to the governing coalition, as well as policy decisions and policy impacts from other subsystems.

most interested in, however, is explaining how policy changes because of conflict between competing advocacy coalitions within subsystems.

In the Advocacy Coalition Framework, policy conflict between advocacy coalitions is unavoidable. At any one time, advocacy coalitions are devising and implementing strategies to translate policy beliefs into actual policy. This gives rise to conflict or at least competition between different advocacy coalitions. While shared perceptual lenses and similar perceptual biases will foster social cohesion within a given advocacy coalition, these same perceptual filters will make it very difficult for individuals to agree with or even understand policy arguments from other advocacy coalitions. That and the tendency to evaluate losses and gains asymmetrically, Sabatier and Jenkins-Smith aver, leads policy actors to demonise the political opposition. By exaggerating the potential costs rivals can inflict, the opposition will seem more powerful and more 'evil' than they may actually be. For this reason, conclude Sabatier and Jenkins-Smith, policy conflict is likely to be far more substantial and stubborn than conventional social science approaches, particularly rational choice, would assume [Sabatier and Jenkins-Smith, 1999, pp.140–141].

Policy conflict is mediated and moderated by what Sabatier calls a "policy broker" who is primarily concerned with the policy subsystems' stability. The policy broker, who can be a senior civil servant or an elected official, will attempt to negotiate compromises between the contending advocacy coalitions. As a result of this mediating activity, advocacy coalition strategies may (or, indeed, may not) result in policies and policy change. Successful strategies for affecting policy-making will feed back into the policy process of the subsystem (see Figure 4.1). Based on either the evaluation of decisions, new information or external dynamics, advocacy coalitions may revise their beliefs and their strategies. Consequently, advocacy coalitions may adopt new approaches that include major institutional revisions at the level of collective choice, minor revisions at the operational level, or they may leave the subsystem to affect policy at a different level [Sabatier and Jenkins-Smith, 1999, p.121].

Sabatier and Jenkins-Smith draw particular attention to the enlightening effects of technical information. By looking at the "... relatively enduring alterations of thought or behavioural intentions that result from experience and are concerned with the attainment (or revision) of policy objectives" or "policy-oriented learning" for short, Sabatier and Jenkins-Smith want to understand how ideas shape policy [Sabatier and Jenkins-Smith, 1993a, p.19]. However, policy-oriented learning in the Advocacy Coalition Framework is a fragile, arduous and unlikely process which always takes place within the context of principled conflict. Due to perceptual lenses and ideational filters, individual members of advocacy coalitions will acquire knowledge and information selectively. These lenses will select information and knowledge that buttresses deep and policy core beliefs. Since, however, core beliefs are beyond empirical verification and are acquired through socialisation, most learning takes place in secondary aspects of policy belief systems.

When does learning in a policy subsystem take place? Sabatier and Jenkins-Smith outline three conditions that are conducive to policy-oriented learning. First, the level of conflict between advocacy coalitions within a policy subsystem needs to be at an intermediate level. At a high level of conflict, policy actors perceive the outcome of the dispute as central to affirming core policy beliefs which lowers the willingness to engage in constructive debate. In the ex-

treme, Sabatier and Jenkins-Smith maintain, high levels of conflict deteriorate into a "dialogue of the deaf". Examples abound: they include issues such as abortion, welfare state retrenchment, defence, or food safety. Second, Sabatier and Jenkins-Smith assert that learning in a policy subsystem requires the issue to be analytically tractable. The more practitioners and analysts can agree on what is to count as a valid fact, the easier learning across and within different advocacy coalitions will be. Conversely, the higher scientific uncertainties and the more complex the issue area, the more policy actors will fall back on socio-ideological world-views to interpret political life. This means, for instance, that Sabatier and Jenkins-Smith would expect policy-oriented learning to be more likely to take place in pension policy-making than in the global climate change debate. Last, professional analytical forums tend to promote policy-oriented learning. Here, the barriers to entry are the technical training and professional qualifications that define the forum itself. In a professionalised forum, Sabatier and Jenkins-Smith hold, policy debate takes place within a framework of professional norms and shared assumptions about the validity of evidence. Due to their common assumptions of scientific validity, professionalised forums are most conducive to policy-oriented learning across the boundaries of different advocacy coalitions. A prominent example of a professionalised forum is the Intergovernmental Panel for Climate Change (IPCC).

On the basis of applied case studies, Sabatier and Jenkins-Smith distinguish major from minor policy change. Major policy change, Sabatier and Jenkins-Smith postulate, occurs when policy core aspects of governmental programmes get reformed. This, they admit, is an infrequent event that, nonetheless, will have a significant impact. For example, shifting a pension system from mostly public to mostly private provision, as has taken place in Poland in the late 1990s [Ney, 2003, Perek-Bialas et al., 2001, see also Chapter 9], would be a major policy change. Minor policy change, in turn, refers to the more common changes in secondary aspects: here we may point to the incremental downward adjustments of non-contributory elements in continental European pension systems throughout the 1980s and 1990s [Ney, 2001, Ney, 2003, Bonoli, 2000]. In either case, the scale of policy change, i.e. whether it is major or minor, is always context specific. This means that what policy actors in a specific policy subsystem consider to be major policy change may very well be a minor change in the superordinate or overall political system. For example, changing the annual pension indexation in the United Kingdom from wages to prices in the early 1980s was major change in terms of the pension policy subsystem (since it changes the whole character of pension benefits, see Chapters 8 and 9) but a relatively minor reform in terms of the welfare state as a whole.

Since major policy change, Sabatier and Jenkins-Smith point out, is a low probability/high impact event it is notoriously difficult to predict. Still, the two American social scientists try to identify indicators for major policy change. First, Sabatier and Jenkins-Smith argue that external changes are a necessary but not sufficient condition for major policy change within a subsystem. Sabatier and Jenkins-Smith consider external events to open windows of opportunities that actors within the subsystem must exploit [Kingdon, 1984]. Second, they point out that different institutional structures and political cultures will require different level of political consent needed for major policy change. In dirigiste and centralised systems (such as France) major policy change may require less than a majority; in classic parliamentarian systems (such as the

United Kingdom or New Zealand), major policy change requires a "bare majority"; in pluralist and poly-centric systems (such as the United States), large scale policy change requires what a Sabatier and Jenkins-Smith call a "super majority"; and, finally, consociational political systems (e.g. Switzerland and the Netherlands) will require a consensus for major policy change to occur [Sabatier and Jenkins-Smith, 1999, p.148].

In this context, Sabatier and Jenkins-Smith identify three pathways to major policy change. First, Sabatier and Jenkins-Smith point to a process they call "competitive policy escalation": here, an upsurge of public concern leads to the replacement of one dominant advocacy coalition by another in a very short space of time. Examples here may include the sudden policy shift of the United States concerning chlorofluorocarbons (CFCs) [Haas, 1992a]: in a relatively short time period, the advocacy coalition (or epistemic community) favouring a complete ban on CFC managed to dominate the policy process that resulted in the Toronto Protocol. Second, policy change may occur when a minority coalition increases in significance and seeks to exploit an external disturbance. Often, Sabatier and Jenkins-Smith point out, the advocacy coalition will not have the requisite votes and will look to forge short term and unstable alliances. They also note that this is a common feature in supermajoritarian systems. Last, major policy change may occur when all coalitions perceive existing policy processes as unsatisfactory and unconstructive. Finally, the policy conflict should not be purely normative but should also have an empirical aspect [Sabatier and Jenkins-Smith, 1999, p.150].

Evaluation

By analysing the role of knowledge and policy-belief systems in policy change, the Advocacy Coalition Framework focuses on the interaction of institutional structures and policy conflict. In this way, the Advocacy Coalition Framework provides a way of tracing and understanding changes in policy networks in terms of ideational divergences. Like Epistemic Communities (and unlike Nullmeier and Rüb), the Advocacy Coalition Framework explicates the interaction between institutions and ideas using an actor-driven explanatory strategy: advocacy coalitions and their belief-systems shape the networks in policy subsystems rather than the other way around. Although the Advocacy Coalition Framework is a very thorough and well crafted theoretical construct, it is also open to a number of criticisms.

First, Sabatier and Jenkins-Smith say relatively little about the internal structures of advocacy coalitions. It is reasonable to think of advocacy coalitions as interorganisational networks. As we saw in Chapter 2, interorganisational networks may evolve into many conceivable configurations. Yet, while Sabatier and Jenkins-Smith devote a lot of space to predicting (more or less in an *ad hoc* way) how different types of members may behave under certain conditions, systematic thinking on how advocacy coalitions work as social systems is conspicuous in its absence. Surely, advocacy coalitions will have implicit (and perhaps even explicit) rules concerning the relationship between members, the flows of resources and information as well as what we can call the pecking order determining central and more peripheral members of coalitions. By the same token, it seems sensible to assume that the policy belief systems will shape the coalition structure or network configuration. For example, an advocacy coali-

tion that believes in and speaks out for individual rights probably would not choose to control all policy statements of members; it is far more likely that these advocacy coalitions will have a very loose conception of coalition membership. Likewise, we should be surprised to find many citizen's initiatives and grass-roots movements in an advocacy coalition that strongly believes in the primacy of scientific knowledge. What is missing from the Advocacy Coalition Framework, then, is an account of how advocacy coalitions are structured and develop over time as well as how the coalitions structure impinges on their policy belief system and vice versa.

Second, although the entire theoretical style of the Advocacy Coalition Framework seems to suggest that policy-making is a conflict over different social constructions of reality, it seems as if Sabatier and Jenkins-Smith feel rather ill at ease with the idea of social constructivism. For example, Wayne Parsons points out that Sabatier and Jenkins-Smith seem to treat system parameters (see Figure 4.1) as objective constraints in the 'world out there'. Yet, as we have seen earlier in this chapter as well as in Chapter 3, Nullmeier and Rüb unequivocally show that individual and organisational policy actors react to interpretations of specific situations, including an image of the institutional environment or the 'world out there'. What Sabatier and Jenkins-Smith seem to either forget or to ignore is that their ideas of policy-subsystems, policy belief-systems, etc. are merely conceptual constructs that analysts superimpose on a highly complex reality.[18]

This becomes clear when Sabatier and Jenkins-Smith grapple with the idea of policy change. As we have seen, the Advocacy Coalition Framework provides us with a very neat and practical definition of major and minor policy change. However, deciding what is to count as major policy change is in itself a highly political and contentious process. As we shall see in Part II, but what should also be familiar from following any policy debate even at a cursory level, one of the central points of contention in any policy conflict is the interpretation of policy decisions. Depending on the political climate, decision-makers will tend to overstate the scale of change (if change was desired) or play down the effects of change (if the electorate expected continuity). The opposition, in turn, is eager to tar a policy initiative as 'too little, too late' or an 'unprecedented departure from accepted policy principles'. In short, there may not be a simple objective measure for major or minor policy change.

And if that is true, then the different elements of belief systems themselves may not behave quite as orderly as Sabatier and Jenkins-Smith assume. Although the idea that policy beliefs subdivide into different elements with varying susceptibility to change is intuitively appealing, it may not be quite so easy in practise to ascribe different aspects of belief systems to the categories. As we shall see in Chapter 9, what may be a secondary element for one advocacy coalition may be part of the policy core in another. In real policy debates, then, it often is not terribly clear what part of a coherent policy story articulates a deep core belief, a policy core belief or a secondary aspect. To define these elements in terms of their susceptibility to change is clearly self-defeating (and, in fairness, Sabatier and Jenkins-Smith do not try to do so). However, Sabatier and Jenkins-Smith's difficulties both to decisively pin down what policy core

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[18]Incidentally, this also is a criticism levelled at the policy network and policy community literature, see Chapter 2.

elements may be as well as to uphold the hierarchical relationship between the different elements of belief-system obscures more than it explains. In any case, however, the claim to an objective measure for major and minor policy change also looks decidedly shaky.

Third, on closer inspection the entire idea of policy-oriented learning looks rather suspect. According to Sabatier and Jenkins-Smith, policy-oriented learning primarily takes place on the basis of so-called technical information. Despite providing explicit definitions for just about everything else in the framework, the two authors are rather woolly on what this term actually means. Not only does the framework tell us very little about what this information communicates to policy actors, Sabatier and Jenkins-Smith are also relatively taciturn about who produces this information under what conditions and how all this contributes to the enlightenment function. And yet, if we are to believe Sabatier and Jenkins-Smith, this technical information is so persuasive, it can lead to "... relatively enduring alterations of thought or behavioural intentions..." [Sabatier and Jenkins-Smith, 1993a, p.19]. Given the absence of a clear definition, we are left to suspect that technical information is persuasive because it conveys 'objective facts'. The implication here seems to be that while perceptual lenses, cognitive biases and inherent constraints to rationality may hinder individuals from understanding or correctly interpreting objective facts, if truth is spoken to power over long enough a time period, say a decade or so, truth will eventually seep through the cognitive constraints and inspire learning. This, then, is a reintroduction of the distinction between facts and values through the back-door. In a very real sense, the enlightenment function and technical information in the Advocacy Coalition Framework demotes political contestation and policy conflict as means of learning in favour of a rationalistic and technocratic conception of knowledge.

A corollary to this criticism is Sabatier and Jenkins-Smith's poorly concealed disdain for politics. Not only does the Advocacy Coalition Framework explicitly state that policy-making is a matter for policy elites, many of the prescriptions for achieving policy change aim at reducing rather than expanding the scope of political conflict. While policy-oriented learning requires a professionalised forum, major policy change requires negotiations in private: progress in policy-making, it would seem, demands excluding rather than including policy actors. While this may be true in an empirical and pragmatic sense, it does leave a rather unpleasant normative after-taste. Effectively, Sabatier and Jenkins-Smith tell us that efficiency, learning and generally getting things done in policy-making is fundamentally incompatible with the competitive and messy policy conflicts characteristic of pluralist democracy. In order to grow and develop, politics and policy requires the ordering and helping hand of rational and objective science that produces facts. Thus, the Advocacy Coalition Framework brings us back full circle to the rationality project.

Fourth, although Sabatier and Jenkins-Smith admit that the Advocacy Coalition Framework works best in OECD countries [Sabatier and Jenkins-Smith, 1999], Parsons suggests that its use may be confined to North American policy processes only. Indeed, more than a decade after its inception, 23 of the 34 published studies look at North American cases: only 8 cases consider European policy-making, and 2 deal with policy processes in the rest of the world (Australia and Indonesia). Even a very favourable commentator could hardly consider that a balanced spread of case studies. For this

reason, Parsons argues that the Advocacy Coalition Framework is specifically tailored to the polities featuring an open and consultative policy style prevalent in the United States [Parsons, 1995]. However, in polities, he continues, that are more forward looking and tend to impose policy decisions (such as many European polities), the Advocacy Coalition Framework may have less explanatory power. One of the reasons this may be the case, Parsons contends, is that the Advocacy Coalition Framework has little to say about political power. Sabatier and Jenkins-Smith dismiss what they call the use of "raw political power" in favour of policy-oriented learning. However, argues Parsons, a closer look at the conditions that favour policy oriented learning reveals that they exclude "...a very large number indeed of policy arenas and policy issues. The model puts itself forward as a more realistic framework than the 'stagist' approach, and yet in this regard the AC theory appears to be occupying a space somewhere in the land of Oz" [Parsons, 1995, p.202].

On the positive side, however, the Advocacy Coalition Framework is still a comprehensive theoretical framework for understanding contemporary policy-making. Compared to the other theories and approaches discussed in this chapter, the Advocacy Coalition Framework arguably provides the clearest and most precise theoretical structure. In the Advocacy Coalition Framework, Sabatier and Jenkins-Smith have clearly laid out the underlying assumptions and have provided (reasonably) clear definitions of (most) key terms and concepts. What is more, Sabatier and Jenkins-Smith formulate the mechanics of their approach in terms of testable hypotheses (see Box 4.4). Not only does this clearly spell out the way the Advocacy Coalition Framework model is supposed to work, it also provides a practical handle on analysing complex policy issues. Another positive aspect of the Advocacy Coalition Framework is that it substantially deviates from the standard social science assumptions about the nature of individuals and organisations. By postulating that individual judgement may strive to be rational but is shaped by socio-cultural and cognitive constraints, so-called perceptual lenses, the Advocacy Coalition Framework explicitly acknowledges that policy decisions depend on social and institutional factors. Moreover, rather than assuming that individuals are rational actors and that organisations are rational actors writ large, the Advocacy Coalition Framework understands that social relations within organisations may be complex and that individual behaviour may be motivated by more than maximising fictitious utility functions. Demonstrating that policy conflict within policy subsystems often emerges from fundamentally different perceptions of the same issue goes a long way towards explaining why policy conflicts never seem to resolve the way Rational Choice Theory predicts. In short, the Advocacy Coalition Framework provides a very structural and operational way of studying how policy actors draw lines in the sand and why they defend these lines conceptual lines so vigorously.

4.5 Cultural Theory

When Mary Douglas first conceived of the Grid/Group Analysis — later to become cultural theory — it was little more than a heuristic tool. The framework allowed Douglas and like-minded anthropologists to compare the relationships between cosmology and social structure across different institutional contexts. Due in a large part to Mary Douglas' interest other disciplines but also to the

commitment of a multi-disciplinary group of researchers who have refined the approach over the past decades, cultural theory has explained social phenomena in a wide variety of different disciplines and fields [Mars, 1982, Adams, 1995, Douglas and Wildavsky, 1982, Thompson et al., 1990]. Yet, what is it about cultural theory that engages the imagination of sociologists, geographers, environmental scientists, economists and, lest we forget, political science and policy analysts?

Assumptions

Like much of social scientific theory, cultural theory rests on assumptions about the nature of knowledge, of individuals and of organisations. Unlike most conventional social scientific theory, cultural theory departs from standard assumptions. Cultural Theorists, then, believe the following:

Reality is socially constructed: Like the idea of knowledge markets or epistemic communities, cultural theory assumes that individual actors will perceive and understand the world around them in terms of socially constructed categories. In cultural theory, like in Nullmeier and Rüb's Politics of Knowledge, social constructions of reality are never absolute or definite but always malleable and contested. However, unlike social scientific approaches associated with 'postmodernity', cultural theory does not assume that there are as many potential social constructions of the world as there are individuals. Rather, cultural theory espouses what Michael Thompson calls "constrained relativism" [Thompson, 1996]. Here, social structures gives rise to distinct classes of interpretations and constructions of reality; the number of coherent and stable social depictions and interpretations of reality are, therefore, constrained by the number of stable social structures within any social system.

There is no such thing as an organisation, only different ways to organise and to disorganise: Cultural theory does not define institutions and organisations in terms of their formal labels (e.g. parliament or tax office). Rather than trusting the somewhat static concept of formal institutions, cultural theorists look for and analyse activities of organisation and disorganisation; an institution, then, describes how individuals choose to live together and they order their social relations. For this reason, any given formal organisation may house a multitude of different, and often competing, types of organisational activities.

The person who interacts in social contexts is an inherently social and political animal: On this view, individual preferences and tastes are not given but develop in social interaction with other individuals. This interaction, in turn, takes place within social structures that provide individuals with the necessary symbolic and communicative tools for interacting with other individuals. Hence, for cultural theorists, human interaction outside social structures is as unthinkable as it is impractical.

Key Concepts and How They Work: Social Solidarities, Cultural Bias and Mutual Antagonism

Cultural theory, is based on the simple but powerful insight that the way we organise our social relations shapes the way we perceive the world and, consequently, the way we behave.Cultural Theorists look to the "...the various ways in which we bind ourselves to one another" or "social solidarities" to explain individual and collective behaviour [Thompson et al., 1999]. Social solidarities, Michael Thompson, Gunnar Grenstad and Per Selle argues, consist of distinctive but coherent patterns of social relations, policy-belief systems (which Cultural Theorists call "cultural biases"), and characteristic patterns of behaviour [Thompson et al., 1999]. These three elements reproduce and support each other in complex and non-linear ways. Social structures shape the cultural biases individuals use to socially construct the world. These create incentives for and legitimate specific patterns of behaviour which, in turn, reinforce and reproduce social structures and world-views.

Cultural theory enables analysts to map social solidarities and analyse the complex social dynamics that result from their interaction. However, cultural theory, is not about measuring or ranking social solidarities against an external standard of objectivity or rationality. In a world of plural social solidarities, Cultural Theorists know that knowledge and truth are necessarily relative. Yet, unlike much of post-modern social and political thought, Cultural Theorists see no reason why there should be an infinite number of ways in which policy actors can socially construct the world. Rather, socio-institutional relativism is inherently constrained: at any one time, Cultural Theorists argue, social systems consist of no more than five competing social solidarities.[19]

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[19]Technically, this is what Michael Thompson calls the "Impossibility Theorem". For a mathematical treatment of the Impossibility Theorem, see [Schmutzer and Bandler, 1980, Schmutzer, 1994]

Box 4.5: Grid/Group and the Cultural Map

Although the "impossibility theorem" [Thompson et al., 1990, Schmutzer and Bandler, 1980] provides the rigorous and formal foundation for cultural theory today, the basic idea of contesting plural social solidarities emerged from a more pragmatic context [Thompson et al., 1999]. Suspecting there to be a "concordance between symbolic and social experience", the social anthropologist Mary Douglas needed a scheme to identify and classify social contexts [Douglas, 1970, Douglas, 1982]. She suggested mapping and comparing the

> "...interaction of individuals within two social dimensions. One is order, classification, the symbolic systems. The other is pressure, the experience of having no option but to consent to the overwhelming demands of other people" [Douglas, 1970, p.81].

These two dimensions — "Grid" and "Group" respectively — make up the horizontal and vertical axis of a system of co-ordinates. The vertical grid axis depicts "...the complementary bundle of constraints on social interaction, a composite index of the extent to which people's behaviour is constrained by role differentiation, whether within or without membership of a group" [Gross and Rayner, 1985, p.6]. The horizontal group axis, in turn, "...represents the extent to which people are restricted in thought and action by their commitment to a social unit larger than the individual" [Gross and Rayner, 1985, p.5].

As we move along the Group dimension, "...the individual is more and more deeply committed to a group, so choices are more standardised as we move from the left across the diagram" [Douglas, 1996, p.68]. Moving up the grid dimension depicts social contexts in which discriminating system of rules become increasingly dense and complex. Thus we should expect a high grid score "whenever roles are distributed on the basis of explicit public social classifications, such as sex, colour, position in a hierarchy, holding a bureaucratic office, descent in a senior clan or lineage, or point of progression through an age-grade system" [Gross and Rayner, 1985, p.6].

The Scope of Policy Conflict: Five Social Solidarities

Two of the five social solidarities on the Cultural Map (see Box 4.2), individualism and hierarchy, are well-known to the social sciences. Though equally important for the viability of social systems, the other three cultural archetypes egalitarianism, fatalism and autonomy- are relatively unknown to social research and have not been systematised with respect to one another as, for instance, is the case with individualism and hierarchy, c.f. [Williamson, 1975].

Members of the individualist social solidarity prefer ego-centred networks that allow for maximum individual spatial and social mobility. Since these networks feature weak social controls in the form of rules, tradition or customs, individuals regulate their relations with other free agents through negotiation and contract. For this reason, members of the individualist social solidarity champion individual rights, liberties and responsibilities. The world, they argue, is there for the taking: what may seem to others to be problems or barriers are simply opportunities for innovative and hard-working entrepreneurs. For individualists, human nature, characterised by a healthy dose of self-interest, is robust and innovative, and positively thrives on challenges. Here, competi-

tion with others for scarce resources is the strategy of choice and what counts is the bottom-line. The best environment for human development, so the individualist argument goes, is the rough and rugged world of the free market. Since the market rewards intelligence, acumen and hard work while punishing free-riding, individuals either innovate or suffer the consequences of failure [Douglas and Ney, 1998].

The hierarchical social solidarity, by contrast, is characteristic of "...tradition-bound institutions in which everyone knows his place, but in which that place might vary with time" [Gross and Rayner, 1985]. Rather than individual rights and liberties, members of "nested bounded groups" [Schwarz and Thompson, 1990] emphasise duty, obligation and loyalty toward the institution, be it a tribe, a ministry or a regiment. Hierarchies come equipped with a wide range of explicit and implicit social control mechanisms such as rules and regulations, traditions and customs, as well as ancestry and lineage. At each institutional level, a battery of finely-tuned and appropriately tailored norms, incentives and sanctions guide individual behaviour, rewarding loyalty and punishing transgression. For hierarchical actors, managing and regulating social relations (or, indeed, anything) is very much a hands-on task and is best organised from the top on down. Left to its own devices, so the argument goes, the world would inevitably descend into disorder and chaos. Human nature, weak and fallible as it is, yearns for order and stability. For this reason, forsaking social mobility and competition in return for the security and order of a strong institution is a small price to pay for members of the hierarchical social solidarity.

Egalitarian actors live in networks that do not differentiate between members while clearly distinguishing the group itself from the outside world. Egalitarian social relations feature few, if any, formal rules regulating conduct (unlike hierarchies) and entail the rejection of measures of social distance such as wealth and physical prowess (unlike individualists). Due to the absence of clear rules and regulations for succession, leadership tends to be charismatic. As a result, egalitarian enclaves are often in a state of mobilisation: suspicion of contamination from the outside and treason from within make this form of organisation the most unstable and fluid. Yet, this endemic fission is not seen as a problem by those committed to the principle of "small is beautiful". Applying a critical rationality to the world, egalitarians typically rail "...against formality, pomp and artifice, rejecting authoritarian institutions, preferring simplicity, frankness, intimate friendship and spiritual values" [Thompson, 1996]. Humans, egalitarians argue, are fragile and under duress: coercive institutions with their inhumane hierarchies as well as ruthless markets that value everything in terms of money stunt individual development and smother the delicate human personality. Small and intimate societies based on absolute equality and intersubjective solidarity, in turn, provide a suitable environment for individual well-being and the satisfaction of real human needs [Douglas and Ney, 1998].

Fatalism describes marginal and precarious social environments. Individualised by social isolation yet still subject to stringent regulations, fatalists lack both the freedom of choice afforded by open social networks and the security of cohesive groups. With little control over their lives and no means of influencing their social or natural environments, fatalists simply concentrate on coping [Schwarz and Thompson, 1990]. For fatalists, the world and society are an inherently inscrutable and capricious. Other people, even those that share

their social isolation, remain "mysteriously unpredictable" and untrustworthy [Douglas and Ney, 1998]. In fact, fatalists trust in nothing at all except the certain knowledge that there is no rhyme or reason, no telos and certainly no justice in life. Bobbing along in the cold ocean of life, being dragged this way and that by strong but unpredictable currents, it is all fatalists can do to keep their chins above the water.

Autonomy is the preferred form of social organisation of the hermit. While the other four forms are based on some form of coercion, the realm of autonomy is a space free of all social pressures. Thompson argues that autonomy is "...a curious sort of solidarity ...because it stabilises itself by the deliberate avoidance of all coercive involvements" [Thompson et al., 1999, p. 11]. Unwilling or unable to compromise autonomy and self-determination by interacting with others, the hermit withdraws completely from society.

Appendix A.1 describes the way different social solidarities socailly construct nature in divergent ways.

The Dynamics of Policy Conflict: Self-Organising Disequilibrium Systems

Social solidarities, Cultural Theorists argue, are in constant rhetorical and symbolic conflict about how to best structure social relations. This conflict erupts and re-erupts because each social solidarity defines itself in contradistinction to the others. Choosing one social solidarity implies rejecting the others. Mary Douglas maintains that any

> "...act of choice is also active in their [the individuals'] constitution-making interests. A choice is an act of allegiance and a protest against the undesired model of society. On this theory each type of culture is by its nature hostile to the other three cultures. Each has its strengths, and in certain circumstances each culture has advantages over the others. And each has its weaknesses. But all four coexist in a state of mutual antagonism in any society at all times" [Douglas, 1996].

Somewhat against intuition, Cultural Theorists maintain that the symbolic and rhetorical conflict among social solidarities is a source of social cohesion. As Douglas points out, each cultural bias socially constructs the world by semiotic selection and negation: each cultural view contains blind-spots and weaknesses. Each socio-institutional form, whether it be the individualism, hierarchy, egalitarianism, or fatalism, is suited to solving different types of social problems [Schmutzer, 1994, Thompson et al., 1990].[20] The weaknesses of one particular social solidarity creates problems another solidarity is able to solve. Thus, both cognitively and institutionally, the different cultures depend on one another to define and reproduce themselves. This insight has been developed into the so-called "requisite variety condition" [Thompson et al., 1990, Thompson, 1997, Thompson et al., 1999]. In order to function at all, the argument goes, any social entity, whether it is an nomadic tribe, a political party, a multi-national corporation, or a nation-state, must have all four cultural types engaged in rhetorical and symbolic conflict. Any social system lacking one or more social

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[20]The autonomy of the hermit by definition solves no problems of other social solidarities.

solidarities will, ultimately, run into serious problems because it cannot rely on the competitive intervention of other cultures to counter-balance the disadvantages of individual cultural archetypes. Thompson maintains that the

> "...basic idea is that each way of organising ultimately *needs* the others, because they do something vital for it that it could never do for itself. Indeed, this sort of dependency does not have to be mutual; it is enough if each way does something vital for just one of the others and no one of them is left out" [Thompson, 1997, original emphasis, p.16].

Although each social solidarity has its specific weaknesses, each is also expert in pointing to the weaknesses of rival social solidarities. For this reason, Thompson argues that social interaction between the different cultures is necessarily a complex, dynamic and chaotic conflict. Social systems containing their full complement of social solidarities are what Thompson calls "self-organising disequilibrium systems". Here, each social solidarity aims to achieve viability in a competitive environment. In doing so, each culture disorganises other solidarities: social interaction is always conflictual and always detrimental for one or more of the competing cultures. Yet, at the same time, each culture needs the others to be able to define itself in contradistinction to them. Social change in these types of systems is ubiquitous but complex and unpredictable. Therefore, Cultural Theorists argue that social systems are indeterministic, non-linear, far from equilibrium, and highly sensitive to initial conditions [Thompson et al., 1999, p.10].

Public Management and Cultural Theory: A Practical Application

How can cultural theory, rooted in social anthropology, help make sense of problems and processes in public policy-making and public management? In his book, *The Art of the State*, Christopher Hood applies cultural theory to public management [Hood, 1998]. The four social solidarities, he contends, give rise to four distinct but competing styles of public management: *Bossism, Choiceism, Groupism, and Chancism*. Each management style has specific strengths and weaknesses:

Bossism: In the past as well as today, hierarchies dominate the administration of public affairs and services. *Bossism*, Hood argues, manages public policy in terms of oversight and control. For hierarchies, control "...implies a ladder of authority, conscious oversight and inspection, formal power to approve or reject, to pronounce on disputes or complaints, to forbid, command, permit and punish" [Hood, 1998, p.51]. We can recognise structures of control and oversight in the plethora of regulatory committees, auditors, comptrollers, inspectorates, and policing agencies that are part of both the reality as well as the caricature of contemporary public management.

Choiceism: The individualist approach to public management, Hood argues, is based on competition and rivalry, a doctrine Hood calls *Choicism*. Public management for individualists is all about providing 'effective accountability' and 'efficiency' in public services by "...making producers responsive

to customers in market-like relationships, just as business firms sometimes claim to be accountable to their customers" [Hood, 1998, p.55]. Wherever we find competitive tendering for scarce resources, quasi-markets, performance-related pay structures, outsourcing or public-private partnerships, *Choiceism* is at work.

Groupism: Egalitarian public management relies on mutuality and peer pressure to control public officials. Choicist and bossist public institutions, egalitarians claim, "...no social cohesion, and will consequently lack the capacity to broker social compromises or even to survive when they are pitted against rival organisations in extreme circumstances" [Hood, 1998, p.60]. For egalitarians, decisions are best taken collectively: peer review processes, collegiate decision-making or the imprecise boundaries between formally hierarchical job descriptions are all hallmarks of groupist decision-making structures. These structures, so the argument goes, enhance both performance (by pooling resources) and accountability (by diffusing decision-making power equally among the all members). Hood points to citizen's armies (like in Switzerland), open plan offices in which management works with the staff (as in Japan), or community-based co-production of social services (for example, long-term care in Nordic countries) as examples functioning groupist solutions to public management problems.

Chanceism: "Contrived randomness" introduces fatalism to public management. *Chancism* aims to break-up or prevent any undesired forms of co-operation and collusion by injecting a dose of mistrust. This entails randomising instances of control (such as audits, inspections, members on boards, juries, etc.) to introduce an element of unpredictability. Randomness and chance, so the argument goes, stifles any attempt at corruption or wrongdoing that requires a modicum of trust in one's colleagues. Examples, Hood argues, include jury service or unpredictable postings (e.g. journalists and diplomats to stop them 'going native').

Evaluation

Unlike the other approaches reviewed in this chapter, the relationship between institutional structures and ideational frames is at the very centre of what cultural theory is trying to explain. In a very real sense, the concept of socio-cultural viability revolves around understanding the different ways in which social structures can relate to specific frames. The typology of social solidarities provides a means of mapping different institutional contexts to different types of cosmologies. What is more, by grounding conflicting frames in incompatible forms of social organisation, cultural theory provides a way of dissecting and explaining the structure of policy conflict.

Ever since cultural theory left its disciplinary home in social anthropology for the wider world of social science, it has been the object of much critical attention. Although Mary Douglas had made forays into a number of different disciplines since the early 1970s [Douglas, 1970, Douglas and Isherwood, 1979], it was only her work with Aaron Wildvsky on risk perception [Douglas and Wildavsky, 1982] that directed the attention of a wider social scientific audience to the framework.
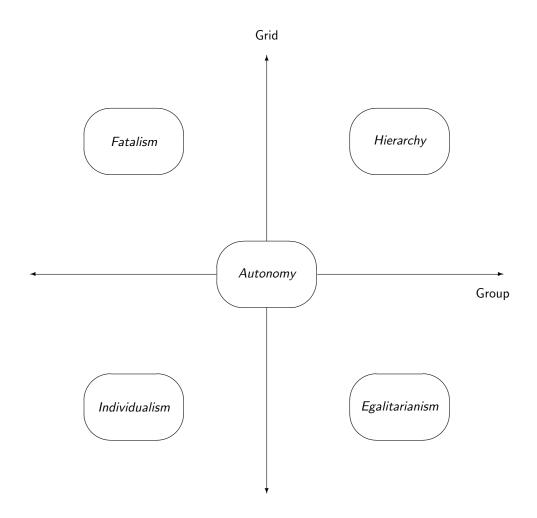
Figure 4.2: The Cultural Map

It is not surprising, then, that most damaging line of criticism directed at cultural theory has emerged from the risk research community [Boholm, 1996, Sjoberg, 1998, Oltedal et al., 2004]. The main thrust of their argument is that cultural theorists are unable to muster compelling empirical evidence[21] in support of their claims regarding individual attitudes to risk and risk perceptions. The argument that the cultural biases underlying different social solidarities shape risk attitudes and risk perceptions, these critics contend, cannot be substantiated by the empirical survey research undertaken by the late Karl Dake and others [Dake, 1996, Marris et al., 1998]. In fact, the critics contend, these and other studies show that cultural biases "...are not major factors in risk perception, but make a very minor contribution to its explanation" [Sjoberg, 1998].

This observation has given rise to two types of conclusions. First, some critics — particularly Lennart Sjöberg — see this as sufficient grounds to surmise that "...Cultural Theory simply is wrong" and that the quantitative scales derived from cultural theory "...do not seem particularly well suited for the task of explaining technology and environment concerns and perceived risks" [Sjoberg, 1998, pp.149-150]. The reason, other argue, is that cultural biases may be too blunt a tool for explaining the dynamic and complex interplay of factors that generate risk perceptions: instead of illuminating the determinants of individual attitudes towards risk, the inherent reductionism of the grid/group diagram crowds out a more sensitive understanding of risks and risk perceptions [Zinn, 2004]. Second, other critical voices have been more reluctant to dismiss cultural theory as a whole on the strength (or rather the weakness) of existing quantitative survey data [Oltedal et al., 2004]. Instead, these critics suggest that vague operationalisation of cultural theory for rigorous quantitative research is at least partly responsible for weak empirical support [Boholm, 1998]. This debate revolves around technical issues such as adequate survey design, sample sizes, the significance of correlations, as well as the mode of data analysis [Sjoberg, 1998, Oltedal et al., 2004]. The upshot of this line of reasoning is that many of the central concepts of cultural theory — such as cultural bias and its role in individual preference formation — are ambiguous or, where they are relatively precise, present thorny problems for survey-oriented research that cultural theorists have yet to overcome.

While it may seem a little premature to dismiss cultural theory in its entirety, the question of its operationalisation for empirical research — not merely quantitative survey research — is a real issue. A strength of cultural theory and its research community is the interdisciplinarity in both theoretical orientation and empirical application. However, since cultural theory has been applied to a wide variety of social scientific disciplines, researchers have adapted the framework to suit their particular analytical needs. This has inevitably led to some terminological variability that has not always contributed to conceptual clarity. For example, researchers closer to the disciplinary 'roots' of the grid/group analysis, meaning social anthropology and sociology, will tend to refer to the social solidarities in terms of their organisational forms. So here the cultural map consists of markets, hierarchies, enclaves, and isolation. In contrast, political scientist, who have mostly been influenced by Michael Thompson's and Aaron Wildavsky's work, will label the social solidarities as groups of people,

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[21]The critics understand empirical evidence to exclusively mean quantitative data from structured surveys

i.e. individualists, hierarchists, egalitarians and fatalists.[22]

This terminological inconsistency has given rise to two unfortunate effects. First, terminological discrepancies complicate communication between cultural theorists, other researchers and policy practitioners. In a very real sense, different and inconsistent labels create needless obstacles for understanding what are relatively straightforward ideas. This has been exacerbated by the tendency among cultural theorists to use 'shorthand' thereby projecting an unduly simplified image of the framework. For example, the habit of referring to social solidarities as groups of people has often led researchers outside the cultural theory-community to believe that grid/group analysis is about classifying personality types rather than forms of socio-institutional contexts, see [Oltedal et al., 2004] or [Zinn, 2004]. Second, while the methodological technicalities of survey research are of limited relevance to a discourse-oriented research endeavour, the underlying problem of operationality remain. Although cultural theory has inspired a rich variety of policy research in the past two decades [Thompson et al., 1990, Coyle and Ellis, 1994, Thompson et al., 1998, Thompson and Ney, 2000, Verweij and Thompson, 2006], the terms and concepts remain underdetermined for use in a policy-oriented discourse analysis. While concepts such as the typology of social solidarities, social relations, cultural bias, or the myths of nature are relevant for discourse analysis, they still require some transcription and adaptation for use in contemporary contexts of policy-making.

In what ways, then, is cultural theory relevant to a framework of policy-oriented discourse analysis? First, cultural theory grounds contending social constructions of reality (or messy policy issues) in socio-institutional structures, norms and practises. In this way, cultural theorists acknowledge that policy-making takes place in a "contested terrain" defined by plural and competing forms of rationality. Here, no form of rationality can subsume any other. By the same token, these forms of rationality are constrained and limited by their close relationship to types of institutional structure. While rationalities are plural, they are not infinite: in fact, they can be described in terms of a typology based on "two dimensions of sociality" [Douglas, 1970]. Second, this typology of social solidarities and cultural biases serves as a tool for identifying, grouping and analysing policy discourses. The basic social solidarities outlined above are blue-prints for assembling and reproducing socio-institutional frames. These basic indicators allow analysts to make sense of the cacophony of voices and claims that characterise contemporary policy debates. Moreover, this typology Third, cultural theory is about understanding the origins and functions of social conflict. As we have seen, fundamental discrepancies between forms of social organisation fuel mutual antagonism between members of social solidarities. Yet, at the same time, these socio-institutional tensions contribute to healthy but turbulent and non-linear social development. In short, unlike the "rationality project",cultural theory contends that value-driven conflict is not only inevitable but necessary.

In sum, cultural theory is a theory of organisation, legitimation, and argument: it is a theory about how people choose to live together and, once that explicit or tacit choice has been made, how they construct a symbolic world

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[22]This is the nomenclature adopted in this thesis in order to be consistent with other cultural theory applications in political science and the policy sciences.

in order to justify their preferred form of organisation. cultural theory is also a structural theory: it asserts that there is a relationship between the social structures in which individuals find themselves and the kinds of "perceptual lenses" [Allison, 1971] people will wear. Moreover, cultural theory is a theory of the person: it explicitly rejects the idea of the skeletal, socially atomised, and utility maximising individual entrenched in Anglo-Saxon social science. cultural theory tells us that the person is inherently relational, meaning that individuals define themselves via their social environments: they way we shop and furnish our homes [Douglas, 1996], the way we pilfer from our employers [Mars, 1982], how we decide what risks to take [Adams, 1995], and how we decide on what technology to use [Schwarz and Thompson, 1990] are shaped by the social relations we enter into. Last, cultural theory is also a theory about argument, dispute and debate: members of different social forms are in constant rhetorical and antagonistic exchange in an attempt to legitimate their symbolic ordering of the world in the face of competing orderings.

4.6   Conclusion

Chapter 4 has outlined five social scientific theories that explain contemporary policy processes in terms of both institutional and ideational structures. First, Nullmeier and Rüb's concept of "knowledge markets" explains how policy actors use expertise to limit access to policy-making. Second, Multiple Streams analysis, based on the Garbage Can model of organisational behaviour, shows how the complex and chaotic interaction of ideas, policy problems and events determines policy agendas. Third, the notion of Epistemic Communities provides a set of terms for analysing and describing the role of knowledge-based experts in international policy processes. Fourth, we saw that Paul Sabatier's and Hank Jenkins-Smith Advocacy Coalition Framework is a rather comprehensive approach for explicating the role of technical information in long-term policy change. Last, the chapter reviewed cultural theory which, based on insights from social anthropology, maps different frames onto fundamental forms of social organisation.

As we have seen, all four approaches bear a distinct family resemblance. At a fundamental level, all frameworks discussed here strive to explain contemporary policy-making in terms of the interaction between the institutional structures and the world-views that exist in political systems. This means that the different approaches share many of the basic assumptions concerning the nature of policy actors, ideas and knowledge, as well as political structures. First, all approaches assume that policy-making takes place in quasi-autonomous and specialised policy networks that characterise the differentiated polity. Second, all frameworks are suspicious of the conventional rational actor model as an appropriate depiction of individual or institutional policy actors. Rather, while actors may aspire to rationality, a variety of (good) reasons (e.g. perceptual limitations, cultural bias, etc.) may put synoptic rationality permanently beyond reach. Third, all theories assume that policy actors use different cognitive and normative frames to make sense of messy policy issues. Although different theorists find distinct ways of articulating this insight, they all seem to agree that constructing the world according to divergent frames gives rise to fundamental uncertainty and ambiguity. Since this fundamental ambiguity is not

amenable to objective and scientific enquiry, different interpretations of ostensibly the same phenomena generate conflict within policy processes. As a result, most of the theorists discussed in Chapter **??** are sceptical of the aspirations of the 'rationality project': rather than understanding rational policy-making to be fundamentally anathema to frame-based policy conflict, the theorists discussed above prefer to portray policy-making as an intricately intertwined with an argumentative struggle over symbols and meaning

However, as do members of a family, the approaches also differ in important ways. The principal difference between the various approaches is that they articulate the basic relationship between ideas, institutions and policy-making by using different methods and conceptual tools. This inevitably gives rise to disparities, many of which, however, are simply terminological or differences in degree. So when Peter Haas speaks of "epistemic communities" or Paul Sabatier and Hank-Jenkins-Smith refer to "advocacy coalitions", all theorists are, by and large, referring to the same type of social phenomenon that cultural theory calls "social solidarities". In each case, the frameworks provide a language for describing aggregate policy actors that coalesce around a constitutive set of beliefs and values. Similarly, when these thinkers refer to "shared principled beliefs and values", "frames" or "policy belief systems", they are describing systematic sets of ideas that affect perception and guide behaviour. This, then, is what Cultural Theorists such as Mary Douglas have referred to as "cultural bias" since the late 1960s.

Other dissimilarities between the approaches are more substantial. On the one hand, the Politics of Knowledge and Multiple Streams analysis concentrate on how contexts shape policy outputs and policy outcomes. The former approach explains how certain types of policy outcomes, i.e. an overriding concern for stabilising the institutional frameworks at the cost of policy substance, ensue from the institutional set-up of knowledge-markets. The latter framework, in turn, shows how policy problems, policy solutions, and political events create the 'right' political contexts for an issue to rise to the top of the policy agenda. Both the Politics of Knowledge and Multiple Streams Analysis tend to emphasise the structural determinants rather than the ideational aspects of policy-making. In this sense, these two approaches are *context-driven* explanations of how ideas and institutions shape policy-making. As if to underline the importance of context over agency, these approaches have a less detailed and explicit concept of individual and institutional policy actors.

On the other hand, both the Epistemic Communities approach and the Advocacy Coalition Framework concentrate on how policy emerges from the interaction between different aggregate policy actors. While the Epistemic Communities approach focuses on the consultative activities of knowledge-based experts, the driving force in the Advocacy Coalition Framework are groups of policy-makers who perceive and interpret the world similarly. Both theories explain policy-making in terms of how the activities of these groups shape policy outputs and policy outcomes: the Epistemic Communities approach shows how groups of scientists and experts can shape problem definition and policy formulation while the Advocacy Coalition Framework sees policy change as emerging from the conflict between different advocacy coalitions. This, then, is a more *actor-driven* explanatory strategy.

The two explanatory strategies deal very differently with policy conflict and consensus. Although all approaches understand policy conflict to be an inher-

ent characteristic of contemporary policy-making in pluralist systems, the two styles come to very different conclusions about the impact of conflict on policy outputs. Whereas the context-driven approaches, particularly the Politics of Knowledge, see the restriction of conflict and competition to be detrimental to effective policy-making, both actor-driven approaches suggest that effective decision-making requires reducing the scope of political conflict. In a very real sense, both Haas as well as Sabatier and Jenkins-Smith suggest that conflictual policy issues need to be removed from the public sphere and transferred to an exclusive forum of experts. In contrast, Nullmeier and Rüb (and to a lesser extent Kingdon) argue that closing off access to policy debates can only ever lead to self-referential and ultimately irrelevant policy outputs.

cultural theory provides an account of how structures and ideas shape behaviour and interaction including, of course, political behaviour and interaction in the public sphere. For Cultural Theorists, all human behaviour and interaction is intrinsically political since it is always about fostering solidarity by nurturing social structures and defending fundamental beliefs. In this way, cultural theory straddles both actor-driven and context-driven theories of the policy process. Unlike the other approaches discussed in Part I, cultural theory explicitly conceptualises the relationship between social structure, cultural bias and individual behaviour. The typology of social solidarities, that is integrated packages of social structures, policy beliefs and behavioural patterns, provide an additional explanatory dimensions to notions such as epistemic communities or advocacy coalitions. On the one hand, cultural theory helps the analyst understand how the internal patterns of transaction within advocacy coalitions or epistemic communities structures the policy stories of these groups. Using cultural theory, the analyst can relate a particular way of naming and labelling an issue to a specific social solidarity. On the other hand, the dynamic aspects of cultural theory allow the analyst to trace and anticipate, if not predict with any certainty, the direction of policy debates and institutional changes within policy subsystems. In short, while the other theories of the policy process provide a body for the discursive analysis of problem definition and agenda-setting (i.e. a model of the policy process), cultural theory provides the soul of this thesis' framework (i.e. a model of what actually goes on in the policy process).

How, then, can we assemble the different concepts, ideas and tools to exploit the complementarities of different approaches while neutralising the perceived weaknesses?

Chapter 5

Towards a Conceptual Framework for Policy-Oriented Discourse Analysis

How can theories and approaches discussed in the last three chapters help understand and analyse policy conflict about messy policy problems?

The following chapter selects and 'bootstraps' insights and concepts discussed in Part I into a framework for analysing discourses in contemporary European policy domains. This involves identifying complementarities and synergies between different frameworks and their conceptual architectures. The hope here is to neutralise as much as possible some of the weaknesses identified in each approach while still retaining an incisive analytical tool.

The aim of this chapter is to devise a conceptual framework for systematically analysing policy conflicts about complex, uncertain and transversal policy challenges. In order to do this, the framework needs to do two things:

- Map the institutional and ideational landscapes of policy conflict in the differentiated polity. This, in turn, requires that the framework is capable of identifying different policy actors and their policy arguments (the scope of policy conflict). Moreover, the approach needs to understand how and on what terms policy actors relate to one another (the structure of policy conflict);

- Trace movement and change within these institutional and ideational landscapes of policy conflict. The conceptual framework needs to show how the institutional environments shape conflict and how conflict over time shapes the institutional environment (the impact of policy conflict);

Section 5.1, then, outlines how concepts and approaches discussed in Part I of the thesis contribute to analysing the scope and structure of policy conflict within differentiated policy domains. Section 5.2 outlines a theoretical scaffolding for analysing the role of frame-based policy conflict in policy and institutional change. Section 5.4,in turn, discusses the methodological issues

concerning the application of the bootstrapped conceptual framework to actual policy issues. In the conclusion, this chapter turns to the questions the framework for policy-oriented discourse analysis leaves open and points to ways of extending and augmenting the approach.

5.1   Scope and Structure of Policy Conflict in the Contested Terrain

Understanding and analysing conflict about messy policy problems implies we come to terms with

- the locus of policy conflict;

- the policy actors and their policy arguments;

- the nature of policy interaction in the venues of policy conflict.

The following section discusses each in turn.

The Contested Terrain

The fundamental assumption of this framework, in line with authors discussed in Chapter 2, is that contemporary policy-making takes place in functionally differentiated institutional networks focused on a particular policy problem. In short, policy emerges from the "differentiated polity".

Following Michael Thompson, we shall call the broad institutional and organisational context of contemporary policy-making the "contested terrain". Similar to Stephen Wilks and Maurice Wright's idea of the "policy universe" [Wilks and Wright, 1987], the contested terrain encompasses all policy actors and policy arguments relevant to the issue in question. Here, individuals or organisations become relevant to any policy issue as soon as they publicly express interest in any aspect of policy-making about the particular problem.

The term describes both an institutional and ideational space. At institutional level, the contested terrain consists of both organisations and individuals. Following Rhodes, organisations are related to one another in terms of mutual resource dependencies. Individuals in the contested terrain relate to one another in terms of different interpersonal relationships (that may or may not include resource dependencies). The point here is to include both interorganisational as well as interpersonal networks in the explanatory framework. In a very real sense, the contested terrain describes the largest possible set of organisations, individuals and their relationships that participate in policy-making. At the ideational level, the contested terrain describes the totality of ideas and arguments concerning a particular policy problem. Similar to John Kingdon's concept of the problem and policy streams [Kingdon, 1984, see Chapter4], the contested terrain is the habitat of all problems and policy solutions.[1] Here, the contested terrain delineates the reservoir of concepts and arguments available to actors for use in policy processes.

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[1]Unlike Kingdon's idea, however, policy problems and policy solutions in the contested terrain do not bob around in a 'primeval soup' waiting to be recombined in any which way. Rather, only certain combinations of problem definition and policy solution are viable [Thompson et al., 1990].

Yet, who are these policy actors?

5.1.1 Scope: Types of Advocacy Coalitions and Policy Stories

The approaches reviewed in Part I share a fundamental scepticism of the conventional rational actor paradigm. Instead of reducing policy-making to the spare calculus of utility-maximisation, ascribed either to a rational individual or an organisation assumed to behave like a rational individual, the frameworks of Part I reintegrate the socio-institutional dimension into the analysis of policy-making. As we have seen in Chapter 3, this involves conceiving of individual policy actors as inherently social and political animals. Such policy actors rely on the cognitive and normative resources provided by social collectives to make sense of messy policy problems and to coordinate their policy action. Thus, the task here is to conceptualise and operationalise these insights for policy-oriented discourse analysis.

Of all the frameworks discussed, cultural theory explicitly addresses the relationship between of social cohesion and shared perception. As we saw in the previous section, the concept of a "social solidarity" links social structure to ideas and patterns of behaviour. However, since the concept refers to any collective social actor, it remains somewhat unfocused for use in policy analysis: while social solidarities help understand what policy conflict is about, it is not entirely clear how these collectives get articulated in actual policy contexts.

Conversely, Sabatier and Jenkins-Smith's term "advocacy coalition" provides a precise definition of a social collective in contemporary policy processes. However, as we have seen, the Advocacy Coalition Framework offers little to distinguish one advocacy coalitions from another. The approach merely assumes *that* advocacy coalitions conflict because their policy-belief systems diverge: it remains unclear for what reasons and in what ways policy-belief systems are incompatible.

In order to help explain how policy actors deal with messy policy problems and how this gives rise to policy conflict, we need fill the Advocacy Coalition Framework's skeletal concepts with cultural theory's substantive analysis. Doing that will give a clearer organisational shape to the idea of social solidarities. However, before exploring the synergies of the Advocacy Coalition Framework and cultural theory, we need to enlist the help of the *Argumentative Turn* to modify the Advocacy Coalition Framework's somewhat rigid notion of a "policy-belief system": this will sensitise the analysis to contending social constructions of reality based on plural rationalities.

From Policy-Belief Systems to Policy Frames

As we have seen, Sabatier and Jenkins-Smith base the concept of "policy-belief systems" on Herbert Simon's observation that human rationality is inherently bounded. Thus, with the help of concepts from cognitive psychology [Kahnemann and Tversky, 1984], Sabatier and Jenkins-Smith set out to explain why policy behaviour deviates from an instrumentally rational norm. The "enlightenment function" of "technical information", then, is about extending the bounds of our limited rationality. Policy-oriented learning is about wearing

down cognitive biases.[2] and finding a common, consensual and, most importantly, rational ground for policy-making, see also [Parsons, 2002]

However, the review of approaches in Chapter 3, particularly Donald Schön and Martin Rein's idea of "intractable policy controversies" but also John Dryzek's account of multiple frames, suggests that such an intellectual and political project is problematic. Recall how these thinkers stress that frames determine and constitute (rather than distort and simplify) the perception of policy problems: a frame

> "... is a way of selecting, organising, interpreting, and making sense of a complex reality to provide guideposts for knowing, analysing, persuading, and acting. A frame is a perspective from which an amorphous, ill-defined, problematic situation can be made sense of and acted on" [Rein and Schön, 1993, p.146].

Significantly, Rein and Schön argue that there is no epistemic position outside frames. This means that there is no way of evaluating a frame other than from within another frame. As we have seen, this undermines the conventional idea of objectivity as being the 'view from nowhere' since "... if objective means frame-neutral, there are no objective observers" [Rein and Schön, 1994, p.30]. It follows, then, that knowledge about messy policy problems is invariably socially constructed. More significantly, the existence of multiple frames and the inability to resolve or reduce these frames to one another suggests there is no single standard of rationality. Instead, frames point to the existence of *plural rationalities*.

As we have seen, the three-tiered notion of policy-belief systems reintroduces the primacy of instrumental rationality in form of "technical information" through the back-door of cognitive psychology. Instead, since this conceptual framework aims to provide a tool for frame-reflection, it will rely on the more encompassing and holistic concept of "policy frames" to explain how policy actors make sense of messy policy problems.

How do frames relate to advocacy coalitions?

Contending Advocacy Coalitions and Their Policy Stories

cultural theory's typology of contending social solidarities provides a framework for understanding why different advocacy coalitions perceive messy policy problems in conflicting ways. We can use cultural theory to distinguish different types of advocacy coalitions on the basis of the way they organise their "nontrivial degree of coordinated activity over time" [Sabatier and Jenkins-Smith, 1993b]. On this view, an advocacy coalition can adopt any of four basic types of social relations outlined by cultural theory:

- *hierarchy:* here, advocacy coalitions resemble "nested, bounded groups";

- *individualism:* members of advocacy coalitions are organised in competitive "ego-focused networks";

- *egalitarianism:* this describes individual policy actors that coordinate their policy-making activity in terms of "bounded, egalitarian groups";

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[2]such as Kahnemann and Tversky's "negativity bias",[Kahnemann and Tversky, 1981].

- *fatalism:* "isolation" describes the situation of policy actors whose lack of support from a cohesive advocacy coalition group severely curtails their autonomy in the contested terrain;

Policy frames used by actors will systematically differ according to the distinct pattern of transactions that characterises an advocacy coalition. The underlying policy frame (in, to use cultural theory's terminology, cultural bias) associated with each form of organising advocacy coalitions provides a basic normative and cognitive framework for perceiving and making sense of complex, uncertain and transversal policy problems. In this way, each underlying policy frame functions as a blueprint for constructing plausible and credible policy arguments

Methodologically, we can think of these policy arguments as coherent narratives or stories (see Section 5.4). In debates about messy policy problems, competing advocacy coalitions use these narratives to make a plausible case for or against a particular course of action. Policy narratives are a means of claiming legitimacy for a particular policy solution and, more profanely, rallying support in a policy dispute. As the label suggests, narratives tell a story: they provide a *setting*, point to the *villains*, identify *heroes* and, most importantly, are guided by a moral. Since policy stories are designed to persuade, they are necessarily value-oriented [Adler and Haas, 1992, Rein and Schön, 1994, p.29]. Yet this does not mean that policy narratives are mere opinion or fiction. Policy stories explicate problems by recourse to rational methods: logic, consistency, and objectivity play an important role. Therefore, frames (constituted by cultural biases replete with myths of nature and constructions of the person) help policy actors identify the 'right' data and evidence about any policy issue, select the most 'salient' and 'relevant' features, and weave all this into an plausible policy story aimed at persuading other policy actors.

The typology of advocacy coalitions based on cultural theory's classification of social contexts provides a means of sounding out the *scope* of policy conflict in any contested terrain. Policy debate in the contested terrain features three different types of policy stories told by the rival types of advocacy coalitions.[3] These three stories delimit the pool of available problem-definitions, analyses and possible solutions available in the contested terrain. Ideas or concepts outside this policy space are not so much 'unthinkable' as simply not thought about.

Now we know what the policy actors are, what is it that they do?

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[3]This is because only the so-called active social solidarities — individualism, hierarchy and egalitarianism — participate in policy contention. While fatalists would conceivably have an interest in contributing to policy deliberation, their socio-institutional environments permit no political involvement. And even if they did manage to participate, fatalists would see no point in diverting scarce resources from the demanding tasks of coping with the inscrutable. Hermits, in turn, have neither interest nor opportunity to participate in policy debates [Thompson et al., 1990]. Unlike fatalist actors, hermits could choose to participate, but, in exercising their choice, they would enter into the type of coercive social involvement that hermits are at such pains to avoid.

Structure: Conflict, Argument and Controversy

Advocacy coalitions aim to enshrine their fundamental values in policy.[4] These fundamental values are derived from the policy frames peculiar to each basic type of advocacy coalition. By realising their values in policy, advocacy coalitions establish *epistemic sovereignty*[5] over policy-making: this provides advocacy coalitions with autonomy to pursue their policy agendas. In fundamentally argumentative policy processes, striving for epistemic sovereignty involves vying for legitimacy and credibility in the public debate. By pitting policy stories against each other, rival advocacy coalitions aim to demonstrate the superiority of their particular framing and solution to messy policy problems.

Box 5.1.1: Epistemic Sovereignty and Policy-Making Autonomy

The term *epistemic sovereignty* describes a situation in which a single policy frame provides the dominant perceptual lens for interpreting a particular policy issue. Epistemic sovereignty involves control of a single advocacy coalition over the definition, production, administration and dissemination of policy-relevant knowledge in a policy subsystem.

The term *policy-making autonomy* denotes a state of affairs in which a single advocacy coalition in a policy subsystem is free to define policy issues, set agendas and formulate policy either without having to consult or include contending advocacy coalitions.

The contested terrain, then, features *policy debates* in which competing advocacy coalitions pursue epistemic sovereignty by vying for legitimacy. Since members of advocacy coalitions define messy policy issues using policy frames that emerge from incommensurable forms of social organisation, policy debate is inherently conflictual and competitive (which is why Nullmeier and Rüb believe it resembles a "knowledge-market"). This conflict is neither amenable to resolution by recourse to facts nor by bargaining. On the one hand, the facts and even what are to count as a facts are object of the dispute and, on the other, bargaining presupposes a common base which is also subject to controversy. In short, conflict between advocacy coalitions in the contested terrain is an "intractable policy controversy" in which

> "...two or more parties contend with one another over the definition
> of a problematic situation and vie for control of the policy-making
> process. Their struggles over the naming and framing of a policy
> situation are symbolic contests over social meaning of an issue do-
> main, where meaning implies not only what is at issue but what is
> to be done" [Rein and Schön, 1994, p.29].

The upshot of this line of argumentation is that fundamental, value-driven conflict is inevitable in the contested terrain. This also means that, unlike advocates of the "rationality project" suggest, fundamental conflict is an intrinsic and 'normal' aspect of contemporary policy-making. On this view, conflict in a

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[4]The word 'policy' is to be understood in the widest possible sense and includes, among other things, policy inputs (such as policy relevant research, expert opinions, hearings, polls, etc.), policy outputs (green papers, white papers, statutes, laws, programmes, etc.,), or institutional structures (personnel in key positions, control of new organisations, etc.)

[5]Nullmeier and Rüb have called this *Wissenshoheit*.

policy subsystem is neither haphazard nor random. Given that advocacy coalitions are empirical expressions of social solidarities, we should expect conflict to flare up along the fault lines that separate contending types of advocacy coalitions.

However, cultural theory would also lead us to expect some agreement or, at least, mutual rejection between contending types of advocacy coalitions. On the grid/group diagram, all social solidarities share one dimension with all the others. Thus, advocacy coalitions sharing the high group dimension (hierarchy and egalitarianism) would both reject policy stories that highlight individual rights over collective duties. The obverse applies to advocacy coalitions that share the low group characteristic (fatalism and individualism): here, policy stories and, in the fatalists' case, worldviews[6] would express suspicion of and distrust in collective action. By the same token, advocacy coalitions that feature low grid characteristics (individualism and egalitarianism) would reject policy measures that favour explicit regulation and stratification. High group advocacy coalitions (hierarchy and fatalism), in turn, would view spurn any policy that proposed to break down established categories and distinctions between people and things.

5.2 Impact: Conflict and Change

So far, the bootstrapped conceptual framework provides a vocabulary for understanding how policy frames give rise to conflict in debates about messy policy problems. However, can the framework help analyse policy change in the differentiated polity?

Before dealing with this question, this section will briefly define what institutional and policy change mean in this conceptual context. Moreover, the section will expand the spatial model of policy environments (i.e. the contested terrain) to enable the analysis of movement and change. Then, the section will tentatively outline how frame-based conflict between advocacy coalitions may catalyse and contribute to institutional and policy change. This part of the conceptual framework is exploratory and, with the concomitant case study in Chapter 9, aims at hypothesis-building, theory construction and method-reflection rather than theory testing.

Defining Change

Change and transformation in policy processes is a slippery notion. Not only does change take place at many levels and in many places simultaneously, it also moves in all directions at once. To further complicate matters, whether, how much and where change is taking place is open to interpretation; in other words, the locus, extent and direction of change is part of the "intractable policy controversy" that characterises frame-based policy debate.

Getting an analytical handle on institutional and policy change means finding a way of making change less complicated without unduly reducing the complexity of socio-institutional transformation. In terms of the conceptual framework elaborated so far, we can think of change as taking place in two interrelated

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[6]Recall that since fatalists take no active part in policy conflict, they do not formulate policy stories[Douglas, 1992, Thompson et al., 1990].

dimensions. First, *institutional change* refers to structural transformations of networks in policy spaces. This includes changes in the organisational composition, institutional structures and the interorganisational interdependencies that constitute policy domains. It also includes the relationships between individual actors in advocacy coalitions and the relationship between advocacy coalitions. Second, *policy change* describes ideational changes in policy outputs: following Sabatier and Jenkins-Smith, these are revisions to the underlying theory that informs and guides policy.

Using the typology of advocacy coalitions and policy frames based on cultural theory, we can calibrate and reconstruct change in both dimensions. At institutional level, the typology of advocacy coalitions helps identify and trace the movement of advocacy coalitions into and out of policy spaces. Movement of organisational or individual policy actors affects relative strengths of advocacy coalitions and thereby the organisational composition of policy spaces. Any change in composition of any particular advocacy coalition is likely to have implications for the overall institutional composition of the policy space. For example, the influx of egalitarian actors into the contested terrain of the global climate change debate forced the rearrangement of interorganisational ties and relationships. Similarly, at the level of policy, we can use the cultural theory typology of policy frames to reconstruct the content and direction policy change. For example, the decision to privatise a public institution (say the water utilities) points towards an underlying shift in policy frames from a hierarchical policy frame to a more individualist argument.

Policy Spaces

Analysing change at institutional or policy level requires expanding the spatial model of the policy environment. Tracing institutional movement and change requires (at least) two nested layers of policy space in addition to the "contested terrain": one space that provides the institutional context, one space to host the contested terrain and one space to structure the policy process. Thus, we need to distinguish three nested layers of policy space:

The *public sphere* in the differentiated polity is the fundamental institutional and ideational environment for all policy domains. This space contains all contested terrains as well as the macro-political superstructure for policy-making.[7] Depending on the type of policy domain, the public sphere may either be oriented towards the European and international level of governance (as is the case with the transport sector, see Chapter 6 or the national policy-making arena (as is the case with pension reform, see Chapter 9).

As we have seen, the *contested terrain* [Thompson et al., 1999] is the space that contains all advocacy coalitions and policy arguments relevant to a particular policy problem. This, then, is the place where debates about messy policy problems between competing advocacy coalitions are staged. These debates are frame-based, intractable policy controversies about the

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[7]This wider institutional context is usually referred to as the 'polity'. Alternatively, Baumgartner and Jones see the macro-political structure to be a sphere of "serial processing" whereas the sphere consisting of policy subsystems is concerned with "parallel processing" [Baumgartner and Jones, 1993].

naming and labelling of complex, uncertain and transversal policy problems.

The *policy subsystem* is the institutional locus of policy- and decision-making. This means that advocacy coalitions in policy subsystems engage in debate about setting the policy-agenda and concrete policy formulation. These deliberations differ from the wider debate in that they impact directly on the policy agenda, policy formulation and implementation.

Since we have assumed that all advocacy coalitions aim to enshrine their values in policy outputs, members of contending advocacy coalitions will aim to colonise the locus of policy-making. In general, then, individual and organisational policy actors will attempt to move from the public sphere into policy subsystems. Since any policy actor or policy argument expressing an interest in any aspect of policy-making qualifies as relevant, the boundary between the public sphere and the contested terrain is highly permeable by definition.[8] Movement into the policy subsystem, however, depends on the *accessibility* of the particular policy subsystem: the higher the accessibility, the more advocacy coalitions enter the policy subsystem. Depending on the degree of accessibility, policy subsystems consist of a subset of advocacy coalitions and policy frames from the contested terrain.

Using the cultural theory typology of advocacy coalitions and policy frames, we can distinguish policy subsystems according to their accessibility:

- *Inclusive* policy subsystems: these subsystems feature all three types of active advocacy coalitions (hierarchy, individualism, and egalitarianism). Here, the policy subsystem subsumes the contested terrain. In inclusive policy subsystems, policy outputs contain ideas, concepts and approaches of all three policy frames. Policy debate is inherently conflictual;

- *Partially inclusive* policy subsystems: These subsystems feature only two of the three active types of advocacy coalitions. Policy outputs in partially inclusive policy subsystems reflect both policy frames. Policy debate is characterised by bargaining and compromise;[9]

- *Exclusive* policy subsystems: these policy subsystems are populated by only one of the three active types of advocacy coalitions. Policy reflects only one policy frame. Policy debate is characterised by consensus.

How, then, does the framework explain the role of policy conflict in movement and change from one type of policy subsystem to another?

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[8]This, of course, is an assumption that needs to be relaxed for a more thorough investigation of institutional and policy change.

[9]Unlike the *inclusive policy subsystem*, compromise and bargaining in a bi-polar policy subsystem is possible since contending advocacy coalitions establish a base in the area of agreement. However, a cultural theory analysis suggests that agreement is limited to general principles and policy issues and is therefore fragile.

Dynamics: The Life-Cycle of a Policy Subsystem

Over time, Sabatier and Jenkins-Smith contend, policy subsystems find a steady state by reducing the scope of policy conflict. As a policy subsystem matures, they argue, it becomes less accessible: while a younger policy subsystem may feature as many as four advocacy coalitions, mature subsystems typically host two or even a single advocacy coalition. Over time, they argue, some of the contending advocacy coalitions will either be subsumed or crowded out.

But there is more to say about this process. Recall from Chapter 2 that Richardson (unlike Rhodes) understands policy subsystems to evolve in both directions: at times, policy subsystems will consolidate and exclude members, at other times external pressures will squeeze new members into the policy subsystem. In this way, he argues, policy subsystems move back and forth along Rhodes' continuum. This suggests that policy subsystems develop along a cyclical (or at least an oscillating) rather than a linear pathway. Figure 5.1 depicts the way policy conflict promotes cyclical developmental pathways of policy subsystems.

On this view, the interaction between two countervailing forces causes policy subsystems to cycle between different degrees of accessibility. On the one hand, the inherent antagonism between advocacy coalitions gives rise to endemic policy conflict. The fundamental intractability and incommensurability of contending policy frames means that policy debate is in constant danger of degenerating into a "dialogue of the deaf". The resultant policy deadlock creates pressures for narrowing the scope of policy conflict. Mutual antagonism between policy actors implies that members of advocacy coalitions equate policy-making autonomy with the exclusion of rival advocacy coalitions and their policy stories. Once in a position of power, advocacy coalitions will use overt means (bans, restrictions on freedom of expression, etc.) as well as more subtle tools (erecting high discursive barriers of entry) to defend their autonomy in the policy subsystem. This, then, reduces the accessibility of the policy subsystem. On the other hand, excluding contending advocacy coalitions from the policy subsystem leaves policy-making vulnerable to conceptual blindness and policy failure (see Box 5.2). Displaced advocacy coalitions in the contested terrain will thematise these policy failures and will mobilise against the ruling advocacy coalitions. This, in turn, produces pressures to open policy subsystems.

How does the life-cycle play out?

Inclusion In an inclusive policy domain, accessibility encourages a wide range of policy actors to move into the contested terrain. Here, they compete over

the naming and framing of the messy policy problem in question. Since inclusive policy subsystems feature all three types of active advocacy coalitions, debate is inherently conflictual and intractable. Such a policy debate promotes both policy innovation and critical scrutiny of contending policy proposals. On the one hand, accessible contested terrains enable a free flow of knowledge and ideas into and out of policy subsystems: as policy actors move into the contested terrain from the wider public sphere, they bring with them new ideas and concepts. On the other hand, since contending types of advocacy coalitions are inherently suspicious of one another, they will scrutinise and criticise rival policy arguments and policy stories.

Yet, despite policy and institutional innovation, the innately unstable constellation of the triangular contested terrain (a "dynamic disequilibrium system" [Thompson et al., 1999]) may deteriorate into a "dialogue of the deaf". When this happens, divisive and intractable policy conflict may produce policy deadlock and policy impasse. This, then, creates a receptive climate or mood in the contested terrain for narrowing the scope of policy conflict.

Institutionalization and Contraction The collapse of policy debate into a "dialogue of the deaf" renders an inclusive contested terrain 'ripe' for institutional and policy change. Given a suitable external trigger (say an change of government or a focusing event such as a natural catastrophe), one or two advocacy coalitions can wrest policy-making autonomy from the other policy contenders. This may operate through a variety of mechanisms such as institutional path dependencies, power asymmetries in the public sphere, superior political strategising of a particular advocacy coalition, or socio-political changes elsewhere in the wider polity (i.e. joining the EU, change of government, etc.). Significantly, part of the success of an advocacy coalition may simply be due to 'being at the right place at the right time' [Kingdon, 1984]: for example, in response to a crisis or catastrophe, a particular advocacy coalition may propose the only workable policy solution for overcoming the crisis. Policy-making autonomy allows advocacy coalitions to institutionalise and consolidate their epistemic sovereignty over the policy subsystem. This implies structurally and discursively restricting access to the policy subsystem. In practise, this means that advocacy coalitions remodel the institutional structure of policy subsystem to resemble preferred patterns of social relations, define the issue to reflect their preferred framing of the problem, and implement policies to promote preferred patterns of behaviour in society.[10]

This, then, contracts the policy subsystem to a subset of actors and arguments in the contested terrain. As the dominant advocacy coalitions consolidate their institutional and ideational autonomy over the policy subsystem, contending policy actors will leave the contested terrain.[11]

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[10]In a very real sense, Sabatier and Jenkins-Smith's idea of a professionalised forum is a means of institutionally and discursively restricting accessibility to narrow the scope of policy conflict.

[11]This does not, however, imply that the excluded advocacy coalition disappears completely from the contested terrain. As the political pay-off and incentive structures change with institutionalization of a particular policy story, some individual and institutional actors will move on to other policy domains thereby weakening but not eliminating the excluded advocacy coalition.
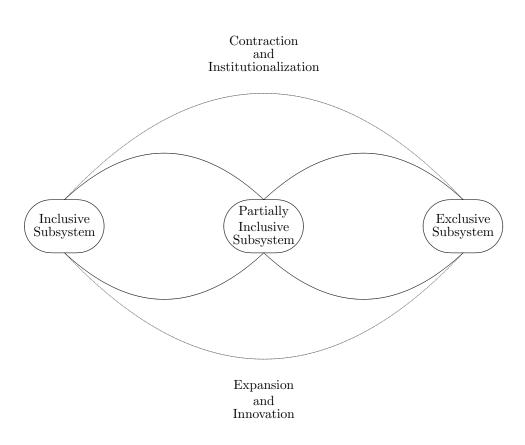
Contraction
and
Institutionalization

Inclusive
Subsystem

Partially
Inclusive
Subsystem

Exclusive
Subsystem

Expansion
and
Innovation

Figure 5.1: Cyclical Pathways of Policy Subsystems Development

Exclusion   Exclusion narrows the scope of policy conflict to either an exclusive or partially inclusive policy subsystem. Exclusive policy subsystems are best described by Rhodes' "policy community": membership of the policy subsystem is tightly integrated into a single advocacy coalition, held in place by a common ideational frame to justify policy action that reproduces a shared pattern of transactions. The advantage of such a constellation is that policy-making becomes stable and predictable. Here, the single policy frame reduces conflict to technical issues of interpretation. Since consensus is possible, policy-makers can react swiftly and decisively to perceived policy problems. The major disadvantage of exclusive policy subsystems is that increasing epistemic sovereignty implies growing insulation from the contested terrain and wider public sphere. As the dominant advocacy coalition further contracts the scope of policy-conflict, exclusive policy subsystems are vulnerable to developing "self-referential policy cycles" [Nullmeier and Rüb, 1993]. Here, the institutional integrity of the policy subsystem becomes the dominant policy objective for ruling advocacy coalitions. In short, by narrowing the scope of policy conflict, advocacy coalitions also narrow their perspective on policy problems and the policy environment: under these conditions, advocacy coalitions increasingly succumb to conceptual blindness.

In a very real sense, partially inclusive systems combine the worst of both worlds. On the one hand, consensus on the framing of messy policy issues is fragile since advocacy coalitions enter the area of agreement from fundamentally different premises (see Chapters 6 and 8). In order to maintain agreement necessary for policy-making, advocacy coalitions need to ensure that policy debate does not thematise fundamental issues that would spark an intractable policy controversy. Policy debate, then, either becomes increasingly tangential to perceived policy problems or it dissolves into fundamental policy conflict. Either case undermines the actors' ability to formulate effective and expeditious policy responses. On the other hand, partially inclusive policy subsystems are not completely immune to conceptual blindness despite a wider spectrum of available policy strategies. Yet, the limitations of policy debate exacerbate tendencies towards conceptual blindness by partially muzzling criticism. Moreover, when things go wrong, the colluding advocacy coalitions blame each other. When this occurs, partially inclusive policy subsystems may develop into exclusive systems as one of the advocacy coalitions leaves or is subsumed into the dominant advocacy coalition.

Deinstitutionalisation and Expansion   Narrowing the scope of policy conflict either partially or absolutely provokes two counter-reactions in the contested terrain. First, the biased and selective construction of messy problems leaves policy solutions vulnerable to 'unanticipated consequences'.[12] As the policy subsystem develops, these unanticipated consequences will surface and lead to public management failures (see Box 5.2). Second, the crowding out of rival advocacy coalitions does not quell policy conflict but merely displaces it into the contested terrain or the public sphere. Excluded policy actors will find other, often less appropriate, ways of making their voice heard (see Appendix B). Both reactions reinforce each other in undermining the credibility and le-

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[12]Of course, these consequences are only unanticipated for advocacy coalitions stuck in their particular policy frame without the benefits of frame-based criticism and conflict.

gitimacy of the sovereign advocacy coalition: displaced policy actors will focus on and thematise policy failure thus exerting pressure on the ruling advocacy coalition.

This, then, creates a potential opportunity — similar to John Kingdon's "launch windows" — for expanding access to the policy subsystem. Again, whether or not policy actors can use this opportunity may depend on a number of external factors, not all of them predictable or controllable. Given the right type of external stimulus or event, policy subsystems become permeable and accessible. At this point, the policy agenda expands to include new definitions, approaches, and solutions of the messy policy problem.

Unlike Nullmeier and Rüb argue for monopolised knowledge markets, then, drivers of change in policy subsystems always are both endogenous and exogenous. More precisely, this conceptual framework suggests that change at any level occurs when developments and pressures in the policy environment meet a fertile policy debate inside the particular policy subsystem. This means that the dynamic external system events alone (for example the change of government) may not suffice to impose change on an insulated and policy subsystem. While external events may trigger a process that eventually leads to policy change within a subsystem, the debate and structures within the policy subsystem must be at a point in the development cycle that make advocacy coalitions and policy actors sensitive to competing ideas and framings of messy policy issues.

For sake of exposition, the life-cycle outlined above starts from an inclusive policy subsystem. However, there is no inherent reason that processes of institutional and policy change should originate in open and inclusive policy debates. Depending on institutional and ideational structures in the wider policy environment, cycles of change and transformation may originate at any point in the cycle. Moreover, given the significance of unpredictable external events on reform trajectories, the progression from on stage to the other in the cycle is not necessarily smooth. Rather, policy subsystems expand and contract in many different ways: smooth and gradual some of the time, bumpy and precipitous at others.

In sum, two central characteristics of contemporary policy-making (which form the basic assumptions of this conceptual framework) ensure that policy subsystems and the processes they structure never settle at an equilibrium. Instead, policy conflict contributes to the expansion and contraction of policy subsystems as policy actors contend for legitimacy and epistemic sovereignty in the contested terrain. On the one hand, incommensurable framings of messy policy issues give rise to irresolvable tensions between different types of advocacy coalitions. On the other hand, the inherent selectivity of frames implies that epistemic sovereignty fuels policy contention: left to their own devices, advocacy coalitions will succumb to their 'conceptual blindness' and be surprised by unanticipated consequences. Thus, policy domains are 'dynamic disequlibrium systems' where policy conflict drives (but does not necessarily determine) policy change [Thompson et al., 1990, Thompson et al., 1999].

Box 5.2 shows different forms of public management failure in terms of the cultural theory-typology of public management styles.

Box 5.2: Public Management Failures
In his book *The Art of the State*, Christopher Hood applies cultural theory to the analysis and practise of public management. As we saw in the introductory chapter of this thesis, Hood identifies four basic approaches to public management that correspond to the contending social solidarities outlined by cultural theory (*Bossism, Choicism, Groupism, Chancism*). Each of these public management styles, Hood contends, "...is likely to have its own inbuilt Achilles' Heel or characteristic path to collapse" [Hood, 1998, p.27].

Public management strategies based on *Choicism* mobilise the self-interest of public service providers. The downside of incentive-based public service provision, Hood contends, is that self-interest trumps collective or public interest. This leads to public management failures such as of corruption, front-line abandonment, and self-indulgence.

Bossism, the hierarchist approach to public management, suffers from excessive trust in authority and expertise. Here, belief in the infallibility of leadership discourages critical and careful scrutiny of policy decisions. As a result, errors go unnoticed or, if noticed, unquestioned. This, then, leads to spectacular, large-scale and expensive policy disasters. Examples include the Chernobyl nuclear accident or the Space Shuttle crashes.

The structural inability to bring disputes among egalitarians to an end, Hood maintains, is the major weakness of *Groupism*. Lack of either centralised authority or rules of engagement cause prolonged and festering disputes among rival factions of egalitarians. The associated management failure here is policy paralysis as contending factions descend into self-absorbed conflict sometimes only tenuously related to the policy issue at hand.

Last, the inherent apathy and quietism of fatalism lead to the characteristic public management failures of *Chancism*. Fatalist public management failings result from "...a cocktail of lack of enthusiasm, lack of disposition to take responsibility or to plan for apparently predictable events" [Hood, 1998, pp.43-44]. As a result, public management inevitably repeatedly fails to deal with (apparently) straightforward challenges. Furthermore, Hood argues that in crisis situations, the apathy and inability to improvise often exacerbate instead of ameliorate the crisis.

5.3 Addressing Weaknesses

One of the aims of assembling this bootstrapped conceptual framework for policy-oriented discourse analysis is to exploit the complementarities between the different approaches discussed in Part I of this thesis. Bringing together the strengths of the frameworks and approaches, it was argued, could help overcome the inherent weaknesses identified in the course of the discussion. How, then, does the conceptual framework address the problems of individual theories discovered in Part I?

In essence, the framework explores the role of policy conflict about messy issues in contemporary European policy domains by looking at both institutions and ideas. It does so by combining the insights and concepts from the (British)

policy network literature with the notions and instruments of the thinkers close to the *Argumentative Turn*. By locating policy processes in the "differentiated polity", casting "advocacy coalitions" as the main actors that vie for legitimacy in terms of incommensurable "policy frames", the conceptual framework has tried to achieve two interrelated goals: on the one hand, to place the insights of the*Argumentative Turn* into an institutional setting and, at the same time, to systematically integrate ideas, ideologies and worldviews into the policy network account.

Integrating the Advocacy Coalition Framework and Cultural Theory

While much of the material discussed in Chapters 2, 3 and 5 serves as the theoretical context for the conceptual framework, the backbone of the tool-box has emerged from combining central concepts of the Advocacy Coalition Framework with cultural theory. As we have seen, these two theories are richly complementary. Engaging both approaches with each other addresses a number of issues that have emerged in the course of the theoretical discussion of Part I.

First, by using cultural theory's typology of social solidarities to systematically analyse and classify advocacy coalitions and their associated policy frames, the discourse-analytical tool-box grapples with the issue of socio-institutional complexity in contemporary relations between state and civil society. The four types of advocacy coalitions (hierarchy, egalitarianism, individualism and fatalism) form a parsimonious set the organisational building blocks with which the analyst can reconstruct complex policy networks and policy communities. Just like the three basic parts of an Bohr's model of the atom recombine into different types of elemental atoms which, in turn, can reconstruct highly complex molecules, so can the three basic types of advocacy coalitions help map complex socio-institutional topographies of policy-making.

Second, applying cultural theory's typology of social solidarities to policy actors also deals pragmatically with the "spectre of relativism" raised by the *Argumentative Turn*. Assuming that the all knowledge is relative but that this relativism is constrained by the five ways of social organisation identified by cultural theory [Thompson et al., 1990], allows meaningful analysis of policy processes characterised by conflict over socially constructed knowledge. In a very real sense, all approaches discussed in Chapter 4 assume that perception and knowledge are socially constructed but that political constituencies can agree and successfully act upon this knowledge without necessarily committing an act of illegitimate oppression. This implies that actors' perceptions, assessments and judgements of messy policy problems are right at least some of the time. Extending cultural theory's typology of social solidarities to advocacy coalitions simply provides a tool for analysing how, when and why policy actors will be right and wrong about complex, uncertain and tranversal policy problems. More importantly, however, constrained relativism creates a theoretical space (and the conceptual tools) for critical analysis of policy conflict: unlike more fundamentalist post-modern analysis, the conceptual framework assumes that systematically thinking about frame-based policy conflict can avoid policy mess.

Third, the integration of cultural theory with the Advocacy Coalition Framework also irons out some of the creases in either approach. As we have seen,

cultural theory provides the Advocacy Coalition Framework with a theory of what distinguishes advocacy coalitions and what motivates their mutual antagonism. The typology of advocacy coalitions, then, grounds differences in policy-belief systems in the patterns of transactions that constitute advocacy coalitions. Not only does this help structure the analysis of conflict in policy subsystems, it also introduces rationality (albeit of the plural and functional sort) to the Advocacy Coalition Framework. As we have seen, the original formulation of policy belief-systems relies on cognitive heuristics to explain deviations from instrumental rationality. Grounding frames in the social relations of advocacy coalitions provides four different yet legitimate bases for formulating rational policy arguments. In turn, the basic concepts and constructs of the Advocacy Coalition Framework operationalise cultural theory for use in policy analysis. The concept of the "advocacy coalition" gives concrete shape to cultural theory's more general notion "social solidarities". Likewise, the policy subsystems locates the mutual antagonism of social solidarities within specific and, more importantly, empirically tangible institutional settings. Additionally, this richer model of collective policy actors in the differentiated polity also goes some way toward addressing the paucity of agency in the MSA approach: the discourse-analytical framework allows for organisational complexity but also places policy actors into focus of the analysis. In sum, the Advocacy Coalition Framework brings to the fore the elements in cultural theory relevant to policy analysis and places them into an institutional setting while cultural theory provides the a theory of why and how advocacy coalitions conflict in policy subsystems.

Policy Frames

A central element of the conceptual framework devised in this chapter is the idea of a "policy frame" and the associated notion of the "policy story". Adopting these ideas from thinkers such as Deborah Stone, Donald Schön or John Dryzek has some beneficial implications for both the Advocacy Coalition Framework and cultural theory. As we saw above, Sabatier and Jenkins-Smith's three-tiered concept of the "policy-belief system" proved to be of little use for the analytical project of this thesis. Replacing "policy belief systems" with "policy frames" enables the analysis of conflict about messy policy issues in terms of competing social constructions of reality. Moreover, "policy frames" close the back-door Sabatier and Jenkins-Smith had kept open for instrumental rationality to slip in as enlightening 'technical information'. By the same token, however, the cost of using policy frames rather than the more structured notion of policy belief-systems is that Sabatier and Jenkins-Smith's mechanism for policy-oriented learning no longer works (see 5.5).

In terms of cultural theory, the concept of "policy frames" provides a meaningful way of operationalising cultural biases. A key element of the criticism levelled against cultural theory is the weak empirical evidence to support predictions of risk perceptions based on the cultural biases. Part of this weakness, so the argument goes, is due to the vague operationalisation of cultural theory's basic concepts for empirical analysis. The idea of policy frames and the concomitant methodological instrument of "policy stories", however, are a way of implementing cultural bias for empirical analysis far more congenial to the discursive character of cultural theory. On this view, cultural biases are fundamental principles that guide the collection, selection and interpretation of evidence

on any issue: they are, in effect, blueprints for assembling, formulating and constructing arguments within specific institutional and situational contexts. However, they do not in any direct sense determine the substance of specific attitudes. Rather, as Mary Douglas (following Ludwig Fleck) argues, it is better to think of cultural biases as "thought styles" [Douglas, 1987, Douglas, 1992]. Significantly, applying a thought-style is an eminently *social process*: it is a means of galvanising a group around a set of shared beliefs thus bringing about social cohesion. That is why it should not come as a surprise that attitudinal survey research has produced only weak support for cultural biases: cultural biases determine the way cohesive groups of policy actors come to reach common conclusions about messy policy issues in specific settings. Cultural biases, however, do not determine the conclusions in any absolute sense. Policy frames and the investigative tool of policy stories, then, allow the analyst to reconstruct the application of a "thought-style" to a particular policy issue. The aim here is to understand how policy frames (or cultural biases) shape the process of social cogitation about, engagement with and argumentation over a messy policy issue. Once the policy story — that is the concrete application of a cultural bias to an issue within a specific socio-institutional setting — is reconstructed, the analysis allows some prediction concerning agreement and disagreement within the policy debate.

In this way, the discourse-analytical framework identifies structure and, therefore, constraints in the reservoir of policy ideas and policy solutions that is constituted by contending policy frames. Unlike Kingdon's primeval soup of policy solutions in which ideas and concepts seem to float freely waiting to recombine or decompose, the policy solutions in the triangular reservoirs are not necessarily compatible. These ideas and concepts are rooted in fundamentally contending policy frames that support incompatible forms of social organisation. Recombination, then, requires innovation, application and adaptation of solutions to different concepts.

Nested Policy Space and Change in Policy Networks

Further, extending of the spatial model of the policy environment to three layers of nested policy space attempts to adapt the Advocacy Coalition Framework to the realities of contemporary European policy-making. As Parsons (1995) rightly points out, Sabatier and Jenkins-Smith's original concept of "policy subsystems" assumes them to be open and intrinsically pluralist spaces. While this may be true for the US contexts in which the Advocacy Coalition Framework has been developed and tested, this is of limited relevance for the institutionally more insulated policy networks that characterise European policy-making. As Rhodes' continuum suggests, different patterns of resource dependencies between different types of institutions give rise to policy networks that are more or less accessible for specific policy actors [Rhodes, 1990, Rhodes, 1997]. This builds on and extends Nullmeier and Rüb's idea of closed and open "knowledge markets": for policy-making in Europe, it is important to be able to identify who is 'inside', who is 'outside but interested' and who is 'outside' the policy process. What is more, the idea of policy debate in the contested terrain sharpens the vagueness identified in Nullmeier and Rüb's "knowledge market" while preserving the spirit of knowledge-driven competition for power.

Last, the conceptual framework also tries to illucidate the role of frame-

based conflict in processes of institutional and policy change. This, then, responds to the justified criticisms identified in Chapter 2 concerning the static nature of policy network and policy community theories. In particular, the conceptual tool-box concentrates how policy conflict within policy domains and policy subsystems can create the conditions in which advocacy coalitions become susceptible to change initiated either within the contested terrain or from outside the policy domain. The aim here is not to explain the process of institutional and policy change as a whole. Rather, the theoretical analysis sought to understand the role of frame-based conflict about messy policy issues in the socio-institutional evolution of European policy domains. This, then, is largely an exploratory exercise in hypothesis-building rather than theory testing.

5.4 Methodological Considerations in Applying the Framework to Policy Issues

The case studies in Part II of thesis will apply this conceptual framework in two basic ways. First, Chapters 6, 7 and 8 will apply the conceptual tool-box for policy-oriented discourse analysis to gauge the scope and analyse structure of conflict about messy policy issues in the contested terrain of three policy domains. Second, Chapter 9 applies the more dynamic and exploratory analysis of conflict and policy change to continental European pension reform processes. Both applications of the discourse-analytical framework have different methodological implications.

Gauging the Scope and Structure of Policy Conflict

The aim of this application of the discourse-analytical framework is to map the landscape of policy conflict in a particular policy domain. This involves probing both the scope and the structure of policy conflict. Here, the scope of conflict refers to the basic types of policy argument within a contested terrain. The structure, in turn, refers to the areas of agreement and disagreement between different policy frames on the issue in questions.

In practise, this implies three analytical tasks. First, the analysis involves identifying the contending advocacy coalitions in the contested terrain. Second, main part of the analysis requires unearthing policy arguments associated with each advocacy coalition. Here, the analysis identifies and reconstructs contending arguments championed by each advocacy coalition. Last, the analyst needs to juxtapose and systematically compare contending policy arguments in terms of their areas of agreement disagreement.

The basic method used to sound out the scope and ascertain the structure of policy conflict is the *policy story*. As we saw above, this approach allows the reconstruction and standardisation of policy arguments from a wide range of sources. Essentially, policy stories break down (or analyse) policy arguments from a range of sources and contexts into common and comparable categories. Policy stories encapsulate and convey the essence of both the factual substance and argumentative style that underlies the policy arguments proffered by different actors within contending advocacy coalitions. What is more, policy stories provide a comparative framework for analysing policy arguments across time, space and a wide range of boundaries (advocacy coalitions, national, regional,

policy domain, etc.). The policy stories method reconstructs policy arguments as coherent narratives by breaking them down into the following comparative categories:

- The Setting: here, the analysis unearths the basic assumptions guiding the narrative;

- The Villains: this category helps isolate the way a particular advocacy coalition and their associated policy frame define a policy issue. Here, the analyst will reconstruct the way members of advocacy coalitions perceive causality as well as apportion blame for the policy issue in question;

- The Heroes: Each policy problem also implies a suitable policy solution. This category concentrates collating on the proposed solutions both in terms of measures, institutional responsibility and implementation pathway;

Reconstructing policy stories requires data in the form of text. This means that the basic unit of data is a *public argument* which comprises ". . . a set of reasons given in support of something" [Pearsall, 2002] in the context of a public debate on a contentious issue. Textual arguments come in many different forms and can be found in many different socio-institutional contexts. The three criteria of data eligibility and validity that emerge from these conditions are:

- Data must be in textual form: this includes anything that can be transcribed into text;

- Data must be argumentative;

- Data must be publicly accessible;

These conditions do not disqualify statistical or other forms of numerical data *a priori*. However, they do stipulate that statistical data in an of itself has no explanatory significance.[13] Rather, the policy story method understands and analyses statistical data as part of an argument within a debate. Thus, it is the performative aspects of statistics in a specific debate onto which the policy-story method focuses the analysts' attention.

Box 5.4 outlines the primary sources of textual data for this thesis.

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[13]Again, note that this is not the same as saying statistics on their own are not significant. However, an analysis guided by the policy-story method would look to reconstruct the political story that the statistics are trying to tell. This, then, is an inherently interpretative and hermeneutic exercise

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Box 5.4: Sources of Data and Types of Analysis The three main sources of textual data for this thesis are:

- Policy documents: this includes material such as white papers, green papers, mission statements, briefing papers, conference proceedings, minutes of meetings, position papers, communications, etc.

- Semi-structured expert interviews: In the framework of the PEN-REF project, country teams conducted expert interviews with pension policymakers. The questionnaire (see appendix ?? was common to all interviews. However, given the open-ended nature of these questions, actual interview varied across and even within countries.

- Academic and research outputs: Last, the thesis has relied on academic and research outputs both as primary data (i.e. as instances of public policy arguments) as well as secondary background and commentary.

The status of data source depends on the type of analysis.

The analysis of the data itself involves interpretation and categorisation of the text at three interrelated levels. First, the analysis interprets and classifies the immediately accessible content of the text. Second, the analysis delves deeper in an attempt to reveal the underlying normative assumptions and social commitments that inform the text. Here, cultural theory's typology of advocacy coalitions and policy frames provides indicators (for example the "myths of nature") for unearthing implicitly arguments at the constitutive level. Last, the analysis scrutinises the performative functions of the text in galvanising support in the advocacy coalition and vying for legitimacy in the contested terrain.

In terms of sources of textual data, the reconstruction of policy stories relies mostly on policy documents and academic literature. Since the case studies were not designed with comparability in mind[14] the sampling structure and criteria differ. Chapter 6 concentrated on European transport policy actors and international transport researchers that had thematised or addressed the issue of accessibility. Chapter 7 represents a literature survey among researchers of the (then) emerging field in environmental security. Chapter 8, in turn, purposely limited the sample to international organisations active in the pension reform debate. The aim here was to contrast debate among these international organisations with policy debates at national level to ascertain the agenda-setting impact of international organisations on social policy issues traditionally firmly within the purview of national government.

Charting Movement and Change in Contested Terrains

The second, more exploratory application of the discourse-analytic framework in Part II aims to trace movement and change at both institutional and policy-making levels. Whereas the analysis of Chapters 6, 7, and 8 use the framework to chart the scope and structure of policy conflict, Chapter 9 attempts to understand the role of frame-based policy conflict in continental European pension reform processes.

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[14]Recall that these case studies are independent articles published in a time period spanning about eight years.

This requires adopting a more variegated methodological strategy. Essentially, investigating the role of policy conflict in the evolution of policy domains and policy subsystems involves the following:

- describing the social system under investigation at (at least) two different points in time;

- showing that there has been change in important variables from one point in time to the other;

- explicating the role of policy conflict in moving the social system moved from one state to the other.

The dynamic analysis of continental European pension reform in Chapter 9 attempts to explain reform of pension systems in terms of changes in the two dimensions discussed in the preceding chapters: institutions and ideas. First, the analysis focuses on the way interorganisational and interpersonal patterns of transactions developed over the course of 10-15 years. Second, the analysis looks at the changes in the scope and structure of policy debate about demographic ageing over the same time period. Thus, after showing how institutional and policy debates differed in continental European pension policy-making, the analysis attempts to isolate and explain the contribution of frame-based policy conflict to this process of transformation.

Each of these dimensions requires a different methodological approach. Analysing the social relations of pension policy networks necessitates undertaking a qualitative social network analysis. Gauging the change in the scope and structure of the contested terrain of pension policy-making in continental Europe calls for the methodological approach outlined in the previous section. Last, understanding the role of policy conflict in the transformation of pension policy processes required using the dynamic framework designed above.

The data for the exploratory dynamic analysis is also essentially qualitative and textual. Given the requirements of a pluralist methodology, Chapter 9 draws on all three sources of textual data: policy documents, expert interviews and academic literature/ research outputs. In sounding out the scope of policy conflict, Chapter 9 relies mostly on policy documents, using data from expert interviews to corroborate and emphasise specific aspects. The qualitative network analysis relied mostly on information about interorganisational and interpersonal relationships gleaned from expert interviews (see appendix C) and academic literature. In reconstructing historical developments in pension policy domains, the analysis used academic sources to corrobarate and examine individual expert accounts of the development.[15].

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[15]However, the policy frame used by individual expert actors in the contending advocacy coalitions also provides the perceptual filters for making sense of past as well as present and future events. What was recounted to me (and the other interviewers in the PEN-REF country team) was a heavily edited account of historical developments that served to justify current policy arguments, strategic engagement and social commitments. For example, experts in the German social security administration all agreed on the source of all woes in the German public pension system: not demographic ageing or globalisation but the alleged misappropriation of social security funds by the Kohl administration in order to finance reunification without having to raise taxes overtly was to blame, see Chapter 9

5.5 Conclusion: Open Questions and Issues

This chapter concludes the discussion of the theoretical background and the conceptual reservoir of the thesis. Against this backdrop, this chapter has assembled a bootstrapped and pluralist conceptual framework for identifying and systematically comparing contending frames in European policy domains. The purpose of this discourse-analytical framework is to analyse the nature and role of policy conflict about complex, uncertain and transversal policy problems in contemporary European processes.

In order to develop this bootstrapped conceptual framework, Part I has focused on two broad streams in the policy science literature. On the one hand, Chapter 2 discussed approaches designed to analyse the "differentiated polity". On the other hand, Chapter 3 looked at recent theoretical contributions that aim to reinstate the analysis of ideas, ideologies and worldviews to public policy analysis. In Chapter 4, the thesis analysed five different social scientific approaches that explain contemporary policy-making in terms of the interplay between institution and ideas.

The discussion in Part I has highlighted the specific strengths and weaknesses of each approach. More importantly, the discussion has demonstrated that the approaches are complementary in important ways. The objective of this final chapter in Part I of the thesis was to find a way to make use of these complementarities. By building on synergies between the theories and by neutralising identified weaknesses as much as possible, this chapter has assembled a set of concepts and tools for systematic policy-oriented discourse analysis. In particular, the conceptual framework facilitates two related types of analysis:

Sounding out the *scope* and *structure* of frame-based conflict in the policy debates about messy policy problems. Here, the conceptual tool-box provides a framework for identifying, analysing and comparing contending advocacy coalitions and their policy frames. By reconstructing the policy stories competing policy actors use to vie for legitimacy in the contested terrain, the analysis can map the extent as well as the limits of policy conflict. Moreover, systematic and comparative analysis of contending framings of messy policy problems allows the exploration of potential areas of agreement and compromise. This type of analysis, then, maps the landscape of policy conflict within a policy domain at any point in time;

Understanding the *impact* of policy conflict on the institutional transformation and policy change. This type of analysis enables retracing movement through and change of socio-institutional landscapes over time. The purpose of this analysis is to isolate the contribution of frame-based policy in the way structures and outputs of policy subsystems evolve. This requires comparing the institutional and ideational structures of contested terrains over time as well as understanding the way frame-based policy conflict promoted this evolution.

While the conceptual framework addresses issues and weaknesses of the approaches discussed in Part I, there are still a number of open questions. Most of these relate to the dynamic account of institutional transformation and policy change outlined in the sections above. We have seen how policy conflict in an

inclusive contested terrain potentially gives rise to dynamic processes of institutional and policy change. However, the dynamic processes initiated by policy conflict on their own do not *explain* the transformation of institutional structures and policy contents. While policy conflict creates a basic predisposition towards change within policy subsystems and the contested terrain (either by miring policy-making in a "dialogue of the deaf" or by creating self-referential policy cycles that lead to policy failure) a number of other internal and external factors determine whether, how, and to what effect policy subsystems embark on a reform trajectory.

A more comprehensive explanation of institutional and policy change would need to address the following issues:

External Events, the Wider Institutional Environment and Policy Conflict: The conceptual framework concentrates on analysing policy conflict and its impacts within specific policy domains. What is more, the tool-box has not been overly explicit about the relationship (structural or otherwise) between specific policy domains and the wider public sphere. For this reason, a more complete explanation of change would need to address the following questions:

How do socio-economic and political institutions at European or international level affect policy conflict at the level of policy domains and policy subsystems? Europeanization and globalisation impinge significantly on policy-making within specific policy domains. Both the concrete institutional changes at European level and the less tangible but nonetheless significant impacts of socio-economic globalisation provide advocacy coalitions with a wider repertoire of organisational and ideational resources. What is more, many policy domains, such as food safety or global climate change, have been transported into national public spheres by the processes of Europeanization and globalisation. It is unlikely, then, that increasing interdependence at political, social and economic levels will have no discernible effect on policy conflict within specific policy domains. Understanding the mechanisms and regularities by which these different levels interact must be an integral aspect of any general explanation of institutional change in European policy domains.

How do institutional structures and networks at national or regional level impinge on policy conflict? Despite many observers forecasting the imminent demise of the nation state in Europe, national policy contexts remain a central focal point for policy-makers and policy actors. This is true even when advocacy coalitions in any given European policy domains span regional and national borders. National governments continue to provide institutional platforms, and thereby resources, for policy formulation and policy implementation. The institutional structures and practises within the wider policy environment at national level, then, are likely to channel material and immaterial resources into and out of individual policy domains. The overall institutional and ideational make-up of national polities determines the shape, speed and direction of these resource flows.

How do different types of national or international political institutions give rise to different types of external events and how do these affect conflict at policy domain level? Recall that, following Kingdon, external events

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and shocks precipitate institutionalization or deinstitutionalisation processes in the conceptual framework: here, external events catalyse and focus pressures for change within policy subsystems (either *Reformstau* or policy failure) thereby triggering dynamic adjustment processes. Different types of political and socio-economic institutions may conceivably give rise to specific types of triggering events within policy subsystems. For example, the European Court of Justice produces different types of potential triggering events than labour unions in high corporatist policy environment. Moreover, depending on the level if integration within the international and national policy environment, different types of policy domains may be sensitive to different types of triggering events and external shocks. For example, while the so-called assessment reports of the IPCC have a considerable impact on the structure of policy conflict in the national or European policy debate on global climate change, the WHO policy document on active ageing has a far less direct and more atmospheric impact on domestic policy domains dealing with ageing issues [World Health Organisation, 2002, Ney, 2004b].

Responding to these open questions would necessitate extending the theoretical and conceptual range of the bootstrapped conceptual framework. In particular, the conceptual framework would need to take literature into account that examines and compares national policy-making mechanisms across different countries. This includes work on the comparative political economy and comparative politics of policy-making in European countries as well as the process of Europeanization [Synder, 1999, Tonra, 2001, Knill, 2001]. Moreover, understanding how international institutions and the process of socio-economic globalisation impinge on frame-based conflict within policy subsystems requires integrating insights from contemporary theories in international relations [Held, 1995, Holden, 2000, Keohane and Nye, 2001], international political economy [Vogel, 1998, Ayres, 2002, Przeworski, 2003] as well as institutional and ideational globalisation [Hall, 1998, Hall, 1997, Blyth, 2002].

Contested Terrains and Policy Subsystems: Although the approach has focused on the interplay of institutional and ideational structures in contested terrains and policy subsystems, there are still a number of open issues.

> *What institutional and ideational factors determine the accessibility of policy subsystems and contested terrains?* Accessibility is a central feature of the dynamic processes outlined above. However, the exposition has not specified the institutional and ideational characteristics that promote or hinder accessibility. Design features of macro-and meso-political structures (i.e. the party system, modes of societal mobilisation, social capital, electoral systems at any level of governance, public management structures, etc.) are likely to have a significant impact on the accessibility of any given policy subsystem. What is more, the impact of these socio-political institutions is refracted through the other types of institutions, most notably economic structures.

> *What are the institutional and ideational conditions that lead to a "dialogue of the deaf" in inclusive policy subsystems or to break-down in exclusive policy subsystems?* Similarly, the approach does explicitly not touch on

the institutional and ideational conditions that cause the deterioration of debate into a "dialogue of the deaf" leading to a policy deadlock. It is conceivable that the nature of policy issues, the structure of network constellation in the policy subsystem, as well as the argumentative culture could promote or prevent the degeneration of policy debate into impasse. By the same token, there may be organisational constellations or discursive practises that could ameliorate or retard potential policy failures due to conceptual blindness in exclusive policy subsystems. Again, it is conceivable that institutional and ideational characterists may render exclusive policy subsystems feasible.[16]

How do organisational structures and discursive practises in contested terrains affect the speed and direction of adaptive trajectories? Existing institutional structures and discursive practises are likely to provide the organisational and ideational resources that policy actors use to bring about reform. In this sense, institutions and practises determine at least some of the direction of change and transformation [Pierson, 1994, Pierson, 1996, Pierson, 2001]. A more comprehensive and general account of institutional change in the differentiated polity needs to examine the impact of path dependencies.

Addressing these issues requires extending the conceptual framework to include tools and methods that allow a more detailed analysis of the interrelationship between organisational structure and discursive practise. Analysing the impact institutional and network structures involves including work on network theory and social network analysis [Koppenjan and Klijn, 2004, Bogason, 2000, Wasserman and Faust, 1994] as well as on systematic accounts relating institutional structure to decision-making (such as [Steinmo et al., 1992]). Understanding the nature and role of discursive practises in contemporary European policy processes requires the integration of the theoretical and empirical work on discourse in European policy-making [Berman, 1998, Berman, 2001, Schmidt, 2000, Schmidt, 2002, Schmidt and Radelli, 2004, Howarth et al., 2000, Sikkink et al., 2002]

Learning: By replacing Sabatier and Jenkins-Smith's notion of "policy-belief systems" with the more amorphous concept of "policy frames", the schematic mechanism of 'policy-oriented learning' is not conceptually feasible. However, the conceptual framework has not replaced the idea of policy-oriented learning with another, more suitable notion. Thus, the following questions still require attention in future:

How do ideas and knowledge get transferred across contested terrains and policy subsystems? At present, the conceptual framework suggests that learning takes place when members of advocacy coalitions import new concepts and ideas horizontally (i.e. from other policy domains) or vertically (i.e. from other levels of governance). Understanding these learning processes will require a detailed analysis of how advocacy coalitions as well as the insti-

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[16]However, the extension of the conceptual framework for analysis of pluralist democracy in the Conclusion hypothesises that some structural features are more likely to give rise to a "dialogue of the deaf" than others.

tutional and ideational structures of policy domains (see above) promote
or hinder this flow of knowledge.

How does learning within policy frames and policy stories take place? A far
more involved issue concerns learning within policy frames. In other
words, this analysis aims to ascertain how policy interactions affects the
policy frames and policy stories that advocacy coalitions champion.

*How do advocacy coalitions forget? Similarly, an more comprehensive account
of socio-institutional change needs to understand how advocacy coalitions
forget the lessons ostensibly learned from policy-making in the past.* The
historical record of policy-making in Europe provides no reason to assume
that policy conflict and policy interaction contributes to social, intellectual
and cultural progress punctuated by occasional bottlenecks. Rather, a
comprehensive account of change needs to be able to be able to retrace
policy evolution in any direction.

This, then, requires broadening the conceptual scope to include theoretical and
empirical literature on policy diffusion [Berry and Berry, 1999], social learning
[Rein and Schön, 1994] as well as a more thorough engagement with the micro-
sociological aspects of cultural theory [Douglas, 1982, Mars, 1982, Douglas, 1987,
Douglas, 1992, Douglas, 1996].

The following chapters will apply this framework to a range of different
issue areas. The first three chapters of Part II apply the framework primarily
as a means of gauging the scope and analysing the structure of conflict about
messy policy issues for each domain (European transport policy, environmental
security, and pension reform). Chapter 9 concentrates on reconstructing and
understanding the dynamics of pension reform processes in continental Europe.

Part II

Case Studies

Chapter 6

Understanding Accessibility

Accessibility is a key, if not the key concept in transport policy-making. Common sense would suggest that investment into roads, rail, public transport, and aviation infrastructure should increase and widen individual's ability to access locations.

Yet, accessibility, in keeping with transport policy objectives in general, is an ill-defined and multi-faceted concept. There is little or no consensus in the wider policy debate that accessibility is a policy goal worth pursuing. Even among those who agree that accessibility is a 'good' (as opposed to a 'bad'), the concept shows remarkable resilience to concrete application, a characteristic it shares with other concepts both in transport policy and in other policy arenas. What is more, the notion of accessibility is closely linked to notoriously difficult policy concepts such as mobility, need, and well-being. In short, the idea of accessibility contributes to making transport a complex, uncertain and transversal policy problem.

Depending on the policy context and the level of policy argument, accessibility means different things to different types of policy actors. Understanding the role the term accessibility plays in transport policy deliberation means that we come to grips with two dimensions of transport policy-making: first, the different possible uses of the term, and, second, the socio-institutional policy contexts in which policy actors apply the idea of accessibility. After briefly outlining the European transport policy issue in Section 6.1, in Section 6.2 we will disaggregate the use of the term accessibility at two analytical levels. At the *semantic* level, we will look at the set of problems and issues the term highlights. At the *normative* level, we will scrutinise the different implicit and explicit normative assumptions that underlie the concept of accessibility.

An analysis of this type is, however, insufficiently dynamic. In a very real sense, the state of confusion that characterises transport policy debates relates to changing perceptions concerning the social benefits of modern transport in particular and of industrial society in general [Banister and Button, 1993b, Banister, 1995]. The impact of what Ronald Inglehart calls "post-material" values on transport policy deliberation has thrown some of the central concepts of transport policy-making into sharp relief. Whereas policy-makers would not have questioned the inherent desirability of increased mobility, accessibility, and increased average journey speeds twenty-five years ago, it is not at all clear that accessibility, say to a wildlife reserve for recreational purposes, is a policy goal

worth striving for today. In short, the entrance of a new policy story into the political fray has undermined conventional certainties in transport policy-making.

In Section 6.3, then, we will apply the conceptual framework for policy-oriented discourse analysis developed in Chapter 5 to fathom the scope of conflict about European transport policy. In particular, the section will use the cultural theory-inspired typology of advocacy coalitions and their policy frames to reconstruct and compare competing policy stories about accessibility. Section 8.3 looks at how the scope of policy conflict shapes the European transport debate. This section will explore the structure of policy conflict about transport policy. The section shows how conflict in European transport policy is endemic and intractable because it emerges from fundamentally incompatible framings of accessibility. In the final section, the chapter scrutinises the potential impacts of frame-based conflict on policy-processes in the subsystems. The conclusion, then, will try to draw some policy-relevant inferences for transport policy-making in Europe.

6.1 The European Transport Policy Issue

As a public policy issue, transport in Europe has much in common with many other policy spheres. Like many currently disputed issues, the developments in European transport that policy-makers, researchers, and the public alike welcomed as firm evidence of socio-technical progress not even two decades ago are now disputed, contentious, and politically divisive. Transport policy, a one-time symbol of European policy-making prowess along with social and industrial policy, has become a messy policy domain embroiled in divisive conflict. Unlike many other policy spheres, such as global climate change, the problems in transport policy are, it would seem, fairly evident and immediate (anyone who lives in a European city will readily agree). Indeed, most contemporary transport policy literature, whether it be a European Union policy-document, a critical scholarly analysis, or a populist call to arms, begins by pointing to very similar phenomena.

There are four sets of phenomena that characterise developments in the European transport sector: the rapid growth in transport demand, the modal shift that satisfies this demand, the changing patterns of land use, and the increasing social costs of these developments.

Increasing European Demand for Transport

Transport demand in Europe (including Eastern Europe) has experienced rapid growth since World War II. "Our welfare societies", contend Veli Himanen and Pieter Nijkamp and J. Padjen, "have apparently generated a complex array of contact patterns (material and immaterial) which require physical interaction at an unprecedented scale" [Himanen et al., 1993, p.8]. They describe the spatial development of Europe in terms of a "geography of movement" [Himanen et al., 1993, p.2]: the demand for the movement of goods and people in Europe is at a historically unprecedented level and will continue to rise in the future.

Passenger transport, the European Commission, surmises, has become a growth industry. Not only has the passenger transport sector consistently out-

performed the economy as a whole (growing faster than average Gross Domestic Product by about 1 percentage point), it has also increased its spatial scope with average journey distances virtually doubling from 16,5 km in 1970 to 31,5 km in 1993. At present, transport constitutes about 7% of GDP in the European Union [Commission, 1995b, p.2].

The figures for freight transport are very similar. Over the past three decades or so, demand for the movement of goods has increased from 700 000 million tonne-kilometres in 1981 to ca 1 100 000 million tonne-kilometres in 1994 [of Ministers of Transport, 1998a]. This trend is set to continue: the European Commissioner for transport, Neil Kinnock, foresees a 70% rise in freight movement in the next seven years [Kinnock, 1997a, p.1].

Meeting Demand on the Road

The expansion of road transport, both in terms of privately owned cars and heavy goods vehicles, has absorbed most of the spectacular rise in transport demand to the detriment of other transport modes [Himanen et al., 1993, Banister and Button, 1993b, Commission, 1995a]. The flexibility and independence a private car affords has led to a situation where cars are responsible for three-quarters of all passenger kilometres travelled in the European Union [Commission, 1995a, p.1]. By the same token, the changing nature of logistics and stock management (e.g. just-in-time distribution) confer a comparative advantage onto road haulage [Banister and Button, 1993b, p.3].

The numbers are impressive. In Britain alone, the Department of Transport (DoT) predicts an increase in road traffic of 83%-142% in the next thirty years [Schofield, 1993, p.117]. A three-fold increase in car ownership in Britain, Bert Morris argues, will meet increasing demand for passenger transport. In Austria, the traffic on motorways is set to increase by 37% between 1993 and 2000 [of Ministers of Transport, 1998b]. At the European level, Kinnock maintains that road haulage will take the lion's share of the predicted 70% growth in demand thus increasing its share in freight transport from 70% to 80%. At the same time, he continues, railways' share of passenger and freight transport has fallen from 10% to 6% and 32% to 14% respectively [Kinnock, 1997b].

Changing Patterns of Land-Use

Another distinct feature the European transport policy issue are the changes in land-use patterns that have both caused and exacerbated present transport trends. All major European cities, maintains Peter Hall, have decentralised since World War II [Hall, 1995]. David Banister and Kenneth Button argue that extortionate prices for inner city housing, a general increase of income levels and the consequent desire to own a car, as well as people's (somewhat abstract) desire for space have depopulated urban areas [Banister and Button, 1993a]. This suburbanisation and de-urbanisation of residential housing and employment has fundamentally altered transport behaviour. As a result, complex and longer car journeys have replaced the "simple journey-to-work pattern" [Banister and Button, 1993a, p.2] leading to more road-based traffic. The net result, Hall maintains, has been a significant increase in journey lengths with

no obvious savings in journey times despite ever increasing capacities for speed in all transport modes [Hall, 1995].

The Social Costs of Rapid Transport Growth

Whereas policy-making conventionally assumed that the inherent benefits of transport systems invariably outweighed their costs by several orders of magnitude, the public, researchers, and some policy-makers have gradually become more critical. In the last two decades, there has been a growing awareness that the benefits of transport may no longer justify the costs it incurs. In general, the transport literature identifies three types of social costs associated with the transport system: congestion, pollution, and accidents.

The combination of rapid growth in transport demand, the modal shift towards road transport, and the changing patterns of land-use have produced significant congestion on European roads. Himanen, Nijkamp and Padjen speak of congestion as a "post-modern transport problems" because conventional transport policy options, that is increasing road capacity, are no longer open to policy-makers. European cities are close to their absolute capacity and observers increasingly point to the ineffectiveness of new road investment in reducing congestion [Banister and Button, 1993a, Himanen et al., 1993, Commission, 1995b]. The European Commission maintains that it

> "...is sometimes argued that the best remedy against congestion is to simply provide more infrastructure. Notwithstanding the need for additional infrastructure in Europe for other reasons, this statement is generally untrue: as motorists are discouraged from using a congested road there is a 'latent' demand which is triggered once extra capacity becomes available. In the long run congestion will persist" [Commission, 1995b, p.16].

Congestion incurs a cost: it hinders the mobility of people and goods. The European Commission estimates these costs to the European Union economy to be in the region of 2% of European Union gross domestic product.

Another interrelated set of social costs of transport emerge from increased pollution. The transport system, argue Banister and Button, causes environmental problems at the local, trans-boundary, and global level. At the local level, the noise from vehicles, be they cars, Heavy Goods Vehicles, trains or aeroplanes, has matured from being a mere nuisance to an environmental problem of significant proportions. At the transboundary and global levels, the emissions from road vehicles, aeroplanes, ships, and trains (in this case, indirect emissions) significantly contribute to phenomena such as acid rain, stratospheric ozone depletion, concentration of tropospheric ozone, and global climate change [Banister and Button, 1993a, p.4]. In terms of human health, the European Commission maintains that

> "...[a]ir pollution problems (e.g. ozone) in summer are requiring that, on more and more occasions, citizens across Europe have to refrain from outdoor activities. It is estimated that thousands of European citizens die each year from just one form of air pollution (particulate matter) – according to some studies air pollution from transport kills more than 6000 people in the United Kingdom alone" [Commission, 1995b, p.1].

Again, these developments represent a cost to society. The European Commission estimates that, excluding the costs of climate change, costs from air pollution amount to 0,4% of European Union gross domestic product and that noise pollution costs Europe 0,2% of aggregated European income. Last, European accident statistics show that increased transport demand, coupled with increasing vehicle capacities, has come at a grim price: the Commission reports that about 50 000 people are killed in transport accidents in Europe each year. The estimated financial costs of transport accidents is about 1,5% of European Union gross domestic product [Commission, 1995b, p.22].

6.2 The Concept of Accessibility

Understanding how different policy actors respond to the problems identified in European transport means that we have to come to grips with the basic terms used in the policy debate. In what follows, we will analyse the concept of accessibility both in terms of its differing semantic meanings and in terms of the different normative contents implied in varied uses of the idea.

Defining Accessibility: the Semantics of the Term

Ideally, policy debate should be based on terms and concepts that are clear to all policy actors. In reality, however, policy communication is more complex: basic ideas and concepts in transport discourse are vague and thereby always open to interpretation. The idea of accessibility is no exception. Policy actors, operating from within different types of advocacy coalitions (see Chapter 5), interpret the concept in terms of their particular frames. Yet, policy actors often deploy the term as if there were a hardened consensus on what accessibility means. Closer inspection, however, reveals that there is no clear, let alone unambiguous, definition of accessibility in the literature. In fact, policy actors more often than not will refer to accessibility without providing any definition.

At a very general level, accessibility refers to "...the ease with which people can travel to and from a particular location" [Banister and Hall, 1995, p.278]. Accessibility, then, is a characteristic or property of a location, an object, or a service. Work, shops, the public transport system, medical care, legal aid, and leisure facilities are things that can be more or less accessible.[1] The European Commission, while discussing public passenger transport, refers to 'system accessibility' as a desirable property of public transport systems:

> "Access to passenger transport is crucial. Improving *system accessibility* covers a wide range of areas. This includes the design of rolling stock and (intermodal) stations, linking residential areas to central trip-attracting activities (work, places, shopping, leisure activities), serving rural and peripheral areas and meeting the needs of people with reduced mobility" [Commission, 1995a, original emphasis, p.6].

At a general level, then, it would appear as if accessibility is a structural phenomenon: it is an attribute of objects such as locations and services.

Yet, as the last passage indicates, accessibility also describes individuals and groups of individuals. Researchers often use the term to discriminate between

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[1]Including, as we saw in Chapter 5, policy subsystems.

groups of individuals who, for a variety of reasons, have less accessibility to locations and services than others. For example, David Denmark speaks of the 'transport disadvantaged': these are people who "...have mobility and access problems" [Morgan, 1992, p.2, quoted in [Denmark, 1996]]. Who are these individuals? Denmark identifies them as being the "...poor, the elderly, the handicapped (sic) and especially those from minority groups" [Denmark, 1996, p.2]. The European Commission similarly uses accessibility to outline a particular social group. "Public passenger transport", the European Commission argues,

> "is particularly important for those who have no access to private cars, if they are to have access to employment, services such as shops and schools, to leisure activities, holiday destination and to family and social contacts" [Commission, 1995a, p.2].

Here, accessibility is something that certain individuals and groups possess and others do not: it is, in short, a second order level of accessibility referring to individual capabilities. Whereas structural accessibility assumes that individuals have access to suitable means of transport, this level of accessibility focuses on individual problems, due to disability or poverty, with access to transportation.

However, the neat distinction between structural (first-order) and individual (second-order) accessibility breaks down when policy actors apply accessibility to macro-level phenomena. In transport modelling, researchers are fond of using the concept to describe particular geographical and socio-economic regions. The SSASI model (Socio-Economic and Spatial Impacts of Trans-European Networks) , along with many other transport models, defines accessibility as the "...the relative locational advantage of each region with respect to relevant destinations in other regions and in the region as a function of travel time or travel cost (or both) to reach these destinations by the strategic road and rail networks" [Bökemann et al., 1997, p.12]. Intransparent wording aside, who or what exactly is more accessible is unclear. Is it the locations in a specific region? Or is it the individuals and groups of individuals (such as, say, enterprises, political groups, or families)? Is it the services this region offers? Or the region's the labour supply? Arguably, regional accessibility refers to both structural and human resource features simultaneously: regions have a comparative advantage because their individuals can access to means of transport and because their locations are embedded in a functioning transport infrastructure.

In sum, the literature is unclear about what the term accessibility means. On the one hand, the term depicts characteristics of locations and services. On the other hand, researchers also use the term to distinguish different social groups: those with full accessibility to services and locations and those with restricted accessibility to desired locations due to restricted access to transport. However, policy actors rarely keep these levels of aggregation and definition apart: often, as the SASI model illustrates, accessibility, when applied to socio-economic rather than purely geographical regions, points both to structural characteristics and individual capabilities.

Accessibility and Mobility

The idea of accessibility is very close to the concept of mobility both in terms of meaning and function in the transport policy discourse. Like the term ac-

cessibility, mobility plays a pivotal role in transport policy debates, be they of political or academic nature. Like accessibility, the meaning of mobility is fluid and fuzzy. What is more, the relationship between these two ideas in the literature is less than clear. A sensible 'division of labour' between the two concepts could mean that while accessibility predominantly describes the social and structural features of a particular location, mobility would be an indicator for the individual's ability to reach certain destinations.

A cursory overview of the literature, however, reveals that there are at least four different relationships between the concept of accessibility and the concept of mobility.[2] First, some researchers use the terms mobility and accessibility interchangeably. Denmark, while quoting Altshuler, suggests that "...mobility is most usefully conceived in terms of the ease with which desired destinations can be reached ..." [Altshuler, 1979, p.3, quoted in [Denmark, 1996]]. This definition of mobility is very similar to Hall and Banisters' definition cited above. Here, accessibility implies mobility and vice versa [Banister and Button, 1993a, Banister and Hall, 1995]: there is no necessary uni-directional causal link from one to the other. Accessibility is a precondition for mobility to the same degree as high mobility will indicate high accessibility.

A second relationship forges a direct causal link between the two terms. Here accessibility is a precondition of mobility. Access to transport, A. Downie argues, makes abstract concepts such as access to activities meaningful [Downie, 1994]. Here, accessibility becomes a functional condition (or, more philosophically, a transcendental argument) for mobility: without access (to, say, a car or to public transport) individuals cannot be mobile. Denmark similarly, if somewhat less forcefully, identifies mobility as

> "...a complicated function depending on a range of variables including access to a car as a driver or passenger; public transport availability, accessibility and relevance; location of residence in relation to required services and social outlets; the health of the person involved; the availability of paratransit or community transport; ability to pay for a suitable transport mode; and the existence of user or supply-side subsidies" [Denmark, 1996, p.5].

Although Denmark understands accessibility as one of many ingredients that make up mobility, the direction of causation is clear: the structural variable (accessibility) determines the individual variable (mobility).

A third relationship between accessibility and mobility in the literature reverses this causality. Rather than mobility depending on the accessibility of locations and services, it is accessibility that is shaped by the degree of individual or collective mobility. Quoting a National Roads and Motorists' Association (NRMA) study, Denmark surmises that transport disadvantage "...most commonly results in reduced mobility. This in turn, reduces access to essential services and resources including employment, shops, commercial and community services,   and   cultural   and   leisure   facilities" [National Road and Motorists Association's Public Affairs Group, 1995] quoted in [Denmark, 1996, p.5]. The logic of this relationship is as follows. A particular

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[2]Denmark, perhaps unwittingly, illustrates the fluidity of the two terms. Within one page, he refers to three different possible analytic relationships between mobility and accessibility [Denmark, 1996]

condition, such as disability or poverty, impairs individuals' mobility. Since individual's are not mobile, they cannot access desired locations and services: thus, mobility (individual variable) determines the accessibility (structural variable).

Last, Himanen, Nijkamp and Padjen, arguing in terms of welfare economics, conceive of accessibility and mobility as expressions of two incompatible economic principles: efficiency and distributional equity. Mobility, they maintain, "concerns the Spatial Movement (sic) of people and goods". Mobility is a crucial factor in balanced economic growth: it matches input factors in the production process as well ensuring an efficient distribution of final products. Conversely, accessibility "refers to the ease with which people can reach desirable facilities (e.g. schools, hospitals, work, recreation areas), and has as such direct distributional aspects". This, they continue, means that facilities such as schools, hospitals, shops, etc. ought to be equally accessible to all: in short, accessibility is a public good. However, the policy objective of providing efficient mobility as well as universal accessibility are ultimately contradictory: a Pareto-optimal distribution of transport resources will, in terms of welfare economics, not necessarily imply equal access to all locations and services [Himanen et al., 1993, p.10].

Why do policy actors and researchers conceive of and deploy the term accessibility so inconsistently, even within the same article or policy document?

Accessibility, Well-Being and Equity: the Normative Implications of the Concept

Policy actors define and use the concept of accessibility in fundamentally divergent ways because the concept is inherently value-laden. Throughout the transport policy literature, the link between transport (and the accessibility that accompanies it) and human well-being is a recurring theme. In the *White Paper on Employment, Growth and Competitiveness*, European Commission (1993) argues that Europe's

> "...ascendancy in the past was due to the quality of its communications networks, which gave its inhabitants easy access to natural and technical resources. By developing the movement of people and goods, Europe has been able to marry economic prosperity, quality of life and commercial efficiency..." [Commission, 1993, p.34].

What is true for regions is also seems to be true for individuals: Denmark, quoting Martin Wachs, argues that mobility is "...an 'essential service' for the elderly ..., critical to their physical, social and psychological well-being" [Denmark, 1996, p.5].

Yet, not all transport commentators agree that the relationship between modern transport and human well-being is positive. In his forceful polemic, Hermann Knoflacher points to modern transport 'madness' as the root of all contemporary human misery. The proliferation of motorways, coupled with incompetent town and city planning, have created misanthropic ("*menschenfeindlich*") environments: traffic noise deprives people of their right to a good night's rest, transport related emissions are poisoning humans and nature, and transport infrastructure not only insults the eye but also strangles local economic growth.

Well-being, particularly the distribution of well-being, is inextricably linked to questions of equity and fairness. As Himanen, Nijkamp and Padjen suggest in the passage above, accessibility, or the lack of it, has implications for an equitable distribution of burdens and well-being in a society. But what would an equitable distribution of costs and benefits look like in terms of accessibility? Again, different policy-actors resolve this question in various ways.

For some researchers and policy actors, equity means the fair allocation of costs between individual transport users. Here, there are no a priori differences between individual transport users: just as rational individuals enter the market on equal terms, there is nothing that intrinsically distinguishes one transport user from the other. This notion of transport equity, which Todd Litman calls 'horizontal equity', "...incorporates the concept that consumers should 'get what they pay for and pay for what they get' ..." [Litman, 1996, p.1]. Conversely, having others pay for the costs one incurs is inequitable. The European Commission, while addressing transport externalities, concludes that external costs

> "...imply that individual transport decisions no longer lead to an outcome that is desirable from the point of view of society as a whole. Moreover, the external costs are paid by others: tax payers implicitly end up footing the bill of road maintenance and health care due to damage from air pollution, whilst damage to buildings and crops results from acidification and other forms of pollution is paid by house owners, businesses and farmers. This is unfair and inefficient" [Commission, 1995b, p.5].

The message is clear: the more accessibility one wants, the more one has to pay.

Yet, is equity in accessibility always a question of matching demand and supply (or matching wants to purchasing power)? Other transport commentators point out that accessibility is more than a commodity: accessibility is a levelling device and therefore is synonymous with equity. Litman summarises this form of equity in the somewhat cumbersome term "vertical equity with regard to needs and ability". In particular, it is a measure

> "...of whether an individual is relatively transportation disadvantaged compared with others in the community. It assumes that everyone should enjoy at least a basic level of access, even if people with special needs require more resources per mile, per trip or per person." [Litman, 1996, p.1].

Here, providing equity means providing accessibility. By the same token, the absence of accessibility creates inequities. There is, then, a role (or even a duty) for transport policy in rectifying these perceived inequities. In this context, Denmark surmises:

> "Certainly, if a lack of appropriate transport is preventing some disadvantaged people from getting to government, commercial or community services it would seem reasonable that transport provision should be used as a tool to deliver equitable access" [Denmark, 1996, p.7].

The same normative implications of accessibility reappear at the macro-level: when discussing regional socio-economic disparities, policy actors apply the

same line of argumentation. In the European Commission, the idea of cohesion expresses interregional equity. Again, the tool for achieving socio-economic equity, or cohesion, is providing accessibility. The European Commission clearly links cohesion with accessibility when it maintains that

> "... if Europe is to reach its goal of regional cohesion, then each region should have access to the major markets of the European Union. This is particularly important for developing small and medium sized towns as a network of regional centres required for ensuring the availability of essential public services such as education and vocational training" [Commission, 1995a, p.3].

Unlike market-oriented approaches that conceive of equity as the fair distribution of costs incurred by accessibility, this view understands equity as a function of accessibility. What is more, the implications for transport policy differ considerably from more market-based ideas. Whereas the latter would rely on the 'invisible hand' to provide equity, the former envisages a strong role for active policy action: policy actors can deliver equity by providing accessibility via the transport system.

A third approach to accessibility and equity, however, is less optimistic. Rather than relying on the market or transport policy, this perspective identifies the locus of inequity within modern transport systems themselves. The Austrian transport expert Hermann Knoflacher, a vociferous proponent of this approach, perceives transport systems to be inherently inequitable. Transport infrastructure, he argues, intrinsically favour large-scale, centralised economic activity. Motorways, high speed rail links, and airports link strong economic centres thus bypassing small-scale local economic activity. The result, Knoflacher contends, is economic, social, and cultural dependence of peripheral regions on more central regions as transport saps local labour supply, destroys local businesses, and flattens regional cultural diversity. Accessibility, Knoflacher maintains, means little more than the appropriation of the small and indigenous by the large and centralised.

In sum, the term accessibility is extraordinarily difficult to pin down. In some contexts it refers to structural qualities, in others it describes individual attributes. In others still, accessibility characterises both structural features and individual capabilities. Yet, these differences do not stem from an inherent confusion or incompetence in the transport research community: indeed, these differences are not even random. As the preceding section has hopefully shown, accessibility is a value-laden concept inextricably intertwined with ideas of human well-being and equity. Values, in turn, are not empirically falsifiable and thus open to interpretation. As we saw in Part I of this thesis, interpretation does not take place in a social vacuum. In order to understand what the various definitions of accessibility mean for policy-making, we have to understand the socio-institutional frames and policy stories from which these definitions emerge.

6.3 The Scope of Policy Conflict in European Transport Policy-Making: Three Policy Stories

Where, then, do the differing definitions and interpretations of the concept of accessibility originate? How can we make sense of these conflicting perceptions of accessibility?

The following section applies the framework for policy-oriented discourse analysis to the policy debate about transport in Europe. The aim is to sound out the scope of potential policy conflict in European transport policy-making. In other words, this analysis maps the 'contested terrain' of European transport issues. Using the cultural theory-inspired typology of advocacy coalitions and their policy frames, this section identifies three competing policy stories about transport and accessibility: a hierarchical story about accessibility, regional development and social cohesion; an individualist story about horizontal fairness; and the egalitarian story about the corrosive effect of accessibility and contemporary transport systems. Each story —reconstructed int the narrative form — sets out from a distinct set of assumptions, identifies the villain of the story (the problem) and offers heroes (the solution) to save the day. In this way, each story constructs links of cause and effect; each story suggests a particular course of action. More significantly, each story defines accessibility in a different way.

Accessibility as Regional Development and Cohesion: a Hierarchical Story

For the most part of the post-World War II era, rational planning approaches, typically but not exclusively found in government hierarchies, have dominated the transport policy debate. Based to a large degree on engineering and economic models, the classical view of transport planning has defined the transport issue in terms of a purely technical problem to be conquered by the application of increasingly sophisticated technologies. On the conceptual level, these technologies comprise transport models with increasing numbers of variables; on the concrete level, the high speed railways, the high-tech aviation hardware, and the ever-increasing efficiency of motor cars bear witness to transport planning's belief in technology. Yet for all the apparent objectivity and rationality inherent in the classical transport perspective, the approach is based on some strong assumptions concerning accessibility.

The Setting — Basic Assumptions

The basis of rational transport planning approaches is that there is a strong positive link between accessibility, i.e. the ease by which individuals can reach desired locations, and economic growth. Banister and Lichfield see the clearest expression of this assumption in the logic of Classical Location Theory [Banister and Lichfield, 1995]. Here, the (monetary or utility) values of different locations depend on the location's degree of accessibility. Transport costs, this approach argues, are a key determinant of land and rental values. Moreover, land use is tied to the rent level in the market: changes in transport costs lead to changes in rental values which, in turn, affect land use. As a result, the

more transport costs have fallen, the less people are averse to longer journey distances: this logic explains the increasing suburbanisation trends in industrialised countries [Banister and Lichfield, 1995, p.7].

The underlying rationale of this approach was developed in the United States of the 1950s where researchers first started to systematically analyse the relationship between spatial organisation and location. Analysis of transport patterns United States cities of the late 1950s found that accessible locations were more likely to attract development than inaccessible locations. These findings suggested there was "land-use transport feedback cycle" meaning that land-use patterns depended on the location of human activities such as work, shopping, or leisure. The distribution of these activities implied a strong role for transport systems: in order to partake in desirable activities, individuals had to use the transport system [Wegener, 1995, p.157].

The classical transport management approach, then, accords a strong role to transport in spatial development. The common wisdom that emerged from these early transport studies was that

1. transport shapes cities;

2. transport policy affects the spatial organisation and development of cities;

3. transport is a function of land-use;

4. land-use policy influences transport [Wegener, 1995, p.159].

Moreover, these conclusions foresaw a strong role for rational transport planning. Since journey and location decisions were co-determinate, United States planners concluded that they had to consider transport and land-use planning together [Wegener, 1995, p.157]. If transport determines the development of locations, then the rational planning of transport could induce land-use patterns that would lead to economic growth. Conversely, a deterioration of transport systems leads to economic decline. The European Commission expressed these sentiments by arguing that transport networks

> "...are the arteries of the single market. They are the life-blood of competitiveness, and their malfunction is reflected in lost opportunities to create new markets and hence in a level of job creation that falls short of our potential"[Commission, 1993, p.19].

Increasing traffic volume, brought about by improved accessibility, necessarily becomes a sign of economic prosperity. For example, Bert Morris points to the strong positive relationship between income and car ownership [Morris, 1993, p.148]. The European Commission's "Common Transport Policy" (CTP) aims to promote regional cohesion, meaning the harmonisation of economic performance across different European regions, by producing, improving, and upgrading transport links: in short, cohesion is a function of economic growth which in turn depends on the provision of accessibility.

The Villains — Policy Problems

Whom or what does the hierarchical planning view make responsible for the transport policy issue?

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From this perspective, transport problems are little more than technical management problems. Bert Morris, a representative of the British Automobile Association (AA), somewhat predictably contends that car ownership is the key variable in the transport policy debate. In Britain alone, he continues, car ownership will dramatically increase in the coming years. In the light of an increasing number of cars on the road, future transport problems will emerge from congestion and system inefficiencies: he argues that urban congestion is the result of illegal parking and poorly planned roadwork [Morris, 1993, p.149 and p.152]. Similarly, the European Commission bemoans the slowing of transport infrastructure investment in Europe. What is more, they continue, the networks that do exist are poorly co-ordinated interregionally, internationally, and intermodally. "The fact that not enough attention has been paid to developing infrastructures", the European Commission avers, "is one of the reasons for the deterioration in the quality of life" [Commission, 1993, p.22].

In short, the classical planning view sees present transport problems as a purely technical issue of providing increasing degrees accessibility. On the one hand, lack of physical transport infrastructure not only jeopardises economic growth (in terms of the costs of congestion), but also individual well-being (pollution, loss of income) and regional cohesion. On the other hand, these tendencies are exacerbated by inefficient management of existing transport structures.

The Heroes — Policy Solutions

The diagnosis of transport problems in the classical planning view leads to clear policy prescriptions: the provision of more infrastructure and the efficient management of existing networks.

This is reflected in the objectives of the European Union's Common Transport Policy. First, the policy aims to reinforce the internal market by facilitating the free movement of goods and persons, an aim that can only make sense if there is a positive link between accessibility and growth. Second, the European Union plans to eliminate regulatory obstacles, hoping to encourage the development of a coherent and integrated transport system based on the best available technology. Third, the Commission will reduce regional disparities by providing accessibility to land-locked, island, and peripheral regions. Fourth, this development must be environmentally sustainable in terms of global climate change. Last, the new and improved transport system must be safe [Rienstra et al., 1997, p.273]. In sum, the European Commission proposes to promote "...new and better designed infrastructures, accessible to all citizens, will permit

- better, safer travel at low costs, and thus an increase in trade, while reducing costs and distances and creating scope for other activities;

- effective planning in Europe in order to avoid a concentration of wealth and population;

- bridge-building towards Eastern Europe, which is essential in order to meet requirements, step up investment, and promote trade." (p.39)

What does this mean in practise? Since accessibility means economic growth, of which increasing traffic volumes are an indicator, the policy-maker must maximise the full economic potential inherent in the growth of transport. In short,

the classical transport approach leads to more roads, railways, and waterways. The Trans-European Networks (TENs) Project of the European Commission foresees

> "70,000 kms of rail track, including 22,000 kms of new and upgraded track for High Speed Trains; 15,000 kms of new roads, nearly half in regions on the outskirts of the Union, to complete a 58,000 km or improved network already largely built; combined transport corridors and terminals; 267 airports of common interest and networks of inland waterways and sea ports" [Commission, 1998, p.1].

The total cost of the project, the European Commission estimates, will be no less than Euro 400 billion by 2010.

Efficient management of transport necessitates suitable rational planning instruments and tools. The assumption that policy-makers can direct regional development and economic growth by manipulating accessibility means that these phenomena must be amenable to quantification, modelling, and prediction. The tools, instruments and indicators of the classical planning approach reflect this belief.

Planning and allocation decisions in transport policy-making heavily rely on quantitative models based on discounting techniques such as Cost-Benefit-Analysis (CBA) and Multi-Criteria-Analysis (MCA).[3] The goal of transport models, such as the EUNET model sponsored by the European Commission, is to "...measure the impacts of transportation policies in general and specific transportation system investments in particular" [Bökemann et al., 1997, p.9]. Exact measurement and quantification of the socio-economic impacts associated with increased accessibility is necessary if planners are to assess the degree to which accessibility fosters economic growth. Furthermore, given the volume of expenditure in transport projects such as "...the Trans-European Networks (TETN) programme, the need for consistent prediction and rational and transparent measurement of the likely socio-economic impacts of major transport system improvements becomes obvious" [Bökemann et al., 1997, pp.8–9]. Three things are important here: first, the belief that transport systems are controllable; second, that complex transport phenomena are amenable to quantitative modelling and prediction; third, that rational models imbue the transport planner with control over highly complex social, economic, and political processes.

How do planners know they have fulfilled their objectives? In other words, how do planners define accessibility in the concrete terms of quantitative indicators? Again, the SASI project provides a good example of how planners translate the basic assumptions into functional model parameters. The SASI project aims to measure both the social and economic impacts of transport infrastructure investment as well as it contribution to European regional cohesion. Since accessibility means economic growth, the only logical indicator for the degree of accessibility is regional gross domestic product *per capita* [Bökemann et al., 1997, p.12]. Regional cohesion in turn, Dieter Bökemann, Roland Hackl, and Hans Kamar argue, is a more difficult concept to quantify: that is why "...the cohesion measures used in this study reflect the even or unevenness of the spatial distribution of socio-economic and accessibility indicators

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[3]For a critique of the use of such models in transport policy-making, see [Adams, 1995, Knoflacher, 1997].

among the regions" [Bökemann et al., 1997, p.34]. There are, then, three sets of indicators to cover both the social and the economic aspects of accessibility. The economic measure of accessibility is, as mentioned, gross domestic product *per capita*. Regional unemployment, in turn, measures the social availability of jobs. Last, the SASI project uses both income and regional unemployment as cohesion indicators on the European scale.

These indicators reflect the basic assumptions of the classical planning view. In the SASI model, accessibility is regional gross domestic product: the more accessibility, the higher gross domestic product. The qualitative dimensions of accessibility, such as the social exclusionary effects of poor public transport, low car ownership, etc. have been faded out of analytic perspective. In sum, the set of indicators are tied to a structural conception of accessibility.

Accessibility as Horizontal Fairness: The Market and Transport

In recent years, voices critical of the assumptions and policy prescriptions of the classical planning approach have increasingly found their way into the transport policy debate at all levels. Many of these voices question the validity of the classical planning ideology both in terms of its understanding of transport problems and in terms of its policy solutions. It may very well be, these critics argue, that the entire assumptional edifice on which planners have based transport policy for the past three decades is fundamentally flawed. In particular, many of these voices contend, the classical planning approaches have taken insufficient account of market mechanisms.

The Setting — Basic Assumptions

Rather than understanding accessibility and the transport system as a simple systems amenable to prediction and quantification, this approach suggests that accessibility is more complex. In this perspective, transport infrastructure investments exist within a dynamic system of complex exchanges where participants react and adapt to signals from other actors: this, of course, is a market. This is not to say that transport investment does not imply economic growth: it means, however, that there are always other, possibly unintended, outcomes that accompany infrastructure investments. As Banister and Lichfield note,

> "[t]he changes in accessibility resulting from new investment in an already dense and congested network will not be of a sufficient scale to have a major long-term impact on the local economy. They are unlikely to be of a sufficient scale to attract major new employment into the city. Their impact may encourage longer distance travel out of the city as the new investment will make other locations more accessible; accessibility works in both directions" [Banister and Lichfield, 1995, p.280].

Accessibility, then, is better understood in terms of complementarity of diverse competitive networks. Rather than analysing investment in terms of a single transport sector, such as rail, Banister and Lichfield suggest we comprehend "...the impact of one new link on the network as a whole"

[Banister and Lichfield, 1995, p.280]. In contrast to the uni-directional, mechanistic logic of the classical planning approach, the market-based view advocates a more relativist and flexible approach to accessibility: not the narrow impact on a particular sector but the impact of infrastructure investment on the relative competitive positions of particular networks is important. Banister and Lichfield conclude by stating that new

> "...concepts of networks and accessibility are required to determine under what conditions the competitive position of one network will be changed as compared with another on at least three dimensions to influence expectations, to facilitate co-ordination and to ensure compatibility" [Banister and Lichfield, 1995, p.280].

How can a market-based approach fulfil these requirements? The basic assumption of market-oriented approaches to transport policy is that, in general, markets are efficient when left alone. This means that as long as prices accurately reflect the underlying costs of any particular resource or service, the market will efficiently allocate resources according to demand and supply. What is more, phenomena in transport emanate from the complex interaction of individual and self-interested decisions: transport users are rational utility maximisers who adapt their behaviour to market signals.

When, however, markets fail, resource prices will not reflect the underlying costs. Since market-behaviour depends on price signals, distorted prices lead to inefficient market-behaviour. Individuals will over-consume resources priced below their true costs and, likewise, under-consume resources that are overpriced. This, in turn, can lead to economically inefficient producer behaviour such as rationing and price-dumping. The net result is an inefficient allocation of resources and, put plainly, waste.

Why do markets fail? When left to their own devices, markets, in theory, automatically adjust as individuals adapt their behaviour to changing price signals: markets form expectations and co-ordinate compatible transactions. Yet, if policy-makers tamper with the complex web of individual transactions that make up the market, this self-equilibrating mechanism breaks down.[4] Thus, market-based approaches, quite unlike the classical planning approaches, perceive a very different role for public policy. Rather than actively regulating and directing transport policy decisions, market-based approaches imply leaving as much decision-making as possible to consumers. The rationale, as Banister and Lichfield outline above, is that individual behaviour in markets is too flexible, adaptive, and complex to predict with any certainty, let alone postulate a uni-directional link between accessibility and income. Accessibility, then, is not so much a cause of economic growth as it is one of many factors that influence individual transport decisions.

The Villains — Policy Problems

The view from the market interprets the present transport issue in industrialised countries in a fundamentally different way than the classical planning approaches. For years, market advocates maintain, planners and policy-makers justified transport infrastructure investment, meaning predominantly roads, in terms of economic growth and the subsequent regeneration of depressed regions.

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[4]There can, of course, be very good reasons for introducing market distortions.

Yet, the advocates of market-oriented approaches argue, there is very little evidence of these alleged benefits [Banister and Lichfield, 1995]. Whereas, Banister and Lichfield maintain, infrastructure investments undoubtedly have an impact on land and rental values, the effects are not nearly as simple as Classical Location Theory would predict. Often, infrastructure investments do not create new economic activity in a region, but merely displace activities from other regions: rather than efficiency gains, investment leads to shifts in the Pareto optimal distribution [Banister and Lichfield, 1995, p.4]. Even where there are efficiency gains, they argue, the scale of measurable impact may be very small and highly localised.

A major reason, contend Banister and Lichfield, why the positive relationship between economic growth and accessibility does not hold is that transport costs make up a small part of production costs. Firms look to other factors, such as land value, labour costs, or tax structures, in their location decisions. Additionally, transport infrastructure investment is subject to diminishing marginal returns: every new (and expensive) transport link in Europe yields less and less in terms of accessibility. These two factors in combination, they conclude, may mean that lower transport costs are a marginal factor in firms' location decisions [Banister and Lichfield, 1995, p.5].

What is more, at the regional level, the classical planning approach systematically plays down the costs of transport infrastructure investments. More often than not, Banister and Lichfield continue, investments such as high speed rail links provide more benefits to central regions than peripheral areas thus undermining urban/ rural regeneration policy objectives [Banister and Lichfield, 1995, p.4]. Further, increases in journey lengths, the accompanying pollution, and congestion may outweigh the benefits associated with increased accessibility.

Instead, more roads invariably mean more traffic. With increasing traffic volumes, they continue, comes more pollution, less accessibility for those without cars, and the relocation of industrial, leisure and shopping facilities into green belts. Not even car-users have profited: increasing road traffic coupled with suburbanisation have generally increased the journey distances, congested the roads, increased pollution, and have exacted a gruesome price in terms of accidents. The European Commission, when commenting on fair and efficient road pricing, argues that

> "[r]educing pollution and congestion by means of increasing road capacity is — in many cases — not the best option. The cost of construction of road (and parking) capacities in densely populated areas continues to increase. Studies indicate that improving and extending infrastructure results in more journeys overall as road users make use of the new or improved facilities. The environmental impacts both of these extra journeys and of the construction of the road infrastructure may outweigh any benefits in improved traffic flows" [Commission, 1995b, p.4].

Why have transport policies so spectacularly failed? The answer, contend market advocates, is simple: the transport market is distorted. Transport prices, particularly road transport prices, do not reflect the full social and environmental costs it incurs [Himanen et al., 1993, Banister and Lichfield, 1995, Commission, 1995b]. This leads to signal failures and to inappropriate consumer behaviour [Himanen et al., 1993]: individuals consume "too much" road

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transport compared to other modes to which the explosion in car-ownership and road congestion bears witness.

What is more, misguided policies exacerbate these signal failures. Insufficient information about individual market behaviour leads to what Himanen, Nijkamp and Padjen call public "response failures": regulation to charge the transport consumer the marginal social costs often misses the mark because "...most actors appeared to have creative talents in circumnavigating intervention measures". Similarly, the European Commission reflects on the disadvantages of transport regulation:

> "Most policies that have been devised so far do not influence these [transport] decisions directly and, therefore, overlook an important factor — human behaviour. Transport choices are influenced by transport prices and there is evidence that for many journeys there is a mismatch between transport prices paid by individual users and the underlying costs. The result is that decisions are distorted and too much of the wrong sort of transport occurs at the wrong place and the wrong points in time" [Commission, 1995b, p.2].

The bottom-line, this view informs us, are external costs (that is, costs that a transport user incurs but someone else pays) for which, as Section 6.1 indicated, consumers are increasingly unwilling to pay.

The Heroes — Policy Solutions

In order to re-establish the self-equilibrating market mechanisms in transport, policy-makers must make transport prices reflect their true social and environmental costs. Neil Kinnock, the European Commissioner for Transport maintains that efficient pricing of road transport "...can consequently be a valuable complement to other policies for trying to ensure a better distribution of transport within and across modes, space and time. Or to put it simply: we won't get transport right if we don't get the price right" [Kinnock, 1995, p.2].

How can policy-makers 'get the prices right'? A number of policy tools are available for internalising external transport costs. In theory, policy-actors can fall back on command and control regulations such as subsidies. However, as Himanen, Nijkamp and Padjen point out, regulation may exacerbate market distortions. Furthermore, argue the market advocates, tools that work with market forces are more flexible, efficient, and less costly than command and control measures. Assuming that policy-makers can tie costs closely prices, market-based instruments are more effective if the policy-problem varies across space and time as does the European transport issue [Commission, 1995b, p.8].

The European Commission outlines five reasons for adopting pricing strategies in the European Union. First, regulation cannot tap into all the mechanisms needed for changing transport consumer behaviour. Second, the costs of regulation have increased so that replacing regulation with pricing may bring about efficiency gains. Third, technical advances, such as electronic telematics, would allow the introduction of pricing strategies. Fourth, liberalisation in the framework of internal markets means that market distortions across modes and operators will disappear. Last, the present transport issue calls for integrated and flexible responses that only pricing can offer [Commission, 1995b, p.10].

There are two main economic instruments open to policy-makers: charging users directly and fiscal measures. Tackling congestion means using both strategies: whereas telematics allow the policy-maker to charge the costs directly to the user, fiscal measures attempt to create an incentive structure in which the 'right kind' of transport consumption takes place. Examples are differentiated vehicle taxes based on the environmental characteristics of the vehicle, differentiated fuel taxes, and the removal of diesel subsidies.[5]

In sum, the market-based approach suggests that accessibility plays a relatively minor role in regional economic growth. It is merely one of the many factors that influence individual transport decisions. Transport prices, or, more precisely, the correspondence of prices and underlying costs, are far more significant in determining transport and locational decisions. Accessibility, regional economic growth, and regional cohesion will fall into place once policy-makers 'get the prices right'.

Accessibility as a 'Bad': An Egalitarian Story

Although classical transport planning and market-based approaches interpret the transport issue very differently and arrive at divergent conclusions, both of them are grounded in the socio-economic system of advanced capitalism: although both perceive the relationship between accessibility and regional economic growth differently, both assume that they are socially desirable.

This is precisely where both classical transport planning and market-based approaches differ from what we will call the *ecological* approach.

The Setting — Basic Assumptions

The ecological view of transport policy is the voice of protest. Current theory and practise of transport policy in industrialised countries, it argues, is hopelessly confused, irrelevant to real human needs, and fundamentally immoral. Misguided transport and land-use policies have left us with environments that cannot fulfil our basic social and biological needs. Congestion, accidents, commuting, long journey distances, and, particularly, pollution are depriving people of their basic human rights to a liveable and healthy life.

Why, then, do planners and policy-makers continue destroy the natural and social world with environmentally rapacious and socially disastrous transport infrastructure? The reason, this view maintains, is because policy-makers are both ideologically and structurally trapped in a socio-economic system that systematically sets the wrong priorities. Pollution, congestion, or accidents are not the root cause of present transport problems: they are mere symptoms of a deeper social malaise. Advanced capitalist systems, this voice proclaims, are fundamentally inequitable: what we experience as traffic problems are the results of an economic, social, and political system that inequitably distributes costs and benefits across society. It is no coincidence, argue proponents of this view, that the women, elderly, ethnic minorities, and the poor have accessibility problems: it reflects the low value the capitalist system places on these groups. It is also no coincidence that transport policy is biased in favour of road transport: powerful economic interests, such as the automobile industry

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[5]For a full discussion of market-based measures, see also [Pearce, 1990, Pearce, 1991].

and the construction industry, have long captured the political decision-making process.

Tinkering with the system, as the classical transport planning and market-based approaches suggest, is less than useless; it merely reproduces existing inequalities. Addressing transport problems means fundamentally rethinking our economic, political, and socio-cultural values: in short, it requires a holistic approach to socio-economic change so that we can live in harmony with ourselves and with nature.

The Villains — Policy Problems

In terms of accessibility, the ecological approach suggests we have to overcome prevailing transport ideologies. Hermann Knoflacher argues that current transport thinking amounts to little more than ideological obfuscation of the facts and downright deception of the citizen [Knoflacher, 1997]. Conventionally, policy-makers justify transport infrastructure investments in terms of time saved on journeys. This, however, is an illusion stemming from an overly particularistic approach to transport analysis. A holistic approach shows, Knoflacher contends, that there are in fact no time savings across the entire system. Transport is a zero-sum game: ten minutes saved on one individual's journey imply that someone else's journey time increases [Knoflacher, 1997, pp.43-48].[6]. Yet, since journey times are distributed inequitably, the illusion that modern transportation saves time survives and flourishes.

This logic, supported by deceptive theoretical constructs such as CBA and MCA leads to a transport system geared for ever increasing speeds [Knoflacher, 1997, pp.84-87]. Policy-makers, captured by the road construction lobby, commission the whole-sale destruction of the natural environment by building more and more motorways and high speed rail links [Knoflacher, 1997, p.83 and p.86]. Yet, contends Knoflacher, policy-makers and conventional transport researchers have fundamentally confused cause and effect. Knoflacher here contrasts micro- to macro-mobility: the former is slow, life-sustaining, and environmentally sustainable mobility within small regional areas, the latter is high speed, socially and environmentally damaging movement of people and goods across vast distances. Whereas policy should be promoting micro-mobility and thus reducing the speed of the transport system, policy-makers constantly seek to increase speeds thus destroying humans' social and environmental habitats.

Rather than being a boon to regions and society, Hermann Knoflacher maintains that accessibility is the cause of human misery in industrialised countries. Improvements in accessibility always means the relative devaluation of a weak region compared to a strong area. High speed links between small and central locations usually spell the social, cultural and economic death of the weaker region. As work and services, such as shopping, health care, and government services shift from the periphery to the centre, the indigenous transport patterns that sustained a fragile socio-cultural network are brutally torn apart.

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[6]John Adams [Adams, 1995, Adams, 2005] and Mayer Hillman [Hillman, 1999] make similar claims for road safety. Road safety measures, including safer cars, seatbelts, wider roads, etc. they contend, merely make motoring safer (and more convenient) for motorists. The increased speeds that road safety measures engender disproportionally increase risks to non-motorists (pedestrians and cyclists) The secular decline in road accidents that transport statistics allegedly reflect merely document the fact that, since roads are now far too dangerous, non-motorists have all but retreated from the transport system.

As a result, not only employment and labour supply leaves the region but also the indigenous cultural patterns of social interaction are irretrievably destroyed [Knoflacher, 1997, pp.57-58].

Consequently, rural dwellings have deteriorated from places where people lived, worked, and socialised to mono-functional residential communities with little or no horizontal interaction. What is more, local suppliers, and with them local economic activity, collapse under the pressures of having to compete with large, centralised economic units. The bottom-line is that, as transport links enable people to by-pass locations at very high speeds, weaker regions deteriorate further. In this view, accessibility implies the centralisation and, more significantly, the homogenisation of human activities; it is, in short, the exploitation of the weak by the strong.

How could it have come to this? Here, Knoflacher points to a unholy alliance of politics, big business, and research. For years, the researchers in this iron triangle have provided the conceptual tools to hide the special interests behind transport policy: those of the motor vehicle industry and the construction industry. Here, laments Knoflacher, logic is turned on its head to suit big business interests.

An example he cites is the Austrian legal process in disputes over rural land for prestige transport projects. He recounts how a skewed administrative processes, corrupt politicians, and the archaic legal system conspire to force small land-owners to force sign over their land for transport infrastructure projects. Public hearings amount to little more than sham democracy since the methods used to evaluate projects (CBA, MCA) favour those in control of defining the parameters of the evaluation (these, Knoflacher adds, are exclusively hand-picked to assure conformity to dominant interests) [Knoflacher, 1997, p.87]. In court cases, the 'independent' evaluations originate from consultants that are anything but independent [Knoflacher, 1997, p.103].

These developments, however, are symptomatic of wider social developments. The structure of advanced capitalist societies are failing to meet real human needs. Indeed, the demand for mobility, argues Knoflacher, is a sign of unsatisfied need. It is no surprise that people who are cooped up in poorly planned, dirty, dangerous, and unpleasant cities and towns feel the desire to leave at the week-end. What is more, the increasing trend of individual atomisation caused by advanced capitalist labour markets exacerbates the desire for mobility: a person who has a functioning social network and healthy interpersonal relations does not need to travel. The demand for increased mobility is a result of social pathologies such as single-parent families and single households.

These developments, in turn, emerge from a socio-economic system that is based on morally dubious principles. Knoflacher maintains that the principle liberal capitalism stands for, factor mobility, in reality legitimates the savage exploitation of the weak by the strong. Our perception of economic development, he contends, is dictated by the winners of this unfairly structured game: the losers, by and large, have little say. What is more, the modern transport system is the medium with which the fast, strong, and centralised hunt down the slow, weak, and indigenous. "The price of today's economic growth", Knoflacher avers, "will be paid by the workers, the social system the 'Third World' and the next generation that will have to inherit a destroyed planet" [Knoflacher, 1997, p.119].

The Heroes — Policy Solutions

Policy prescriptions within the ecological view concentrate on two levels: the conceptual level and the policy level. At the conceptual level, this view suggests we fundamentally alter the way we think about transport. Transport systems must place the human person into the centre of consideration. Yet, humans are more than instrumentally rational individuals: they have a right to a healthy social and natural environment. Thus, the reconceptualisation of transport policy thinking must aim to harmonise human needs and the natural environment.

On the concrete level, the ecological view suggests radical changes to transport systems. The primary concern here is to radically reduce the volume of road transport [Knoflacher, 1997, Grünen/Bündnis 90, 1994]. For this purpose, the German Green Parliamentary Party outlines a comprehensive set of policy proposals that aim to tackle the transport problem from a variety of angles [Grünen/Bündnis 90, 1994]. In order to favour rail transport, bicycles and pedestrians the German Greens foresee a number of both supply side and demand-side measures. On the supply-side, the German Greens believe that massive investment in public transport as well as improved accessibility (in terms of price structures) is of eminent importance. Further, they reject prestige transport projects such as the 'Transalpin' in favour of systematically upgrading of existing systems. Last, land-use policy should, they argue, favour high density settlements to reduce the need for travel. Add to this the diverse traffic calming measures Knoflacher suggests and one obtains a fairly comprehensive restructuring of current transport priorities.

On the demand-side, the German Greens envisage what more conventional policy-actors would consider as draconian measures. In order to discourage the use of motor vehicles, the Greens suggests the internalisation of external costs by drastic increases in fuel taxes and a lifting of the subsidy on diesel fuel. Further, they intend to lower the legal speed limit on all roads (30km/h in built locations, 80km/h on country roads, and 100 km/h on motorways). Tight regulations on transit freight traffic will accompany these measures. Last, the Greens foresee road bans tied to air quality thresholds.

The important aspect of the policy prescriptions of this perspective is that policy uses a wide spectrum policy instruments. This egalitarian holistic approach envisages the use of both command and control as well as economic instruments to curb road transport. In addition, the ecological approach aims at changing attitudes towards transport and mobility. This approach is exemplified in the Guiding Principles of the European Federation of Green Parties' vision for European transport:

> "The environmental impact of transport will be reduced through investment in clean public transport, sensible land-use planning, and taxation of fossil fuels in all sectors, including air traffic. Car-free cities and taxation on fossil fuels will be the rule. Massive motorway projects designed to facilitate road freight between the regions of Europe will be abandoned and investment in the reconstruction in railways preferred" [of Green Parties, 1993, p.4].

In sum, the ecological view of transport policy aims at restructuring both the central assumptions and tools of transport policy as well as effecting a cultural change. Transport problems are a symptom of fundamental inequities inherent

to advanced capitalism. Solving transport problems, advocates of this view argue, means fundamentally changing inequitable socio-economic structures.

Delimiting the Contested Terrain in Transport Policy

The previous sections demonstrated that contending advocacy coalitions define accessibility in terms of their respective policy frames. As we have seen, these policy stories, starting from different initial assumptions, interpret the transport issue in divergent ways and suggest different policy solutions.

As we argued in Chapter 5, policy frames — rooted in the basic forms of social organisation identified in the cultural theory's typology of social solidarities — provide individual policy actors with interpretive and argumentative templates for fashioning policy stories. The classical transport planning discourse is typical for hierarchical advocacy coalitions. Hierarchical actors prefer stable, orderly and predictable societies. Here, each part has an ascribed role and is coordinated by the centre. Hence, the hierarchical transport planning argument champions the type of transport policy solutions that require and strengthen these social forms: complex, large-scale, capital intensive and maintenance-heavy infrastructure. Likewise, since markets work best when individual are free to form contractual relationships and when there is a minimum of social control, it is not surprising that individualist advocacy coalitions value freedom from interference. Thus, this policy story urges transport policy-makers to leave the generation of regional economic growth to those who know how to generate wealth best: individuals and firms. Last, the ecological view is characteristic of egalitarian groups. They aims to nurture social and natural environments that satisfy real human and ecological needs. For this reason, they urge policy-makers to effectively shut down the present transport system and re-orient its basic priorities away from needs of big business and towards people and nature.

In the European transport policy debate, then, these three policy belief-systems make up the cornerstones of the 'contested terrain'. This 'contested terrain' delineates the internal fault lines of the debate but, more importantly, it also outlines the external ideational and organisational boundaries of the transport policy debate. These three policy stories, constantly pulling in opposite directions, provide the discursive framework in which any thinking and policy debate on transport can take place. In this way, they also define the reservoir of concepts, solutions and strategies policy actors can draw upon for tackling the European transport issue.

How, then, does this triangular contested terrain structure policy conflict in the European transport debate?

6.4 The Structure of Policy Conflict in Transport Policy: Agreement and Disagreement

The conceptual framework developed in Chapter 5 suggests that the three types of inherently antagonistic policy frames also share some concerns across advocacy coalition borders. In terms of the grid/group diagram, each social solidarity shares the same dimensional space with another social solidarity: hierarchical and egalitarian advocacy coalitions have in common a cohesive organisational

	Classic Transport Planning	Market-Based Approach	Ecological View
Setting	Transport planning is a technical problem to be conquered by rational transport models at the conceptual level and large-scale transport infrastructure at concrete level; Strong positive link between accessibility and economic growth; This implies an important role for rational transport planning to steer and manage these economic growth via urban and rural land-use patterns	There is no evidence to suggest any direct relationship between accessibility and economic growth; The impact of accessibility on land-use patterns is complex and multifaceted, it is important to understand the impact of markets on the economy as a whole; Markets allocate resources efficiently unless tampered with by misguided policy-makers	Current transport policy is fundamentally misguided and does not fulfil our basic human needs; Planners are trapped in the ideology and practise of an economic system that is fundamentally inequitable; Risks and costs of transport system is disproportionally carried by the weakest
Problems	Insufficient infrastructure on the one hand and ineffective coordination of existing infrastructure on the other is jeopardising accessibility, properity and the quality of life in Europe	Conventional transport policy has failed because the transport market is distorted; Social and environmental costs of transport policy are externalised; Relatively underpriced modes of transport (roads) have led to wasteful overconsumption of road transport	Contemporary transport policy and modern transport infrastructures do not reduce costs but merely displace costs from the strong to the weak; Policy substitutes destructive macro-mobility for life-preserving micro-mobility; Transport policy process is controlled by powerful lobby with vested interest in the inequitable status quo
Solutions	Increase investment in infrastructure to meet growing demand: e.g. TEN investment plans of Euro 400 billion by 2010; More effectively manage and coordinate existing infrastructure; Heavy reliance on quantitative tools for modelling transport phenomena (CBA, MCA); Models define accessibility in terms of regional GDP per capita to the detriment of more socially sensitive indicators	Relative transport prices must reflect the real social and environmental cost; Bring about cost transparency in transport policy; Implement road pricing schemes and fiscal measures (e.g. differentiated vehicle taxes)	Only profound shift in fundamental values can introduce equity to contemporary transport policy and address real human and ecological needs; Policy measures must dramatically reduce the volume of road transport by a wide array of fiscal measures (taxes on fossil fuels), market-based measures (road pricing), and command-and-control measures (speed restrictions)

Table 6.1: Three Policy Stories about Transport Policy

Classic Transport Planning

Market-Based Approach   Ecological

Figure 6.1: The Triangular Policy Space

structure (high group) while egalitarianism and individualism are both characterised by a lack of internal organisational distinction and stratification (low grid). The conceptual framework would lead us to expect some overlap on basic principles and general policy measures. This agreement, however, is inherently fragile because it derives from fundamentally divergent premises.

Areas of Agreement: Broad Principles, Common Policy Measures and Mutual Rejection

Comparing the contending policy stories reveals areas of pairwise agreement and disagreement within the triangular policy space. The scope of this agreement decreases with increasing specificity of the issue in question. While all advocacy coalitions agree that transport policy is in some way crucial for European societies, more specific policy principles and policy measures are shared by two of the three contending advocacy coalitions. Furthermore, each advocacy coalition shares a distaste for the specific policy measures with another advocacy coalition.

Classic Transport Planning and Market-Oriented Perspective Proponents of the hierarchical transport planning as well as the more individualist market-oriented perspective agree that transport systems and transport policy significantly impinges on economic growth. As we have seen, members of these advocacy coalitions both assume that economic growth is a central, possibly *the* central, policy goals for any government. Therefore, both advocacy coalitions agree on policy measures that increase the efficiency of existing transport networks: policies to cut average trip times and costs per trip find the support of members from both the hierarchical transport planning approach as well as

from the individualist market-oriented policy perspective. This can, in principle, include investment in existing and new infrastructure, road pricing schemes or telemetric traffic management systems. Conversely, both the hierarchical and individualist advocacy coalition take a dim view of policy proposals aimed at increasing transport costs in order to restrict accessibility or limit mobility.

Ecological Perspective and Transport Planning View Advocates of both the egalitarian ecological policy story and the hierarchical classical transport planning view share in common a concern for the integrity of the natural and social environment. As we have seen, classical transport planners see accessibility as the primary means in which transport systems contribute, through regional economic growth, to social cohesion. This growth, however, needs to be tempered by and set in the framework of "sustainable development' Similarly, recall how Knoflacher argues in favour of so-called 'life-preserving' micro-mobility: moving about freely within a community, he contends, is what creates the ties that make up a social unit. Sustaining and preserving this micro-mobility, in turn, goes hand-in-hand with preserving and protecting the natural environment. For this reason, members from both types of advocacy coalitions support transport policies that protect social and natural environments. By the same token, both hierarchical and egalitarian advocacy coalitions reject policies that threaten human and natural habitats. Measures to deregulate and liberalise of freight and transport markets, then, would attract opprobrium from these advocacy coalitions.

Market-Oriented View and the Ecological Perspective Last, the individualist and egalitarian advocacy in the European transport policy debate share a preference for decentralised transport management. Members of both advocacy coalitions believe that decision-making in transport policy and transport choices ought to be taken at the most suitable level of governance. For this reason, members from both the ecological and market-oriented advocacy coalitions are favourably disposed to policies such as road pricing. It follows that the egalitarians and the individualists are united in their opposition to large, centralised, and inflexible transport systems. Projects such as the Trans-European Networks or high-tech, prestige projects such as the German Transalpin attract the criticism from both advocacy coalitions.

Intractable Disagreement

The agreement on basic principles and policy measures in the transport policy domain evaporates once debate moves away from the general level. While the advocacy coalitions are clear on what they reject, their rejection is driven by divergent motivations. At a more concrete level, advocacy coalitions in the transport debate fail to agree on the definitions of the issue, the causality of the problem or even the approach for understanding the phenomenon. In short, what looks like agreement at general level remains intractable at more concrete levels of analysis.

Classic Transport Planning View vs Market-Oriented Perspective
Although the proponents of the classical transport planning view and the market-

oriented perspective both argue *that* transport systems affect economic growth, they disagree vehemently *how* the two are related. As we have seen, members of the hierarchical advocacy coalition see a direct and positive relationship between infrastructure investment, accessibility and economic growth: more of one inevitably means more of the others. In contrast, members of the individualist advocacy coalition are not so sure. The individualist advocates of the market-based policy story are highly sceptical of the basic assumptions of classical transport planning. For example, Peter Hall points out that the relationship between accessibility and development is 'one seamless web'. However, he contends the "...trouble is that this combination is so subtle, no one anywhere seems to have completely understood how to make it work at a fine-tuned level" [Hall, 1995, p.75]. Himanen, Nijkamp and Padjen argue that, like the sorcerer's apprentice, transport experts helplessly face the transport demons they have summoned [Himanen et al., 1993, p.21]. The uncertainties in transport planning theory and methodology are so significant, Banister and Lichfield are forced to admit that the

> "...precise relationship between transport investment and urban development are not well known, even theoretically. There seems to be no single methodology available to test the relationships, the counterfactual situation is difficult to determine and the question of causality not addressed. Decisions have been made based more of faith than understanding. Even where clear methodological approaches have been tried, problems arise concerning available data and the inherent complexity of many relationships. The links between land use, transport and development are much more profound than just an examination of the physical, social and economic relationships might produce" [Banister and Lichfield, 1995, p.15].

Ecological Perspective vs Classic Transport Planning View A similar picture unfolds on closer inspection of the agreement between the egalitarian and hierarchical advocacy coalition. Although both advocacy coalitions are in favour of conserving natural and social environments, they conceive of these ideas in very different terms. Whereas social cohesion for transport planners is little more than a statistical indicator of relative regional income levels, egalitarian actors perceive social integration as being the complex web of socio-cultural interactions. Sustainable development for hierarchical advocacy coalitions in the transport policy debate is about factoring in sound management and conservation principles to transport existing planning paradigms. The egalitarian policy story contends that the integrity of natural and social environments is a fragile and priceless thing that, once destroyed, is inordinately difficult to reconstruct [Knoflacher, 1997]. Hence, transport policy must prevent the destruction of natural and social habitats at all costs.

The main problem, egalitarian actors argue, is that the transport planners have no way of even appreciating or understanding the true value of social and natural environments. The egalitarian policy story discredits the entire conceptual edifice as a poorly disguised legitimation for existing inequities. Starting with the assumptions and ending with the conclusions, so the argument goes, the entire analytical architecture is rigged to produce the "correct" results — meaning results that objectively prove the inherent superiority of large-scale, com-

plex, and capital-intensive infrastructure investment. Concerns for the needs of citizens or the environment are conveniently factored out of the equation. Reflecting on the use of cost-benefit analysis in the UK, John Adams maintains that

> "In their [the Department of Trnasport's] cost-benefit analysis of their road building projects, the principal benefit is time-saving for motorists. Motorists are wealthier than those without cars and their time is worth more. Most senior politicians and civil servants are motorists. People without cars are economically inferior; their concerns barely register in the cost-benefit calculations of the Department of Transport. In the formalizing of their decision-making procedures, both the convenience and the safety of people in cars are accorded greater significance that the welfare of people outside cars" [Adams, 1995, p.156].

Market-Oriented Perspective vs Ecological View Last, despite theshared distaste for unwieldy transport infrastructure projects requiring centralised management, both the egalitarian and the individualist policy stories provide little more common ground for contending policy actors. Both advocacy coalitions favour decentralisation for diametrically opposed reasons. Individualists advocacy coalitions want to see allocation and supply decisions in the transport returned to the level of the individual economic agent (i.e. individuals and firms) in order to maximise accessibility and traffic flow. Conversely, the egalitarian policy story maintains that decision-making needs to be returned to the local and community level in order to restrict accessibility and flow of traffic through the system. On closer inspection, the basic agreement on policy instruments such as road pricing seems rather shaky. Members from both advocacy coalitions agree that road pricing is an appropriate policy tool for internalising the external costs of road use. However, market-oriented policy actors believe these costs to be reasonable but inequitably distributed: road pricing leads to a fairer distribution of costs and therefore to more efficient road use. Egalitarian advocacy coalitions see the true social and environmental cost of road transport to be prohibitively high: charging users the real costs would reduce road traffic to a fraction of its present volume.

In sum, a 'contested terrain' featuring hierarchical, individualist and egalitarian types of advocacy coalitions from the cultural theory-typology of social solidarities will give rise to endemic policy conflict. This is, in part, due to the structure of policy conflict, that is the way contending policy frames carve out areas of agreement and disagreement. In the European transport policy debate, agreement on basic principles and general policy measures as well as mutual rejection spans two of the three contending advocacy coalitions. However, since all three policy frames discussed are grounded in fundamentally divergent forms of organisation, they converge towards the areas of agreement from opposite directions. Divergent issue definitions and underlying theories of causality mean that agreement is limited and restricted to a highly general level of analysis: debate of more concrete type unearths more fundamental and intractable differences.

Table 6.2 summarises areas of agreement and disagreement between advocacy coalitions.

	Planning – Market	Ecological – Planning	Market – Ecological
Agreement	Transport systems and economic growth	Value of natural and social environments	Decentralised transport systems
Rejection	Speed and efficiency reduction	Destructive development	Large-scale, inflexible transport technology
Disagreement	Effect of infrastructure investment	What is to be preserved and how	Decommodification vs. Intensified marketisation

Table 6.2: Areas of Agreement and Disagreement in the Transport Policy Debate

6.5 The Potential Impacts of Policy Conflict: Weaknesses and Conceptual Blindness

The fact that all policy knowledge is contextual and that transport policy debate is inherently conflictual does not mean that constructive policy debate is impossible. Policy frames are not irrational nor are policy stories inaccurate: each policy frame merely foregrounds certain issues and backgrounds others.[7] It follows that each particular policy frame captured by the cultural theory typology has its strengths and weaknesses.

This is not to say, however, that the road to effective transport policy-making lies in uncritically accepting any form of analysis. Just because we cannot conclusively prove any one policy frame to be 'wrong' does not mean that all diagnoses and policy recommendations must be 'right'. Since we must distinguish frames and policy stories not by what they include into their analytic frameworks but by what they exclude or filter out, policy frames create cognitive and perceptual 'shutters' or 'conceptual blindness'. Policy processes that rely on one frame alone (or, alternatively, do not encourage serious criticism from proponents of contending advocacy coalitions) will introduce a systematic bias into their analysis of transport problems: this, as Collingridge[8] has demonstrated, can lead to myopia, poor analysis, and, ultimately, poor policy decisions.

We can tentatively point to the problems of each policy frame in the transport debate. The discourse with most to answer for is the hierarchical transport planning approach. Having dominated transport policy-making for nearly three decades, classical planning has not succeeded in coping with ever-increasing traffic volumes. Arguably, transport modellers and planners have exacerbated transport problems by clinging to the central assumption that accessibility means economic growth. Yet, as we have seen above, there is very little empirical evidence that increasing accessibility has any noticeable impact on regional

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[7]In fact, policy frames, if they are to survive scrutiny, must be credible. Credibility, in turn, has a lot to do with the predictive and explanatory powers of a particular approach, see [Jasanoff and Wynne, 1998].

[8]Collingridge reviews cases such as the Space Shuttle disaster, high rise building schemes in the United Kingdom, and nuclear power. Unfortunately, he does not address transport although the analysis and conclusions of his case studies equally apply to transport policy-making [Collingridge, 1992].

economic development [Banister and Lichfield, 1995]. Rather than abandoning or even reformulating the basic assumptions in the light of empirical evidence,[9] the classical transport planning view stubbornly maintains that it is not the central assumptions that are incorrect, but the means of measurement need refinement and improvement. This invariably leads to the search for an ever bigger and technically sophisticated transport model with which to measure socio-economic impacts of transport infrastructure investments.

But what are transport planners measuring? To take the SASI transport model as one example of many, the model purports to provide indicators for regional cohesion and thus allows policy-makers to assess the socio-economic impacts of transport investments. However, the model reduces regional development and cohesion to GDP per capita and regional unemployment respectively: as we have seen, Bökemann, Hackl and Kamar seem to believe that this covers economic as well as social impacts. At best, however, these indicators measure an economic impact of transport infrastructure investment: there is no social dimension to these indicators whatsoever. The indicators leave income distribution, the access to public and private services, the socio-cultural fabric, to say nothing of social exclusion, ethnic, and gender issues completely untouched. Surely, indicators of regional cohesion should have something to say about horizontal social, cultural, and political ties between two locations. Yet all the SASI indicators tell us is whether transport infrastructure investment has succeeded in harmonising regional unemployment rates which really indicate the degree of social exclusion within a community.

The strength of the classical planning approach is also its greatest weakness. Transport planners are very adept at formalising, quantifying, and modelling certain transport processes. However, the strictures formal models impose on researchers causes transport planners to spectacularly miss the point. By excluding all factors not amenable to exact and objective measurement, transport planners invariably fail to grasp the inherent complexity of transport policy processes. As a result, most transport models fail to produce conclusive results even within their highly restricted analytical scope.

Last, and most significantly, the classical transport planning approaches systematically deny the political nature of transport models. Cloaked in the veil of science and objectivity, transport planners maintain the illusion that they stand aloof from the political fray of transport decision-making. Rigid methodology, strict quantification, and hard data ensure, so the story goes, that research is objective. Transport planning methods do not explicitly provide policy options: they merely provide the 'facts' and let these speak for themselves. Yet, as we saw in Chapter 3, these underlying assumptions themselves are a political act. By insisting that policy be informed by 'objective' analysis and then proceeding to define what 'objective analysis' entails, the transport planning approaches *a priori* disqualify any alternative form of analysis. Defining the transport policy issue as a technical problem amenable to technical solutions precludes any other approaches.

Similarly, individualist market-based approaches also have decisive weaknesses. The entire market argument is based on the assumption that markets

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[9]Which of course would be very difficult because a change in the assumption that economic growth is a function of accessibility would question the role of planners in the transport policy process. If transport policy does not affect regional economic growth, what do we need transport planners for?

are efficient in allocating resources. This assumption is problematic for a variety of reasons. First, the concept of a perfectly competitive market is an ideal-type model: there are no perfectly efficient markets in the real world. Second, although neo-classical economics would readily agree that markets always are imperfect, the causes for market failure the discourse identifies is either too one dimensional or too general. There are many reasons apart from government interference that may cause markets to fail. Like all other forms of social co-operation, markets depend on a favourable institutional and environmental framework. Markets may fail because prevailing socio-cultural values are unfavourable to market-type transactions (for example, the belief in equivalent exchange values). Alternatively, markets may collapse because transaction costs unrelated to production or marketing costs are prohibitively high.[10] Another reason for market failure may be an insufficient legal and administrative framework that can effectively implement sanctions. There are, in short, a plethora of cultural, social, and political reasons for market failure: the catch-all phrase of 'government interference' is either too all-inclusive to provide an adequate grasp of all possible sources of market failure or it is too limited if it refers to government intervention alone.

More significantly, the market-oriented approaches to transport policy-making are grounded in some very strong assumptions about human behaviour. The conception of Economic Man, the rational utility maximiser who not only knows but also can rank his preferences, is also an ideal-type. Assuming markets are efficient in order to analyse distributive efficiency of transport policy is one matter; asserting that market-oriented policies will actually change individual transport behaviour is quite another. Although cost and prices certainly influence human behaviour, they are by far not the only factors likely to influence an individual's or a firm's transport decisions.[11] Further, it is not at all clear that internalising the external transport costs will lead to a reduction in road transport: individuals and firms may simply reallocate resources from other areas to accommodate the higher costs of road transport. In this case, economic measures aimed at relieving congestion and reducing carbon dioxide emissions would clearly fail.

Last, the individualist market-based approaches have little to say about equity. As Himanen, Nijkamp and Padjen point out, an efficient distribution of mobility may not necessarily be equitable. The market-based approaches avoid the issue of what happens to those individuals unable to pay for the full costs of their mobility. Given that there are, as yet, no financially viable alternatives to road transport, the question arises of who will shoulder the burdens of adaptation. One is left to suspect that those who are already economically disadvantaged will be disproportionately hit by increased road prices while they shift from one mode to the other.

The egalitarian ecological view, like the other policy frames, also has serious deficiencies. In particular, the ecological approaches have rather low tolerance for other modes of thought. First, the advocates of the egalitarian ecological

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[10]See the literature on common pool resource (CPRs). Here, transaction and monitoring costs are sufficiently high, as are the incentives to renege on contracts, that efficient market transactions are impossible [Ostrom, 1991].

[11]Christopher Pollitt discusses incentive structures in public management [Pollitt, 1990]. Arguing against the Public Choice approach, he point out that monetary incentives are one of a wide range of motivations for public servants.

approach claims to understand peoples' real human needs better than individuals do themselves. Rather than the false needs the corrupt system imposes on humans, such as a desire material goods, striving for status, or conforming to social pressures, the ecological view points to real human needs: life in harmony with the natural and the social world. Unlike the other approaches, the egalitarian ecological perspective aims not only to change societal structures but also to alter the way individuals think. Within the ecological view there is a definite moral 'right path': all other modes of thinking are polluted, corrupt, and immoral.

Second, the egalitarian ecological approach has little respect for the civil liberties that uphold a morally corrosive political and economic structure. Knoflacher states that the freedom of mobility as well as the freedom of settlement contravene real human needs such as a right to a healthy life, a right to personal development and a right to a home ("*Recht auf Heimat*") [Knoflacher, 1997, p.126]. Additionally, Knoflacher introduces a virulent strain of xenophobia into his argumentation. Transit traffic through the Austrian alpine regions, he avers, is little more than "... an alien body in the organism of the state. A healthy body will, if it is to survive, will reject all alien bodies" [Knoflacher, 1997, p.121]. The upshot of his argument is that regional and local freight and passenger transport is justified because it is 'life-sustaining' to a particular community. Conversely, transit transport, which benefits those outside a community, is an evil to be eradicated.

This is not to say that all proponents of the egalitarian ecological view are inherently xenophobic. Appendix D shows how a different national policy context, namely that of the United Kingdom transport policy-making, gives rise to different articulations of the same fundamental principles and beliefs. However, many advocates of this policy story are obsessed with moral pollution from a corrupt outside world. This is reflected in the elaborate and indiscriminate conspiracy theories this view constructs to explain transport policy problems. The unholy alliance of big business, corrupt government, and dishonest researchers conspires to maintain adequate profit levels at the cost of human well-being [Knoflacher, 1997]. What is more, not only has big business captured government agencies and university departments, it also has succeeded in poisoning the minds of most people.

Although there can be no doubt that transport policy-making in the past and at the moment is significantly, and perhaps unduly, influenced by commercial interests,[12] sweeping generalisations of the Knoflacherian type are inaccurate. Closer inspection of transport policy-making reveals that, like all policy spheres in advanced capitalist states, the state is fragmented, fissiparous, and highly specialised. In short, transport policy-making also takes place in the "differentiated polity". The sheer number and variety of policy actors in these networks (including Mr. Knoflacher) undermines the credibility of any general conspiracy theory. Often, government agencies in different policy networks will pursue contradictory policy goals. What is more, presently there is little evidence of iron triangles in transport policy-making. For example, the European Commission, often regarded as the lackey of big business interests by the ecological views, is forcefully pushing road pricing policy options [Commission, 1995b] which run

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[12]For an enlightening, if frustrating, insight into the relationship between stakeholder consultation and transport policy outcomes in the south-west of the United Kingdom, see [Kinnersly, 2001].

	Planning	Market-Based	Ecological
Trusts	Central management capacity	Individual transport users	Inherent morality of local communities
Downplays	Complexity of transport allocation decisions	Market failure	Parochialism of micro-mobility
Vulnerable to	Creating more pollution and congestion	Generating transport inequities	Intolerance and exclusion

Table 6.3: Potential Impacts of Policy Arguments in the Transport Policy Debate

counter to the economic interests of large scale commercial enterprises.

We can see that if policy-making were left in the metaphorical hands of one advocacy coalition alone, we would be left with rather one-sided policy solutions. The hierarchical planning approaches would continue to construct transport infrastructure without regard to social or environmental effects. The individualist market-based approaches would let market mechanisms allocate resources without regard to the potential social exclusionary effects thus creating a 'transport underclass'. Last, the egalitarian ecological approach would implement policy solutions that favour small-scale local activity regardless of the wider economic and social implications.

Table 6.3 summarises the potential impacts of each policy story.

6.6 Conclusion

The concept of accessibility is defined in many different way by different types of policy actors. These divergent definitions, however, are not random or irrational, they merely reflect the differing policy frames through which policy actors interpret transport phenomena. In order to explore these policy frames and their significance for European transport policy-making, this chapter has applied the conceptual framework for policy-oriented discourse analysis developed in Chapter 5 to the transport policy debate.

Using cultural theory's typology of social solidarities, the chapter sounded out the *scope* of policy conflict in the 'contested terrain' of transport policy in Europe. The analysis revealed three competing policy stories in the transport debate. The first, the hierarchical transport planning story, defines accessibility as economic growth: in order to promote regional development, it argues, policy-makers need to provide more infrastructure investment. The second story points to the inherent inefficiencies of planning and regulation. Instead, it favours a more individualist and market-based approach to solving transport problems: accessibility here is a function of efficient market transactions. Last, the egalitarian ecological policy story rails against both systemic views: both state and market have conspired to provide social and natural environments that no

longer satisfy real human needs. What is more, present transport dilemmas are merely a symptom of a fundamentally flawed, inequitable, and misanthropic socio-economic system: here, accessibility stands for the exploitation of the weak by the strong.

These three policy stories delineate the boundaries of the contested terrain in the European transport policy debate: they both enable and constrain thinking and argument about transport policy. Since policy frames are inherently normative (they legitimate fundamentally divergent forms of social organisation), and since transport is a complex, uncertain and transversal policy domain, conflict in transport policy debates is inevitable and endemic. The contending policy stories set up the *structure* of this policy conflict by carving out areas of agreement and disagreement between the advocacy coalitions. In a triangular 'contested terrain' like the European transport policy domain, agreement is likely to be fragile because, on the one hand, it fails to hold beyond basic principles and general policy measures and, on the other hand, is fundamentally limited since common ground is accessible to only two advocacy coalitions. At more concrete levels, agreement collapses under the weight of the incommensurable assumptions and modes of perception that divergent advocacy coalitions bring to the debate. Science, research and 'technical knowledge' are unlikely to help resolve this conflict: as we have seen advocacy coalitions also fundamentally disagree about what is to count as a fact and what is to count as legitimate knowledge. Given this constellation of discourses and advocacy coalitions in the contested terrain, a policy subsystem featuring two or more advocacy coalitions would be likely to give rise to an 'intractable policy controversy'.

Thus, the discourse analysis would seem to suggest that inaccessible policy subsystems are more effective in producing policy outputs than accessible policy subsystems. However, since each policy frame is informed by a specific cultural bias, policy stories invariably tell an incomplete and selective tale. Each type of advocacy coalition and corresponding policy frame modelled by cultural theory's typology of social solidarities is characterised by specific weaknesses and strengths. Epistemic sovereignty and dominance of the policy subsystem, then, may lead to policy failure and unanticipated consequences. Although a wide scope of policy conflict increases the likelihood of a "dialogue of the deaf", the triangular policy space also generates the widest reservoir of ideas, concepts and strategies for tackling the European transport policy issue.

What, then, are the implications of this analysis for the European transport policy debate?

First, policy conflict in an triangular contested terrain is endemic. Policy actors rely incommensurable policy frames based on contending forms of social organisation to perceive, define and understand the accessibility and transport policy problems. The contending policy stories about transport start from divergent assumptions, identify different causes and propose conflicting policy solutions. This policy conflict unlikely to resolve in the face of facts and objective knowledge because the transport debate thematises the validity and legitimacy of different forms of knowledge about transport policy-making.

Second, the contending policy stories set-up tenuous spaces of agreement on general principles and policy measures limited to pair-wise alliances of advocacy coalitions. This agreement is fragile for two reasons. On the

one hand, the imbalanced structure of agreement implies that a advocacy coalition is always excluded from consensus. On the other hand, pairwise agreement is limited to general principles and policy measures; it breaks down into an intractable controversy at more concrete levels.

Third, since the likelihood of unanticipated consequences and policy failure increase with decreasing accessibility of the policy subsystem, policy-makers should enable a lively policy debate with as many advocacy coalitions as possible. However, given that accessibility inevitably leads to value-driven policy conflict, policy-makers need to ensure that the quality of communication and the responsiveness of the debate do not deteriorate in the course of policy debate.

Chapter 7

Environmental Security: A Critical Overview

The past decade has been characterised by increasing fluidity in economic, social and political life. Old certainties, such as the desirability of full-employment or, for us in the West, the communist threat, have been spectacularly swept away. In their stead we now find a whole host of ill-defined and ambiguous policy challenges with a distinctly international flavour, such as the globalisation of national economies, rapid technological change, social transformation, and, not least, the environment. As we have noted in previous chapters, policy problems have become messy.

It is probably not surprising, then, that growing uncertainty in economic, political and social life is reflected in the ideas and concepts we use to describe and make sense of the world. Social scientists are finding that their old tools are becoming blunt in the face of new policy challenges. More precisely, social scientists are becoming increasingly impatient with conventional tools because they seem to merely scratch the surface of what appear to be highly complex global problems. In an effort to find means of making sense of this increasingly complex and uncertain world, social scientists are casting about for new ideas and concepts.

The concept of environmental security has emerged precisely from within this context. At first glance, the idea appears to be the logical consequence of events in the past two decades. The end of the Cold War has, at least in the minds of the tax-paying public, meant that the Soviet (or capitalist, depending on where you stand) threat no longer legitimises social mobilisation on all levels. Simultaneously, environmental degradation, beginning with local rubbish tips and ending with the warming of global atmosphere, has, at least in the mind of some of the public and various policy-makers, become a risk that can no longer be ignored. By default, it would seem, the new threat to not only life and limb, but also to institutions, our way of life and our culture, is environmental degradation. It is in this field, the argument goes, polities ought to provide their citizens with security from this global menace.

Yet, how useful is the notion of environmental security? This chapter applies the discourse-analytical framework developed in Chapter 5 to evaluate three different streams in the environmental security literature: on centred on the idea

of "environmental scarcity", another that concentrates on the notion of "eco-system, security" and a third concerned with "human security" [Shaw, 1997]. While not exhaustive, the selection of approaches covers the three main strands of argumentation in the field of environmental security.[1] At face value, these approaches seem to vary widely in terms of their explanatory power, their ambitions, the images they produce, and their political implications. Closer examination within the policy stories framework, however, reveals the close theoretical and normative proximity of the different streams. What at first looks like a wide scope of policy conflict is in fact nuanced difference situated along a continuum that trades-off analytical rigour for normative clout. In other words, the concepts that aim to restructure international politics often do very little to enlighten us about the actual interrelation of the environment and security. Conversely, approaches that analytically pinpoint the relationship between environmental degradation and violent conflict, may deflate the case for urgent political action. However, in either case, the three different streams are based on shared model of resource depletion itself centred on a frame-specific and therefore contestable perception of human needs. The circumstance that all of the approaches uncritically accept the imputed relationship between human needs, resource depletion and violent conflict disqualifies the idea of environmental security as a reliable model for policy-making. Based essentially in only one of the possible policy frames identified by the cultural theory-inspired typology of advocacy coalitions — hierarchy tempered with some egalitarian aspirations at the "human security" end of the spectrum — policy-making based on the environmental security paradigm(s) is highly vulnerable to conceptual blindness.

What follows, then, is necessarily theoretical and somewhat abstract. First, we will assess the scope of policy conflict by dissecting and comparing at the internal logic of different models of environmental security. Then, section 7.2 explores the structure of policy conflict by evaluating the normative aspirations of the different streams. Evaluating a concept always involves a degree of deconstruction: in the last section, we will perform the 'archaeological task of unearthing the assumptions that underpin the general approach to environmental security. This section also presents an alternative framework in which the underlying question, that of human well-being, can be meaningfully addressed.

The following sections will apply the conceptual framework for policy-oriented discourse analysis to evaluate different streams in the environmental security literature. The use of the discourse-analytical framework here differs from Chapter 6 and Chapter 8. Whereas these reconstruct policy stories of advocacy coalitions in terms of coherent narratives, the following analysis will use the policy stories approach in its 'elemental form' to dissect and compare the different policy arguments. The aim is to compare the individual assumptions, inferences and arguments rather than the policy stories in their entirety.

The chapter will evaluate the different streams of environmental security in two stages. First, the chapter will examine the internal logic of the approaches. Here, the analysis will isolate and compare the various component parts of the approaches within the different streams. This, then, involves comparing

- the respective definitions of environmental security (the basic assumptions or the setting);

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[1]When the field first started emerging in the mid-1990s, which is also when the data for this chapter was collected as part of a study funded by the Norwegian Research Council.

- the causes and effects of environmental insecurity or environmental vulnerability (the problems or the villains);

- the policy recommendations (the policy solutions or the heroes).

In this way, this stage of analysis gauges the scope of potential policy conflict between the different conceptual strands of the environmental security conversation.

In the second stage — Section 7.2 — the analysis focuses on the normative ambitions of the environmental security debate. Here, the chapter focuses on the policy-relevant objectives that motivate the different strands of the environmental security approach.

7.1 The Scope of Policy Conflict: Three Streams of Thought about Environmental Security

Environmental security is an elusive concept. Theorists use different terms to describe to similar phenomena and the field is still far from reaching a consensus regarding the definition of environmental security. Since the idea of explicitly linking environmental stress to security considerations (of any hue) is fairly new with many contributors to the conversation "...the discourse about environmental security is consequently unclear, exhibiting sometimes contradictory and mixed metaphors" [Dyer, 1996, p.25]. There is no consensus on what exactly is to be secured, or, in other words, what is at risk. "At present,", Ekko C. Van Ierland, Marcel G. Klaasen, Tom Nierop and Herman van der Wusten maintain,

> "environmental security is a fuzzy concept. It is apparently often used as a cover term for discussing all kinds of phenomena and problems that are in one way or another related to the deterioration of the environment. While initially encompassing the risk of violent conflict or at least serious political destabilisation, the link between environmental deterioration and potential conflict is in most of the present 'environmental security'–discussions lost or at best very partial" [Ierland et al., 1996, p.3].

At the moment, they continue, the term "security" refers to either the security of nation-states or the security of the social (and biological) existence of human beings [Ierland et al., 1996, p.5].

There is, it would seem, some variance and scope in the way different theorists have defined the idea of environmental security. The following sections will apply the conceptual framework developed in Chapter 5 in order to explore this definitional variance and its implications for policy-making. In particular, the chapter uses the policy stories method to compare and analyse three different streams in the environmental security literature.[2] The basic purpose of all three streams is to convince policy-makers to expand conventional ideas and definitions of what security means, how security is to be brought about and what is to

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[2]Here, the analysis relies on Brian Shaw's typology of approaches in the environmental security debate [Shaw, 1997].

be secured. The first stream, closest to conventional notions of *socio-political security*, looks at the environmental factors that impinge on the security of nation states. The second stream aims to expand the notion of security to include fundamental *eco-systems* that sustain all human communities. The third stream of theorising suggests widening the purview of security to include ecological, socio-political, cultural and economic determinants of well-being in an inclusive notion of *human security.*

Reconstructing policy stories of the different theoretical streams means examining and comparing the underlying policy frames using the cultural theory-inspired typology of policy frames introduced in Chapter 5. By identifying and classifying the arguments according to contending cultural biases, the following section hopes to gauge the theoretical and conceptual distance between the different streams. This, then, provides some indication of the scope of potential conflict in the debate about environmental security.

Socio-Political Security: The Environment and Nation-States

The first policy story provides rigorously argued account of the way environmental degradation contributes to the eruption of violent conflict in nation states. Centred on Thomas Homer-Dixon's work, this stream of the environmental security literature examines how environmental issues catalyse the erosion of authority, legitimacy and control in nation-states.

The Setting — Basic Assumptions

Homer-Dixon, probably the most prominent scholar in the field, generally avoids the term "environmental security" in favour of *environmental scarcity* [Homer-Dixon, 1994]. It is the scarcity of renewable resources, so the argument goes, that place stress on socio-political systems and, given the 'right' social conditions (such as inequitable access to resources, a lack in social capital, or ethnic conflict), will erupt into sub-national violence and strife. Security is primarily a problem for socio-political systems:

> "Civil violence is a reflection of troubled relations between state and society. Peaceful state-society relations rest on the ability of the state to respond to the needs of society — to provide, in other words, key components of the survival strategy of the society's members — and on the ability of the state to maintain its dominance over groups and institutions in society" [Homer-Dixon and Percival, 1995, p.5].

Yet socio-political systems crucially depend on a material basis that is, argues Homer-Dixon, eroded by environmental degradation. Thus, Homer-Dixon's idea of security, which is never explicitly stated, is complex: security is something that is affected by social, economic, political, and ecological factors. The latter affect security by creating environmental scarcity that can lead to violent conflict. What is not clear, at least to the present reader, is whether environmental scarcity is the primary cause of social unrest, whether conditions of environmental scarcity merely add to and exacerbate existing grievances, whether environmental scarcity acts as a catalyst for civil unrest, or whether environmental factors are the detonator that push social tensions beyond the critical mass.

The Villains — Policy Problems

How, then, does environmental scarcity lead to violence and strife within a nation-state?

Homer-Dixon lists three types of environmental scarcity. First, "supply induced scarcity is caused by the degradation and depletion of an environmental resource, for example, the erosion of cropland" [Homer-Dixon and Percival, 1995, p.6]. Second, demand induced scarcity "...results from population growth within and a region or increased per capita consumption of a resource, either of which increase the demand for the resource" [Homer-Dixon and Percival, 1995, p.6]. Last, structural scarcity "...arises from the unequal social distribution of a resource that concentrates it in the hands of relatively few people while the remaining population suffers from serious shortages" [Homer-Dixon and Percival, 1995, p.6]. Homer-Dixon, in keeping with his general approach, understands environmental insecurity as a result of socio-economic forces.

In terms of impacts, Homer-Dixon maintains that the three forms of scarcity interact to produce two distinct effects. In cases where rapid population growth (demand-induced scarcity) is coupled with intensive resource degradation (supply-induced scarcity), a situation he calls "resource capture" arises. As resources decline, powerful groups, usually aided by misguided economic policies, secure their inequitable share of the remaining resources thereby exacerbating the existing scarcities for the remaining population. When rapid population growth is coupled with inequitable access to resources (such as land tenure patterns) then "environmental marginalisation" sets in. The already disadvantaged population is forced, in an attempt to sustain itself, onto ecologically fragile and economically unproductive land.

Homer-Dixon clearly spells out the consequences of both effects. Both resource capture and environmental marginalisation lead to lower agricultural productivity and economic decline. As economies decline, the demands on the state increase. At the same time, however, increasing environmental insecurity undermines the capability of the state to meet these demands: tax revenues decrease and powerful elites, Homer-Dixon argues, exhibit rent-seeking behaviour to secure their share of inequitably distributed resources. This leads to two proximate effects: environmental migration and a general weakening of the state. This, in turn, means that a

> "...widening gap between state capacity and demands on the state, along with the misguided economic interventions such a gap often provokes, aggravate popular and elite grievances, increases rivalry between elite factions, and erodes the state's legitimacy" [Homer-Dixon, 1994, p.251].

Such a scenario, Homer-Dixon concludes, is conducive to deprivation conflicts at the sub-national level.

However, internal civil unrest has international repercussions. Sub-national violence further undermines the already badly bruised legitimacy of states. The country in question then becomes prone to anarchic rule by warlords or it becomes vulnerable to "strong man" politics. Authoritarian regimes, Homer-Dixon contends, in turn are more likely to wage inter-state war on neighbouring states in order to distract the population from domestic political problems.

The Heroes — Policy Solutions

Security, Homer-Dixon and Percival somewhat tautologically propose, will be best served by reducing environmental scarcity. Thus, they propose that traditional security concerns are best addressed in terms of environmental policy: green policies mean security from violent conflict.

When, however, it comes to outlining the measures necessary to reduce environmental scarcity, Homer-Dixon and Percival are remarkably bland. Keeping "strife and turmoil" at bay means that

> "...rich and poor countries alike must cooperate to restrain population growth, to implement a more equitable distribution of wealth within and among their societies, and provide for sustainable development" [Homer-Dixon et al., 1993, p.45].

Sustainable development necessitates technical innovation in less developed countries. In order to achieve this, Homer-Dixon and Percival suggest that

> "An intricate and stable system of markets, legal regimes, financial agencies and educational and research institutions is a prerequisite for the development and distribution of many new technologies ..."
> [Homer-Dixon et al., 1993, p.45].

The environmental scarcity approach is a rigorous analytical framework for understanding the relationship between environmental degradation and the breakdown of civil order in nation states. This analytical precision, however, comes at the price of prescriptive imagination: the policy solutions remain cautiously general and commonplace.

Eco-System Security

The second stream of approaches in the environmental security literature urges analysts and policy-makers to widen security to include fundamental biological and ecological imperatives. Here, security of nation states in particular and human communities in general is subsumed in and grounded on the security of the underlying eco-system that support them. Ensuring the stability and safety of these systems, then, is the most fundamental task of any security-oriented policy.

The Setting — Basic Assumptions

In the *eco-system security* approach, environmental degradation threatens security by undermining our means of subsistence. Ecological security, surmises Katrina Rogers, encompasses "...the goal of stakeholders to create a condition where the physical surroundings of a community provide for the needs of its inhabitants without diminishing its natural stock" [Rogers, 1997, p.29]. Security is not primarily a function of stable macro-social processes (such as socio-political, economic or even military systems). Rather, security is something to be achieved, quite literally, at the micro-level of human existence. "Ecological security", Pirages asserts,

> "moves beyond the preparations to repel military assaults from enemy states to ensuring safety from other kinds of ecological and economic challenges. These threats can include attacks by other species (ranging from locusts to micro-organisms), redistribution from nature (including floods, droughts, and famines), and economic failures associated with ecosystem mismanagement" [Pirages, 1997, p.37].

In short, at the base of security stands a biological imperative that we can ignore only at considerable peril. This imperative, argues Pirages, consists of four equilibria: between demands of human populations and the sustaining capacities of environmental systems; between the size and growth rates of various human populations; between the demand of human populations and those of other species; and, between human populations and pathogenic micro-organisms [Pirages, 1997, p.38]. To maintain these equilibria means to ensure eco-system security. Social factors, such as stable governments, democratic structures, etc. are, at least for Pirages,[3] incidental to achieving a more fundamental form of security: they are no more than a means to a larger ecological end.

The Villains — Policy Problems

What, then, gives undermines the ability of eco-systems to sustain life?

Pirages pegs ecological insecurity firmly onto demographic factors.[4] Four demographic issues, Pirages contends, contribute to ecological insecurity. First, population growth creates demand for resources that, sooner or later, must strain natural environments beyond their carrying capacities. Pirages cites water wars in the Middle East as evidence that unchecked population growth threatens security. Second, population movements, or environmental refugees, pose a further threat to ecological security. On the one hand, increasing rural-urban migration in the developing world, leads slum creation in ever expanding mega-cities. Miserable living conditions in these slums, in turn, give rise to the spread of disease, the mutation of new pathogens, and generally foster human vulnerability to micro-organisms. On the other hand, increasing South-North migration, argues Pirages, has led to increasing recalcitrance in industrialised host countries which harbours the potential for future ethnic conflict. Third, population greying, more commonly referred to as population ageing, is endangering the social (but not ecological!) security of workers in the industrialised North. The growing tension between the retired and ever decreasing base of contribution payers will increasingly lead to "inter-generational skirmishes" [Pirages, 1997, p.41]. Last, Pirages outlines differential population growth rates as a potential geo-political problem in the future. Differential population growth rates, the example used is the difference between population growth in Islamic and non-Islamic countries, will, in the future, reshape the geo-political map.

Pirages identifies distinct effects for each demographic issue that currently threatens eco-system security. First, rapid population growth leads to environmental degradation in Homer-Dixon's sense. The more population increases, the less the land can sustain its population leading to economic decline and political instability. Internal civil war and even inter-state war are the logical

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[3]Katrina Rogers speaks of the need for communicative ecological cooperation, see below.

[4]In fairness, Pirages maintains that demographic variables are one of the many reasons for ecological insecurity but unfortunately leaves us in the dark about what the other factors may be [Pirages, 1997].

consequences.[5] Second, environmental migration, particularly southern rural-urban migration, results in the establishment of inhumane urban slums. Here, Pirages maintains, humans become particularly vulnerable to attacks by micro-organisms. Not only do the incidences of diseases such as malaria, cholera, HIV, etc. increase, they are likely to mutate into new, potentially more lethal strains. What is more, urban areas are large resource sinks leaving an "ecological foot-print" on the surrounding areas adding to the already considerable ecological insecurity. Third, population greying, will invariably lead to intergenerational conflict in the industrialised North. Overly generous social security arrange-ments, established in times of full-employment and stable population growth, will become an intolerable burden for the remaining workforce as populations in the North grow older. Pirages notes that demographic forecasts "...conjure up visions of a new proletariat toiling long hours in order to pay taxes necessary to keep politically organised retirees in the style to which they have become ac-customed" [Pirages, 1997, p.41]. The result, Pirages surmises, will be "political turmoil".[6] Last, differential population growth rates between different countries, Pirages argues, will shift the geopolitical balance. Yet, "...although violent con-flict based on differential population growth is unlikely, it will be an important force in reshaping the political map over the next decades" [Pirages, 1997, p.41]. What this exactly means for ecological security remains unclear.

The Solutions — Policy Solutions

The eco-system security approach, in particular Pirages, proposes a detailed cat-alogue of policy recommendations which centre on slowing population growth. Pirages suggests that international family planning policy ought to re-emphasise individual responsibilities. Present population policies, argues Pirages, are in-sufficient because the biological imperative is consistently ignored in favour of short-term political interests. Pirages laments that

> "...at the Rio de Janeiro 'Earth Summit' of 1992 and the 1994 Cairo conference, the core population issue was very much ignored be-cause of pressure from religious institutions, various women's groups, and politicians from the poor countries who blamed the bulk of the world's environmental ills on the industrialised world" [Pirages, 1997, p.43].

In terms of environmental migration, Pirages proposes an intensification of fam-ily planning in rural areas of less developed countries. Further, he sees a strong role for education (presumably because there is a positive correlation between fertility rates and education) and proposes that economic growth be redirected to smaller cities in less developed countries. Last, he proposes a system of incentives to convince farmers to remain in rural areas.

Interestingly, Pirages does not have any solutions for the problems asso-ciated with ageing populations in industrialised North. Pirages suggests that "[n]ew definitions of and requirements for retirement are needed as well as a greater understanding of the burdens to be shouldered by coming generations"

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[5] Unfortunately, Pirages leaves us in the dark why these are logical consequences.

[6] Unfortunately, Pirages again does not go on to explain what precise form this turmoil will take. We are left to expect the worst. Chapters 8 and 9 provide a more differentiated view.

[Pirages, 1997, p.44] but then leaves us in the dark how these definitions and this understanding is to be achieved.

Thus, the stream emphasising eco-system security aims to expand the policy focus to a more basal notion of what needs to be secured: the fundamental ecological life-support systems of human communities. On this view, securing eco-systems from population pressures and environmental degradation is the basic prerequisite for any type of security policy.

Human Security

The third stream in the environmental security literature — the *human security*[7] approach — suggests expanding the idea of security beyond both the socio-political or the eco-system security view. Although the precise terminology varies,[8] security becomes an all-encompassing term relating to the social, economic, political, and ecological well-being of individual human beings.

The Setting — Basic Assumptions

What constitutes such a expansive concept of security? Environmental security, contends Norman Myers,

> "... amounts to human well-being: not only protection from harm and injury but access to water, food, shelter, health, employment, and other basic requisites that are the due of every person on Earth. It is the collectivity of these citizen's needs — overall safety and quality of life — that should figure prominently in the nation's view of security" (Myers quoted in [Conca et al., 1995, p.262]).

Thus, security becomes the freedom to satisfy human needs (both biological and social). Similarly, Tuchman-Matthews understands environmental security in terms of two aspects: first, the security from violent conflict (both national and sub-national) and, second, security to meet one's basic needs [Tuchman-Matthews, 1993]. Westing provides the most inclusive definition: environmental security, he holds, "can only be attained and sustained within the framework of comprehensive human security, of which the former is an inextricable component" [Westing, 1994, p.113]. Human security, he continues, consists of six elements: democracy, education, health, old-age security, security from violence, and international security.

Defined as human well-being, environmental security transcends, or at least is designed to transcend, other conceptions of security. Environmental security becomes the master concept from which all other notions of security flow [Dyer, 1996, p.28]. Thus, in comparison to the socio-political and biological imperative positions, the well-being argument is more explicitly normative: human well-being, as defined in terms of environmental security, is less of description of a particular social or biological state than a value to which human societies ought to aspire.

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[7]Following Brian Shaw's typology of security discourses [Shaw, 1997].

[8]Norman Myers speaks of "environmental security" [Myers, 1993b, Myers, 1993a], Jessica Tuchman-Matthews describes "global environmental security" [Tuchman-Matthews, 1993], and Arthur H. Westing contemplates "human security" citeWes94.

The Villains — Policy Problems

The human security approach outlines both natural and social sources of environmental insecurity. Myers lists five types of environmental stress as the cause for insecurity: sea-level rise, salination of croplands, shrinking of water resources, storm damage, and drought. However, social factors equally contribute to individual insecurity: these "... include faulty economic policies, inflexible political structures, oligarchical regimes, oppressive governments and other adverse factors that have nothing directly to do with the environment" (Myers in [Conca et al., 1995, p.258]). True to the universalist stance in the human security approach, Myers also points to the wasteful consumption habits in the North. Yet, the "... biggest factor of all in many developing countries is the population explosion, still to enter its most explosive phase" [Conca et al., 1995, p.258]. Population pressure, he continues, "... generate discord and strife of multiple form, often erupting in violence" [Conca et al., 1995, p.258].

In a similar vein, Jessica Tuchman-Mattews contends that there are two variants of environmental degradation. First, micro-level resource degradation, such as deforestation or desertification, renders individuals environmentally insecure. The root cause for resource degradation is population growth: in fact, Tuchman-Matthews argues, population growth "... lies at the core of most environmental trends" [Tuchman-Matthews, 1993, p.275]. The impacts of population growth are mediated, she continues, through institutions. There are, then, additional factors that can exacerbate (or ameliorate) rapid population growth such as patterns of land tenure and resource mismanagement. Second, Tuchman-Matthews identifies global climate change as the other source of individual insecurity. The prime culprits here are fossil fuel use and deforestation.

Westing singles out desertification as the prime cause of environmental insecurity. This, in turn, is caused by two interrelated factors: population increases (straining the carrying capacity of natural resources) and poor policy. The latter Westing specifies as detrimental livestock policies as well as the introduction of mechanised agriculture in developing countries. Desertification occurs, he surmises, via soil erosion and nutrient dumping.

The human security approaches only vaguely link causes and effects of environmental insecurity. Tuchman-Matthews outlines the potential effects for the two causes of environmental insecurity. Resource degradation leads to economic decline which in turn causes political instability and internal violent conflict. As a result, individuals flee creating socio-political as well as ecological strains in the host countries. Tuchman-Matthews observes that "... where refugees settle, they add to the local demand for food and put new burdens on the land, spreading like a disease the environmental stress that forced them from their homes" [Tuchman-Matthews, 1993, p.30]. Not unlike Homer-Dixon's line of argument, Tuchman-Matthews maintains that internal civil war increases the socio-political system's vulnerability to authoritarian regimes and external subversion.

global climate change, the second cause of environmental insecurity, will have, contends Tuchman-Matthews, three broad effects. First, global climate change will imply huge adjustment costs as economies adapt to new climatic conditions. Second, the economic capacities of national economies will severely suffer from the imputed effects of global climate change. Last, the effects of climate change will adversely affect the health of citizens in a particular polity.

Westing, who specifically focuses on environmental migration, specifies the effects of environmental insecurity more precisely. The impacts of environmental migration, argues Westing, can be differentiated according to different sites. Westing lists five categories of impacts. First, environmental migration affects the site of origin. The remaining population, which usually consists of the most vulnerable (the elderly, women and children), must rely on a depleted resource base. Second, if migrants move to domestic rural sites, the encroachment on traditional lands causes friction that may lead to violent conflict. The danger of civil war is particularly acute when governments of less developed countries force relocations and latifundations that encroach on traditional land use patterns. Third, Westing argues, like Pirages, that domestic rural-urban migration leads to slum creation in the cities. This, in turn, may create an army of disaffected and disgruntled squatters whose potential for violence is considerable. Fourth, if environmental refugees cross national borders into other non-industrialised countries, this, maintains Westing, increases the economic and political strains within and between the affected nations and can, in some circumstances, lead to interstate war. Last, migration to foreign industrial sites increases xenophobia which, in turn, leads to stricter immigration policies.

The links in the human security approaches thus are rather tenuous and contingent on many socio-economic conditions. These, however, are rarely specified: one is left with the impression that environmental stress leads directly to violent conflict.

The Solution — Policy Solutions

The universalist human security positions are most ambitious in terms of policy proposals. Although Myers is unclear about what concrete measures governments ought to adopt, he is adamant that environmental security be included in national security policy formulation. The aim, he argues, must be the fostering of international co-operation to face the problems of environmental security. International relations has changed to such an extent that nationally oriented policy is wholly inappropriate:

> "Hitherto we have adopted a stance that essentially says that what I gain must be what you lose, and vice versa. Today, for the first time and for all times henceforth, we face situations where we shall all win together or we shall all lose together" [Myers, 1993a, p.259].

Similarly, Tuchman-Matthews suggests a radical re-thinking of security policy. She envisages a two-pronged strategy: one the one hand, security policy must focus on combating population grow and environmental degradation; on the other hand, policy must break down the institutional barriers to international co-operation and technological innovation. The former strategy includes an intensification of family planning policies for the South and a reduction in energy consumption in the North. Overcoming institutional barriers, she surmises, will be the greatest challenge: new forms of international co-operation (meaning involving Non-Governmental Organisations or NGOs in policy-making), a reorientation of the market to reflect environmental costs, and new forms of national accounts will be necessary to secure environmental security.

Westing, in turn, presents a concise set of policy recommendations that ought to integrated in a policy to secure human security. He proposes six policy

options:

1. curtail population growth

2. support environmental education

3. provide for protection of biodiversity

4. encourage participatory forms of local and national government

5. provide opportunities for income generation outside the livestock sector

6. foster political security and facilitate ecogeographical (subregional) co-operation

In sum, the "human security" strand of thinking in the environmental security debate aims to expand the issue of security to include all possible dimensions that contribute to human well-being. Unlike Homer-Dixon's more disciplined analytical exercise, the "human security" approaches are content to paint rather broad-brush picture of how a wide spectrum of components and their relationships contribute to security (or insecurity).

Delimiting the Contested Terrain in Environmental Security

What, then, is the scope of potential conflict in policy debates about environmental security?

Using the bootstrapped conceptual framework for discourse analysis reveals the conceptual and theoretical proximity of the three streams in the environmental security literature. Essentially, the streams *share* a basic hierarchical policy frame. Each of the approaches points to uncontrolled population growth in the developing world as the fundamental cause of environmental insecurity. Moreover, each of the approaches links population growth to environmental degradation and violent conflict in terms of a similar mechanism: socio-ecological carrying capacity. Here, a eco-system will be able to support human activity up to a certain limit but will collapse precipitously when these limits are overstepped. This, then, conforms to the hierarchical 'myth of nature' used to socially construct nature as a place that tolerant within specific bounds but unforgivingly turbulent beyond these bounds (see Chapter4. While the different policy stories link causes (population growth) with effects in a more or less specific and rigorous way, the conclusions and policy recommendations point in the same direction: policy-makers must create governance structures capable of steering human communities and human behaviour clear of activity that, in the long-run, will overburden the carrying capacity of eco-systems.

This is not to say that there are no differences between the streams. The most prominent discrepancy between the streams is in reach on the one hand and analytical rigour on the other. In general, the closer a theory is to conventional ideas of security, the more coherent and comprehensible the link between environmental degradation and security. The cost of analytical rigour, however, is a loss of rhetorical power: approaches where environmental degradation is one of many factors leading to violence, internal strife and war (e.g. Homer-Dixon) lack the urgency of the approaches where environmental degradation (caused

Socio-political Security		Human Security
	Eco-System Security	

Figure 7.1: The Continuum of Streams in the Environmental Security Debate

by population growth) is portrayed as a direct cause of violent conflict. Not surprisingly, the loudest calls for social, political and institutional change can be heard from those theorists who depart furthest from conventional security concepts. It is in these calls that the discourse-analytical framework recognises elements and aspirations of a contending policy frame: the 'egalitarian' policy frame that suggests constructing inclusive societies based on a view of nature as fragile and ephemeral [Douglas, 1992, Thompson et al., 1990]. Policy proposals demanding the empowerment of local communities in the developing world or the tempering of profligate consumption habits in the developed countries (see the Introduction) indicate the influence of the egalitarian cultural bias in the human security policy story.

Therefore the three policy stories of the different streams in the environmental security discourse are situated along a continuum. In terms of policy demands, Dyer describes this continuum as follows:

> "At one end of the spectrum are proposals which advocate adding selected parts of the environmental agenda to the list of things to be secured militarily . . . At the other end of the spectrum are proposals for restructuring the entire political order in such a way as to allow an effective response to a perceived environmental crisis of immense proportions" [Dyer, 1996, p.25].

Unlike the transport policy stories discussed in Chaper 6, the policy arguments for environmental security are not fundamentally incompatible. Rather, they represent variations and extension of the same basic policy theme: causes of environmental degradation undermine security but can be controlled by appropriate governance structures. This also restricts the reservoir of ideas, strategies and concepts available for addressing the issue of environmental security.

Figure 7.1 depicts the shape of the contested terrain in the environmental security debate.

7.2 The Basis of Agreement: The Normative Ambitions of Environmental Security

In the previous section we have seen that the different approaches to conceptualising environmental security vary along a continuum based on a shared basic policy frame. At one end of this spectrum, the approaches that adhere more closely to the traditional concept of security are more cautious both in terms of analytical rigour and policy proposals. At the other end, the approaches that depart from current security thinking tend to favour broad generalisations in order to highlight the relationship between the environment and security.

Thus, the shared policy frame effectively limits the scope of policy conflict to issues of strategy. The fundamental issue between the different streams is where to situate policy demands along the continuum. The basic thrust and direction of policy, however, is common to all approaches.

How, then, is this basic thrust articulated? Broadly speaking, the environmental security approaches share four normative aims:

1. To elevate the environmental issue into the sphere of 'high politics'

2. To re-conceptualise the notion of security

3. To reconceptualise the idea of the nation state

4. To redefine the nature of international co-operation

Promotion of the Environmental Issue into the Realm of 'High Politics'

Many political scientists conveniently distinguish so-called "high politics" from "low politics". The former category, populated with grand issues of importance to the nation state, requires savvy statesmanship and competent leadership: the issues include economic policy, defence policy, and, of course, foreign policy. The more mundane, less glamorous matters are, maintains Hoffmann, a matter for low politics: issues such as social policy, health policy, and environmental policy fall into this category.

By explicitly relating environmental factors with traditional safety concerns, proponents of the environmental security approach are attempting to promote the environmental issue from the nether regions of low politics to the lofty peaks of high politics. Presumably, the aim is to have nations pursue environmental policy with the same vigour (and expenditure) with which they pursue national security. Linking the environment to national security issues, Myers argues, will force nations to "...recognise that many forms of environmental impoverishment constitute a distinctive category of international problems ..." [Myers, 1993a, p.259].

Although there have been responses at political level indicating that environmental concerns may in future become part of security policy deliberation, some proponents of the environmental security approach envisage a broader role for environmental security. Pirages notes that the greening' of standard operating procedures in the defence and security sector is not enough. He contends that "...as yet there has been little effort to move beyond cosmetics and use ecological perspectives to re-orient long-term foreign policy planning and security thinking" [Pirages, 1997, p.37]. Thus, depending of course on the particular environmental security school, the aim of the advocates of environmental security is to place the environmental issue at the top of the political agenda internationally.

Reconceptualising the Notion of Security

A more obvious ambition the advocates of environmental security pursue, which of course is not unrelated to the promotion of the environmental cause, is to redefine the idea of security. Since World War II, and arguably even since the

French Revolution, security has referred to the political and military security of nation states: security has meant the safety of nation states' sovereignty from external attack or internal subversion. However, Emma Rothschild maintains, the notion of security has been extended in the last two decades [Rothschild, 1995]. Specifically, she continues, the idea of security, or more precisely what is to be secured as well as who is responsible for securing it, has been extended in four directions: upwards from the nation-state to the international community; downwards form the state to the individual citizen, and side-wards from the state to organisations that work in an international context (such as NGOs).[9]

The origins of this development date back to the 1970s and 1980s. The oil shocks of 1973 and 1978 vividly demonstrated that national security was not simply a matter of superior weaponry and strategy: nation-states were also economically vulnerable. In the 1980s, the increasing importance of environmental groups and parties, not to mention environmental catastrophes such as Bhopal, Sandoz, and Chernobyl, brought the environmental threat to the attention of both policy-makers and the general public. Increasingly, theorists began to question the suitability of conventional security concepts: present national security policy can only provide security from a fraction of all the threats that face individuals and nation states. Dyer summarises the bankruptcy of the conventional security ideas as follows:

> "A continuing dependence on the troubled concepts of sovereignty, national interest and (state) foreign policy, which have historically provided the framework and rationale for military threats and actions, suggests that the notion of 'security' does not lend itself well to the project of conceptualising a response to emerging global changes — not least global environmental change"[Dyer, 1996, p.23].

The environmental security concept is an attempt to rise to these challenges. Security should no longer be seen as an exclusively military matter: Myers contends that

> "...national security is no longer about fighting forces and weaponry alone. It relates increasingly to watersheds, croplands, forests, genetic resources, climate, and all other factors rarely considered by military experts and political leaders, but that taken together deserve to be viewed as equally crucial to a nations security as military prowess" [Myers, 1993a, p.258].

What is more, environmental security implies transcending national boundaries. The traditional introspective approach, whereby concern for security ends at the national boundary (or the sphere of influence), no longer suffices. Whereas conventional security meant that "...national security was a zero-sum concept: the greater one nation's security, the less another's", nowadays national security "...depends increasingly on global security" [Tuchman-Matthews, 1993, p.34].

Dyer locates this change in theoretical perspective in the broader context of international relations theory. In the past, the field has been dominated by two schools of thought: the Neo-Realist approach and the Neo-Liberal schools

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[9]Rothschild's excellent article goes on to argue that many of the 'new' ideas currently informing debate can be traced back to liberal thinkers of the 17th and 18th century (such as Adam Smith, Immanuel Kant, and Marquis de Condorcet).

of thought. Currently, many students of international relations are becoming increasingly dissatisfied with the paucity of theoretical choice. Dyer observes that "...the theories of inter-state relations (whether they involve state-centric Realism or liberal internationalism) are no longer tenable — at least for explaining environmental politics in particular, but also generally as well" [Dyer, 1996, p.30]. Not only does the concept of security need to be rethought, but also the way in which theorists conceptualise international relations in general is in dire need of repair. Dyer muses that

> "...international theory must become the theory of international processes, incorporating multiple actors and considering global, regional and local relations as aspects of the whole. It is precisely this aspect of considering the world as a whole which characterises the global approach. Globalisation, as a central concept, indicates the relative autonomy and distinct logic of the global, as opposed to the national or international" [Dyer, 1996, p.30].

Redefining the Nation-State

The logical consequence of the environmental security concept (although by no means a consequence that all advocates of the concept vocalise) is the redefinition, or rather dilution and dissolution, of the idea of a nation state. Again, theorists vary considerably in this respect.

Some theorists, most notably Thomas Homer-Dixon, are content with just pointing out that there is a relationship between environmental degradation, socio-political imbalance and violent conflict. The implication here is that the security policy community will no longer be able to 'do its job' effectively, namely protect the state from harm, if they continue to ignore environmental factors in the security equation. Other theorists, those at the universalist or human security end of the spectrum, argue that the concept of environmental security is meaningful only if the theoretical as well as political context within which the concept of security is used radically changes. A new, more inclusive (or, depending on the particular approach, all-encompassing) concept of security needs a new global socio-political environment in which it can be applied to ensure the 'right' policy outcomes.

For Myers, global environmental interdependence challenges the concept of the sovereign nation-state. He contends that

> "[n]o nation can meet the challenges of global change on its own. Nor can any nation protect itself from the actions — or inactions — of others ...It postulates as big a change for the nation-state as any since the emergence of the nation-state four hundred years ago" [Myers, 1993a, p.259].

The general line of argument is that the community of nation states is poorly equipped, both in terms of ideas as well as institutions, to tackle global environmental problems. Ecology "...is about interconnections and circular causation, indirect effects and long time scales ...," Simon Dalby argues; that is why "...the political mechanisms that have traditionally dealt with decision-making in the state system are often not adequate. Conventional geopolitical reasoning is not appropriate for dealing with environmental issues on a global

scale" [Dalby, 1996, p. 469]. He warns against merely tacking environmental concerns onto traditional ideas of security: the new concept of environmental security in old geo-political ideological and structures would do more harm than good. Similarly, since the "...traditional prerogatives are poorly matched with the needs for regional co-operation and decision-making", Jessica Tuchman-Matthews concludes, "...our accepted definitions of the limits of national sovereignty as coinciding with national borders is obsolete" [Tuchman-Matthews, 1993, pp.285–286].

Reconceptualising the Nature of International Co-operation: Global Interdependency

What is to take the place of nation-states? The case for environmental security implies a commitment to international (or global) co-operation. Dyer notes that

> "...the developing logic of international environmental relations points to regional and local actors rather than to traditional inter-state relations. Global relations can be seen as succeeding what was begun by the phenomenon of transnational relations by further conditioning, if not eliminating, the role of nation states" [Dyer, 1996, p.23].

Environmental threats to security, so the argument goes, do not respect national borders: it follows that co-operation at trans- and international level is needed to face the security challenges posed by, say, global climate change.

Yet, the theorists are not very clear on the form this co-operation should take. On a theoretical level, Dyer suggests that environmental security become a 'universal value' which would replace the interest based theories of *Realpolitik* with normative approaches. Tuchman-Matthews, in turn, emphasises that, since the world is becoming economically, politically and ecologically interdependent, environmental problems demand local action. Such action, she continues, presupposes multi-lateral diplomacy. What is more, since nation states are ill-equipped to deal with global challenges, implementation of policy must be devolved to NGOs. Yet, Tuchman-Matthews maintains that present institutional structures are the problem: "But if the technological opportunities are boundless, the social, political and institutional barriers are huge" [Tuchman-Matthews, 1993, p.285]. Here she somewhat vaguely suggests a form of world government which, guided by science, would re-install international law.[10]

Katrina Rogers suggests that increasing international co-operation is not merely about constructing institutions. Rather, ecological security "...must also be about initiating and maintaining sustained communicative mechanisms for cooperation in a number of political, social, and economic areas that include environmental issues" [Rogers, 1997, p.31]. This, in turn, implies that

> "...the environment and conflict research lends empirical power to the idea that states should support multilateral cooperation in development programmes, such as family planning, encourage local communities to initiate or continue the slow, laborious process of building multi-partnership arrangements and improving communication" [Rogers, 1997, p.31].

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[10]This, of course, corresponds to the Enlightenment idea of the world *citoyen* (*Weltbürger*) as Emma Rothschild rightly points out.

She then goes on to suggest that different state and non-state players, such as NGOs and Multi National Corporations (MNCs), be involved in the process for constructing better communications. Yet, it is unclear what Rogers means when she refers to 'communicative mechanisms': are they institutions (such as parliaments or soviets) or are they the linguistic and pragmatic preconditions of human communication *à la* Habermas? We are given no indication either way.

In sum, the normative aspirations of environmental security approaches play a fundamental role in the functioning of these approaches. The environmental security idea, in any of its guises, aims at restructuring both the discourse and practise of international relations. Again, theorists differ in the degree to which they advocate socio-political and ideological change. This, however, may have more to do with differing rhetorical strategies than with basic differences in opinion between the thinkers: the overall aim is to bring about a paradigm shift in order to place the environment on the top of the political agenda, the differences merely reflect various strategies of pursuing this end. For this reason, proponents of the different streams in the environmental security debate are highly likely to agree on fundamental principles as well as concrete policy measures. Disagreement, in turn, is likely to be limited to strategic issues of policy purview.

Table 7.1 summarised the three schools of thought in environmental security.

7.3 Potential Impacts: Why Environmental Security is not a Useful Concept

The previous sections have outlined three streams in the environmental security debate. But is the idea of environmental security useful for identifying problems concerning the environment and security, on the one hand, and will application of the model suggest the policy responses that will ameliorate these problems, on the other? In other words, what are the potential policy impacts of the environmental security debate?

In order to answer this question, we have to unearth the underlying assumptions of the environmental security discourse and test their plausibility. Recall that although the different schools of thought vary somewhat with respect to the definition of environmental security, the observed effects of environmental insecurity, and the policy action recommended, the approaches are fairly unanimous on the causes of environmental insecurity: population growth. This is no coincidence but rather the logical consequence of the fundamental assumptions made by different thinkers that place them into the same broad hierarchical policy frame. In particular, each stream assumes that environmental degradation is inextricably connected to population growth by the idea of human needs. This model, in turn, leaves the policies to bring about environmental security vulnerable to conceptual blindness and unanticipated consequences.

Environmental Security, the Homogenised Individual, and Rapid Population Growth

The conceptual centrepiece of all environmental security approaches is the rational, atomised, and acultural individual. Unlike, however, the *Homo Economicus*, who is capable of foreseeing the long-term impacts of behaviour, this

	Socio-political security (Thomas Homer-Dixon)	Eco-system security (Dennis Pirages; Katarina Rogers)	Human security (Norman Myers, Jessica Tuchman-Matthews; Arthur Westing)
Setting	no explicit definition	Rogers:"...the goal of stakeholders to create a condition where the physical surroundings of a community provide for the need of its inhabitants without diminishing its natural stock"	Westing:"Environmental security can only be attained and sustained within the framework of comprehensive human security, of which the former is an inextricable component"
Problems	Supply-induced scarcity: environmental degradation; Demand-driven scarcity: population growth; Structural scarcity: Inequitable distribution of resources; Economic decline; Political destabilisation; Migration and ethnic conflicts; civil unrest and sub-national violence	Population growth; Environmental migration; Ageing; Differential population growth rates; Strains carrying capacity, Civil unrest and resentment in host countries;'Intergenerational skirmishes'; Change in geopolitical order	Resource degradation (desertification, deforestation); Global climate change caused by rapid population growth, poor policies , and inappropriate socio-political structures; Resource degradation: poverty, environmental migration and violent conflict; global climate change: huge adaptation costs,effects on human health, effects on economic capabilities of a state
Solutions	Restrain population growth, combat inequalities, establish functioning institutions	More aggressive family planning; More education; Incentives for farmers to remain in rural areas; More international co-operation	Combat population growth and environmental degradation: family planning services, cut energy usage in the North; Break down institutional barriers to technological opportunities: new forms of co-operation, reorientation of the market to reflect environmental costs

Table 7.1: Discourses on Environmental Security

rational individual is hopelessly short-sighted. The individuals that populate a world characterised by environmental insecurity are rational when it comes to their own immediate utility, but woefully ignorant when it comes to societal well-being. Thus, the sum of individual actions that may seems rational in the short-run, so the argument goes, can lead to detrimental outcomes in the long-run. The problem here is that these detrimental outcomes remain hidden to each individual actor until revealed by experts. Although the proponents of environmental security are not very explicit on what exactly their unit of analysis is, a careful reading of the different churches shows that the rational individual is the conceptual motor that drives all three approaches. The fuel that feeds the conceptual logic of the argument is rapid population growth.

Taken at face-value, Homer-Dixon's model seemingly locates the sources of environmental scarcity at three analytically distinct levels. Structural scarcity is brought about by socio-economic factors (unequal access to resources), supply-side scarcity is caused by poor management of renewable resources, and demand-induced scarcity originates in individual household fertility decisions (rapid population growth). It would seem that Homer-Dixon has struck an impressive balance between structural determinants, discursive determinants (poor resource management as a result of inferior technical knowledge), and individual choice. This is indeed what he has in mind when he contends that a

> "...reduction in the quantity or quality of a resource shrinks the resource pie, while population growth divides the pie into smaller slices for each individual, and unequal resource distribution means that some groups get disproportionally larger slices" [Homer-Dixon, 1994, p.247].

Yet, on closer inspection, the social and discursive elements of Homer-Dixon's model are little more than the supporting cast for the 'real' cause of civil unrest: individual (and asocial) rational responses to population growth. There are three parts to this argument. First, although Homer-Dixon goes to great lengths to explain that environmental scarcity only indirectly causes civil unrest and violent conflict [Homer-Dixon and Percival, 1995], he implies that individual rational responses to environmental scarcity undermine the legitimacy of states in the long run. Homer-Dixon observes that the

> "...likelihood of civil strife is greatest when multiple pressures at different levels in society interact to increase grievance and opportunity [for violent conflict] simultaneously. Our third hypothesis says that environmental scarcity will change both variables, by contributing to economic crisis and by weakening institutions such as the state" (quoted in [Conca et al., 1995, p.251]).

In the model, economic crisis in and of itself does not lead to a political crisis and violent conflict. It is rather the rational responses of individuals attempting to maximise their self-interest, such as the rent-seeking behaviour of the elites on the one hand and migration of the poor on the other, that put pressure on the state. So although violence will erupt only if there are attenuating social conditions (for example a decline in social capital), Homer-Dixon implies that these conditions will sooner or later be brought about by the rational individual responses to environmental scarcity. In short, social coping mechanisms,

such as parliaments, regional governments, but also village level informal institutions, will, in the long-run, not be able to contain the individual's self-seeking behaviour which boils down to essentially two strategies: fight or flight.

Second, it is highly questionable whether the three causes of environmental scarcity are of equal importance to the functioning of the model. This becomes clear when Homer-Dixon discusses the interaction of the different factors. Recall that if resource degradation is combined with population growth, a situation of "resource capture" evolves (see above). Likewise, persons become "ecologically marginalised" if consumption of a resource increases within the context of unequal access to resources. The common denominator here is a net increase in *per capita* consumption, i.e. population growth. Thus, it appears that population growth is a more fundamental source of environmental scarcity.

Third, this suspicion is confirmed when we apply the idea of environmental scarcity to advanced capitalist states. Homer-Dixon claims to have uncovered a set of relationships of universal validity. Environmental scarcity potentially undermines the legitimacy of all states: the reason he concentrates on less developed countries in his analysis is that "[p]oor societies will be particularly affected since they are less able to buffer themselves from environmental scarcities and the social crises they cause" [Homer-Dixon, 1994, pp.245-246] and will, presumably, provide more vivid illustrations of scarcity-induced civil unrest. Yet, the industrialised North is not experiencing deprivation conflicts, civil unrest, or even violent conflict.[11] The question is: why?

Unfortunately we are left to reconstruct the argument ourselves. One explanation may be that the social preconditions of violent scarcity-induced conflict are not given in the industrialised North. Generally, the governments of the industrialised North function within the context of stable socio-political structures generally perceived to be legitimate by most of the citizenry. This explanation would, however, undermine Homer-Dixon's entire theoretical edifice: if violent conflict is primarily a function of social and political factors, then what is the attraction of a model centred on environmental scarcity? If we can quell civil unrest and violent conflict by applying the standard tools of political science, economics, and policy-making, why complicate matters by incorporating environmental factors into an already complex equation? In any case, Homer-Dixon implies that environmental scarcities will deplete stocks of social capital and undermine state legitimacy in the long-run.

Another possible explanation is that there is no environmental scarcity in Northern countries that could lead to grievances among the citizens. But is this the case? Clearly there is structural scarcity in industrialised countries. Access to renewable resources (to all resources for that matter) are unequally distributed in most northern polities. Open any study on income and poverty in the developed world and note that structural inequalities are preventing people from obtaining minimal levels of goods such as food, shelter, education, and basic health. Admittedly, poverty in the North is not as crass as in some developing countries, yet the levels of deprivation, say of the homeless in major northern cities, can be considerable [UNDP, 1991]. Yet, there is no indication

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[11]Unless, of course, one counts terrorism as a kind of deprivation conflict. The suggestion, however, that the Provisional IRA, ETA, Le *Brigate Rosse*, and the *Rote Armee Fraktion* (let alone the violent right-wing extremists) are motivated by environmental scarcity seems absurd.

of civil unrest and deprivation conflicts.[12]

Further, there is wide-spread environmental degradation in northern industrialised societies. The "…decline in the quantity and quality of a renewable resource that occurs faster than it is renewed by natural processes" [Homer-Dixon, 1994] quoted in [Conca et al., 1995, p.247] is a common feature across the industrialised world. Depleted fishing stocks in Canada and Europe, the acidification of central and northern European forests, the nitrate loading of arable land, the poisoning of waterways (such as the Rhine) by industrial effluents, as well as the poisoning of food with heavy metals, radioactive material (particularly in the Ukraine), and anti-biotics, paint an bleak picture. If rapid anthropogenic environmental change is taking place anywhere, it is in the industrialised countries. What is more, this process dates back at least to the mid-19th century. Yet, despite structural and supply-induced scarcity, the legitimacy of northern states has not been significantly undermined. In fact, the opposite seems to be true: the more industrialised societies pollute the natural environment and sharper the income inequalities become, the more the advanced capitalist state strengthens its ideological and structural grip.[13]

What, then, in terms of Homer-Dixon's model, distinguishes the industrialised North from the less developed countries? The answer is rapid population growth. Whereas Southern countries are experiencing population growth rates of up to 3% per annum, population growth in the industrialised North has slowed to a halt and is, in some European countries, declining. In terms of the logic of the approach, it is only when unequal access to resources or environmental degradation are driven by rapid per capita increases in consumption that violent conflict is even possible. Thus population growth is the most fundamental driving force in the environmental scarcity approach.

The human security approach is unashamedly based on the concept of a universal and essentially asocial human individual. Here human security and well-being is a concept that knows no national boundaries and, for that matter, no cultural differentiation: human security means the same for men, women, northern citizens and those of the less developed world, black and white. Myers contends that in "…essence and little though this is generally recognised by governments, security applies most at the level of the individual citizen". Similarly, Westing's account of environmental migration clearly is in the individualistic vein. Westing argues that

> "[p]ersons become more or less permanently displaced from their areas of habitual residence for various reasons, among them especially:
> (a) to escape persecution for reasons of race, religion, nationality,

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[12] Again, pointing to unrest such as the Los Angeles riots after the brutal beating of Rodney King or to the riots in Brixton in 1995 would further undermine Homer-Dixon's argument. These riots were primarily socio-political.

[13] At this point, I would like to point out another similarity between Homer-Dixon and Marx. It would seem that Homer-Dixon has adopted Marx idea of revolutionary consciousness. Marx argued that the ever-increasing ferocity of market competition forced capitalists to constantly cut operation costs. As wages fall below the subsistence level, the immiseration of the proletariat sets in. At this point, the proletariat spontaneously develops a revolutionary consciousness and installs the dictatorship of the proletariat. Homer-Dixon argues similarly: as environmental scarcity increases and the means of subsistence progressively wane, individuals will be driven to civil unrest and violent conflict. Yet one of the major weaknesses of Marx original idea is that, historically, no matter how immiserated the proletariat, there is little revolutionary consciousness let alone a socialist revolution.

their membership in a particular social group, or their political opinion; (b) to escape the dangers of armed conflict, including massacres and other severe internal upheavals; and (c) to escape inadequate means of subsistence" [Westing, 1994, p.110].

Again these are rational individual responses to social change and upheaval: note that persons, not groups or people, become displaced. The implicit assumption Westing makes is that either social coping mechanisms have broken down (which is a reasonable assumption in a situation of civil war) and there is a Hobbesian war of all against all or social coping strategies are of negligible importance (which is not such a reasonable assumption). Yet what causes social coping mechanisms to break down? Population growth, Jessica Tuchman-Matthews readily informs us and goes on to argue that

"[a] government that is fully capable of providing food, housing, jobs, and health care for a population growing at 1 percent per year ..., might be completely overwhelmed by an annual growth rate of 3 percent, which would double the population in twenty-four years" [Tuchman-Matthews, 1993, p.276].[14]

The argument of the eco-system security approach, while primarily concerned with the security of impersonal natural systems, derives its explanatory force from a similar concept of the homogenised individual. Katrina Rogers defines ecological security as the "creation of a condition where the physical surroundings of a community provide for the needs of its inhabitants without diminishing its natural stock" [Rogers, 1997, p30]. Similarly, Pirages, as we have seen, identifies the threat to ecological security in four imbalances between humans and nature that are, significantly, induced by population growth.

What's Wrong with Population Growth? Human Needs as the Missing Link

The explanatory power of the environmental security approaches hinge on the assumption that increased population growth inevitably leads to (further) environmental degradation. Yet this argument is based on some strong assumptions about how individual consumption patterns are structured.

In order for increases in population to cause environmental degradation, the advocates of the environmental security concept have to assume that there is a level of consumption that is fixed for each individual. In other words, the advocates of the environmental security approach must assume that each individual has a set of basic needs. These needs, so the argument goes, must be satisfied if the individual is to survive. Satisfying needs, in turn, implies the consumption of resources. If, however, resources are fixed, say at the replenishment level if they are renewable resources, then an increase in the population size, other things being equal, will increase the consumption of the resource over and above the sustainable level.

Such a concept of basic human needs assumes that these needs are defined independently of social interaction and social structures. For set of human needs to be basic, it must be universally applicable: needs are necessities that,

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[14]But what government provides all of its population, regardless of the rate at which it is growing, with food, housing, jobs, and health care?

in Maureen Ramsey's words "... all human beings by virtue of their nature must share ..." [Ramsey, 1992, p.13].

There are conceptual and practical problems with this approach to human needs.[15] While the concept of universal basic needs represents an attractive idea as a yardstick for minimum conditions of human wellbeing, the operationalisation of the term is fraught with difficulty. First, finding a compelling social scientific definition of human needs is extremely problematic. Within the social sciences, there is no consensus on what human needs actually are [Douglas et al., 1998]. Needs, as Katrin Lederer points out, are theoretical constructs and are not open to direct observation [Lederer, 1980].

Definitions range from Katrin Gillwald's all-embracing statement that human needs "... are all the exigencies of human existence and are an important driving force thereof" [Gillwald, 1990, p.115] to Len Doyal and Ian Gough's more abstract notion that needs are "... those goals which must be achieved if any individual is to achieve any other goal ..." [Doyal and Gough, 1991, p.10]. Other theorists assign a more dynamic role to human needs. Christian Bay understands needs as "... inferred objective requirements ... for individual safety, wellbeing and *growth*" [Bay, 1968, emphasis added]. Similarly, Dennis Sandole refers to basic needs as "necessary conditions to basic survival and further physical and psychological development" [Sandole, 1990, p.60]. Not only do needs point out what is necessary for maintaining humans in some stable state, but they also show the way for further development.

Yet for the environmental security concept to hold water analytically, it is essential that there is a clear definition of basic human needs. Since the concept of environmental security implies that population growth leads to a higher level of consumption, the advocates of the idea must be able to point to a bundle of commodities that will satisfy basic human needs. Without this bundle of commodities, the individuals will not be able to sustain themselves and if the environment cannot provide these commodities, they migrate or they take up arms.

Myers hints at what this bundle of commodities might look like when he states that security "... amounts to human well-being: not only protection from harm and injury but access to water, food, shelter, health, employment and other basic requisites that are the due of every person on Earth" (quoted in [Conca et al., 1995]). However, he fails to specify how much shelter and of type of house, how much food and what kind of food, how much employment and what kind job, and how much water and what quality of water is required to fulfil basic human needs.

The reason Myers does not exactly specify the commodities necessary to satisfy basic needs is because he cannot. The goods and services that satisfy basic needs, the so-called satisfiers, are culturally and socially determined. What counts as a nutritious meal, an adequate house, clean drinking water, and a decent job are defined and delineated by the cultural context in which individuals find themselves. By rejecting the Basic Material Needs approaches, that aimed at improving economic development in the South by specifying commodity baskets that would satisfy the basic needs of the poorest in the 1960s and 1970s, contemporary needs theorists, such as Johan Galtung, have acknowledged the

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[15]For a more detailed analysis of the human needs and wants discourse, see [Douglas et al., 1998] as well as [Douglas and Ney, 1998].

socio-cultural origin of consumption patterns. Rather than attempting to compile a list of commodities that satisfy basic human needs, contemporary needs theorists aim to construct parsimonious models of universal human needs. By arguing that certain categories of human needs apply to everyone, while their satisfiers, i.e. the goods that fulfil needs, are culturally determined, Basic Human Needs theorists avoid the problems that confounded earlier approaches. Galtung argues that it is futile to determine beforehand what commodities satisfy basic needs. However, he continues

> "...it does make sense to talk about certain classes of needs...and to postulate that in one way or the other human beings everywhere and at all times have tried and will try to come to grips with something of that kind, in very different ways" [Galtung, 1990, p.303].

This effectively deflates the environmental security argument. If needs are no more than abstract categories that describe the human condition in general, the attainment of the categories, however, is culturally determined, then there is no self-evident connection between population growth, environmental degradation, and violent conflict. Put differently, there is a rich plurality of cultural strategies to satisfy human needs. By extension, there are also diverse social and cultural strategies for coping with population growth and environmental stress (c.f. [Thompson et al., 1986]).

Conceptual Blindness and Unanticipated Consequences

By focusing on individual rational responses to environmental degradation, concepts of environmental security hide from analytical view those mediating social institutions that determine whether environmental stress turns into violent conflict. On this view, violent conflict and environmental migration are a result of socio-institutional failure, not the knee-jerk reaction of an asocial individual that has but two strategies to cope with environmental stress: flight or fight. For this reason, the different streams of the environmental security literature are highly vulnerable to conceptual blindness thereby exposing policy to unanticipated consequences.

The rigid model of human needs that relates population growth to environmental degradation and violent conflict ignores the possibility that individuals and local communities adapt to changes in their natural and social environments. In essence, environmental security approaches characterise individuals as little more than automatons mindlessly playing their part in a gloomy play scripted by population growth and human needs. Change from inside this situation is impossible, so the argument goes, since only an expert can appreciate the real underlying processes.

An alternative view of the relationship between humans and their environment — based on an individualist policy frame — grants individuals more resilience and adaptability. Instead of blaming environmental degradation on the irrational behaviour of people in the developing world, this approach views this behaviour as an invaluable resource for innovation and adaptation. Such an individualist policy story would ascribe any long-term negative effects to well-meaning but misguided policy that disrupts individual and collective coping mechanisms. Environmental security approaches, then, are blind to the potential benefits of individual adaptation to environmental issues.

Yet another approach — an egalitarian policy frame — would draw attention to the considerable capacities of local communities in the developing world to manage their resources sustainably. Here, it is not the irrational behaviour of the poor but the irresponsible greed of the rich that makes the world an insecure place. Local communities of indigenous people in the developing world have lived in harmony with nature for centuries until the global capitalist system emasculated and enslaved them. Granting real social, political and economic autonomy to these communities by dismantling an inequitable and unfair global system of exploitation would remove the root cause of environmental insecurity. Despite some egalitarian traces in the "human security" story, the hierarchical basic consensus blinds the environmental security approaches to the value of local socio-cultural mechanisms for dealing with social and environmental change.

Ignoring these individual and collective capacities for adaptation is likely to leave policy open to two related types of unanticipated consequences. First, since policy recommendations outlined in the previous sections assume a self-interested but short-sighted individual, policies to avoid environmental insecurity may fail because rational and adaptive individuals find ways to work around irrelevant and misguided policy imposed by a central authority.[16] Policy to control population growth or to arrest rural-urban migration may simply not achieve its objectives. Second, and more significantly, incapable of understanding the significance of social coping mechanisms at local level, hierarchical policy-makers guided by environmental security paradigms may erode the social capital enabling individuals to adapt to environmental stress without resorting to violence. The potential policy outcome here is the eruption of violent conflict as policy fails to address the real source of environmental insecurity.

7.4   Conclusion

This chapter has applied the discourse-analytic framework developed in Chapter 5 to the three different streams in the environmental security literature. Reconstruction and comparison of the different policy stories has revealed the conceptual and theoretical proximity of the three approaches. Each of the approaches is situated on a continuum on which analytical rigour is traded off for rhetorical impact. However, the analysis has also shown that all three streams share a similar policy frame. Essentially, approaches in all three streams base their conceptual edifice on a model of environmental security that singles out population growth as the main determinant of environmental degradation via the notion of human needs. Thus, the three streams of environmental security define a relatively narrow scope of policy conflict.

Consequently, the structure of policy conflict is characterised by broad agreement on the fundamental normative aspirations of the environmental security concept. Theorists in all three streams share a normative project aimed to push the environmental issue up the policy agenda by demonstrating a relationship between traditional security concerns and environmental degradation. This implies reconceptualising the idea of security, the nation state, as well as international cooperation. Essentially, policy conflict among different streams

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[16]In developed countries, this phenomenon is described by the idea of 'street-level bureaucrats' [Lipsky, 1980].

of environmental security is limited to strategic rather than fundamental issues of where to best locate policy-making on the continuum.

Last, the chapter has assessed the idea of environmental security as a guide to analysis and policy. By unearthing and analysing the underlying assumptions, the chapter has shown that all three streams of the environmental security literature provide an unbalanced account of the relationship between the environment, human needs and violent conflict. Based on a rigid model that directly links environmental degradation to population growth via the concept of human needs, the environmental security debate loses sight of social and individual capacities to adapt to changing socio-economic and ecological conditions. Not only does this undermine the authority of the environmental security approaches, it also leaves these notions open to conceptual blindness. Policy advice flowing from these paradigms is likely to systematically underestimate the significance of individual resilience as well as local socio-cultural capacities. This, in turn, may lead to policy failure as individuals adapt to policies or policies erode socio-cultural coping mechanisms at local level.

In sum, while proponents of the different streams in the environmental security debate can probably avoid policy debate degenerating into an intractable policy controversy, this debate lacks the plurality that would produce robust policy advice. The narrow scope of policy conflict also constrict the pool of concepts and strategies available to tackling environmental insecurity to governance and population measures. Thus, in order to avoid conceptual blindness and reduce the risk of unanticipated consequences, the three streams need to be challenged by policy arguments from an individualist policy frame as well as a truly egalitarian policy story.

What, then, are the implications of this analysis for the environmental security debate:

- First, conflict between theorists and advocates within the three streams is likely to be narrowly circumscribed to predominantly strategic issues. All approaches agree on the underlying hierarchical model of environmental security but (ostensibly) disagree on the size of the catalogue of resultant policy recommendations. Conflict is thus likely to centre on issues of policy strategy and practicality of policy demands.

- Second, the analysis reveals a large area of agreement concerning the normative ambitions of the environmental security policy project. This area of agreement is likely to be robust since each approach shares the same basic policy frame. Although the "human security" story includes a number of typically egalitarian elements, the agreement on fundamental issues has meant that these principles have been translated into hierarchical terms.

- Third, the limited scope of policy conflict has meant that all three streams of the environmental security discourse have bought into a rigid model of environmental security based on contestable assumptions about individual rationality and human needs. This would leave policy based on these approaches vulnerable to conceptual blindness as well as unanticipated consequences. Avoiding potential policy failure requires exposing these streams to critical scrutiny from individualist and egalitarian advocacy coalitions.

Chapter 8

Are You Sitting Comfortably ... Then We'll Begin: Three Gripping Policy Stories About Pension Reform

Pension reform has proved to be a persistent policy issue across Europe. No matter where one looks, all European countries, small or large, rich or poor, European Union Member State or Accession Country, have addressed the issue of reforming old age pensions at some point during the 1990s. While policy-makers in some countries, particularly in central and Eastern Europe, have radically reformed their old systems, others, typically those in affluent continental Europe, have been far more cautious opting instead for incremental changes to existing pension systems. Others still have managed to implement fairly broad changes without making pension reform an explicit policy issue.

Not only has pension reform been a persistent feature across different political systems, it has also shown incredible resistance to resolution over time. Just as policy-makers seemingly despatch the problem, pension reform worms its way back onto the policy agenda giving rise to a new round of what is, more often than not, a politically divisive and conflict-ridden policy debate. No matter whether the particular country reforming old age pensions is affluent or in transition, corporatist or market-oriented, a net European Union contributor or a net European Union beneficiary, pension reform is difficult. In short, pension reform is also a complex, uncertain and transversal policy problems.

This chapter suggests a possible reason why pension reform in Europe is so difficult. Whereas social science conventionally concentrates on the technical aspects of how to optimally, efficiently and effectively reform old age pension systems, the focus of this chapter will be how policy stories about pension reform affect reform debates themselves. How, in other words, does the way policy actors think about pension reform lead to a specific set of institutional reform practises? In order to answer this question, we will apply the analytical

framework developed in Chapter 5 to pension reform discourses. Here, the underlying hypothesis stipulates that it is precisely these institutional practises that make pension reform so difficult.

Understanding the way systematic sets of ideas impact on pension reform policy implies that we need to know what ideas are 'in the market'. Section 8.1 will briefly outline the way economists typically think about reforming old age security systems. Here, we will look at both the basic rationale underlying pension systems as well as different pension design options.

Section 8.2 will review recent ideas and policy stories concerning pension reform. By applying the analytical framework developed in Chapter 5, this section gauges the scope of policy conflict about pension reform at international level.[1] Rather than focusing on the more scientific literature, this section will look at the way international organisations, such as the World Bank, the ILO, or the European Commission have defined the challenges of pension reform. By analysing these policy documents in terms of the cultural theory-inspired typology of advocacy coalitions and their policy frames, this chapter reconstructs the policy stories told by the actors in the narrative form. Section 8.3, in turn, uses the conceptual framework to explore the areas of agreement and disagreement generated by the contending policy stories. The final section, then, examines the potential impacts of the policy frames on pension policy-making.

8.1 Issues and Concepts

Pension systems are very complicated financial, legal and administrative animals. To add insult to injury (from the view of the researcher at least), pension systems have developed differently in different economies: no one pension system is exactly the same. Yet, in order to think about reforming old age retirement systems, researchers need a language or a set of ideas that allows them to compare and assess different pension designs. In this section, then, we will briefly review the language and the ideas researchers and policy-makers use to understand pension systems.

What Should Pensions Do?

It is fair to say that the dominant language in which policy actors discuss pensions issues is standard economics. Here, the world, or at least the facet of the world we are interested in, consists of rational economic agents that need to consume in order to live. These rational economic agents meet their consumption needs via claims on current income. When working, this income derives from paid labour or production. Yet when economic agents no longer work (by choice or by compulsion), they can rely either on time-consistent individual actions of the past (savings), informal group action (informal transfers from family or community), and collective action (formal public pension systems) [James, 1994, p.2]. From the vantage point of the individual, old age security systems enable consumption even though this individual, for whatever reasons, has left the labour force. In terms of the economy as a whole, pension systems transfer income from the working to the retired.

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[1] In the next chapter, we shall see how these policy stories also shape pension reform at the national level

More specifically, and here international organisations agree, pension systems should fulfil three interrelated functions: they should enable savings, they should protect against old age poverty by redistributing income, and they should insure against the risks of ageing.

Savings

One way for economic agents to provide for their old age income is to forego consumption now in order to consume after retirement. In other words, individuals can save. Yet, economists point out that individuals tend to heavily discount the future, meaning they do not save enough to provide them with an adequate income in old age [Willmore, 1999, p.7].

There are several reasons why individuals do not save enough for their retirement. First, individuals may be myopic, or short-sighted. Although the term "short-sightedness" implies a lack of judgement on part of the individual, people may choose not to save for very good reasons. Informational asymmetries, fundamental uncertainties concerning future health, income capacities, the cost of living at the point of retirement, the financial stability of savings products confound any attempt at rationally assessing when and how much to save.

Second, pension insurance markets are subject to well-known market failures. In particular, insurance companies are prone to so-called adverse selection problems. These arise when insurers have less information about life-expectancy than the insured. As a result, "good" risks (somewhat tastelessly referring to those who die young) and "bad" risks are pooled which drives up the premiums. This, in turn, deters good risks: premiums continue to spiral until they become financially prohibitive [James, 1994, p.37] [Willmore, 1999, p.7]. Another insurance market failure is so-called "creaming". This occurs when regulators prohibit insurance companies from differentiating risks in any other form except age. When insurers have to offer the same price to everyone in a particular age cohort, insurers will attempt to cream the good risks (chain smokers, stunt men, miners, etc.) [Willmore, 1999, p.7].

Third, market structures themselves may not provide the appropriate financial instruments for saving. This may be due to underdeveloped capital markets and insecure financial institutions often resulting in insecurity and lack of credibility with economic agents [James, 1994, Gillion et al., 1999, Gillion et al., 2000].

Last, and most importantly, poverty may effectively inhibit individuals from saving. Many may simply not be in the position to forego present consumption for consumption later in life [James, 1994, p.38]. Since individuals are not likely to save at all or not save enough for their retirement, pension systems should encourage or mandate individual savings.

Redistribution

As we have see, individuals may not save enough for their retirement simply because they are too poor. Perhaps not surprisingly, the ILO elaborates this aspect in detail. The ILO argues that redistribution, that is the transfer of income from life-time rich to life-time poor, has been and will continue to be an important objective of any pension system [Gillion et al., 2000].

The legitimisation for redistributing income may vary. People who experience a life-time of low-income labour or infrequent employment may barely be

able to meet current consumption from their income, let alone save for old age. Apart from unemployment, other factors such as disability or family responsibilities (affecting mostly women) may hinder individuals from accruing sufficient pension benefits or savings. Another justification for redistributing income, the ILO maintains, is to compensate that generation who experienced low incomes, poor working conditions, and much diminished career options during times of depression and war [Gillion et al., 1999, p.10].

In order to avoid poverty in old age, the World Bank, ILO, and the European Commission agree, pension systems should progressively redistribute income.

Insurance

Planning for ageing and retirement involves making judgements about the future. However, many aspects of both an individual's and society's future are inherently imponderable and uncertain. Uncertainty, in turn, implies risk.

What, then, are the risks of ageing? The World Bank provides a set of four risks:

Investment Risks. Retirees or their pension fund managers may make poor choices in investing pension funds. This may lead to a lower level of benefits than a more prudent investment would have made possible [James, 1994, p.83].

Disability Risks. Individuals' earning careers may be disrupted due to illness or disability.

Longevity Risk. Individuals may outlive their savings.

Political Risk. The political framework in which individuals accrue pension benefits or savings may change. At worst, this may mean that the entire governmental edifice collapses (as, for example, in some republics of the former Soviet Union, notably the Ukraine). Commonly, however, political risk refers to "...the possibility that the rules of the game will change in such a way that income in retirement turns out to be much less than was promised" [Willmore, 1999, p.3].

Company Insolvency Risk. Private insurance companies may simply go bust. The ILO expands this risk to include the break down of government regulation and the collapse of public pension management [Gillion et al., 1999, p.11]

Inflation Risk. Pension wealth may be insufficiently protected from price instability. In this case, the real value or purchasing power of retirement incomes may decline.

Larry Willmore adds another type of risk:

Volatile Investment Returns: Although investment returns may be adequate on average in the long-term, retirement income may be subject to considerable and protracted fluctuations in the rate of return. This is what Landis MacKellar means when he points to the possibility of people retiring into a bear market: adverse market conditions may force pensioners to sell assets they purchased dearly at a relatively low price [MacKellar, 2000]. The

ILO refers to this risk as economic risk and includes unexpected changes in the rate of real wage growth [Gillion et al., 1999].

The ILO proposes two more risk categories:

Demographic Risks: Unexpected changes in demographic developments (such as population ageing) may exert downward pressure on pension benefits.

Individual Risks: These risks refer to the uncertainties inherent in an individual's career path (promotions, redundancy, etc.) (p.11).

These risks are inherently imponderable and may quite severely affect an individual's retirement income. In addition to ensuring a sufficient level of savings and redistributing income to the life-time poor, pension systems also need to co-insure against the risks of ageing.

Types of Pension Systems

What is the shape of old age security systems? Informal old age security arrangements, including family and community structures, are, the World Bank contends, an effective way of caring for the old [James, 1994]. However, as societies become more complex, more impersonal, formal systems of societal interaction, such as the market, erode the functionality of personal, informal structures. Thus, the more economies modernise, the less policy-makers can rely on family and community structures to care for the aged.

An alternative to informal community and family transfers are formal pension systems. Willmore suggests that we distinguish different types of formal systems within two dimension [Willmore, 1999]. The first dimension refers to the way pension systems are financed: a pension system can either be funded or unfunded.[2] In a funded pension scheme, also referred to as a *Capital-Reserve* or advance-funded pension system, individual contributions accumulate in a capital fund which later provides the basis for pension benefits. Conversely, an unfunded system, commonly known as a Pay-As-You-Go scheme, finances current pension benefits with current contributions. The second dimension describes the way benefits are calculated: pensions may be a *defined benefit* or *defined contribution*. In defined benefit schemes, pension managers define and, in theory, guarantee the level of pensions benefit in advance and vary the contribution rate. In contrast, defined contribution plans fix a certain amount of contributions and vary the benefit level. These two dimensions provide a simple 2x2 matrix as in Table 8.1.

An additional question, one that, as we shall see below, certainly inflames policy debate, is whether these systems should be managed in the public or the private sector.[3]

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[2]This is, of course, jargon. All pension systems are funded in the sense that money flows in and out of them. What this term refers to is the way in which pension systems manage these flows of funds.

[3]Willmore rightly claims that there is little in economic theory that would suggest private management is more efficient than public management. Whether a policy actor comes down on the side of public or private sector management, he concludes, has more to do with ideological commitment than economics [Willmore, 1999].

	Unfunded	Funded
Defined Benefit	Traditional PAYG system	Traditional Occupational Pension
Defined Contribution	Notional Accounts	Mandatory and Voluntary Savings Plans

Table 8.1: Willmore's Typology of Pension Systems

Traditional Pay-As-You-Go Systems

The first type, the publicly managed Pay-As-You-Go system, is by far the most common formal pension arrangement in Europe. Public Pay-As-You-Go system come in many different guises. In general, Pay-As-You-Go systems define the level of benefits in advance (hence the term *defined-benefit*). This implies that there is no actuarial relationship between contributions and benefits.[4] Yet, the precise way systems define benefit varies widely. Some systems (e.g. Australia) provide a flat, universal benefit regardless of income or employment history. Others also provide a universal flat benefit but tie them to a certain number of contribution years (as in, for example, the United Kingdom). Defined-benefit systems can also pay means-tested benefits or minimal pension guarantees. Yet other Pay-As-You-Go systems peg benefits to earnings: this system, common in continental Europe, provides higher benefits for those workers with previously higher incomes [James, 1994, p.114].

Most often, contributions to defined-benefit public Pay-As-You-Go systems take the form of payroll taxes. Here, employees pay part of their wages into the pension fund and employers contribute an equal part from profits.[5] Alternatively, policy-makers can partially fund public Pay-As-You-Go systems from general revenues, thereby relieving the upward pressure on unit labour costs.

The advantages of such a system are that it can easily and fairly efficiently redistribute pension income across different income classes. What is more, a public Pay-As-You-Go system creates an intergenerational contract since current pension contributions resemble future pension claims. In this way, younger generations are not only persuaded to forfeit consumption now for the prospect of consuming when they retire but also have a vested interest in the stability of the system. Additionally, public Pay-As-You-Go systems protect individuals from those risks relating to investment and market fluctuations as well as disability, longevity and individual risks. They remain, however, vulnerable to demographic risks and political risks.

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[4]Meaning what an individual pays into the fund need not have any actuarial relation to what they receive in terms of pension benefits.

[5]However, employers will try to pass on the additional costs to workers in form of lower wages. If the economy features downward wage rigidities, employers will cut back labour demand.

Traditional Occupational Pensions

The second type of formal system is the occupational pension. Here, individual firms or entire industrial sectors institute a pension fund for employees. Occupational pension have the advantage that they involve relatively little administration costs. Moreover, firms can easily set up occupational pensions without much help (or, depending on your point of view, interference) from the public sector. Here, the World Bank argues that, in contrast to Pay-As-You-Go pensions contributions, workers will tend not to perceive contributions to occupational pensions as a tax.

In general, the private sector is responsible for managing occupational pensions. The particular management forms of occupational pensions vary widely. Occupational pensions are traditionally defined-benefit plans (although defined-contribution occupational schemes are becoming increasingly popular); they can be fully funded, partially funded, or completely unfunded; occupational pensions can be tied to one particular firm or to a industrial sector. In any case, occupational pension are subject to heavy regulation [James, 1994, OECD, 1998, Gillion et al., 1999]. Accordingly, the risks these schemes are vulnerable to depends on the precise set-up of the plan.[6]

Mandatory and Voluntary Savings Plans

Whereas the previous two types of pension systems are well established, the latter two are forms are relatively new and not common. This type of pension scheme takes the form of occupational pensions (only if they are defined-contribution), personal saving plans and annuities. These can be either mandated by the government (as in many newly reformed Latin American countries, most notably Chile) or voluntary schemes where the government often offers financial incentives (such as preferential tax treatment as in the United States).

Essentially products purchased from financial institution, these plans provide individuals with a means of saving income for retirement. These defined-contribution plans are, by definition, fully funded meaning that benefits related directly to contributions plus any capital gains. Here, individuals bear the investment risk and the risk of volatile returns inherent in market operations. Although there is no reason why public sector institutions should not manage these types of plans, advocates of mandatory and voluntary savings plans argue that the private sector is best equipped to manage these plans.[7] This would insulate pensions against the risk of political manipulation and the associated risk of imprudent investment [James, 1994].

Notional Accounts

An alternative to funded defined contribution savings accounts is the idea of notional defined contribution accounts. Here, workers accumulate pensions contributions based on a contribution and a notional interest rate (which can be the market interest rate or, as in Sweden, an alternative indicator reflecting economic growth). At retirement, pension managers transform the account into

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[6]The World Bank provides an overview of how different design characteristics affect different types of risk [James, 1994, pp. 83-87].

[7]Although this may have more to do with the inherent distrust of public sector institutions of public choice approaches. See Section 8.2.

annuitised[8] benefits. The scheme, however, is not funded: no actual capital reserves back up the accounts meaning that current contributions continue to finance current pensions.

The advantages of this approach, very recently introduced in Sweden, are to make the pension system more transparent by more closely relating benefits to contributions. Since the system is not funded in advance, the individual bears the longevity risks while society bears demographic risks and economic risks.

The Pensions System Mix

Although Willmore's matrix provides a neat classification of pension types, the reality of actual pension regimes is far more complex. Pension systems contain a complicated and highly variegated combination of defined contribution and defined benefit, funded and unfunded as well as private or public sector elements. The precise mix of private and public sector management, the ILO argues, depends on government policy. In particular, they continue, it will depend on six factors:

1. The generosity of public sector Pay-As-You-Go benefits: the smaller the public sector benefits, the larger the incentive to make alternative arrangement for retirement income;[9].

2. Allowing for opting out or contracting out of the public system;

3. Mandating employer-provided benefits (as in Switzerland);

4. Mandating contracts with private fund managers (as in Chile);

5. Providing incentives for private sector provision, such as preferential tax treatment of retirement income accounts (as in the United States or Canada);

6. the way in which the government regulates private sector pensions [Gillion et al., 1999, p.5].

The real world of pension systems, then, depends on the interaction of government policy, individual behaviour and organisational policies. For this reason, it is very difficult to make any general observations of the distribution of public and private, unfunded or funded, or defined-contribution and defined benefit schemes in any given polity.

However, the ILO maintains, that in developed countries, about 40% of the elderly population lives off public transfers exclusively. The majority supplements their public pensions by either savings, occupational pensions, or work.

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[8]To annuitise an account means to transform the funds in a pension account into annual cash benefits. In order to avoid longevity risks, pension managers pool the capital reserves and calculate benefits according to a fixed age of death, say 85. The assets of those that die relatively young finance those that live longer.

[9]The OECD makes a very similar point when they observe that the level of public pension benefits has little impact on the disposable income of households: "...on average, households in many OECD countries set targets for income just after retirement that are about 80% of income just before retiring. For most families, that amount does not depend directly on the generosity of public pensions benefits levels. People simply make other arrangements such as increasing private pensions contributions, saving more or working longer" [OECD, 1998, pp.56–58].

The typical dominant system in developed countries is a defined benefit, public Pay-As-You-Go system. The state also provides additional benefits to retirees including disability benefits, survivors pension, unemployment benefits, and early retirement pensions. In order to prevent old age poverty among the life-time poor, governments often provide social assistance in the form of cash benefits, subsidies on basic goods and services, and preferential tax treatment [Gillion et al., 1999, p.4].

Why, then, has the reform of these social security systems topped the social policy agenda for the past decade?

The Challenges and Uncertainties of Demographic Ageing

For many policy actors, demographic ageing is the single most important challenge for contemporary social policy-makers [James, 1994, OECD, 1998, Commission, 1999]. Across the globe, populations are ageing. Essentially, this means two things. First, due to improvements in medical care, nutrition, income, and working conditions, people are living far longer than their parents and their grand-parents. While this is true for populations everywhere, these benefits of what was used to be called 'social progress' are unequally distributed across the globe with populations in the affluent North enjoying disproportionately larger share of good health than populations in the developing world. Since 1960, the average male life-expectancy has increased by eight years form 68 to 76 [OECD, 1998, p.10]. Second, due to less apparent reasons such as increased female education, fertility rates in the North declined dramatically about 30 years ago. This has resulted in an decrease in the so-called support ratio (population aged 15-59 divided by population aged 60+). In other words, less young people have to support more old people that live longer lives. While in 1960 there was one retiree for every four employees, the OECD maintains that this ratio currently stands at three employees to every retired person [OECD, 1998, p.11].

Yet, ageing in itself is not the problem in the industrialised North. MacKellar points out that the age structure in northern countries will lead to an "ageing from the middle" of the age pyramid (which is beginning to resemble an 'age-cube'). Starting about 2010, the large age cohort, commonly referred to as the baby-boom generation, will begin to retire from the labour market [James, 1994, OECD, 1998, MacKellar, 2000]. Thus, labour market growth rates are set not only to decline but turn negative around about 2010 [OECD, 1998, MacKellar, 2000] leaving a relatively small cohort responsible for a large retired population.

The European Commission has calculated that the share of the younger cohorts in the population will drastically fall. By 2015, the cohort of 0-14 year olds will fall from 17,6% of the population (1995) to only 15,7%. The decline in the 15-29 year olds, that is those that feed the labour market, will be about 16% [Commission, 1999, pp.7–8]. Contrast this to the rapid growth of older cohorts. Starting in 2010, the 60-64 age cohorts will grow by 26% which corresponds to 16 million people across the European Union. The predicted growth rates of the aged and very old are particularly impressive: the 65+ age group will increase by 30% and the 80+ group will grow by 40% [Commission, 1999, p.8]. If productivity gains do not rise dramatically from their post-1973 annual average of 1,5%, and there are no compelling reasons to think that they will, then

higher dependency ratios and lower labour market participation mean reduced economic output and a loss of material living standards [OECD, 1998, p.10]. What is more, if we assume that real disposable income affects fertility decisions, then, other things being equal, falling real incomes are likely to depress fertility rates even further.

Thus, whatever the particular modalities of the pension system, demographic changes have thrown down the gauntlet: how can the product of a relatively small group of workers finance incomes of a large group of retirees?

Yet, although there is broad agreement among experts that demographic ageing poses a threat to social security systems, a consensus on the development and trends of basic demographic variables is conspicuous in its absence. For instance, while some biomedical researchers in the United States, particularly the United States Pension Administration, believe there is a practical ceiling to human longevity at about 85, others are predicting that a child born today may reach the age 95 or even 100 with no theoretical upper limit [Roush, 1996, p.4].

Moreover, it is commonly assumed that health care needs increase over the age of 80. Yet, Abel-Smith points to a study that shows that "contrary to common belief, the costs of those who die aged 80 or over are about 80 percent of the costs for those who die aged 65 to 79" [Abel-Smith, 1993, p.261]. The OECD Bulletin reports, however, that before the age of 80, the health differences across different age groups are not so marked. In fact, they argue that the health differences within a particular age group are "... usually more marked than across different age groups" [Hicks, 1997, p.19]. Add to this that life-style changes will affect the health of the future aged and it becomes clear that these factors are very difficult to predict with any certainty.

Abel-Smith stresses the role of immigration: the developed countries' unfavourable age structure could be balanced by an influx of tax-paying immigrants. Once again, the direction of this variable is difficult to predict. On the one hand, streams of immigrants from developing countries to industrialised nations have been steadily increasing in the last two decades. On the other hand, immigration policies in the industrialised countries have become increasingly restrictive. The net effect of these two countervailing forces is hard to foresee [Abel-Smith, 1993].

Precise long-run economic predictions needed for policy-making are equally difficult to obtain. Abel-Smith observes that the pension reform debate has fed on the decline of economic growth and the institutionalization of structural unemployment evident in industrialised countries since the early 70s: "It was only when economic growth faltered that people began to write about the 'crisis' in the welfare and a period of modest retrenchment began" [Abel-Smith, 1993, p.265]. A return to a tight labour market, he continues, would appease the present climate of crisis. However, whether labour markets in Europe will return to full-employment and under what conditions is difficult to foresee. Global markets are becoming increasingly interdependent which means that domestic economic performance may have little to do with domestic economic policy. The more complex and interdependent the markets become, the higher the uncertainties of key economic variables.

In sum, the entire pension reform issue is messy: it is subject to so many 'imponderables' that social scientists are not able to "... predict the future with all its complex and economic and political dimensions" [Abel-Smith, 1993, p.265]. In effect, expert projections "... amount to no more than possible future

scenarios. They are no more robust than the assumptions underlying them."
[Abel-Smith, 1993, p.260].

How are policy-actors responding to the messy policy challenges laid down by demographic ageing?

8.2 The Scope of the Pension Reform Debate

The discourse-analytical toolbox assembled in Chapter 5 would lead us to expect policy debate surrounding such a complex, uncertain and transversal problem to be characterised by frame-based policy conflict. In this section, the chapter uses the bootstrapped discourse-analytical framework developed in Chapter 5 to determine the boundaries and scope of this policy conflict in the contested terrain of pension reform. Like in the Chapter 6 and Chapter 7, the analysis reconstructs contending arguments in terms of policy stories in the narrative form and compares them using the typology of policy frames inspired by cultural theory.

In laying out the policy stories that policy actors tell about pension reform, the discussion will draw from the publications of four major international organisations: the World Bank, the ILO, the European Commission, and, to a lesser extent, the OECD.[10] As we shall see in Chapter 9, these policy stories encapsulate the basic arguments of contending advocacy coalitions in the pension debate at international and national level. Like any good yarn, policy stories have settings (the basic assumptions), villains (the policy problem and who or what is causing them), and heroes (the policy solution and who or what should be responsible). As in the discourse analysis in the previous chapters, each contribution tells a slightly different story of the same issue: each identifies problems, apportions blame, and claims to provide solutions. Each story combines factual observation with fundamental beliefs about how to best manage pension systems. In short, each policy story frames the pension issue in a particular and conflicting way.

In Times of Crisis, You Can't Have Your Cake and Eat It — an Individualist's Tale Told By the World Bank

World Bank's approach to pension reform has been hugely influential in setting pension reform agendas across the globe. The impact of both the publication *Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth* (1994) and the World Bank's policy activity on policy agendas have been, of course, by no means uniform: whereas the World Bank undoubtedly exerted very direct influence on the pension reforms in Eastern Europe, the republics of the former Soviet Union, and, most notably, Latin America, the Bank's influence on pension reform in EU Members States has been far more indirect, opaque, and 'atmospheric'.

This is not to say that the World Bank's ideas have found ready acceptance by policy-makers eager to reform old age security systems. The 1994 publication has been subject to harsh criticism by researcher and policy-actors

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[10]The OECD does not make such a strong case for one type of reform rather than the other. The OECD position represents a hybrid between an individualist type of policy argument and a hierarchical policy story [OECD, 1998].

alike; some of the most vociferous critics were voices in the World Bank itself [Orzag and Stiglitz, 2001]. Nonetheless, the World Bank's ideas, as well as the terminology and language in which they present them, have become a discursive focal point for policy debate on pension reform anywhere.

The Setting — Basic Assumptions

The World Bank, perhaps unsurprisingly, emphatically represents what MacKellar calls "Establishment" economic thinking. The most fundamental underlying belief guiding the World Bank is that economic growth is the basic precondition for anything else governments or individuals may want to do: everyone, the World Bank argues, "...old and young, depends on the current output of the economy to meet current consumption needs, so everybody is better off when the economy is growing — and in trouble when it's not" [James, 1994, p.3]. Consequently, the World Bank assesses pension systems according to two criteria:

1. Is the pension system good for the economy (since economic growth is the basis of all prosperity)? This means

    - does the system reduce hidden costs including reduced national savings, reduced employment, misallocation of labour and capital, evasion, heavy fiscal burdens, high administrative costs?
    - is the system financially sustainable?
    - is the system simple and transparent?

2. Is the pension system good for the old? This means

    - does the system encourage savings?
    - does the system insure against the risks of ageing?
    - does the system redistribute to life-time poor?

    [James, 1994, p.98]

Moreover, the World Bank thinks in terms of trade-offs: more of this invariably means less of that, achieving this with a particular policy instrument means not being able to pursue that with the same instrument. The World Bank repeatedly contends that setting up or reforming pension systems involves "crucial" and "tough" choices: within each mandatory scheme, the World Bank claims, there "...are numerous policy options - some of which are much better than others" [James, 1994, p.17]. Unfunded systems have different impact on the economy than funded systems; defined contribution schemes affect labour markets in one way and defined benefit schemes distort labour supply decisions in another; public management has different economic implications to private management. Whatever the policy choice, it comes with a price tag: in short, the World Bank reminds policy actors that they can't have their cake and eat it.

Last, the World Bank's mode of thought betrays a deep suspicion of the public sector. Although never explicit, the World Bank paints a none too flattering image of public officials. Since public officials and politicians are sheltered from the stark and disciplining winds of market competition, there are few effective

checks on rent-seeking behaviour, fraud and corruption. As a rule, politicians will promise anything to be re-elected and public officials will not shy away from misallocating pension funds to increase the power of their bureaus.[11] Throughout the publication, the World Bank regales the reader with stories of political skulduggery and public sector malfeasance that have, the World Bank claims, undermined the confidence in publicly managed pension arrangements. Some of the wrong-doings include preferential treatment of social groups (such as, say, civil servants) in benefit provision, investing public pension funds in projects that yield a below-market rates of return, and reneging on pension promises by directly or indirectly reducing pension benefits.

The Villains — Policy Problem

The villains of the World Bank tale are both public Pay-As-You-Go defined benefit systems and the socio-political support structures. Although, the World Bank maintains, existing pension systems (which tend to be public Pay-As-You-Go defined-benefits systems) have managed to alleviate old age poverty, they have done so at an increasingly unacceptable price to the economy. The price, the World Bank contends, have been market distortions and inequities.

Market Distortions   Public unfunded defined-benefit systems introduce inefficiencies and distort markets. These effects basically work through four interrelated mechanisms:

- the distortion of labour markets,

- negative impacts on labour market participation,

- negative impacts on savings and capital markets,

- adverse effects on the fiscal balance.

First, since defined-benefit systems sever the actuarial relation between contributions and benefits, rational economic actors perceive pay-roll pension contributions as a tax (vicious) rather than as a price (virtuous). Unless labour supply is inelastic to real wage, workers will try to evade the tax by withdrawing their labour supply (preferring leisure over income) or transferring their labour into the informal sector. What is more, unless employers can pass on the pay-roll tax to workers in the form of lower wages, employers will reduce labour demand [James, 1994, p.120] [James, 1997, p.2].

Second, the World Bank (as well as the OECD and the European Commission) argue that public Pay-As-You-Go systems have encouraged early retirement from the labour force. Not only does early retirement increase the burden on the active labour force, it also starves the economy of experienced workers [James, 1997, pp.2–3]. The reasons for promoting early retirement are, Estelle James maintains, less than public spirited: early retirement promises "...are tempting to policy-makers because they hide unemployment or constitute a give-away to special groups" [James, 1997, p.2].

Third, when thinking about how an individual saves and consumes throughout a life-time, economists refer to the Life-Cycle-Hypothesis (LCH). Put simply,

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[11]This is, of course, the basic depiction of the public sector in the Public Choice literature [Downs, 1967, Tullock, 1976].

the Life-Cycle-Hypothesis states that individuals will save when young, peaking at middle ages, and will draw on their savings in old age. Theoretical and empirical problems aside (see [MacKellar, 2000, p.8]), the Life-Cycle-Hypothesis predicts that an ageing society, particularly one in which a small working age cohort supports a large retired cohort, will save less on aggregate. In terms of standard economics, other things being equal, this will lead to a lower level of aggregate investment (since Savings ≡ Investment) and a lower level of economic growth. Whereas even the World Bank admits that empirical evidence does not conclusively show that unfunded pension systems lead to a lower level of national savings [James, 1994, p.125] [James, 1997, p.3], they do claim that funded systems (particularly if they are of the mandatory type) will increase savings.

Moreover, while the impact of public Pay-As-You-Go systems on national savings may be unclear, the impact on the development of financial markets is not. Unfunded public pension arrangements are "lost opportunities" for so-called capital deepening. This means that if pension contributions were to flow into capital markets rather than public coffers, these markets would expand, grow, and professionalise [James, 1994, p.126].[12]

Last, the World Bank emphatically argues that public Pay-As-You-Go systems almost invariably lead to a misallocation of public funds. When Pay-As-You-Go systems are young, meaning that a large group of workers supports a relatively small group of retirees, they tend to accumulate pension reserves. States use these reserves to purchases public goods. Since pension contributions are a hidden tax, that is this type of public spending is less accountable than official public expenditure, states will often invest the funds in public goods with little social value [James, 1994, p.128]. When mature, meaning that a large number of retirees depends on a relatively small number of workers, pension deficits (the difference between legitimate pension claims and available pension funds) drains public resources. As a result, pensions deficits crowd out other valuable public investments (into, say, education or the environment) [James, 1997, p.3].

Inequities   Apart from distorting markets, public defined-benefit Pay-As-You-Go systems also create inequities within and across generations. An objective of pension systems, as we have seen, is intragenerational transfers or progressive redistribution. Policy-makers have, the World Bank claims, repeatedly justified public pension systems on grounds that the system transfers income from life-time rich to life-time poor. However, the World Bank contends, there are little intragenerational income transfers from rich to poor. On the one hand, affluent workers both live longer and enter the labour market at a later age: this means that they contribute less and receive more [James, 1994, p.131]. On the other hand, structural arrangements, such as earnings-related benefits or income ceilings on pension contributions (both common in continental Europe,

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[12]The question that invariably arises is: why should workers trust underdeveloped capital markets with their retirement income? Unfortunately, the World Bank does not provide us with an answer. Larry Willmore, however, does. He points out that many developed countries with mandatory saving plans regulate investment to avoid capital market risks. This may take the form of restricting investment in private funds or mandating international diversity in portfolio investment. Where does this leave capital deepening? Willmore concludes: "Of course, investment in London and New York does nothing to develop local equity markets. But should forced [mandatory] savings of workers be put at risk in this manner?" [Willmore, 1999, p.6].

see Chapter 9), exacerbate potential intra-cohort inequities. Moreover, argues the World Bank, public Pay-As-You-Go systems also feature many hidden and "capricious" redistributions: examples include transfers from dual- to single-wage households and from working women to housewives [James, 1994, p.131].

Inequitable redistribution of income across generations, that is from young to old, is, according to the World Bank, a characteristic of all unfunded schemes. In Pay-As-You-Go schemes, rates of return on pensions contributions fall as the system matures: the first generation of retirees in unfunded systems collects a windfall gain by receiving a pension without having to pay contributions.[13] Once these windfall gains cease, intergenerational transfers need not necessarily be inequitable if younger generation have a higher income than retirees. Since, the World Bank contends, net wages have not grown rapidly in the past two decades, Pay-As-You-Go systems force younger workers to subsidise wealthy retirees [James, 1994, p.134].

The World Bank bases these arguments on quantitative socio-demographic and economic indicators from a wide variety of sources. Evidence for economic inefficiencies emerges from looking at labour market participation rates (particularly estimates for informal sector participation), the increase in pay-roll taxes over time, national savings rates, early retirement trends (where data is available) and actual as well as projected public sector debt. In turn, the World Bank points to household- and age-specific income patterns as well as to falling rates of return on public pension contributions underline how public Pay-As-You-Go defined-benefit systems redistribute income inequitably both within and across generations.

The Heroes — Policy Solutions

How, then, can pension systems fulfil the dual objectives of providing retirement income (by enabling savings, redistributing to the poor, and insuring against risks) while promoting economic growth.

At least two of the objectives, the World Bank argues, contradict one another. In order to encourage savings, a pension system must be actuarially fair or actuarially neutral: people ought receive at least what they contributed into the system. Yet, if the system is to redistribute income, it has to divorce contributions from benefits so that those who are poor can draw more than they contributed. Any pension system, then, that relies of one type of pension arrangement (Pay-As-You-Go, occupational, or savings plans) will invariably fail to fulfil one of the objectives.

As a result, the World Bank suggests that objectives be separately ascribed to different types of pension arrangements. These different pension arrangements form the "pillars" of the pension system. In particular, the World Bank urges policy-makers to separate the savings from the redistributive functions. A mandatory public Pay-As-You-Go pillar, financed by taxes, should take care of redistribution of income from lifetime rich to lifetime poor. The particular form of financing pensions, the World Bank argues, will depend on the socio-economic and political context of the specific polity in question. Either policy-makers introduce means-tested benefits, a minimum pension guarantee, or a universal

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[13]This, incidentally, is one of the theoretical arguments showing that Pay-As-You-Go pension systems reduce the level of national savings. The first generation of pensioners can consume without having saved.

or employment related flat rate [James, 1994, p.16].[14] Last, the World Bank suggests that benefits be kept fairly low in order to stimulate demand for other pillars of the pension system.

In order to encourage and maintain an adequate level of savings, the World Bank suggests that policy-makers institute a second pillar. This pillar would take the form of a mandatory savings plan managed by the private sector. To be able to secure an appropriate level of savings, these schemes, which could be occupational pensions or personal savings plans, need to be fully funded and defined-contribution plans. Since they are privately managed, second pillar instruments would not be subject to political manipulation. Further, privately managed savings plans would not introduce the market distortions associated with public Pay-As-You-Go plans and would contribute to capital deepening. Last, a functioning second pillar would greatly reduce the demand for benefits from the public Pay-As-You-Go system: not only would contribution rates fall, public pension managers can also more accurately target benefits [James, 1994, p.16].

The last pillar consists of voluntary savings plans, i.e. financial products offered by money markets. This pillar, the World Bank contends, provides extra income to those individuals who desire more protection in their old age. Clearly geared towards higher income workers, this pillar is supposed to relieve the other two mandatory pillars: rather than the rich draining scarce funds from beleaguered public Pay-As-You-Go systems (as they do in earnings-related Pay-As-You-Go schemes), this pillar would provide market returns on investments from private capital markets.

What about insuring against the risks associated with ageing? In order to diversify pensioners' risk portfolio, each of the three pillars should assume insurance functions. The first pillar insures against disability, longevity, and investment risks: should individual workers not be able to save enough for retirement due to bad health or bad luck, modest but sufficient public benefits would prevent an individual falling into poverty. Similarly, should an individual workers outlive their accumulated savings, the public system would provide a social safety-net. The second and third pillars, depending on the particular modalities of the financial products, can insure against political and inflation risks.

Yet, how should policy-maker go about these reforms? Reform in the public Pay-As-You-Go pillar is the precondition for erecting alternative forms of pension finance. Here the World Bank provides a catalogue of policy recommendations. First, policy-makers must encourage labour participation of older workers by raising actual retirement ages and eliminating incentives for early retirement [James, 1994, p.21]. Second, where pensions benefits are "overgenerous",[15] reforms should aim to reduce pension benefits, flatten the benefit structure and thereby reduce inequities. In terms of taxation, policy-makers should aim to reduce the payroll tax rate and, wherever possible, broaden the tax base to relieve existing contributors.

In order to counter the shortfall from cuts in the public scheme, the World Bank argues, policy-makers must establish a second mandatory savings pillar. Preferably managed by the private sector, this pillar should tie benefits closely

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[14]Note that earnings-related benefits, the most common pension formula in continental Europe, is conspicuous in its absence.

[15]Unfortunately, we are left to wonder what an overly generous pension benefit may be.

to contributions (thus providing an incentive to save). Where suitable financial institutions are absent (mostly in the developing world but also in part of Eastern Europe), reforms should establish functioning capital markets.

The problem here is the transition period. Here the World Bank suggests following a three step reform strategy. Policy-makers should

- gradually downsize the public Pay-As-You-Go pillar;

- hold benefits constant where they are modest, cut them where they are overly generous, and increase contributions in order to finance the second pillar;

- recognise and pay accrued pensions entitlements while launching a new system [James, 1994, p.22].

All these steps, the World Bank suggests, should be accompanied by a "extensive" public information campaign.Whereas, the World Bank concludes, the first two steps are incremental, the last step is a radical departure from pensions policy practise.

In sum, the World Bank perceives great and urgent need for reform in the face of demographic changes. The confluence of adverse environmental factors and inherent design flaws has thrown social security institutions into a deep and acute crisis. Moreover, apart from distorting markets and jeopardising economic growth, the modalities of existing pension systems are blatantly unfair. Not only do they provide pay-offs for privileged and wealthy groups within age cohorts, they also redistribute from the relatively poor young workers to wealthy retirees. The solution to the pension problem is fairly simple: if current public pension systems are overburdened by attempting to fulfil both the savings and redistribution objectives, policy-makers should institutionally separate these functions. This implies a shift from a single pillar system to a multi-pillar system.

Crisis? What Crisis? Pensions Are About Social Stability — A Hierarchical Tale Told By the ILO

The ILO approach to pension reform is altogether less alarmist than the World Bank approach. While demography certainly is a challenge to current pension systems, policy makers should be careful not to throw the baby out with the bath-water. The last century has witnessed staggering increases in the standard of living. These improvements, the ILO argues, "...can be attributed to the creation of social security pensions which must be considered as one of the greatest social developments of the last hundred years" [Gillion et al., 1999, p.1]. Before the introduction of pension systems, life of older workers was "...nasty, brutish and short" [Gillion et al., 1999].[16] The aim of pension reform, then, cannot be to limit social security pensions but to expand them.

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[16]Whether conscious or not, Hobbes' quote paints some very interesting images. Hobbes, who wrote the *Leviathan* during the English civil war, depicted a state of nature, that is a fictitious state in which there is no government, as a "war of all against all". In short, unlike Locke, Hobbes' state of nature was thoroughly unpleasant and uncivilised. The implication seems to be that dismantling pension systems is a return to barbarism.

The Setting — Basic Assumptions

In contrast to the World Bank's technical view of pension systems, the IlO sees social security as having a much wider socio-economic, political and cultural significance. Social security, the ILO argues,

> "is very important for the well-being of workers, their families and the entire community. It is a basic human right and a fundamental means for creating social cohesion, thereby helping to ensure social peace and social inclusion. It is an indispensable part of government social policy and an important tool to prevent and alleviate poverty. It can, through national solidarity and fair burden sharing, contribute to human dignity, equity, and social justice. It is also important for political inclusion, empowerment and the development of democracy" [Office, 2001, pp.1-2].

For these reasons, the ILO orients pension policy-making along the following normative objectives: policy should

- extend pension coverage to all people;

- protect against poverty in old age, during disability, or after death of the main wage earner;

- provide an income as a replacement for voluntary or involuntary loss of income for all contributors;

- adjust income to take into account inflation or the general increase in living standards;

- create a favourable environment for developing additional voluntary provisions for retirement income [Gillion et al., 1999, p.13].

While these points provide the normative core of the ILO's approach, they list further important considerations. These include

- the principle of compulsory affiliation;

- the equality of treatment (women and men, nationals and non-nationals);

- the provision of guaranteed, predictable benefits up to a certain level;

- democratic management of pension schemes (implying that worker's and employer's be represented in pension fund management);

- that the state needs to ensure that conditions for effective service delivery are met;

- the establishment of benefit and contribution ceilings to limit the state's obligation to high income workers [Gillion et al., 1999, p.14].

Yet, what about economic growth? Social security, the ILO contends,

> "if properly managed, enhances productivity by providing health care, income security and social services. In conjunction with a growing economy and active labour market policies, it is an instrument for sustainable social and economic development ..." [Office, 2001, p.2].

On this view, social security and pension systems play a pivotal social, political and economic role. On the one hand, social security institution impose order and stability on the chaos that is the free market. On the other hand, this stability fosters economic growth and development. This, however, presupposes competent and capable management and steering of pensions institutions.

The Villains — Policy Problems

While the ILO concedes that population ageing poses a serious challenge to pension systems, the main pension issue is not financial sustainability or labour market distortions. Rather, the ILO points to two fundamental problems. First, most of the world's workers and dependants are not covered by any form of old age social security system. Second, where workers are covered, pension management, or, to use the ILO's terms, governance has been poor. While these may not be a pressing problem in the industrialised North, it affects a vast number of workers in developing countries.

Typically, workers in the informal sector, in agriculture, household workers (mostly women), and the self-employed have no entitlements to retirement income. Coverage, the ILO argues, usually depends on several factors. These include the level of economic development and the age of the pension systems: the richer the country and the older the pension system, the higher the coverage is likely to be. Further, the way in which governments finance pensions as well as the capacity of the social security administration have an impact on coverage: defining the contributions base as well as enforcing contributions payments significantly affect the level of coverage policy-makers can realistically achieve. Last, the ILO argues that government policy, that is to what extent pensions are a policy priority, will significantly affect coverage [Gillion et al., 1999, p.8].

The second major pension issue, the ILO contends, is the governance of pension schemes. In the past, public and private management of pensions, at least for the vast majority of workers, has been poor. The reasons for bad pensions management are manifold. Often pension systems have been politicised and abused to achieve short-term political aims. Many pension systems suffer from inherent design faults and badly conceived administrative procedures. In general, this has resulted in high administrative costs coupled with poor services [Gillion et al., 1999, pp.8–9]. The implication here is that poor management, rather than inherent pension scheme design, makes pension unattractive to workers who then withdraw to the informal sector.

Pay-As-You-Go vs. Credit-Reserve? Defined-Benefit vs. Defined-Contribution? Coverage and governance, however, are issues affecting mostly developing economies. What story does the ILO tell about pension reform in industrialised countries? The basic, albeit implicit, message is: yes, ageing will create problems for defined-benefit public Pay-As-You-Go systems [Gillion et al., 1999, p.21], but, no, that is no reason to scrap these tried-and-tested systems for private sector mandatory defined-contribution arrangements. Most of the problems commonly associated with public defined-benefit Pay-As-You-Go systems, the ILO contends, equally apply to private mandatory defined-contribution saving plans. Shifting to private defined-contribution mandatory savings plans will not solve the problem.

First, the alleged economic impact of public defined-benefit Pay-As-You-Go systems on labour markets and savings is subject to considerable uncertainty. "In most cases", the ILO argues,

> "...theory yields ambiguous predictions concerning these effects, empirical studies have failed to resolve the issues and controversy remains. However, there is little support for large effects of retirement benefit programmes in either labour and capital markets" [Gillion et al., 1999, p.12].

Moreover, studies suggest that even large cuts in pension benefits are likely to only bring about an increase of the actual retirement age by a couple of months [Gillion et al., 1999, p.12]. Research, the ILO concludes, does not provide any indication unfunded systems have any design-specific negative impacts on the economy (see appendix E for a brief overview of the debate among pension economists and also [Orzag and Stiglitz, 2001]).

Second, there is no reason to believe that mandatory defined-contribution schemes would not distort labour markets, savings and the retirement decision. Like traditional unfunded schemes, mandatory savings plans seek to change the behaviour of rational economic agents by coercion. Why, then, should patterns of evasive behaviour differ for any type of coercive pension plan, defined-benefit or defined-contribution, private or public, funded or unfunded? Any type of mandatory scheme "...will cause distortions, as individuals act to minimise the consequences of the programme that is undesired by them" [Gillion et al., 1999, p.12]. Further, if individuals are risk-averse, then private sector insurers will, if they are to attract customers, provide features that reduce risks to pensioners. However, these features, argues the ILO, break the link between contributions and benefits creating all the distortions usually ascribed to public defined-benefit Pay-As-You-Go plans [Gillion et al., 1999, p.13]. Indeed, many exiting defined-contribution schemes contain these elements: these include guaranteed minimum benefits, rate of return guarantees, or benefits based on rates of return fixed by pension funds. Add to that the fact that private defined-contribution plans tend to have higher administration costs and are very vulnerable to capital market risks, and the World Bank reform proposals do not look as attractive.

Third, the management of mandatory defined-contribution savings plans is as much an issue as the management of unfunded schemes. If management is left to the private sector, government will have considerable regulation responsibilities. The opportunities for malfeasance, mismanagement, and private sector incompetence are, the ILO implies, practically limitless. In short, the ILO argues that placing responsibility

> "...for managing the considerable sums of money in mandatory defined contribution pension accounts in the hands of private pension fund managers requires some mechanism to ensure that those funds are not stolen or otherwise misused" [Gillion et al., 1999, p.7].

If individuals are responsible for managing their retirement income, then states have to ensure that workers are properly informed. Finally, if the state is in charge of managing mandatory defined-contribution savings plans, then policy actors should avoid the politicisation of pension funds. In either case, the ILO avers, capital markets will require careful regulation and governance by

experts. The upshot of the argument is that there are no inherent benefits in Credit-Reserve, defined-contribution systems that could not be accrued by careful management and design of Pay-As-You-Go defined-benefit systems.

How, then, does the ILO story assess the proposed shift from public defined-benefit Pay-As-You-Go systems to private defined-contribution mandatory saving schemes? Although the ILO concedes that such an assessment is a difficult and complicated task, they point out two issues. First, most commentators, the ILO maintains, use a perception of defined-contribution schemes that is "factually and analytically wrong" [Gillion et al., 1999, p.22]. In particular, would-be reformers seem to think that funded defined-contribution schemes provide a once-and-for-all solution to the fundamental problem of population ageing: the fact that more retirees depend on a smaller number of workers. In order to relieve the financial burdens of population ageing, the ILO continues, defined-contribution schemes will have to either reduce the benefits relative to income from work or increase the retirement age (or both). Yet, these are precisely the policy options open to Pay-As-You-Go defined-benefit systems: the fundamental problem of having to transfer more income across generations remains. In Pay-As-You-Go systems, policy-makers increase contributions to increase transfers; in funded defined-contribution schemes, pensioners must sell their assets to the working population. For a given level of benefits, the amounts the young transfer to the old is the same. Thus, the ILO concludes, whether a pension system is funded or unfunded makes little difference to the way it has to react to population ageing (either increasing contributions or reducing benefits). Stated differently, funded defined-contribution schemes face exactly the same problems as unfunded defined-benefit plans [Gillion et al., 1999, pp.22–23].

Second, funded mandatory saving schemes conflict with fundamental principles of social security. Recall that the ILO mandates that retirement income should be guaranteed and predictable. Whereas this is the case with traditional Pay-As-You-Go defined-benefit schemes,[17] benefits and annuities in funded defined-contribution schemes depend on variable market rates of return. Moreover, the ILO holds that retirement incomes should increase to take account of inflation: again, due to market variability, indexing pensions is very difficult in the private sector. Further, the principle of democratic management, that is an active role of workers' and employers' representatives in the management of social security institutions, seems incompatible with the notion board-room sovereignty common in the private sector. In the absence of real voice, the ILO maintains, policy-makers should give workers the right to effective exit by providing a real choice of private sector pension management [Gillion et al., 1999, p.22–23].

The Heroes — Policy Solutions

How, then, should policy-makers react? The first priority for policy-makers world-wide, the ILO maintains, should be to extend the coverage of old age social security and improve the governance of existing schemes.

What types pension systems should policy-makers in both the developing and the developed world institute? Given that different economies have very

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[17]Which, when looking at the developments of pension systems of the last decade or so, is blatantly untrue. Policy-makers regularly renege of pension promises by increasing the retirement age, adjusting with the pension formula, or changing the eligibility criteria.

different characteristics and that these characteristics are subject to change, the ILO argues that pension systems need to be flexible and pluralistic: there is, the ILO avers, "...no one universal perfect retirement income scheme" [Gillion et al., 1999, p.16]. Different models and designs may be more appropriate for different places and at different times. Whatever the precise shape of the system, it must be able to achieve the objectives of pension systems: here, the ILO particularly stresses, poverty alleviation and the provision of low risk retirement benefits.[18] Whether the pubic or the private sector manage these systems will depend on

> "...political philosophies towards individual and private sector responsibilities versus the role of government and views as to the relative governance capabilities of the private and public sectors" [Gillion et al., 1999, p.16].

The best approach to a flexible and pluralistic system, the ILO maintains, is a multi-tiered system. Each tier features specific risk and redistributive characteristics. Although the number of tiers is less important than the specific function, the ILO suggests a four tier pension system. The bottom tier is responsible for poverty alleviation: here, means-tested benefits, financed from general revenues, ensure that pensioners will not fall into poverty. The second tier, the ILO continues, consists of a Pay-As-You-Go defined-benefit pension systems: this provides secure and predictable retirement income relatively insulated from market risks. The third tier, a mandatory defined contribution plan, provides security against demographic and political risks. The last tier, consisting of voluntary saving plans and other non-pension income, can provide extra income for those who can afford it without burdening pension systems [Gillion et al., 1999, p.16].

This approach differs from the World Bank model in two important respects. First, the ILO model implies that policy-makers really cannot expect any benefits from leaving pension management solely to either the public or private sector. Both management systems have in-built advantages as well as their shortcomings: pension systems should be sufficiently flexible (or redundant) to be able to neutralise these weaknesses. Second, the four-tier model reveals the ILO's emphasis on the insurance function of pension systems. The four tiers provide a solid, predictable and stable bulwark against all possible risks of ageing.[19]

Moving towards a multi-tiered system, the ILO argues, requires careful political management. The basis for any type of incisive reform is a basic political consensus. For this reason, however, the ILO urges policy-makers to consult the policy actors (in this case employers' and workers' representatives) at all stages of the process. Moreover, effective pension reform may involve a campaign of public education. Not only will the general public need to be told by experts about the pension issue, policy actors (such as parliamentarians) may also need to increase their level of knowledge and awareness about the impacts of ageing [Gillion et al., 1999, p.17]. In this way, then, experts can devise workable strategies for pension reforms which create real options for workers [Gillion et al., 1999, p. 16].

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[18]Note that the savings function finds no mention here.

[19]Note the difference in metaphors: the ILO refers to hierarchically structured tiers while the World Bank prefers to think of pension systems as individual pillars.

In sum, population ageing, while without a doubt a challenge to existing pension systems, is not the main issue. The real problem is that most of the world's workers have no type of old age security at all: they suffer from the instabilities and unpredicatablities of free market anarchy. Moreover, for those few that are covered, the administration and governance of pension schemes has left much room for improvement. Population ageing poses a fundamental problem for pension systems: how to finance the increase in transfers from a relatively small working population to a relatively large retired cohort. YEt, this problem is exactly the same for funded defined-contribution schemes and for unfunded defined-benefit schemes. What is more, there is no reason to believe that funded defined-contribution schemes will solve the problem in a more efficient and fair way. The solution, the ILO concludes, is to install flexible and pluralistic systems that can both adapt to changing socio-economic conditions while still providing an adequate level of stable and predictable protection.

You're Barking Up the Wrong Tree: It's Social Justice We Need to Worry About — An Egalitarian Tale Told By The European Commission

The European Commission takes a more holistic and systemic view of the pensions issue. In fact, the Commission understands the pension issue as only one element in the broader social challenge of ageing. The fact that European societies will be faced with an ever increasing number of elderly citizens, the Commission maintains, has repercussions far beyond the pension debate. Demographic ageing,l they imply, will shake up the very foundations of our societies leaving no aspect of life unaffected. Policy-makers will have to confront the impacts of ageing on health care costs, on economic growth, and on social integration in general. Thinking about reforming pensions means thinking about ageing in terms of the entire economic, political and socio-cultural system.

The Setting — The Basic Assumptions

In order to meet the challenges of ageing, the Commission argues, European people will have to fundamentally change their behaviour and European societies will have to adapt to the changed age structure. A challenge at this scale, the Commission seems to argue, calls for an equally holistic and encompassing strategic policy response. Understanding the real issues and policy problems that issue from demographic ageing requires a radically different, more holistic approach. Rather than thinking of ageing in terms of discrete and conflicting generations, this view urges policy-makers to understand ageing issues in the dynamic context of the 'life-course' [Commission, 2005, p.8].

Although pension reform paths in each Member State will differ due to divergent socio-economic and socio-cultural conditions, the Commission outlines a number of general reform principles. First, pension reforms should aim to secure the broadest and most equitable revenue base for public pension schemes. Second, pension systems should reflect "...a sustainable mix of mutually supporting pension pillars based on legislation, collective agreement and private contract" [Commission, 1999, p.15]: in this way, the state, social partners and individuals can share the responsibility for retirement income. Last, pension reforms should strengthen the intergenerational contract implicit in all forms of pension

arrangements. In sum, pension reforms, the Commission holds, should strike a "...sound balance between long-term financial sustainability, intergenerational solidarity, and equity between and within generations"[Commission, 1999, p.15].

The Villains — The Policy Problems

The main problems of ageing, the Commission points out, are its adverse impacts on the labour market. As we have seen, ageing from the middle of the age pyramid will starve the labour market of new entrants. This implies, the Commission argues, that labour participation rates will increasingly depend on the activity patterns of older workers. What is more, in order to make up for the shortfall in labour force participation and in order to maintain an acceptable level of economic growth, the European Union Member States will have to halve their unused employment capacities by 2015. This implies both reducing the high European rates of unemployment as well as reintegrating older workers into the workforce. The obstacles here, the Commission implies, emerge less from design features of pension system than from deep-seated discriminatory practises towards older workers, the unemployed and women. For example, older workers tend to be concentrated in declining industries and command less valuable skills than younger workers. Training, the Commission maintains, so far concentrates on younger worker thus increasing the risk of labour market exclusion as their skill depreciate. Major factors for job creation and growth in the future, the Commission surmises, will be the employability of older workers, the rules and practises for adapting work-places, as well as promoting equal opportunities.[20] In short, the inequities that lead to discrimination and exclusion of older workers (as well as other marginal groups) from the labour market are hampering the ability of European societies to deal with the challenges of demographic ageing.

Early retirement practises, common in Europe, exacerbate labour market problems. The Commission claims that the labour force participation of 60-64 year old males has fallen from 80% to about 30% in the last two decades. The trend to early retirement has also begun to erode labour force participation of males in their 50s [Commission, 1999, p.12]. Whereas the trend towards early retirement could indicate an increased preference for leisure as real incomes rise,[21] the Commission points to survey findings in which 40% of early retirees see their retirement as involuntary [Commission, 1999, p.12]. If this is the case, the Commission concludes, practises concerning early retirement require review. Many Member States, the Commission argues, have used the pension system as a labour market tool: the pension system helps ease out older worker while creating jobs for young labour market entrants. However, the Commission claims, the link between early retirement and job creation has been rather weak. Thus, given decreasing labour market participation, the Commission asks whether

- it makes sense for people to retire 8-10 earlier than their parents given increases in life expectancy and health;

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[20] Here, the Commission observes, increasing female labour market participation rates may help relieve the decline of the labour supply in general.

[21] Incidentally, the OECD argues that if the early retirement trend reflects a shift in preferences, then there is little policy can do [OECD, 1998].

- access to training would change the retirement decision and early retirement practises;

- the option for gradual retirement would be attractive [Commission, 1999, p.12].

The time, the Commission urges, to consider these questions is now. Current patterns and practises of early retirement will become unsustainable when the baby-boom generation withdraws from the labour market: not only will this lead to an excessive financial burden on existing pension systems, it will also lead to labour market scarcities and, thereby, a decline in economic growth [Commission, 1999, p.12]. What is more, losing the baby boom generation to the labour supply would represent a missed opportunity: the baby-boomers, one of the highly skilled and resourceful generation to date,

> "...are thus ideally positioned to make the best use of the opportunities offered by gains in longevity. To squander their contribution through the continuation of current labour market practises would be very wasteful" [Commission, 1999, p.12].

The Heroes — The Policy Solutions

Concentrating on pension reform alone, the Commission argues, will not be enough to meet the challenges of ageing. Although pension reform is an important element in the overall ageing strategy, there is "...no design panacea, and adequate reforms take time and may themselves be painful" [Commission, 1999, p.13]. Thus, the Commission urges policy-makers to "move beyond the pension design debate": no matter what pension system policy-makers adopt, transfers from old to young will have to increase substantially. Reducing the burden does not merely mean moving from an unfunded to a funded system. Rather, the Commission argues, it implies expanding the funding base in all directions: upward to include older workers and horizontally to include the unemployed and women. Thus, pension reforms "...are an important part of the necessary adjustments to ageing, but they will only be really effective when backed up by active ageing and higher employment rates in general" [Commission, 1999, p.13].

What, then, is active ageing? In essence, active ageing means convincing people to work longer and providing flexible labour markets arrangements for gradual retirement. The former, the Commission (and, incidentally, the OECD [OECD, 1998]) argues, involves providing access to training and new skills as well as work environments suited to older workers. The latter implies that pension schemes be adapted to permit part-time work. This, the Commission continues, will have to take place in close co-operation with the social partners in Member States. The Commission also foresees the need for collective agreements and policy that can bridge the gap between the actual and legal retirement age [Commission, 1999, p.13]. However, policy, the Commission warns, will have to judiciously balance flexibility with the need for security in old age. Furthermore, increased female labour market participation, which could offset the fall in male participation rates, also requires the adjustment of pension contribution and benefit mechanisms. Nonetheless, all this is predicated on breaking down the discriminatory practises that have erected insurmountable barriers to the labour market participation of older workers and other marginalise groups.

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This approach, which the Commission understands to be a more 'productive' approach to ageing than the pension design debate, will affect individual and collective retirement behaviour. On the one hand, policy-makers will need to change union and employer practises. On the other hand, policy-makers will have to change individual behaviour. Here, however, the Commission maintains that individuals will change their retirement behaviour when presented with viable options (such as retraining, gradual retirement, or part-time work) [Commission, 1999, p.14]. In the short run, the Commission concludes, policy-makers in the European Commission should aim for raising the actual retirement age by 2 years. The long-run goal, however, will be to equate actual retirement ages with legal retirement ages [Commission, 1999, p.14].

What does this mean for pensions? Here, the Commission, like the World Bank and the ILO, argues for a multi-pillar system. The Commission suggests that policy-makers expand the savings function of pension systems. In addition to desensitising public Pay-As-You-Go defined-benefit systems to demographic changes (by expanding the contributions base and strengthening the intergenerational contract), the Commission argues that reforms should introduce more funded elements: this would not only lead to more savings and a more diversified risk portfolio, it would also contribute to deepening European capital markets [Commission, 1999, p.15].

Yet despite the need for more advance funded element, the Commission also emphasises the redistributive function of pension systems. Pension systems in Europe must continue to guarantee a minimum income in old age. This is particularly important in terms of the gender aspects. Women typically live longer and participate less in the formal labour market. What is more, women are currently suffering under pension systems designed for single earner households [Commission, 1999, p.16]. This, the Commission avers, calls for policy both in the fields of pensions and labour markets: equal opportunities in the labour market and pension reforms that take account of the gender issue, will alleviate the problem in the long-run. In the short-term, however, the Commission foresees a greater need for measures that compensate for existing inadequacies [Commission, 1999, p.15]. However, these measures only make sense as part of a wider strategy that coordinates reforms in health care provision, social services, labour market regulation as well as family policy (to name the most important sectors).

In sum, the Commission story advocates a more holistic and egalitarian approach to ageing policy. Dealing with ageing is a pan-social task that cannot be reduced to identity group policy-making for older people. Pension reform is an important element which, however, is only effective as a part of a comprehensive strategy of socio-cultural renewal. In particular, policy-makers will have to co-ordinate pension reform with policy initiatives in the labour market (to reduce unemployment) and in the socio-institutional management of ageing (changing behavioural patterns of institutional and individual policy actors). Active ageing and options for a gradual withdrawal from the labour market will play an important role in the future. In terms of actual pension reform, the Commission remains rather general: reforms should shift towards a multi-pillar system while ensuring secure minimal incomes in old age and creating a favourable environment for private sector pensions. The point here is to reduce the demand for social services rather than have to curtail the supply. Detailed prescriptions, the Commission avers, are meaningless: systems need to adapt to

	"You Can't Have Your Cake and Eat It"	"Crisis? What Crisis?"	"You're Barking Up the Wrong Tree"
Setting	Pension systems must promote economic growth; Policy-making is about trade-offs and choice; Deep suspicion of probity and competence of public sector	social security institutions are more than technical implements for transferring income; social security brings about stability, order, and predictability; promotes economic growth via healthy and highly-skilled workforce	Adapting to an ageing society will require fundamental change at societal and individual level; Pension reforms should secure broadest and most equitable funding base; Pension reform should strengthen the intergenerational contract
Problems	Public PAYG, defined-benefit systems are inefficient and inequitable	Poor coverage and management of pension systems; No panacea or technical fix to the fundamental issues of demographic ageing	Ageing will lead to squeeze in European labour supply; discrimination of older and marginal workers exacerbates this squeeze
Solutions	Multi-pillar systems to separate insurance and savings functions;	Extend coverage; Pluralistic pension system based in multiple functional tiers	Embrace an integrate policy strategy on ageing; Multi-pillar pension system which represents a sensible balance between CR and PAYG elements as well as provides a safeguard against old age poverty.

Table 8.2: Three Policy Stories about Pension Reform

the national conditions of each Member State.

Table 8.2 summarises the three policy stories.

Delimiting the Contested Terrain of the Pension Reform Debate

Applying the conceptual framework developed in Chapter 5 has unearthed three distinct policy stories based on contending and incommensurable policy frames. As we have seen, each of these policy stories identifies a different set of problems associated with demographic ageing. Consequently, each of the organisations surveyed champions fundamentally different means of providing social welfare.

These accounts of demographic ageing and proposals for pension reform emerge from and correspond to the contending types of advocacy coalitions identified by cultural theory's typology of social solidarities. The first policy story tells an individualist tale of impending financial crisis and economic breakdown. Here, the World Bank points an accusing finger at decades of bureaucratic, inefficient and inequitable social security stewardship. Existing Pay-As-You-Go, defined-benefit pension systems, the World Bank argues, are

unsalvageably flawed; the only way to reinstate intergenerational fairness (and, in the process, set economic growth on a sound footing) is to replace public pension behemoths by competitive, adaptable and market-oriented multi-pillar pension systems. The second policy story, told by the hierarchical ILO, tries to relativise the more dramatic claims in the debate by arguing that, unfortunately, there are no quick-fixes or miracle cures for the problems caused by demographic ageing. Whether public or private, Pay-As-You-Go or Credit-Reserve, defined-benefit or defined-contribution, all types of pension systems have to solve the same thorny problem of transferring income from a relatively small cohort of workers to a larger (and growing) cohort of pensioners. Dealing with these issues successfully is a matter of meticulous system design and management best left in the safe hands of hierarchical public institutions run by accredited pensions experts [Reynaud, 2000]. Last, the third policy story urges us to fundamentally reconsider the way we understand demographic ageing. Here, the European Commission takes an egalitarian stand by contending that only a holistic and integrated policy strategy — of which pension reform is an integral part — will be able to provide the responses needed to adapt to the fundamental socio-cultural changes demographic ageing has in store for our societies. The European Commission aims to redefine the entire concept of social welfare provision in order to empower citizens and communities.

Similar to the transport policy debate analysed in Chapter 6, three policy stories create a triangular contested terrain in which the international pension reform debate takes place (see Figure 8.1. Despite being inherently incompatible, these three policy stories define the outer borders of the 'policy universe'. The scope of ideas articulated in all three policy stories constitutes the pool of concepts, strategies and arguments from which advocacy coalitions define policy issues, set policy agendas and formulate policy responses in the pension reform debate.

8.3 The Structure of Policy Conflict in the Pension Reform Debate: Agreement and Disagreement

How, then, does this triangular policy space structure conflict? The conceptual framework for policy-oriented discourse analysis introduced in Chapter 5 suggests that frame-based policy conflict of this type gives rise to asymmetric patterns of agreement and disagreement across advocacy coalition boundaries. Using the grid/group diagram to analyse these patterns shows that policy stories open up discursive spaces for potential agreement along either of the two dimensions. Thus, probing the areas of agreement and disagreement means scrutinising the potential for pairwise alliances across the cultural theory-inspired typology of advocacy coalitions.

Areas of Agreement: Broad Principles, Common Policy Measures and Mutual Rejection

How do the affinities and mutually held disaffinities between the World Bank, the ILO and the European Commission set up areas of agreement in the con-
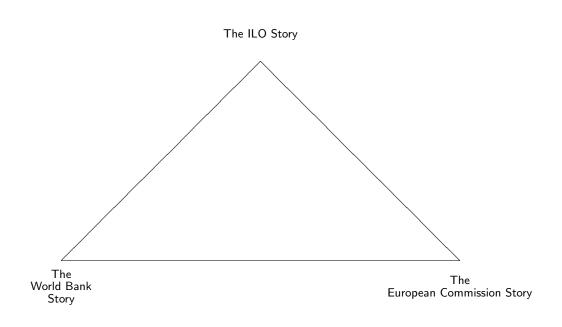
Figure 8.1: The Triangular Policy Space of the Pension Debate at International Level

tested terrain of pension reform?

Crisis and Social Stability   As we saw in the previous sections, the considerable uncertainties concerning crucial demographic and socio-economic variables has given rise to significant disagreement among pension economists from contending advocacy coalitions. However, economists from both the World Bank and ILO agree that pension systems have a considerable impact on labour markets and, therefore, on economic growth. Moreover, economists from either the hierarchical or more individualist advocacy coalition agree that pension systems should promote rather than hinder economic growth and development.

For this reason, economists advocating both the individualist Crisis Story and the hierarchical Social Stability Story agree on the necessity of a number of general pension reform measures. Since both argue that labour market distortions and labour supply disincentives hinder economic growth, economists from both the World Bank and the ILO agree on measures to dampen any possible labour supply disincentives within the pension system; these typically include measures to tie benefits more closely to contributions (by retrenching redistributive elements in the benefit structure, by rigging the growth of benefits to to demographic developments, etc.). Moreover, since spreading one's pension risks across a wide range of instruments makes good economic sense to proponents of either the Crisis Story and the Stability Story, neither the World Bank nor the ILO has any *principled* objection to private sector Credit-Reserve, defined-contribution pension schemes. Further, since proponents of both the hierarchical and individualist policy stories perceive early retirement as a core policy problem, they can also (in principle) agree on statutory and

socio-economic measures to raise the actual retirement age.

As a result, both the hierarchical Social Stability Story and the individualistic Crisis Story are lukewarm about the egalitarian's preferred pension reform strategy: relocating the provision of income and services for older people into civil society. For the World Bank Story, this policy option is simply anachronistic: economic modernisation is synonymous with the decline and dismantling of so-called 'informal' systems of provision [James, 1994]. Although the ILO sees a role for both civil society organisations and so-called 'micro-insurance' schemes in the provision of social welfare, these remain second or third choice policy options. Social welfare provision from civil society organisations — patchy and uncoordinated as it is — is a sign of decay its increase "...owing to spreading marginalisation and to the growing gaps in statutory social protection"[Office, 2001, p.95]. Micro-insurance (e.g. schemes such as the Grameen Bank), in turn, are only suitable for workers in the developing world as a stop-gap since "...the level of resources generated is low and only limited social protection is provided" [Office, 2001, p.64].

Social Stability and Social Justice   Both the Social Stability Story and the Social Justice Story emphasise the need for pension reform to strengthen 'social solidarity' and ' intergenerational solidarity' [Gillion et al., 2000, Office, 2001, Commission, 1999, Commission, 2005].[22] For members of both types of advocacy coalition, social policy in general and pension reform in particular must aim to strengthen the elements of collective action and social responsibility. While both the Social Stability and Social Justice policy stories do not discount the possibility of introducing market-oriented elements into the provision of old age income, this should not interfere with the task of generating and fostering solidarity between old an young, rich and poor, men and women as well as the healthy and disabled [Gillion et al., 2000, Commission, 1999, Commission, 2005].

Pension reform measures that find principled support from both the ILO and the European Commission tend to strengthen social solidarity and social cohesion. In particular, these measures and reforms aim to support a specific target group believed to be at risk of "social exclusion". In current pension debates, women and workers with discontinuous employment histories make up the marginal groups that constitute the focus for both egalitarian and hierarchical advocacy coalitions (these two categories overlap to a considerable degree). Hence, redistributive measures to boost pension claims for women who drop out of the labour market to provide care (either for children or older family members) are championed by both the proponents of the Social Stability and Social Justice policy stories.

For this reason, advocates of both stories view pension reform proposals that threaten to embrittle these bands of social solidarity and social cohesion with the utmost suspicion. While the European Commission contends that market-based approaches to social security have a place (albeit not a terribly prominent one) in an overall strategy of active ageing, the ILO argues that the implementation of individual savings accounts "...should not weaken solidarity systems which spread risks throughout the whole scheme membership" [Office, 2001, p.4].

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[22]This is what we would expect since cultural theory's typology of advocacy coalitions suggests that the hierarchical and the egalitarian positions on pension reform would prefer policies that foster and support collectives over the rights of individuals.

Social Justice and Crisis   Last, advocates of the individualistic Crisis and egalitarian Social Justice tales are likely to agree that pension systems need to promote choice and equality.[23] For both the World Bank and the European Commission, pension systems and social policy should be about creating the opportunities and the autonomy for individual self-determination.

That is why both would argue that reforms need to rid existing systems of old-age income provision of in-built inequities and unjust privileges. One way of doing this, proponents of either story argue, is to institute pension systems that provide universal flat-rate pension benefits independent of prior contributions [James, 1994, Commission, 1999, Commission, 2005]. Further, both the World Bank and the European Commission are strongly in favour of labour market flexibilisation. Only flexible and efficient labour markets can provide the autonomy and choice for individuals to pursue their objectives.

Thus, advocates of the Crisis and the Social Justice stories are both suspicious of highly stratified, complex and centralised pension systems. Calling for 'intergenerational fairness', both advocacy coalitions see these types of social security institutions as means of handing out favours to privileged minorities close to the centres of power (such as civil servants or male industrial workers) [James, 1994].

Intractable Disagreement

Despite some overlap in principles and animosity, policy conflict in a triangular contested terrain is likely to be fundamentally intractable. Although members of contending advocacy coalitions may occasionally agree to disagree with the pension policy proposals of the third advocacy coalition in the debate, their disagreement feeds on opposing sources. In the context of the international pension reform debate, this means that areas of broad agreement between the World Bank, the ILO and the European Commission collapse when debate moves from general principles to more specific and practical policy implications.

Crisis vs Social Stability   As we have seen, economists championing both the individualist and hierarchical stories readily agree that pension systems significantly affect economic growth. This, however, is where agreement ends. While advocates of the Crisis Story blame poor economic performance on the inherently distorting effects of Pay-As-You-Go, defined-benefit systems, economists in the hierarchical advocacy coalition deny that there is anything inherently wrong with the design of public pension provision [Orzag and Stiglitz, 2001, MacKellar, 2000]. The only issue that is inherently problematic, they counter, is the inability of the Crisis Story advocates to produce any serious empirical evidence to back up their claims [MacKellar, 2000].[24] Significantly, advocates of contending policy stories not only question the findings of their rival policy stories, they question the very legitimacy and validity of the research and data itself. For example, Landis MacKellar argues that much of the empirical research

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[23]This is what we would expect from social solidarities situated in the lower half of the cultural theory's grid/group diagram — both advocacy coalitions score low on the "grid" dimension.

[24]Even the World Bank acknowledges that the empirical evidence — particularly on the relationship between pension systems and the national savings rate — is inconclusive [James, 1994].

into the comparative savings effect of different pension system designs misses the point: even if it were to overcome the considerable uncertainties (such as an absent counterfactual), a purely comparative analysis "...may not tell us very much about the impacts of moving from an existing PAYG-financed system to a CR-financed one" [MacKellar, 2000, p.12], see also [Orzag and Stiglitz, 2001].

What seems like agreement on policy implications soon disintegrates into principled conflict when contending policy actors begin to discuss detailed measures. While there may be general agreement that cuts to benefits are necessary, what needs cutting by how much and when remains a hotly contested issue. The IlO and hierarchical advocacy coalitions[25] prefer cuts to maintain the institutional integrity of the pension system. Significantly, this involves maintaining public trust in the welfare state institutions; cuts, then, must be phased in gradually and managed judiciously by the experts. The World Bank and individualist advocacy coalitions, in turn, point to the institutional integrity of current public pension systems as the root of all problems. The aim of any cuts and adjustments therefore is what the World Bank refers to as "structural reform": a fundamental change of the nature of existing public Pay-As-You-Go, defined-benefit systems. This transition to multi-pillar pension systems, as the World Bank Story demonstrates, needs to be as rapid as possible to reap the economic benefits.

Social Stability and Social Justice   The hierarchical and egalitarian pension policy stories express widely diverging definitions of the term "social solidarity". In general, the proponents of the Social Stability Story take the idea of social solidarity to mean the patterns of institutionalised and managed transactions between and within generations. These transactions have been pared down to simple and manageable flows of financial resources: here, solidarity is measured and expressed in monetary terms. Higher value transfers equate to more social solidarity. In contrast, advocates of the egalitarian Social Justice story perceive social solidarity in a far more essentialist and holistic manner. Although monetary transfers are one way of articulating social solidarity, the egalitarian story implies that true social solidarity requires real engagement in schools, in nursing homes, in individual households, in hospitals, at play grounds, and on the street (to mention a few). Social solidarity is not only about the *quantity* of transactions that make up society but also about the *quality* of these exchanges.

For this reason, the ILO and the European Commission are split on how best to build and foster social solidarity. In the language of the hierarchical Social Stability story, strengthening social solidarity means deepening and extending the implicit social commitments codified in the transfer structures of formal social security institutions. Thus, countering the threat of social exclusion for women and workers with discontinuous employment histories is a matter of extending coverage to unprotected workers and, if necessary, reconfiguring the transfer flows in existing social security machineries [Gillion et al., 2000, Office, 2001]. For members of egalitarian advocacy coalitions in the pension debate, in turn, dealing with demographic ageing requires more than simply expanding and fine-tuning impersonal social security machinery. Rather, building and maintaining social solidarity, the European Commission argues, means adopting a broad based and integrated strategy in which income maintenance is

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[25] As we shall see in Chapter 9.

one (albeit rather important) element. However, tackling demographic change will require addressing and solving the deeper socio-cultural problems that relegate a large number of citizens (women, the old, the young, the disabled, ethnic minorities, etc.) to the margins of society. In short, Europeans will need to do more than fine-tune large bureaucratic machines for transferring money: they will

> "...have to invent new ways of liberating the potential of young people and older citizens. Dealing with these changes will require the contribution of all those involved: new forms of solidarity must be developed between the generations, based on mutual support and the transfer of skills and experience" [Commission, 2005, p.6].

Social Justice and Crisis Last, although both the individualist and egalitarian policy stories define large, centralised pension systems as a threat, the underlying perceptions of equality and choice in each account diverge sharply. For the proponents of the Crisis Story, equality refers to the opportunities and chances available to the individual. Here, the idea of enabling choice means providing an incentive structure that facilitates economic agents to make the 'right' choices, that is choices conforming to market rationality. Such an incentive structure is best provided in the private sector. The egalitarian notion of 'equality and choice', in turn, involves providing citizens with the autonomy to choose their preferred lifestyle at any point in the life-course. Significantly, this implies being able to freely move in and out of the labour market as life situations change without having to fear adverse effects on professional, social or family life. Institutions, particularly the market, ought to be geared to serve the real needs citizens of all ages, not *vice versa*.

While individual policy actors from both advocacy coalitions favour flat rate universal pension systems, their conceptions of the benefit level and role of these pension systems is very different. For advocates of the individualist Crisis Story, a flat rate universal system should be designed to alleviate poverty without distorting labour market supply decisions: that is, the pension benefits must be rather low to encourage labour market participation. Similarly, labour market flexibilisation for proponents of the individualist Crisis Story means breaking down barriers to the movement of labour: in practise, this amounts to the liberalisation and dismantling of statutory labour protection to facilitate a more efficient clearing of the labour market. In contrast, proponents of the egalitarian Social Justice Story see the flat rate universal benefits as a basic income that severs the individual's dependence on the labour market. Thus, such a pension system (ideally an integral part of a basic income system for all citizens) would provide individuals with autonomy to choose to participate in the labour market or to pursue other socially valuable but consistently undervalued activities (such as child rearing or care-giving). The flat-rate universal pension, then, is to provide all citizens with a basic level of material security that enables them to take an active part in socio-cultural life. On this view, labour market flexibilisation aims to re-shape the labour market to empower individuals to enter or leave the labour market when they wish. Rather than adapting the life-course to the requirements of work and career, egalitarian advocacy coalitions suggest that labour markets be made to adapt and cater for the human life-course. It is for this reason that the European Commission asks:

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	Stability − Crisis	Justice − Crisis	Stability − Justice
Agreement	Pension systems and economic growth	Social solidarity	Equality, choice and autonomy
Rejection	Informal and local pension provision	Privatisation of pension systems	Privileges in pension provision
Disagreement	Nature of impacts on labour market	Impersonal versus face-to-face conception of social solidarity	Equality of condition versus equality of opportunity

Table 8.3: Areas of Agreement and Disagreement in the Pension Reform Debate

"How can the organisation of work be modernised, to take into account the specific needs of each age group? How can young couples' integration in working life be facilitated and how can we help them to find a balance between flexibility and security to bring up their children, to train and update their skills to meet the demands of the labour market" [Commission, 2005].

Table 8.3 summarises the general areas of agreement and disagreement for the pension debate.

8.4 The Potential Impacts of Policy Conflict: Weaknesses and Conceptual Blindness

The three policy stories express policy frames that originate in the competing types of advocacy coalitions outlined in Chapter 5. Just like in the other domains discussed in previous chapters, individual policy actors in the pension reform debate use these these policy frames to make sense of messy policy issues. By selectively highlighting specific aspects and backgrounding others, these frames act as interpretive templates for the construction of plausible and persuasive policy arguments. Since what is fore- and backgrounded is closely tied to a corresponding form of social organisation, policy stories necessarily provide partial accounts of the demographic challenge and the pension reform issue. Thus, policy frames sharpen advocacy coalition members' focus for certain issues and problems while simultaneously placing out of view other potential threats and vulnerabilities. Each policy frame, then, has its peculiar strengths and weaknesses.

In the current pension reform debate, the policy-making initiative currently lies with the individualist advocates of the Crisis Story. The strengths of the Crisis Story are that it provides a powerful critique of conventional institutions of old-age income provision. Using demographic ageing as the linchpin, the advocates of the Crisis Story tell a compelling tale of inherent systemic flaws in

public pension systems leading inevitably to inefficiency, waste, market distortions and financial collapse. The remarkable thing about this story is that the World Bank[26] has successfully imbued the pension reform issue with a sense of urgency: although demographic and generational developments among the slowest of social phenomena, the Crisis Story has successfully convinced policymakers that time for reform is running out.

The central and decisive weakness of the Crisis Story is the excessive trust — bordering on faith — advocates place in the self-regulative forces of the market. This fundamental bias ripples through the entire architecture of the policy story. The Crisis Story's argument hinges on the belief that markets by definition outperform public institutions in the provision of old-age income. This confidence in the market leads the advocates of the Crisis Story to underestimate the real risks and costs involved in multi-pillar pension systems. First, by shifting the long-term savings function into the private sector, the Crisis Story is exposing workers to considerable capital market risks [Willmore, 1999]: the members of the individualist advocacy coalition are assuming that global markets will continuously perform to provide workers an adequate income in old age. Second, receipt of a pension above the level of mere poverty alleviation requires continuous gainful employment in the labour market. For individuals unable to participate in labour markets (for reasons of illness and disability but also discrimination and marginalisation), multi-pillar pension systems will mean old-age poverty. Third, as we have seen, the Crisis Story systematically downplays the considerable transition costs incurred by the shift from existing public Pay-As-You-Go to multi-pillar pension systems. These costs could well offset any benefits expected from the structural pension reforms [Orzag and Stiglitz, 2001]. Last, proponents of the Crisis Story consistently underestimate the importance of social security institutions for social cohesion and collective identity. In Europe, welfare states fulfil important socially integrative functions. On the one hand, the welfare state in general and pension systems in particular have prevented people at the top and the bottom of the income distribution from losing touch with society as a whole. On the other hand, European welfare states have become an integral part of national and regional identities in Europe (e.g. Nordic countries' identification with Nordic welfare states).

The hierarchical Social Stability Story tells a level-headed and more equivocal tale. In response to the challenge from the Crisis Story, the ILO and other organisations in the hierarchical advocacy coalition have tried to assure workers and citizens that everything is under control.[27] The strengths of the hierarchical pension policy story lie in the ability to bring a large body of expertise and technical competence to bear on the pension reform issue. This allows proponents of the Social Stability story to question, qualify, find caveats, probe and, ultimately, deflate the more spectacular claims of the Crisis Story (see, for example, [Orzag and Stiglitz, 2001]). The upshot of their meticulous analysis is that the demographic and economic pressures on any type of pension systems are the same: successful old-age income provision, then, remains question of meticulous design and ongoing management by competent experts.

This confidence in the expertise of a technocratic pension elite is the main source of weakness in the Stability Story's vision. Where the Crisis Story over-

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[26]and others, see next chapter

[27]Arguably with modest success. Pension reform has become a "supercharged" policy issue [Walker, 2002].

estimates the ability of the market, the Stability Story places undue trust in capabilities of pensions experts to rationally solve the challenges of demographic ageing. First, the preference for centralised and large pension administration based on complex statutory foundations makes for a rather unwieldy social policy instrument. This is even more inappropriate in times that require quick and effective policy responses. For example, in Europe, many pensions administrations have been sluggish to react to rapidly changing labour market structures [Ney, 2001]. Second, entrusting pension management entirely to an expertocracy risks detaching pension policy-making from the social and economic realities [Nullmeier and Rüb, 1993]. A related point here is that citizens no longer uncritically accept technical expertise as a legitimate reason for denying them participation in pension policy-making. Increasing levels of education have made citizens more discerning of experts and expertise [OECD PUMA, 2001]. The expert-bias in the hierarchical Stability Story, despite many references to "democratic management"[28] [Gillion et al., 2000, Office, 2001], leaves little room for meaningful citizen involvement in social policy. Third, complex and highly stratified social protection systems — such as most continental European social insurance institutions — perpetuate social inequities and create barriers to entry into the labour market for marginalised groups.

Last, the egalitarian Social Justice Story urges policy-makers to understand the challenge of demographic ageing in a holistic and pan-social context. Since demographic ageing will fundamentally transform all aspects of our societies, the policy debate about ageing needs to expand from its narrow focus on social security and health care costs. The Social Justice Story draws its strengths from understanding and addressing the wider socio-cultural contexts in which pension reform takes place. By thematising the way demographic ageing will impact on key social systems, the members of the egalitarian advocacy coalition show how this fundamentally realigns socio-cultural and socio-economic relations. Unlike both the Crisis and Social Stability Story, the egalitarian Social Justice tale understands demographic ageing as historically unique opportunity for restructuring society to suit real human needs [Walker, 2002].

The weaknesses of the egalitarian Social Justice Story stem from an unwarranted belief in the robustness of community and citizenship. The communitarian bias implicit in the egalitarian policy story leaves the solutions open to a number of vulnerabilities. First, a comprehensive basic income system without bureaucratic sanctions or opportunity costs promotes free-riding. This, in turn, erodes the social capital and trust on which basic income systems are founded. Second, holistic yet decentralised social policy throws up some rather thorny public management issues. An integrated ageing strategy requires considerable coordination. Yet, as Rhodes argues, coordination and management are difficult in the types of polycentric policy networks envisaged by the egalitarian Social Justice Story (see Chapter 2. Third, personalising social policy by radically decentralising provision the communities also re-introduces an element of moral control and censure. Indeed, Alan Walker suggests that in future the rights to social services need to be balanced by obligations of citizenship: those who do

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[28]Note that the ILO uses the term "democratic management" *not* "democratic participation". Essentially, the ILO refers to bipartisan (i.e. employers' and workers' representatives) management of social security institutions. How and to what extent these forms of democratic participation reflect workers and, in turn, workers reflect the society as a whole is an open question.

	Stability	Crisis	Social Justice
Trusts	Expertise and institutional capabilities	Insurance and capital markets	Malleability of societal norms and practises
Downplays	Bureaucratic inefficiencies	Capital market and disability risks	Self-interest
Vulnerable to	Demographic change	Business cycle	Free-riding

Table 8.4: Potential Impacts of Policy Arguments in the Pension Debate

not take care of themselves, either in terms of health or education, forfeit their entitlement to social services when old [Walker, 2002].[29]

Table 8.4 summarises the frame-specific weaknesses and potential impacts of policy stories in the pension debate.

8.5 Conclusion

We have seen how three international organisations define the messy pension issue in different ways. By identifying and systematically comparing these policy stories about pension reform, the conceptual framework for discourse analysis developed in Chapter 5 helped determine the *scope* of policy conflict in the contested terrain of pension reform. In essence, all three policy stories tell us about the impacts of ageing on our societies and suggest ways in which we can best respond to these challenges. The individualist World Bank is worried about the effects of ageing on economic growth. Shrinking labour forces and growing numbers of retirees will have adverse effects on the functioning of markets. This, the World Bank contends, is exacerbated by distortionary and inefficient pension designs. The hierarchical ILO, in turn, tells a different story. The fundamental problem is that most workers are not covered by old age social security and, for the few that are, these systems suffer from poor management. What is more, the structure of a particular pension system is not likely to make much difference to the impacts of ageing. Both funded and unfunded, defined-benefit or defined-contribution face similar challenges: how to transfer more income from a relatively small working cohort to a large retired population. Dealing with demographic ageing, they contend, is nothing more than an issue of judicious management best left to pensions experts. The European Commission takes a more holistic and egalitarian approach. Pension reform, it maintains, is one element of an integrated policy strategy concerned with ageing populations. The real problems here are socio-institutional practises and attitudes

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[29] "Thus, the rights to social protection, lifelong education and training and so on may be accompanied by obligations to take advantage of education and training opportunities and to remain active in other ways" [Walker, 2002, p.125]. Although Walker immediately points out that this should not be used as a way to deny rights, it nonetheless implies that someone will be keeping score throughout the life-course.

that marginalise older workers and thereby accelerate the decline in the labour supply: reform in pension systems necessitates coordinated reforms in labour markets, health care systems, and social service provision. More importantly, however, Europeans need to break down and transform the discriminatory misperceptions that relegate older people to the margins of European societies. These three stories, then,

Although all three international organisations advocate multi-pillar pension systems, each story places a different emphasis on different pillars. If ageing is not to damage economic growth, the World Bank asserts, then the second pillar (mandatory defined-contribution savings plans) will have to provide the bulk of retirement income in the future: the emphasis here is on the savings function of pension systems. Conversely, the ILO claims that a radical shift to defined-contribution systems will not solve the ageing problem. On the contrary, any funded defined-benefit plan will feature all the distortionary effects of traditional Pay-As-You-Go systems, with the added disadvantage of exposing retirees to capital market and investment risks. Rather than retrenching tried-and-tested pension arrangements, the ILO urges policy-makers to expand and deepen systems in order to ensure that retirement income is secure, predictable and stable. Last, the European Commission prefers not to think in terms of trade-offs. All three pensions objectives are important and interdependent: pensions systems should guarantee minimal pensions (redistribution), need to be secure (insurance), but also need to provide a favourable environment for investment (savings or capital deepening). These aims, the European Commission avers, are not contradictory. However, they can only be effective as part of an integrated policy strategy for facing demographic ageing in a wide array of different policy domains.

All three policy stories tell us plausible tales about pension reform. They highlight certain aspects and background others. They set up a problem and provide the solutions. In doing so, they provide coherent and normative frameworks for thinking and arguing about pension reform. Together, these three stories delimit and delineate the contested terrain of pension policy-making: the scope of the three policy stories contains[30] the ideas and arguments that make up the available pool of knowledge for policy-making.

This chapter has also explored the *structure* of policy conflict. Despite inherent incommensurability, pairs of advocacy coalitions can agree on select general principles, general policy measures and common enemies. So, proponents of the Crisis and Stability Story share the belief in the necessity of economic growth, the general efficacy of benefit retrenchments, and the suspicion of community-based provision of social security. The advocates of the Stability and Social Justice Stories both understand the importance of social solidarity, support redistributive measures to strengthen social cohesion and abhor pension reforms that dissolve the interpersonal ties and obligations in favour or 'individual responsibility'. Last, the individualist and egalitarian types of advocacy coalitions agree on the desirability of choice and autonomy, on reforms that break down stratification and on the harm of complex, rule-based systems of social provision. However, these affinities and mutual rejections are not load-bearing structures: economists in individualist and hierarchical organisations cannot agree on how exactly pension systems affect economic growth, members of egalitarian and hi-

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[30]in both senses of the word

erarchical advocacy coalitions have widely different notions of 'social solidarity', and the idea of 'choice' has rather different ramifications for individualist than egalitarian groups.

What is more, the chapter has also shown that policy frames imply conceptual blindness. None of the policy stories can legitimately claim the possession of authoritative knowledge about the pension issue. Moreover, each type of advocacy coalition (either alone or in concert with another) identifies the inherent weaknesses of the others in the course of policy debate. Proponents of the Crisis Story do not easily perceive the real risks (capital market, disability, etc.)of shifting to an multi-pillar system. Advocates of the Stability Story are generally unwilling to see the sluggishness of publicly managed social security institutions as well as the secular decline in trust for expertise. Last, egalitarian social policy actors underestimate, simply discount or even welcome the impacts of free-riding on a system of social provision. Thus, like for the transport policy debate, a wide scope of policy conflict generates a rich reservoir or pool of ideas, concepts and strategies for dealing with the challenges of demographic ageing.

What, then, are the implications of this analysis for policy-making?

First, the analysis has shown that policy debate in pension reform is fundamentally frame-based, contentious and intractable. A resolution by recourse to facts or by bargaining is not likely to be successful. Indeed, as we shall see in the next chapter, incremental *quid pro quo* bargaining has not been terribly successful in continental Europe.

Second, analysing structure of policy conflict shows that there are areas of agreement between the contending advocacy coalitions. However, agreement among all three advocacy coalitions is at a basic and general level (i.e. that demographic ageing is a policy challenge calling for policy action). Agreement on general principles and policy measures is more selective: here, the analysis shows an affinity between pairs of advocacy coalitions. Yet, agreement between advocacy coalitions is not particularly robust since contending policy actors define and understand the underlying issues in fundamentally different ways

Third, like in the transport policy debate, each advocacy coalition, if left unchecked, would implement pension reforms vulnerable to frame-specific unanticipated consequences. In a very real sense, Chapter 9 shows how the present problems of continental European pension systems may have been the outcome of a single advocacy's unchallenged epistemic sovereignty over most of the post-WWII era. Thus, the analysis of this chapter also suggests that a lively policy debate with as many advocacy coalitions as possible may prevent consistent conceptual blindness. Again, policy-makers will need to find a way to resolve the dilemma of maintaining both a high degree of accessibility and a good quality of communication in the policy debate.

How do the policy stories at international level affect policy debates at national level? How have these policy stories shaped institutional change in European pension systems?

Chapter 9

The Rediscovery of Politics: Democracy and Structural Pension Reform in Continental Europe

When reflecting on pension reform experiences, scholars and policy-makers alike tend to dwell on the difficulties of reform, the irrationality of policy-making and the barriers to structural change. In an effort to ascertain why structural pension reform is so difficult, some scholars concentrate on the fiscal and economic contexts of reform efforts [James and Brooks, 1999], others analyse individual political behaviour [Disney, 1996], and others still look at the interaction of political constraints at different levels of governance [Pierson, 1994, Pierson, 1996, Pierson and Weaver, 1993, Hinrichs, 2000, Hinrichs, 2001]. Despite this variety in methods and approaches, the general and somewhat disturbing implication running through most studies is that democracies create near insurmountable barriers to structural pension reform. Not only do democratic polities provide few electoral incentives for embarking upon pension reform, pluralist politics also create ample opportunities for adversaries to hobble reform efforts. The common wisdom or rule of thumb emerging from this line of argumentation is that the best would-be reformers can hope for is an iterative process of incremental and piecemeal change. Since radical or structural pension reform is politically costly, any attempt to fundamentally restructure pension systems is tantamount to political suicide and, for all intents and purposes, impossible.

Based on empirical evidence from four continental European countries (Austria, France Germany, and Italy),[1] the following chapter suggests that pluralist democracies and democratic practises actually have enabled rather than constrained structural pension reforms in Europe. Rather than looking to macro-

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[1]The empirical evidence was collected during the first phase of the PEN-REF project, funded by a research grant in the European Commission's Fifth Framework Programme. The project actually analysed pension reform processes in seven European countries (Austria, France, Germany, Italy, Norway, Poland, and the United Kingdom). Although the main emphasis here will be on the four continental European social insurance systems, the analysis will point out interesting differences to the other countries.

political variables to explain pension reform processes (as the political scientists reviewed in Section 9.1 do), this chapter will look very closely at the subpolitics of European pension policy subsystems. In this sense, the following is an exploratory application of the discourse-analytical framework developed in Chapter 5. The aim here is to use the conceptual framework to make sense of recent reform experiences in continental Europe: that is, to understand how institutional changes to pension policy-making as well as the provision of old-age income came about and in what ways pluralist politics contributed to these processes.

The analysis of pension policy subsystems in continental Europe reveals that the reluctance to reform has more to do with the epistemic sovereignty of expert-dominated and hierarchical advocacy coalitions than with pluralist politics. As we shall see in Section 9.2, these ideologically cohesive and organisationally integrated advocacy coalitions were very successful at insulating policy subsystems from both parliamentary and public scrutiny. As a result, much of pension policy-making prior to the 1990s was incremental and piece-meal, geared towards maintaining the institutional *status quo*. From about 1990 onward, however, new policy actors successfully challenged the ideological and political dominance of established hierarchical advocacy coalitions in continental Europe. As these actors introduced new ideas and concepts into European pension reform debates (many of them critical of established pension systems), they broadened the scope of political conflict: the 'contested terrain' in European pension debates now features all three competing policy stories about pension reform identified in Chapter 8. As a result, pension policy-making has become more contentious and conflictual as a far more volatile, "garbage can" policy process is replacing the predictability of corporatist bargaining. In short, we will use the discourse-analytical toolbox developed in Chapter 5 to reconstruct how European pension policy-making has rediscovered pluralist politics. This rediscovery of principled policy conflict, however, has coincided with structural reform measures in continental Europe.

9.1 The Politics of Pension Reform

Social policy-making, most commentators and observers agree, isn't as much fun as it used to be. Perpetual crises of social security budgets caused by increasingly competitive global markets, persistent unemployment and demographic ageing remind us that the heady days of welfare state expansion are most definitely over. Nowadays, social policy seems to be about adapting welfare states, including pension systems, to harsher economic climates. In practise, this has meant retrenching and reducing the generosity of welfare state provisions.

Under these new circumstances, as we saw in Chapter 8, pension reform in democratic polities has become a thorny, politically risky and inherently divisive policy issue. Despite what seems to be overwhelming evidence in favour of incisive structural reforms, pension systems have proven remarkably immune to fundamental change. Finding that theories of welfare state expansion have not explained welfare state retrenchment[2] [Pierson, 1994, Pierson, 1996], political

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[2]Williamson and Pampel identify five different approaches to explaining welfare state expansion. These include the industrialism perspective, the social democratic perspective, the neo-Marxist perspective, and the state centred explanations [Williamson and Pampel, 1993]

scientists have suggested that the observed resilience to retrenchment may be related to the way contemporary democracies and its institutions are structured. The very nature of current welfare state reform projects, they argue, goes against the grain of established democratic institutions and practises.

The Institutional Limits to Welfare State Retrenchment in Democracies

In terms of the political processes involved, retrenching welfare states is not the mirror image of expanding them. In fact, the American political scientist Paul Pierson argues that retrenchment is an altogether more "treacherous" exercise for two reasons [Pierson, 1994, Pierson, 1996]. On the one hand, the aims of current retrenchment policies have dramatically different electoral implications than the expansionary efforts of the past. Retrenchment involves imposing concrete losses on a specific group within the electorate. Since this is not likely to be popular with voters,[3] policy-makers anxious about re-election will find that a "...simple 'redistributive' transfer of resources from programme beneficiaries to taxpayers, engineered through cuts in social programmes, is generally a losing proposition" [Pierson, 1996, p.146]. On the other hand, welfare state retrenchment takes place in different institutional contexts than did welfare state expansion. Over the past decades, social policy-making has given rise to networks of professional bodies and advocacy groups that design, administer, implement and evaluate social policy. Not only may these interest groups be in the position to mobilise a substantial part of the electorate (e.g. the "grey lobby" in the United States or unions in continental Europe), they may also be able to obstruct policy implementation where they have a role in the administration of welfare state programmes. As a result, rather than policy-makers attempting to claim credit for expansive welfare state reforms, the "new politics of the welfare state" [Pierson, 1996] is about shunting and avoiding the blame for unpopular benefit cuts in order to escape punishment at the hands of the voter.

Due to the institutional structures of contemporary democracies themselves, so the argument goes, this type of pension reform is bound to be a thorny and precarious political project. Political scientists such as Paul Pierson, Kent Weaver, and Giuliano Bonoli have analysed how patterns of formal and informal political institutions shape pension reform strategies [Pierson, 1994, Pierson, 1996, Pierson and Weaver, 1993, Bonoli, 2000]. Democratic institutions, so the argument goes, regulate political participation and contestation by defining so-called "veto-points" at which the political opposition may intervene in the policy process (e.g. parliaments and parliamentary rules regulate the competition between political parties, etc.) [Bonoli, 2000, Ebbinghaus and Hassel, 2000, Müller, 1999]. Bonoli argues that pension reform will be more difficult, will require more complex governmental strategies and will

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for a brief overview, see also [Müller, 1999].

[3]Voters may "suffer" from Prospect Theory's "negativity bias" which makes them fear losses more than they value gains [Pierson, 1994, Pierson, 1996, Kahnemann and Tversky, 1984, Hinrichs, 2001] or, as Karl Hinrichs points out [Hinrichs, 2001], the electorate may more readily empathise with pensioners than with the unemployed or the disabled. Moreover, in many countries of continental Europe, workers perceive accrued pension claims as earned rights [Hinrichs, 2000]; in many cases, pension claims have the legal status of quasi-property.

lead to a qualitatively different reform pathways in polities featuring many veto points (such as the United States or Switzerland) than in polities that concentrate political power in the hands of the government (such as the United Kingdom) [Bonoli, 2000].

Yet, political institutions do not determine pension reforms in any mechanical sense. Pierson and Weaver argue that political systems that concentrate power also focus accountability. With few institutional mechanisms for avoiding the blame available to policy-makers, begrudged voters will know exactly who is responsible and who to punish at the ballot box [Pierson and Weaver, 1993]. The fate of any particular reform, Pierson argues, will depend on whether the concentration of power outweighs the concentration of accountability. Formal political institutions, then, are important in the sense that they frame policy processes, regulate political contestation and define feasible pension reform pathways [Pierson, 1994]. Their direct impact on pension reforms, however, remains ambiguous and complex.

In addition to formal political institutions, the design and structure of the pension systems themselves create barriers for retrenchment. Here, political scientists point to path dependency and institutional lock-in as one of the key determinants of pension reform options. Whether a pension systems operates along the lines of the social insurance model or whether pension provisions are based on Beveridge's vision of social security makes a substantial difference to available policy alternatives and policy tools. For example, Bismarckian systems allow policy-makers to manipulate contribution rates and non-contributory elements of pension systems whereas in Beveridgian pension systems, policy-makers can work with means-tested benefits and eligibility criteria [Bonoli, 2000]. More fundamentally, long-term financial commitments encoded in the institutional design of pension systems may lock policy-makers into a specific reform trajectory. The most prominent example of institutional lock-in is the Pay-As-You-Go system. The accrued pension claims of present generations, observers such as the ILO argue, generally rules out a wholesale shift to fully funded pension schemes since this implies prohibitively high transition costs for future generations of workers [Hinrichs, 2001, Pierson, 1994]. Over and above financing mechanisms, pension system designs also designate who is involved in the running of pension systems and who has an interest in maintaining or changing the *status quo*. For instance, in continental European countries, pension systems are located in a "social space" shared by governments, labour unions and employer's associations [Ebbinghaus and Hassel, 2000]. Bi- and tri-partite management regimes, such as in France, Germany, or Italy not only introduce 'veto-points' into the decision-making process but also define stakeholders and their interests in the pension system.

In sum, the literature tells us that welfare state retrenchment and pension reform in democracies is difficult because

- retrenchments and pension benefit cuts are likely to be unpopular with the electorate;

- democratic polities provide ample opportunities for contesting unpopular policy (via veto-points) or for punishing policy-makers (via elections);

- the structures of welfare state institutions and pension schemes themselves rule out certain policy options from the outset thereby disciplining

the imagination of policy-makers and narrowing the feasible set of policy alternatives.

How have policy-makers dealt with these institutional constraints? As a rule, Pierson argues, policy-makers have attempted to mitigate the electoral impacts of imposing losses by either maximising electoral margins or by minimising political opposition to the reform [Pierson, 1994, Pierson, 1996]. Basing his argument on evidence from four countries,[4] Pierson maintains policy-makers have applied any or all of three blame-avoidance strategies. First, policy-makers and politicians have played off different groups in the policy community. Second, policy-makers have pursue strategies of compensation by providing financial benefits to potential losers of retrenchment policies. Third, and most importantly, would-be reformers have lowered the public visibility of benefit cuts. For example, one effective way of obfuscating retrenchment, Pierson maintains, is to formulate highly complicated reforms and bury the potential policy outcomes in technical jargon. Another strategy for blurring political responsibility, Pierson points out, is to delegate decisions to *ad hoc* commissions or to associate political opposition with retrenchment in consensus-based policy-making [Pierson, 1994].

In Europe, Bonoli maintains, institutional contexts seem to imply specific political strategies. So unitary systems that centralise power, such as the United Kingdom, imply a bold political strategy of imposing unpopular pension reforms and absorbing the electoral impacts.[5] [Bonoli, 2000]. Conversely, governments in polities with many veto-points, such as Switzerland or France, however, have to adopt more circumspect and inclusive approaches. Here, successful pension reform strategies are likely to diffuse blame by including political adversaries (such as labour unions or pro-welfare interest groups) in policy formulation and by featuring bargained outcomes between contending policy actors. This process, which Ebbinghaus and Hassel call "concertation" where social partners trade *quid pro quos* [Bonoli, 2000], reduces potential opposition to a reform by implicating political adversaries in the reform itself.

The institutional barriers to pension reform have not meant that there has been no change. However, changes to pension systems have emerged from protracted, cumbersome and iterative reform processes. The need to avoid the blame for unpopular pension reforms, so the argument goes, has made the adaptation of welfare states into a slow and incremental process [Pierson, 1996, Bonoli, 2000, Hinrichs, 2001]. Moreover, until very recently (see below), reforms have moved well within the institutional logic of existing pension provision. In sum, the institutional realities of representative democracies have constrained, channelled and structured recent pension reform efforts.

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[4]The USA, the United Kingdom, Sweden and Germany [Pierson, 1996].

[5]This, Bonoli argues, is indeed how the Thatcher government introduced the 1986 Social Security Act, although Paul Pierson would probably take issue with this finding [Pierson, 1994] The Thatcher government, he argues, was not nearly as successful in "rolling back the boundaries of the state" as they had claimed to be. Pierson recounts several instances in which the conservative government shied away from incisive welfare state cuts for fear of the electoral backlash. Part of the success of British pension reform in the 1980s, both Bonoli and Pierson agree, is due to the fact that the decision to introduce private pensions went with the grain of the overall structure of British old age pension provision.

Democracies and Pension Reform

The most significant aspect about this "new politics of the welfare state" [Pierson, 1996] is that successful pension reform requires or has required the suspension of democratic mechanisms. Evidence from many European countries[6] seems to suggests that policy-makers have used blame avoidance strategies to pursue unpopular reform agendas. Obfuscation strategies have kept voters and opposing policy actors in the dark about the impacts reform proposals. Compensation, in turn, has bought acquiescence from powerful groups of voters at the cost of less concentrated interests. Concertation has effectively banished choice from the political system: consensual policy-making has implied that voters have been left with few real alternatives to governmental reform agendas [Nullmeier and Rüb, 1993]. As Pierson points out, retrenchment is an exercise in avoiding or even suppressing policy conflict. If, however, we understand democracy to be a system of political contestation and argument [Dahl, 1971], then blame-avoidance amounts to circumventing democratic policy-processes.

If true, the implication that democracies and pluralist politics rule out structural pension reform would indeed be gloomy. Reform-minded policy-makers, it would seem, are stuck between a rock and a hard place. On the one hand, pluralist politics condemns them to the *pension misery-go-round* of frustrating, never-ending reforms unless they can find ways around the democratic policy process. On the other hand, alternatives to pluralist democracies are even less appealing than the pension misery-go-round [Pierson, 1996].

This bleak conclusion, however, emerges from the way the literature emphasises the 'point of decision' in pension reform processes. This focus on decision-making is problematic for two reasons. First, pluralist democracies are specifically designed to diffuse political power at the point of decision. Institutional features such as parliaments, the separation of powers, cyclical and frequent elections, or an independent judiciary ensure that political power in democracies diffuses across many policy actors [Dahl, 1961, Polsby, 1981]. Perhaps, then, it should not come as much of a surprise that imposing unpopular retrenchments at this point in the policy process is likely to be difficult. Second, and more significantly, the point of decision in real policy processes may be more difficult to identify than the literature will have us believe. As Paul Pierson correctly points out, blame-avoidance is also about breaking down one transparent point of decision into many less transparent decisions scattered across the policy process. Significantly, policy actors can affect outcomes by defining pension policy problems to suit their preferred solutions thereby controlling pension reform agendas. Applying political power at these earlier stages of policy making is a far more subtle and less obvious activity.

A related weakness is the focus on behavioural aspects of pension reform. Pension policy-making is not only about maximising individual or organisational utility functions. On the one hand, as we saw in Chapter 3, political conflicts over the welfare state are also conflicts over fundamental ideas and values. The institutions from which pension reforms emerge give rise to specific norms, practises and worldviews. When institutions and their members clash, so do the constitutive values and practises. Using the vocabulary of the con-

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[6]This is both empirical evidence that the different theorists refer to [Pierson, 1994, Pierson, 1996, Bonoli, 2000, Hinrichs, 2000] as well as evidence from the PEN-REF project (http://www.iccr-international.org/penref).

ceptual framework assembled in Chapter 5, these are policy debates in which conflict is based on policy stories. On the other hand, reforming pension systems is a communicative process [Rein and Schön, 1994]. Parties in a pension reform will rely on rhetoric and argument to persuade, cajole and mobilise other policy actors [Fischer and Forester, 1993, Rein and Schön, 1993].[7] The way different policy actors frame pension reform issues and the extent to which political adversaries can successfully challenge these framings will have a profound impact on policy outcomes.

9.2   The Subpolitics of Pension Reform

The previous section outlined how the general characteristics of pluralist democracies impose constraints on pension reforms. Yet, this only tells part of the story. As Paul Pierson points out, analysing welfare state reforms means thinking about the consequences of big government. Another development associated with big government, as discussed in Chapter 2, is the so-called "differentiated polity" [Rhodes, 1997]. Recall how theorists such as R.A.W. Rhodes or Jeremy Richardson argue that policy-making in advanced industrialised states has become specialised and fragmented. In nearly all countries, states have taken on regulative responsibilities for an ever increasing spectrum of social activities. As the state's remit has expanded, so too has the demand for specialised knowledge, technical advice, and policy delivery capacities. This development has given rise to functionally segregated networks of institutions and policy actors that focus on particular social problems. In these institutional networks, policy actors define issues, set agendas, formulate policy proposals and implement policy decisions: in the differentiated polity, policy (including pension reform) is made in policy subsystems.

Assessing the impact of pluralist democracies on pension reform implies that we examine these subcutaneous policy processes. Like in any other policy arena, pension reforms in Europe have emerged from relatively stable networks of experts, politicians, interest groups, and state agencies. What, then, has been going on in these policy subsystems to make pension reform so difficult? Moreover, to what extent have these policy subsystems enabled political contestation and participation in policy-making? In other words, how accessible and responsive have these policy subsystems been.

Pension Policy-making Prior to the 1990s: Consensus, Exclusion and Non-Decisions

European pension policy communities developed in the "golden age of the welfare state" [Pierson, 1994]. In the three decades following the end of World War II, expansion of European welfare states gave rise to specific structures and styles of social policy-making. Although the particular institutional set-ups differed from country to country, many of these decision-making systems have

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[7]Pierson himself hints at these less tangible but nonetheless important aspects of pension reform: "Far more than in an era of welfare state expansion, struggles over social policy become struggles over information about causes and consequences of policy change" [Pierson, 1994, p.8].

been exclusive institutional networks insulated from both public scrutiny and other policy subsystems.

Institutional Actors, Network Structures and Agenda-Setting

In Europe, pension system design has determined who participates in pension policy-making. In general, the more a pension system resembles the social insurance model, the more pronounced are corporatist decision-making structures. Whether in the German and Austrian pension carriers (*Rentenversicherungsträger*), in the French supplementary pension schemes or in the governing bodies of the Italian pension system, the administration of pension schemes in continental Europe has featured some form of bi-or tri-partite management regime [Linnerooth-Bayer, 2001, Ney, 2001, Anticchi and Pizzuti, 2000]. As a result, continental European pension policy communities before the 1990s broadly conformed to the corporatist model of interest intermediation [Schmitter and Lehmbruch, 1979]. The institutional policy actors within pension policy subsystems reflected corporatist cleavages: as a rule, pension policy formulation and decision-making was a bargaining process limited to representatives from state, capital, and labour.[8]

A feature common to all European pension policy subsystems is their strong reliance on expertise. Apart from political elites, the pension policy issue has been the sovereign province of experts. In corporatist systems, pension expertise has traditionally emerged from the legal profession and, to a lesser but increasing degree, the economists' guild. In the United Kingdom and in Nordic countries, expertise relies more on economic theory and actuarial sciences than law. In either case, requirements of technical expertise have in the past erected high barriers to entry for would-be reformers. Consequently, the number of players has been rather limited: in most countries the wider pension policy community housed something in the region of 20-30 policy relevant institutions. When considering institutional actors that actually impinge on pension reforms, this number falls to the region of 10-15. In short, in the past pension policy subsystems were not very accessible.

In continental Europe, corporatist policy subsystems featured strong organisational interdependencies between institutional actors [Rhodes, 1997]. A key resource in pension policy-making was (and continues to be) credible pension knowledge [Reynaud, 2000]. Before the 1990s, state actors and pension bureaucracies (such as the pension carriers in Austria and Germany or the state in France) operated and controlled all sites producing legitimate pension knowledge. Whether it was pension expenditure statistics, demographic and financial projections, or forecasts about future developments of benefits and contributions, the source of credible knowledge resided within corporatist policy sub-

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[8]The more universalist systems in the United Kingdom and Norway, in turn, produced different kinds policy communities. In the United Kingdom as in Norway, central government administers pension provision. Unlike social insurance countries, unions and employers' representatives do not have a favoured status in policy-making: in effect, they are 'ordinary' interest groups. While the (untypically) strong role of the Norwegian parliament in pension policy-making provides an access point for unions in Norway, British unions have had little influence on pension reform [Ervik, 2001, Mayhew, 2001]. Further, given sizeable private sector pension provision in the United Kingdom, the "pension industry" was also an important policy actor. Consequently, universalist systems have given rise to less rigid and more accessible decision-making structures.

systems. In this way, state bureaucracies could tie the corporatist partners into the bargaining process: impact on pension policy required "credible pension data" which was available from a limited number of controlled sources [Nullmeier and Rüb, 1993, Bozec and Mays, 2001]. In return, social partners provided political co-operation and compliance. A legitimate claim to governance thus strongly coincided with the control of access to pension knowledge.

These interorganisational resource dependencies gave rise to hierarchically organised, institutionally interdependent advocacy coalitions. Frequent interaction among individual policy actors with shared epistemic commitments and policy frames led to the emergence of a highly selective, ideologically coherent and institutionally interdependent group of policy-makers.[9] By effectively insulating the subsystem from other policy spheres as well as other policy actors, hierarchical advocacy coalitions controlled problem definition, agenda-setting and policy formulation. In this way, these hierarchical, expert-driven advocacy coalitions established epistemic sovereignty over pension policy subsystems across continental Europe.

Policy change, if it took place at all, occurred within narrowly delimited and carefully defined boundaries. Epistemic sovereignty implied that the dominant advocacy coalition tightly circumscribed the scope of policy conflict. The close correspondence between pension provision and political decision-making implied that each attempt to reform pension schemes also tested the political viability of the corporatist bargaining system. In order, then, not to upset the fragile balance of power between policy actors in the coalition and to substantiate the claim to superior knowledge to external contenders, policy-making in continental Europe featured extensive consensus-seeking [Ney, 2001, Bozec and Mays, 2001, Nullmeier and Rüb, 1993]. One way of achieving consensus was to control the emergence of policy conflict. Epistemic sovereignty implied that the dominant advocacy coalition tightly circumscribed the scope of policy conflict. By limiting the pension reform agenda to relatively innocuous issues, dominant advocacy coalitions curtailed political conflict by either excluding or co-opting dissenting voices. What were the innocuous issues? Basically, hierarchical advocacy coalitions defined pension problems so that policy solutions exclusively fell within the institutional logic of existing pension provision: this is what Nullmeier and Rüb have called a 'self-referential policy cycle' [Nullmeier and Rüb, 1993] and see Chapter 5. The coalitions *a priori* defined pension reform as technical issue amenable to managerial solutions.[10] Typically, pension reforms in these countries emerged from an intricate bargaining process aimed at achieving consensus on the basis of expert knowledge across every conceivable political cleavage in the pension policy community.[11] Known as the so-called "social policy consensus", this ostensibly rational agreement across bi-partite lines justified the exclusion of contending policy actors.

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[9] see also [Nullmeier and Rüb, 1993]

[10] That is, in a hierarchical way according the cultural theory-inspired typology of advocacy coalitions

[11] In fairness, this tendency was less pronounced in different continental European countries. Whereas consensus politics featured most strongly in German-speaking countries, pension policy-making in France and Italy was more divisive and aggressive.

Policy Processes and Democratic Institutions

Unlike Public Choice models and concepts of blame avoidance would have us believe, democratic institutions have played a marginal role in European pension reforms. In most European countries (with the exception of Norway), pension policy-making, even during times of welfare state expansion, was thoroughly depoliticised and deparliamentarised.

In corporatist policy subsystems as in the British pension policy network, pension reforms emerged from a myriad of *ad hoc* committees and commissions. These committees and commissions, set up by corporatist policy actors, served three basic political purposes. First, they allowed members of the ruling advocacy coalition to define the pension issue, set pension reform agendas and control participation. Second, this *ad hocracy* provided venues for "partisan mutual adjustment" [Lindblom, 1958] between corporatist policy actors. Third, and most importantly, these policy venues created a policy space institutionally remote from formal democratic institutions and public scrutiny. This, then, developed into the functionally distinct pension policy subsystem.

On the one hand, the sheer amount of commissions and committees with varying degree of importance made for a very intransparent and inaccessible policy process. Unless situated on the inside of the advocacy coalition, it was difficult for policy actors to reconstruct the origin and evolution of a particular pension reform.[12] On the other hand, since *ad hoc* commissions and committees were not subject to the same rules of public disclosure and access as are, say, parliamentary committees, ruling advocacy coalitions could keep the public at arms length. In countries such as Germany, Austria, as well as the United Kingdom,[13] there was more than a little truth to the popular image of decision-making in smoke-filled backrooms. What is more, members of political parties and the political elite within the corporatist advocacy coalitions (usually depicted as "social policy experts") acted as ideological and organisational gatekeepers. Rather than carrying new ideas into pension policy subsystems, these politicians often were more effective in keeping new concepts and approaches out of pension policy-making [Nullmeier and Rüb, 1993].

By the time, then, that a particular pension reform reached parliament, there was little left for parliamentarians to decide. Corporatist partners had closed the deals in the relatively safe confines of the *ad hocracy* and senior politicians relied on party discipline to avoid any embarrassment in parliament. Rather than acting as an instance of political control, the parliament merely rubber stamped pension reforms drafted in pension policy subsystem. For example, the history of the German Pension Reform Act 1992 shows how the hierarchical advocacy coalition outmanoeuvred the Bundestag.[14] Not only did parliament have little time to process the Pension Reform Act 1992 bill,[15] the *ad hocracy* continued working on details of the pension reform [Pabst, 1999]. Similar patterns emerge for the Austrian pension reform in 1985: here too, the social

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[12] Which, of course, diffuses and avoids blame.

[13] Albeit for different reasons. British bureaucracy is notoriously secretive [Rhodes, 1997, Hennessy, 1989].

[14] For a more detailed account, see [Nullmeier and Rüb, 1993] or [Pabst, 1999].

[15] The bill was introduced to the Bundestag in October 1989 with a view to passing the bill well before Christmas. Incidentally, the Bundestag passed the bill on the 9th of November about an hour before the East German authorities announced the opening of the inner-German border.

partnership decided upon the substantive content of the reform and relegated parliamentary ratification to a mere formality [Linnerooth-Bayer, 2001].

Corporatist Policy Communities, Incremental Pension Reform and Democracy

A closer look at the subpolitics of pension reform in Europe prior to the 1990s reveals that there may be a less robust relationship between pluralist democracies and incremental pension reform. Pension policy subsystems in Europe, the locus of pension policy formulation, have for the most part been anything but democratic. In continental European countries and, to a lesser extent, in the United Kingdom, pension policy subsystems have been dominated by small, selective and highly advocacy coalitions consisting of experts. These coalitions determined pension policy-making up until (and in some case well into) the 1990s. By monopolising credible expertise and technical knowledge as well as by institutionally excluding potential contenders, these hierarchical advocacy coalitions effectively controlled policy conflict. Moreover, these tightly integrated policy subsystems insulated themselves from other policy networks, parliament and public scrutiny. Yet, despite functioning blame-avoidance mechanisms,[16] European pension reform before the mid-1990s consisted of cautious and incremental retrenchments to existing pension systems. On the whole, reforms prior to the 1990s were parametric adjustments of existing institutional arrangements without seriously challenging the underlying organisational structure of public pension provision.

The reason why continental European polities in the past have eschewed structural pension reforms is related not to the structure of pluralist democracies but rather to the configuration of pension policy subsystems. As we have seen, pension systems in corporatist polities imply specific decision-making structures. These structures empower certain social groups at the cost of other groups. In this sense, pension systems are more than a technical device for transferring income across generations. Rather, pension systems represent both a *modus operandi* and specific distribution of political power within the pension policy subsystem. Any change to the pension system that moves outside the prevalent institutional logic of pension provision also challenges the decision-making system and the distribution of power. Add to this that any distribution of political power also encodes a particular set of beliefs and you have the makings of a fundamental policy conflict. The subpolitics of pension policy-making, then, suggest that reform efforts prior to the 1990s aimed at securing existing pension systems and their accompanying distribution of political power in the face of financial pressures. In order to defend pension systems, hierarchical advocacy coalitions in continental Europe simply recalibrated tried and tested institutional mechanisms (consensus policy-making, monopoly of knowledge, expert-driven policy-making, etc.) to suit more austere social policy goals. If we are to believe sociological systems theory's claim that political power is the 'currency' or, in their parlance, the steering medium of political systems, then there is no rational reason for any political organisation to relinquish this 'currency'.[17] For

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[16]Functioning with differing degrees of efficiency in different continental European countries. If pressed, one could rank continental European countries as follows: Austria, Germany, Italy and France.

[17]Moreover, contrary to what Public Choice theories assume, there is also no reason to

this reason, it is in the most fundamental interest of pension policy community participants to limit pension reform to problems amenable to systemic palliatives. This maintains and reproduces the corporatist decision-making system in which all participants have a stake. In sum, it is not democratic institutions but rather the lack of democratic practises within pension policy subsystems dominated by a single, hierarchical advocacy coalition that explains the absence of structural pension reforms in continental Europe prior to the 1990s.

Pension Policy-Making in the 1990s: Expanding the Scope of Political Conflict

By the end of the 1990s, the picture had completely changed. Not only had the governments of the countries in question made decisive cuts to pension benefits, nearly all countries had sought solutions outside established Pay-As-You-Go, defined-benefit pension systems.

The leaders of this process have been Poland, Italy, the United Kingdom and Norway.[18] The Polish pension reform of 1997 effectively "terminated" the Bismarckian-style pension system [Góra, 2001]. Instead, workers under the age of 40 will have to pay contributions into both an notional-defined contribution public pillar and fully funded pension schemes [Perek-Bialas et al., 2001]. Similarly, Italian policy-makers have established fully funded pension schemes at firm level [Cioccia, 2001, Reynaud, 2000]. In the United Kingdom, the cuts to *State Earnings Related Pensions Scheme* (SERPS) in the mid-1980s and the tax incentives for private pensions have led to considerable shift towards private pension provisions [Mayhew, 2001]. In Norway, despite expansion of the universalist elements of the pension system, there has been considerable growth in private pensions: between 1982 and 1996 the proportion of old age income from private pensions increased from 16,4% to 21,6% [Ervik, 2001].

Yet even in continental European countries, who we could (somewhat unfairly) label as relative laggards, policy-makers have implemented alternatives to established social insurance systems. In Germany, the most recent reforms have created a voluntary pension pillar based on Credit-Reserve funding and located in the private sector [Rehfeld, 2001]. Similarly, the Thomas Law of 1997 in France created the legal and organisational framework for private sector pension provision. In 2003, the Austrian government passed a pension reform bill that will fundamentally change the character of old-age income provision in Austria [Linnerooth-Bayer, 2001, Ney, 2004a].

What has brought about these reforms? If the form and practises of pension subsystems that constrained structural pension reform prior to the 1990s, we should look for and expect to find changes at the level of European pension policy subsystems. Indeed, throughout the 1990s, European pension subsystems have become less cohesive and more diverse in terms of membership, structure, and practises.

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assume that organisations and individual policy actors seek political power for sinister reasons. Power is a means of getting things done in politics as money is a means to getting things done in the market.

[18]Roughly in that order.

Changing Institutional Contexts: New Policy Actors and the Contested Terrain

The past decade has witnessed an influx of new institutional actors into the wider organisational environment of most European pension policy subsystems (the so-called 'contested terrain'). As the pension issue gains more prominence and as the issue expands, a wide variety of policy actors is attracted to the policy subsystem. These new actors have challenged dominant ways of thinking about pension reform. As a result, the tight webs of institutional ties characteristic of European pension policy subsystems have begun to show cracks.

At the level of interest groups, the most prominent new arrivals to the contested terrains of European pension reform have been the banking and insurance industry. This trend is most visible in the United Kingdom and in Poland: here, pension reforms have created a formal space for increased industry involvement in policy-making. The same is true, albeit to a lesser extent, in continental European countries. In Germany, France, and Italy, the private financial sector has increased its efforts of influencing pension reform outcomes by adopting more proactive policy strategies and circumventing established corporatist channels of policy interaction [Ney, 2001, Bozec and Mays, 2001, Ervik, 2001]. Even in Austria, where corporatist interest mediation remains strong, the private sector is becoming increasingly active in providing pension-related products [Linnerooth-Bayer, 2001].

Another significant addition to the contested terrain in many European countries are the media. Throughout the past decade, all countries show a change in both the frequency and content of articles about pension reform issues. Media coverage in all countries tends to describe pensions in terms of impending financial crisis: the emphasis here is on the inequitable distribution of burdens across generations. Metaphors such as "the tidal wave of old age" (Norway), the "struggle of the generations" (Germany), and the "demographic time-bomb" (ubiquitous) underline the alleged urgency of policy action. In general, the media is quick to criticise policy-makers for inaction. In continental countries, the media equate parametric reforms with governmental weakness, agency capture, and electoral cynicism: the failure to radically reform pension systems (usually meaning a shift to a fully-funded financing mechanism) reflects the inability of policy-makers to rid themselves of old fashioned corporatist dogmas as well as the unwillingness of policy-makers to jeopardise the "grey vote" [Bozec and Mays, 2001, Ney, 2001].

At the level of political elites, the 1990s have brought about a reshuffle of political allegiances. Political parties no longer mirror corporatist cleavages. Rather, many major political parties in Europe are split internally along the lines of competing approaches to pension reform outlined in Chapter 8. Moreover, in continental European polities, supporters of the conventional social policy-making are rapidly disappearing from the political map. In Germany, the purge of old-style social policy experts from both the major parties (but specifically from the German Social Democratic Party) has been particularly noticeable. Similarly, an entire generation of politicians in Italy was wiped out by the *Mani Pulite* enquiries. The same process has occurred, albeit to a lesser degree, in France and Austria. In the latter two cases, traditional social democratic values weathered the ideological upheavals of the 1990s far better than in Germany or the United Kingdom. The shift the union's traditional allies

towards the centre of the political spectrum has, especially in continental countries but also in Britain, left the unionised labour movement on high and dry ground: in terms of pension policy-making, unions can no longer count on the uncompromising political support from socialist or social-democratic parties.

The new policy actors have come replete with new ideas, approaches and frames about pension policy-making. In many cases, new actors to the policy communities have established competing sites of knowledge production. For example, the significance of think-tanks has increased throughout the 1990s. The independence of these think-tanks varies. Most independent think tanks are 'close' to a particular policy position or political party: for example, Demos in the United Kingdom is (somewhat unfairly) said to be close to "New Labour", the Copernic Foundation in France leads the intellectual charge on the neo-liberal "culture of Bercy", and the ZeS (Germany) is close to a conventional German social policy approach. Other think-tanks have more concrete institutional ties to policy actors: the *Deutsches Institut für Altersvorsorge* (DIA) in Germany is nominally independent but receives funding from the *Deutsche Bank Group* and *Deutsche Bank Research* is a department of the banking corporation whose mission is to inform the *Deutsche Bank*'s Board Of Directors [Ney, 2001].

How have these changes affected pension policy-making in continental Europe? The diversification of participants in the contested terrain of European pension policy-making has helped loosen formerly cohesive interorganisational ties at two levels. First, the new entrants to the contested terrain have challenged the epistemic sovereignty of conventional pension knowledge. Not only are the new sites of knowledge production in a position to interpret pension data within the conventional pension paradigms,[19] they have also brought new approaches to bear on the pension issue. In many European countries, generational accounting and internal rate of return comparisons have questioned conventional pension policy lore throughout the 1990s [Ervik, 2001, Ney, 2001, Bozec and Mays, 2001]. In short, there no longer is one dominant pension "truth" but several alternative and competing pension "truths" based on contending policy frames. In a very real sense, contending policy frames and advocacy coalitions have unearthed the inherent and problematised underlying uncertainty surrounding pension reform issues. Plurality at both conceptual and methodological levels implies that policy actors will come to different conclusions about the efficacy and impacts of pension reform. Increasingly, then, what policy actors choose to believe depends on where they stand in the pension policy subsystem. The growing plurality of policy frames, then, has (re)politicised pension knowledge and thereby created the potential for an 'intractable policy controversy'.

Second, both the expansion of the contested terrain of pension reform and the changing socio-economic conditions of the 1990s have fractured the web of corporatist interaction within the dominant advocacy coalitions. Increasing

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[19]A very simple explanation here may be the increased accessibility to computing power. For Germany, Nullmeier and Rüb point out that in the 1980s, the German Labour Ministry (*Bundesministerium für Arbeit und Sozialordnung*) was the only location with sufficient computing power to crunch credible numbers. In the 1980s, the ministry performed all calculations of alternative pension reform plans. While this is still nominally the case — see [Ney, 2001] — credible (if not necessarily legitimate) projections now emerge from a number of different sources.

international competition as well as changing forms of accumulation and employment have transformed the political outlook of pension policy actors. In general, employers and employer's organisations have become decidedly indifferent towards national social policy-making [Ney, 2001]. Tight labour markets, perceived global competitive pressures, and access to global markets imply that employers and enterprises no longer rely as strongly on co-operation and compliance from other social partners, specifically the unions. Consequently, private sector policy actors throughout the 1990s have become increasingly assertive in terms of their own perceived interests and increasingly recalcitrant vis-à-vis union demands. This tendency is most marked in Germany, and, less so, in France and Italy. In Austria, however, employers are still relatively co-operative but have become far more proactive [Linnerooth-Bayer, 2001]. In sum, the employers' representatives in continental European countries are drifting away and even defecting from the hierarchical advocacy coalition [Ney, 2001].

The Scope of Policy Conflict: Advocacy Coalitions and Policy Stories

The influx of new members and ideas into the contested terrain has widened the scope of political conflict for pension policy-making in continental Europe. As a result, pension policy debates and agenda-setting have become more polarised and divisive. Formerly cohesive pension policy subsystems dominated by a single advocacy coalition now feature several advocacy coalitions contending for epistemic sovereignty.

The discourse analysis of policy documents, academic literature and qualitative expert interviews shows that policy debate at national level in continental European countries breaks down into similar policy positions found at international level in Chapter 8.[20] Similar to the international level, the wider policy debate in the contested terrain of national pension reform features three types of advocacy coalitions and their distinctive policy frames. Using both the cultural theory-inspired typology of advocacy coalitions and the policy-stories instrument, we can reconstruct three contending and irreducible policy arguments. First, the individualist *Crisis Story* that thematises intergenerational fairness and economic efficiency. Second, the analysis unearthed evidence of the hierarchical *Stability Story* which places value on social peace and intergenerational solidarity. Last, and somewhat marginal, continental European policy debates about pension reform feature the egalitarian *Social Justice Story* that urges policy to apply a holistic approach to the ageing issue.

Before discussing the policy stories in more detail, what are contending advocacy coalitons telling stories about?

Common Challenges

Despite ideational diversity within and across national policy environments dealing with pension issues, policy-makers in most European countries perceive general policy challenges similarly.[21] First, policy-makers and experts in all

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[20]The interviews were conducted in 2000 and 2001 in seven different European countries (Austria, France, Germany, , Italy, Norway, Poland, and the UK) in the context of the PEN-REF project.

[21]One explanation may be that the definition of current pension problems emerged from cohesive policy subsystems in the past. This would also dispel the idea that current reforms are issue-driven in any way. The problems for which current reforms are supposedly the solution

countries understand demographic ageing to be the root cause of the pension problem. Demographic imbalances, policy-makers in all countries point out, will place considerable financial strain on existing pension systems in the future. Second, policy-makers in all countries point to the set of social, economic and political developments commonly referred to as 'globalisation'. Increasingly, economic agents, whether these are enterprises or individual workers, compete in global markets: for many policy-makers, this implies that future societal wealth will depend on costs and competitiveness. Moreover, European policy-makers point to changes in household structures and employment patterns: increasingly, the male bread-winner model and life-time employment are becoming the exception rather than the rule. In the future, pension systems will have to cope with issues such as discontinuous employment histories, whether for spells of unemployment, training or maternity/ paternity leave.

Although there is rough agreement about general problems within and across different national pension policy subsystems, the interpretation of policy challenges has given rise to conflicting policy stories. Differing constructions of the pension issue have divided national policy environments in similar ways.

The Crisis Story: An Individualist Tale of Intergenerational Fairness and Efficiency

In general, advocacy coalitions emphasising intergenerational fairness seek to expand the pension issue just enough to allow them to enter the agenda-setting process. The fundamental problem, advocates here argue, is that defined-benefit Pay-As-You-Go systems are in dire financial straits.

The socio-economic and demographic development so the past 20 years have squeezed public Pay-As-You-Go pension systems in three ways. The first squeeze on pension systems finances emerges from demographic ageing. Increasing longevity and falling fertility rates mean that the dependency ratio in most European countries will increase sharply after about 2010 [OECD, 1998]. This, proponents of the *Crisis Story* contend, will invariably lead to an steep and unsustainable increase in social security costs for workers and firms. Globalisation of goods and financial markets provides the second squeeze on pension systems. In the future, global markets will reward those economies with low production costs. However, present public Pay-As-You-Go systems, replete with generous pension benefits, are likely to drive production cost to unsustainable levels. This, proponents of the *Crisis Story* maintain, inevitably leads to unemployment, contribution evasion by younger workers and a loss of international competitiveness. In all three cases, pension systems will lose revenues. The third squeeze originates in fundamental flaws of existing European public pension systems. Nearly all European countries, so the argument goes, feature generous provisions for early retirement. Falling labour market participation rates show that European workers are eager to take advantage of early retirement provisions [Gruber and Wise, 1997]. However, given increasing longevity and demographic ageing, early retirement adds to the already daunting financial burdens of public PAYG systems. The crisis, advocates emphatically conclude, is upon us now and the need for decisive policy action is acute.

What, then, should policy-makers do? The advocates of the *Crisis Story*

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have been known in the pension policy communities for a long time [Nullmeier and Rüb, 1993]

favour pension reforms that reduce social insurance costs and urge policy-makers to look for alternatives to public Pay-As-You-Go systems. Policy actors have suggested diverse ways for reducing the expenditure of public Pay-As-You-Go schemes including increasing the retirement age, abolishing early retirement, reducing replacement rates, and cutting redistributive elements within pension systems. Significantly, advocates of this policy story suggest that pension provision be made more transparent by erecting institutionally distinct pension pillars. These pillars would fulfil different functions of old age protection (i.e. poverty alleviation, long-term savings, and co-insurance). Ideally, pension pillars should be located in institutions best suited to fulfil the different function; i.e. redistribution would be a public task while long-term savings is best managed by the private sector [James, 1994]. Pension reforms, advocates of the *Crisis Story* maintain, should aim to diversify old age income provision.

The institutional location of this advocacy coalition differs in European countries. The most obvious raconteurs of the *Crisis Story* are "Washington consensus" economists, the banking and insurance industries and well as market-oriented politicians (such as Silvio Berlusconi in Italy or Guido Westerwelle in Germany). Less obvious, but far more politically significant, is the growing support for the *Crisis Story* line in social-democratic parties across Europe. Arguably, one of the defining features of "New Labour" in Britain, Germany and France is that left-wing politicians are taking the *Crisis Story* seriously. Moreover, throughout Europe, the media has been particularly receptive to arguments about intergenerational equity: this trend is probably most pronounced in Germany and Italy where the media have more or less subscribed to the crisis scenario [Cioccia, 2001, Ney, 2001]. Yet, even in France and Austria, the media have, albeit somewhat more cautiously, taken on board the *Crisis Story* [Bozec and Mays, 2001, Linnerooth-Bayer, 2001].

The Social Stability Story: Social Peace and Intergenerational Solidarity

Advocacy coalitions focusing on social stability generally limit the pension issue to technical problems. Here, the issue is how to best adapt and fine-tune existing systems to demographic and socio-economic challenges. Demographic ageing and socio-economic change, so the argument goes, requires judicious and measured social management by competent experts. Given the central role and proven track-record of existing pension systems in securing social stability and intergenerational solidarity, the main challenge is to keep those institutional mechanisms intact. This, advocates argue, includes securing the public's trust in the pension system by providing stable and reasonable replacement rates. The real problem, proponents of the Stability Story suggest, is that particular policy actors have systematically undermined the trust in existing pension systems.

The advocacy coalition arguing for social stability emphasises the need for judiciously balanced fine-tuning and adaptation. The aim here is to secure the long-term viability of existing pension systems. Not only is a wholesale transition to a multi-pillar system too costly, there is no evidence to suggest that Credit-Reserve, defined-contribution systems could stand up to the challenges of demographic ageing any more effectively than Pay-As-You-Go, defined-benefit schemes. The catalogue of proposed reform measures is extensive and differs

widely between countries and even within countries at different points in time. The leitmotif of reforms in this vein is to rely on the organisational resources of established Pay-As-You-Go systems without changing the basic institutional identity of the pension system. In general, reform proposals have suggested increases in contributions, retrenchment of benefits and reductions redistributive elements in public Pay-As-You-Go pension schemes. However, unlike advocates of the Crisis Story, the aim of reform options here is to obviate the need for substantial private sector involvement in pension provision. Private pension provision should be no more than a supplement to public provisions.

In continental European countries, advocates for the *Stability Story* still represent the pension policy establishment. Typically located in key positions within the administrative structure of the Pay-As-You-Go pension system, proponents of the rational management approach still command considerable influence over pension policy debates. However, in several continental European countries, the epistemic sovereignty of the pension expertocracy has become shaky. Particularly in Italy and, to a lesser extent, in Germany, France and Austria market-oriented discourses have undermined the cognitive and policy-making status of the established pension policy community: here, policy communities have not been able to avert partial or total shifts towards private sector provision.

The Social Justice Story: Equity and the Life-Course

The advocacy coalition stressing social justice and equality applies a holistic view to expand the pension issue beyond economic or technical considerations. Here, pension schemes are a part of a socio-economic system that, in general, is highly inequitable. By relying on standard, male-dominated patterns of employment, existing public and emergent private sector pension schemes penalise marginal and vulnerable social groups: these include, most prominently, the working poor, families, women, foreigners, people with special needs, as well as persons adopting alternative life-styles. Demographic ageing and globalisation is likely to exacerbate existing social problems of inequality. Pension reforms, the argument goes, need to be a part of general societal reform agenda centred on active and autonomous ageing.

The policy options proposed by advocates of social justice and equality aim at levelling inherent social inequities. Pension reforms, they argue, need to recalibrate old age income provision so that they allow individuals to fully determine their own destinies. This means that pension benefits should free the aged from both patriarchal state intervention as well as the vagaries of capital markets. In order to allow this degree of individual self-determination, pension benefits should provide an adequate level of old age income to all citizens, regardless of labour market participation or nationality. Thus, advocates of social justice and equality propose to increase redistribution among different social groups: high pensions need to fall so that low pensions can increase. Moreover, proponents of this policy story urge policy-makers to harmonise different pension systems (thereby abolishing occupational privileges) and to increase coverage of the pension scheme to all citizens (regardless of national or labour market status).

The policy story about social justice and equality languishes at the margins of most European pension policy debates. In continental countries, the most

vociferous proponents of this policy story are the German and Austrian Green Parties. However, despite the German Green Party's government participation, proponents of the social justice and equality discourse have only had a limited impact on current German pension reforms plans. In Austria, in turn, the Greens are consigned to an opposition role at both governmental and policy subsystem level: their impact on pension reform has been negligible. In France, Italy, and Poland policy arguments about social justice are conspicuous in their absence.[22] This is partly due to the dispersed and disjointed organisational composition of this advocacy coalition: since a holistic concern for the life-course is inherently transversal, the members of this advocacy coalition are scattered across a wide range of different policy domains (such as health, care provision, social services, the labour market, occupational rehabilitation, and, not least, social insurance) [Ney, 2005]. This has hampered effective policy mobilisation and advocacy.

The Constested Terrain in Continental European Pension Reform

The policy stories outlined in the previous sections provide principled narratives that help policy-actors make sense of the pension issue. By providing policy actors with cognitive and normative maps, the conflicting policy stories define and delimit a discursive sphere in which policy debate takes place. This space outlines the borders of legitimate argument in the policy community: policy stories determine what is to count as a fact and what types of arguments are 'out of bounds'. We can visualise this in terms of a triangular contested terrain:

The relationship between contending advocacy coalitions is one of inherent conflict [Sabatier and Jenkins-Smith, 1993a, Rayner, 1991]. Within the contested terrain, advocacy coalitions will clash over 'correct' definitions of the pension issue, 'appropriate' policy responses and 'suitable' policy instruments. In order to have their case heard, members of advocacy coalitions will argue, persuade and beseech other policy actors and the public. Agenda-setting within the policy subsystem, then, becomes an argumentative process refracted through institutional factors such as the distribution of power and resources in policy communities.

The Structure of Policy Conflict

How has policy conflict developed in continental European pension debates? In continental pension systems, the main fault line runs between the proponents of the *Crisis Story* and the *Social Stability Story*. Policy-makers and experts in continental European countries stylise the conflict as a struggle of economic policy against social policy; it is a clash between Credit-Reserve defined-contribution and Pay-As-You-Go defined-benefit; between the ideals of

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[22]The Norwegian and British pension systems, however, institutionalise egalitarian principles, albeit to considerably different degrees. In Britain, the basic state pension provides equal benefits to all contributors at comparatively low rates of wage replacement. In Norway, in turn, the basic universal pension benefits are more generous and eligibility is independent of labour market participation. Consequently, policy arguments in the social justice and equality vein have more of an impact on policy debates than in continental countries. Whereas, however, the British debate is about ameliorating old age poverty in an essentially market-oriented context, the Norwegian debate is about granting fundamental social rights.
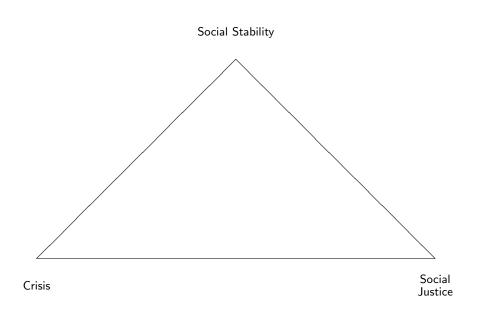
Social Stability

Crisis

Social
Justice

Figure 9.1: The Triangular Policy Space of the Pension Debate at National Level

liberal markets and rational social management. In continental Europe, dominant policy actors have either co-opted the third policy story (as in Germany and Austria) or have stonewalled it completely (Italy, France).

As we saw at international level in Chapter 8, contending advocacy coalitions agree on selected general principles and policy measures. In continental European countries, advocates of the *Crisis Story* and *Social Stability Story* find themselves agreeing on the basic problem and general solutions to the pension issue. For both advocacy coalitions, securing economic growth at national and European level is a central prerequisite for facing these challenges. What is more, contending coalitions in the pension policy subsystems understand social protection systems to have an significant impact on economic growth. At a general level, both the hierarchical and individualist advocacy coalitions in continental Europe agree on a reform strategy: existing benefits structures need to change, workers need to retire later, and policy-makers should introduce some private provision.

Beyond the general framework of reform, however, contending advocacy coalitions in continental Europe fundamentally disagree on how to tackle these issues. Proponents argue over the dimensions and technicalities of benefit cuts (e.g. the debate about the demographic factor in the Germany or the issue of increasing qualifying periods in France), the timing and phasing in of the reforms (e.g. the debate about the stepwise abolition of early retirement in Austria or the discussion about the reduction of disability pensions in Germany), the role and significance of private provisions (e.g. the controversy over the so-called "Riester Rente" in Germany). In these conflicts, the contending advocacy coalitions question the fundamental legitimacy of pension knowledge and expertise. For example, in the German pension debate, an expert from

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the Stability advocacy coalition maintains that there is no objective or disinterested expertise in the debate: for any given study "...it is always clear to an expert, from what corner these research results originate" [Ney, 2001]. Similarly, Bozec and Mays see the clash between contending French advocacy coalitions in terms of an "intractable policy controversy" between the divergent interpretations of the *Fondation Copernic* and the neo-liberal *culture of Bercy* [Bozec and Mays, 2001].

What is more, in all social insurance countries, this conflict flares intermittently to fever-pitch. In these countries, the pension reform debate has become a proxy for more fundamental governance issues. The clash between the advocacy coalitions addresses the fundamental principles of the contending policy frames: the way pension schemes create institutional structures and practises preferred by the rival social solidarities. With decision-stakes as high as this, the current debate in these countries has deteriorated into a "dialogue of the deaf" [Sabatier and Jenkins-Smith, 1993a]. Here, pension knowledge has become a rhetorical resource: policy actors can no longer solve disagreements by recourse to 'facts' because the 'facts' have become an integral part of an advocacy coalition's rhetorical strategy. This, then, is the *repoliticisation* of pension knowledge: what seemed 'objective fact' a decade ago now reveals a fundamental political bias. Indeed, the form of political interaction has become less than genteel: in policy debates, mutual recriminations and accusations fly thick and fast. Each side accuses each other of irresponsibility and dubious ulterior motives. On the one side, policy actors point to unions and governments merely wanting to save their own political necks by burdening young workers [Ney, 2001, Cioccia, 2001, Bozec and Mays, 2001, Linnerooth-Bayer, 2001]. On the other side, contending policy-makers conjure up images of destitute pensioners and class warfare all for the sake of short-term profits that line fat-cat employers' pockets. In short, agreement, let alone consensus, is unlikely.

The imbalanced structure of policy conflict is also reflected in the policy outputs of recent pension reform experiences. Although pension reforms in all continental European countries feature elements of all three policy stories, egalitarian element is consistently marginal compared to systemic retrenchments and the introduction of private sector pension provision. In both Austria and Germany, recent reforms have included measures to promote life-long learning and flexible retirement [Ney, 2001, Ney, 2004b, Linnerooth-Bayer, 2001, Heuberger, 2004]. However, both Hinrichs and Aleksandrowics as well as Heuberger report that flexible retirement provisions in Germany and Austria have been abused by firms to circumvent policy measures designed to curtail early retirement [Hinrichs and Aleksandrowicz, 2005, Heuberger, 2004]. Moreover, despite public proclamations of government and EU support for the life-long learning measures included in recent reforms across continental Europe, policy actors on have yet to translate these concepts into concrete and coherent policy at societal level [Ney, 2005]. In general, however, pension reform policy outputs in all continental European countries centre on adjustments of the benefit formula and the introduction of private sector pension schemes. Policy debate and agenda-setting has concentrated on issues such as the introduction of a mechanism to adjust pension benefits to changes in demography in Germany, the increase of qualification period in France, or the increase of employment years considered

in the pension calculation in Austria.[23] Similarly, the implementation of private sector pension schemes (such as the German "Riesterrente")

How does this analysis of the scope and structure of policy conflict in continental European pension reform debates help us understand the changes to pension provision and pension policy-making? In other words, how can understanding the change in the way policy actors collectively make sense of the messy policy problem of old-age income help us analyse reforms of continental European pension systems?

Impacts: Making Sense of Penions Reform in Continental Europe

The 1990s have witnessed the partial break-up of corporatist pension policy subsystems. Due to shifts at political level and general socio-economic changes, pension policy subsystems and the wider contested terrain of pension reform have become more diverse in terms of membership (i.e. advocacy coalitions) and in terms of ideas (i.e. policy frames). As a result, pension policy-making in Europe has become a more contentious, conflictual and pluralist activity.

How can we explain these developments in terms of the conceptual tool-box for discourse analysis developed in Chapter 5 and how has this affected pension systems?

Social insurance systems in continental Europe were set onto a hierarchical institutionalization trajectory in the immediate post-war period. On the one hand, fledgling European economies did not seem sufficiently robust to support old-age income provision. On the other, the war had ravaged continental European civil society, so communal forms of old-age income provision did not seem feasible. As a result, hierarchical types of advocacy coalitions dominated the management of social insurance institutions in continental Europe for much of the post-war era. While pension systems and other forms of social protection in continental Europe incorporate policy principles originating from all three advocacy coalitions captured by the cultural theory-inspired typology [Hinrichs, 1998, Hinrichs, 2000, Schmähl, 1999, Tálos and Kittel, 2001], the structures and practises of social insurance governance have been unambiguously hierarchical [Nullmeier and Rüb, 1993, Lamping and Rüb, 2002, Pabst, 1999]. Indeed, for much of the 1950s and 1960s, the hierarchical advocacy coalition established and deepened its epistemic sovereignty over pension policy-making.

Hierarchical pension system management drew its strength from the control over production, dissemination as well as the definition of what was to count as credible pension knowledge. This provided a powerful means of forging social cohesion among individual policy actors. Thus, solidarity among experts in the policy subsystem trumped any organisational allegiances of individual pension policy-makers. The so-called bi- or tripartite "social policy consensus", then, was little more than agreement on the shared policy frame between members of an advocacy coalition.

On this view, cohesion and consensus among pension policy-makers was predicated on the exclusion of contending policy actors from pension policy

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[23]Much of these changes in the pension benefit formulas across continental Europe amount to a stealthy shift from a defined-benefit to a defined-contribution system. For example, the German pension reform of 2001 has placed a statutory cap on pension system contributions at about 20% of the gross wage.

subsystems. As policy subsystems in continental Europe became increasingly inaccessible to rival advocacy coalitions and unresponsive to contending policy stories, members of the hierarchical advocacy coalition were free to shape pension systems without confronting frame-based and principled criticism. While public coffers were aflush with funds — that is during the so-called "Golden Era of the Welfare State" — dominant advocacy coalitions across continental Europe could satisfy egalitarian demands for more redistribution while not compromising labour market supply decisions dear to individualist policy actors [Hinrichs, 2001]. By the end of the 1960s, pension policy-making had become restricted to an exclusive policy subsystem.

Yet, from the early to mid-1970s onwards, European economic growth considerably slowed never to return to the high levels of the immediate post-war era. The world economy exerted financial pressures on pension systems and forced ruling hierarchical advocacy coalitions to decide on the allocation of decreasing funds. This, then, sparked a debate in the contested terrain as to how best distribute the shrinking pie. Given that hierarchical advocacy coalitions shared areas of agreement with the two rival perspectives, the hierarchical policy-makers found it difficult to deflect calls for tighter cost control on the one hand and more redistribution in the name of social solidarity on the other. Here, the bi-partite management structure acted and still acts as a conduit for these demands into the policy subsystem. However, epistemic sovereignty of the hierarchical Social Stability Story meant that policy actors recast these demands into the mould of the "social policy consensus": practical policy responses to perceived problems, then, were forged solely from the reservoir of arguments, concepts and tools associated with the hierarchical advocacy coalition. Eventually, then, epistemic sovereignty and the monopoly over policy-making it implied led to the iterative and incremental reform process characteristic of social insurance systems in continental Europe [Bonoli, 2000, Nullmeier and Rüb, 1993, Lamping and Rüb, 2002, Tálos and Kittel, 2001]. Ironically, the demands for change addressed to the hierarchical advocacy community from the contested terrain had the effect of purging continental European pension systems of what little systemic plurality they had left: by retrenching redistribution on the one hand and by concentrating pension provision in a single, monolithical and income-related pension pillar on the other, the dominant advocacy coalitions successively pared down pension systems to the basic hierarchical framework.

As a result, the inherent vulnerabilities of the hierarchical pension system design become increasingly apparent. This is partly due the inability of incremental reforms within the institutional logic of social insurance provision to do more than alleviate the symptoms rather than address the causes (which would mean undermining the epistemic sovereignty of the dominant advocacy coalition). In all social insurance countries, pension reform becomes a permanent feature of the policy agenda. However, contending advocacy coalitions — particularly the proponents of the Crisis Story — picked up on and publicly thematised these shortcomings. After all, steadily increasing pay-roll taxes, persistently poor economic performance, structural unemployment and increasing social disparities were providing either rival advocacy coalitions in the contested terrain with an abundance of argumentative ammunition. By the early to mid-1990s, hierarchical advocacy coalitions in charge of pension policy subsystems were running out of options [Lamping and Rüb, 2002] or the options they proposed no longer seemed credible [Hinrichs, 2001]. In either case, growing opposition from dis-

placed advocacy coalitions in the contested terrain of pension policy-making as well as mounting signs that the hierarchical management regime had hit the buffers created a favourable climate or basic receptiveness for institutional change within the pension policy subsystem.

The confluence of these systemic developments with events external to the pension policy domain[24] jolted continental European pension systems onto a trajectory of deinstitutionalisation. The influx of new policy actors (think-tanks and the media) and the transformation of political elites led to cracks in structural and ideational cohesion of the hierarchical advocacy coalition: this is probably best symbolised by the drift and defection of the employers' representatives to the individualist *Crisis* advocacy coalitions. As a result, the 'social policy consensus' dissolved thereby deflating the hierarchical advocacy coalition's central claim to authority. More importantly, however, changes at the level of political elites in all continental European countries had undermined the political support for the hierarchical *Social Stability* coalition. In short, the epistemic sovereignty of the hierarchical advocacy coalition evaporated with the breakdown of the 'social policy consensus' on the one hand, and a waning of enthusiasm for social insurance at elite level on the other.

As a consequence, the formerly tightly sealed pension policy subsystem have become accessible to proponents of the *Crisis Story*. Although the precise processes differ from country to country, the *Crisis* advocacy coalitions have successfully infiltrated pension policy subsystems via the new constellation of political elites. In a very real sense, political elites went from being gatekeepers ensuring new ideas remained outside the policy subsystem to gateways that actively encouraged the entry of fresh concepts. For example, policy actors at elite level have created new organisational venues such as the *Rürup Kommission* in Germany or the *Pensionsreformkommission* in Austria alongside corporatist institutions with the expressed purpose of introducing new ideas into the pension policy subsystem [Linnerooth-Bayer, 2001, Anticchi and Pizzuti, 2000, Lamping and Rüb, 2002]. Comparatively tepid political commitment to social insurance institutions have given advocates of the *Crisis Story* a significant voice in the agenda-setting and policy formation processes within pension policy subsystems. Consequently, pension policy subsystems have transformed from *unitary* containing only one type of advocacy coalitions to *bi-polar* systems that pit two advocacy coalitions against one another. Thus, pension policy subsystems in continental Europe have transformed from exclusive subsystems dominated by a hierarchical advocacy coalition to partially inclusive policy subsystems featuring stiff opposition from the advocates of the Crisis Story.

How has this affected pension policy processes?

Conflictual bi-polar pension subsystems have made policy processes less predictable and more volatile. Intractable policy conflict has successively eroded those policy norms that secured consensual decision-making in pension policy subsystems. As yet policy actors in continental European countries have not agreed on a new set of rules that could regulate the more conflictual policy sphere: indeed, in countries such as Austria, Germany and France, these rules

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[24]Most notable and dramatic is the fall of the Berlin Wall that ended the Cold War era (more or less) overnight. However, less precipitous but nonetheless important changes include the political reforms at European level such as the creation of the Single European Market in 1987, the Maastricht and Amsterdam Treaties, or the process leading up to the single European currency.

are an integral part of heated policy conflict.

Rather than conforming to rational models of policy-making, pension policy processes are becoming more akin to 'Garbage Cans' [Cohen et al., 1972, Kingdon, 1984].[25] Whereas corporatist policy subsystems tightly regulated policy streams, the influx of new members and new ideas has allowed the policy streams to drift. As a result, European pension policy-making has become far more vulnerable to forces beyond the immediate control of policy actors. For example, although overall pension reforms in the 1990s have generally moved systems away from single-pillar provision towards more diversity, the decade is also littered with spectacular examples of policy failures. In Austria, failure of the 1995 pension reforms led to the collapse of the coalition government. The German Pension Reform Act 1999 (*Rentenreformgesetz 1999*), overturned by the incoming social democrat/ Green coalition government only a year after it was adopted, arguably hastened the demise of the Kohl era. In Italy, the Berlusconi government failed to implement planned reforms due to the defection of the ultra-right wing coalition partner, the Lega Nord. The pension policy process in Europe, it would seem, has become more competitive and volatile. This should come as no surprise: while the policy frames of hierarchical advocacy coalitions value predictability and stability, individualist proponents of the *Crisis Story* prefer to let market forces create opportunities.

In continental European countries, the development of a more unpredictable and conflictual policy processes has culminated in a spate of reforms that challenged the institutional logic of pension provision. In all social insurance countries, reforms have created the legal and organisational basis for fully funded private sector old age income provision. Although these fully funded pillars are relatively modest compared to private provision in, say, the United Kingdom, Norway or Poland, they nonetheless mark a departure from established pension reform policy patterns.

Arguably, the expansion of pension policy subsystems and the widening of the scope of policy conflict have enabled policy actors to place structural reform proposals on European policy agendas. Moreover, these types of changes, which Paul Pierson calls "systemic retrenchments", are likely to have a significant impact on future pension reforms[Pierson, 1994, Pierson, 1996]. If institutional path-dependency structures pension reform options, then the changes to policy subsystems in the 1990s are likely influence pension policy-making in the future. Pluralisation of pension policy subsystems has created a new type of playing field for European social policy-making; significantly, structural pension reform is an integral part of this new field.

Given the informal and ad hoc nature of pension policy processes, changes

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[25]Briefly, the "Garbage Can" or "Multiple Streams" approach, claims that policy-making emerges from a highly complex and chaotic process. At any one time, so the argument goes, three independent streams run through the political system. The first stream contains all the potential policy problems that rattle around in a polity. The second stream consists of policy solutions to a host of existing and putative policy problems. The last stream, the political stream, determines the status of a policy issue. Its components are the national mood, the constellation of organised political forces, the make-up of government, and the drive for consensus-building (bandwaggoning, bargaining, etc.). The upshot of the argument is that an issue can only reach the policy agenda when all three streams 'meet'. This not only depends on the activity of policy entrepreneurs that try to link solutions to problems (or vice versa) but on a host of unpredictable factors (such as catastrophes, crises, swings in public opinion, etc.). When the streams meet, this opens a "policy window" for a limited amount of time in which policy actors can launch a particular policy, see [Kingdon, 1984, Kingdon, 1995].

in the 1990s have introduced political uncertainty into pension policy-making. Conflict in pension policy communities not used to political confrontation has made pension reform a politically more precarious affair. Whereas the corporatist system of interest mediation carefully regulated who interacted with whom, where, when, and, most importantly, about what, policy interaction in the past decade has occurred in increasingly unpredictable ways.

On the one hand, pension policy communities, particularly in continental European polities have not kept pace with the shifting and uncertain alliances at policy elite level. In Austria and Germany, both present government coalitions (social democrats and Greens in Germany, conservative and ultra-right in Austria) would have been unthinkable only a few years ago. In both polities, governments have circumvented corporatist decision-making structures. In Germany, the present government has kept the traditional pension policy establishment at arms length [Ney, 2001]. In Austria, in turn, policy-makers simply invented new policy venues to keep pension reform from the sway of the powerful Austrian social partnership [Linnerooth-Bayer, 2001]. In Italy, the replacement of the entire post-war party system has given rise to vulnerable and volatile new political alliances on both the right and left of the political spectrum [Cioccia, 2001, Anticchi and Pizzuti, 2000]. The result of these developments has been the emergence of a structural disparity between political elites and the pension policy community: with the former, we find a more fluid configuration that rapidly adjusts to changes while the latter features relatively inflexible structures geared towards securing continuity.

On the other hand, the expanding the scope of political and ideational conflict has suspended the implicit 'rules' of policy engagement in pension policy communities.

9.3 Conclusion: Democracy and Structural Pension Reform

Pension reforms in the past decade and a half have introduced diversity to both pension systems as well as pension policy-making. In terms of reforming actual pension systems, differing initial conditions and institutional path-dependency have led to a host of different pension reform measures across Europe. However, two general reform trends emerge from nearly all European countries:

- reforms have streamlined public pension systems by tying benefits closer to contributions

- reforms provided space for the development of private sector forms of old age income provision

This has implied a shift in responsibility for old age security. Increasingly, European states are divesting themselves of pension provision obligations. What is more, the decreasing willingness of states to shoulder all of the responsibility for old age income has met with enthusiasm on part of private sector providers to take up the slack. In a very real sense, pension reforms are creating a viable role for private sector pension provisions by lowering expectations concerning the level of future public pension benefits.

These developments should come as a bit of a surprise. Analyses of pension reform politics generally point out that structural and radical pension reforms in mature democracies is improbable bordering on the impossible. The structures and practises of democratic institutions, so the argument goes, inherently militate against departures from the status quo. Since the electorate fears losses (the "negativity bias") and politicians seek re-election (the vote-motive), any form of welfare state retrenchment, let alone structural pension reform, is likely to be a rather unattractive political proposition. In order to cut welfare state benefits, then, democratic structures and practises (i.e. majority voting) force policy-makers to avoid political responsibility by diffusing blame. Whether through obfuscation, compensation or concertation, pension reforms imply suspending democratic practises in one way or another. The best would-be reformers can hope for, so the argument goes, are incremental, piece-meal, and iterative reforms of the 'pension misery-go-round'.

However, a closer look at the subpolitics of pension policy-making tells a different story. By applying the conceptual tool-box developed in Chapter 5, the preceding analysis has explored the relationship between changes in pension provision and changes in the composition of and interaction between collective policy actors in pension policy domain. In the past, social insurance pension systems gave rise ideologically coherent, tightly integrated and highly cohesive policy subsystems dominated by a single, hierarchical advocacy coalition. Based on claims to superior expert knowledge and legitimated in terms of the 'social policy consensus', these policy communities successfully insulated themselves from democratic institutions (such as parliaments), public scrutiny and other policy subsystems. They did so by erecting high barrier of entry for individualist or egalitarian advocacy coalitions in terms of expertise and knowledge. In this way, the hierarchical advocacy coalition controlled the agenda-setting and policy formation processes in pension policy subsystems. Consequently, debate on reform efforts remained well within the social insurance paradigm.

Throughout the 1990s, the predictability associated with the epistemic sovereignty of hierarchical advocacy coalitions has given way to a more complex and more conflictual policy process. Throughout Europe, the contested terrain of pension policy-making has become more populous and the scope of policy conflict has widened. New policy actors, such as the banking and insurance sector but also personnel changes at the level of political elites, have introduced contending policy stories into the debate. At the same time, the patent solutions to pension policy issues of the hierarchical advocacy coalition were beginning to appear rather threadbare. Contending advocacy coalitions — particularly proponents of the individualist *Crisis Story* — have challenged the epistemic sovereignty of the ruling hierarchical advocacy coalition byt pointing to the shortcomings of social insurance pension systems. The transformation of political elites in most continental European countries as well as wider socio-economic developments at national and European level helped the *Crisis Story* advocacy coalition enter continental European pension policy subsystems. By the beginning of the new millennium, the individualist advocacy coalition is significantly implicated in pension reform agenda-setting and policy formation.

However, increasing plurality has been synonymous with increasing policy conflict. Whereas pension policy-making before the 1990s was based on consensus across corporatist and political cleavages, pension reform in the 1990s is characterised by increasingly hostile political conflict. In many countries,

pension reform debates have become "intractable policy controversies" in which knowledge and "credible pension data" are merely rhetorical resources.

Significantly, however, this (partial) breakdown of corporatist policy subsystems has created space for alternative pension reform ideas. By the end of the 1990s, nearly all continental European countries have taken first steps down the road of fully funded, private sector pension provision. The pluralisation of political contestation, the expansion of the scope of political conflict as well as widening policy participation (democratisation in short) have enabled, not constrained structural pension reforms in continental Europe.

Does this mean that European pension policy-making is now happily democratic? Not necessarily. At present, European pension policy subsystems and policy processes are in a state of flux. Although, in terms of political contestation and inclusion, European pension policy communities have moved a towards "polyarchy" [Dahl, 1971], there is still a considerable "democratic deficit".

First, the beneficiaries of changes in policy-making structures and styles have been governments and state bureaucracies. In a very real sense, increasing diversity of actors and ideas has increased the strategic options open to governments. The break-down of corporatist consensual policy-making has emancipated governments from the strictures of epistemically uniform pension policy experts. Rather than one 'pension truth', governmental policy-makers now have the choice of several plausible policy stories. Since the sites of credible pension knowledge no longer reside solely within the corporatist pension policy community, there are far more 'scientifically sound' pension policy options to choose from. For governments with vague and broad ideological commitments (such as most major European parties), more ideational and institutional diversity means an increase in potential strategic alliances. This, in turn means more governmental leverage on potential partners since governments are less constrained (ideologically and in terms of credible pension knowledge) by policy actor demands. Increasing governmental autonomy in agenda-setting and policy formulation, in turn, is not necessarily the same thing as increasing popular control over pension policy-making.

Second, pension policy-making still predominantly takes place in the front-yard of the parliamentary process by pension experts (who now tend to disagree more than they agree). Although an increase in diversity and conflict is desirable from a democratic perspective, democracy also implies the existence of institutional mechanisms for peacefully resolving policy conflict. As evidence shows, the parliamentary front-yard is far more suitable to corporatist consensus-seeking than to the resolution of intense and fundamental policy conflicts. If the pension policy process in Europe is to be democratically accountable, policy-makers will have to design a suitable political venues equipped with the institutional means for resolving fundamental policy conflict.

Third, the presently high level of divisive policy conflict, as is evident in many continental European countries, is probably not conducive to pension policy-making. The risk here is creating policy deadlock (where policy conflict gets in the way of necessary reform) or vicious policy cycles (in which successive new governments overturn pension reforms of their predecessors). Moreover, deadlock at the level of the policy community empowers state bureaucracies and central government by suspending the 'regulatory' function of policy subsystems: here, decisions emerge not from an argumentative policy processes but are instead based on "raw" or "despotic" power. Again, this is likely to

undermine the legitimacy of both decisions and decision-making processes.

Fourth, the *Social Justice Story* is still excluded from the pension policy subsystem. The application of the conceptual framework for discourse analysis reveals that recent developments in continental European pension policy processes amount to a *partial* pluralisation of pension policy subsystems. Although the evidence suggests that corporatist pension policy subsystems have become both more accessible (to individualist advocacy coalitions) and responsive (to rival policy stories), the egalitarian advocacy coalition is still excluded and egalitarian policy arguments remain marginal. Whether hierarchical and individualist policy actors can keep egalitarian advocacy coalitions out of policy subsystems in the medium and long-run is an open question. On the one hand, the areas of agreement (i.e. social solidarity) and mutual rejection (i.e. rampant market) between the hierarchical and egalitarian pension advocacy coalitions provide an opportunity for a policy alliance. Indeed, there is some evidence that alliances of this kind are forming at national and European level.[26] Further, cultural theory suggests that policy-making in bi-polar policy subsystems will be vulnerable to conceptual blindness and policy failure: over time, hierarchical and individualist policy actors will fail to appreciate or anticipate the equity implications of their social policy. On the other hand, the disparate nature of the egalitarian ageing advocacy coalition will significantly hamper any directed policy effort. Moreover, so far the active ageing paradigm is not proving to be the strong integrative force its proponents have envisaged [Ney, 2005].

In essence, policy-makers face two general options:

First, policy-makers could remove the pension issue from the public sphere. Here, policy-makers can institutionally ring-fence the pension policy issue. Institutionally insulating the pension issue from policy conflict would imply creating an independent pension institution that credibly stands above the political fray (like, for example, the Polish Office of the Plenipotentiary). This strategy is, however, problematic for several reasons. First, the credibility of the institution will depend on finding a common problem definition that all actors can agree on. Yet, the 1990s have been about dismantling common and consensual definitions of the pension issue. Moreover, the expansion of pension policy subsystems has in a very real sense institutionalised policy conflict. Second, this strategy implies a return exclusionary and democratically unaccountable pension policy-making. Apart from being undesirable from a democratic point of view, the strategy assumes that actors can agree on whom to exclude from policy-making: again, recent developments provide no indication that such a consensus is emerging. Proponents of the hierarchical *Stability Story* hold on to their authoritative claim to pensions governance; the individualist *Crisis Story* still feels that there is a lot of workd to be done; the advocates of the egalitarian *Social Justice Story* want to break open the pension policy community to a wider group of policy actors. Another related way of removing the pension reform from political conflict is to 'privatise' the issue. By shifting the management of pensions into

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[26]At national level, the hierarchical advocacy coalitions are reaching out to their erstwhile allies in the labour union movements while the labour movements themselves seem to be losing patience with social democratic parties. At European level, as we saw in Chapter 8, the European Commission has adopted the active ageing policy agenda

the private sector, commercial secrecy would replace public accountability. Again, this strategy is likely to prove difficult. On the one hand, the transition is likely to be subject of heated political conflict causing policy deadlock: in short, policy-makers may never reach their goal. On the other hand, given that private sector pension providers are not interested in providing redistributive benefits, even the most sweeping privatisation (see, for example, proposals by the United States-based Cato Institute) would leave a residual element in the public sphere.

The second option comprises further expanding the scope of conflict. An alternative strategy for policy-makers is to shift the pension issue from the informal expert-dominated grey-area it now inhabits into the full glare of public scrutiny. This would imply expanding the accessibility of pension policy subsystems to egalitarian advocacy coalitions. While opening present pension policy-making to more socio-cultural and political plurality would enhance democratic decision-making, this policy option would inevitably decelerate pension policy processes. Moreover, creating a more open and, necessarily, more conflictual policy sphere requires an institutional framework that constructively channels ideological policy conflict. Traditionally, parliaments have provided the institutional framework for peacefully resolving policy conflicts in democracies. However, given the current suspicion many citizens in Europe harbour towards parliamentary processes, this strategy may need to more directly include the citizen in pension reform policy. Again, the implications of the analysis suggest that policy-makers increase accessibility while preserving responsiveness

Whatever policy-makers choose to do, pension reform in continental countries is unlikely to fade from the agenda in the near or even medium-term. Neither, I suspect, is policy conflict. The dangers that the way policy-makers presently go about pension reform will alienate citizens from pension policy-making and, by extension, politics in general are real. Avoiding the breakdown of trust in pension policy-making will mean thinking about reforms to pension policy-processes as much as reforms to pension systems. This, in turn, may imply bringing the citizen into pension policy-making. In short, policy-makers need to look for ways of further democratising pension reform.

Chapter 10

Conclusion

This thesis set out to understand and analyse policy conflict about complex, uncertain and transversal policy problems. Far from being a question of mere academic interest, this thesis has tried to respond to the wide-spread argument that Europeans are failing to tackle urgent policy challenges and are falling behind in an increasingly competitive global race. Part of the reason, so the argument goes, is the very nature of policy challenges that face European politicians, policy-makers and citizens. Today's policy challenges are messy: underlying causes are rarely known in full, the impacts are complex, and repercussions are unlikely to remain within policy domains or national boundaries. As a result, messy policy problems have given rise to divisive and protracted policy conflicts in polities across the European continent.

Many thinkers in the social sciences explain policy conflict about messy problems in terms of the interests of contending policy actors. Since interest-based approaches to policy conflict tell only part of the story, this thesis has developed a framework for analysing policy conflict in terms ideas and institutions. In the preceding chapters, the thesis has attempted to reconstruct policy conflict as a confrontation between contending ideas and knowledge set in, indeed is shaped by, socio-institutional structures.

How, then, has the thesis addressed the central research questions outlined in the introduction? The following sections will briefly recapitulate the main argument of the thesis by showing how the theoretical exploration of Part I and the empirical application of Part II have responded to the research questions of the thesis. On the basis of this review, the conclusion will investigate the implications of this thesis' analysis for pluralist democracy in Europe. The final section applies the bootstrapped conceptual framework for policy-oriented discourse analysis to pluralist theory. In this way, the conclusion outlines an agenda for future research into the nature of pluralist democracy in the differentiated polity.

10.1 Is There a Way of Systematically Analysing Policy Conflict that Takes Account of the Role of Ideas in European Policy Processes?

Part I answered this question by devising a conceptual framework for policy-oriented discourse analysis. "Ideas matter", the thesis contends, because "institutions matter". The chapters of Part I, then, provide an overview of the approaches and theories that relate the institutional reality of contemporary policy-processes to ideational structures. Chapters 2, 3 and 4 provided both the conceptual background as well as the reservoir of tools and concepts from which the "bootstrapped conceptual framework for policy-oriented discourse analysis" emerged. Chapter 2 furnished the backdrop for understanding organisational and institutional contexts of contemporary policy-making. Chapter 3, in turn, provided tools for understanding the way ideas, knowledge and world-views shape policy processes. Chapter **??**, in turn, reviewed approaches that explicitly explain policy processes in terms of ideas and institutions.

The purpose of this conceptual framework is twofold. First, the aim was to exploit the many synergies and complementarities between contemporary meso-level theories of the policy process [Parsons, 1995]. Bootstrapping the conceptual framework in this pluralist manner was supposed to overcome perceived and identified weaknesses of individual approaches. Second, and more importantly, the framework aims to show how ideas, knowledge and worldviews give rise to policy conflict in European policy domains.

Can We Devise a Conceptual Framework that Shows How Ideas and Knowledge Generate Intractable and Persistent Policy Conflict?

The main features of the bootstrapped conceptual framework for policy-oriented discourse analysis are as follows:

- The discourse-analytical conceptual framework assumes the institutional locus of policy-making to be the so-called *contested terrain*. What goes on in these institutional and ideational policy spaces is an argumentative process about the naming and labelling of messy policy problems.

- In the contested terrain, policy actors rely on *policy frames* to make sense of messy policy issues. Facing complex, uncertain and transversal policy issues in real institutional setting means that facts never 'speak for themselves'. Rather, policy actors need to interpret data and events. Policy frames are interpretive templates or 'perceptual lenses' that help policy actors impose meaning onto a seemingly anarchic stream of events and slew of activity within contested terrains.

- Policy frames are shaped by the social commitments defining the political communities in which actors operate. We can think of political communities in terms of informal networks of policy actors that share a policy frame and coalesce around a specific policy project. These *advocacy coalitions* are the basic actors of the bootstrapped conceptual framework. The way

members of an advocacy coalition coordinate and organise their coopera-
tion affects the policy frame. On this view, we would expect an advocacy
coalition consisting of loosely coordinated individuals working largely on
their own to share a fundamentally different frame from members of a
tightly centralised and stratified advocacy coalition.

- Using the typology of social contexts outlined by cultural theory, we can
  identify four basic types of advocacy coalitions and their archetypal pol-
  icy frames: hierarchy, egalitarianism, individualism and fatalism. These
  fundamental forms of social organisation give rise to coherent sets of val-
  ues and ideas that legitimate and reproduce their distinctive patterns of
  transactions. Policy actors will refract events and data through these
  perceptual lenses and thereby socially construct messy policy problems.
  Since, however, the lenses are designed to justify fundamentally divergent
  forms of social organisations, respective social constructions — formulated
  as policy arguments — will frame and define the policy issue in fundamen-
  tally incompatible ways.

Advocacy coalitions aim to enshrine their values in policy outputs: in short,
they aspire to establishing 'epistemic sovereignty' over a policy space. In an
argumentative policy process, this demands vying for legitimacy and credibil-
ity against other advocacy coalitions in the contested terrain. Thus, members
of advocacy coalitions pit their (fundamentally incompatible) policy arguments
against those of rival advocacy coalitions in policy debates. The incompati-
bility of different framings of messy policy problems (as well as the claim to
authoritative knowledge from each contending advocacy coalition) gives rise to
intractable and persistent conflict in the contested terrain.

Can We Devise a Conceptual Framework that Allows Us to Investigate and Depict the Characteristics of Policy Conflict?

As we have seen, the concept of advocacy coalitions gives more institutional
shape to cultural theory's social solidarities. By the same token, using cultural
theory's typology of social contexts and cosmologies provides more substance
to the idea of advocacy coalitions. In this way, the bootstrapped conceptual
framework helps map the characteristics of conflict in policy domains.

The thesis has developed *policy stories* as the principal methodological tool
for dissecting and comparing contending policy arguments in debates about
messy issues. Policy stories reconstruct and compare of contending policy ar-
guments in terms of coherent narratives. Policy stories articulate the particular
underlying policy frame used in the formulation of any policy argument. These
narratives tell stories of cause and effect, culpability and blame, as well as reso-
lution and redemption. They explicate policy problems by implicating rivals in
the cause of problems and proposing preferred policy solutions.

Using the policy stories method, the conceptual framework identifies and
juxtaposes contending policy arguments in the contested terrain. The analysis
describes the characteristics of policy conflict in terms of two dimensions:

Scope: Reconstructing policy stories allows the analysis to classify and com-
pare policy arguments in terms of the cultural theory-inspired typology of

advocacy coalitions and policy frames. In this way, the cultural theory-inspired typology provides a measure of the scope of policy conflict as well as the 'discursive distance' between contending policy arguments. A contested terrain that contains policy stories from all three active forms of advocacy coalitions (hierarchy, egalitarianism and individualism) features the most expansive scope of policy conflict. What is more, policy debate in a policy space with such a triangular constellation is likely to be an "intractable policy controversy" since contending policy argument emerge from fundamentally incompatible policy frames. Similarly, a contested terrain containing only one of the so-called active advocacy coalitions features the narrowest scope of policy conflict. In a policy space populated by a single advocacy coalition, policy conflict is likely to be limited to disagreement of an essentially technical nature.

Structure: The cultural theory-inspired typology of advocacy coalitions also enables the exploration of potential agreement and disagreement between contending advocacy coalitions and their policy arguments. The grid/group diagram suggests that each advocacy coalitions (as an articulation of a social solidarity) shares an area of broad agreement with at least two of the other advocacy coalition. Thus, pairs of advocacy coalitions can agree on some fundamental principles, general policy measures and mutual rejection of contending policy proposals. Since, however, members of advocacy coalitions enter the area of agreement from different premises, agreement on basic principles, mutual dislikes and general policy measures is likely to be brittle.

Can we devise a conceptual framework that provides a way of identifying and understanding the role of policy conflict in processes of institutional and policy change?

Last, the bootstrapped conceptual framework has also endeavoured to explain the *impact* of frame-based policy conflict on policy domains. This has been an exploratory and more tentative application of the bootstrapped discourse-analytical framework.

Two properties of argumentative policy processes in contested terrains give rise to a cyclical evolutionary dynamic within policy domains. First, fundamentally incompatible policy frames render relations between; advocacy coalitions inherently adversarial. What is more, this conflict is immune to resolution by recourse to facts or bargaining. Second, the in-built selectivity of policy frames means that any particular framing of messy policy problems is likely to be biased. As we have seen, policy frames highlighting certain aspects of an issue as salient while backgrounding others as irrelevant. This selectivity in the perception of policy problems inevitably leads to conceptual blind-spots which, in turn, leave policy-making vulnerable to "unanticipated consequences".

How does the evolutionary cycle play out?

Intractable policy conflict implies that policy debate in triangular policy spaces is vulnerable to deadlock and policy impasse. When intractable conflict transforms policy debate into a "dialogue of the deaf", policy processes are in danger of developing into a *Reformstau*. This then, is akin to Tsebelis notion

of "policy stability" [Tsebelis, 2002]. At this point, policy debate is highly receptive to external stimuli from the public sphere; in Kingdon's terminology, intractable policy conflict and *Reformstau* set up and open a policy launch window [Kingdon, 1984]. As we have seen, these stimuli can take many forms ranging from focusing events such as catastrophes over innovation in other policy domains to shifts in macro-political structures. Such an external stimulus (or a combination of external stimuli) may precipitate a process of *institutionalization*. Here, an advocacy coalition manages to use the launch window to wrest policy-making autonomy from the other contending advocacy coalitions in the contested terrain. In order to enshrine values in policy outputs, members of advocacy coalitions use their policy-making autonomy to establish their epistemic sovereignty over a policy subsystem. This means that advocacy coalitions will, if possible, exclude contending policy actors from policy processes.

Successful institutionalization of policy solution provides advocacy coalitions with the opportunity for extending their epistemic sovereignty over the policy subsystem. As ruling advocacy coalitions banish contenders from the policy process into the contested terrain, policy-making becomes increasingly vulnerable to conceptual blindness and policy failure due to "unanticipated consequences". Displaced policy actors in the contested terrain will thematise and focus on policy failure thereby increasing pressures on the ruling advocacy coalition. Mounting pressure from the contested terrain and repeated policy failure will make policy debate receptive to external stimuli and change. Once again a "policy launch window" opens and, given the right stimulus, policy actors can initiate a process of de-institutionalization in which the scope of policy conflict in the policy subsystem expands to include a wider set of policy actors.

In this way, the conceptual framework models how policy conflict can contribute to institutional and policy change in policy domains. In a very real sense, the dynamic model shows how policy conflict helps set up and open so-called policy launch windows. The two fundamental characteristics of contested terrains suggest that policy-making never permanently settles at equilibrium. Instead, policy conflict contributes to the cyclically expansion and contraction of policy spaces.

10.2 What Insights into Conflict in Contemporary European Policy Domains Does such an Approach Offer?

Part II of the thesis applied the bootstrapped conceptual framework for policy-oriented discourse analysis to three different policy domains: European transport policy-making, environmental security and pension reform. Chapters 6, 7 and 8 apply the framework to gauge the *scope and structure* of policy conflict in all three policy domains. This analysis shows that intractable and persistent policy conflict is a inevitable and inextricable aspect of argumentative policy processes. Conflict, the chapters demonstrate, ineluctably arises from the way contending policy actors make sense of messy policy issues. In this way, the chapters of Part II set out to highlight the value of an ideas-based explanatory strategy. Chapter 9, in turn, is an exploratory application of the dynamic model of policy conflict and subsystem evolution to recent pension reform experiences

in continental Europe.

How Do Different Framings of Messy Policy Problems Lead to Policy Conflict?

Chapters 6, 7 and 8 use the discourse-analytical framework to explore the scope, structure and potential impact of conflict about messy policy problems in three policy domains. Applying the policy-stories method, the chapters reconstruct and systematically compare policy arguments used to vie for legitimacy and credibility in the contested terrain. Each chapter analyses, classifies and juxtaposes policy stories using the cultural theory-inspired typology of advocacy coalitions and policy frames.

Chapter 6 shows how contending advocacy coalitions frame the issue of accessibility in the wider transport policy debate. An analysis of policy documents and research literature reveals three basic policy stories about the transport issue in Europe. The "classical transport planning" policy story tells a hierarchical tale of the relationship between the transport infrastructure and economic growth: here, better quality transport infrastructure and transport management improve accessibility of firms and regions thus oiling the cogs of economic growth. Conversely, the individualist market-oriented tale points out that infrastructure investments produce congestion rather than lower average journey times. The problem here, argue proponents of this story, is that underlying transport costs are distorted: this leads to a relative overconsumption of road transport which, in turn, leads to congestion. Overcoming this problem means "getting the prices right". Last, the ecological policy story tells an holistic egalitarian yarn of how modern transport systems corrode local communities, degrade the environment and undermine human well-being. Designed to serve a socio-economic regime in which the strong and rich exploit the weak and poor, modern transport systems unequally distribute the costs and benefits of mobility. Rectifying this, the advocates of the ecological story maintain, requires nothing less than comprehensive socio-cultural renewal.

The three policy stories are based on contending policy frames associated with the three active social solidarities identified by cultural theory. None of the three approaches is reducible to one another nor are they close substitutes: one calls for more centralised management of transport systems, the other demands that individual choice be allowed to allocate transport resources and the third wants to see contemporary transport systems (as well as the morally corrupt capitalist system that they sustain) dismantled in favour of localised mobility. The unbridgeable ideational disjunctures between contending policy frames in the European transport debate generate a wide scope of policy conflict. Since we can also think of the contested terrain as a reservoir of ideas and policy solutions, the three policy stories define and delineate the boundaries of this ideational space. Since a triangular contested terrain features all three 'active' advocacy coalitions, it creates the widest possible reservoir of ideas, beliefs and solutions. While this increases the potential for institutional innovation and policy choice, it also increases the sources of dissent and conflict.

Chapter 7 analyses the nascent debate about environmental security in the mid-1990s. The debate relates environmental degradation to traditional military and security concerns: increasingly, so the argument goes, security of individuals and nations will depend on a far wider set of factors than those conventional

security concepts currently focus on. The policy stories method uncovers three streams in the environmental security literature. The first stream, associated with the work of Thomas Homer-Dixon, systematically explicates the socio-economic and demographic mechanisms that link environmental degradation to violence and civil unrest: this approach, then, explains how environmental stress undermines the *socio-political security* of states. The second stream suggests that security policy concentrate on *eco-system security* rather than focussing on the security of human societies alone. Without security of ecological systems that sustain human communities, thinkers such as Dennis Pirages maintain, security in the conventional sense is impossible. The third stream advocates including all socio-economic, cultural, political, and ecological determinants of human well-being in the idea of security. This comprehensive approach of *human security* suggests that neglecting determinants of well-being necessarily jeopardises security in the conventional sense.

Systematic comparison of the streams reveals the significant ideational proximity of the different arguments. Although the streams seem to diverge on basic definitional issues as well as policy recommendations, all accounts single out population growth in the developing world as the underlying cause of environmental insecurity. Essentially, the three policy streams provide variations on a hierarchical theme: here, population growth is associated with environmental degradation and violent conflict via the concept of basic human needs. That is why, unlike the transport policy debate, the three streams are situated on a continuum. At one end of the spectrum we find elaborate and rigorous models of socio-political security detailing the mechanisms that lead from environmental stress to violent conflict. Here, policy prescriptions are relatively modest, suggesting that security policy be expanded to include a range of environmental issues. At the other end of the continuum, human security approaches list a comprehensive catalogue of reforms to national and global governance structures that, they contend, are direct ramifications of environmental insecurity. However, the conceptual mechanisms and processes that link environmental degradation to human security are far more vague and equivocal. Somewhere in between these extremes sits the eco-system security approach: proponents derive a battery of policy measures (mostly aimed at controlling population growth in the developing world) based on a model that links violent conflict to the overburdening of eco-systems' "carrying capacity".

Chapter 8 analyses policy stories about pension reform. The first policy story — told by the World Bank — is an individualist's tale of impending financial and economic *crisis*. Not only will demographic ageing drive existing public pension systems beyond the point of financial viability, the increasing tax burdens on smaller cohorts of younger workers will hamper much needed economic growth. Since this is inefficient and, more importantly, unfair, the World Bank envisages as shift to multi-pillar pension systems with a considerable role for private sector provisions. In contrast, the ILO tells the hierarchists' more equivocal policy story of *stability*. While it is undoubtedly true that demographic ageing will generate considerable challenges for pension provision, they argue, demographic issues adversely impinge on any form institutional old-age income provision. Abandoning tried-and-tested means of social protection is not only unnecessary, it also puts old and young workers at considerable (and wholly avoidable) risk. Instead, the ILO proposes to extend and deepen existing public pension systems. The European Commission, in turn, recounts an egalitarian

story of *social justice.* Policy debate about how best to design pension systems to withstand demographic changes is but one small part of a much larger and more urgent socio-cultural challenge. Ageing, the Commission points out, will affect every aspect of our lives, not merely institutions of social protection. Such a momentous challenge requires a policy response at the same scale. For this reason, the European Commission suggests a holistic policy strategy of active ageing: this involves measures designed to break down the barriers that hinder older people from participating in economic, political and socio-cultural life.

Despite the considerable institutional path-dependencies associated with pension systems, the analysis unearths fundamentally incompatible policy frames underlying the narratives. Like in the transport policy debate, the assumptions and aims of the policy stories about pension reform are not reducible to one another. The individualist World Bank sees the road to pension salvation in a significant involvement of the private sector and global markets in pension provision. The hierarchical ILO emphatically warns of any erosion of the public sector's role in the provision of old-age income preferring instead to strengthen public provision. The European Commission, in turn, seeks to redefine the entire ageing issue: in place of a narrow debate on pension reform, the Commission wants to see a transversal strategy for making European societies more inclusive and accessible to people of all ages. Not only would this create a more just and equal society, it would also obviate the need for expensive social and health care services.

These three fundamentally conflicting policy arguments give rise to a wide and expansive scope of policy conflict. The policy stories shape the contested terrain of the pension reform into a triangular space. Unlike the environmental security debate, the triangular contested terrain of pension reform is a rich reservoir of ideas, concepts and solutions. This reservoir provides the potential for institutional and policy innovation. However, such a triangular policy space and the concomitant scope of policy conflict also give rise to considerable disagreement.

In sum, the chapters of Part II demonstrate how the naming and labelling of messy policy issues in terms of fundamentally incompatible policy frames generates conflict between contending advocacy coalitions. The application of the discourse-analytical framework to transport policy and pension reform shows how contending policy arguments create a wide and expansive scope of policy conflict. In both cases, the contending policy arguments set out from different assumptions, point to incompatible causes, and reach incongruent policy recommendations. The same analysis of the environmental security debate, however, brings to light the conceptual affinity of ostensibly contending streams in the environmental security literature. Here, the assumptions of all approaches are based in a specific conception of human needs. This, then, harmonises the thrust, logic and direction of each policy argument.

What is the Nature of Policy Conflict in these Policy Domains?

The chapters of Part II also examined the *structure* of policy conflict for the different policy domains. For each policy debate, the analysis probed into areas of agreement and disagreement across advocacy coalition boundaries. In this way, the conceptual framework for policy-oriented discourse analysis enables

the investigation into the constellation and strength of potential alliances in the debate. The grid/group diagram suggests that 'neighbouring' advocacy coalitions hold certain basic principles in common[1], will agree on some broad policy measures and share mutual disaffinities.

In the European transport policy debate, areas of agreement open the potential for pair-wise alliances between rival advocacy coalitions. Advocates of the hierarchical classical planning view and proponents of the individualist market-based approach agree on the desirability of economic growth and the importance of transport systems in producing it. Policies that increase the efficiency of transportation and reduce transport costs, then, attract the support of both advocacy coalitions. For this reason, both reject policy proposals that call for decreasing speeds in transport systems thus jeopardising economic growth. The egalitarian ecological perspective and the classical transport planning view share a concern for the integrity of natural and social environments. Both can agree on general policy measures aiming to conserve these natural and social environments (e.g. speed limits, night-drive bans, protection for areas of natural or social significance from transport infrastructure development). Consequently, both hierarchy and egalitarians in the transport policy debate are highly suspicious of policies that flatten social and natural landscapes for profit-motive alone. Both the individualists and the egalitarians share a preference for decentralised transport systems that provide individuals and local communities with real choice and autonomy. Therefore, both advocacy coalitions prefer policies that enable flexible responses to transport demands at the local level. That is why the individualist market-oriented approach and egalitarian ecological view are equally suspicious of large, centralised and inflexible transport management systems.

On closer inspection, however, the chapter shows that potential alliances may be rather fragile. Since members of contending advocacy coalitions enter the areas of agreement from fundamentally opposing premises, attempts deepen accord over principles and policy measures is likely to precipitate intractable policy conflict. While hierarchy and individualists may agree on the importance of transport efficiency for economic growth, they are deeply split on how to bring this about. Similarly, while egalitarians and hierarchy can agree on the importance of natural and social environments, chapter 6 demonstrates that both have very different ideas of what these environments are and how best to preserve them. The egalitarian advocates of the ecological view and the individualist champions of market-based transport solutions disagree on the fundamental aims and purposes of a decentralised transport system: while the former wants them to replace capitalist forms of interaction, the latter sees them as ways to promote market efficiency.

Analysing the structure of policy conflict between the streams of environmental security offers an altogether different picture. The ideational closeness of the different streams implies a large potential for policy consensus. Indeed, the analysis shows how all streams in the environmental security literature share a fundamental normative policy project. As we have seen in chapter 7, all streams of environmental security seek to promote the environment from the regions of 'low politics' to 'high politics'. Further, the approaches aim to redefine and extend the idea of security. More ambitiously, proponents of environmental se-

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[1]On the basis of a shared dimension, either grid or group

curity seek to redefine the concept of the nation state and, as a consequence reconfigure the system of international governance. Given the depth of agreement between environmental security approaches on the continuum, disagreement is likely to be limited to strategic issues concerning the nature and extent of policy recommendations: the further toward the "human security" end of the continuum, the more elaborate and demanding policy recommendations are likely to be.

Conflict in the pension reform debate features a pattern of potential pairwise alliances similar to the one identified in the transport policy debate. Proponents of the individualist Crisis Story and hierarchical Stability Story broadly agree that social protection systems in general and pension systems in particular significantly impinge on economic growth. Therefore, members of both advocacy coalitions agree on avoiding possible labour market distortions by bringing benefits of public Pay-As-You-Go, defined-benefit systems into line with contributions. Both the adherents of the Crisis and Stability Stories take a dim view of egalitarian proposals to place social protection into the hands of civil society actors at local level. Proponents of the Social Stability and the Social Justice Stories, in turn, agree on the importance of maintaining and fostering social solidarity across and within generations. Redistributive measures to strengthen collective action and social responsibility, then, find supporters in either camp. By the same token, neither advocates of the Stability Story nor the Social Justice Story can muster much enthusiasm for policy proposals that promote individual responsibility for one's old-age income at the expense of collective obligations. Finally, proponents of the individualist Crisis Story and champions of the egalitarian Social Justice Story both contend that pension systems should promote choice and equality. Consequently, egalitarian and individualist actors both agree in principle on pension reforms that do away with in-built privileges and inequities. Members of both advocacy coalitions reject hierarchical proposals for highly centralised and stratified forms of old-age income provisions.

Yet, similar to the transport policy debate discussed in chapter 6, agreement is unlikely to prevail beyond basic principles and general policy measures. While hierarchical proponents of the Stability Story may agree with individualist advocates that pension systems are important for economic growth, Chapter 8 shows that there is little agreement among contending advocacy coalitions beyond this point. Similarly, while hierarchical and egalitarian actors seem to agree on the value of solidarity between and within generations, members of the contending advocacy coalitions hold sharply diverging views on what social solidarity means and how best to promote it: for hierarchical actors, social solidarity is best calibrated and articulated in formal institutional structures; egalitarians see inter- and intragenerational solidarity as things that require real social commitments and interaction. Likewise, while advocates of the Social Justice Story and the Crisis Story both seem to agree that systems ought to promote equality and choice, members of the rival advocacy coalitions have very different ideas of what this means in practice: whereas the egalitarian actors see the role of social protection systems to emancipate individuals from dependency on markets and hierarchies, individualist actors understand choice and equality to mean full immersion in market competition.

Analysing the structure of policy conflict in three policy domains suggests that interaction between advocacy coalitions become more complex and involved the wider the scope of policy conflict. As we have seen, a policy debate centred

on a single definition of a messy policy problem — such as the environmental security debate — permits the reduction of policy conflict to a dispute about strategic issues. These disputes are amenable to resolution by recourse to facts and, given the assumptional shared base, enable bargaining. A triangular constellation of advocacy coalitions and policy arguments in the contested terrain, in turn, generates a more complex argumentative environment. Here, agreement and disagreement fragment 'horizontally' across different types of advocacy coalitions and 'vertically' across different levels of substantive specificity. In a triangular contested terrain, each advocacy coalition shares a potential area of agreement with a rival. At the horizontal level, then, agreement and alliances are volatile since each advocacy coalition has the choice to 'defect' into another area of agreement and mutual rejection. Additionally, agreement and alliances do not remain uncontested by the third rival advocacy coalition in triangular contested terrains: therefore pair-wise alliances based on general agreement are always in need of defence, justification and legitimation. However, since advocacy coalitions enter areas of agreement from fundamentally different premises, this agreement between pairs of advocacy coalitions is too brittle to withstand contention and reflection: as we have seen, at 'deeper' levels of analysis, pair-wise agreement disintegrates into intractable conflict. For these reasons, policy conflict in a triangular contested terrain is *endemic, inevitable and intractable.*

In sum, outlining scope and structure of conflict in three policy debates highlights the potentially turbulent quality of argument between advocacy coalitions. Since policy conflict in a triangular contested terrain is about basic norms and since consensus across advocacy coalitions is too brittle to bring about social integration, policy debate is in constant danger of deteriorating into a "dialogue of the deaf" [Sabatier and Jenkins-Smith, 1993b]. Here, constructive engagement and policy-oriented learning between contending advocacy coalitions is not possible because policy debate focuses on and revolves around the fundamental incompatibilities between contending policy arguments. Avoiding the degeneration of policy debate in triangular contested terrains into a "dialogue of the deaf" calls for policy processes that ensure a sufficient degree of *responsiveness* between contending advocacy coalitions.

How do the Framings Affect Potential Solutions for Messy Policy Problems?

Chapters 6, 7, and 8 also employed the discourse-analytical framework to investigate the potential impacts of contending definitions of messy policy problems. As we have seen, policy frames help policy actors understand messy policy problems by foregrounding specific aspects and backgrounding others. This leads to conceptual blindness as the perceptual filters sharpen policy actors' analytical view of some issues while blunting their perception of others. In Chapters 6, 7 and 8, the thesis analyses the way inherent blindspots can lead to unanticipated consequences and frame-specific policy failure.

In the European transport policy debate, all three policy stories exhibit characteristic weaknesses. Chapter 6 shows that the hierarchical "classical transport planning view" focuses on a narrow definition of accessibility that equates transport infrastructure with economic growth. In this way, members of the hierarchical advocacy coalition lose sight of the inherent complexities involved in accessibility. The blind-spots of the individualist market-based approach emerge from

strong assumptions about human behaviour: advocates of the market-based policy story believe that the price mechanism alone efficiently regulates individual transport choices. Thus, members of the market-based advocacy coalition tend to ignore equity issues concerning the distribution of costs and benefits of mobility. Last, the emphasis on localised forms of micro-mobility as well as the strong moral overtones of the policy argument renders the ecological view rather intolerant of contending views. Since misguided transport systems of a corrupt and oppressive economic order threaten the very survival life-sustaining social and natural environment, so the egalitarian argument goes, there can be no room for compromise.

In the environmental security debate, in turn, reliance on a rigid model of human needs, population growth and violent conflict leaves the three streams analysed in Chapter 7 open to unanticipated consequences. All three approaches discount the ability of individuals and local communities to adapt to the environmental and socio-economic pressures that emanate from rapid demographic change. By reducing human reactions to environmental and socio-economic stress to a fight/flight dualism, the different streams in the environmental security literature are unable to account for the way individuals seize these challenges as opportunities for innovation. Similarly, the hierarchical bias in the three policy stories about environmental security precludes and ignores both traditional local socio-cultural coping mechanism as well as the capacity for strongly bounded groups to devise new coping mechanisms. Policy guided by the environmental security paradigm is vulnerable to failure for two reasons. On the one hand, population control and governance measures proposed by advocates of the environmental security approach may be circumvented or undermined by innovative and adaptive individuals. On the other hand, the measures may fail because they ignore the crucial role of local institutions and coping mechanism in the implementation of any policy.

Likewise, the policy stories told in the pension reform debate at international level exhibit frame-specific vulnerabilities. The individualist Crisis Story tells a powerful tale of demographic ageing, skyrocketing social spending and impending financial collapse. However, the central weakness of the Crisis Story is the trust it places in the efficiency of global markets to provide adequate old-age income to an increasing number of retirees. The hierarchical Stability Story, in turn, relies on established institutions and expertise to deal with demographic change. The vulnerabilities emerge from unwarranted confidence in the capability of large, public Pay-As-You-Go pension systems to adapt to new socio-economic and demographic realities: merely tinkering with the top-down, centralised and technocratic provision of old-age income may fail to address some of the pension reform debate. Last, the egalitarian Social Justice Story urges policy-makers to include wider socio-cultural considerations into policy responses to demographic ageing. The blind-spot of this policy story are an overly optimistic outlook on individual behaviour: the decentralisation of social policy not only incurs a number of intricate public management challenges, it also invites free-riding and implies coercive implementation.

The analysis of Part II suggests that epistemic sovereignty of a single advocacy coalition potentially leads to the institutionalization of imbalanced policy solutions. However, these adverse consequences are only "unanticipated" due to the perceptual blind-spots created by specific policy frames. As we have seen, members of contending advocacy coalitions deploy their policy frames to pick up

on the inherent weaknesses and vulnerabilities of their contenders. Egalitarian advocacy coalitions pick up on equity implications of policy. Thus, for transport policy they would look closely at the impacts on equity and the environment of hierarchical transport infrastructure projects as well as the individualist road pricing schemes. In the pension debate, egalitarian advocacy coalitions criticise income-related pension systems for perpetuating labour market inequities while pointing out that markets are unable to offer minimal pension benefits for marginal workers. Individualist advocacy coalitions have a keen perception of efficiency. Therefore, members of individualist of advocacy coalitions would point to the inefficiencies of large and centralised transport infrastructure projects as well as adverse economic consequences of policies aimed at promoting localised micro-mobility. As we have seen in Chapter 8, the proponents of the Crisis Story point to the distorting effects of overly generous public pension systems. Hierarchical policy frames equip members of respective advocacy coalitions to recognise problems of management and control. Hierarchical advocacy coalitions object to decentralised transport and social protection systems due to the thorny public management issues they throw up.

In sum, applying the discourse-analytical framework to the three policy domains outlines the potential costs of epistemic sovereignty and policy-making autonomy. The way advocacy coalitions define messy policy issues gives rise to characteristic vulnerabilities that leave policy-making open to frame-specific policy failure. However, as we have seen, the application of the discourse-analytical framework suggests that a wide scope of policy conflict can help avoid unanticipated consequences and policy failure. Since relations between contending advocacy coalitions are innately adversarial,[2] members of advocacy coalitions can be counted on to look for faults and blind-spots in rival policy arguments. The conceptual framework implies that specific policy frames sharpen perception for specific problems and issues. Therefore, based on the cultural theory-inspired typology of advocacy coalitions and their policy frames, policy debates in triangular policy spaces where all three active types of advocacy coalitions are represented are more likely to prevent unanticipated consequences caused by conceptual blindness than less accessible policy spaces. This suggests that the higher the degree of *accessibility* into a policy subsystems, the lower the likelihood of unanticipated consequences and policy failure.

10.3 What Can the Analysis of Frame-Based Policy Conflict Tell Us About Governance in European Policy Domains?

The main emphasis of applying the discourse-analytical framework in Part II has been descriptive. Chapters 6, 7 and 8 have mapped and dissected the landscapes of policy conflict in the different policy domains. However, description always implies (or should imply) prescription: the motivation for the discourse-analytical framework is to understand policy conflict about messy policy problems in order to generate insights into the underlying governance issues. Chapter 9, then, was to lead the descriptive approach into a more policy- and governance-relevant analysis.

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[2]Since each aims to establish epistemic sovereignty and policy-making autonomy

Chapter 9 uses the dynamic framework of conflict and policy change developed in Chapter 5 to reflect on pension reform processes in continental Europe. The aims of the chapter are twofold. First, the chapter examines the role of policy conflict — a marginal explanatory variable in most existing accounts — in recent European pension reform experiences [Pierson, 1996, Pierson, 2001, Bonoli, 2000]. Second, the discussion also aims to shed light on the relationship between policy conflict, policy change and pluralism. The application of the dynamic approach in Chapter 9 is of an exploratory and illustrative nature. Since there is only a single case study,[3] the thesis does not claim to have tested the dynamic model in any rigorous sense. However, the application of the dynamic framework to continental pension reform raises questions concerning the relationship between policy conflict, policy change and pluralism. In this sense, Chapter 9 is not so much about hypothesis-testing as it is about the generation of questions and tasks for future research.

The following briefly summarises the case study and then explores how the implications for governance contribute to a future research agenda. This future research will centre on using the cultural theory-inspired conceptual framework to refurbish and adapt pluralist theory for application in the differentiated polity.

How does Policy Conflict Impinge on Institutional and Policy Change in Europe?

An analysis of the contested terrain of pension reform in continental Europe shows how policy conflict brought about significant institutional change. Chapter 9 recounts how reforms of continental European pension systems in the 1990s have diversified old-age income provision. As a result of these reforms, future European pensioners will rely on a mix of income sources, including remunerated work and private sectors savings schemes, to finance their retirement. In countries such as Austria, France, Germany and Italy, these changes have amounted to a significant departure from the underlying institutional logic of public pension provision.

This is all the more remarkable as continental European pension systems were generally believed to be immune to reform. Indeed, for many policy commentators, such as the World Bank or Deutsche Bank Research, social policy-making in continental Europe epitomises the irrationalities of interest-driven policy conflict [James, 1994, Bergheim et al., 2003]. These irrationalities emerge because of three structural features of European pension policy-making. First, European politicians fear retribution at the ballot box by an electorate collectively afflicted with the so-called "negativity bias". Second, the macro- and meso-political structures in continental Europe provide ample opportunities for the political opposition to contest and scupper reform attempts. Third, policy decisions of the past constrain the imagination of world-be reformers of the present: institutional path dependencies, so the argument goes, delimit the policy options on the reform agenda. To the extent that it occurs at all, thinkers such as Paul Pierson, Giuliano Bonoli or Stephan Leibfried conclude, the practises of pluralist democracy direct pension

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[3]This case study, however, emerged from seven coordinated country case studies

reform into predictable trajectories determined by existing institutional structures [Pierson, 1994, Pierson, 1996, Bonoli, 2000, Leibfried, 2001].

However, applying the dynamic model of frame-based policy conflict to continental European pension reform tells a different story. Institutional path dependencies in continental Europe, thought to be the outcomes of pluralist politics, emerged because of the *absence* of effective political contestation and conflict. Continental European social insurance systems prior to the 1990s featured closed and tightly-knit expert communities well insulated from public or parliamentary scrutiny [Nullmeier and Rüb, 1993, Pabst, 1999, Tálos and Kittel, 2001]. By controlling the production and dissemination of policy-relevant knowledge, these cohesive communities of like-minded experts, politicians and administrators defined pension policy issues to suit the institutional solutions provided by social insurance-type pension systems [Lamping and Rüb, 2002, Reynaud, 2000]. This, then, resulted in pension reforms designed to uphold existing institutional arrangements, not least policy network constellations. In the terminology of the discourse-analytical framework, this was a stage in which the hierarchical advocacy coalition commanded epistemic sovereignty over the pension policy subsystem.

Throughout the 1990s, however, cohesive pension policy communities began to crumble in the face of a sustained challenge from excluded individualist policy actors. These displaced actors told a vivid story of how welfare states have become a millstone around the neck of European economies. Barred from pension policy communities, individualist actors successfully used informal channels to target the political elite in continental European countries. What is more, the advocates of the Crisis Story deftly thematised and exploited rising social insurance contributions as an inherent system flaw. Additionally, the Stability Story faced another (albeit far less influential) challenge from egalitarians arguing that social protection systems should level not exacerbate inequities. It was this heightened level of contention that cleared the pension policy-making thicket. Path departing institutional reform in continental Europe, then, was predicated on exposing cohesive and closed policy communities to policy conflict.

Thus, Chapter 9 shows that widening the scope of policy conflict injected movement into sclerotic and tightly controlled pension reform processes. Path departure in continental European pension systems was not the result of restricting but rather of rediscovering pluralist politics.

What are the Implications of a Frame-Based Analysis for the Structures and Processes of Policy-Making in European Policy Domains?

Conventional wisdom in the policy sciences and political science understands policy conflict as a distraction to effective policy-making. As we saw in Chapter 3, champions of the "rationality project" perceive rational policy-making to be fundamentally anathema to politics. On this view, policy-making is about deploying rational scientific methods to solve objective social problems. Politics, in turn, is about mediating contending opinions, perceptions and world-views. While the former conquers social problems by marshalling the relevant facts, the latter creates democratic legitimacy by negotiating conflicts about values. It is

precisely this value-based conflict, so the argument goes, that gets in the way of rational policy-making. At best, deliberation and argument inconveniently slow down policy processes. At worst, pluralist forms of conflict resolution yield politically acceptable compromises rather than rational policy solutions.

On this view, "veto-players" use policy conflict to obstruct and scupper policy change perceived to threaten their organisational or individual self-interest. Thus, Tsebelis argues, a policy domain featuring many veto-players with sufficiently diverse policy positions will inevitably generate "policy stability"; a state of affairs characterised by the inability to change the existing policy *status quo*. Increasingly, European political commentators are using this type of logic to equate pluralist democracy in Europe at any level with the perceived inability to tackle urgent policy challenges. For example, the German think-tank Deutsche Bank Research[4] argues that in Germany

> "...rules and checks and balances that are supposed to bring about stability have altered the whole system in a way that it has become increasingly 'change-resistant', exactly at a time when the global environment (globalisation, fall of the iron curtain) and some of the system's internal parameters (demography) are going through massive structural change" [Bergheim et al., 2003, p.9].

The upshot of the argument is that structures and practises of pluralism are preventing European policy-makers from formulating swift and decisive responses to urgent policy problems. In order to restore policy-making capacity, so the argument goes, European polities need to *narrow* the scope of policy conflict by scaling back on pluralism at all levels.

As we have seen, the governance implications that flow from a frame-based discourse analysis of policy conflict are somewhat equivocal and ambivalent. On the one hand, the chapters of Part II have argued that a wide scope of value-driven policy conflict may cause a policy debate to deteriorate into a "dialogue of the deaf". Here, policy change is unlikely since policy debate focuses exclusively on the inherent incompatibility between contending policy arguments. On the other hand, narrowing the scope of policy conflict by establishing epistemic sovereignty over a policy subsystem may lead to frame-specific policy failure. In this situation, policy change is equally unlikely since there are no real alternatives to the dominant (and flawed) policy solution.

It would seem, then, as if complex, uncertain and transversal policy problems pose a dilemma for policy-making in European policy domains: a wide scope of policy conflict may lead to an divisive policy brawl while a narrow scope of policy conflict could lead to frame-specific policy failure. In either case, policy processes are paralysed and policy-makers cannot address urgent policy challenges.

However, Chapter 9 shows how path-departing pension reforms were predicated on widening the scope of policy conflict. By undermining the epistemic sovereignty of hierarchical Stability Story advocates, individualist actors across Europe expanded an exclusive policy subsystem to a partially inclusive system. This, then, broadened the reservoir of policy solutions and strategies to deal with demographic ageing in continental European policy subsystems. The

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[4]The Deutsche Bank Research is a think-tank explicitly serving the knowledge needs of the Deutsche Bank Group, see http://www.dbresearch.com.

chapter also indicates that the practises of pluralism and policy change are not necessarily anathema. Rather than being merely an obstacle course for reform-minded policy actors, the conflictual practises of pluralism were a decisive factor in the success of pension reform in continental Europe.

What, then, does this imply for the governance of European policy domains? The frame-based discourse analysis of three policy domains suggests the following:

Policy conflict is a potential yet volatile resource for addressing messy policy problems. When faced with complex, uncertain and transversal policy challenges, frame-based policy conflict is *endemic and inevitable*. However, this frame-based policy conflict is ambiguous. On the one hand, conflict is invariably intractable: contending policy frames are based on fundamentally incompatible forms of social organisation. On the other hand, frame-based policy conflict is both a critical and constructive resource. First, conflict is the medium that contending policy actors use to scrutinise rival policy arguments for mistakes, faults and omissions. Second, this conflict also generates a reservoir of contending policy solutions within the contested terrain. Thus, policy conflict is a volatile 'resource' in the policy process: too little of it (in terms of the scope) and the policy-making risks failure, too much of it (in terms of intensity or responsiveness) and debate degenerates into an unsightly policy brawl.

Effective policy-making for messy policy problems entails harnessing the critical and constructive force of policy conflict. First, in order to avoid frame-specific policy failure, policy-makers need to ensure a wide scope of policy conflict. Ideally, inclusive policy subsystems should feature a triangular constellation of advocacy coalitions and policy arguments. A triangular policy subsystem maximises the reservoir of policy solutions and policy strategies available and mobilises the full critical attention of all advocacy coalitions. This, then, implies a high degree of *accessibility*. Second, in order to utilise the constructive and critical potential, policy-makers need to ensure a high quality of communication in the debate. Such a policy debate maximises the potential for learning across advocacy coalitions. This also increases the likelihood of innovation as policy actors recombine and adapt approaches in the reservoir of policy solutions. Fulfilling the potential of high degrees of accessibility, then, requires a high level of *responsiveness* in the debate.

In sum, it would seem as if a frame-based strategy for understanding the way policy actors make sense of messy policy problems points to a positive relationship between policy conflict, policy change and pluralist democracy. This, then, is the point from which a future research agenda centred on exploring two central questions should set out:

- How can the cultural theory-inspired discourse-analytical framework developed in Chapter 5 re-equip the theory pluralist democracy for application to the policy domains of the differentiated polity?

- How could such a refurbished theory of pluralism help understand, analyse and resolve frame-based conflict in the differentiated polity?

The final section of this conclusion, then, outlines the basic structure of such a research agenda.

10.4 Cultural Theory, Policy Conflict and Pluralist Democracy: a Research Agenda

The following section outlines a theoretical scaffolding to guide future research into the nature of pluralist democracy in the differentiated polity. Based on the cultural theory-inspired conceptual framework for policy-oriented discourse analysis developed in Chapter 5, the section will tentatively outline concepts and tools for defining, determining and assessing pluralist democracy within specific policy domains.

Before, however, outlining a possible future research agenda on pluralist democracy in the differentiated polity, it makes sense to reflect on the policy-relevance of such research by way of an example.

But Why Bother? Global Climate Change, Pluralist Democracy and Cultural Theory

In order to explore the benefits of refurbishing pluralism using the cultural theory-inspired framework, let us revisit the global climate change debate briefly touched upon in the introduction of this thesis.[5]

Despite more than a decade of negotiation at intergovernmental level, commentators agree that the key policy output to date — the Kyoto Protocol — is disappointing [Verweij and Thompson, 2006, Luterbach and Sprinz, 2001]. Years of unsightly horsetrading have produced a tepid commitment from governments in industrial countries to cut greenhouse gas emissions by a miserly 5%. Even if the US government, representing the country with the largest carbon dioxide emissions, had not unilaterally withdrawn from the protocol in 2001, the reduction targets are far below what the voice of scientific authority in the climate change debate, the Intergovernmental Panel on Climate Change (IPCC), considers necessary for stabilising atmospheric carbon dioxide concentrations [IPCC, 2001]. At this rate, it would require another 30 Kyoto Protocols to even get close [Verweij and Thompson, 2006].

Yet, even within its own rather modest terms, the Kyoto Protocol stands little chance of succeeding. Of the countries that have ratified the Kyoto Protocol, few are actually implementing measures to cut emissions. Those few are unlikely to fulfil their greenhouse gas reduction commitments. The European Environmental Agency [Gardiner et al., 2003] projects that existing climate change policies in EU Member States will only be able to cut a projected 1% of their greenhouse gas emissions. While additional policy measures may bring the reductions up to 7,7% [Gardiner et al., 2003], it is far from certain that EU Member States will implement these carbon dioxide reductions. Given the difficulties in getting the Kyoto Protocol up and hobbling, insiders are less than optimistic about the future of the Framework Convention on Climate Change (FCCC) policy process [Verweij and Thompson, 2006].

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[5]This section relies on Marco Verweij and Michael Thompson's work in [Verweij and Thompson, 2006]

Why have citizens around the globe been lumbered with climate change agreements that, even if governments were to respect them, would do very little to curb global warming?

Verweij and Thompson argue that the Kyoto Protocol was "doomed" from the very beginning because it is based on only one policy frame: the hierarchical Population Story (see Box ?? in the Introduction). Instead of drawing on the plurality of interpretations and potential solutions and instead of promoting policy innovation by encouraging conflict and debate among contending policy actors across the globe, hierarchical state actors have attempted to occupy and control the climate change policy process by clamping down on principled dissent [Verweij and Thompson, 2006].

First, by the late 1980s, traditional state actors — governments, diplomats and their negotiators — had taken over the climate change debate from the entrepreneurial scientists who had placed global warming on the international policy agenda (most notably the Villach Conferences in 1985). The creation of the IPCC in 1988, Bodansky argues, symbolises the reassertion of governmental authority over the policy agenda [Bodansky, 2001]. The status of the IPCC as ultimate arbiter of what is to count as legitimate knowledge articulates in terms of institutions the hierarchical bid for epistemic sovereignty over the global climate change issue. Second, Verweij argues that fierce and consistent resistance by individualist policy actors, most prominently US negotiators, has sunk global climate change policy. Yet the reason why actors championing the individualist story have so vehemently resisted the Kyoto Protocol is the stranglehold of hierarchical discourse on the climate change debate.[6] Third, Verweij argues that the Kyoto Protocol limits institutional practises for combating global warming to the tools of classical diplomacy. These unwieldy top-down policy instruments, however, are wholly inappropriate for tackling a global issue that requires on-going adaptation and mitigation at individual, firm and household level.

Petrification of policy-making structures, discourses, and practises has manoeuvred the entire intergovernmental negotiation process into an impasse. The policy space as it was set up in the late 1980s has simply left no room for approaches to climate change mitigation that do not entail planning, control and oversight. Unable to provide space for contending policy solutions and unable to completely exclude disruptive actors from policy-making, the FCCC process has set contending actors onto a collision course. Narrowing the scope of policy conflict, then, has left policy to curb global climate change brittle and vulnerable. Instead of using the inevitable policy conflict as a fast breeder for ideas, current climate change policy outputs are so delicate that even the smallest of disagreements throws the entire policy edifice out of kilter.

Rather than locking the policy process into one policy story at the level of intergovernmental policy-making, a cultural theory-inspired frame-based analysis suggests that robust climate change policy should be more flexible and accommodating across all levels of policy-making. Flexibility, Verweij and Thompson argue, involves global climate change policy becoming more "clumsy", meaning that policy-makers begin to appreciate policy conflict as a volatile but constructive resource. Clumsy climate change measures draw on the specific strengths of

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[6]For many individualist actors — British Petroleum (BP), for instance — it is the imposition of greenhouse gas targets, rather than the targets themselves, that is the source of their resistance. Indeed, some are now setting themselves targets that are more stringent than the government-imposed ones they are resisting.

all the active advocacy coalitions. Policy conflict, in turn, allows policy-makers to identify the relative weaknesses of contending solutions to global warming. In the place of carbon dioxide reduction targets, clumsy solutions enable policy-makers to recognise local vulnerabilities, tailor policy responses, as well as mobilise existing resources for climate change mitigation: "...sustainability", Steve Rayner and Elizabeth Malone conclude, "is about being nimble, not being right" [Rayner and Malone, 1998, p.2].

Shifting from an elegantly designed but ineffective climate change policy to a clumsy set of measures that actually reduce carbon dioxide emissions, Verweij and Thompson argue, will require the development of renewable energy resources [Verweij and Thompson, 2006]. Technological development in decentralised renewable energy sources has progressed considerably. Despite the ingrained suspicion of state actors to decentralised energy technologies (European financial support for research into nuclear power still is considerably higher than all renewable energy sources), the costs for renewable energy resources have plummeted over the last 20 years. Wind, water, geothermal and solar energy are beginning to compete in terms of costs with fossil [Verweij and Thompson, 2006]. Egalitarians would also stress the "fifth fuel" — conservation — and some individualist actors would seek to extend the fossil contribution (and ease the transition to renewables) by developing the technologies for Carbon Capture and Sequestration (CCS). All this, Verweij argues, despite the widespread disinterest in and general neglect of research into renewable energy sources [Verweij and Thompson, 2006]. What is more, institutional and technological innovations that are emerging from within climate-change-relevant sectors (such as transport with cleaner motors running on alternative fuels such as hydrogen or bio-mass) may, within a fertile environment, become reality within years rather than decades. Policy-makers should therefore concentrate on creating fertile environments for, on the one hand, research and development of renewable energy sources and, on the other, the introduction of these technologies into the market and other economic sectors (such as transport). A clumsy policy framework would accommodate and utilise contending policy approaches, along with their cultural biases and accompanying institutional practises to global climate change. Apart from Research and Development expenditure, Verweij and Thompson contends, clumsy climate change policy

> "...requires numerous activities: enterprises to undertake risky investments; governments to adapt infrastructure, change tax systems, and provide financial incentives; universities to update curricula; engineers and architects to familiarise themselves with new processes and materials; consumers to get informed about new products; grid operators to find solutions to the problems caused by the intermittency of some renewables; and environmental groups to remain vigilant about the ecological downsides of renewable energy" [Verweij and Thompson, 2006, pp.25-26].

In sum, the cultural theory-inspired frame-based analysis shows it is too little democracy and pluralism that has led to policy deadlock and congestion. First, mapping the global climate change policy debate shows that disagreement about climate change policy reaches beyond mere self-interest (see the Introduction). Although short-term economic interests undoubtedly play an important part, they are not the only factors driving policy-making. Rather, policy conflict

in global climate change reflects fundamental socio-institutional and normative cleavages. Since these differences are not readily reconcilable, this implies that no amount of scientific evidence or economic compensation will resolve policy conflict. Second, the analysis of climate change policy-making suggests that it is the absence of pluralist policy conflict that has stranded the Kyoto Protocol. Instead of further closing down the space for policy conflict, policy-makers would do well to do the exact opposite: open up that space to contending policy arguments and solutions.

How could these insights be generalised and applied to other policy domains? The answer to this questions lies in adapting classical pluralist theory to the realities of policy-making in the differentiated polity.

Yet, for what reasons does classical pluralist theory need adapting and refurbishing?

Putting the Plurality into Pluralist Theory

Democracy, the pluralists argued, is a function of the distribution of power in a given polity. A system is democratic if:

1. political power is sufficiently diffused so that no single group or individual can exercise systematic and pervasive power over more than one issue,

2. the state is the neutral arbiter of social conflict,

3. individuals can voice their views through interest groups,

4. decision-making is limited to small, incremental steps because decisions depend on consent from a plurality of policy actors.

The image evoked is of a marketplace in which political groups compete for the attention of policy-makers and politicians compete for votes. No one says that perfect competition prevails, but fairness would seem to be the outcome, in the same way that a fair price emerges from market competition. Since some distributions of power, on this formulation, are fairer than others, pluralism offered a way of evaluating the degree of democracy in a given political system. Robert Dahl, for instance, assessed the distribution of political power by focusing on what he called 'key issues' [Dahl, 1971]. These are policy problems where 'political actors' — interest groups and politicians — are in open and observable conflict. The relative power of these policy actors was then gauged by the proportion of actual policy decisions that went in their various favours.

Political groups, it was assumed, acted and interacted as coherent entities. The pressure groups that constituted the political system were seen as analogous to the rational individuals in the civil society of classic liberal philosophy. Unsurprisingly, the same epistemological scepticism that liberal theory had applied to individuals, and that realist theory had applied to nation states, was applied to the actors — the political groups — at this in-between level. Only the political group could know its specific needs, and it would pursue these by articulating its preferences and interests on policy issues. Pluralism, therefore, made no attempt to break out of the 'politics of interest' tautology: actors act the way they do because of their interests, and if we want to know what their interests are we have to look at the way they act. The question of origins —

how actors who act in their interests come to know where the interests they act in lie — went unposed, see [Schwarz and Thompson, 1990, chapter 4].

How each of these actors came to cohere, similarly, elicited little interest among the pluralists: a 'hidden hand' — the inevitable consequence of myriad acts of maximising within an overall setting that contained just one equilibrium — could be counted on to see to that. That the political actors *were* there, and coherent, was proof of that! The pluralist model was thus methodologically committed to an abstract and stylised concept of the person: the rational actor. Where, the sceptic might well ask, is the plurality in that?

Though pluralism claimed to provide three crucial *desiderata* — an accurate description of Western democracies, a prescription for less democratic systems, and a method by which to assess the level of pluralism in the policy process — it has not lived up to expectations on any of them.

- Changes in the role and nature of the advanced capitalist state have carried it further and further from the pluralist's account. As we saw in Chapter 2 policy-making takes place in functionally segregated institutional networks of the 'differentiated polity'.

- Civil society, for its part, has become distinctly heterogeneous. Globalisation, and the socio-economic transformations that accompany it, have generated new 'total system' stresses which, in many instances, have exacerbated differences of national identity, life-style and religion that had previously been muted. As a result, the pluralist interest group model is becoming increasingly irrelevant as new policy issues (in particular, the environment, animal welfare and gender) enter the public sphere.

- Nor, amid all these changes within the state and civil society, have the problems they address remained the same, as the preceding chapters have shown. Where policy problems used to be so clear-cut that it was not difficult for all the actors to arrive at agreed definitions of what those problems *were* (their differences emerging only in relation to their preferred solutions) many issues now are so intangible, so complex and so inherently uncertain that agreement on the base — the pre-requisite for incrementalism — is no longer attainable. In short, policy problems have become increasingly complex, uncertain and transversal.

Nor should we assume that, because things have got worse for pluralist theory over the years, it was working well to begin with. It was beset with methodological problems from the very beginning [Bachrach and Baratz, 1962, Wolfinger, 1971, Galbraith, 1969, Lukes, 1974, Polsby, 1963].

- In focusing on the overt exercise of power in the decision-making process, the pluralists were unable to recognise the more subtle, more perfidious, and quite possibly more important ways in which policy actors can set about getting what they want. Power, the critics of pluralist theory pointed out, can be exercised by ensuring that only certain issues get onto the policy agenda. On top of that, the way in which a problem is defined, before it even reaches the agenda, may foreclose certain policy solutions from the outset. In short, the method could not say very much about the distribution of power in a polity because it was capable of analysing only one sort of power.

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- Pluralism's blindness to other, less overt, forms of power meant that it could not distinguish between those situations in which there was full agreement on the base and those in which those who did not agree with a particular framing of the problem had been excluded. However, this sort of frame-based intractable policy conflict has been the focus of the chapters in Part II.

- Last, a closer inspection of classical pluralism reveals that it is based entirely on one type of rationality originating in a single policy frame [Wildavsky, 1976]. Like Henry Ford and his all-black cars, pluralism, said "you can have any rationality you like so long as it's that of the atomised utility maximiser". But if pluralism is all about the different ways in which we want to live together (*one* of which is in the sort of market solidarity which is supported by the idea of the person as a freely choosing maximiser of his or her unique set of preferences) then it must cast its net wide enough to take in all these different ways. We can now see that this is something pluralism did not do.

Yet, despite all these shortcomings, pluralism brought with it a normative dimension that cannot easily be discarded. Democracies, pluralism tells us, *ought* to value concepts such as effective citizen input, consensual policy-making and power-sharing, and even the most vociferous of its critics would think twice before turning their backs on these sorts of commitments. So, rather than just throwing it away, we should ask ourselves whether pluralist theory can be re-stated in such a way that it retains (strengthens, even) its normative dimension, while providing a method that is better suited to the task of evaluating the differentiated polity. No easy undertaking, we concede, but one that, we believe, can be achieved by way of cultural theory and the discourse-analytical framework.

Political Equality and Self-Determination

What about pluralist democracy deserves preserving for future research and how can we use the cultural theory-inspired discourse-analytical framework to preserve it?

David Beetham neatly distills the main traits of democratic polities from nearly a millennium of literature as follows: democracy is

> "...a mode of decision-making about collectively binding rules and policies over which the people exercise control, and the most democratic arrangement [Beetham takes] to be that where all members of the collectivity enjoy effective equal rights to take part in such decision-making directly — one, that is to say, which realises to the greatest conceivable degree the principles of *popular control and equality* in its exercise" [Beetham, 1993, emphasis added, p.55].

How can we tell polities that maximise equality and popular control apart from those that do not? Following Robert Dahl's work on polyarchy [Dahl, 1971], we can think of pluralist democracy in terms of two basic principles or measures: inclusion and public contestation. The degree to which polities include citizens or stakeholders in political processes reflects the level of political equality

among policy actors. By determining the accessibility and openness of political systems, inclusion helps determine the level of pluralism in a political system. The more inclusive, the more pluralist is a polity and, consequently, the higher the level of political equality. Public contestation, in turn, indicates the level of popular control over policy-making in a polity. By measuring the degree to which polities enable control and influence over policy-making, public contestation points to the degree of democracy in a polity. The higher the degree of political contestation, the more effective is self-determination and, therefore, the more democratic the polity. By casting pluralist democracy in terms of these two variables, Dahl implies that not every democratic polity is pluralist and that not every pluralist polity is democratic.

On their own, these two measures say little about pluralist democracy in the differentiated polity. In terms of the level of governance, this conceptual scaffolding requires more conceptual clout to identify and describe socio-cultural plurality in contemporary policy processes. In terms of the levels of analysis, Chapter 3 has shown that classical pluralist theory is poorly equipped for analysing infrastructural or discursive power. Yet, as Chapter 9 outlines, advocacy coalitions use a wide variety of overt and covert means to establish their epistemic sovereignty over a policy subsystem.

Linking Pluralist Democracy to Policy-Making: Cultural Theory and Requisite Variety

The cultural theory-inspired conceptual framework has applied the concepts of political equality and popular control to contemporary policy-making. The key to reconfiguring pluralist concepts for use in contemporary subpolitics lies in the inherently ambivalent relationship between the advocacy coalitions (*quas*social solidarities). On the one hand, cultural theory postulates that mutual antagonism between different types of advocacy coalitions gives rise to conflict. On the other hand, the reproduction of each advocacy coalitions (and thereby the larger social unit) depends on contention from rival advocacy coalitions. As we have seen in Chapter **??**, cultural theorists think of this dialectic relationship in terms of 'requisite variety'. Recall that Michael Thompson formulates this principle in terms of inter-organisational dependencies:

> "...the basic idea is that each way of organising ultimately *needs* the others, because they do something vital for it that it could never do for itself. Indeed, this sort of dependency does not have to be mutual; it is enough if each way does something vital for just one of the others and no one of them is left out" [Thompson, 1996, original emphasis, p.16].

In this way, the requisite variety condition links pluralist democracy to the idea of socio-institutional viability. On this view, including all stakeholders in effective participation is not only a good idea because it appeals to our sense of fairness, pluralist democracy also produces better and more robust policy because it prevents conceptual blindness.

On the basis of this relationship between pluralism and policy-making, we can mobilise two features of cultural theory for re-tooling pluralist democratic theory for future research at the level of policy domains. First, the cultural

theory-inspired typology of advocacy coalitions provides a standard for calibrating and examining the degree of pluralism in a policy subsystem by measuring the level of accessibility (see Chapter 5). Second, two of the distinct dimensions of analysis (structural, discursive) provide a means for spotting the different 'faces of power' that are at work [Bachrach and Baratz, 1962, Lukes, 1974]. Whereas classical pluralist theorists were content (adamant, in fact,) to assess pluralist democracy in terms of one face of power, the cultural theory-inspired conceptual framework extends the possible analysis of political power to the levels of discourse and institutional practises.

Pluralism: Accessibility as a Measure of Political Equality

A contested terrain or policy subsystem endorses the principle of political equality if it is accessible to all stakeholders and citizens. Assessing the degree of openness and accessibility implies examining to whom policy subsystems grant and deny access. By mapping policy conflict, analysis can discover whether policy subsystems consist of

- triangular policy spaces consisting of all three active social solidarities; we have called this an *inclusive* policy subsystem,

- bi-polar policy spaces[7] made up of only two of the active social solidarities; we have called this a *partially inclusive* policy subsystem.

- monocentric policy spaces[8] dominated by a single social solidarity; we have called this an *exclusive* policy subsystem.

The analysis of Part II of this thesis provides an indication of how future research would go about gauging and calibrating accessibility. By assessing the *scope* of policy conflict using the discourse-analytical framework and, in particular, the cultural theory-inspired typology of advocacy coalitions and policy frames, a future analysis would be able to gauge and measure the accessibility of a policy subsystem. Discovering evidence of only a single policy story would indicate that the policy subsystem is characterised by a monocentric policy space and is therefore *exclusive*. For example, the analysis of continental European pension policy communities prior to the 1990s in Chapter 9 suggests that this was the case. Finding traces of two contending policy stories suggests a bi-polar space that is *partially inclusive*. In continental European pension governance, the analysis of the thesis suggests, this seems to be the situation at present: individualist proponents of the Crisis Story have muscled their way into pension policy subsystems while egalitarian advocates of Social Justice still languish on the sidelines of policy-making. Last, the presence of policy stories representing all three 'active' types of advocacy coalitions would indicate an *inclusive* policy subsystem consisting of a triangular policy space. For example (a hypothetical one in this case), should the European Commission's ageing policy strategy be successful, we may very well find evidence of an inclusive policy subsystem for ageing issues at European level in the future.[9]

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[7]Strictly speaking a line, not a space

[8]Strictly speaking a point, not a space or a line

[9]Indeed, there is some evidence to suggest that for the wider policy debate on demographic ageing (i.e. the debate that explicitly addresses issues pertaining to care, discrimination, service provision, life-long learning, etc.) there is a far more diverse of participants than the welfare state reform discussion [Ney, 2005].

The shape of policy spaces indicates the distribution and concentration of power in the policy subsystem. As we have seen, each type of advocacy coalition strives to establish their epistemic sovereignty over the policy subsystem. Thus, a triangular policy space indicates the widest possible diffusion of political power. Bi-polar policy spaces consisting of only two active social solidarities, in turn, suggest that political power is less diffuse, yet not sufficiently concentrated for a single social solidarity to exert epistemic sovereignty. Last, in monocentric policy spaces, political power is most concentrated: here, members of a single social solidarity have total policy-making autonomy in the policy subsystem.

The cultural theory-inspired conceptual scaffolding will enable an analysis of political power at the level of policy subsystems. Exclusion, an indicator of political power, can occur at two different levels. First, at the level of *structural power*, citizens are explicitly included or excluded from a policy subsystem. This is an exercise of what Bachratz and Baratz as well as Lukes have called the "first face of power": an overt exercise of power directly measurable in terms of policy actors' observed behaviour [Bachrach and Baratz, 1962, Lukes, 1974]. In terms of the cultural theory-inspired framework, the absence of a particular active type of advocacy coalition in a policy subsystem alerts us to a (potential) abuse of structural power. Exclusion at this level points to a violation of basic civil rights, such as freedom of assembly, freedom of speech or freedom from persecution.

Second, the exercise of discursive power consists of erecting less visible but nonetheless significant barriers to entry into policy subsystems. Discursive power describes the ability to control the 'naming and labelling of policy problems by strategically deploying knowledge. Here, advocacy coalitions may be present in the policy subsystem, but have no say in the shaping of the policy agenda. This corresponds to the "second face of power" [Bachrach and Baratz, 1962, Lukes, 1974]: a covert exercise of political power over problem-definition and agenda-setting in terms of so-called "non-decisions". The antagonism between contending social solidarities (or, rather, the lack of it) provides an effective measure of discursive power: the absence of conflictual engagement between social solidarities points to a discursive exclusion of stakeholders in a policy subsystem.

How would this relate to policy-making? Moving rightwards along the accessibility dimension means a policy subsystem features policy actors from an increasing number of social solidarities. As we have seen, the more social solidarities are present in a policy subsystem, the larger is the pool of the organisational, cognitive and practical resources available for dealing with complex and uncertain policy issues. The larger the pool of cognitive and epistemic resources, in turn, the larger the *potential* for policy innovation, adaptation, and strategy switching. Moreover, as accessibility increases, the risk of conceptual blindness, surprises and policy failure decreases. In short, the higher the accessibility and the scope of policy conflict, the higher the *potential* for robust policy outputs and policy outcomes. However, the wider the scope of policy conflict, the higher the likelihood of policy debate degenerating into a "dialogue of the deaf".

Democracy: Responsiveness as a Measure of Popular Control

While accessibility tells us about who participates in the policy process, it says little about how policy is made. In addition to accessibility, then, pluralist democracy is about the way policy subsystems structure and regulate interaction between policy actors. In a very real sense, policy actors' capacity to influence policy-making depends on the way policy subsystems configure policy debate.

At the subpolitical level, the quality of deliberation in a policy subsystem determines the degree of popular control over policy-making. Policy deliberation that enables all participants in policy subsystems to influence policy-making[10] maximises popular control and self-determination. For all actors in a policy subsystem to shape policy-making, policy deliberation needs to be responsive: that is, policy debate must enable all voices to be heard *and* responded to.

Policy outputs may offer a means of gauging responsiveness in policy debates. Cultural theorists refer to policy outputs that reflect elements of all contending policy stories as 'clumsy solutions'. Apart from accessibility to the policy subsystem (the necessary condition or input), clumsy policy solutions depend on the quality of deliberation within a policy subsystem (the sufficient condition): the more responsive policy deliberation is, the more likely policy actors will end up with clumsy policy solutions. Thus, the composition and shape of policy outputs reflect the level of popular control over policy-making within a policy community. This suggests three types of deliberation and public contestation:

- Assertive Deliberation, where policy actors aim to assert their particular policy story over rival policy stories.

- Strategic Deliberation, where policy actors interact in order to more effectively pursue their divergent policy goals.

- Reflexive Deliberation, where policy actors critically scrutinise and reflect on both the means and the ends of policy-making.

The analysis of the preceding chapters using cultural theory-inspired discourse-analytical framework also provides some guidance to the way a future research programme may determine the responsiveness of policy subsystems. By ascertaining the *structure* of policy debate and using this structure to reflect on actual policy interaction, the analysis can get an impression of the degree of responsiveness. Assertive deliberation between two advocacy coalitions means that neither side is sensitive to potential areas of agreement and, instead, focus exclusively on areas of intractable disagreement. Strategic deliberation, in turn, implies that contending advocacy coalitions will constructively interact on general policy measures as long as fundamental principles are not thematised. For example, individualists and egalitarians in the European transport policy debate agree on the basic idea of road pricing as long as the underlying motivations for pursuing road pricing are not explicit. Last, reflexive deliberation

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[10]Classical pluralist theory, in line with the basic precepts of Anglo-American social science, has conceived of this capacity in negative and reactive terms: basically policy deliberation is about blocking and amending governmental proposals to protect preferences and interests. Taking the insights of the *Argumentative Turn* into account calls for the inclusion of the positive and productive aspects of policy deliberation [Elster, 1998]: interaction within a policy subsystem between policy actors is about creating choices by collective action.

involves advocacy engagement on basic principles (such as social solidarity for hierarchists and egalitarians in the pension debate) as well as on general policy measures.

Appendix F provides an more detailed discussion of the different types of deliberation.

Reflexive deliberation maximises popular control by empowering all policy actors in a subsystem to contribute to common policy responses. Strategic deliberation, in turn, limits popular control by delimiting the scope of policy debate to means rather than ends. Assertive deliberation provides least popular control over policy-making since it does not promote interaction.

Like accessibility, responsiveness is sensitive to all three faces or dimensions of power. Responsiveness promotes policy outputs that reflect the inputs of all social solidarities included in any particular policy subsystem. Policy responses missing any of the forms of social organisation point to an exercise of structural power. Policy outputs reflecting less than all the diagnoses of the policy issue by all participating social solidarities indicate that discursive power is at work. Last, policy failing to make use of all institutional strategies available in a policy subsystem suggests that the inertial power of behavioural practice has rendered deliberation less than reflexive.

In terms of policy-making, increasing responsiveness translates into more effective policy outputs. As deliberation becomes more responsive, each voice in the policy debate becomes more 'audible', clearer and more sensible to contending policy actors. First, this reduces the incentive to 'shout', thus preventing the decline of debate into a dialogue of the deaf. Second, responsive deliberation lowers the level of frustration with a policy process, thereby avoids displacement of policy conflict. The higher responsiveness of deliberation, then, the higher the ability to constructively use policy conflict for dealing with complex and uncertain policy issues.

The Regions of Pluralist Democracy

On the basis of these adaptations to the bootstrapped conceptual framework, we can formulate a set of hypotheses about

- the way differing degrees of accessibility (pluralism) and responsiveness (democracy) give rise to different types of policy subsystems;

- the way different types of policy subsystems produce divergent means of resolving frame-based policy conflict;

- way policy conflict may bring about change within different types of policy subsystems.

These hypotheses relate to the way different combinations of accessibility and responsiveness (calibrated in terms of the cultural theory-inspired conceptual typology of advocacy coalitions) generate different types of policy subsystems.

Plotting accessibility and self-determination in a graph (such as Figure 10.1) gives us a space with three basic provinces each consisting of three regions. In this terrain, increasing openness broadens the potential for robust policy-making and growing responsiveness determines whether policy actors can make use of this potential. As we move through this terrain from the bottom-left to the

top-right, the conceptual framework suggests that policy subsystems become increasingly accessible (meaning pluralist) and increasingly responsive (meaning democratic). Policy subsystems found in regions near the origin — the Lowlands — are least democratic and least pluralist. Networks along the negative diagonal — the Midlands — implement a limited degree of political equality and popular control. Last, regions in the upper-right hand province — the Highlands — are most accessible and responsive.

The Lowlands Hypotheses

The lowlands contain policy subsystems that are barely pluralist or democratic. Tightly circumscribed access and unresponsive policy deliberation leave these types of policy subsystems with a shallow and confined form democracy.

The *Closed Hegemony* of the lower left-hand corner is a policy space in which a single advocacy coalition has established epistemic sovereignty: here, might makes right. Policy-makers in *Rational Management* networks know what is best for their citizens and will seek expert advice in how to pursue these policy goals. *Vacillating Dyad*, in turn, features two social solidarities locked in fierce and aggressive policy contention.

Lack of contestation and policy conflict mean that decision-making is assertive, authoritative and relatively speedy. However, because effective contestation and deliberation are missing or, if present, are ignored, policy-makers are prone to unpleasant surprises and policy failures resulting from conceptual blindness. At the same time, displacement of policy conflict undermines what little democratic legitimacy these systems possess.

Policy subsystems in lowland regions of the pluralist democratic map provide policy actors with no institutional means for adaptation and change. Here, the framework hypothesises that the lowlands combine the worst of both worlds: in policy subsystems where access is slightly less restrictive, policy debate is fiercely competitive; in networks where deliberation allows single-loop learning, monocentric dominance of a single social advocacy coalition constricts the potential pool of policy solutions. Consequently, policy networks in any of the three lowland regions are static, inflexible and brittle: the small pool of policy strategies and the low level of responsiveness in deliberation, the framework predicts, offer few options for reacting to socio-economic and political change. In the absence of internal means of strategy switching and adaptation, the framework suggests that change, when it comes, is always traumatic and revolutionary. For Closed Hegemonies, change inevitably means complete collapse. Vacillating Dyads, in turn, lead to vacillating policy cycles. Rational Management subsystems try to use strategic deliberation to adapt but ineluctably trip up on the narrow scope of policy conflict.

The Midlands Hypotheses

The midland regions describe policy subsystems that are either more permeable or more responsive than lowland policy communities. In terms of structural features, the midlands encompass somewhat disparate policy subsystems. These features, the model predicts, give rise to a similar range of effects on policy-making.

Figure 10.1: The Regions of Pluralist Democracy

The cultural theory-inspired conceptual framework suggests that the midlands host the two corner-solutions of the top-left to bottom-right — or negative[11] — diagonal: the *Issue Network* and the *Ivory Towers*. While the openness of the former provides the largest possible pool of policy stories, the nature of policy deliberation transforms this potential into a cacophony of voices, each trying to outdo the other in terms of volume if not substance.[12] It is here, then, that policy debate is most in danger of degenerating into a "dialogue of the deaf". In contrast, the *Ivory Tower* possibly features a highly sophisticated and reflexive policy debate without, however, having much to discuss: aspirations to innovation and reform are starved of ideas. The *Colluding Dyad* represents the most workable of the midland models since it enables some learning at the strategic level.

Despite divergent structural features, the model predicts that midland policy subsystems are all prone to inertia. Unlike the lowland regions, policy subsystems in the midlands supply policy actors with institutional and ideational provisions for change and adaptation. However, due to structural and discursive features, policy networks found in midland regions can make little use of these institutional capabilities. While the ivory tower goes around in deliberative circles, policy-making in the issue network gets lost in the shouting. Unable to thematise fundamental policy goals since areas of agreement across advocacy coalitions are brittle, the colluding dyad collapses into intractability when faced with uncertain policy problems: instead of changing course and adapting policy goals, policy-makers in bi-polar cooperative systems apply tried-and-tested policy strategies to new (and essentially unknown) policy problems.

The Highlands Hypotheses

The highland regions form a crest along the upper right hand corner of Figure 10.1 The highlands comprise policy subsystems that score highest in terms of both political equality and popular control: they feature the deepest and most expansive forms of democracy. For this reason, any process of democratisation should aim to end up in one of the three highland regions.

Highland policy subsystems offer a number of advantages for policy-making. First, policy actors in the highlands of pluralist democracy can draw from a rich stock of potential policy solutions and strategies. Second, responsive policy debate supplies the tools for exploiting these organisational, cognitive and practical resources to the full. In other words, the highland regions most effectively avoid conceptual blindness and displacement by enabling full strategy switching.

Clumsy Institutions avoid displacement and conceptual blindness altogether. Here, policy-making is at its most dynamic and adaptive as policy actors engage in contentious but constructive interaction. The triangular policy space ensures that slip-ups and developments in the wider policy environment do not go un-

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[11]Negative in the sense that it is orthogonal to the one that carries us from Closed Hegemony to Clumsy Institution

[12]Think of a busy market place (real not metaphorical) in which market criers try to outdo their neighbours in advertising their goods. While the knowledge in policy stories is not a tradeable good, issue networks force policy actors to reduce ideas and policy stories to goods that can be marketed. This implies simplification and standardisation. In a tight market, this considerably erodes the value of policy stories. This also goes to show that the market is a poor metaphor for contemporary pluralist democracy.

noticed. The high degree of responsiveness in the policy debate ensures that these insights (and suggestions on what to do about them) do not go unheeded.

Like *Colluding Dyad*, the strategic nature of policy deliberation in *Strategic Pluralist* policy subsystems limits debate to policy means. Yet, unlike bi-polar spaces, agreement is far more difficult to achieve and sustain within triangular policy spaces. The inevitable three-way policy conflict injects movement into strategic policy processes thereby reducing the risk of policy deadlock. Given this inherently dynamic constellation, these policy subsystems rapidly reach the limits of strategic deliberation.

The *Learning Dyad*, the conceptual framework hypothesises, also generates a strong current towards clumsy institutions. Reflexive deliberation enables policy actors to explore all aspects of policy issues. Significantly, this includes the reasons why policy-making keeps getting caught out by unexpected consequences despite wide consultation and deliberation. What is more, deliberation in Learning Dyads prevents contending policy actors from rejecting out of hand competing and seemingly counterintuitive explanations, solutions and strategies. Policy actors in learning partnerships, we would expect, are more likely than their lowland and midland neighbours to deduce that 'something is missing'. The search for the missing element, then, leads to the extension of the policy subsystem to a Clumsy Institution.

Unlike policy subsystems in other provinces, policy communities found in the highlands of pluralist democracy all feature institutional mechanisms and norms for adaptation and strategy switching. While the Learning Dyad is limited in terms of the scope of policy conflict, Strategic Pluralism is limited in terms of deliberation. Clumsy Institutions, however, overcome both limitations by obviating incentives for displacement behaviour and maximising the scope of policy conflict.

Appendix G discusses each region in more detail.

Democratisation and Counter-Democratisation Hypotheses

In sum, applying the cultural theory-inspired conceptual framework to pluralist democracy provides a set of hypotheses that relate political equality and popular control to contemporary policy-making processes. The typology of advocacy coalitions provides measures for assessing the accessibility of policy subsystems. Clumsy policy solutions, in turn, furnish indicators for gauging the level of responsiveness in policy deliberation. Together, both dimensions describe a socio-institutional space in which we would expect policy subsystems with high levels of pluralism (measured in terms of accessibility) and democracy (measured in terms of responsiveness) are more likely to produce robust and sustainable policy outputs. At the lower end of the map, where pluralist democracy is shallow and confined, the approach hypothesises that policy-making is fragile and permanently at risk of failure. Between the extremes of Closed Hegemonies and Clumsy Institutions, the cultural theory-inspired map of policy subsystems suggests there to be a range of distinct subsystem types. These subsystem types or regions arise from partial implementations of political equality and popular control.

By providing a language to articulate political equality and popular control in the differentiated polity, the cultural theory-inspired conceptual framework

will enable analysts to chart pathways of *democratisation*. The framework intimates that we can trace institutional change in terms of movement across the regions of pluralist democracy. On this view, democratisation is any institutional change that causes a policy subsystem to 'move' away from the origin. The map of pluralist democracy hypothesises that there is both an absolute and a relative aspect to democratisation. *Absolute democratisation* describes any journey of change that terminates in the region of Clumsy Institutions. *Relative or partial democratisation*, in turn, depicts reforms or developments that shift policy subsystems towards Clumsy Institutions. Processes of partial democratisation can either move a policy subsystem along one of the two dimensions only or can shift policy subsystems incrementally along both dimensions.

This, however, is not to suggest that movement across the terrain of pluralist democracy is linear, unidirectional or deterministic: as Chapter 5 indicates, not all conflict-driven institutional change makes policy subsystems more democratic or pluralist. For that reason, the cultural theory-inspired framework for analysing pluralist democracy also provides a way for identifying institutional changes that undermine pluralist democracy. Correspondingly, any movement towards the bottom-left hand corner of the pluralist democratic map depicts a process of *counter-democratisation*.[13] Again, *counter-democratisation* can be both absolute or partial: in the case of the former, institutional change catapults policy subsystems from anywhere in the space to the region of closed hegemonies; in the case of the latter, *counter-democratic* change moves policy subsystems towards closed hegemony.

Messy Policy Problems, Policy Conflict and Frame-Based Discourse Analysis

This thesis has tried to make sense of the way policy actors in Europe respond to argue about, and disagree over messy policy problems. The key to understanding these processes of public reasoning and public argument has been a frame-based approach to policy conflict. By integrating a number of contemporary approaches in the policy sciences, the thesis has constructed a conceptual framework for policy-oriented discourse analysis.

Part II applied the discourse-analytical framework to three distinct policy domains. The upshot of the analysis is that robust policy responses are most likely to emerge from an inherently conflictual and fundamentally intractable policy process. However, the analysis suggests that intractable conflict can also degenerate into a "dialogue of the deaf". On this view, dealing effectively with messy policy problems requires a high degree of *accessibility* to policy subsystems on the one hand, and a *responsive* policy debate on the other.

Thus, the bootstrapped discourse-analytical framework, it would seem, posits a relationship between frame-based conflict about messy policy problems and pluralist democracy. By extending and applying the conceptual framework to pluralist democracy, this chapter has generated a set of hypotheses for future research. This investigation will look at the ways different types of policy subsystem structures and processes give rise to different patterns of policy-making. Not only will this future research be strongly comparative approach across pol-

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[13]Interestingly, there does not seem to be an accepted term to denote the opposite of democratisation [Pelizzo, 2005], hence the somewhat awkward word.

icy domains and national borders, the framework also provides means of tracing and classifying changes to structures and processes in policy subsystems.

In this way, the cultural theory-inspired discourse-analytical framework developed and explored in this thesis can hopefully contribute to a practical and policy-oriented analysis of how ideas shape policy processes and policy outcomes in the differentiated polity. The cultural theory-inspired typology of advocacy coalitions and policy frames as well as the policy stories method provide the analyst with a compact and (relatively) user-friendly set of tools for identifying and comparing contending policy arguments. Armed with this approach, the policy analyst can

- Identify and classify collective policy actors arguing about messy policy problems in any given policy domain;

- Gauge and assess the conflictual scope and ideational distance between policy actors;

- Reconstruct, compare and dissect the different policy arguments within the contested terrain thereby understanding the nature of policy conflict;

- Examine the role of conflict in policy change thereby identifying further areas of enquiry into to the governance structures of policy domains.

More importantly, however, the discourse-analytical framework urges us to reassess the role of frame-based conflict in contemporary policy-processes. Conventional policy sciences have tended to view frame-based policy conflict as an aberration or pathology of the rational policy process. Such thinking has led to an unwarranted scepticism among policy analysts and policy-makers of argumentative practises in subpolitical policy-making: democracy and pluralism, it is argued, are to be confined to the 'proper' institutional environments so as not to infect rational policy-making with its quarrelsome and corrosive bug of frame-based conflict. However, even if divorcing democratic politics from rational policy-making were feasible, keeping sub-political policy-processes conflict-free is problematic as long as policy issues are complex, uncertain and transversal. Thus, contemporary policy-making in the differentiated polity, it would seem, cannot avoid, indeed must embrace, frame-based conflict if it is to tackle the urgent policy challenges of our times. On the approach that has guided this thesis, frame-based policy conflict is an inextricable part of the institutional backdrop to any policy debate. Just like the other constitutive parts of the institutional background (people, things, organisations, money, power, knowledge, ideas, etc.) frame-based policy-conflict is a resource to be mobilised for constructive policy-making: its constructive and critical functions are crucial assets in portfolios of contemporary policy-makers. Mobilisation of this volatile resource, however, requires reliable knowledge about its nature. The conceptual framework developed and explored in this thesis supplies just that. By enabling analysts to chart the scope, structure, and impact of frame-based policy conflict in any policy domain, the cultural theory-inspired framework for discourse analysis creates maps of policy conflict that can help policy-makers navigate the increasingly turbulent waters of contemporary policy-making.

Embracing frame-based policy conflict undoubtedly will make policy processes less harmonious or elegant than what we European have been used to in the past. Yet, the policy problems Europe faces have also become less orderly

and disciplined. R.A.W. Rhodes maintains — rightly, I believe — that messy policy problems require messy policy solutions [Rhodes, 1997]. The cultural theory-inspired conceptual framework for discourse analysis developed and applied in this thesis could contribute to understanding, accepting and dealing with messiness in contemporary policy-making. This, then, may help building untidy (but more resilient) policy processes that yield clumsy (but more robust) solutions to messy policy problems.

Appendix A

The Myths of Nature

Policy debates about uncertain environmental policy problems such as global climate change involve making implicit and explicit ontological claims about the natural world. After all, policy measures that ignore fundamental realities of nature are unlikely to be terribly effective. The thing about uncertainty though is that people disagree about the nature of nature. In fact, cultural theory argues that people will disagree about nature according to their particular cultural bias. Each social solidarities furnishes individuals with a specific account of the natural world called "myths of nature". The term myths does not imply that these depictions of nature are inaccurate, irrational or unscientific. Rather, myths of nature — in line with the usage in social anthropology — help stabilise and reproduce social structures and normative order.

For the individualists, nature is a robust and bountiful place teeming with opportunities, a lot like the free market. The natural world, much like rugged individualists themselves, can look after itself: no matter what innovative and enterprising individuals may do to the environment, nature will always return to an equilibrium [Thompson and Rayner, 1998a, p.284]. In terms of Figure A.1, the ball may rock around in the trough but always returns to its initial position.

In contrast, egalitarians believe that nature is ephemeral and fragile. Just like the ball precariously balanced on the hilltop in Figure A.1, nature is permanently teetering at the edge of an abyss. The slightest perturbation caused by humans could have catastrophic consequences for the natural world. For this reason, we all must "tread lightly on mother earth" avoiding at all costs behaviour that may lead to environmental apocalypse [Schwarz and Thompson, 1990].

In hierarchical social solidarities, nature is tolerant of human behaviour within limit (see Figure A.1). Beyond these limits, however, the effect of human behaviour becomes perverse and nature descends into disorder and chaos. Members of hierarchies firmly believe that, after the appropriate experts have determined these limits, rational management can contain human activity within these boundaries.

Last, fatalists experience nature as something capricious and whimsical. Essentially unknowable and unpredictable, nature, like the ball in Figure A.1, will react haphazardly to any disturbance.
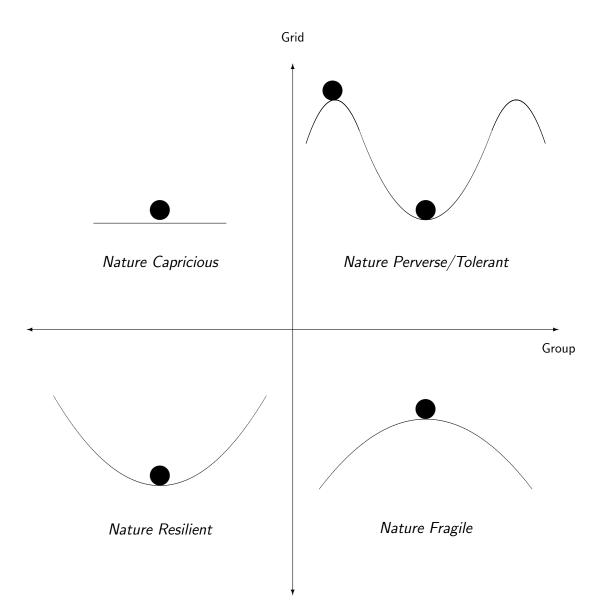
Figure A.1: The Myths of Nature

Appendix B

Displacement Strategies

Egalitarian groups, who tend to frequently find themselves outside the policy process in advanced industrial societies, will choose to intensify opposition activity at the grass-roots or street-level. Arguing that the street-level, rather than the elitist, oppressive and exclusive 'political system', is where real political legitimacy resides, egalitarians will organise vociferous protest and resistance outside established institutions. For example, up until very recently, egalitarian policy actors operated on the margins of the transport policy sector at both national and European level. Consequently, some egalitarian policy stories, such as Hermann Knoflacher's argumentation reviewed in Chapter 6, vehemently contest the legitimacy of formal institutions at national and (particularly) European level for local transport planning. However, intensified opposition outside regulating institutions risks degenerating into violence.

Excluded individualists, in turn, will shun publicity (initially at least) in favour of mobilising the resources in their networks. Working predominantly through informal channels (via mutual membership in clubs, organisations, societies, friends-of-friends, etc.), excluded individualists will try manoeuvre their way back into the policy process. While protesting egalitarian groups have set up camp outside the intergovernmental policy process on global climate change debate, individualist industry lobbies have predominantly operated behind the scenes putting pressure on policy actors and politicians through network channels [Luterbach and Sprinz, 2001]. Since what counts is the bottom-line, individualists are not squeamish about the means of getting close to the policy action: legitimate negotiation and trade risks decaying into corruption and illicit back-room dealing.

When hierarchists find themselves excluded from policy-making (admittedly a relatively infrequent occurrence in predominantly hierarchical policy environments), they will strategically deploy formal rules and regulations to either muscle in on or close down the debate. By strategically bringing the wide range of formal and legalistic strategies at their disposal to bear (including inventing new rules and regulations), hierarchical actors will try to force their way into or co-opt a policy process. The early stages of the international debate on climate change offer an example of hierarchical displacement behaviour. Dan Bodansky argues that entrepreneurial climate scientists initiated the policy debate on climate change without much involvement of hierarchical state actors [Bodansky, 2001]. However, as it became apparent that the climate change de-

bate was taking off without them, they created a set of formal institutions (the IPCC and the FCCC) to place them firmly in the driving seat and relinquish individualist and egalitarian actors to the sidelines.

Appendix C

The PEN-REF Interview Guide

OPTIONAL INTRO: Thank you very much for agreeing to help us with our research. The PEN-REF project is an international research endeavour of seven European research organisations. The project is funded by European Commission in terms of the Fifth Framework Programme. Our research, which covers six European countries, aims to understand the policy processes and the policy debates related to public pension reform in Europe.

I would like to take this opportunity to point out that all your responses will be treated with the strictest of confidence. None of your responses will be directly attributed to either you or your institution.

Warm-Up

1. What policy-areas do you deal with or are you responsible for?

2. How did you get to be in this position

   - academic/professional background
   - career path

The Pension Policy Community and the Pension Policy Process

1. Who are the main policy actors responsible for formulating and implementing pensions policy?

   - state actors (ministries, civil servants, executive agencies, etc.)
   - political actors (ministers,advisers, spokespersons of political parties)
   - interest representation and NGOs (trade unions, employer's associations, specialised interest groups, etc.)
   - private sector actors (insurance companies, banks, firms, etc.)
   - research actors (universities, think-tanks, research organisations, etc.)

2. What do these actors have in common and what makes them different from one another?

- commitment to common/divergent policy goals
- commitment to common/divergent political programmes
- commitment to common/ divergent paradigms
- professional affiliations
- institutional affiliations
- political affiliations/ political patronage
- resource dependencies

3. With what institutions and policy actors do you most frequently co-operate when formulating pension policy?

4. In what ways has the community of institutional actors concerned with pension issues changed in the past 10-15 years?

   - changes in personnel in existing institutions
   - new institutions have joined the community / old institutions have left the community
   - balance of power within the policy community
   - more or less public exposure

5. In terms of policy-making, have these changes been for the better?

   - PROBE: FOR WHAT REASONS

6. In general, how does the pension policy agenda get set?

   - process
   - participants
   - policy-making level

7. Do you think the process of pensions policy formulation is different from policy-making in other fields?

   - PROBE: IN WHAT WAYS IS IT DIFFERENT

The Pension Problem:

1. What are the current and future challenges facing public pension systems in Europe?

   - population ageing
   - the changing nature of employment and the labour market
   - new labour market participants (e.g. women)
   - equity issues (intergenerational, gender, etc.)
   - efficiency issues
   - PROBE: WHAT ELSE?

2. What are the current and future challenges facing public pension systems in [insert country]?

- population ageing

- the changing nature of employment and the labour market

- new labour market participants (e.g. women)

- equity issues (intergenerational, gender, etc.)

- efficiency issues

- PROBE: WHAT ELSE?

3. Do you think public pension systems will be able to face up to these challenges?

   - PROBE: FOR WHAT REASONS?

4. In what areas, if any, do you think the current pension system is unfair?

   - PROBE: FOR WHAT REASONS? FOR WHOM IS IT UNFAIR?

5. In what areas, if any, do you think the current pension system is inefficient?

   - PROBE: FOR WHAT REASONS? FOR WHOM IS IT UNFAIR?

The Development of the Pension Policy Issue
OPTIONAL TEXT: I would now like to talk a little bit about the way the pension policy issue has developed in [insert country] in the past 10-15 years. We are particularly interested in the way different institutional players interact, whether in a consensual or conflictual manner, to produce pensions policy.

1. What issues have dominated the policy debate on pensions in [insert country] over the past 10-15 years?

   - expert/ technocratic level (independent and civil service experts)

   - political level (politicians and interest representation)

   - public/ media

2. What have been the points of broad consensus and what have been the points of conflict among the community of institutional actors?

3. To what extent was there a public debate?

   - degree of interest mobilisation

   - the role of the media

   - openness of the debate

4. How different, if at all, was the public/ media debate from the debate among the institutional actors?

5. To what type of changes in the public pension system, if any, did these debates lead?

   - statutory changes to the public pension systems

   - incremental changes vs radical changes

- changes in the expert/ public perceptions of pension systems

6. What was the objective of these changes? Were these objectives adequate?

    - PROBE: FOR WHAT REASONS WERE THE OBJECTIVES ADEQUATE/ INADEQUATE?

7. Did the changes or reforms fulfil their objectives?

    - PROBE: FOR WHAT REASONS?

8. Who, if anyone, opposed these changes?

    - PROBE: FOR WHAT REASONS?

9. How were the conflicts solved?

    - by compromise
    - by ignoring conflict
    - by learning

The Current Pension Reform Debate

1. What are the pension reform proposals currently on the political agenda?

2. What are the objectives of these reforms?

3. In what ways do these reforms address the challenges facing public pensions systems?

    - PROBE: IN WHAT WAYS?

4. What triggered these reforms?

5. How have these pension reform proposals come about?

    - type of actors involved
    - level of policy-making

6. Is this process adequate?

    - PROBE: FOR WHAT REASONS IS THIS PROCESS ADEQUATE/ INADEQUATE?

7. To what extent have the present reform proposals given rise to policy conflict?

8. In your opinion, how will this conflict be dealt with?

    - PROBE: FOR WHAT REASONS?

9. Compared to previous pension reforms or pension reform debates, in what ways is the present pension debate different?

    - PROBE: FOR WHAT REASONS IS THE PRESENT DEBATE DIFFERENT?

10. How likely, do you think, is it for the current policy debate to lead to concrete changes in the public pension system

   - PROBE: FOR WHAT REASONS IS IT LIKELY/ UNLIKELY

Thank and Close

Appendix D

Hypermobility and the Fear of the Unknown

Hermann Knoflacher's line of argumentation is representative of the way many Austrian egalitarian policy actors interpret and express the ecological approach to transport policy-making. This is particularly true for egalitarians campaigning against the heavy transit traffic in the alpine regions of Austria (such as, most prominently, the *Transitforum Austria-Tirol*[1]). It would be, however, somewhat misleading to assume that the ecological refusal to believe in the (assumed) equation of mobility with wealth, wellbeing and progress is inherently xenophobic.

Indeed, Mayer Hillman and John Adams see contemporary mobility patterns as the root cause of xenophobia (in the literal sense of the word) [Hillman, 1999, Adams, 2005]. Hillman embeds this insight in his general argument about threats to child development. The increasingly dispersed and high-speed patterns of mobility that characterise life in the United Kingdom, he argues, deprive children of the type of local mobility crucial for their physical and mental development. Road traffic has made the local neighbourhood, traditionally a place where children acquired crucial interpersonal and social skills, inhospitable and dangerous environments. As a result, unsupervised journeys by children have substantially decreased: while not even 20 years ago, British children were regularly walking or cycling to school, to sports activities or to friends, these journeys have dramatically decreased or been replaced by journeys in the parental car. Children, John Adams observes, have become "...captives of the family chauffeur" [Adams, 2005, p.4]. The local public space, both Hillman and Adams contend, have evolved into socially arid places which are "full of strangers" [Adams, 2005]. This unfamiliarity and, sociologically speaking, anomie has fuelled in parents largely unfounded perceptions of the risks to their children. Compounded by one-sided media coverage of violent crimes against children by strangers as well as government policies that stress the dangerous nature of public spaces (such as stranger/danger information campaigns or the night curfew enforced in many British cities), the fear of strangers, or xenophobia, has driven parents to restrict children's' access to the local neighbourhood and, thereby, to each other. This, in turn, strengthens the malign force driving fear and

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[1]see http://www.transitforum.at

paranoia of the unknown and foreign. "Children's detention in their homes," Hillman contends,

> "inculcates in their impressionable minds a grossly misleading perception of the world outside as hostile — a world in which we, as experienced and responsible adults, consider that people one does not know could well be up to no good and that their locality may contain within it elements of danger to which they should not be exposed" [Hillman, 1999, p.6].

Yet, it is not only children and their parents into whom unsustainable patterns of "hypermobility" [Adams, 2005] have instilled a fear of strangers. Hypermobility produces a particularly unpleasant mixture of fear and rejection of strangers at a global scale. The crux of the issue, egalitarians argue, is that benefits and costs of hypermobility are inequitably distributed. While the rich enjoy all the benefits of fast, convenient and continent-spanning travel, the poor become increasingly confined in spatial and social 'glass cages'. But the ideology underpinning the hypermobile society promises mobility, social as well as spatial, for all. Yet, as the poor and immobile try harder and harder to (quite literally) break into the world of the rich, these erect increasingly higher barriers to protect themselves from potentially harmful strangers. Just like parents at the local level are locking themselves and their children away from real and alleged threats in public space, whole societies are seeking to insulate themselves from potential and imaginary external risks. With notions such as the 'Fortress Europe' in mind, Adams argues that wealthy countries

> "...previously protected by distance from mass invasion by the indigent are increasingly resorting to restrictive prohibitions and force. Barriers — in the form of stringent visa requirements, difficult-to-obtain work permits, and obstructive immigration requirements — are being raised to contain the numbers who seek to take advantage of the mobility afforded by technology" [Adams, 2005, p.13].

So, on this view, hypermobility creates xenophobia and racism not because of some woolly concept of *Lebensraum* (see http://www.transitforum.at) that drives people to be inherently distrustful of difference and diversity. Rather, argue Hillman and Adams, hypermobility is in the process of destroying the socio-institutional and cultural mechanisms that people use to, quite literally, get to know and respect each other. Instead of confronting diversity in terms of common local interests (as well as common local problems and conflicts), hypermobility forces us to confront each other as strangers with neither the means nor the space to overcome our fear and ignorance.

Appendix E

The Debate in Economics about Pension Reform: Uncertainty and Disagreement

Who are we to believe? The World Bank who suggests a radical departure from existing social insurance practises? The ILO who claims that expansion rather than retrenchment of pension systems is the key to solving the ageing problem? Or the Commission who tells us that overcoming the ageing challenge will involve careful policy co-ordination and integration? Typically, (post) modern societies refer contentious policy issues to 'the experts'. Yet, both the basic variables as well as the economic impacts of ageing are subject to considerable uncertainty. What, then, do the experts have to say about ageing and pension systems?[1]

The Economic Impacts of Ageing? Well, it all Depends ...

How have economists assessed the impact of ageing and pensions systems on the economy?

Labour Markets Recall that pensions contributions are pay-roll taxes that may distort labour markets. The effects of these payroll tax on employment rates are, however, ambiguous. Standard economic wisdom, which the World Bank applies aggressively and the OECD more carefully, tells us that the impact of payroll taxes depends on the degree of flexibility in labour markets and the elasticity of labour supply to the real wage. MacKellar argues that in

> "...a world of immobile labour and mobile capital, it is fair to assume that the long-run incidence of social security payroll taxes is

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[1]The following will heavily draw from Landis MacKellar's excellent overview of the economics of ageing [MacKellar, 2000].

entirely on labour. Therefore, in a flexible labour market, high pay-roll taxes will lead to lower net wages and unemployment and firms' labour unit costs will be unaffected" [MacKellar, 2000, p.22].

In other words, employers can pass the tax on to workers in the form of lower real wages. If the labour supply is highly elastic to changes in the real wage, workers will withdraw their labour from the market. However, in countries with well developed formal sectors, evidence suggests that the elasticity of labour supply to the real wage is close to zero [MacKellar, 2000, p.22].[2]

What happens when labour markets are not flexible? If wages are sticky downwards, theory tells us, employers will not be able offload the costs of pension contributions to workers. Consequently, employers reduce their demand for labour as pensions contributions increase unit labour costs. High-skilled workers in a strong bargaining position will benefit from higher wages, whereas low skilled workers will become unemployed [MacKellar, 2000, p.22]. Much of the political debate about socio-economic changes in Europe revolves around this insight. The argument, usually couched in terms of international competitiveness, asserts that the combination of generous European social programmes and inflexible labour markets has led to a "...witch's brew of high costs, low price competitiveness, and structural unemployment" [MacKellar, 2000, p.22].

Yet, in terms of economic theory, it is not pensions contributions per se that affect labour demand. Rather, the question is whether pensions contributions increase the real net wage. The answer to this question, again, is ambiguous: much depends on the precise institutional nature of labour market inefficiencies, i.e. on the socio-political constellations of the state, labour unions, and employer's representatives. Alesina and Perrotti find that pensions contributions only increase unit labour costs when union power is at a medium level: when union power is weak, employers meet little resistance when setting wages; when union power is very strong, meaning that unions are equal social partners in the political dialogue, payroll taxes lead to lower net real wages [Alesina and Perrotti, 1997]. Moreover, as MacKellar elegantly argues, the problems are inherent to labour markets, not inherent to pension systems: existing labour market distortions lead to reduced labour demand as a reaction to pay-roll taxes, it is not the pay-roll taxes that produce labour market distortions.[3]

Labour Market Participation What influences the retirement decision? Public Pay-As-You-Go systems that distort individual choice by inefficient and unfair pay-offs to politically influential groups, shouts the World Bank. Wrong! interjects the ILO. If workers want to retire early, they probably have good reasons: it is the lack of democratic management and poor working conditions that lead to early retirement. Be that as it may, the Commission surmises, but taking a systemic view will reveal that fundamental, yet inappropriate, socio-institutional and individual practises are responsible for early withdrawal from the labour market.

In terms of the retirement decision, economic expertise provides reasonably clear indications. If we assume workers are rational economic agents, what

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[2]To be fair, the World Bank repeatedly points out that escape to the informal sector is a marginal problem in affluent northern countries.

[3]This assumes that withdrawal to the informal sector is not an option, which, given the structure of European labour markets, is a fairly plausible assumption.

factors affect the retirement decision? In general terms, (rational) workers will consider life expectancy, income, and the availability of pension and health insurance, when thinking about retirement [MacKellar, 2000, p.4]. Whereas increases in life-expectancy would motivate an individual to work longer, high real incomes as well as the ready access to appropriate health and pension insurance would suggest early retirement.

Why, then, do workers retire early? As we have seen, life expectancy is on the rise: rational economic agents should prefer to work longer rather than retire early. That leaves two alternative explanations: either people retire early because, as real incomes rise, they prefer leisure to work or the structure of pension systems has skewed the retirement decision in favour of early retirement. If the former is the case, the OECD maintains, then policy can do very little short of drastically cutting income for early retirement [MacKellar, 2000, p.42]. If the latter is the case, then policy can and, by implication, should affect the retirement decision.

How does the structure of pensions systems (public or private) affect the retirement decision? The OECD lists a number of potential influences on the decision to exit the labour force [OECD, 1998]. First, standard, i.e. legal, eligibility ages[4] will probably have little influence on the actual retirement rate. The OECD argues that raising the standard age of retirement (at 65 for males and 60 for females in most European countries) will not raise the actual retirement age in the same way. There is, the OECD avers, "...a strong desire to take advantage of any mechanism permitting early retirement, but not vice versa, as shown by the fact that actual retirement ages have fallen during the period when the standard age has remained stable" [OECD, 1998, p.44].

Second, minimal eligibility ages,[5] however, are likely to have a strong impact. Many pension systems, the OECD points out, have in-built mechanisms that allow access to pension benefits after a certain amount of contributing years or at a certain age (below the standard age). Although the precise modalities vary,[6] these arrangements provide for fairly generous benefits before the legal retirement age. The European Commission points out that

> "...there is a strong correspondence between the age at which retirement benefits are available departure from the labour force. In many cases, pension systems have provided generous retirement benefits at relatively young ages" [Commission, 1999, p.36].

Third, the OECD contends, perhaps somewhat surprisingly, that benefit levels will probably have little impact on the retirement decision. The rationale here is essentially empirical. Although replacement rates have risen and retirement ages fallen in the OECD as a whole, there are notable exceptions. One such exception is France, where replacement rates have hardly increased yet retirement ages have plummeted. The other is Japan, where replacement rates has increased sharply, yet retirement rates have hardly decreased [OECD, 1998, p.45].

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[4]This is the legally mandated age at which workers can retire. Although there is some variation, most countries set the standard retirement age at about 60 for females and 65 for males.

[5]This differs from the standard retirement age. It is the minimal age at which a worker becomes eligible for pension. Often, this relates to a minimal number of contribution years.

[6]Some countries, e.g. Germany, actuarially reduce benefits for each year of early retirement, other have no such reductions.

Fourth, rules governing pension accrual rates will, according to the OECD, have a large impact on early retirement. The way in which an individual pension rights accumulate often acts as an disincentive to remain in the labour force. In many systems, workers do not accrue any further pension rights after a specified period of contribution. As MacKellar, points out (referring to occupational pensions), the result "... is to reduce the net wage to a fraction of the nominal wage ... Not surprisingly, many workers choose to leave the firm" [MacKellar, 2000, p.5].

Additionally, structures and practises of both public social protection provisions and private occupational pensions have encouraged early retirement. In the public sector, the use of unemployment insurance and disability pensions as labour market tools, that is as means to ease older workers out of the labour market, accounts for a considerable part of European early retirement figures [OECD, 1998, pp.47–49] [MacKellar, 2000, p.5]. In the private sector, occupational pensions may set retirement ages at or below the legal retirement age, with reductions for early retirement that are not actuarially neutral [OECD, 1998, p.49].

In sum, the institutional set up and rules that govern pension systems have encouraged early retirement in Europe. The OECD concludes that "... employees desire to retire earlier than the standard retirement age has to some extent been transformed into reality at possibly high cost to society as a whole by developments that are in principle susceptible to policy" [OECD, 1998, p.43].

Note, however, that these features are common to both public sector and private pension arrangements.

Savings   The issue of savings, that is whether or not specific types of pensions systems discourage savings, is particularly thorny and complicated.

Recall that the World Bank suggests that societies with an older age structure will save less. This effect is then exacerbated by public Pay-As-You-Go systems that fail to accumulate capital reserves. Both the evidence and the theory of this line of thinking are, however, questionable. In terms of empirical evidence of whether pensions systems (particular public Pay-As-You-Go systems) discourage savings, even the World Bank admits that the jury is still out [James, 1994, p.125]. Some researchers argue that public Pay-As-You-Go pension system enable the first generation of the scheme to consume without saving. Others look at the empirical data and find no conclusive evidence either way [Magnussen, 1994]. Understanding whether public Pay-As-You-Go pension systems inversely affect the national savings rate is hobbled by two fundamental uncertainties. First, it is difficult to establish, let alone research, the counterfactual (i.e. what would have happened if there had been no Pay-As-You-Go system) [James, 1994, p.126]. Second, even if the evidence were conclusive, MacKellar argues, it "... may not tell us very much about the impacts of moving from an existing PAYG-financed system to a CR-financed one" [MacKellar, 2000, p.12].

Further, despite World Bank assertions, two circumstances militate against the unambiguously positive effect of mandatory savings plans on national savings rates. First, given that most countries already operate large public Pay-As-You-Go plans, any change to Credit-Reserve-financed schemes would require a transition period: policy-makers need to find ways to finance pensioners' claims

under the old Pay-As-You-Go system while compelling workers to contribute to the new system. None of the available options are attractive. Policy-makers could simply let the young cohort finance two pensions: their own via mandatory savings schemes and those of the retired generation via Pay-As-You-Go pension contributions. Alternatively, the state could finance the transition by increased government debt: yet, deficit financing simply replaces the obligation to serve interest payments with the obligation to support current pensioners [OECD, 1998, MacKellar, 2000]. Financing the transition by increasing taxation provides another option. Here, however, policy-makers would run into evasive and distortionary patterns of behaviour. Last, states can cut public spending to finance the transition and maintain an adequate level of savings [OECD, 1998, p.5] [MacKellar, 2000, p.12]; recent political experience of budget cuts in Europe, however, shows that containing government spending is as least as difficult a process as pension reform itself.

Second, MacKellar is doubtful about the efficacy of both mandatory savings plans and incentives to save (such as tax breaks). Disney argues that, if forced to pay into a mandatory pension plan, households may find ways to dissave in other areas of their budgets (i.e. by increasing borrowing) [Disney, 1996]. Again, the empirical evidence is mixed [MacKellar, 2000, p.3]. Tax exemptions used to encourage savings also pull in two directions. On the one hand, tax exemptions produce substitution effects, meaning that current consumption becomes more expensive leading to increased savings, and income effects, meaning that after tax income increases and leads to higher consumption. The relative sizes of the effects will determine whether households will save more or consume more.[7] In any case, the state will save less, since it loses the tax on capital gains. In order, then, to make savings plans effective, policy-makers will have to

- establish mandatory savings schemes,

- prohibit borrowing against pension assets,

- tax capital gains on retirement savings [MacKellar, 2000, p.13].

But are savings necessarily so crucial to economic growth? MacKellar does not seem to think so. A reduced level of savings will affect economic growth if it leads to declining investments. While the change in the age structure may have an impact on the composition of investment, it does not necessarily have to depress the level investment. Slower labour force growth, MacKellar asserts, will however inevitably lead to reduced investment demand. This, in turn, implies that societies can support a given per capita path of output growth with less investment. Since societies need to invest less to sustain the same rate of output growth, ageing presents societies with a "golden opportunity" to maintain levels of consumption with less savings [MacKellar, 2000, p.19].

In sum, there is little conclusive evidence that public pension systems reduce national savings and, conversely, that mandatory or voluntary funded schemes would promote savings. Evasive behaviour of rational individuals equally applies to mandatory savings plans as it does to public Pay-As-You-Go systems:[8]

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[7]MacKellar points out that if there is a ceiling on tax-deductible retirement income, high income households will definitely save less if the ceiling is below what these households would have been saving anyway.

[8]The World Bank argument that workers will perceive contributions to mandatory savings

if policy-makers cannot expect to elicit more savings from households, then, it would seem, they will have to provide the savings, in the form of public expenditure cuts, themselves. What is clear is that an older society

> "...will inevitably have lower savings than a younger one, because the ratio of consumers to producers is higher. This will be equally true whether the pension system is Pay-As-You-Go- or Credit-Reserve-financed, whether it is defined-benefit or defined-contribution, whether it is public or private" [MacKellar, 2000, p.15].

Fiscal Balance Economists largely agree that ageing will increase pressures on the public purse [OECD, 1998, pp.28-35] [MacKellar, 2000, p.15]. Although the OECD concedes that fiscal impacts of ageing are difficult to assess (due to the fundamental uncertainties in forecasting demographic and economic trends mentioned above), the accumulated pension entitlements of the baby-boom generation are likely to strain fiscal balances once this cohort retires [OECD, 1998, p.30]. If policy-makers choose to finance public Pay-As-You-Go pension deficits by budgetary means, the OECD, like the World Bank, fears that

> "...such a policy could seriously compromise economic efficiency and dynamism if cuts were to be concentrated in areas such as education, research and development, and infrastructure" [James, 1994, p.34].

Add to this expected steep increases in health care costs [OECD, 1998, p.13] and we are left with the picture of a dire fiscal squeeze beginning about 2010.

Yet, MacKellar reminds us that the point about what he calls "doom-and-gloom" fiscal predictions is that "they will never come to pass" [MacKellar, 2000, p.9]. In the past, he continues, policy-makers have broken pension promises: there is no reason to believe they will do otherwise in the future. This means that states will act (by reforming pensions systems, reforming health sectors, cutting public spending, etc.) before it comes to "fiscal melt-down".[9]

In sum, "expert" opinion, like the policy stories themselves, is divided on both the basic variables and the economic impacts of ageing. However, there is general agreement that, modo grosso, ageing will burden public finances and that current pension arrangements (both public and private) have probably encouraged early retirement. The precise shape and form of these effects, however, is unclear. In terms of labour market distortions and savings, neither economic theory nor empirical evidence unambiguously points one way or the other: the size and direction of the impacts will depend on the precise set-up of the economy. What is more, while economists seem to agree that an ageing society will save less, they disagree about how much the decline in savings will be, what can be done about the problem, or, indeed, whether it is a problem at all.

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schemes as a price (for which they purchase a good) rather than a tax (that disappears into thin air) is rather thin. What is more, it presupposes that rational economic agents share the same enthusiasm for and trust in private sector firms, a dubious assumption at best.

[9]MacKellar is rather scathing about the argument, that fiscal doom-and gloom predictions serve a political function in that they create an awareness (albeit an exaggerated one) of the shape and size of the issue. In particular, he claims that this argument "...is precisely how the Club of Rome modellers defended their silly simulations. The excuse was thin then, and it's still thin" [MacKellar, 2000, p.9]. My suspicion, however, is that it is precisely this types of policy knowledge that drives reforms.

Appendix F

Levels of Responsiveness

Assertive deliberation is about pushing through policy proposals regardless of any type of opposition within or beyond the particular policy subsystem. Here, debate is highly competitive and manipulative. Policy actors use debate to discredit both the policy goals (deep core) and proposed policy means (policy core and secondary elements) of rival policy positions with all rhetorical and discursive means available. Interaction is heated but superficial, polarised and simplified. In short, policy actors are not inclined to listen to criticism and hence, no learning, innovation or change takes place; in fact, policy actors doing the asserting will often view policy-oriented learning with disdain. Commentators often characterise British policy-making under the Thatcher governments, particularly reforms of the public sector, in terms of assertive deliberation [Hennessy, 1989].

Strategic deliberation enables policy-makers to tap into reservoirs of knowledge and expertise on selected and controlled policy issues. Based on the belief that it is profitable to separate policy goals from the means of pursuing them, strategic deliberation hopes to elicit objective knowledge to guide the efficient pursuit of predetermined policy objectives. Here, policy actors listen to criticism and suggestions on means of policy-making (policy core and secondary elements) without, however, discussing policy objectives and policy goals. Strategic deliberation works best (in the sense that it enables policy actors to adapt and deal with problems) when actors agree on the nature of policy issues and when these policy issues tend to change very little. Strategic deliberation does less well in rapidly fluctuating policy domains where policy actors disagree about the nature of policy problems. In situations calling for responsiveness, strategic deliberation provides increasing technical sophistication in the delivery of the same basic policy outputs. As soon as policy debate thematises fundamental goals and values, strategic deliberation jams and degenerates into an intractable policy controversy in which policy actors try to resolve normative issues on the basis of objective facts. Thus, strategic deliberation promotes single-loop learning in terms of narrowly defined technical knowledge.

Last, reflexive deliberation does not impose any limitations on policy debate. Reflexive deliberation promotes the critical scrutiny of both the means as well as the ends of policy. In fact, policy actors engaged in a process of responsive

deliberation no longer perceive the differentiation between means and ends of policy-making as being meaningful. Instead, actors know that means are never value-free and that effective policy-making involves understanding and balancing contending values. Reflexive deliberation presupposes a predisposition to accept criticism. This need not be rooted in the psychological make-up of individual actors but rather in the organisational and cultural structures of the policy subsystem. In this way, reflexive deliberation promotes double-loop policy-oriented learning.

Appendix G

A Guide to the Regions of Pluralist Democracy

The two dimensions of pluralist democracy, accessibility and responsiveness, outline a socio-institutional space with nine different regions. Policy subsystems in the regions emerge from different combinations of accessibility and responsiveness. Although we can group the nine region into three distinct provinces, each region differs in terms of institutional characteristics, vulnerabilities and mechanisms of adaptation.

The Lowland Regions

Closed Hegemonies: monocentric policy space featuring assertive deliberation

Characteristics: Policy networks in region of the socio-institutional topography correspond to what Dahl called "closed hegemonies" [Dahl, 1971]. This policy subsystem features a single social solidarity that dominates policy-making to the detriment of all other policy actors. The dominant social solidarity excludes policy actors from rival social solidarities by using the full spectrum of power resources. The basis for absolute rule is some form of privileged access to knowledge imbued only to a particular social solidarity: in closed hegemonies, policy-makers either think they know what is good for citizens or they do not care about the common good. In either case, policy-makers feel it is unnecessary to seek advice in any aspect of policy. In this context, policy debate and deliberation, even given the narrow range of potential policy conflict, serves to reaffirm policy decisions taken by the leaders in the policy subsystem.

Vulnerabilities: Since limited accessibility restricts the pool of potential policy solutions and strategies closed hegemonies are particularly exposed to conceptual blindness. This is compounded by a mode of political communication disinclined to even permitting, let alone listening to, criticism. The resulting errors of judgement and policy failures throw into stark relief the claim that the dominant policy actors know best. What is more,

displacement of policy conflict further erodes the shaky foundations of democratic legitimacy as excluded actors look for round-the-corner ways into the policy subsystem.

Change and Adaptation: Change and internal reform is very difficult in these types of policy subsystems. Isolated from alternative policy strategies, closed hegemonies sooner or later come up against policy problems created by their conceptual blindness which they are no position to solve. Since closed hegemonies have few mechanisms for strategy switching, change is always traumatic and absolute. Often forces in the wider political environment impose change on closed policy subsystems.

Examples: In Europe, closed hegemonies have, fortunately, become rare at the national or sectoral levels. However, at regional and communal level, many policy subsystems and issue areas are run like personal the fiefdoms of a communal or regional official.

Rational Management: monocentric policy space featuring strategic deliberation

Characteristics: Rational Management regions consist of a single social solidarity which reserves for itself the exclusive right to define policy issues, set the agenda, and implement policy. Dominant policy actors in subsystems geared toward rational management also claim to know what is in the best interest of its citizens. Unlike closed hegemonies, however, rational policy managers base their claim to rule on a 'rational' process of knowledge management: less confident in their omnipotence, rational managers seek expert advice on how best to pursue policy objectives. These, however, remain beyond the scope of deliberation. What is more, members of the dominant social solidarity define what is to count as expertise and relevant

Vulnerabilities: The major vulnerability of rational management is that the rational managers may not recognise good advice. In fact, monocentric rational management defines 'good advice' as knowledge that accords with their fundamental policy goals. As a result, policy-makers in rational management subsystems take a dim view of advice and expertise that questions the feasibility of predetermined policy goals. Often, policy-makers will simply ignore or suppress this type of knowledge. This, in turn, exposes rational management subsystems to highly visible errors and mistakes (see [Collingridge, 1992]). Displaced policy conflict caused by exclusion potentially embarrasses policy-makers as frustrated experts find ways of informing the public of ignored expertise.

Change and Adaptation: Like all monocentric subsystems, the well of policy solutions and strategies from which rational managers can draw is rather shallow. At the same time, strategic deliberation prevents policy debate from thematising fundamental policy issues. The upshot is that while strategic deliberation may alert rational managers to transformations and changes in the wider environment, the highly curtailed repertoire of policy solutions available provides no suitable means of responding to these changes.

Examples: Rational management has characterised policy fields concerned with the development and regulation of large-scale and inflexible technologies such as nuclear power (fission and fusion) or space exploration. Collingridge shows how monocentric decision-making for these technological systems led to massive disasters (such as the Chernobyl nuclear power plant accident or the fatal crash of the space shuttle)[Collingridge, 1992]. Continental European pension policy networks prior to the 1990s – particularly in Germany – also provide an example of monocentric rational management structures.

Vacillating Dyad: bi-polar policy space featuring assertive deliberation

Characteristics: Vacillating Dyads consist of policy spaces featuring policy actors from two dominant social solidarities. Here, the concentration of power in the subsystem enables one of the two advocacy coalitions to dominate policy-making for a limited time (say, due to the electoral cycle) but only permits the exclusion of one social solidarity. Assertive deliberation implies that neither of the social solidarities in the dyad is inclined to listen to the other when in the driving seat: this leads to considerable displacement behaviour which acts as a pressure cooker for an already heated and polarised policy debate.

Vulnerabilities: Assertive deliberation in a bi-polar policy space results in more aggressive interaction with and ever-decreasing willingness to listen. As members of social solidarities currently in charge forge ahead with inherently flawed policy solutions, members of the competing social solidarity can do nothing but shout louder to point to errors and misjudgements. Policy debate in Vacillating Dyads, then, is at great risk of deteriorating into a "dialogue of the deaf".

Adaptation and Change: Since assertive deliberation prevents learning but the bi-polar policy space provides some choice in policy strategies, policy bounces back and forth between the two extreme positions in the Vacillating Dyad. In each cycle, one social solidarity will implement their preferred, but inherently flawed, policy solutions ignoring criticism. Inevitably, when this policy hits the buffers, the contending social solidarity will take over, make an about turn, and charge in the opposite policy direction oblivious to any criticism and restraint. While the policy subsystem vacillated between the two poles, fundamental policy problems remain unresolved.

Examples: Policy domains featuring highly emotive and explicitly moral policy issues, such as gay marriage, tend to get defined in these binary terms. Here, policy initiatives of one social solidarity are undone by the rival social solidarity in the following policy cycle.

The Midland Regions

Issue Networks: triangular policy space featuring assertive deliberation

Characteristics: This region of pluralist democracy corresponds to what Hugh Heclo called an issue network [Heclo, 1978]. In this socio-institutional location, we find policy subsystems that provide access to all social solidarities without, however, providing an effective say in policy-making. Although a high degree of accessibility generates a large pool of potential policy solutions, the assertive and competitive nature of deliberation undermines any attempt to realise this potential. In issue networks, contending policy actors spend their time and energy outmanoeuvring their rivals.

Vulnerabilities: Issue networks are prone to collapsing into a cacophony of contending and competing voices. Since assertive deliberation undermines coordination and cooperation, issue networks are prone to disjointed and poorly coordinated policy formulation and delivery. The ultimate outcome is poor quality and badly managed public services featuring patchy coverage in some areas and oversupply in others. Moreover, since issue networks provide no institutional means for initiating and sustaining cooperation, policy actors are vulnerable to being divided and conquered by policy entrepreneurs within or outside the policy subsystem.

Change and Adaptation: The issue network provides policy-makers with no means of purposely adapting to change in the wider policy environment. Since poor communication structures and absent norms of reciprocity disable any coordinated response to perceived challenges, responses to changes are of an anarchic nature: each social solidarity will respond to threats it is able to perceive but cannot profit from the 'policy feelers' of contending social solidarities. Since no learning takes place, surprise is prevalent but equally distributed among policy actors.

Examples: In many continental European countries, the political representation of older peoples' interests resembles disjointed issue networks. Here, different types of organisations for and of older people (health related, political interests, socio-cultural, care, etc.) compete for policy-makers' attention. Cooperation is unusual and is not encouraged on part of the policy-makers. The upshot is that senior citizenship issues and active ageing concerns languish in the margins of continental European political life.

The Ivory Tower: monocentric policy spaces featuring reflexive deliberation

Characteristics: This region of the socio-institutional space describes governance dominated by a single social solidarity engaged in reflexive deliberation. Including both aspects of deliberation means that this top left-hand region of the socio-institutional space describes regimes that attempt to

implement the ideal of 'benign despotism' often invoked by economic theory. This, then, is the region of the 'Ivory Tower'. Policy-makers in the Ivory Tower justify exclusion in terms of expertise in the relevant issue area much the same way that that way physicians exclude other health care professionals from policy-making. Unlike policy actors in other monocentric regions, policy actors in the Ivory Tower are explicitly committed to providing some form of public good in a rational manner: just as physicians are committed by the Hippocratic oath or university professors (denizens of the archetypal Ivory Tower) are committed to the pursuit of truth, policy actors in Ivory Tower policy subsystems are institutionally bound to a public interest mission. However, while monopoly over the relevant expert knowledge justifies exclusion of other social solidarities, the commitment to public service gives rise to reflexive policy debate over the precise nature of the public good and how best to provide it.

Vulnerabilities: Like issue networks, the imbalance between accessibility and responsiveness makes Ivory Tower vulnerable to policy inertia and circularity. Monocentric policy-making will lead to policy failure sooner rather than later. Norms and practises of reflexive deliberation mean that policy-makers in Ivory Tower will thematise and intensely debate this policy failure. Without, however, the contending social solidarities and their respective policy strategies, debate will only produce the same policy responses that, at best, are toothless and, at worst, exacerbate the problem.

Change and Adaptation: Like all monocentric policy spaces, policy actors in the Ivory Tower are unable to appreciate the unintended consequences of their preferred policy or the policy challenges generated by change outside the policy subsystem. Surprise and policy failure, then, occur frequently. Yet, while reflexive deliberation provides policy actors with the norms and practises for double-loop policy learning, the narrow scope of policy conflict provides little material for societal learning processes. Debate, while extensive and prolonged, brings about little in the way of institutional innovation and effective policy response.

Examples: The surprise of Austrian and German education policy actors about the results of the PISA study in both 2001 and 2004 suggest that the policy community is both isolated and self-absorbed. What is more, the inability to formulate policy responses to perceived weaknesses, despite lengthy and in-depth debate, point to a reflexive policy debate within a narrow pool of policy solutions.

Colluding Dyad: bi-polar policy space featuring strategic deliberation

Characteristics: This region of pluralist democracy probably best describes most policy domains in Europe. The Colluding Dyad consists of a policy space in which considerable interorganisational resource dependencies bind two competing social solidarities into a cooperative set-up. The basis for this cooperation is an explicit or tacit agreement on policy goals: this agreement will provide incentives for both social solidarities to cooperate and exclude the missing social solidarity. Within the boundaries

of this negotiated policy concord, Colluding Dyads encourageconflict and deliberation on issues that do not touch fundamental policy issue.

Vulnerabilities: Like other midland regions, the Colluding Dyad tends to get bogged down and becomes inflexible. The weakness of the Colluding Dyad emerges from the inherent difficulties of sustaining strategic deliberation with only two social solidarities. Strategic deliberation is predicated on limiting policy debate to technical aspects of the policy in hand. However, since bi-polar systems exclude an active social solidarity from the policy subsystem, these actors will displace policy conflict to question fundamental policy objectives. Faced with this external pressure, Colluding Dyads gives rise to two equally unstable reactions. First, the coalition can cocoon itself into the alleged policy consensus by limiting the scope of policy debate and policy-making to ever tightly circumscribed technical details. As a result, policy debate fails to address what the excluded social solidarity is trumpeting as the major policy challenges: policy becomes the incremental, glacial and largely irrelevant 'politics of the piddling'. This, in turn, leaves policy-makers open to (predicted and much advertised) surprises and public management failures. Second, the Colluding Dyad can react by thematising fundamental policy objectives. This, however, will give rise to principled policy conflict that strategic deliberation is incapable of resolving. In a bi-polar policy subsystem with strategic deliberation, principled policy conflict quickly degenerates into a 'dialogue of the deaf'. On the one hand, the absence of the third social solidarity means that there are no alternative policy strategies available to resolve potential policy deadlock. On the other hand, strategic deliberation implies that the principal is incapable or unwilling to listen to fundamental criticism of the agent: this, in turn, only makes the agent shout louder and refuse to cooperate. This, then, leads to the congestion of policy-making that commentators refer to as Reformstau.

Change and Adaptation: Of all the regions in the Midlands of pluralist democracy, Colluding Dyads offer policy-makers institutional mechanisms, norms and practises to adapt to policy challenges. However, both the potential and the willingness for institutional strategy switching are limited by constraints to accessibility and responsiveness. This means that Colluding Dyads can adapt and respond to a range of policy challenges within the limits outlined by the policy agreement. If forced to face policy problems beyond the scope of strategic deliberation, the Colluding Dyad falls apart and/ or is replaced by another Dyad [Schwarz and Thompson, 1990].

Examples: In Europe, colluding dyads are common in the top-down neo-corporatist systems of continental Europe. For example, labour market regulation in Austria emerges from a collusion of individualist and hierarchical actors. The basis for their cooperation is a broad and flexible definition of full-employment as well as a tacit agreement about the role of social partners in structuring the policy subsystem [Ney, 2004a].

The Highland Regions:

Learning Dyad: bi-polar policy space featuring responsive deliberation

Characteristics: In this region of the highlands we find a type of policy subsystem featuring a coalition of two social solidarities with strong interorganisational dependencies. Reflexive deliberation characteristic of this region means that policy outputs and policy outcomes reflect the framings and policy solutions of both participating social solidarities. In the Learning Dyad, policy actors from the two social solidarities critically scrutinise both the means and the fundamental ends of policy-making. Thus, in the long-run, contending policy actors adapt and develop their policy stories in the light of criticism and contestation. This, then, corresponds to what Paul Sabatier and Hank-Jenkins-Smith refer to a "mature policy-subsystem" that enables "policy-oriented learning" (see Chapter ??). Yet, the Learning Dyad fails to include the third active social solidarity.

Vulnerabilities: Compared to the Colluding Dyad, the Learning Dyad produces less internal pressures for change and, as a result, is a relatively stable policy network. However, like any policy subsystem that restricts access, the Learning Dyad encourages displacement behaviour and is vulnerable to surprises caused by conceptual blindness.

Change and Adaptation: Given the responsive nature of policy deliberation in Learning Dyad, the policy network inherently leans towards extending the scope of policy conflict by including the third active social solidarity. In short, the internal dynamic of the Learning Dyad nudges policy networks towards Clumsy Institutions.

Examples: In Europe, Learning Dyads are most common in the bottom-up corporatist systems of the Nordic countries [Ervik, 2001, Piekkola, 2004]. For example, active ageing programmes for older Finnish workers represent a Learning Dyad between individualists (firms) and hierarchy (the state and the unions): here, close interaction at all levels as well as uninhibited deliberation have produced comprehensive policies safeguarding the occupational health and work-ability of older Finnish workers. However, while exemplary in Europe, these active ageing programmes are limited to the labour market and do not extend social citizenship (as egalitarians would demand) to all older people.

Strategic Pluralism: triangular policy space featuring strategic deliberation

Characteristics: This region houses policy subsystems in which all three active social solidarities are engaged in strategic cooperation. Like other regions featuring strategic deliberation, social solidarities interact only if they believe they can capitalise from collaboration. While in the short-run, two social solidarities can form a coalition for a particular project, power is sufficiently diffuse to discourage the permanent exclusion of any social solidarity.

Vulnerabilities: Although strategic pluralist policy subsystems can draw on the full scope of policy conflict, strategic deliberation limits policy debate to common strategic interests. In these types of policy subsystems, displacement of conflict about fundamental issues and policy goals takes the form of defining and negotiating common interests. This detracts resources from formulating and implementing policy responses to the challenges at hand. Unlike Colluding Dyads, however, there is less danger of policy deadlock since the wider pool of policy strategies offers policy-makers real choices. This and the fact that agreements on policy goals are more difficult to sustain in triangular policy spaces makes Strategic Pluralist systems inherently more dynamic and fluid.

Change and Adaptation: The active participation of all three social solidarities in policy-making, albeit limited to strategic interaction, enables policy actors to react to internal and external change. However, the dynamic nature of complete accessibility, in combination with strategic deliberation, means that strategic pluralist subsystems rapidly reach the boundaries of 'permitted' debate. Unlike Colluding Dyads, triangular policy spaces provide only weak incentives to suppress debate on fundamental policy issues. Strategic pluralism, then, is a volatile region in which debate can rapidly degenerate to an issue network but can equally develop into Clumsy Institution.

Examples: The OECD's vision of modern governance and citizen participation falls squarely into this category. Here, the OECD argues in favour of wide access to decision-making and policy deliberation for citizens [OECD PUMA, 2001]. However, this vision conceptualises citizens primarily in terms of reservoirs of knowledge and expertise to be mined by policy-makers. Citizen participation, then, is designed to produce knowledge to improve and refine specific policies and measures (this may include scrapping policies and measures). The broad policy framework and policy orientation, however, remains outside the remit of citizen participation.

Clumsy Institutions: triangular policy space featuring responsive deliberation

Characteristics: The upper right-hand region of the socio-institutional terrain is the ultimate destination for any process of democratisation. Here, all three social solidarities have full access to the policy subsystem and responsive deliberation provides each social solidarity with an effective say in policy-making. In short, this region corresponds to Dahl's idea of polyarchy. For Cultural Theorists, policy subsystems featuring all active social solidarities engaged in a critical but constructive policy debate constitute clumsy institutions. (see section **??**)

Vulnerabilities: Clumsy institutions minimise the twin pressures on policy-making. Since clumsy institutions include all the active social solidarities, they vastly reduce the risks of displaced policy conflict. Moreover, the responsive and critical engagement of all active social solidarities minimises the risk of conceptual blindness thereby increasing the robustness of policy outputs.

Change and Adaptation: Unlike other regimes, clumsy institutions do not attempt to inhibit the dynamic effects of policy conflict: change, reform and strategy switching, then, are inherent to clumsy institutions.

Examples: Policy spaces in this province of the socio-institutional landscape are as rare as landscapes at the other end of the map. Urban transport planning in Munich, Frank Hendriks contends, has emerged from a clumsy policy process featuring constructive policy interaction between all active social solidarities [Hendriks, 1994]. As a result, Munich now boasts a mixed mode transport system that can adapt rapidly to new demands and needs.

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